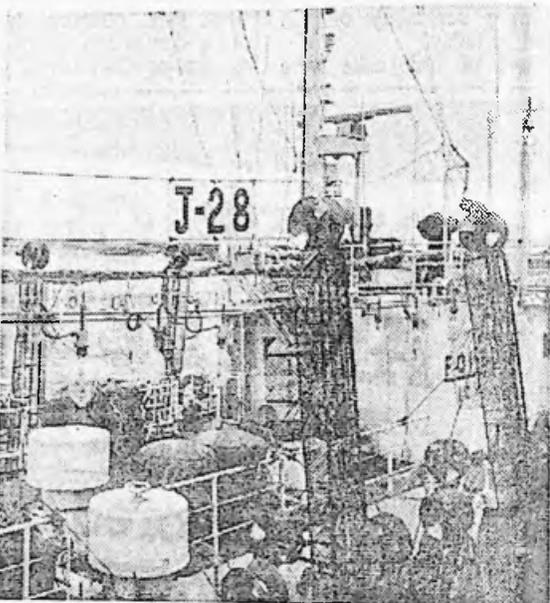


Squid hunters hope to be quids in!



An Island house is J. Marr's office in Port Stanley. The symbols were painted on the walls by the Argentine invaders to indicate a stone-built house for use as an air-raid shelter in the event of a British attack.



Strings of lights and jigging reels are a vital aid in catching squid.



Sasano Maru No. 7 is part of the 10-strong fleet of squid jiggers pioneering Britain's entry into Falkland Islands squid fishing.

TOP HULL skippers are playing a key role in a new fishing operation.

They are operating around the Falkland Islands where the squid fishing season is now underway.

So far things have been slow, the British fishermen saying they are "staggered" by the size of foreign fishing effort around the islands.

"The squid are not where they usually are, but when we arrived, there were 18 reefers (refrigerated cargo ships) waiting in Berkley Sound for the catches," said a spokesman for J. Marr and Son Ltd., of Hull, who, with sister company J. Marr (Seafoods) Ltd., have chartered a fleet of specialised squid jigging vessels for the current season.

Although accustomed to the vagaries of fishing both companies are concerned at the poor start which has raised fears, already expressed elsewhere, that the massive, uncontrolled foreign fishing effort of the past three years has damaged stocks.

This comes on top of the unexpected setback to the companies' initial financial projections brought about by the announcement of a £1,500 per vessel "trans-shipment fee" immediately the British venture was announced.

"The ships we have chartered are all small vessels in the 300-400 gross registered tonnage range and have to tranship in sheltered waters. So they will have the fee levied while bigger vessels, notably those from Iron Curtain countries who can tranship at sea, will escape," said the Marr spokesman.

The ten ships, bearing the fishing numbers M1 to M10, are purpose-built squid jiggers chartered from Japanese owners to

give Britain a presence in the fishery and provide British fishermen with the opportunity to observe and learn the special catching techniques.

The jiggers are manned by experienced Japanese crews and carry former Hull and Fleetwood trawler officers.

The ships operate at night and are equipped with powerful lights strung along the decks. Hooked lines carrying brightly coloured lures are cast over the sides and wound in with a jerking motion, the combination of the lights and flashing lures attracting the squid.

The squid are carefully graded and frozen on board the vessel and later transferred to a reefer for shipment to Japan under contracts negotiated by J. Marr (Seafoods) Ltd.

The British advance party, led by Charles Drever and Nick Bowen, operations managers for J. Marr and Son Ltd. and J. Marr (Seafoods) Ltd. have established an office in Port Stanley which the two companies are sharing with K. S. J. Corporation, the association of Japanese skipper owners from whom the vessels have been chartered.

Having established a presence and met local councillors in the Falklands to put them fully in the picture on the Hull companies' plans, the two operations managers have returned to the UK, leaving the day-to-day management in Port Stanley in the hands of Seafoods' assistant operations manager Tony Atkinson of Hull.

Excellent satellite communications and a direct link between the Port Stanley office and Tokyo, allows management in Hull to keep in close contact with the fishing operations.

Among the Marr Falklands fleet are trawlers captained by Len Whur and Steve Kilvington from Hull.



Pictured outside Marr's Falkland Islands office are operations manager Charles Drever, bo'sun Frank Gordon, skipper Frank Wilson, seafoods operations manager Nick Bowen, skippers Steve Kilvington and Len Whur of Hull and Sammy Suzuki the KSJ corporation co-ordinator.



Invincible's Captain Layman, who is to be promoted Rear Admiral in command of British forces in the Falklands.

Refit will make carrier 'best in the world'

By Rodney Cowton, Defence Correspondent

HMS Invincible, the oldest of Britain's three 19,000-ton light aircraft carriers, yesterday entered the royal dockyard at Devonport for a £100 million refit which is scheduled to take slightly more than two years.

Invincible's commanding officer, Captain Christopher Layman, said the ship would emerge from the refit as the best ship in her class in the world.

She will be the first ship in the Royal Navy to be equipped with Dutch "goalkeeper" radar-controlled automatic guns for close-in defence. They are a last-ditch defence for use when aircraft or missiles have penetrated all a ship's other defences, and are intended to

remedy a deficiency which was revealed in the Falklands conflict. Goalkeeper is able to fire 3,000 rounds a minute, to put up a wall of lead against attackers.

During the refit Invincible will be given a larger ramp, similar to that on HMS Ark Royal, from which to launch Sea Harrier aircraft.

She will also be given larger facilities for servicing Harriers and helicopters, enabling her to carry an extra three Sea Harriers and another six Sea King helicopters, the type Prince Andrew flew from the ship during the Falklands war.

She will have a new sonar and new medium range air and surface warning radars installed.

El Jonesville

Following the example of Nigeria and Brazil, Argentina is planning to move its capital to the middle of nowhere. I can reveal that President Alfonsin wants to move his government to the heart of the Patagonian wastelands in the Rio Negro valley. In a desperate Keynesian bid to expand the economy, Alfonsin is also determined to cultivate more land in this region, where there are 5,000 people of Welsh descent, including innumerable Joneses, whose forebears left the valleys in Victorian times. The £3 billion project, which should be completed by 1989, has met with some domestic disapproval, according to influential sources. "He must be stark staring bonkers," I am told.

Challenge on Astiz acquittal

From A Correspondent
Buenos Aires

The Supreme Council of the Argentine armed forces has formally announced that Lieutenant-Commander Alfredo Astiz has been acquitted of all charges related to the 1977 disappearance of Dagmar Hagelin, a Swedish-Argentine teenager.

Señor Luis Zamora, the lawyer for the missing girl's father, Mr Ragnar Hagelin, said he would study the military court's decision with the intention of lodging an appeal.

The military high tribunal ruled there was a lack of conclusive proof that Lieutenant-Commander Astiz was involved in the disappearance of Miss Hagelin or her alleged detention in the Naval Mechanics' School.

The prosecuting counsel had recommended that all the facts of the case be recognized and that Lieutenant-Commander Astiz be acquitted on the ground of "due obedience".

The court's decision to base the acquittal on lack of proof, rather than on the following of orders from superior officers, may suggest the trial was not the test case for the "due obedience" principle that it had been expected to be.

The Supreme Council also ordered that investigation of the Hagelin case continue.

Argentina clears Astiz of kidnapping Swedish teenager

From Jeremy Morgan
in Buenos Aires

Argentina's highest military court, the Armed Forces Supreme Council, has acquitted Lt Alfredo Astiz, the naval officer accused of taking part in the kidnapping of a Swedish teenager less than a year after the armed forces seized power 10 years ago.

The tribunal reportedly reached its verdict barely 24 hours after President Raoul Alfonsin ordered prosecutors to speed up trials against officers accused of human rights crimes under the former military regime.

The Government had also underlined its policy of not bringing officers to trial for crimes they have committed while following orders from their superiors.

The military judges seem to

have seized that point to reiterate their earlier verdicts in the case of Lt Astiz's alleged involvement in the kidnapping and disappearance of Dagmar Hagelin in January, 1977.

In 1981, a military court ruled there was no cause to investigate the disappearance of Hagelin, who was reportedly snatched after being shot during a raid by a navy "task force" hunting down members of the Montoneros terrorist group.

The supreme council decided in 1984 and 1985, after the return to democracy, that the case had already been judged. But a year ago, it was told by a civilian court to reopen the case.

Although both the Defence Ministry and the navy are said to have been informed of the supreme council's latest ruling, the news was greeted by

silence in government circles.

The Government has stressed that officers would still be tried if they committed "atrocities" or knew their orders were illegal. But the "due obedience" provision is seen as a way out of bringing hun-

Mr Ragnar Hagelin, the father of the missing girl, accused President Alfonsin of turning his human rights policy into a "concealed amnesty" for hundreds of officers accused of committing crimes during the regime's "dirty war."

He said that an appeal would be lodged in civilian courts against the supreme council's ruling, and that diplomatic pressure would be brought to bear if necessary to ensure justice was served on the military's "privileged caste."

Local voting pointer to general election as Falklands factor fades

By Colin Hughes, Whitehall Correspondent

Local elections next week will see the Falklands factor finally dismissed from British politics and are likely to be a better test of party popularity than simultaneous parliamentary by-elections at Ryedale and West Derbyshire.

The Conservatives are heavily on the defensive, standing to lose control of about fifteen councils. Most gains will go to Labour, but the key figure to watch is the Alliance poll.

After Fulham, the Alliance is under pressure to prove to voters and its own activists that general election gains are on the cards. Failure to register a significant poll would undermine party morale.

There are good signs for the Alliance. Liberal organization for local elections is good, and the party tends to poll rather better than at national elections.

Several Labour councils run by more extreme left wingers have brought discredit on some of its local party organizations, most conspicuously in Liverpool and Lambeth, south London, where councillors face surcharge and disqualification from office, even if they are re-elected. That factor is also likely to benefit Social Democrat candidates.

About 5,300 seats are being contested in 207 councils.

The Alliance holds 1,100 of

them, and has set itself the ambitious target of gaining 600 to 700 more. Its strongest chances are in London boroughs: five million voters are eligible to turn out in more than 90 parliamentary constituencies.

Most vulnerable is Tower Hamlets, now Labour-controlled but viewed as a "rotten borough" by the SDP, which may take advantage of internal Labour strife and organizational difficulties to steal control.

Labour needs to prove itself the one and only contender for alternative power at the next general election.

The minimum to achieve that would be a score of more than 37 per cent of the vote on May 8, taking control of at least 15 councils which are now either hung or in Conservative control.

Their greatest advantage is that the last time these seats were fought, in 1982, the Belgrano was recently sunk and HMS Sheffield had just been hit by an Exocet: The Prime Minister's Falklands factor was riding toward its peak.

Mrs Margaret Thatcher has, this month, paid out her Falklands cheque to the American President over Libya, incurring opinion poll penalties which the opposition

is hoping will pay out in its favour.

That means it must, at the very least, win councils which were either traditionally Labour, or, on a two-party split, usually marginal.

If Labour fail to gain Brent, Wandsworth, Hammersmith and Fulham, and Ealing in London, or Bury, Bristol, Brighton, Bradford, and Lothian outside London, then its chances of attaining a majority at the next general election will look slim indeed.

Conservative campaign managers are clearly reckoning on damage limitation, knowing that mid-term elections need to be favourable to Labour to cause serious heart-searching at Central Office.

Conservatives, still affected in Scotland by rates revaluation, may also lose control in Grampian and Tayside.

The Inner London Education Authority, where 56 seats are being contested in the 12 affected boroughs, is almost certain to become a Labour majority.

Of the ten metropolitan districts up for full re-election (Birmingham, Dudley, Gateshead, Kirklees, Manchester, North and South Tyneside, Salford, Sunderland and Wakefield), only Dudley is likely to change control to Labour.

SPANISH BACK IN FALKLANDS SCHOOLS

By Our Port Stanley
Correspondent

Spanish will return to Falkland Islands school curriculum after a four-year break, despite opposition from some parents who see the re-introduction of the language as an unwanted step towards renewing links with South America.

Richard Saul, from Broadstone, Shropshire, will take up where two Argentine teachers left off during the early days of the Falklands conflict in April 1982. He will teach boys and girls aged 11 to 14.

Mr John Smith, editor of the "Falkland Islands Times", said: "It will represent in the eyes of the United Kingdom population an outright step towards Argentina." But Mrs Norma Edwards, a member of the islands legislature, said: "The Falklands children are not being taught Argentine Spanish this time, and Spanish is useful in many areas of the world."

ASTIZ IS NOT GUILTY

By **CRISTINA BONASEGNA**
in Buenos Aires

ARGENTINA'S highest military tribunal has acquitted the navy lieutenant Alfredo Astiz of involvement in the abduction and presumed murder of the Swedish-Argentine teenager Dagmar Hagelin under the former military regime.

Astiz's defence counsel, Senor Siro de Martini, has confirmed reports that his client has been cleared in the case which opened in 1981. Astiz will today be formally declared "innocent due to lack of evidence".

Astiz was briefly taken prisoner to Britain after surrendering his troops on South Georgia at the outset of the Falklands War in 1982. He has also been accused of kidnapping two missing French nuns in 1975.

Miss Hagelin's father said he was indignant but not surprised at the verdict. His lawyer, Senor Luis Zamora, said enough evidence had been submitted.

At least four witnesses said Astiz abducted and seriously wounded Miss Hagelin, 17, on the outskirts of Buenos Aires in January, 1977. She was last seen alive at the Navy School of Mechanics.

Senor Zamora said he would appeal when the verdict was officially announced. If Astiz's case was transferred to the Federal Appeal Court he felt there would be a new verdict within three or four months.

Argentina wants debt extension

ARGENTINA is to seek a further six-month extension of public and private sector debt maturities amid signs that it is making only slow progress in talks with the International Monetary Fund on an economic programme for 1986, reports our Euromarkets Correspondent.

The request was put last week by Mr Mario Brodersohn, the country's top debt negotiator, to a meeting of leading creditor banks chaired by Citibank in New York. It now has to be considered by all the country's creditor banks.

The six-month extension would give Argentina a breathing space until September 30. A previous 90-day rollover is due to expire on Wednesday.

Last week's talks were complicated by the fact that more than \$1bn in Argentine bonds and promissory notes start to fall due next month, most of which were issued in exchange for private sector debt that matured early on in the country's four-year-old debt crisis.

Commercial banks had been worried that they would be asked to raise additional loans for Argentina this year if bonds held by non-bank creditors were repaid. Instead all the bonds and notes are to be included in the six-month debt extension.

Argentine officials said they intend to incorporate measures for dealing with the bonds in their 1986 financing plans

Falklands fishing

From Lord Morris and others

Sir, Following the events of 1982 there is today much fresh development and a new future for the Falkland Islands under steadfast British sovereignty, frequently reconfirmed by ministers and the Prime Minister herself.

But no attempt has been made to claim fishing limits recognized worldwide since 1977, and codified within the 1982 Law of the Sea Convention. That would give exclusive responsibility for managing the living resources, first call on allowable catches, and an obligation to give other states access to any surpluses against

compliance with Falklands' laws and payment of licence and royalty fees.

Failure to impose conservation measures is endangering stocks, and over-supply of Falkland squid is depressing prices and so jeopardising sales of Scottish herring and mackerel to Comecon factory ships, for want of foreign exchange earned from squid.

Reported agreements with Japan, South Korea and Taiwan to limit their fleets around the Falklands are encouraging first steps that need to be extended to include Spanish, Soviet and Polish fleets. But the current "pillaging" must cease. That requires HMG to declare fishing limits and to

exercise the responsibilities that this creates in these national waters, in which any multilateral regime would be unprecedented.

While conservation is the first priority, the second is to generate substantial income for the Falkland Islands Government. We support the islanders' demand for immediate action by HMG to declare limits.

MORRIS,
RENWICK,
JOAN VICKERS,
JULIAN AMERY,
VIVIAN FUCHS,
ERIC OGDEN,
PETER SCOTT,
MICHAEL RANKEN,
T. WOODFIELD,
c/o 19 Bevis Marks, EC3.

**NEWS
IN BRIEF**

**Alfonsin
speeds
trials**

PRESIDENT Raul Alfonsin of Argentina yesterday ordered the acceleration of the hundreds of human rights trials against military officers that have been pending since 1983, an official spokesman said.

Mr Jose Ignacio Lopez, the presidential spokesman, said the Government would immediately issue instructions to military and civilian prosecutors to carry out the order.

At least 600 human rights cases against military officers have accumulated in the Supreme Military Tribunal since President Alfonsin took office. — Reuter.

Alfonsin comes to assistance of protesting Argentine farmers

BY OUR BUENOS AIRES CORRESPONDENT

PRESIDENT RAUL Alfonsin has moved swiftly to try and defuse mounting protests from Argentine farmers by announcing a 10.75 per cent increase in wheat support prices and reiterating his Government's promise to phase out taxes on agricultural exports.

The modest measures, announced before the Federation of Argentine Agricultural Cooperatives on Tuesday, came in response to Monday's one-day agricultural strike which paralysed rural economic activity but at the same time revealed divisions among the farmers themselves.

The wave of farm protest stems from sharp declines in commodity prices and from Argentine efforts to keep inflation under control. Agricultural consultants say farmers are

facing their worst crisis since the 1930s.

Wheat prices in Argentina have dropped by more than 23 per cent since last December and 60 per cent in the past year. Other crops have performed only slightly better: sorghum prices declined by 47 per cent and maize prices by 15 per cent as a result of depressed world market conditions and weather-related crop losses.

Argentine export earnings, over 70 per cent of which come from sales of agricultural products, will register a loss of \$1bn this year.

But Monday's demonstrations fell well short of organisers' expectations and led to heated confrontations between moderates and militants as the latter seized the initiative, cutting off roads and heckling organisation

spokesmen.

Farm leaders are concentrating their efforts on persuading the Government to eliminate the export taxes, which accounted for \$1.3bn in state revenue in 1984 and are regarded by farmers as an enforced subsidy for inefficient industry and for the bloated public sector.

But many farmers are dissatisfied with their leaders' approach. The smaller producers, who are not directly involved in exporting, are more concerned with the level of support prices.

Both sides are expected to try to cool the temperature over the next few weeks as representatives of the Economics Ministry, and of the farming industry attempt to hammer out some areas of agreement.

Falklands seek further funds for development

BY ROBERT GRAHAM

THE FALKLAND Islands Development Corporation will soon need more funds for projects which may include a network of track roads and a ferry linking East and West Falkland.

The corporation—responsible for British Government development assistance on the islands—received £31m from the Overseas Development Administration after the Falklands conflict. But these funds will be exhausted within 12 months.

Mr Simon Armstrong, general manager of the corporation—in London to meet potential investors—says discussions have already begun with the ODA on the Falklands future development needs. It is expected that between £15m and £20m will be sought to cover the next five years.

Most future development assistance will be spent on infrastructure projects, says Mr Armstrong.

Although last year's opening of a new airport, built by the Ministry of Defence, has improved communications, the principal development problem is housing. The shortage of skilled labour means all projects must be capital intensive.

The corporation intends to

establish a property development agency to build houses for lease or sale. This agency would also offer mortgages, which are not provided by the local bank, Standard Chartered.

The corporation is paying particular attention to developing fisheries onshore and offshore. More ambitious plans depend upon whether Britain can establish an international system of quotas under the aegis of the Food and Agriculture Organisation to protect fish stocks in Falklands territorial waters.

Nevertheless some of the infrastructure for handling the bunkering of fishing vessels has begun.

The corporation also hopes to exploit abundant local crab, and a joint venture with a Chilean company—the first multinational venture—is under discussion.

Since 1983 the Government's bill for the defence of the Falklands has been some £2bn, most of which was spent on the new airport. However, the impact of military spending remains self-contained, according to Mr Armstrong.

He is critical of the continued lack of adequate co-ordination between the civil development authorities on the islands and the MoD.

Argentina joins talks on Falklands fishing

By John Ezard

Argentina is taking part in talks aimed at establishing multilateral fishing restrictions around the Falklands, the Government disclosed yesterday.

Argentina's involvement, its first in any joint project since the 1982 conflict, follows fears that fish stocks in the waters it shares with Britain are becoming exhausted after three years of uncontrolled fishing by factory fleets from Japan, Poland, Taiwan, the Soviet Union and other nations.

Announcing the move in the Lords yesterday, Lady Young, Foreign Office minister respons-

ible for the Falklands, said that Argentina was participating in a technical survey on stock levels by the United Nations Food and Agriculture Organisation.

Answering a question by a backbench Conservative peer, Viscount Massarene, she confirmed that deaths of penguins had increased around the Falklands. But Lady Young said that there was no definite evidence to link the deaths with overfishing of squid, their main source of food.

Ministry of Agriculture autopsies carried out in Britain on some of the dead birds have shown that they died of starvation.

Latin American debt

From Mr H. Tiarks.

Sir,—The problem of Latin American debt would appear to be how to live with the present situation. The \$20bn proposed by James Baker to cover three years would surely be less than the total interest on the loans and continued payment of interest may have to be the sine qua non of his "initiative."

The attitudes of Mexico and Peru and their probable effects on other LA countries have now to be considered. Many of the countries have expressed the feeling that it is unfair that they should pay interest at varying rates, mainly dependent on local conditions in the lender countries. Another thought frequently expressed is that the bank lenders should feel some compunction for massive over-lending urged by their governments for purposes of increasing exports.

It would appear logical to consider postponing all capital repayments for a period of up to 10 years — absolutely conditional on payment of interest without interruption. The question of the rate of such interest could be considered at any Group of Five meeting at the Tokyo summit. One consequence would be that the banks would write off part of the debt during the moratorium, absorbing the losses gradually.

It must be clear to all that there never will be, nor indeed need be, a question of repayment of all the debt — the goal being to create conditions warranting further loans freely given.

Any of the 600 banks involved could offer to sell its participation at a discount to another bank ready to assume the moral liability of fresh lending under the Baker "initiative." The seller could then write off the loss against tax. I believe there is already a little activity between banks swapping, say, an Argentine debt for a Brazilian one at prices to be agreed.

Henry Tiarks
Casa Ina,
Marbella Club,
Finca Torres,
Marbella,
(Malaga), Spain.

Capital change plan

President Raul Alfonsín has proposed moving the capital of Argentina from Buenos Aires to Patagonia, the underdeveloped southern part of the country. He said the 600 mile move would open up the sparsely populated Patagonian frontier to settlement, population, and commerce.

Vosper wins contract for Falklands vessel overhaul

SOUTHAMPTON group Vosper Shiprepairers has won another contract to overhaul and survey a vessel returning from Ministry of Defence charter in the Falklands.

The Cayzer Irvine tanker *Scottish Eagle*, 56,490 tonnes deadweight, has been on charter in the South Atlantic since May 1982 and is expected to be in drydock at Southampton for about a fortnight. Built six years ago by Cammell

Laird on Merseyside, the *Scottish Eagle* is believed to have been sold on private terms.

Vosper Shiprepairers also prepared the ferry *Keren*, 8,987 tons gross, for her return to civilian service last year after a period with the Ministry of Defence in the South Atlantic.

Keren is still laid up in Southampton awaiting employment.

Argentina to eliminate cereals tax

ARGENTINA will gradually eliminate taxes on its cereals exports, President Raul Alfonsín announced yesterday, but he did not say how long the process would take, reports Reuter from Buenos Aires.

"That is one of the main objectives of the agricultural tax reform" sent to Congress, he told the annual meeting of the Argentine Federation of Agrarian Co-operatives.

The elimination of the export tax was one of the main demands of farmers who held a 24-hour national strike on Monday. The Government previously said that the taxes would be reduced to 15 per cent for the 1986-87 harvest.

● THE PHILIPPINES is to ban log exports to encourage the development of a local wood processing industry, according to Mr Ernesto Maceda, the Natural Resources Minister. He said the "total and permanent ban," which would take effect from August 21, was also aimed at curbing log smuggling to Japan, South Korea and Taiwan, estimated to have amounted to \$1bn over the last five years.

● THE DANISH Government is considering banning the use of cottonseed meal in animal feed to prevent the entry of the cottonseed fungus aflatoxin, which it is thought may cause cancer.

● PARIS'S new cocoa butter futures market, the world's first for this commodity, got off to a "brisk" start when trading began yesterday, according to Mr Lucien Renier, chairman of the Paris Commodity Brokers' Association. The new market trades alongside the existing cocoa bean futures market.

● QUALITY TEA was quoted at 198p a kilo (nominal) at Monday's weekly London auction, 2p up from last week's sale. But Medium grade tea was unchanged at 152p a kilo and low medium was 4p down at 108p a kilo.

The Tea Brokers' Association's official report described demand at the auction as "good." Assams were generally strong with selected lines "substantially dearer," it said.

There were 35,845 packages on offer at the sale, including 8,800 in the offshore section.

W. Carrains will be planning
to fly from Amsterdam

Aircraft carrier sold to India

THE Royal Navy aircraft carrier HMS Hermes has been sold to India, a Ministry of Defence spokesman confirmed yesterday. The £60 million contract was signed at the weekend and an overhaul is to start at Devonport Dockyard, Plymouth, at once.

W. Germans win planning order from Argentina

BY PETER BRUCE IN BONN

KRUPP KOPPERS, the process plant arm of West Germany's Fried. Krupp steel and engineering group has won a contract to plan a DM 200m (£51.2m) dimethyl terephthalate (DMT) plant in Argentina.

Krupp said yesterday the group would also manage the erection of the plant and its commissioning late in 1988.

DMT is a feedstock used in the production of polyester fibres. The plant, which will have a capacity of 45,000 tons a year, is to be built in Ensenada, near Buenos Aires.

Krupp, which built a DMT plant in Argentina in 1972, would not say how much its contract was worth.

The erection of the new plant, the company said, was designed to make Argentina self-sufficient

in DMT. Krupp said it had already planned or built 18 other DMT plants around the world.

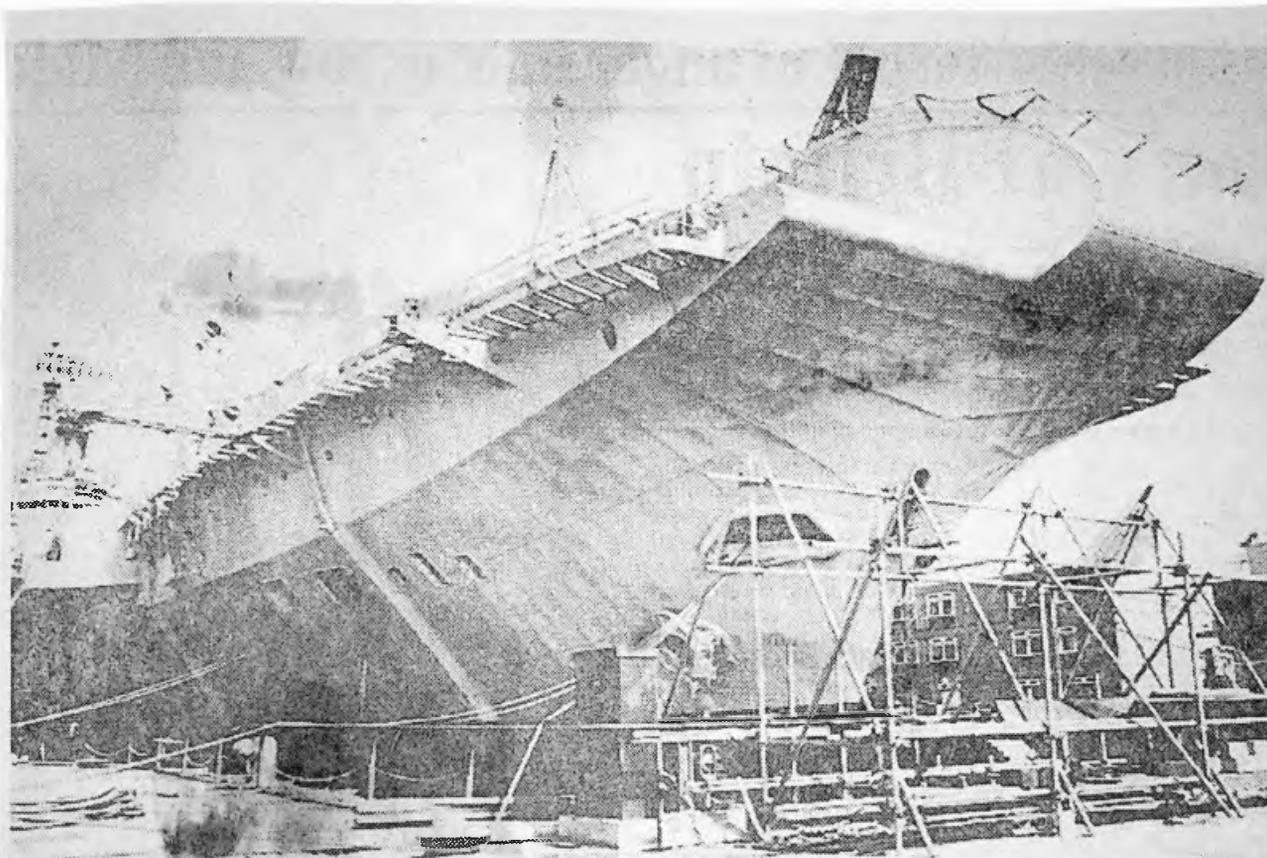
The new plant is being planned around a process developed by Dynamit Nobel, formerly part of the Friederich Flick Group in West Germany.

Dynamit Nobel will also take a share of the erection and commissioning contracts awarded by Petroquímica General Mosconi, the Argentine client.

Reuter reports from Duesseldorf: The Mannesmann Handel and Thyssen Stahlunion, wholly-owned by Thyssen Handelsunion, have won a combined order for 30,000 tonnes of large diameter welded pipe from the Soviet Union for a natural gas line. Industry officials said the order was worth about DM 30m.

India buys Hermes

UK aircraft carrier Hermes, the Falklands dispute flagship, has been sold to India for £60m, including refitting and spares. Falklands container ship Atlantic Causeway, laid up for two years, left Liverpool for Taiwan to be broken up. Page 8



The aircraft carrier HMS Hermes after entering Devonport Dockyard yesterday. She will undergo a five-month refit before being handed to her new owner, the Indian Navy.

HMS Hermes is sold to Indian Navy

By Rodney Cowton, Defence Correspondent

HMS Hermes, the aircraft carrier which was flagship of the British task force during the Falklands conflict, has been sold to India. The agreement was signed last weekend, and it is understood that the price is about £50 million.

Although confirming that the sale had been agreed, the Ministry of Defence would not confirm that India was the buyer on the ground that any such announcement should come from the buying country. However, discussions have been in progress between the two countries over the future of the Hermes since at least last June and there is no doubt that India is the buyer.

The 24,000-ton carrier entered service with the Royal Navy in 1959, but since the spring of 1984, until recently, she had been at anchor at Portsmouth and

used only for training. She has been available to go to sea if necessary at 30 days' notice.

She was towed to Plymouth a month ago after preliminary agreement on the sale had been reached, and yesterday went into dry dock at the Royal Dockyard at Devonport.

She will undergo a refit expected to last about five months before being handed over to the Indian Navy. Two hundred Indian sailors are expected to join the Hermes at Devonport in the next few weeks, with more arriving during the refit.

It has been the policy of the Government to dispose of the Hermes once three of the Invincible-class carriers were in service. That position was achieved last November when HMS

Ark Royal became operational. The Ark Royal, however, is the only one of the three available at the moment because HMS Invincible has recently begun a long refit at Devonport and HMS Illustrious will be under repair until late July after a fire in a gear-box.

The sale of the Hermes will be a final disappointment to many supporters of the Royal Navy and the Royal Marines, some of whom had continued to hope, against all the evidence, that the Hermes might have been retained for the Royal Navy because of her value in amphibious operations.

The Indian Navy already has one British-built carrier, the Vikrant, and has eight Harrier short-take-off-and-vertical-landing aircraft, with another 10 on order from British Aerospace, which could be operated from Hermes.

The Times
22.4.86

TRIAL OF TIME

By Our Buenos Aires
Correspondent

The long court martial of Argentina's Falklands War leaders is still falling victim to the reluctance of other officers to bring judgement on their comrades. But officials say the three-year hearing of former President Leopoldo Galtieri and 15 others will end this month.

U.N. LEADER TO SEE THATCHER

By Our United Nations
Correspondent

The United Nations Secretary-General, Senor Perez De Cuellar, is to visit Britain next month.

He will tell Mrs Thatcher about his recent talks in Argentina over the Falklands dispute and diplomats say he will most likely urge her to make use of his "good offices" to bring the two sides closer to direct negotiations.

The Times
22.4.86

DEATHS

ABBOTT - On 17th April after a short illness bravely borne, Jack Abbott of Farnham, Surrey and recently of Flagstaff House, Port Stanley, Falkland Islands. Beloved husband of the late Irene. Father of Michael, Donald and Clive and grandfather of their children. Funeral service at St Mary's Church, Frensham on Thursday 24th April at 10.15am, followed by private cremation. Family flowers only please. Donations if desired to the Phyllis Tuckwell Hospice Farnham. All enquiries and donations to H.C. Patrick & Son, 86 East Street, Farnham. Tel: 0252 714884

DAILY TELEGRAPH, Monday 21 April 1986.

THE GUARDIAN, Monday 21 April 1986.

FALKLANDS TROOP CUTS

The future garrison level in the Falklands could well be "not more than 1,000 troops in all," the Defence Secretary, Mr Younger, has told British forces on the islands in their weekly defence programme "Sitrep".

It is estimated that there are now up to 4,000 troops in the island and the reduction would cut defence costs by almost a quarter. Mr Younger indicated that 1,000 men could "defend for a short period, while reinforcements arrive".

THE GUARDIAN, Saturday 19 April 1986.

NEWS IN BRIEF

AN ARGENTINIAN is to be put in charge of Vauxhall's Ellesmere Port plant in Cheshire later this month. He is Mr Angel Perversi, until now head of General Motors' most modern European plant, at Saragossa in Spain. One union leader said, "I am sure the lads won't harbour any resentment over the Falklands, but Mr Perversi will need a good sense of humour."

PILGRIMAGE RETURN TO FALKLANDS

By PATRICK WATTS
in Port Stanley

RELATIVES of British servicemen killed in action during the 1982 Falkland conflict have vowed to make a second private pilgrimage within the next three years.

Having just completed a very successful week's tour of battle-field areas, granite monuments and cemeteries, including for the first time the Argentine cemetery, the members of the Falkland Families Association were presented with a cheque for £8,000 from the islanders to assist with the next visit.

Many of the 56 bereaved, who admitted feeling bitter over the events of 1982 and refused to participate in the official visit sponsored by the Defence Ministry in April 1985, have spoken of their new-found feelings following this private tour.

Mrs Cindy Strickland, from Harrow, said: "As years went by I felt a need to see where it had all happened, meet the people who had been involved and see the country that all the fighting was about."

'Great comfort'

"I do feel now that my husband did not die in vain and that is a great comfort."

The highlight of the visit for her had been a boat trip to the exact position where the Coventry, her dead husband's ship, went down.

Mr Jack Strickland, from Preston, her father-in-law, spoke of having "cemented a bond between the bereaved and the islanders."

Mr Clifford Sweet, whose son, Philip, was a victim of the Sir Galahad bombings at Fitzroy, said he had no bitterness towards the islanders but against the officers who had allowed the tragedy to happen "just a few yards from the beach." "Time won't heal that feeling," he added.

'Gained strength'

Glenda Dawson, 25, from Scunthorpe, whose brother was also killed on the Coventry, spoke of the "raw emotions" of the 1985 visit.

While appreciating the gaining of strength from the ties with the islanders, she felt that the time lapse had not made any difference at all. "I must come back as my brother is down here."

Danish countess, Christine Robinson-Moltke, whose husband was an officer on board the ill-fated Coventry, said that it had taken her a good three years to come to terms with what happened.

"I can meet islanders on a more relaxed manner now, we are all one big family."

NZ meets Japan on squid sales

A MISSION from New Zealand visited Japan recently in an effort to increase the country's access to the lucrative Japanese squid market. This follows preliminary reports that catch rates for New Zealand waters will be higher than in the past two years.

Squid is a major species in New Zealand's EEZ, and for many years Japanese and other foreign vessels have taken large catches under licence or in joint ventures.

In the past season quotas were easily reached despite a fall in the number of Japanese vessels. Now there are fears that some of the missing vessels may decide to return from Falklands waters, putting considerable pressure on the fishery.

New Zealand has invested in catching technology to develop the industry, but according to Mark Hinchliff, chairman of the country's Fishing Industry Board, progress has been seriously impeded by lack of access to the Japanese market.

The mission was led by Mr. Hinchliff and included several government officials. It made representations to Japanese officials, as well as visiting several organisations connected with the industry.

"We found some sympathy from sectors of the Japanese industry," said Mr. Hinchliff, "and we are awaiting a response to our discussions. They were advised that premium-free access of our squid to the Japanese market is absolutely essential if our operations are to be economic."

The mission was to report to the Minister of Fisheries, Colin Moyle, and make recommendations in the event that the Japanese did not respond favourably.

Room with a view

Sqn Ldr Ian Gawn, the first OC SSS at Mount Pleasant, accepted the keys for the new Station Headquarters building from PSA recently. This building which will house the Station Commander and the headquarters of both Administration and Engineering Wings occupies a commanding position overlooking the airfield to the north and Mare Harbour and East Cove to the south.

The handover of the building has allowed the small initial staffs of both wings to move to their permanent offices from a portakabin in the TriStar hangar, and to prepare for the move of personnel of both wings from Stanley during April.

The photograph shows Ken Walls, Senior Resident Engineer (Buildings) in the PSA Site Control Office at Mount Pleasant handing all the keys for SHQ to Sqn Ldr Gawn, watched by the members of the Take Over



Board representing HQ BFFI, PSA Site Control, PSA District Works Office.

Andy completes uphill struggle to raise £130



● Andy tackles the rocks and marshes of the Falklands.



FLIGHT Lieutenant Andy Barker, OC General Duties Flight at RAF Stanley proved his fitness when he ran from Stanley to Mount Kent, a signals unit on top of a steep rugged mountain in the Falkland Islands, — a distance of over 19 miles and a height of over 1,500 ft.

Andy raised over £130 in sponsorship money to purchase a chalice to commemorate all those

who have worked for, and in some cases died for Stanley.

The chalice will be used in the new Mount Pleasant Church. Andy completed the run in two-and-three-quarter hours.

● He is pictured above at the end of his charity run, when he was greeted on the top of Mount Kent by Sqn Ldr Kevin Pollat (Officer Commanding 303 Signals Unit).

Sea King pushed to its limits to save injured Korean seaman

A SEA KING helicopter from Stanley, operating at extreme range, rescued an injured seaman in a mission lasting over five hours.

A Hercules aircraft and Sea King helicopter went to the rescue when Poong San No 15, a Korean squid fishing vessel, originally requested help for an injured seaman needing hospital treatment.

It was calculated that the ship was beyond the maximum range for the Sea King from its nearest

refuelling point. However, a Hercules from 1312 Flt at Stanley was able to fly out from Stanley, positively identify the vessel and its exact location and provide weather reports such that the Sea King could launch and, using the Hercules for

final visual homing, find the vessel quickly.

Operating at its maximum range, the Sea King, heavy with fuel, rapidly lowered a winchman, WO Roger Fletcher, to the back of the boat, and in a

heavy swell of some 25 to 30 feet the injured seaman was raised on a stretcher in minutes.

A doctor, Flt Lt Dave Tallent gave emergency treatment to the casualty while the rest of the Sea King crew, Flt Lt Simon

Turner (captain), FO Bob Somerville and WO John Morrice flew the helicopter straight to the British Military Hospital in Stanley, where the patient is subsequently recovering.

The Hercules accompanied the helicopter back and, crewed by Flt Lt Nigel Charles (captain), Flt Lt John McFadzean, Flt Lt Glen Haldane, Sgt John Law and FS (WRAF) Ros Robinson, returned to base some 5½ hours after the start of the mission.



A Sea King hovers over the Korean fishing vessel with lowered winch line while recovering an injured seaman in the Falkland Islands. The photograph taken from the Hercules aircraft which helped in the mission, shows the difficult conditions — 30 feet swell and crowded deck — in which the winchman had to operate.

Penguin surprise

THE LAST THING you expect to find in your living room on returning home from school is a four foot high penguin. But seven-year-old Tracy McNeil certainly didn't get in a flap because it was all part of a special Falklands surprise from her brother Alex.

Jun Tech Alex McNeil, 21, who was serving with 26 Engineers, 27 Squadron on detachment from Leuchars in Fife, decided to send Tracy the very cuddly Percy Penguin as a home-coming present.

Delivery though Naafi's Penguin Surprise Service was a closely guarded secret between Tracy's parents Sergeant Andy McNeil of 4 RTR, Imphal Barracks, Dodesheide and his wife Mavis together with Dodesheide Naafi Assistant Manager Paul Smalldon. Paul managed to wrestle Percy into his car and stagger up a flight of stairs to deliver him to Tracy and join in the fun.

"Tracy couldn't believe her eyes when she saw him sitting in the front room. He was bigger than her and I don't think she really knew what to make of it," said Paul. But after a quick cuddle, Tracy soon found

her tongue and managed to pose for a few happy snaps.

"I thought it was a joke — Alex loves playing jokes especially on me. He's always pinching my bean-bag to sit on when he comes home but he's the best brother in the world, and ... Percy is lovely!" said Tracy.

Mum Mavis McNeil was fairly taken aback by the delivery. "We knew Alex was sending the Penguin but we had no idea it was this big! He's coming out to visit us this month after finishing in the Falklands so he'll have a chance to see Percy for himself — Tracy is absolutely over the moon," she said.

Naafi's Percy Penguin delivery is available to all customers serving in Germany, the UK or the Falklands and orders are guaranteed through your local Naafi manager.



A cuddle for Percy from Tracy (7)

SOUTHERN COMFORT

By
Richard Gardner

A look at the Royal Air Force in the Falklands and how the Service found itself responsible for defending this South Atlantic outpost

THE FALKLAND ISLANDS must have seemed the most unlikely venue imaginable for a major overseas air presence when the first readers of RAF News absorbed the latest information in their new Service newspaper. Until the early 1960s the structure of the RAF had altered little over the years, as far as overseas responsibilities were concerned. Massive capability remained in the Mediterranean, Middle East and Far East. Complete balanced air forces operated from Cyprus, Aden and Singapore, mustering scores of operational squadrons from maritime patrol and transport units to fighter, bomber and reconnaissance wings, with dozens of airfields.

Hawker Hunters still flew patrols over dissident tribesmen in much the same pattern of peacekeeping as had been the case in the inter-war years when Bristol Fighters and Wapitis provided the air power. From the blistering heat of the Trucial Oman States to the dripping jungles of North Borneo, the RAF was, in the late 50s and early 60s, carrying on the tradition of British protection for colonial, or newly-emerging Commonwealth states, in the face of external aggression or internal revolt.

In a global context British overseas interests were historically perceived as being orientated to Africa, the Middle East and especially around the edges of the Indian Ocean, extending up to Hong Kong and across to Australasia. This thinking was largely dictated by the sea routes along which the great bulk of our trade was, and still is, carried. With sea traffic to the Pacific ports passing through the Panama Canal the far-flung Falkland Islands appeared to be of limited strategic importance. Argentina was one of Britain's oldest Latin American friends and equipped itself with largely British military equipment.

Drastic defence cuts throughout the 1960s saw an end of the permanent East of Suez arrangements even though some small detachments and facilities remained and occasional exercises were mounted, often using air-to-air refuelling. It was an era of consolidation, major modernisation of NATO-allocated forces and, in retrospect, a major reduction in 'out of area' capabilities.

When the Falkland Islands were invaded in April 1982 the majority of RAF operational squadrons were equipped with tactical or medium range aircraft, optimised for flying from bases in the UK or Europe with all the back-up services either stockpiled at convenient locations or available immediately. The squadrons that had a strategic role had almost completely vanished and so a massive emergency programme had to be launched to provide additional air-to-air tankers, and a handful of Victors, Vulcans and Nimrods were given ultra-long range tanks to provide an in-depth reconnaissance capability with a Vulcan strike a viable option. The only combat jets suitable were Harriers based on Royal Navy aircraft carriers.

With the huge support effort mounted by the tankers and transport fleets, Operation Corporate was to prove another classic chapter in Britain's post-Imperial history. The military action to repossess the Falklands was an outstanding success, but in achieving this objective the national resources were certainly stretched to accommodate the full list of operational demands being placed on all three Services.

In the immediate post-conflict period the RAF worked around the clock to secure the islands from further air attack and to prepare a more capable runway. The first Hercules landed at the new RAF Stanley on 24 June 1982, just ten days after the Argentinian surrender. For the next four months supplies poured into Stanley and the area was alive with engineers clearing around the airfield site and preparing a new 'tin' landing surface. Aircraft shelters were erected, maintenance facilities established, accommodation expanded, roads built, the control tower patched-up and an elaborate communications network consolidated.

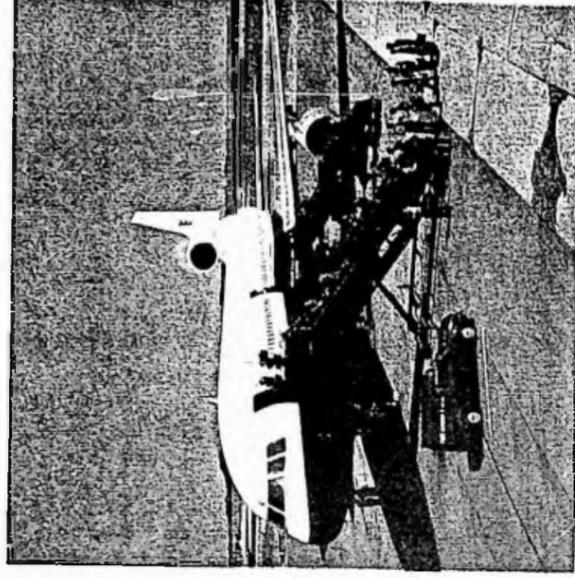
Although immediate air defence was still provided by Harriers and Sea Harriers based at Stanley, new long-range air defence radars were soon built at suitable locations around the islands and Rapier missile batteries were 'dug in' to protect the vital installations. By October the extended runway was ready to accept the new air defence squadron of Phantom FGR2s of 29 Squadron. A new era had started. The last of the Sea Harriers flew home aboard HMS Illustrious and the responsibility for air defence of the Protection Zone was assumed by the Royal Air Force.

For the next two-and-a-half years RAF activity in the Falklands settled down to a well-practised pattern. Air patrols have been flown to safeguard the integrity of the air space in the Southern Atlantic with aircraft constantly available at a high state of alert. The Harriers have returned to the UK but 23 Squadron maintains a formidable fighter presence on the islands with its Skyflash-equipped Phantoms.

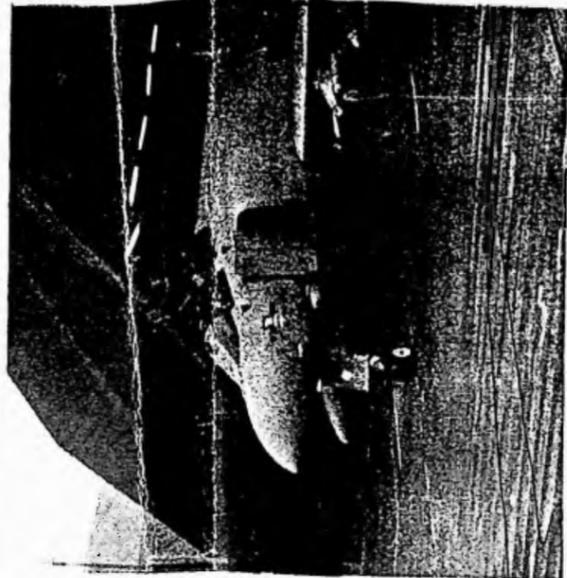
Transport links with Ascension and (with air dropping) South Georgia have been maintained with Hercules. Helicopter lift has been the responsibility of the Chinooks of 1310 Flt with detached Sea Kings of 202 Squadron providing Search and Rescue cover plus much additional transport tasking.

In less than two years from the signing of the contract, the massive new 8,500ft runway at Mount Pleasant Airport was completed and a Tristar of 216 Squadron touched down after its 7,400 mile journey on May 11, 1985, prior to the official opening ceremony performed by Prince Andrew. With building work at Mount Pleasant due to continue through to 1987 it is clear that the RAF will soon be able to boast one of the most comprehensive airports in the Southern Hemisphere offering protected facilities for the maintenance of aircraft and with attractive accommodation for the men and women serving in this previously isolated 'chipelago'.

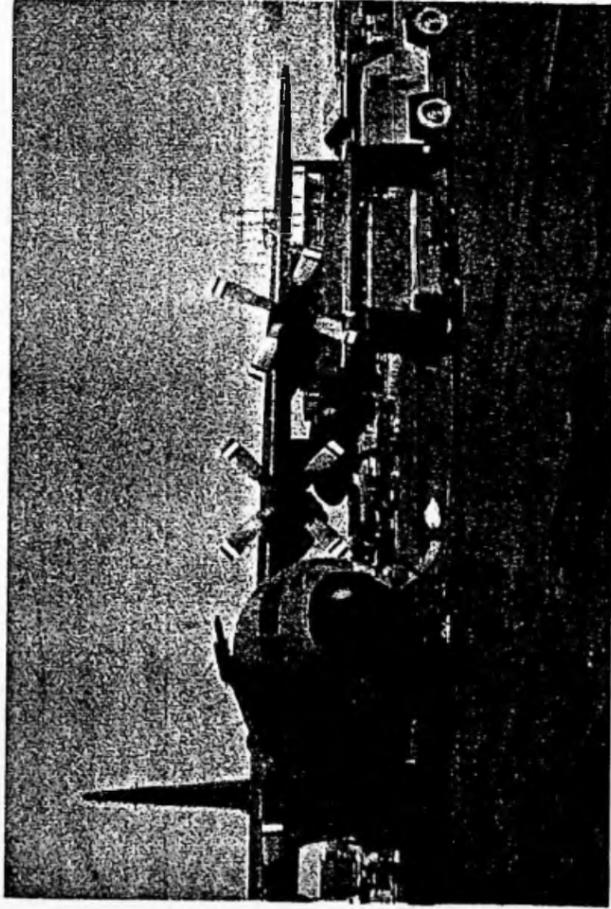
With wide-body Tristars and Boeing 747s flying the route to the Falklands the contrast with transport conditions aboard the 'air bridge' Hercules could hardly be more marked. Southern comfort indeed compared to the bone-shaking endurance tests on 'Fat Albert'... but perhaps not quite so much an experience to write home about!



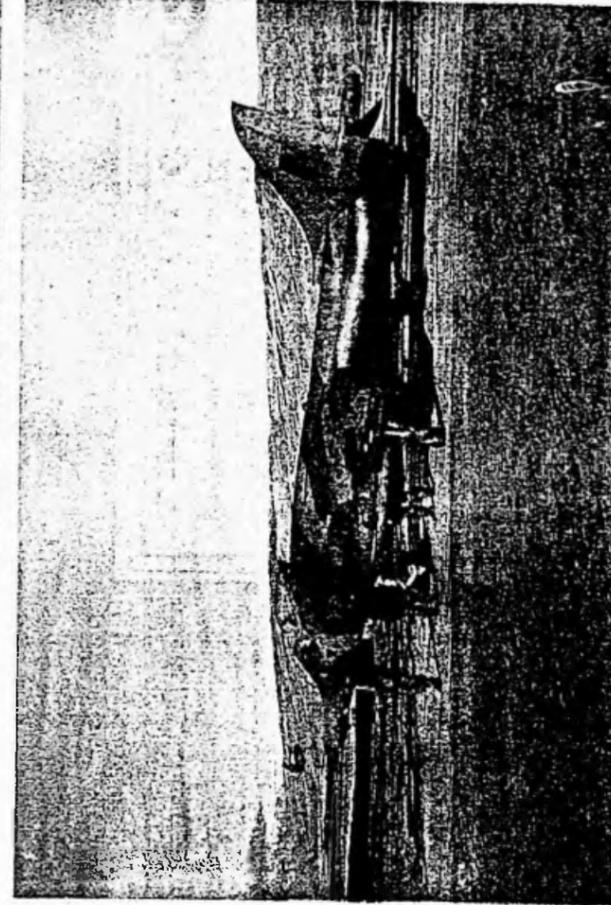
Wide body Tristar aircraft have taken some of the load off the hard-pressed Hercules fleet.



Phantoms of 29 Squadron maintain a formidable fighter presence on the islands to attack.



Transport links with Ascension Island and South Georgia have been maintained with Hercules aircraft but some of the load has been taken off them now that the new airfields in use.



Harriers were a vital ingredient for success in the Falklands conflict, but they're now back in Britain. This photograph was taken at San Carlos Water.

Falklands water treatment plant tenders due

CROWN Agents is due to receive tenders later this month for the water treatment plant and steel frame building portions of a £3.137 million water supply scheme in Port Stanley.

Falkland Islands, financed by the British government.

The project will be carried out during two construction seasons. The first will last from

September this year to May 1987, while the second will start in August next year for completion in May 1988.

Crown Agents is acting as engineer.



ALFONSIN'S PATAGONIA CAPITAL

By CRISTENA BONASEGNA
in Buenos Aires

PRESIDENT Alfonsin of Argentina has announced plans to move the capital from Buenos Aires to Viedma, a small provincial centre 520 miles away on the fringes of the isolated stretches of Patagonia.

In a nationwide speech, Senor Alfonsin said the move was aimed at breaking up the central power of Buenos Aires and aiding growth in the almost deserted and windswept south.

"The Republic founded in the last century responded to a model that should be overcome. We are in a new foundational stage," he declared.

The proposal, along with others, met with cautious support from Opposition politicians yesterday, many of whom felt the changes were necessary but the time was not ripe yet.

War with Britain

Señor Alfonsin remarked that during the 1982 war with Britain over the Falklands, Argentines realised the grave consequences that the under-development of a region as extensive and exposed (as Patagonia) could have for the integrity of the country.

The cities of Viedma and Carmen de Patagones, on both banks of the Rio Negro, on the Atlantic coast, would be the best site for the new capital.

The President, who took office two years ago, also proposed to give provincial status to the federal territory of Tierra del Fuego, on the southern tip of the continent, and to Buenos Aires and its suburbs.

The plans would go before Congress for approval, he added.

Capital shift

Buenos Aires: President Raul Alfonsin yesterday proposed moving the federal capital from overcrowded Buenos Aires to the sparsely settled northern edge of Argentina's vast Patagonian region. He said the new capital would be the symbol of a new republic, founded to overcome the "dramatic political and institutional problems" that have resulted from the nation's original political structure.—
Reuter.

Alfonsín plans new capital

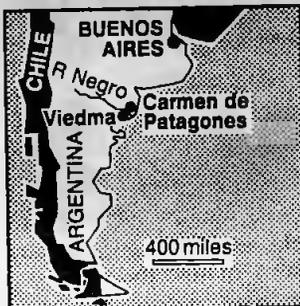
From a Correspondent
Buenos Aires

In a dramatic radio broadcast last night President Raul Alfonsín proposed moving Argentina's capital.

The announcement, coupled with other reform proposals, confirmed surprising recent rumours here which caught both government supporters and the Opposition off guard.

The relocation of the capital from Buenos Aires to Viedma, a small provincial town in Patagonia, as well as possible alterations in the political and judicial structures, appear to form part of the process of the creation of "a new republic" that will create new mental frontiers for Argentines," Señor Alfonsín said.

He made no mention of a timetable for the move, nor



were any details given as to which areas of the federal apparatus were being considered for the change.

He did, however, explain his Government's decision in a strong critique of the deformation and centralization of national political and economic life caused by the dominance of Buenos Aires.

The President pointed out that 35 per cent of the population and 48 per cent of the country's industry were located in the Buenos Aires urban area.

President Alfonsín insisted that at this point the question should not be "traumatic" but rather "a natural, mature act in a society that seeks a profound solution to what has become a prolonged national problem".

The proposed site for the future national capital lies on the Atlantic coast at the mouth of the Rio Negro, a spot that is considered to mark the end of the pampa and the start of Patagonia.

The area was rich in energy reserves, farming and fishing potential, he said.

Sir, — Bravo, President Reagan! At last a world leader has had the guts to hit back at a Libyan despot who murders women and children.

And for the first time in years I feel a pride in a British Government who has, in some small way, repaid the assistance given us by the Americans during the Falklands conflict. If, in 1939, we had been as spineless as the European Community, the French would now have no air space to violate. — Yours sincerely,
Name supplied,
Maidenhead, Berkshire.

SIR—We British have an instinctive awareness of courage and right, cowardice and wrong. In the instances of the Falklands and the Libyan Embassy we had the former on our side.

But we have acted with cowardice in giving in to Reagan's demands; and where is "right" in participating in an act of, by *any* definition, war?

I am appalled and ashamed.

ROY E. DAWSON
New Malden, Surrey.

Minimum force

SIR—I was astonished when I heard the news this morning of the American raid on Libya. No right thinking person condones terrorism, and, as a retired bomb disposal officer I am speaking from bitter experience.

When, in the early 1970s, I was commanding a bomb disposal unit in Northern Ireland, I was prevented from using the cover of an armoured personnel carrier to approach a suspect booby trapped vehicle, in open countryside well away from civilian or military installations. It was thought that the world press would see the use of the type of vehicle proposed as an unwarranted escalation in anti-terrorist measures. This was after the loss of many lives, in many hundreds of bombing incidents.

Suddenly, after a relatively few bombings allegedly supported by the Gaddafi regime, serious though they may be, it is perfectly all right for our government to support massive retaliation by the Americans. Whatever has happened to the time honoured principle of the use of minimum force?

Who was it who said when the United Kingdom reacted to the invasion of the Falkland Islands that we should not have sent the Task Force as all other means had not been exhausted? Was it the Americans? I seem to forget. Funny how quickly people lose their memories isn't it!

A. R. MILLORIT (Major, Rtd)
Melbury Bubb, Dorset.



Charity attacks banks over role in debt crisis

By Robert Graham

THE War on Want charity yesterday launched a campaign over the role of British banks in the Latin American debt crisis claiming their "irresponsible" lending in the 1970s was helping sustain profits but contributing to the region's poverty.

The campaign aims to put pressure on the big four banks—Barclays, Lloyds, Midland and NatWest—to adopt softer lending terms to indebted nations and to be more open about the extent of their profits from Latin America.

The organisers have put their case in a pamphlet, *Profits out of Poverty*, and yesterday announced a plan for a campaign of letters to the banks' chairmen, coupled with leafletting of branches and customers.

"The role of the banks and Latin America debt are issues which only get aired in the financial press," Mr John Denham, UK campaigns organiser of War on Want, said in London yesterday.

Mr Denham, author of the pamphlet, said: "The aim is to try and raise public awareness of a complicated issue and to show that high street branch names are connected with an extremely serious situation in Latin America where poverty is resulting from the debt crisis."

The underlying assumption in the pamphlet is that "there is little immediate chance of a rational and internationally agreed solution to the debt crisis."

Profits Out of Poverty: WoW Campaigns, Suite 4-6, The Hop Exchange, 24, Southwark Street, London SE1. Free.

Their bases here

THERE CAN BE no reliable reckoning yet on the political consequences for us of President Reagan's raid on Libya. The immediate public response has been disapproving. Depending on events, that mood may change. But, duty towards America discharged, the Government's task, only begun in yesterday's debate, lies fundamentally in the need for public reassurance. On this mission Ministers must strike the right targets or, more appositely, fill the right bomb holes. Deepest misgivings about this attack will not be met by uncovering more proof of Col Gaddafi's guilt. Both the President and the Prime Minister yesterday have established that. It is not the issue preoccupying anxious minds. A sharper doubt arises on whether bombs on Tripoli can halt a despot's campaign of terrorism. That doubt will only be settled by events, which may already be turning. And to deal with one other subsidiary issue, there is no run in the conjecture that the Prime Minister, acting in conjunction with the President, and repaying Falklands debts, acted without proper consultation with her Ministers.

Much nearer home, and in the longer term more serious, is the sudden awareness that America's bases in this country are there for serious business. This agreement with America, first reached between President Truman and Mr Attlee more than 30 years ago (when weapons were different) has lain dormant. In the sudden awakening to its implications some people sense a nightmare. In the short term Mrs Thatcher made the essential points yesterday. Our agreement *was* necessary. It was, in this instance, restricted to "clearly defined targets related to terrorism." For any future course of action, requiring these bases, we have reserved our position.

That is reassuring, as far as it goes; but it will not, we think, be allowed to rest there. During a long period of relative peace in Europe, few have been moved to inquire too deeply into the precise nature of our understanding with America, whose contribution to Nato has done most to preserve the peace. The issue in many minds is not whether these bases were or were not indispensable to America in this instance; but to what use in any future contingency our particular arrangements might be put. That is the area which Ministers, in the task of public reassurance, would be wise to illuminate.

Alfonsin proposes creation of new capital for Argentina

BY OUR BUENOS AIRES CORRESPONDENT

MR RAUL ALFONSIN, the Argentine president, in a bold manoeuvre which took supporters and opponents by surprise, has proposed that the nation's capital be moved from the "uncontrolled megalopolis" of Buenos Aires to a small Patagonian city named Viedma. The shift of the capital is one of a package of reforms, including a political restructuring which Government officials hint may create a ministerial system, and a reform of the judiciary. These changes are part of the process of creating "a second republic," the president said on national television, and are necessary for "a modernisation of administration and a decentralisation of decisions." The president gave no timetable for the project. A multi-partisan advisory board is to review it before it is presented to congress.

In spite of the importance of the political and judicial reform



proposals, it is the shift of the national capital that has attracted public attention. The president defended the need for the move by contrasting the isolation and underdevelopment of the nation's southern areas with the concentration of population and resources in Buenos Aires and the central plain.

He cited the fact that 35 per cent of all Argentines live in Buenos Aires and 78 per cent of all industry is located in its area as indications of its out-sized proportions.

He cautioned that the decision to move the capital may require constitutional reform. It should not be made on the "exclusive basis of strategic considerations of a military nature."

Viedma is located 800 km south of Buenos Aires on the

Atlantic coast and shares the banks at the mouth of the Rio Negro with a smaller town, Carmen de Patagones. Situated at the southernmost tip of the pampas and at the beginning of the Patagonian regions, the area is geographically equidistant from all points of the republic and has economic potential in energy resources, farming and fishing, according to the president. In a lyrical moment, Mr Alfonsin said that Patagonia stands as "an open door, mysterious and expectant,

Mr Alfonsin did not mention any time table for the capital's shift nor did he give any details about what Government branches are considered most appropriate, under the proposal, for transfer.

Opposition leaders have greeted the initiative with scepticism but, given the importance of the federal ideal and the sensitivity of provincial feelings, they have couched their criticisms. Some officials argue that the proposal is impractical because of Argentina's foreign debt problems. Others accuse the Government of putting up a smokescreen to draw attention away from the country's economic difficulties.

"If that's the case," said a lawyer, "its working great. I've already had four arguments over the whole issue, one with my wife and we haven't argued about anything but money in years."

STRONG ECHOES OF FALKLANDS

BY JOHN HARRIS
Political Commentator

Sir. — We are not responsible for the actions of Ronald Reagan, but Mrs Thatcher is a different matter. She agreed to the potential killing of 1,000 Argentinians on the Belgrano. She has now agreed to Britain's major role in the murder of innocent Libyans.

How much longer before we accept our responsibility and rid ourselves of this exterminator? Or are we to simply sit back and "rejoice, rejoice"?

Yours faithfully,
Lee Challenor Chadwick.
The Old Rectory,
Denton, Manchester.

STRONG ECHOES OF FALKLANDS

By JOHN KEEGAN
Defence Correspondent

STRONG echoes of the Falklands attach to Monday's American strike against Libya.

Like the RAF's initial raid on Port Stanley it was complicated by the unavailability of landing and overflying along the route, which obliged the strike aircraft to fly an extended and non-stop mission over the sea.

The problem was solved in both cases by pre-positioning tankers which probably had to refuel each other as well as the strike aircraft, the latter four or six times.

The F-111s, the swing-wing aircraft that flew from British bases, are among the most powerful strike weapons in service, able to carry a payload of four tons of bombs over the 3,100-mile distance.

The 18 involved probably included a number of the electronic warfare version, to suppress Libyan radar and assist the combat types direct their munitions precisely to the target.

Other American reconnaissance aircraft, perhaps the Lockheed Blackbird TR-1, had probably already overflown Tripoli unseen to take the photographs which would then be fed into the ground-matching radars of the attackers.

• AIR CORE G. S. COOPER in Tucson, Arizona, writes: The F-111 is the USAF's primary dual-capability bomber. Nato can call in some 150 F-111s operated by the Third Air Force in either of the aircraft's two main roles of conventional attack or nuclear strike.

Operating from Upper Heyford, Oxfordshire, and Lakenheath, Suffolk, the swing-wing aircraft can carry a conventional bomb-load over an unrefuelled radius of some 750 miles, cruising at about 500 mph. With wings swept back it can streak away from a target at nearly 1,500 mph.

It would have been relatively simple to plan the attack via the direct 1,600-mile route across France, refuelling in the air once or twice, there and back.

The refusal of France, and presumably Spain, to allow the Americans to take a fairly direct route to Libya forced the F-111s to go the long way round the Iberian peninsula to their targets.

London Standard

16 April 1986

BUENOS AIRES: President Raul Alfonsin proposed moving the capital from overcrowded Buenos Aires to the sparsely-settled northern edge of Argentina's Patagonian region.

FINANCIAL TIMES

15th April 1986

Capital city may move

Argentine President Raul Alfonsin is studying the possibility of moving the federal capital from Buenos Aires to a city in the interior.

Progress made on Falklands in exploratory Mexico talks

From John Carlin, Mexico City

Parliamentarians from Britain and Argentina met here for exploratory talks on the Falklands dispute described by the head of the British delegation, Mr David Crouch, Conservative MP for Canterbury, as "a little piece of history".

He said that the possibility of ceasing hostilities and restoring diplomatic relations between the two countries had been brought nearer.

"The Argentines said the question of sovereignty over the islands no longer had to be the top item on a possible negotiations agenda," Mr Crouch told *The Times*.

A British source close to the meeting, however, warned against talking of any major breakthrough, saying that passions still remained high on both sides.

Mr Crouch and seven other MPs, three Conservatives and four Labour, left Mexico yesterday at the end of a week-long meeting of the Inter-Parliamentary Union.

The eight British MPs met eight members of the Argentine Congress for more than

over an hour on Thursday night in a Mexico City hotel room in what Mr Crouch enthusiastically described as a positive, friendly climate.

The British delegation, however, made it clear at the hotel room meeting that should negotiations between the two governments take place, Britain, in the words of one MP, would not be in the game of beginning a process aimed at transferring the islands' sovereignty.

In an interview with *The Times* at the weekend, the most senior member of the Argentine delegation, Senator Julio Amoedo, confirmed that sovereignty did not have to be "number one on the list". He added: "Sovereignty is an aspiration but we are not insisting on it tomorrow."

He said Argentina wanted to begin talks with "an open agenda", but then, appearing to contradict himself, he insisted that the sovereignty issue would have, categorically, to be included, although it could remain as the last point of negotiation.

VISIT TO ARGENTINE WAR DEAD

By **PATRICK WATTS**
in Port Stanley

MOST OF the Port Stanley population joined 56 relatives of British Servicemen killed in the 1982 Falklands conflict for an inter-denominational service over the weekend, at the Anglican Cathedral.

Fourteen of the bereaved took it in turns to read out the complete list of all Britons killed. Afterwards a moving wreath-laying ceremony was held at the Liberation Monument in Stanley.

An emotional service was held at the British war cemetery at Blue Beach, San Carlos, scene of the first British landings in 1982.

An equally emotional visit was made earlier to the Argentine war cemetery at Goose Green. About one third of the families making a private visit to the Falklands paid this respect to fallen foes.

Mrs Eva Marie Sweet, 28, who lost her husband, Philip, a Welsh Guardsman, laid a single rose and a white cross at the base of the simple memorial and said: "I did it for the Argentine mothers."

Argentina draws on \$4.2bn loan

By Peter Montagnon

ARGENTINA is this week to receive a further \$600m (£410m) from its commercial bank creditors, the third instalment of a \$4.2bn (£2.8bn) credit arranged last year.

Resumption of drawing on the loan follows Argentina's recent agreement with the International Monetary Fund on targets for the final period of its existing economic adjustment programme.

A statement issued by Citibank over the weekend said an Argentine delegation was due to meet next week with its 11-bank committee of leading creditors, but it is not clear whether the talks will mark the start of discussions on a fresh financing arrangement for 1986.

The Argentine Congress still has to pass this year's budget and the Government of President Raul Alfonsin still has to fix a figure for the country's external financing requirements.

Still available to be drawn later is the final \$600m portion of last year's bank credit.

Island service

FALKLAND islanders yesterday joined families of 50 British servicemen killed in the 1982 conflict in a memorial service. About a third of the Britons also visited the graves of Argentine soldiers at Goose Green. — Reuter.

Daily Mail 14 April 1986

War pilgrims

PORT STANLEY: Falkland Islanders joined the relatives of British servicemen killed in the war with Argentina in a series of remembrance services. Fifty six relatives have made the pilgrimage there

Daily Mail
14 April 1986

Lloyds set for £1.2bn bid

LLOYD'S BANK is expected to launch a full-scale aggressive £1.2bn takeover tomorrow for Standard Chartered, the international banking group.

The Lloyd's team led by Sir Jeremy Morse, the chairman, and David Horne, the head of the merchant banking division, will be going through Standard Chartered's annual report and accounts with a fine toothcomb when they are published later today.

However, sources close to the Lloyds team reveal that it expects to find little which will suggest that the bid ought to be pitched above the 750p a share mark which it has already offered to Stan-

dard Chartered as the basis for an agreed bid.

The Standard Chartered board, headed by former Tory chancellor Lord Barber unanimously dismissed the idea of friendly talks last week.

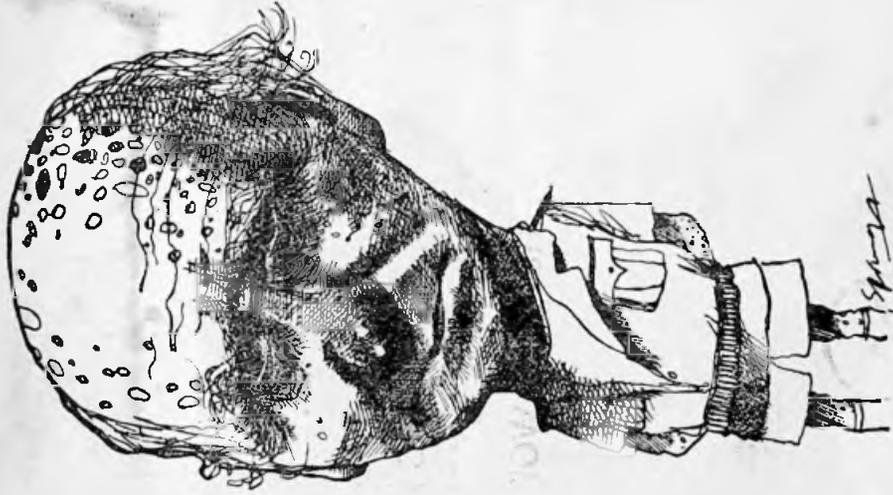
The Stock Market expects Lloyds or a third party to come in with an increased bid at some stage. Standard Chartered's share price stands at 877p. It has been helped on its way by the rumours of several strategic stakes being built up including one by Tan Sri Khoo Teck Puat, the Singapore businessman who last year spent £116m on buying a 26pc holding in Exco International, the money brokers.

Man in the News

Lord Barber

A banker but not exactly a City type

By David Lascelles,
Banking Correspondent



LLOYDS BANK may have been beating on the door. But this did not prevent Lord Barber, the chairman of Standard Chartered Bank, hopping on Concorde on Thursday to spend the day in Washington before catching the evening flight back.

His supersonic mission was not, as some in the City speculated, to find a US partner to fight off Lloyds' unwelcome £1.2bn takeover approach, the biggest in UK banking history. It was in his role as UK member of the Commonwealth group set up last year to encourage political dialogue in South Africa—all part of his national duty, he says. But it added to what was already a busy week.

"It's been like every day at the Treasury," he said recalling the time when as plain Mr Anthony Barber he was Chancellor of the Exchequer from 1970 to 1974. "One of the things you learn from being in a senior position in politics is to cope with situations as they arise, and not to get diverted from the day-to-day necessities as well."

But the Whitehall's hurly-burly equipped him to fight a full-blooded takeover battle in the City? The Stock Exchange seems to think that someone will end up making a grab for Standard, even if it is not Lloyds. And Lord Barber, with the full support of his 17-man board (which has got some "tough eggs", one it, he says) is determined to put up a fight. Among Standard's directors are Sir Denis Hamilton, the chairman of Reuters, Lord Inchcape, Sir Derek Mitchell, a director of Bowers Industries, and Lord Pennock, deputy chairman of Plessey and a director of Morgan Grenfell, the merchant bank.

Now 65, Lord Barber has been Standard's chairman for 11 years, but his style still smacks strongly of Westminster: the outgoing manner of a man who had to win votes, the rapid speech bred of political debate, the concern with presentation. But he has never tried to become a City man, though one of his former incarnations as a tax barrister "means I can read company accounts."

"I'm not a professional banker, and I don't pretend to be one."—so he leaves the manage-

time, Standard has been around for 127 years.

The lobby to his office on the fifth floor of Standard's dramatic new headquarters in Bishopsgate has framed bank notes issued by Standard in Africa and Asia where it often was the monetary authority. The atrium downstairs is lush with greenery and the sound of running water, evoking some of the steamier spots in which Standard has hung out its sign.

All this takes some diplomacy. "We have been a major bank in South Africa (where Standard has yielded to political realities and lowered its profile). But at the same time I have excellent relations with black African countries. We are the biggest bank in Zimbabwe. When I go there I see Mr Mugabe and we get on very well."

Lord Barber feels these delicate ties would be disturbed if Standard passed into new ownership. Though he also admits that they have not exactly produced spectacular profits for his bank in recent years—which is why he is trying to impress upon shareholders that there is a new strategic plan which will put all that right, just given a bit of time. Much of the plan is predicted on shifting Standard's centre of gravity back to Europe and North America, so whatever happens, Standard is on the threshold of big changes.

Ironically, the takeover fight pits Lord Barber against Sir Jeremy Morse, the Lloyds chairman who used to accompany him as a senior Bank of England official on his overseas trips as Chancellor. They know each other well, which could explain one of the few things Standard and Lloyds have in common: they are the only big UK banks which have not joined the rush to buy stockbroking firms in the Big Bang.

Like Sir Jeremy, Lord Barber thinks the other banks have paid far too much for stockbrokers, and could rue the day. But he is four-square behind the reforms which his Tory successors have unleashed in the City. "If the City of London is to keep to the forefront, then we have to move with the times."

wish to be involved means that he spends a good deal of his time—as much as three months a year—travelling to the far-flung outposts of his banking empire, most of them in Britain's former colonial possessions, including the US. In many, Standard's presence dates back more than 100 years; Lord Barber sees it as his job to tend its often unique relations with the governments there. In China, to which most banks are being admitted for the first

The other was not to allow myself to be used as a lobbyist with government departments and my former colleagues."

He does, however, feel that his prominent position obliges him to serve his country where he can. He was on the Franks Committee which investigated the Falklands war, and he agreed to serve on the Commonwealth group even though it means a lot of delicate work behind the scenes.

At Standard, Lord Barber's

Penguins on Parade

A visit to the Falkland Islands was the Easter present for five members of the House of Commons Defence Select Committee.

The Committee has been reviewing the investigation into the future defence of the Islands, which was carried out in 1982-3, and Winston Churchill, Bruce George, Edward Leigh, Keith Speed and Neil Thorne went to see the situation at first hand.

During the visit they were briefed by the Governor of the Islands and the Commander of the British Forces, and met a number of civilians and military personnel. They also visited ships, units and installations and inspected roads and the new airport completed last year.



Neil Thorne MP sent us this picture: we hope readers will be able to tell for themselves which figure is Mr Thorne.



A Royal Engineers' Major demonstrating RED FIRE, a device designed to help destroy the Islands' minefields. From left: David Woodhead (MoD), Bruce George MP, Major General Sir Jeremy Moore, Winston Churchill MP, Edward Leigh MP, Richard Jones (MoD), Keith Speed MP, Robert Rogers (Clerk to the Committee).

Falklands pioneers



British fishing skills are getting to work on the Falklands squid fishery. Pictured outside the Port Stanley, Falkland Islands, office of J. Marr and Sons Ltd. and J. Marr (Seafoods) Ltd. as they start operations 'down south' are (left to right): Marr's operations manager Charles Drever; bo'sun Frank Gordon and Skipper Frank

Wilson, both of Fleetwood; Marr Seafoods' operations manager Nick Bowen; skippers Steve Kilvington and Len Whur, both of Hull; and "Sammy" Suzuki, KSJ Corporation co-ordinator responsible for the 10 squid boats chartered by Marr.

BRITISH fishermen taking part in the Falkland Islands squid fishery for the first time are staggered by the size of the foreign fishing effort around the islands.

J. Marr and Son Ltd. of Hull which, with sister company J. Marr (Seafoods) Ltd., has chartered a fleet of 10 specialised Japanese squid-jigging vessels, reports a slow start to the season.

"The squid are not where they usually are but, when we arrived, there were 18 reefers (refrigerated cargo ships) waiting in Berkely Sound for the catches," said a Marr spokesman.

Both companies are concerned at the poor start which has raised fears — already expressed elsewhere — that the massive, uncontrolled foreign fishing effort of the past three years has damaged stocks.

This comes on top of the unexpected setback to the companies' initial financial plans brought about by the announcement of a £1,500 per vessel "transshipment fee" immediately the UK venture was announced.

"The ships we have char-

tered are all small vessels in the 300 to 400 grt. range and have to tranship in sheltered waters. So they will have the fee levied while bigger vessels, particularly those from the Iron Curtain countries which can tranship at sea, will escape," said the Marr spokesman.

The ten ships, bearing the fishing numbers M1 to M10, are purpose-built squid jiggers chartered from Japanese owners to give Britain a presence in the fishery and provide UK fishermen with the opportunity to observe and learn the special catching techniques.

The jiggers are manned by experienced Japanese crews and carry former Hull and Fleetwood trawler

officers employed by Marr.

The ships operate at night and are equipped with powerful lights strung along the decks.

Hooked lines carrying brightly-coloured lures are cast over the sides and wound in with a jerking motion, the combination of the lights and flashing lures attracting the squid.

The squid are carefully graded and frozen on board the vessel and later transferred to a reefer for shipment to Japan, under contracts negotiated by J. Marr (Seafoods) Ltd.

The UK party, led by Charles Drever and Nick Bowen, operations managers for J. Marr and Son Ltd. and J. Marr (Seafoods) Ltd. respectively, has established an office in Port Stanley which the two companies are sharing with K.S.J. Corporation, the association of Japanese skipper-owners from whom the vessels have been chartered.

The two operations managers have now returned to the UK, leaving the day-to-day management in Port Stanley in the hands of

Marr Seafoods' assistant operations manager Tony Atkinson of Hull.

Excellent satellite communications and a direct link between the Port Stanley office and Tokyo allows management in Hull to keep in close contact with the fishing operations.

The Marr Falklands fleet (and the UK trawler officers with the ships) is: *M1 Yuko Maru No. 38* (Skipper Len Whur, Hull), *M2 Yuko Maru No. 8* (Skipper Steve Kilvington, Hull), *M3 Sumiyoshi Maru No. 81* (Frank Gordon, bo'sun,

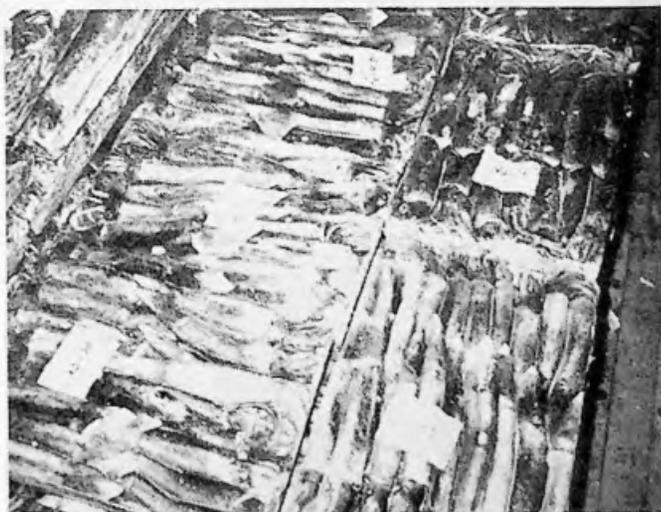
Fleetwood), *M4 Shosei Maru*, *M5 Sohoh Maru No. 85*, *M6 Chohku Maru No. 32* (Skipper Frank Wilson, Fleetwood), *M7 Fuki Maru No. 51*, *M8 Sasano Maru No. 7*, *M9 Sumiei Maru No. 61*, *M10 Yoshi Maru No. 1*.

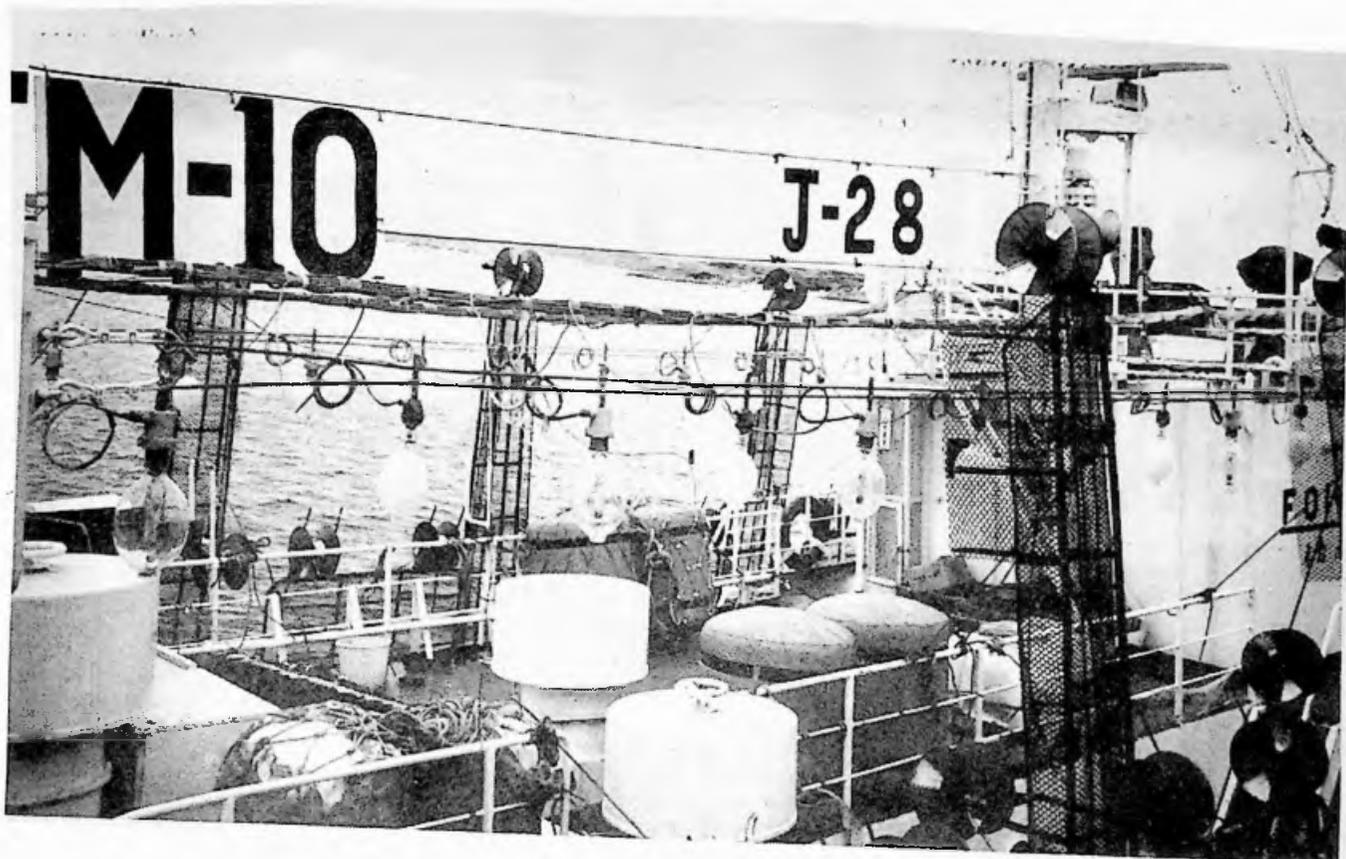
● According to reports reaching Japan, there has not been much reduction in fishing effort on squid in the Falklands area despite a gentlemen's agreement on fishing effort. The grounds are being fished by Iron Curtain, Japanese and Cuban ships.

Marr's M7 — Fuki Maru No. 51 — comes alongside a reefer ship in Berkely Sound to discharge a squid catch for J. Marr. British fishing officers are finding the low superstructures of the Japanese jiggers to be uncomfortable.



Right: block-frozen squid ready for shipment from the Falkland Islands to Japan as the first catches from Marr's fishing venture come in.





Above: jigging reels and strings of lights above the deck of the Japanese squid jigger *Yoshi Maru No. 1* which has been chartered to fish off the Falklands by Marr.



Left: one of the vast fleet of reefers waiting in Berkely Sound with a Japanese-owned squid-jigger alongside. The reefer is *Iceland Rex* operated by the Swedish company Cool Carriers.

Falklands to be given £3.1m to improve water

By Robert Graham

THE British Government has agreed to provide £3.1m in aid to improve water supplies in the Falklands' capital, Port Stanley. The announcement was made yesterday by Mr Timothy Raison, Minister for Overseas Development, during a visit to the islands.

The funds are designed to meet the town's needs until the year 2000 and come from the £31m earmarked after the Falklands conflict for the islands' development.

Construction work on the new system is expected to last until May 1988. In a previous phase of improvement in Port Stanley's water supplies, the Royal Engineers laid an emergency water main.

Standard Chartered spurns takeover plan

By Andrew Cornelius

Standard Chartered yesterday spurned a proposed £1.16 billion takeover by Lloyds Bank. Standard's board, headed by the former Tory Chancellor, Lord Barber, said the proposal would not be in the interests of its shareholders, staff or customers.

Lord Barber said he had therefore told Sir Jeremy Morse, the Lloyds chairman, that discussions would not be fruitful. But Mr David Horne, managing director of Lloyds merchant bank, promised yet another fiercely contested City takeover battle, when he warned: "We are not going to go away."

He said Standard's response was "very surprising and dis-

appointing, because we cannot understand why getting together is not in the interests of staff and not in the interests of customers." Lloyds is likely to continue pressing for discussions on its proposed 750p per share offer, and now looks certain to mount a formal contested bid if agreement cannot be reached with the Standard board.

Standard Chartered shares eased slightly during the day, falling by 3p to 874p, despite continuing rumours of a rival bid.

The Bank of England watches banking mergers closely and would be concerned if a hostile takeover battle affected the reputation of any leading British bank.

Standard directors united against Lloyds approach

By Richard Thomson
Banking Correspondent

Standard Chartered Bank yesterday issued an uncompromising rejection of the bid proposals made by Lloyds Bank last week and said that it would not be looking for an alternative bidder.

Despite the rebuff Lloyds said it would be launching a formal bid by the end of the week.

Standard said that a board meeting yesterday had unanimously decided that Lloyds' proposals were not in the interests of its shareholders, staff or customers.

The chairman, Lord Barber, has informed the chairman of Lloyds, Sir Jeremy Morse, that discussions about an offer for Standard "would not be fruitful".

Mr David Horne, a director of Lloyds Merchant Bank,



Sir Jeremy Morse: launching a bid despite rebuff

said: "We are surprised and disappointed by Standard's attitude but we are not going away just because they do not like our approach.

"Since talks now look doubtful we will be launching a full bid, probably at 750p per share which we believe is a fair

price." Standard's share price yesterday stood at 879p.

Mr Michael McWilliam, Standard's group managing director, said: "We believe we have a good business and we do not want a merger with anyone. We are beginning to show an improvement in the size and quality of our earnings and we do not want to share the benefits.

He added: "We may need some time to deliver the goods.

He said that Standard had received no other bid approaches but had received expressions of support from overseas institutions, though none from Britain.

Mr McWilliam said: "We are not seeking a white knight but it is clear that we would have support if we were forced to mount a defence against Lloyds."

Lloyds bids on after Standard Chartered 'no'

By PETER WILSON-SMITH

LLOYDS BANK plans to press ahead with a contested £1.2 billion bid for Standard Chartered Bank, after yesterday's refusal from Standard Chartered to discuss the possibility of an agreed deal.

Standard Chartered ruled out talks with Lloyds in a brief statement issued yesterday after a board meeting.

"The board of Standard Chartered unanimously decided that the suggested proposal would not be in the interests of shareholders, staff and customers," the statement said.

"The chairman of Standard Chartered has therefore informed the chairman of Lloyds that discussions would not be fruitful."

Michael McWilliam, group managing director, denied there was any disagreement on the Standard Chartered board and made clear that Standard Chartered wanted to remain independent. "We don't see Lloyds as a partner," he said and added, "we are not seeking a white Knight."

Lloyds Bank will discuss the details of its planned bid with its in-house merchant banking advisers today. David Horne, managing director of Lloyds Merchant Bank, said that he still hoped it might be possible to hold talks with Standard Chartered but admitted the prospects appeared slim.

Shares in Standard Chartered closed 3p easier at 874p yesterday but still well ahead of the 750p a share Lloyds had suggested it might pay, half in cash and half in 7 p.c. convertible preference stock.

Arguing that the Standard

Chartered price was inflated by speculation that another bidder would emerge. Mr Horne said that 750p a share was still a fair and reasonable price and there was no reason to change the terms at the moment.

Yesterday's developments appear to set the scene for an acrimonious battle between Lloyds and Standard Chartered.

Traditionally the Bank of England has frowned on contested takeovers in the banking sector, and there is little doubt it would prefer a Lloyds takeover of Standard Chartered to be agreed.

However, a takeover of Standard Chartered, which is predominantly an international bank, would not have significant implications for the domestic United Kingdom economy and there has been no indication that the Bank of England would refuse to countenance a contested bid.

Speculation is still rife in the stock market over the possibility of another bidder for Standard Chartered. Even if this does not happen City analysts believe that Lloyds Bank will have to pay more than 750p a share if a bid for Standard Chartered is to succeed.

Mr McWilliam explained Standard Chartered's hostility to the Lloyds approach on the grounds that a takeover would be disruptive. He said there were profound differences in the way the two banks operated.

"We think Standard Chartered is of value as an international bank. We clearly could do with a larger banking base in England. But that does not mean folding into one of the giants," he said.

London Standard
9 April 1986



Polyglot Squid

THIS recipe was contributed by Tony Wren of Stoke Newington to The Food Aid Cookery Book (BBC Publications £3.95) and is typical of the originality and invention shown by the contributors.

Money on this book is well spent not only because you are helping to relieve famine in Africa but because there are ideas that really call out to be tried.

About this notion, Delia Smith who edited the book, says: "Served with rice, this is a very highly rated recipe among the Food Aid team, but if squid is not to your liking, then Tony Wren says it works extremely well with monkfish cut into cubes. If you use monkfish you should take the fish out after the initial frying and replace it when the sauce is half reduced."

Polyglot Squid:

2lb squid, 1lb red ripe tomatoes, 3 tbs olive oil, 3 cloves garlic (peeled and chopped), 1 pint red wine (full-bodied from a hot country!), 1 rounded tsp dried basil (or 1 tbs of fresh if available), 1 tsp coriander seeds (crushed with seeds from 4 cardamom pods), 1 tsp ground mace, 4oz (110g) mushrooms (sliced), 3 tbs quark (or soured cream if

unavailable), salt and freshly-milled black pepper, 1 desps lemon juice, sprinkling of fresh chopped herbs.

First, peel the speckled skin off the squid and pull out the contents of the bag, discarding all save the tentacles. Remove the celluloid bit (quill) and discard it too. Then slice the bag (body) into rings.

Peel the tomatoes by dunking them into boiling water for three to four minutes. Slip off the skins and chop the flesh roughly.

Next heat the oil in a large, heavy frying-pan and fry the squid rings and tentacles until they turn opaque and slightly golden (5 minutes). Now add the peeled chopped tomatoes and garlic, then when they begin to soften add the wine and spices and simmer uncovered for 20 minutes. Then add the mushrooms and cook for 10-15 minutes more or until the squid is tender.

Bring everything up to simmering point and add the basil and spices and a seasoning of salt and freshly-milled black pepper. Simmer gently for a further 10 minutes and finally stir in the quark (or soured cream) just before serving. Serve with rice and sprinkle with lemon juice and herbs.

Standard Chartered snubs Lloyds

BY DAVID LASCELLES, BANKING CORRESPONDENT

THE board of Standard Chartered Bank yesterday unanimously turned down last week's offer from Lloyds Bank to discuss a £1.2bn merger, opening the possibility of a hostile takeover or a rival bid for the London-based international bank.

Lord Barber, Standard's chairman, told Sir Jeremy Morse, chairman of Lloyds, that discussions "would not be fruitful."

The announcement from Standard, which came at the end of its regular monthly board meeting, set off further speculative trading in the bank's shares on the Stock Exchange. They ended the day 4p higher at 882p, having reached 888p earlier. This compares with the 750p proposed by Lloyds. Shares of Lloyds fell 5p to 595p.

The 15-member Standard board decided that the suggested proposal would not be in the interests of its shareholders, staff and customers. Mr Michael McWilliam, group managing director, said Standard had recently conducted a strategic review and had

decided that its best interest lay in remaining independent.

"The approach cut clean across the clear line of thinking of the whole board. If we had decided we could do better by joining up with one of the clearers, we would have made an approach of our own," he said.

Lloyds appeared last night to be preparing to pursue its offer by hostile means if necessary, even though it has indicated its distaste for an all-out takeover battle. Mr David Horne, managing director of Lloyds Merchant Bank, which is handling the bid, said: "We are going to carry on at the same price."

He said Standard's brief statement had failed to explain why the Lloyds offer was not in the interests of the bank's shareholders, staff and customers. "I hope common sense will prevail," he said.

In the City, it was widely believed that a third party was preparing to make a counter-bid. Mr McWilliam said he had received approaches from several institutions worldwide

"expressing sympathy with our wish to remain independent." He denied that Standard was seeking a "white knight" to rescue it. "We do not need to because we have not yet had a firm bid."

Schroders, Standard's merchant bank, yesterday consulted the Takeover Panel about the status of Lloyds' approach, which did not amount to a formal bid, but raised questions about when the clock would start to run and take-over rules begin to apply. According to Mr Nicholas Jones, a Schroders director, the Panel should hold Lloyds to its statement last Friday that it would clarify its intentions as soon as possible.

"They will have to make up their minds. They can't keep things in limbo for long," he said.

The Panel takes the view that Lloyds has made an announcement about talks, but this does not mean that the bank will have to post an offer document within 28 days. There would come a time, though, when the Panel would ask

Lloyds to decide whether to proceed.

According to Mr Horne, Lloyds will meet today to decide its next step.

A takeover would create Britain's largest banking group with assets of more than £72bn. Lloyds says a merger would create a bank with a unique international reach, and enable it to diversify its source of earnings away from Britain, which accounts for 80 per cent. However, Lloyds' proposed offer is below Standard's net asset value of 795p per share and is viewed in the City as an opening shot.

Standard's resistance is based on its belief that it can improve its rather lack-lustre earnings record. It is also reducing its controversial stake in South Africa, and building a flourishing business in the US. It fears that if it joined the Lloyds group it could be absorbed and eventually vanish altogether, like the Bank of London and South America (Bolsa), acquired by Lloyds in the early 1970s.

Global banking report, Page 4

Staff wait on closure news at Bowmaker

BY IAN GRIFFITHS

LLOYD'S BANK'S ambitions to take over Standard Chartered could suffer an embarrassing setback when Lloyds Bowmaker, its instalment credit subsidiary, unveils plans on Friday which may involve job losses and branch closures.

The 4,000 staff at Lloyds Bowmaker had been preparing themselves for an announcement tomorrow rumoured to involve closing 50 of the 101 branches, with up to 700 jobs being lost.

Richard Macauley, a Lloyds Bowmaker director, said: 'We have carried out a study of our position in the market place and of our customers' needs. The staff will be informed of the findings on Friday.'

He said that trade unions would be consulted on matters which affected their members.

On Friday Lloyds Bank announced that it wanted to buy Standard Chartered Bank for £1.2bn. The approach was dismissed as unwelcome and the Standard Chartered board, led by Lord Barber, meets today to discuss it.

Standard Chartered has its own thriving consumer finance organisation, Chartered Trust, which has 70 branches. The board will be keen to ascertain how it would fare if the link-up with Lloyds went through.

Standard Chartered's shares closed up 72p at 877p yesterday as the market anticipated another bid or an improvement on the 750p at which Lloyds wants to talk about takeover.

BATS Industries refused to comment on suggestions that it had been asked to act as a 'white knight' bidder for Standard Chartered and a bank spokesman said that the idea was a surprise to them.

Daily Mail
8 April 1986

Vital operation

IN ANSWER to Mrs Jean Balfour, of Fife, who complained about the cost of a new hospital in the Falkland Isles.

The only hospital there was destroyed by fire. Before the Falklands War the locals were able to go to Argentina for major operations, but that is now not possible.

L. PAGE,
Glynde Crescent,
Felpham, W. Sussex.

FURY AS CASH SAUB HITS FALKLANDS TRIP

By PHIL DAMPIER

SCORES of grieving relatives have missed out on a trip to the Falklands ... because a £3m charity refused to help them.

Angry dependents of servicemen killed in the South Atlantic war hit out last night after failing to get cash from the fund set up after the conflict.

As 58 members of the Falklands Families Association left RAF Brize Norton yesterday more than 100 others had to stay at home.

The week-long trip is costing £1,200 a head—even with a sponsored passage from the Ministry of Defence.

And the pilgrimage has only been made possible by private donations of £22,000 and the generosity of the Falkland islanders themselves, who gave £10,000.

But association chairman Des Keoghane, whose son Kevin died at Bluff Cove, said more relatives could have made the trip if money was given from the £3 million still in the South Atlantic Fund.

"I believe the trustees of the fund wanted to help us but were prevented from doing so by the Charity Commissioners."

"I call them uncharitable."

Mrs Marjorie Walker, whose son Andrew was also killed, said: "I wanted to go on the trip, but could not afford it."

Loved

But Charity Commissioners spokesman Maurice Rao said: "The trouble is that the deed of trust does not allow this sort of payment."

The deed was written in 1983 when the fund was set up under the then Defence Minister Sir John Knott.



Sir John ... he set up the fund

Launch day

AN emotional ceremony for proud relatives of dead Falklands war heroes was threatened by a "crazy" pay row yesterday.

Workers preparing for today's launch of the new frigate Coventry walked out of the Swan Hunter yard on Tyneside over a wage claim.

Last night the company suspended the 2,500 skilled workers. A spokesman said: "If they walkout without permission they must expect to be disciplined."

Relatives of the 19 men

who died on the old Coventry and other VIPs have been invited to the special ceremony.

The pay row erupted while the company is struggling for a life-and-death defence contract worth £240 million for two oil supply ships.

Newcastle Tory MP Piers Merchant called the walkout "crazy" because if the order is lost, 2,000 jobs are at risk.

Some heart!

ACCORDING to the recruiting slogans, the modern Army has a heart.

There is precious little compassion in the treatment of the dependants of servicemen killed in the Falklands war.

One hundred who wanted to visit the islands are unable to make the trip, because the Charity Commissioners say they do not qualify for aid.

But these sad people are **NOT** charity cases.

Their menfolk gave everything for Britain.

They have a RIGHT to see where their loved ones died.

Daily Mail
8.4.86

The pilgrims

PORT STANLEY: More than 50 relatives of British Servicemen killed in the Falklands war four years ago arrive in the islands today to visit the battlefield areas.

FALKLAND SUMMER

Brian Jackman reports from the world's
newest tourist destination

The helicopter from Port Stanley lifted off into the clouds, leaving us marooned in a trackless wilderness that squelched inhospitably underfoot. Sleet flew in the grey wind, obscuring the distant crags of Tumbledown Mountain. Somewhere to the east lay the open sea and we yomped towards it across an eternity of peat bog and heathery shrub called diddle dee. Anyone who knows Dartmoor or the more remote parts of Shetland would feel instantly at home.

Our destination was Volunteer Point, renowned for its penguins. It was November, the beginning of the Falkland summer, and the breeding season was in full swing. Jackass penguins peered from their burrows. Gentoo penguins greeted us with raucous comb-and-paper noises as they sat tight on their eggs, and king penguins with saffron throats paraded for inspection in trumpeting ranks.

Solitude, elephant seals and the world's most accessible penguin colonies: these are some of the attractions which, Falklanders hope, will lure at least a few tourists to the islands. The problems involved in putting the Falklands on the tourist map are daunting. Not least is the journey: a gruelling 18-hour flight from Brize Norton (with a two-hour refuelling stop at Ascension Island).

Inevitably the cost of getting there pushes the price of the cheapest package holiday into the £2000-plus bracket. You can go to Mauritius or the Maldives for less. But the Falkland Island Development Corporation is pressing ahead. Wildlife tourism is the key, they believe; and already a number of comfortable small lodges are springing up. Due for completion next November, they will accommodate anyone prepared to pay for the unique privilege of being allowed to wander among wild creatures which regard man not as an enemy but merely an object of harmless curiosity.

Like most visitors I arrived with impressions firmly fixed by news reports during the 1982 conflict. Was not Fortress Falklands an armed camp

bristling with soldiers; a scatter of small islands, snowbound and shivering in the blast of Antarctic gales?

Such views are common currency in Britain. Just how distorted they are soon became clear as the clouds vanished, the sun shone for the rest of the week and daffodils bloomed in the gardens of Stanley, where the temperature nudged 70°F. Lesson one: Falkland weather is very much like our own. London and Stanley - at opposite ends of the earth - share identical latitudes.

The second surprise is the sheer scale of the place. By UK standards the Falklands are huge. Imagine an archipelago the size of Wales; a ragged jigsaw of bare brown moors and 2000-foot mountains, split in two by the Falkland Sound, with the fragmented islands of West Falkland streaming out towards the remote seabird pinnacles of the Jasons.

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For anyone raised among the teeming cities of northern Europe the sense of isolation out in the camp is both awesome and exhilarating. Nowhere is this feeling stronger than on Sea Lion Island, a 2500-acre strip of windswept turf surrounded by thick beds of floating kelp. "Lonely? Not really," says Terry Clifton, who lives here with his wife, Doreen, their teenage

cont..

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In Stanley itself the military keep a low profile. Most of the garrison is based outside the town in a sprawling makeshift city of tents, Nissen huts and hangars. Soon they will move out to more substantial headquarters at the giant new Mount Pleasant airport, 35 miles away.

Meanwhile, this pocket-sized capital (population 1200) is already settling back into its old pre-conflict rhythm. Apart

from the tin roofs painted in bright fairground colours it is all so British: bluebells in the gardens, Mars bars in the stores, traffic on the left. A new governor, Gordon Jewkes, is in residence at Government House. Mike Rendell, an ex-Royal Marine from Devon, dispenses afternoon tea at the Malvina guest-house, and over everything hangs the ineluctable incense of burning peat.

So will the tourists come? Will close encounters with penguins and sea-lions, battlefield tours, roast upland goose and afternoon tea with the hospitable Kelpers be enough to keep the Tristars flying from Brize Norton? I hope so.

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Travel

FALKLAND SUMMER

Brian Jackman reports from the world's newest tourist destination

The helicopter from Port Stanley lifted off into the clouds, leaving us marooned in a trackless wilderness that squelched inhospitably underfoot.

Sleet flew in the grey wind, obscuring the distant crags of Tumbledown Mountain. Somewhere to the east lay the open sea and we yomped towards it across an eternity of peat bog and heathery shrub called *diddle dee*. Anyone who knows Dartmoor or the more remote parts of Shetland would feel instantly at home.

Our destination was Volunteer Point, renowned for its penguins. It was November, the beginning of the Falkland summer, and the breeding season was in full swing. Jackass penguins peered from their burrows. Gentoo penguins greeted us with raucous comb-and-paper noises as they sat tight on their eggs, and king penguins with saffron throats paraded for inspection in trumpeting ranks.

Solitude, elephant seals and the world's most accessible penguin colonies: these are some of the attractions which, Falklanders hope, will lure at least a few tourists to the islands. The problems involved in putting the Falklands on the tourist map are daunting. Not least is the journey: a gruelling 18-hour flight from Brize Norton (with a two-hour refuelling stop at Ascension Island).

Inevitably the cost of getting there pushes the price of the cheapest package holiday into the £2000-plus bracket. You can go to Mauritius or the Maldives for less. But the Falkland Island Development Corporation is pressing ahead. Wildlife tourism is the key, they believe; and already a number of comfortable small lodges are springing up. Due for completion next November, they will accommodate anyone prepared to pay for the unique privilege of being allowed to wander among wild creatures which regard man not as an enemy but merely an object of harmless curiosity.

Like most visitors I arrived with impressions firmly fixed by news reports during the 1982 conflict. Was not Fortress Falklands an armed camp

bristling with soldiers; a scatter of small islands, snowbound and shivering in the blast of Antarctic gales?

Such views are common currency in Britain. Just how distorted they are soon became clear as the clouds vanished, the sun shone for the rest of the week and *Jaffodils* bloomed in the gardens of Stanley, where the temperature nudged 70°F. Lesson one: Falkland weather is very much like our own. London and Stanley – at opposite ends of the earth – share identical latitudes.

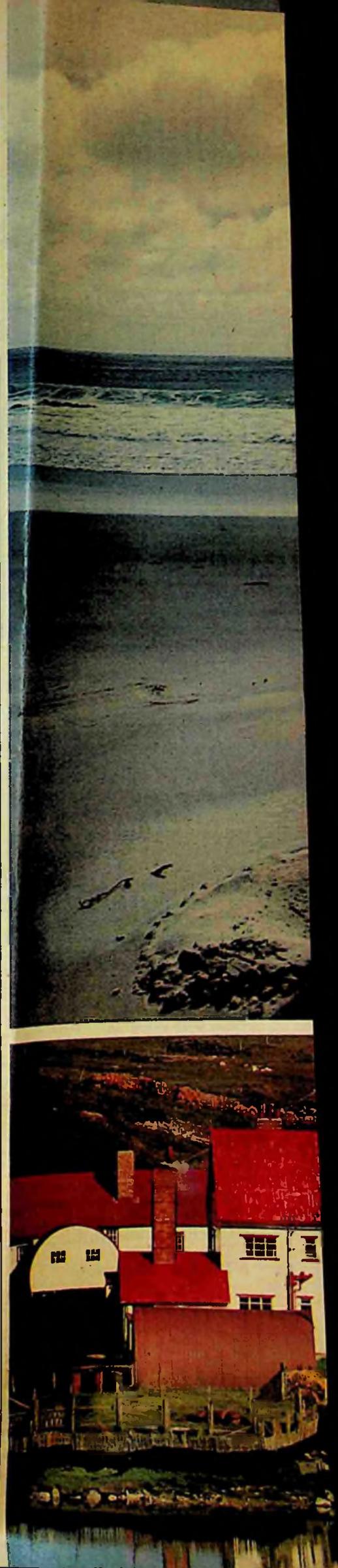
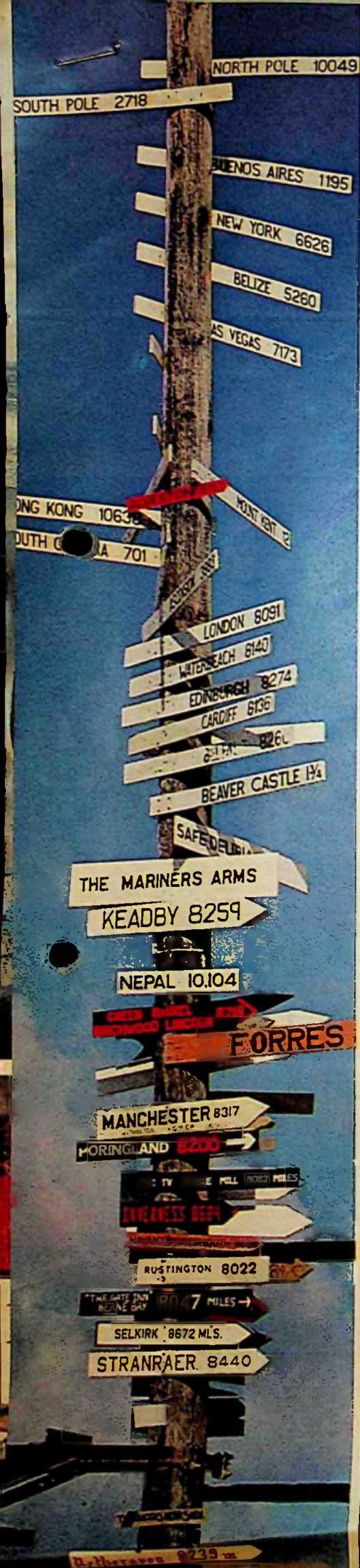
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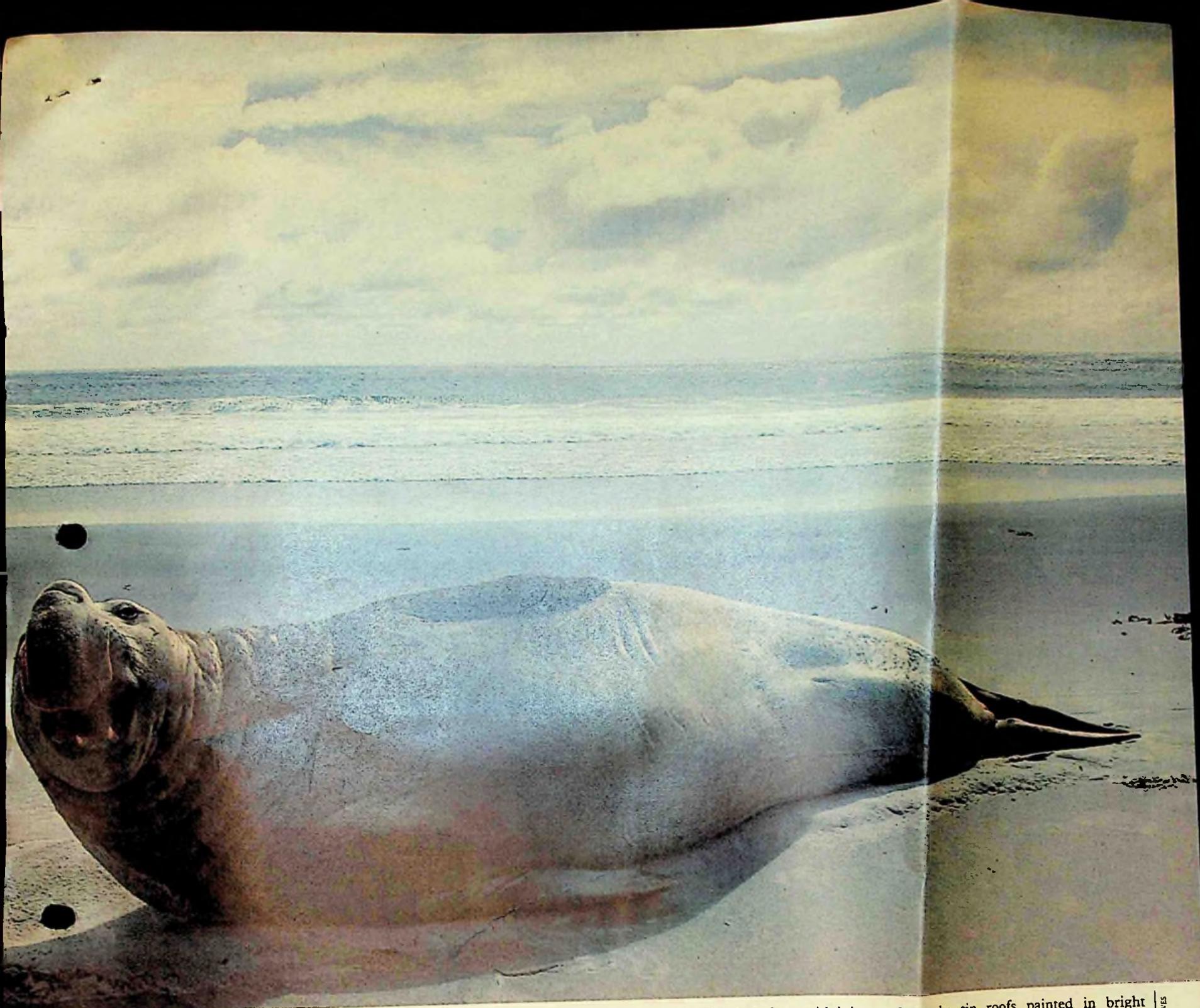
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Left: Wherever you live, the Falklands are a very long way from home, as this comprehensive signpost, erected by the British garrison outside Stanley, shows





Above: Protected against the South Atlantic chill wind by several inches of blubber, a bull elephant seal sprawls comfortably on Pebble Island. Left: The Kelpers' passion for painted roofs is revealed at Port Howard (pop. 45), a remote sheep station on West Falkland

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IAN HOWES

FUTURE HISTORIANS may well judge that the dramatic events of the past 4½ years in Argentina marked a turning point—comparable, for example, to the country's independence from Spain in 1810, the first military coup in 1930 or the rise of Peron in the 1940s.

My posting there began over lunch in the grill room of the Carlton Tower Hotel in London early in January 1982. An Argentine Embassy official urged me to look forward to better steaks, and a tranquil co-existence with an essentially pro-British community. He added that his country was being guided towards democracy "some time in the distant future" by the enlightened and responsible pro-Western rule of General Leopoldo Galtieri and his military junta.

Gen Galtieri was, in fact, that very moment putting the early pieces together for an invasion of the Falkland Islands which was to take place three months later.

The war, measured in deaths and days, was a small affair by comparison with other conflicts, like that in the Lebanon. But it had a traumatic effect on Argentina for whom a thousand deaths in contemporary battle had no precedent, and where surrender at the hands of a former ally sparked off a collective crisis of identity.

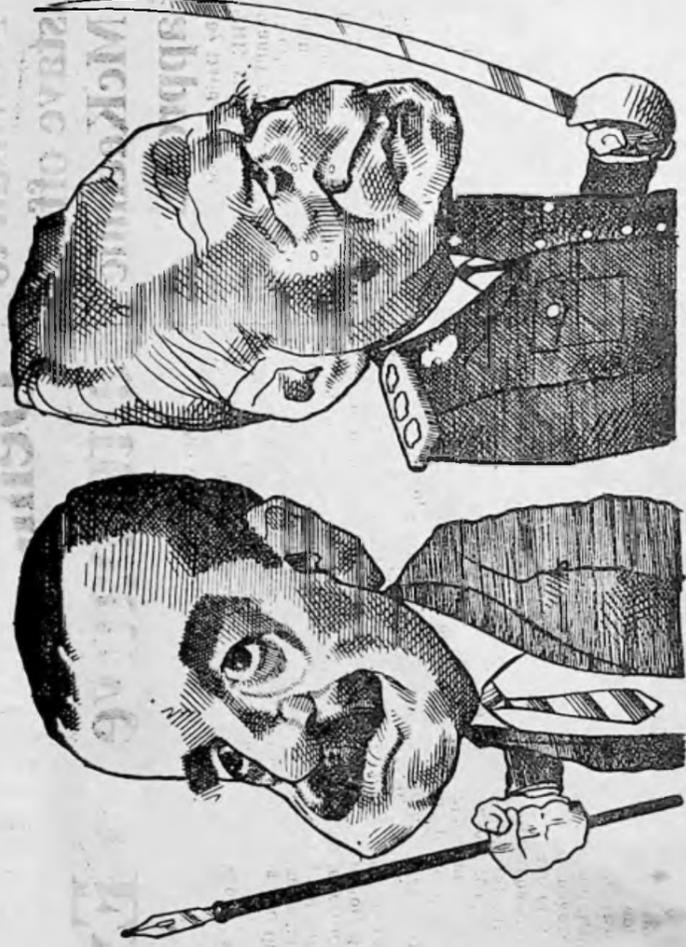
The defeat of the armed forces on the fields in and around Port Stanley made the subsequent national assault on the military inevitable. For most of Argentina's previous history the armed forces were virtually inseparable from the nation state, and so what ensued turned less into a confrontation between opposing bands than a collective catharsis.

Many Argentines had for years turned a blind eye to a painful reality. Now they dug into their recent past and found unmarked graves filled with skeletons, clandestine torture-chambers, and eye-witness accounts of horror on such a scale that Argentine Jews were reminded of Hitler.

The horror was perhaps no better synthesised for us than in the New Year of 1984. Near the flat where we were staying, the zoo was closed when bones were discovered near the main animal cage. The newspapers reported: "Doctors are sifting through the bones to see if they can identify the human ones."

The trial last year and subsequent condemnation of the juntas, accused of torturing and killing thousands of civilians following the 1976 coup, no precedent in contemporary history. At Nuremberg, the Germans were put on trial by a society of politicians long in local politics, but in fewer risks.

Jimmy Burns offers his impressions at the end of 4½ years in Argentina



Mr Alfonsín himself is privately aware that in his strength as a strong leader lies the potential weakness of the system he is trying to create. For all his commitment to the "politics of votes," parliament has so far proved a weak support.

So overshadowed is the ruling Radical Party by Mr Alfonsín's personality that it appears incapable of fostering a successor in parliament. Radical deputies copy Mr Alfonsín's gestures and phrases but rarely produce proposals of their own.

The Peronists, meanwhile, have produced a new dissident movement less tied to the neo-fascism of the late Peron and which tries to emulate the political composition of a British Labour Party with the unions as their power base. But one cannot talk today in Argentina of a responsible opposition with any real alternative programme.

Quite apart from lacking a leader who commands wide support, Peronists still periodically convey the irrational limits to which Argentine politics can go in their rhetorical nationalism.

The vacuum in parliamentary life often gives the impression that without Mr Alfonsín the democracy he is trying to build would collapse like a pack of cards.

Three bastions of the old Argentina still loom large in the background. The military may have been cut down in size by the Falklands, the human rights trials, and sweeping defence cuts—but there is still a widely held view in the army that the nation somehow owes them a favour.

Union power may also not be what it was—continued economic crises have meant a shrinkage in the traditional labour stronghold in industry—but the unions have staged five general strikes since Mr Alfonsín came to power and are threatening another one this month which could run for 36 hours.

The Church is still fighting a rear-guard action against Mr Alfonsín, although it came close to being politically discredited as a result of the collaboration of many bishops with the military regime. Bishops have equated the lifting censorship and the emerging rights for women and homosexuals with pornography. They have also resisted attempts by Parliament to review the current ban on legal divorce dating back 100 years.

When he came to power, Mr Alfonsín boldly predicted that his country could at last look forward to 100 years of democracy. He has succeeded in eradicating some of the scepticism and much of the fear that previously characterised life.

But the battle between the old and the new has yet to be resolved. Strangely enough, I think I will miss the passion of Argentine politics.

Mr Alfonsín sows the seeds of hope

Statistics, meanwhile, tell their own almost unbelievable story of Argentina's recent economic history. Prices between January 1982 and February 1986, increased by 59,000 per cent. During the same period, the local currency devalued against the dollar by 59,000 per cent. Small wonder then, that Argentina, along with Mexico, has provided much of the anxiety for international banks which have lent money to Latin America, seemingly pulling back from the brink of default which had been brought about by the chaotic state of its finances on at least two occasions.

The miracle, though, is that Argentina has survived these political and economic crises with a minimum of social upheaval and that the state, for all its inherent weaknesses, remains more or less intact.

Much of the credit for this must go to Mr Raúl Alfonsín, a little-known lawyer who preferred a life of quietude and good food to the public life of a politician.

Mr Alfonsín remains a man deeply committed to parliamentary democracy and determined to consolidate Argentina's image, on the domestic front, the manner with which he has handled the restoration of democracy.

cracy was epitomised by the Solomon-like sentencing of the juntas in the human rights trial. By condemning the worst culprits and acquitting the less guilty, Mr Alfonsín disappointed the human rights activists and still angered sectors of the military which have never thought themselves guilty of anything.

Abroad, Mr Alfonsín has held back from defaulting on his country's \$48bn foreign debt—last month he told the more radical President Alan García of Peru that confronting US imperialism and creditors was not a solution; he ended a century-old territorial dispute with Chile over the Beagle Channel; and resisted all nationalist pressures to match Mrs Thatcher's perceived intransigence over the Falklands with a fresh military adventure.

Old taboos die hard, however. In a country where history has been dominated by strong-armed "Caudillos" backed by a deeply entrenched corporate structure of armed forces, unions, and conservative church, the Alfonsín phenomenon has proved difficult to digest.

Falklands tax on jiggers

VESSELS fishing in Falkland Islands waters face a £1,500 surcharge imposed by the Falkland Islands government for every catch transhipped in Port Stanley from Tuesday last week.

The new surcharge will only affect foreign boats at present since they dominate the Falklands fishery, but it applies to all vessels. Squid jiggers will be the main contributors, as the tax is on catches which are transhipped in or exported from the

Falklands.

It is therefore not likely to affect trawlers, which can tranship more easily at sea — the Soviet fleet, for instance, always does this. But the Japanese squid-jiggers will have to fork out. They now tranship their catches into reefers which are moored in Port William, the outer harbour of Port Stanley.

The £1,500 duty applies to catches transhipped during the high season for squid, which runs from February to June. At other times of the year, the fee will be £150.

The level chosen is a careful balance between the wish to produce revenue for the Falkland Islands government, and the need to introduce conservation measures.

Falklands government spokesman Alastair Cameron told *Fishing News* that he

was not optimistic about more permanent measures for conservation being introduced in the near future. "We live in hope, but prospects for conservation are slim — it's up to the Foreign Office. It is unlikely to be this year."

However, he doesn't see the measure as being an effective safeguard against over-fishing.

"It might discourage some fishing, but the only effective way is by a system of TAC's," says Mr. Cameron. He said a heavier charge had been considered. "But one doesn't want to deter vessels as they bring in revenue."

"We estimate this fee would not amount to more than one per cent of total value."

In fact, skippers have said that they would prefer a system based on a percentage of tonnage, but this would have been too difficult to administer with the resources that the Falkland Islands has.

Argentina honours Falklands dead

From A Correspondent
Buenos Aires

The fourth anniversary of the invasion that started the 1982 Falklands war was commemorated in Argentina by numerous small but emotionally laden ceremonies.

Throughout Wednesday the three armed services held ceremonies honouring the approximately 1,000 dead while official homage was offered in a Mass attended by President Alfonsín, the Foreign Minister, Señor Dante Caputo, the Interior Minister, Señor Antonio Troccoli, the Labour Minister, Señor Hugo Barrionuevo, the Defence Secretary, Señor Horacion Jaunarena and the heads of the armed forces.

The Mass was held in the military chapel of Stella Maris. The homily by a chaplain emphasized the intensification of diplomatic efforts to recover the islands.

A demonstration by supporters of ex-servicemen, estimated at up to 5,000 strong, marched in the evening from the Plaza de la Republica, where the former combatants have been holding a "camp-out" for four days, to the municipal government building.

In a document read at the rally it was claimed that 65 per cent of the veterans are unemployed, 70 per cent lack housing and 28 per cent are without medical services.

The marchers, mainly from human rights organizations and left-wing political and student groups, responded fervently to chants of: "Attention, attention. Malvinas are the road to liberation," and denunciations of General Galtieri, head of the military junta during the conflict.

The former soldiers demanded the formation of a commission, in which they would participate, to investi-

gate the conduct of the war and lead to "the trial and punishment of the political and economic as well as military guilt for the defeat".

Two other commemorative events were held on Tuesday night in Buenos Aires. The South Atlantic Tribute Committee organized a rally in a sports arena, at which several thousand people listened as right-wing Peronist leaders from the Iron Guard faction denounced "imperialism and the powerful".

One veteran soldier, Señor Victor Villagra, was cheered as he claimed that the islands were for Argentina an "historic right."

In a smaller demonstration held in front of the Congress, ex-servicemen spoke before a crowd that included national legislators.

On the diplomatic front, the arrival, on the day after the war's anniversary, of the United Nations Secretary-General,

Señor Javier Pérez de Cuéllar, was expected to offer the Argentine Government an opportunity to further press its case on the islands.

The Senate foreign relations committee chairman, Senator Adolfo Gass, said Señor Pérez de Cuéllar would be asked to exert pressure for negotiations in accordance with the UN resolution approved last year. Senator Gass gave a warning that "if Great Britain continues in its intransigent position, we will insist before the Assembly (of the UN) on a repetition of that resolution."

The UN Secretary-General is spending two days in Argentina, during which he will meet President Alfonsín. In an interview with the daily paper *La Nacion* Señor Pérez de Cuéllar stated: "I will not withdraw from my efforts to help both parties begin negotiations. This purpose will be, certainly, central in my visit to Argentina."

Argentine and Mexican debts 'largely due to capital flight'

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

ARGENTINA and Mexico would be virtually free of their crippling foreign debt burden if they had not suffered from chronic capital flight over the past 10 years, according to a new study by Morgan Guaranty Trust of the US.

The study, published in the bank's monthly review of World Financial Markets, offers one of the first detailed assessments of the relationship between capital flight and the build-up of foreign debt.

It says that Argentina would have just \$1bn (£680m) in foreign debt today instead of \$50bn if there had been no capital flight. Mexico's debt would be an entirely manageable \$12bn instead of \$97bn.

The figures take into account the continuing drain on the balance of payments of servicing debt incurred to finance capital flight which in Mexico's case totalled \$53bn in the past

10 years while that of Argentina totalled \$26bn.

Morgan Guaranty warns that its figures, which are widely disputed in a number of countries covered by its study, provide only a rough estimate because of the lack of reliable data, but it says that with few exceptions the totals are more likely to underestimate the true extent of capital flight rather than exaggerate it.

The figures are reached by adding together recorded inflows of capital through net foreign investment and foreign borrowing and subtracting from this total the current account balance of payments deficit as well as increases in official reserves and recorded foreign assets of the debtor's domestic banking system. The residue is capital flight in the broadest sense of the term.

On this basis Venezuela also suffered heavily from capital flight over the past 10 years

with a total of \$30bn, while Brazil, the largest debtor in Latin America, lost only \$10bn.

A further conclusion of the study is that capital flight is not just a problem for Latin America. Capital flight from South Africa totalled \$17bn over the past 10 years and the country would have just \$1bn in foreign debt instead of \$24bn if it had not taken place. South Korea and Malaysia both lost \$12bn, Nigeria and India \$10bn and the Philippines \$9bn.

Not all this money was stashed away in secret bank accounts by rich individuals. Morgan says it is using an "expensive" definition of the meaning of the term capital flight. It includes perfectly legitimate activities such as the acquisition of foreign-currency working balances by local enterprises engaged in international trade and trade credit extended directly by local exporters to their foreign customers.

UN chief seeks Falkland accord

By
CRISTINA BONASEGNA
in Buenos Aires

BEFORE ARRIVING IN Buenos Aires yesterday Senor Perez de Cuellar, the Peruvian secretary-general of the United Nations, said the main purpose of his visit was to help Argentina and Britain "start negotiations" on the Falklands.

Commenting on his attempt to breathe new life into moves to secure a permanent solution, he said: "I won't cease in my efforts."

His visit nearly coincided with the fourth anniversary on Wednesday of the Argentine occupation of the South Atlantic archipelago that led to war with Britain.

But Argentina appeared almost to overlook the date despite ceremonies being held.

Business went on as usual in Buenos Aires on Wednesday, and not more than 2,000 people joined an anniversary march called by the Centre of Malvinas (Falklands) War Veterans.

The crowd chanted anti-American and anti-British slogans mixed with expressions of hatred for the Argentine military officers in charge during the war.

"April 2 does not belong to (former President) Galtieri but to the people" was one



Senor Perez de Cuellar

slogan. "Argentina, Argentina, the struggle is not over yet," was another.

And a former regular soldier confessed: "It breaks my heart to say it, but when the Brits took us prisoner they treated us much better than our own superiors had done."

The veterans had been camping out in five camouflaged tents in a small square since Friday to press demands for prompt enforcement of a law passed over a year ago to grant them social benefits.

The Argentine Foreign Ministry meanwhile seems to be relaxing its stiff restrictions on visas for British citizens.

Senator Adolfo Gass, chairman of the Upper House Foreign Relations Committee, said Argentina was willing to talk about the future of the Falklands within the framework of a United Nations resolution last year calling for negotiations.

"But if Great Britain continues in its intransigent position we will insist before the (United Nations) Assembly on a repetition of that resolution," he added.

Carrier makes less than illustrious return home

By David Fairhall,
Defence Correspondent

The aircraft carrier *Illustrious* limped back into Portsmouth with a burnt-out turbine gearbox yesterday, and with the prospect of having to abandon the round-the-world training and arms sales cruise on which she had embarked only hours before.

But for new lifesaving equipment introduced after the Falklands war many men

Picture, page 3

might have died in the thick acrid smoke produced by the fire, said her commanding officer, Captain Alan Grose.

Captain Grose was on the bridge just after midnight when he heard a bang and saw flames coming from the forward funnel. The starboard engine immediately lost power.

He said his crew were clearly disappointed and somewhat dispirited at returning to harbour so soon after being

waved off by their families on a nine-month voyage. But he hoped *Illustrious* could be repaired in time to catch up with the rest of the seven-ship deployment.

It was some time before residual heat allowed engineers to inspect the damaged gearbox compartment, the size of a semi-detached house, buried low down in the hull. If the starboard gearbox has to be replaced this will mean dry-docking *Illustrious* and cutting a hole in her side.

The Ministry of Defence may decide to send her new sister ship, *Ark Royal*, instead or, if this proves impracticable, shift the admiral's flag to the Type 22 frigate *Beaver* and let the smaller ships go on their own.

This would reduce not only the naval training value of the deployment, but also restrict the scope for arms sales promotion.

The three escorts in the
Turn to back page, col. 2

Illustrious limps home

Continued from page one
group do not have much spare accommodation and do not carry the Sea Harrier aircraft in which Britain would like to interest foreign navies.

The navy's third carrier, HMS *Invincible*, is unlikely to be available as a replacement because she is due to begin a refit in a few weeks' time.

Beaver, the Type 42 destroyer *Manchester*, and the Type 21 frigate *Amazon* have fortunately not yet sailed, because they can take the Panama Canal to reach the Pacific rather than the longer route round Cape Horn.

The fire aboard *Illustrious* is by no means the first incident of this kind involving gas turbine propulsion, which is increasingly the standard in Royal Navy warships. Previous incidents seem to have been associated with high-speed running. The ministry has not disclosed what *Illustrious* was up to between leaving Portsmouth Harbour on Wednesday evening and finding herself with a broken gearbox 25 miles south of the Isle of Wight.



Crippled carrier back in Portsmouth

Members of the fire-fighting team which tackled the blaze aboard the Royal Navy carrier HMS Illustrious early yesterday. It was forced to return to Portsmouth hours after leaving on a nine-month round-the-

world training and arms sale cruise. Shown after their return to Portsmouth are, from left, Nick Aldridge and Will Feebery, both of Gosport, and Steve Levitt, of Portsmouth

Falklands changes beat carrier fire

By GUY RAIS

EQUIPMENT introduced after the Falklands War, saved lives when fire broke out on board the aircraft carrier *Illustrious* early yesterday according to Captain Alan Grose, her commanding officer.

He said it was a "miracle" that no one was injured or killed by the fire in one of the 20,000-ton carrier's two 170-ton gear boxes shortly after midnight off the Isle of Wight.

The *Illustrious* sailed from Portsmouth at the head of a seven-ship task force on Wednesday on a 42,000 mile round-the-world tour intended to publicise British equipment and workmanship, she limped back into Portsmouth yesterday.

Capt. Grose, 47, said: "There was a bang followed by a fire. There was a large amount of thick acrid smoke, but the emergency equipment worked perfectly and a lot of people owe their lives to it."

The fire was put out within an hour.

The task force commander, Rear Adm Robin Hogg, who was on board, said "Our experiences in the Falklands War has led to the installation of the most excellent fire-fighting and extinguishing equipment which put paid to what could have been a very difficult situation."

He added that it was "no good talking in terms of repairing the *Illustrious* in a week or even a fortnight."

He hoped the ship might still be able to join the task force later on, but he emphasised he did not yet know the full extent of the damage.

Ark Royal alert

Our Naval Correspondent writes: The crew of the navy's newest carrier, the *Ark Royal*, were yesterday awaiting confirmation of a warning by their captain that their ship may have, at short notice, to replace her sister ship the *Illustrious*, on the global tour.

Using the *Ark Royal* for the task would leave the navy with no operational carrier in the Nato area.

If it is necessary to remove the *Illustrious*'s gearbox, the ship will have to be dry-docked and a hole cut in her side, a task that could take several months.

Firefighters' courage

By Gavin Bell

The skill and courage of firefighters in the aircraft carrier HMS *Illustrious* were largely responsible for averting a potential catastrophe yesterday after an explosion started an inferno deep inside the ship, her captain said.

The incident, as the 20,000-ton carrier was steaming at 30 knots away from south-west England, caused no casualties but forced postponement of a nine-month flag-waving voyage around the world by *Illustrious* and six Royal Navy ships.

Senior officers who began a preliminary inquiry after the carrier limped home to Portsmouth said the cause of the blast in the forward (starboard) gear-room was not known, but that there was no evidence of sabotage.

Commander William Bowlman said the ship was sailing on full power to tune up two new gas turbine engines when a deafening bang resounded through all decks at about 12.30am.

As alarms began ringing in the damaged control room, an enormous sheet of flame erupted almost immediately from one of the two funnels.

Captain Alan Grose said: "It was immediately apparent to me, standing on the bridge, that we had a major problem. Fortunately our fire attack teams displayed exemplary skill and courage and prevented what could have been a catastrophe."

Captain Grose said that as soon as the fire had been located, it was doused with bursts of inert halogen gas and water-based foam. The "standing sea fire parties" then fought their way through narrow passageways obscured by smoke near the keel and using thermal imaging equipment identified remaining pockets of fire that could have ignited further explosions.

The blaze was confined to the area of the explosion and extinguished within 90 minutes. None of the six sea Harrier jets or twelve helicopters was damaged. Commander Bowman said there had been no confusion but that it had been difficult at first to pinpoint the blaze.

"Everybody reacted remarkably quickly, considering that most of them were asleep at the time. Fog and fire are the two great dreads of all

saves *Illustrious*



Captain Alan Grose: praise for his crew

seamen. It is quite frightening to advance along a darkened corridor in intense heat, towards an extremely fierce fire.

"However the conduct of the attack team was absolutely correct. But for them, the consequences could have been much more serious."

Nobody was in the gear-room, housing a 200-ton gearbox the size of a small house, when it exploded — but two seamen had a narrow escape.

Chief Petty Officer Martin Smith, aged 33, of Hilsa, Portsmouth, and leading Marine Engineer Philip Stephens left the room five minutes earlier for a cup of coffee.

Lessons learned in the Falkland campaign helped to protect the 1,500 crew as dense smoke swirled below decks. All were equipped with breathing apparatus produced since

the South Atlantic battles.

Captain Grose said the investigators were looking at whether the explosion had implications for other navy vessels, or whether it was an isolated incident.

The aim of "Global 86", via the Atlantic, Pacific and Indian Ocean, is to participate in exercises with allied forces and to increase British defence sales. The manoeuvres were to have begun with an anti-submarine exercise off the west coast of France yesterday.

HMS *Illustrious*, which entered service in June, 1982, is the second of three aircraft carriers of similar design which have entered service since the late 1970s. The first was the *Invincible* and the latest *Ark Royal*, which first sailed last July.

Today
4 April 1986

Discovery flounders

THOUSANDS of sightseers who gathered to see the return of Captain Scott's ship Discovery to Dundee saw the event go embarrassingly wrong yesterday when she became stuck on the craft which carried her from London.

It took a tug, dockside crane

and crewmen using chainsaws to release Discovery, but the race to manoeuvre the vessel into Victoria Dock was lost.

The manoeuvre had to be completed by high tide but Discovery was left floating free on the River Tay.

Daily Mail
4 April 1986

Scott free

A TUG and crane yesterday freed Scott of the Antarctic's ship Discovery after she stuck fast in a floating drydock which had carried her from London to Dundee.

Wiggins' Buenos Aires puzzle

From Jeremy Morgan
in Buenos Aires

REPORTS in Buenos Aires suggest that Wiggins Teape, a subsidiary of the giant BAT Industries, may be involved in part of a rescue operation for its partner in a joint venture paper and pulp plant.

Wiggins Teape is said to have bid \$50 million to acquire control of Witcell, the joint venture company owned by Wiggins and Celulosa, a leading Argentinian company.

But a BAT spokesman last night denied that Wiggins had been involved in any concrete negotiations to buy out the 50 per cent stake held by Celulosa, which is in serious financial difficulties. But he could not rule out the possibility that BAT may be drawn into the rescue operation at a later date. BAT, through its Argentinian cigarette subsidiary, has substantial assets in the country and is unlikely to want to see Witcell engulfed by Celulosa's problems.

Banking sources said that Celulosa was set to decide on the bid at a board meeting last Monday, but instead hoped for a "postponement" after a report appeared in a local business daily noted for its ultra-nationalistic views and super-sensitivity over the Falklands.

Independent observers here think the leak on the eve of yesterday's anniversary of Argentina's occupation of the disputed islands in 1982 was intended to stir controversy and buy time for an approaching offensive against the deal.

But much more could also be at stake. Diplomatic sources believe President Alfonsín's elected government is waiting for a suitable moment to embark on an at least partial restoration of economic ties with Britain, and may already have taken one crucial step.

The sources say leading Argentinian officials agreed a few weeks ago with Britain on terms for re-financing Argentina's debts to official credit agencies in Britain under the "Paris Club" of Western industrial nation government creditors.

It remains unclear whether any Argentinian move will include a lifting of the boycott of British goods.

The last of the few

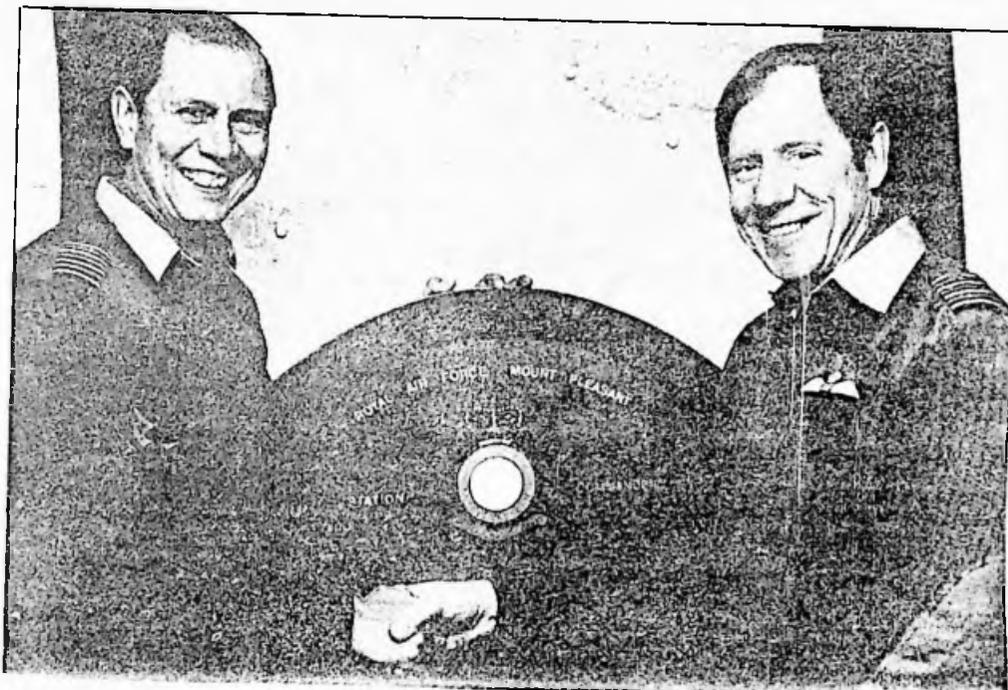
Station boss at Stanley hands over Mt Pleasant!

THE LAST STATION commander to be based at Stanley for a full tour, Gp Capt Jim Sawyer, has presented a new name board to his successor, Gp Capt Joe Sim (right in our picture).

The board is for use at the new RAF station at Mount Pleasant which is to be opened on May 1; sharp-eyed readers will note that the unit badge on the board is as yet incomplete; this is because agreement is being sought for the station to have its own unique badge featuring a red-backed hawk carrying a dagger.

If approval is not given then a close copy of the Strike Command badge will be used.

Gp Capt Sawyer's next appointment will be at Trials and Tactics Organisation High Wycombe; Gp Capt Sim has recently relinquished command of Bruggan.



Penguin Island (2x) disaster Falklands starts -3. APR. 1986 inquest

By John Ezard
CARCASSES of some of the thousands of adult penguins which have been washed ashore dead and under-nourished in the Falklands over the past few weeks will be flown to Britain tomorrow for urgent post-mortem examinations.

They may help to find out whether the deaths are the first sign of a long-predicted ecological catastrophe caused by foreign factory fleets over-fishing seas around the islands.

The post-mortems will be conducted by Dr Ian Keymer, a pathologist at the Ministry of Agriculture and Fisheries' Veterinary Research Institute, Norwich. Originally, they were to be done at London Zoo, where staff are worried about the deaths. But the ministry refused to issue an import licence for this in case the bodies contain a rare virus which could infect British birds.

The penguins — all rockhoppers — drifted ashore on the West and East Falklands. Dead black-browed albatrosses were also found in the water. The Falkland Islands are the world's most important breeding colony for both species.

The main diet for both is squid, which hundreds of ships from several nations have fished in huge tonnages for the past three years. Tests in Port Stanley have

found that the birds weighed only a quarter to half of normal for the breeding season. A report received in London yesterday said that starvation did not appear to be the sole cause of death. Some kind of viral infection was also feared.

The tests have been organised by the Falkland Islands Foundation, a British-based watchdog group for wildlife which has been pressing for controls over fishing. Its director, Mr Simon Lyster, who is also a consultant to the World Wildlife Fund, said that a virus could have struck the birds because they were already weak through malnutrition.

"We must wait for the post-mortems, but if it does turn out to be starvation I shall make a hell of a stink."

The foundation and the Falklands Government said that seabird deaths on this scale were unprecedented in living memory.

But the British Antarctic Survey's chief of bird and seal research, Dr John Croxall, said, last night: "It's very hard to believe that this outbreak has anything to do with over-fishing." Rockhoppers feed on infant squid, too small for ships to catch in large quantities.

Although deaths of adult penguins on such a scale were exceptional, they might have more to do with the fact that one of the commonest species of South Atlantic squid had a poor season this year, providing less food for the birds.

Dr Croxall added: "This unregulated fishing is a disaster. But, to be absolutely rigorous, we don't yet have the data to connect it with these deaths."

THE FALKLANDS FUTURE

Senor Javier Perez de Cuellar, Secretary-General of the United Nations is due in Buenos Aires today for talks with the Argentine government - which is expected to press its case for negotiations with Britain over sovereignty of the Falkland Islands. But neither is likely to work out a formula which will settle that vexed issue. Four years after Argentine forces invaded the Islands, 94.5 per cent of the people who live there have just said that they want to stay British.

The results of the unofficial referendum which was carried out for the UK Falkland Islands Committee, have hardly come as a surprise. It would have had more value had it allowed the islanders a second option. Assuming that their first choice was continuing British sovereignty, what would be their second? Would it be some leaseback arrangement? Or administration under the trusteeship of the United Nations? As first choices these were decisively rejected and it is easy to

understand why they were not presented in any other way. But to do so would have made the exercise more worthwhile.

As it is the results only underline the difficulty of the British position. In the Falklands there is a majority whose commitment to the Crown is absolute. Any alternative would be carried through against the wishes of the people who live there.

There are wider issues affecting Britain and its 56m people. But four years is a short time in international politics - especially after a war in which so many died. Such arguments are for tomorrow not today - and the Argentine government must understand that this is so.

The difficulty President Alfonsin has over accepting the long-standing British invitation to normalise relations on related issues, suggests that he understands it only too well. Argentina has never accepted the British offer to repatriate its war dead or to allow next-of-kin to visit their Falklands graves. It is unwill-

ing to discuss the reopening of air links with this country - or to allow British goods to be imported.

It has not even taken advantage of the announcement by Whitehall last Summer that Argentine imports would once more be permitted to enter Britain. Argentine exports to this country totalled £2m worth last year - slightly up on the £150,000 or so of the previous two or three years but hardly to be compared with the £125m which they were earning before the war.

Whatever President Alfonsin does, it would probably not alter very radically the findings of this latest "referendum". But a renewal of diplomatic and commercial contact between the two countries would do more than merely bring economic benefits. The time for sovereignty to be written into the agenda for Anglo-Argentine negotiations may not be yet. But if it is ever going to dawn it is more likely to do so in a climate of better relations.

Argentina eases UK trade and visa curbs

BY JIMMY BURNS IN BUENOS AIRES

ARGENTINA has begun to lift its ban on trade with Britain and is adopting an increasingly open door policy on visas for British subjects for the first time since the Falklands war.

The moves are being adopted discretely to avoid provoking a public outcry. But officials in Buenos Aires hope Britain will interpret the initiative as a concession by Argentina, which could pave the way for a resumption of talks on the future of the Falklands Islands in the longer run.

Evidence of a U-turn in policy

has merged this week with traders in Buenos Aires confirming that the Government has authorised several shipments of meat to the UK and Hong Kong. British companies operating in Argentina are also reporting that Government surveillance of UK assets is being relaxed.

Traders in Buenos Aires yesterday confirmed that the Argentine Government has also authorised the visit next week of British veterinary inspectors to check on the health standards of corned beef destined for the

UK. However, it was emphasised in London that these inspectors were being sent under the auspices of the EEC Commission and that this was not a bilateral matter.

Argentina has authorised so far this year the direct import of UK made equipment. The most important authorisation is expected soon when the state airline company Aerolineas Argentinas will receive the first of three long delayed flight simulators built by Rediffusion Robert Mauthner, Diplomatic Correspondent, writes from

London: The Foreign Office said it had not received any indications that Argentina had relaxed its restrictions on trade with Britain. British officials stressed that, if there had been a change in Argentine policy in this field, it was a very welcome development.

The British government's view all along has been that confidence-building measures, such as closer trade relations, would contribute to an overall improvement in the relationship between the two countries.

'Privatisation plans' for defence support services

BY DAVID BRINDLE, LABOUR STAFF

AT LEAST 200 separate studies have been commissioned to look into possible contracting out of Defence Ministry support services, according to the Civil and Public Services Association.

The claim, which was not disputed by the Ministry, was made yesterday when the CPSA launched what it says will be a high-profile campaign against further privatisation of defence support services.

The union aims particularly to put pressure on backbench Conservative MPs. In this context, it believes that even the well-advanced plans for commercial management of the Royal Dockyards can still be blocked through political pressure.

Mr Alistair Graham, CPSA general secretary, said: "There is a lot of unease about these proposals and the Government is so vulnerable now in a pre-general election period."

The CPSA says that contract-

ing out could halve the number of civilian posts in the Defence Ministry—at present, 170,000—and could lead to a net loss of 34,000 jobs after contractors rehired some staff.

The union maintains that contracting out would hamper Britain's ability to respond to a crisis such as the Falklands war. Contractors would lack the flexibility and cohesion necessary to provide steady supplies of stores, equipment and expertise.

● The proposed merger of the Civil Service Union and the Society of Civil and Public Servants, creating a 120,000-strong organisation has drawn closer with the national executive committees of each union approving a joint statement of intent.

Meanwhile, the CSU executive has put off until 1987 its plan to ballot on setting up a political fund, following procedural problems requiring consideration by the union's biennial conference.

FALKLANDS POLL BACKS BRITAIN

By Our Diplomatic Staff

Three Falklands Islanders out of 920 who replied to a survey would like Argentine sovereignty while 94.5 per cent. said they wanted to remain British, according to results published yesterday.

The survey, published by Marplan, confirmed that the overwhelming majority of the island's 1,005 registered electors wanted to retain British sovereignty.

The prospects of United Nations trusteeship attracted three islanders and a leaseback agreement under which the Falklands would be handed over to Argentina over a number of years was supported by nine people.

Daily Mail
2 April 1986

Falklands voice

IN A Marplan poll of Falkland Islands electors, 869 wanted to stay British, and only three wanted Argentine sovereignty.

ARGENTINE'S VISIT

By Our Staff Correspondent
in Bonn

Sen. German Lopez, Argentina's Defence Minister, is to arrive in Bonn today for a three-day visit during which he will discuss defence matters with Herr Woerner, his West German counterpart, inspect the Armed Forces and review training methods.

Daily Mail
3 April 1986

Falklands tax

PORT STANLEY: The Falkland Islands Executive Council introduced a tax from today on foreign fishing vessels using local waters.

Falklands 'want to stay British'

ALMOST all Falkland Islanders want to remain British, according to a poll published yesterday. Only three people would like Argentinian sovereignty among 920 who replied to the survey.

The prospect of United Nations trusteeship was equally unpopular and a lease-back arrangement attracted only nine islanders. Fifteen wanted independence.

The Marplan poll asked: "What kind of sovereignty do you want for the Falkland Islands?" It was sent to all the 1,033 electors, and of those who replied, 869 (94.5 per cent) said they wanted to stay British.

The answers were announced to coincide with the anniversary of the Argentine invasion of April 2, 1982.

Falklands anniversary signals new mood

Burns explains Argentina's changing attitude towards the disputed island

Falklands anniversary signals new mood

"EVERY DAY is the second of April." The slogan posted up around Buenos Aires over the last week by a group of Falklands war veterans may have an element of wishful thinking, but in one sense it does hit a national nerve.

Although Argentines may have more burning matters on their minds, four years after Argentine troops invaded the Falkland Islands, the issue continues to slip into conversation here far more often than in Britain.

A recent British book on the war dismissed it as a "freak of history," but this is not how the Argentines see it. "La guerra de las Malvinas" had a profound effect on the country's collective psyche, far surpassing the actual battles and subsequent surrender.

Death at the hands of a foreign enemy and former ally was experienced for the first time in the country's modern history. The defeat of the country's most powerful and historically-uncontested institution meant that it was humiliated and utterly discredited overnight.

The same crowds that had enthusiastically roared their support for General Leopoldo Galtieri were demanding little less than his head. Returning conscripts booed and insulted their officers in public. Later, an internationally-unknown local lawyer, Mr Raul Alfonsín, won the presidency on a bold platform of military reform and human rights, opening up a transition to democracy throughout Latin America.

Publicly, Argentines today

boast that the end of the military regime was assured by the courageous offensive of the people. Privately, the more honest among them admit that they owe the early demise of Gen Galtieri to Mrs Margaret Thatcher, the British Prime Minister.

In such a paradox lay the trauma — a defeated nation that somewhere lost control of even its own destiny. Today, the fourth anniversary of the "recovery" of the islands will be marked by demonstrations and wrath-layings. The conscripts will commemorate their dead heroes, and the nationalists will re-litigate their continuing struggle against "imperialism."

But beyond the rhetoric, a different attitude has developed in the Argentina of Mr Alfonsín. While it remains almost impossible to find an Argentine willing to renounce his claim to the islands, official attitudes as to how and when they should be recovered have modified dramatically in the past four years.

By bringing to trial and condemning the juntas for human rights violations and their misconduct of the Falklands war, Mr Alfonsín has distanced himself from the Argentina of the military in much the same way as Herr Adenauer broke with Hitler's Germany.

In so doing, Mr Alfonsín has met Mrs Thatcher on moral ground—out of the trauma he has managed to lay the basis for reconciliation. His determination to be a reliable member of the international community has also brought growing support within the UN.



Argentine soldiers during the Falklands war . . . four years later, still a talking point

During the last debate over the Falklands in November, Community and the Commonwealth joined the US in supporting an Argentine-backed motion calling on both sides to discuss "all aspects" of the future of the islands. Within Britain, public opinion has also shifted away from a "Fortress Falklands" policy and there have been friendly meetings between Mr Alfonsín and Mr Neil Kinnock, the Labour leader, and Mr David Steel, the Liberal leader.

Dialogue and impasse have continued to revolve around the thorny issue of sovereignty. Both British opposition leaders made clear privately that neither a future Labour nor Alliance Government would surrender Britain's claim to

the islands overnight or do anything that would prejudice the islands' future.

They have, however, accepted that sovereignty can form part of an open agenda, as it did during the 20-odd years of diplomatic talks between Britain and Argentina over the Falklands prior to the invasion. This willingness to discuss sovereignty without formally recognising the Argentine claim from the outset is a formula similar to the 1980 agreement between Britain and Spain, which led to the present Anglo-Spanish dialogue over Gibraltar.

Mr Alfonsín believes that it provides an honourable way out for both sides and has pledged "full guarantees" for the islanders, even though Argentinians still find it difficult to gauge the trauma the invasion represented for them.

Mrs Thatcher's insistence that sovereignty cannot be discussed is one block in the way of a breakthrough over the Falklands. The other is Argentina's unwillingness for years in the past to accept olive branches held out by the British Government, such as an open-door policy on visas to Argentines wishing to visit Britain and the unilateral lifting of the British trade embargo last July.

Now, for the first time since the end of the war, the Argentine Government is making a gesture of goodwill towards Mrs Thatcher on her own terms, by relaxing arrangements over trade and visas.

In Buenos Aires the official strategy is that the current relaxation should be done discreetly, without any formal announcement, so as not to run the risk of a domestic public outcry. But it is hoped that the measures will be tested by London and judged a significant concession.

Until now, the Foreign Office has insisted that confidence-building measures on both sides are needed in order to create the climate necessary for the resumption of talks abruptly broken off in Berne in July 1984.

Thus, as far as the Argentines are concerned, the ball seems to be once again in Britain's court over whether or not to respond on the outstanding issue of talking on an open agenda. As one Argentine official put it: "We do not want the islands back today or tomorrow. We can wait 20 years or more. But sovereignty cannot be excluded from discussion."

Falklands residents still back Britain

By John Ezard

More than 94 per cent of adults on the Falkland Islands want to live under British sovereignty, according to the first comprehensive opinion poll conducted since the 1982 conflict.

Fewer than a third of 1 per cent would prefer Argentine sovereignty and only 1 per cent is interested in reviving the former British policy option of lease back to Argentina.

The survey of all 1,033 electors in the total Falklands population of 1,956 was conducted postally by Marplan, on behalf of the Falkland Islands Association, the main British-based support group.

The poll yielded an 89 per cent response rate — one of the highest in Marplan's experience. Its design, conduct and results were validated by the Electoral Reform Society.

It was commissioned as an up-to-date test of islanders' wishes for self-determination in case a non-Thatcherite government wins the next election. The association chairman, the ex-Labour and SDP MP, Mr Eric Ogden, said yesterday that any new government would need to take it into account.

The survey, issued on the eve of the fourth anniversary of the Argentine invasion, was also carried out in lieu of a government referendum. In 1982, Mrs Thatcher pledged that "in due course, the islanders will be able to consider and express their views on their future."

The Foreign Office said that Mrs Thatcher had never promised a referendum, but "the results of this survey don't surprise us. We are closely in touch with elected opinion on the islands through elected councillors and the governor."

The poll, which guaranteed anonymity, asked: "What kind of sovereignty do you want for the Falkland Islands?" Answers were: British sovereignty, 94.5 per cent (869 people); independence, 1.6 per cent (15 people); other solutions, 1.2 per cent (11 people); voters who selected two solutions, 1.1 per cent (10 people); United Nations trusteeship, 0.3 per cent (three people); Argentine sovereignty, 0.3 per cent (three people).

The result emphasises the deep mistrust on the Falklands of UN trusteeship, a solution often canvassed within the Alliance and Labour parties.

The survey's other lesson is that neither time nor the election of a democratic Argentine government have softened suspicions in the Falklands.

Reuter reports from Buenos Aires: The soldiers who fought the war feel forgotten and their cause betrayed, the leaders of a veterans' group said.

"Hope is the last thing that one loses," Miguel Angel Trinidad, president of the Malvinas Veterans Centre, said yesterday. "Some day we will recover the islands, but only God knows how."

The veterans say that the Argentine war dead have still not been counted and those responsible for the defeat have not been brought to justice.

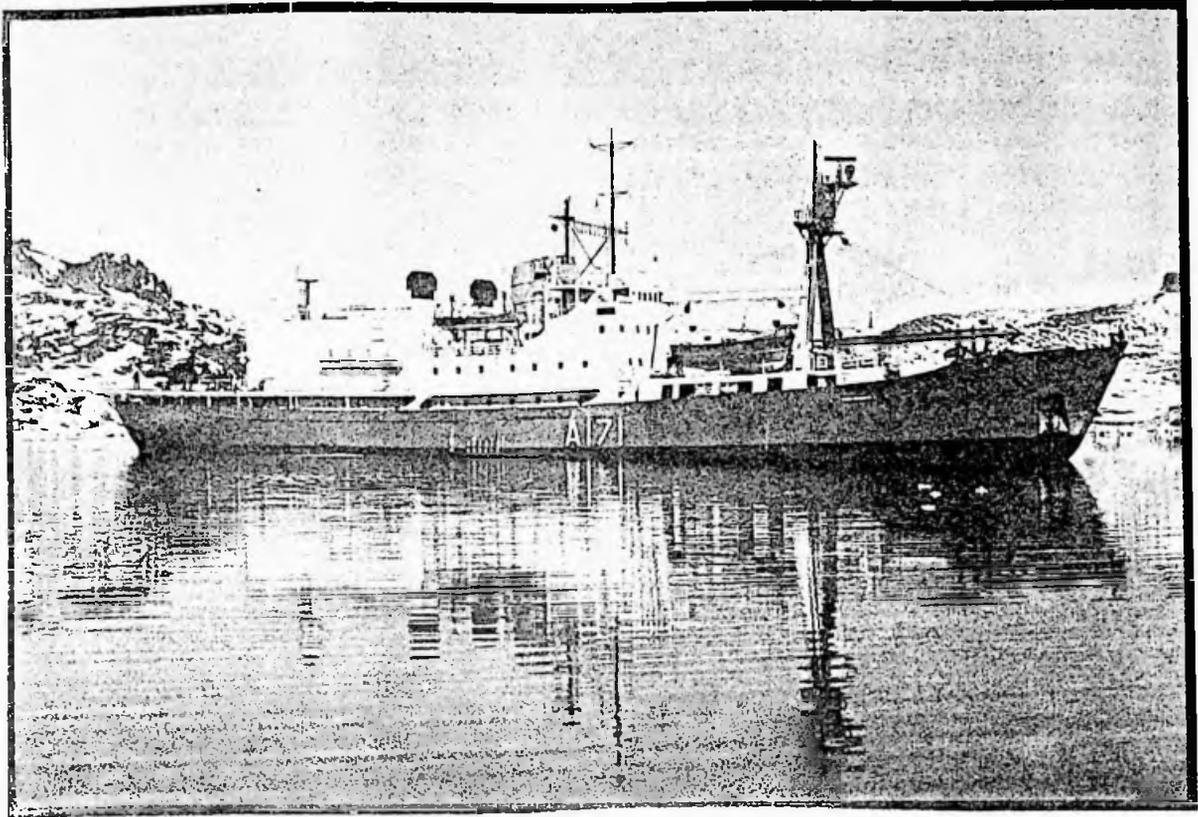
Defence ministry sources said that sentences in the court martial of Argentina's former military leaders for their role in the war would probably be handed down in April, three months behind schedule.

The military prosecutor asked the court to gaoil the former military president, General Leopoldo Galtieri, and the former navy commander, Admiral Jorge Anaya, for 12 years for negligence. He also wanted an eight-year sentence for former air force commander, Basilio Lami Dozo.

Members of the Malvinas Veterans' group, which represents 6,000 of the 8,500 soldiers who served on the islands, have set up a protest camp in the Plaza of the Republic in central Buenos Aires in the days leading up to the anniversary.

Military sources have said that at least 1,000 Argentines died in the fighting while Britain put her war dead at 255.

A 1984 veterans' benefit bill has not been passed by the Argentine government, so former soldiers have not been given mental, physical and social tests to determine what assistance they may need in returning to a normal life after the war, Mr Trinidad said.



HMS ENDURANCE, pictured (left) in the ice, has returned to Southern Thule — the island to which she led a task group in the aftermath of the Falklands War.

Britain's most southerly possession north of the Antarctic Treaty Area, the island was the site of an illegally established Argentine base until it was closed down by the Endurance's task group at the end of 1982.

Later a team of Royal Engineers destroyed the base and during the current ice patrol the Endurance called in to inspect the area. A small party landed by helicopter and clambered over the twisted spars and metal debris which are now inhabited only by Gentoo and Chinstrap penguins. There was no sign of recent human habitation.

South Georgia

At the start of her patrol, the Endurance had arrived in the Falklands via Cadiz, Madeira and Rio de Janeiro before setting out for survey work which kept the ship's flight particularly busy.

She sailed for South Georgia, where work included bird counts, checking fishing activity, and aerial photography before heading for the South Sandwich Islands for bird and geological surveys and the visit to Southern Thule, part of the group.

Moving on to South Orkney Island, the ship lent her support to the British Antarctic Survey base at Signy and then headed for Deception Island to observe thermal activity, check an old Argentine base and salvage a jolle (reported elsewhere in these pages).

In cosmopolitan "downtown Antarctica" — King George Island — there were opportunities to call on old friends at the Russian, Chinese, Polish, Chilean, Uruguayan and Brazilian bases before the Endurance headed back to the

Falkland Islands and San Carlos Water.

The ship's second work period was spent entirely on station around James Ross Island with up to 12 BAS geologists on board.

'RED PLUM' IN THE PINK!

AS HMS Endurance — painted red for easy identification in the ice — headed south for Stanley at the start of her deployment, a gale caused so much rolling that the paint store in the forepeak became flooded — with the result that most of the ship's paint started sloshing around from burst tins.

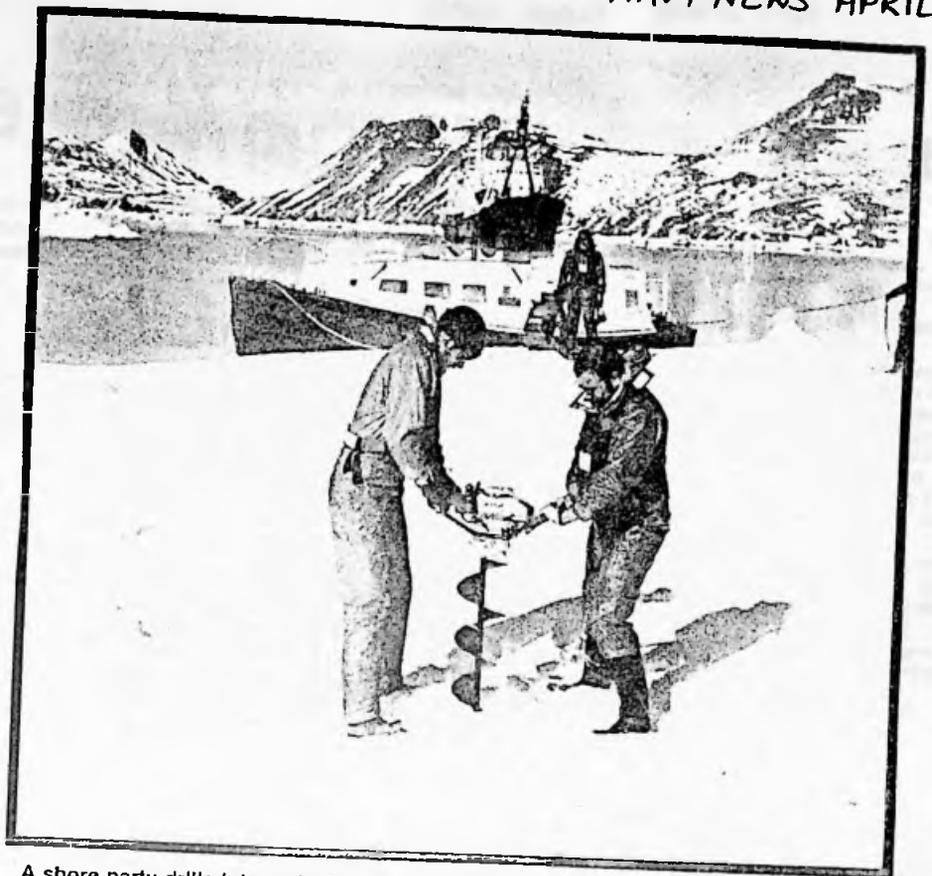
The end colour was a delicate pink which began to appear all around the ship as it was pumped out and the mess cleaned up. It even made its way onto the charts on the bridge!

PICTURES BY
LA(PHOT)
JOHN HICKIN

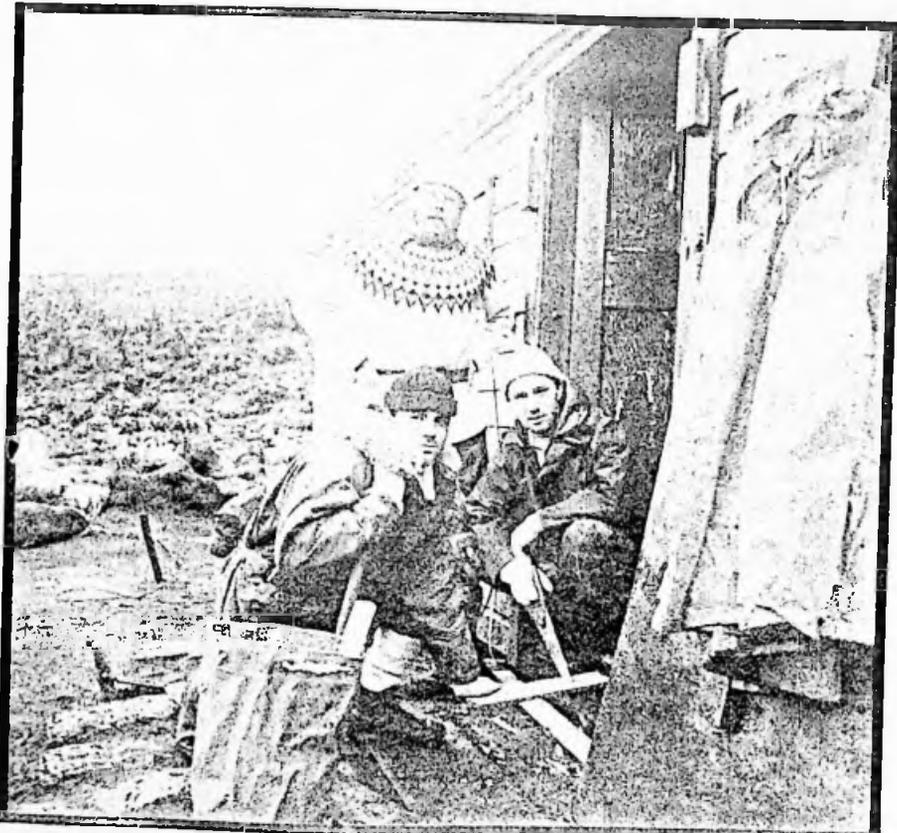
NAVY NEWS APRIL 1986



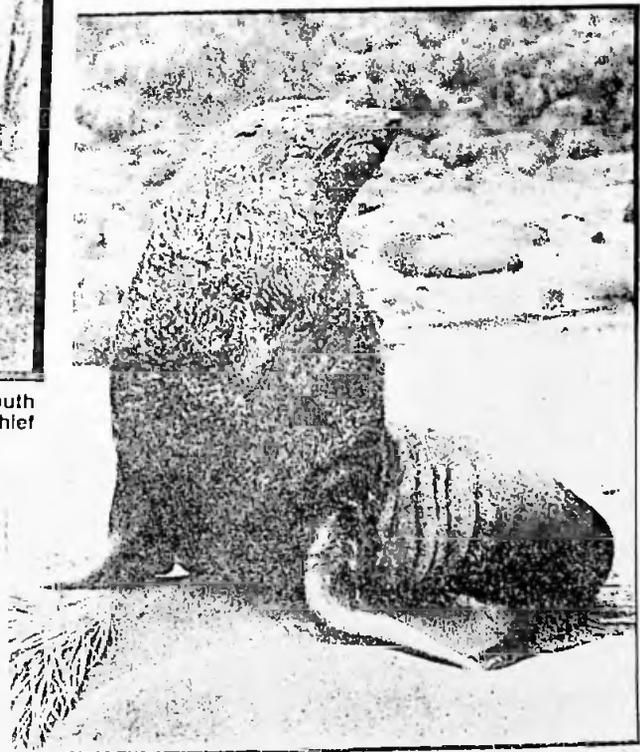
IN THE COLD: Unusual bows-on view of HMS Endurance secured to the Antarctic ice. See special feature, centre pages. Picture: LA(Phot) John Flynn



A shore party drills into an iceberg to provide HMS Endurance with a safe anchorage.



A chippy's party fixes a British Antarctic Survey emergency refuge hut on South Georgia. Left to right, MEM Bungy Williams, MEM Dollie Lawrence and Charge Chief Chippy Williams.



Come up and see me some time ... a posing male fur seal, South Georgia.

... and a jolle time was had by all

ARTHUR, an historic whaling barge, returned home to Norway last month after being rescued in a tricky operation from a volcanic island in Antarctica by a salvage team from HMS Endurance.

The Royal Navy's ice patrol ship had been asked by the Oslo Museum of Whaling, via the Scott Polar Research Institute, to recover a jolle (pronounced holly) or Norwegian flensing barge, from the region.

As the main evolution of the ship's first work period of this patrol Down South, the Endurance volunteers located just such a vessel — named Arthur — and dug all 32ft and 2½ tons of him from his resting place under lava debris in the active volcanic ring of Deception Island, where he had lain for many years.

Arthur was transported to the Falklands, where he was transferred to the Royal Fleet

Auxiliary Fort Austin and then taken on to Norway via the UK. The boat was landed at Trondheim on March 1 to be taken to Oslo for restoration.

Deception Island was a whaling station in the 1930s and included British and Chilean bases until being evacuated after a spectacular volcanic eruption in 1960.

At one time water in the anchorage was reported to be hot enough to blister the paint on ships' sides and even now steam rises from the tide line in Whaler Bay, where the Endurance anchored one beautiful, sunny morning and landed the salvage party.

The team, according to chief bosun's mate PO(R) Snowy Snowball, comprised Lieut. Duffin (Historical Artifacts Recovery Officer), PO(R) Snowball (CBM or string and knot supervisor), CPOSA Garwood (logistics and scran supply), CCMEA Williams (wood surveyor), POWTR Incerti (Deception Island LOA investigator), LPT

Jones (morale, shouting and cricket bats)* plus LWEM Hackett, WEM Burt, LCK Clifford, CK Lotcho and CK Hawkins (humpers and diggers).

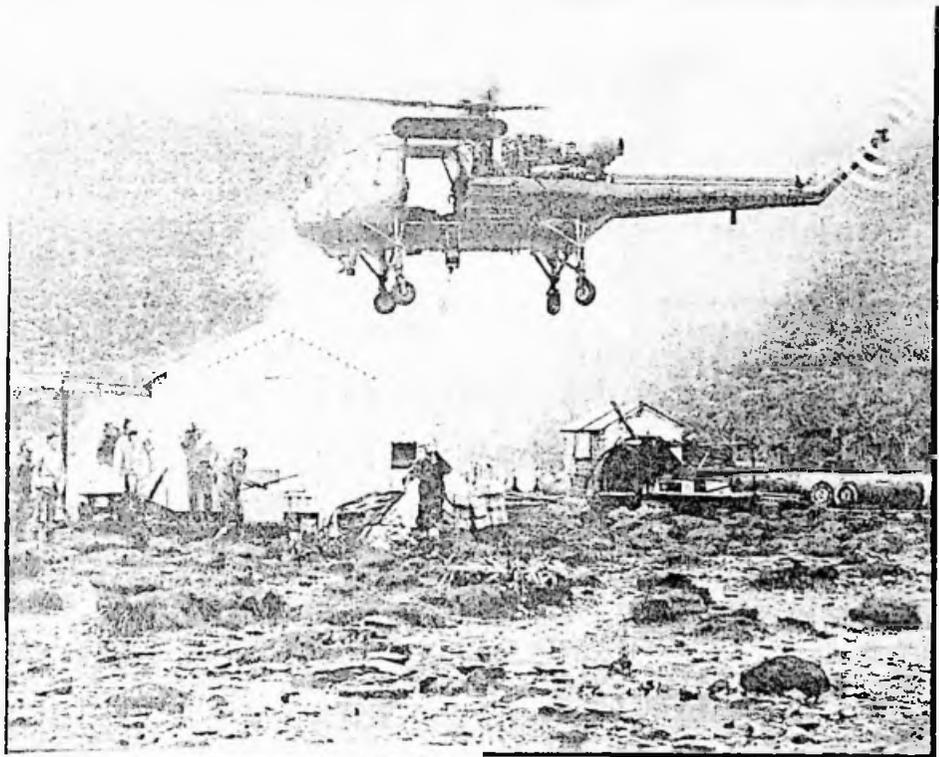
"As things turned out," said PO Snowball, "it was to be no R & R banyan."

The Herculean task, which involved digging a trench in ash and clinker to move the boat from the beach to the water and then to the Endurance, took two days and finally succeeded after a hefty tug-of-war, augmented by press-ganged service from the ship and led by LPT Vic Jones ("well versed in the ancient and noble art of shouting and tug-of-war").

Helped by inflated salvage bags, Arthur was towed by workboat and whaler to the ship and lifted into place on the well-deck.

"Royal Arthur, eat your heart out," said PO Snowball. "A pyramid of oil drums, or the dreaded bomb in the cockpit, is nothing to this lot."

* For an attempt on the world's most southerly cricket match.

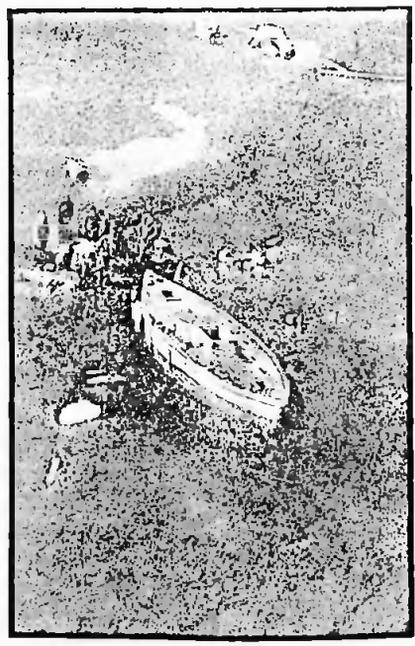


Ship's Met. officer Lieut. Chris Pardoe checks and resets a high-low thermometer which has been kept in place on an Antarctic peak for 70 years. Highest temperature recorded was 76F, lowest minus 10C.

One of HMS Endurance's Wasp helicopters loadlifts stores to the British Antarctic Survey base at Bird Island to enable the team there to "overwinter".



On the move! HMS Endurance's jolly boat salvage team during the big heave on Deception Island. Above right: An aerial view as the team pauses during the digging-out operation. Right: She floats! The tow to the ship under way.



When considering taking up ship modelling as a hobby the beginner is often undecided which direction to take. Many are often tempted by the glory of the Royal Navy and as a result the Merchant Service is sometimes neglected. But, as this article describes, there is a greater selection of ship types to choose from the latter

SHIPS AND MODELS

by ROBERT A. WILSON, F.R.S.A. Photographs by the author

AS well as coming in all shapes and sizes the world's merchant fleets come in all colours, each with their own distinctive company markings. Neither were they compelled to change from sail to steam with a single decision, but were allowed to pursue their own erratic ways and progress more or less by trial and error.

Life in a simple merchant ship is not as free of adventure and hardship as one might imagine. Even today it can have its moments and the ship is yet to be built that is exempt from the forces of nature which abound in the world's seas and oceans.

The following four models show some of the many different styles that could be found 100 years ago. Despite the fact that there is only 37 years between the oldest and the newest they represent four distinct types.

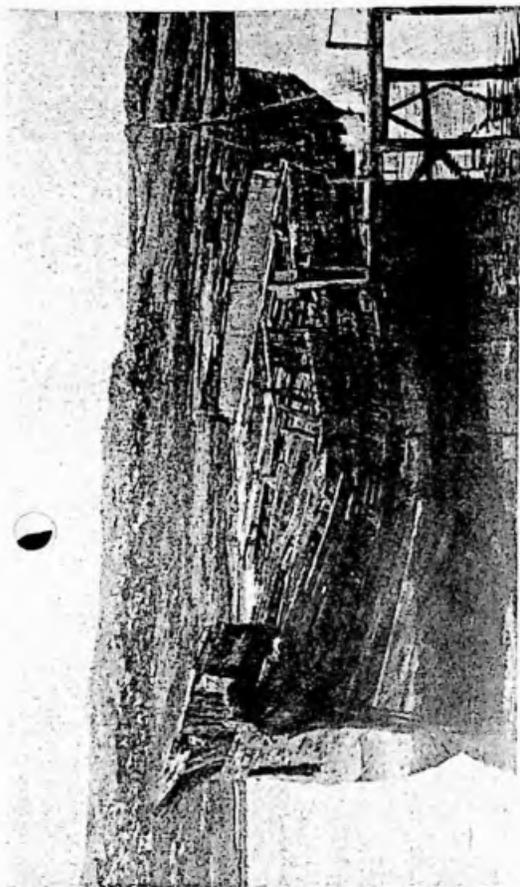
JHELUM

THE earliest vessel shown is the barque *Jhelum* built at Liverpool in 1849. Originally the *Jhelum* was a full-rigged ship with three square-rigged masts, but was later cut down to a barque. She was only a small vessel of about 400 tons with a length of 123 ft., built to the old frigate design and was very bluff-bowed and clumsy-looking.

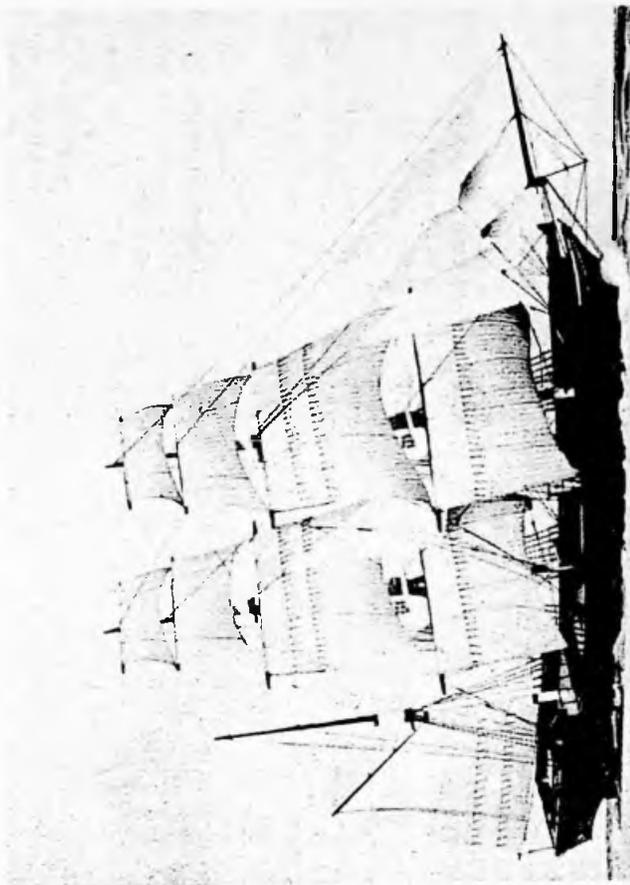
For many years the *Jhelum* sailed on world-wide voyages without incident. However in 1870 she arrived in Port Stanley, Falkland Islands, in a sinking condition. The crew refused to sail again and the vessel was condemned and sold as a storage hulk.

The first photograph shows the *Jhelum* as she was in 1982, still reasonably intact and lying in Port Stanley harbour at the end of a rickety jetty. During a visit to Port Stanley I was able to board the hulk and have a good look round. The forward part is badly decayed with the deck and most of the beams gone. The after end has fared better owing to the deck having been covered in corrugated iron at some time. Although all of the fittings have gone the after cabin is still very interesting and still offers considerable protection from the harsh weather conditions of the Falklands winter. The stern windows have long gone, but the openings give ample light for exploring in safety.

While aboard I found a loose piece of weathered timber in the lower hold and brought it home with me. Externally it was quite white and worn, but when cut up turned out to be high quality mahogany. Shortly after I was asked to build a model of the vessel for the Merseyside Maritime Museum and the second photograph is the result.



Above: Hulk of the "Jhelum" photographed at Port Stanley in 1982 and (below) the model of the vessel made by the author for Merseyside Maritime Museum



Plans of the hull were supplied to me by Mr. M. K. Stammers, the museum's curator. He had drawn them up after visiting the wreck himself some time previously. A scale of 16 ft. to one inch was decided on, giving the model a waterline length of about eight inches.

The hull was carved and then planked with sycamore veneer. Several items of deck detail were constructed from original *Jhelum* wood. All the mast and spar dimensions were obtained from the tables in Kipping's book on rigging. Usually I would have used bamboo for all the masts and spars, but in this case they were all built from the original wood taken from the wreck. All of the rigging is of copper wire burned black in a candle flame.

In this model I also used a new method of sail-making. Usually I had ruled the lines on thin paper and simply cut them to shape. Ruling the lines can be rather tedious and I finally hit on the idea of copying them. The original lined sheet was bought already produced by Letraset. It was then copied onto both sides of the sail paper in a dry powder copier. If you don't have a copier there is no problem as lots of stationery shops will produce copies for a few pence.

On miniature models of more modern ships I had previously simply cut the sail to size and fitted it. With the shallower sails that is acceptable, but with the deeper single topsails I felt that some attempt should be made to shape them. The sail was cut to size, soaked in water and placed on the surface of a large light globe. A handkerchief was then put over the sail and held tightly at the back forcing the sail to the shape of the globe. It was then held to a fan heater until it dried to shape. This proved successful and I have used the method ever since.

Photographing models, especially small scale, takes quite a bit of practice. A few tips will help the beginner

along. In order to get the focus correct it is better to use a single lens reflex camera where one focusses through the actual lens. Fine grain film with high contrast is most suitable. My own choice is Kodak Panatomic X, 32 ASA. Use a tripod and the slowest speed available — with my camera this is one second.

I only use natural light with a background of a projector screen of white plastic. The higher the "f" stop the better as this gives a better depth of field, i.e. all of the hull is in focus even if the subject is at an angle. With one second shutter speeds and good sunlight it is possible to use an "f" stop of 16 or 22.

Take the photograph from about the height of the waterline, in this way the picture will look more realistic. It is always useful to photograph a model as it shows up imperfections very well and details sometimes overlooked during construction can be spotted and rectified before the model is enclosed in a glass case. In the *Jhelum* I noticed that I had omitted the futtock shrouds. These were added later.

For anyone with a darkroom and equipment, greater effect may be obtained by superimposing the photograph of the model on to a real photograph of the sea.

The completed model was set in a painted plasticine sea and enclosed in a glass case. It is exhibited at the Merseyside Maritime Museum, Liverpool.

Bumpy take-off in South America

SANTIAGO

The aircraft industries of Argentina, Brazil and Chile all have a strong military bias that they were displaying with pride earlier this month at the biennial air fair, the Feria Internacional del Aire in Santiago, organised by the Chilean air force. But the aircraft that reveals Brazil as the most advanced of Latin America's aircraft makers—and explains why the other countries are so eager to go into partnership with it—was not on display.

The AMX, a new subsonic light ground-attack jet that Brazil is hoping will repeat the success of its Tucano trainer, was kept at home for weapons tests. The aircraft, which is being developed with two Italian companies, Aeritalia and Aermacchi, at a cost of \$700m, is having its wings built by the privately-owned Empresa Brasileira de Aeronautica.

The state-owned Argentine industry needs urgently to find outside collaborators. It was set up 60 years ago as part of a plan to make Argentina self-sufficient in arms. But the loss-making Fabrica Militar de Aviones (FMA) suffers from too much freedom for its engineers and too little cost-consciousness by its managers. To try to cure this, the company is reorganising itself. As a start, it has hived off the Instituto Aeronautico, its division developing the Condor missile, into a separate but still state-run compa-

ny. Plans for a supersonic combat aircraft, codenamed the Triple A (for Avion de Ataque Avanzado), have been shelved. Argentina lacks the \$1 billion needed to develop it.

FMA's main product is the Pucara ground-attack aircraft. The Pucara C, the latest version developed after the Falklands war, incorporates new features, including armour plating and devices to confuse heat-seeking missiles. Yet FMA, which employs 4,500 people, has made only 105 Pucaracs in 12 years. Empresa Brasileira's 8,000 workers have built 3,300 aircraft in the company's 16 years of existence. Just six Pucaracs have been exported, to Uruguay.

For its latest aeroplane, the 1A-63 Pampa, subsonic trainer, FMA has co-operated with Dornier of West Germany. The project has cost it \$200m; half for development, half for the modernisation of antiquated plant. The aircraft will sell for around \$3.2m each. The company has firm orders for 64 of them, all from the Argentine air force.

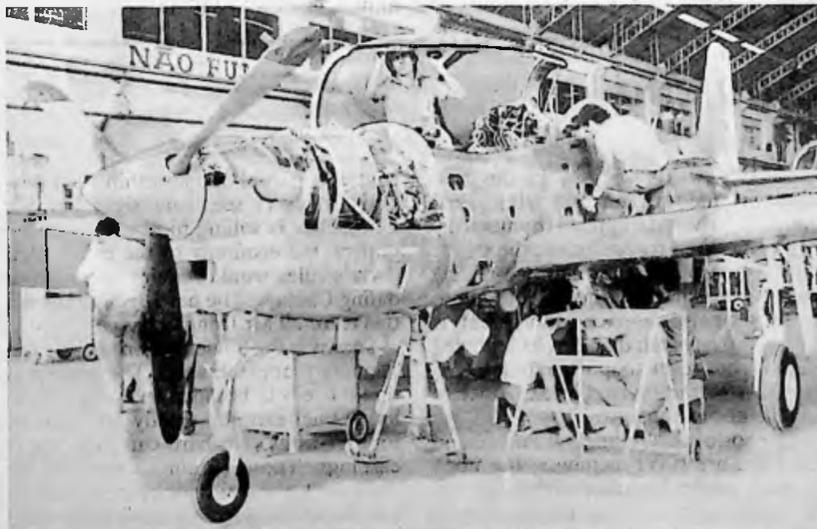
FMA is talking to Empresa Brasileira about a civilian 19-seat light aircraft to sell in the United States. The Argentines would prefer a 30-seater, but the Brazilians are already producing one, the Brasilia, without Argentine help.

Chile's aircraft makers also want to go

into partnership with the Brazilians. The Chilean industry is a modest affair. Industria Aeronautica was set up in 1977 by the air force to provide maintenance after Rolls-Royce workers in Scotland refused to service the engines of Chile's Hawker Hunters in protest at the politics of the Chilean government. In 1981, it became Empresa Nacional de Aeronautica, and began to assemble aircraft.

It now has in production a basic trainer, the Pillan, which was designed by America's Piper to Chilean air force

specifications. A turbo-prop version, the Aucan, is at the prototype stage. The company also assembles Spain's CASA C-101 trainers. It has imported 37 from Spain, into which it is busy installing British Aerospace's Sea Eagle anti-ship missiles. Chile has had some success in selling abroad, despite its right-wing dictatorship. Spain has bought 40 Pillans, and the company hopes to win orders from Jordan, Syria and Zaire. The Pillan's low price (\$275,000) is its best selling point.



The Tucano is the region's model

Falklanders vote to stay British

By Patricia Clough

A Falkland Islands survey shows that 94.5 per cent of the islanders want to remain British, and only 0.3 per cent, equivalent to three people, want the Argentine to take over, it was disclosed yesterday.

Exactly four years after the Argentine invasion, the survey of the 1,033 voters was

commissioned by the United Kingdom Falkland Islands Association from Marplan.

In all, 920 islanders—or 89 per cent of them—responded, and the results were vetted by the Electoral Reform Society.

In numbers, the survey showed that 869 Falklanders wanted British sovereignty, 15

wanted independence, nine favoured a lease-back agreement, three a United Nations trusteeship and three Argentine sovereignty.

Mr Eric Ogden, chairman of the UK Falkland Islands Association, said: "No one can doubt any more that what the Falklanders want is to be British

Buenos Aires hints at future action inside exclusion zone

Argentina accuses Britain over boat sinking

From Jeremy Morgan
in Buenos Aires

Argentina yesterday blamed Britain and the captain of the Taiwanese trawler for the incident in which an Argentine gunboat fired on and reportedly sank the fishing boat in the south Atlantic on Wednesday.

An official statement, released by the foreign ministry, said that the "direct cause" of the incident was the "irresponsible conduct" of the trawler's captain, for repeat-

Leader comment, page 12

edly refusing orders from the Argentine coastguard gunboat, the Prefecto Derbes.

But the ministry reserved most of its broadside for Britain. It asserted that the incident and other recent episodes involving foreign trawlers would not have happened if Britain had not enforced its 150-mile exclusion zone, round the Falkland Islands.

The exclusion zone, imposed after Argentina's defeat in the Falklands campaign four years ago, bans Argentine ships and aeroplanes from approaching the islands.

Insisting that Argentina was within its international rights to police fishing rights in a 200-mile stretch of maritime territory from its own coast, the ministry hinted that future action might be aimed at waters inside Britain's exclusion zone. Argentina's "pacific disposition" did not imply that the Argentine renounced "le-

gitimate rights" in the British zone.

Britain's "illegally declared" zone now meant that numerous foreign fishing ships were carrying out "irrational and indiscriminate" exploitation of natural resources in the south Atlantic, forcing Argentina to increase action, the statement said.

The ministry said that Argentina had so far "abstained from exercising its legitimate policing power" inside the exclusion zone to show willingness to settle the dispute with Britain peacefully.

Although lamenting the "undesired consequences of the incident, above all the regrettable loss of human lives," the statement was virtually a blanket endorsement of the earlier version of events by the Argentine coastguard earlier, even though a federal judge in south Argentina had barely begun his inquiry.

Echoing the coastguard, the ministry said that the trawler was still afloat when the gunboat left after taking on board the survivors. The statement confirmed that one crew member died "apparently" of a heart attack as the coastguard said, and another was missing. But little was said about the others apart from emphasising that none had suffered bullet wounds.

The 21 survivors were taken by the Prefecto Derbes to Puerto Deseado in southern Argentina. Six are believed to be in hospital with burns and broken bones, with the other 15 in an old people's home, it seemed, under coastguard custody.

TAIPEI CONDEMNS SINKING BY ARGENTINA OF BOAT OFF FALKLANDS

Taiwan pulls back fishing fleet

BY BOB KING IN TAIPEI AND TIM COONE IN BUENOS AIRES

TAIWAN'S Foreign Ministry has publicly condemned the sinking of a Taiwanese fishing vessel by an Argentine gunboat off the Falkland Islands earlier this week but has, for the moment, stopped short of a formal protest.

At the same time, it has ordered all ships in its 1,400-strong deep-sea fleet to stay clear of the islands, and has asked its representatives in Buenos Aires to seek more details about the incident. The two countries do not have formal diplomatic relations but maintain informal ties.

The confrontation, which left one crew member dead and a second missing, occurred outside the 150-mile military zone imposed by the UK around the Islands and, according to Taiwan maritime officials, 28 miles outside the 200-mile continental limit on which Argentina insists.

Unknown to the Taiwanese, Argentina is now claiming a 200-mile zone around the Falklands

A call for Britain to impose urgent fishery protection measures around the Falklands was made yesterday by Sir Rex Hunt, former Civil Commissioner of the islands, our Foreign Staff writes.

Sir Rex, who retired last year, said it was "ridiculous" for Argentina to claim a 200-mile territorial limit as justification for the sinking. But he was equally critical of Britain for allowing a "fishery

free-for-all" around the islands.

It was important for Britain to establish a fishery protection zone, stretching 200 miles to the north, east and south of the islands, and as far west as Argentina's rightful territorial waters.

"The fear is that the fish stocks are going to be destroyed. Before 1982 there were about 30 boats a day operating—now it is more like 300," he said.

in a bid to press its claims to sovereignty over the islands.

According to the Taipei Government, Taiwan earlier this year received permission from Britain for its 63-vessel squid fleet to fish within the 150-mile zone around the Falklands until May 25. The fleet had left the zone and was proceeding north when it

was intercepted by the Argentine patrol boat, which opened fire on several vessels when they refused an order to halt.

The Argentine vessel, the Prefecto Derbes, has already taken the 50 surviving crewmen to the Argentine port of Puerto Deseado, where their release is being discussed.

"If we had known about that

zone, we would have ordered the ships out completely," a government official said yesterday.

In Buenos Aires, the Foreign Ministry disclosed that on Tuesday it had informed the ambassadors of countries maintaining large fleets off the coast—increased patrolling would be carried out and heavy penalties imposed on any vessels caught within Argentine territorial waters. Many diplomats complain that the Government has not made it clear if the 200-mile territorial zone applies just to the mainland or the Falklands as well.

The Foreign Ministry said that as a result of UK protection, many foreign fishing fleets operating within the British zone "are carrying out an indiscriminate and irrational exploitation of the live sea resources." The resulting depredation "is endangering the eco-system of the region," the ministry said.

They drift, no breath, no motion

Where there is gunplay and pressure, there is often tragic human error. The Royal Navy (it is finally admitted) shot down one of our own helicopters in the melee of the Falklands war. Quite probably the Argentinian gunboat captain who sank a Taiwan trawler off the islands this week made a similar, hectic blunder (though no government admits these things easily). It is, however, utterly foolish to build stretching theories upon such individual segments of human frailty. No one can say the Royal Navy are all demonstrable incompetents. No one should say that President Alfonsin is a berserk adventurer. Yet that — or at least a cheapjack diplospeak approximation to it — is precisely what the FO has made of the trawler incident.

If one wants to set a context, then the mess of the Falklands in the aftermath of war is the context to set. In a sensible world, Britain and Argentina would long have ceased to snarl at each other. President Alfonsin, only a few weeks ago, locked up the junta that invaded Port Stanley. He has ruthlessly carved back on his military budget. He is manifestly bent on no conflict with anyone. But the diplomacy which might have wider sense of these moves hasn't happened. No Buenos Aires government can utterly renounce its claim to sovereignty over the Falklands. And Mrs Thatcher's government has been unwilling to talk about that. Hostilities, therefore, theoretically remain active. Old imbecilities, which should have been sorted out, aren't. Take fishing rights. The seas far around the Falklands are — or at least were — teeming with fish. Inveterate Falkland warriors like Lord Shackleton want a fishing zone for the islands which could be the foundation of an independent prosperity. The British Government — keen enough on pouring money into concrete runways and gun emplacements — has not been so keen about fish. Openly the FO declines to commit the patrolling resources that would guard such a fishing area; covertly, there is no confidence at all in the islands' capacity for economic regeneration. So while Argentina isn't welcome within 150 miles of the Falklands, the adjacent seas have become a traffic jam of alien trawlers stripping the islands of their principal asset. That traffic jam, moreover, has seen fish stocks that Argentina reasonably claims rights over drastically denuded. If London and Buenos Aires could get together, they might agree a prudent joint policy. But they can't. Britain uses every device to outflank the sovereignty issue. Argentina is determined not to be outflanked. Lately, despairing of an international agreement protecting its fish, it has embarked on a unilateral policy of hard policing. This week's tragedy was too hard, and no policy, but it arose directly from the diplomatic stalemate.

The sadness is that the stalemate serves nobody's best interests. Not Alfonsin's. Not Mrs Thatcher's. And, especially, not the interests of the islanders. British public opinion — as manifested in poll after poll — wants a decent resolution of the problem, and an end to the exorbitant bills. It is now clear that an incoming Labour Government would offer a negotiated solution on sovereignty. If Mrs Thatcher were truly determined to defend the Falklanders, as opposed merely to saving her own face, she would be getting together a long term deal with President Alfonsin which would guarantee them a secure future. But perhaps the Prime Minister thinks she is immortal, and that no other leader will ever enter Downing Street. Her actions seem to say as much, at any rate. Don't construct a lasting and easily attainable peace. Maintain, rather, a state of rhetorical warfare and hysterical propaganda. Trouble always stems from such unreal posturings. The fate of the Taiwan trawler is one miserable example of that; and there will be more until there is organised amity in the South Atlantic.

Outspoken analysis of British naval policy

The Rise and Fall of the British Navy, by Richard Humble. 255pp. (Macdonald Publishers, 74 Worship St, London EC2A 2EN. £10.95)

ONE of the casualties of the endless theorising about the nuclear deterrent and all that goes with it, is political understanding of the vital role of sea power in Britain's survival. In the real world, as distinct from the scenarios painted by pro-nuclear and anti-nuclear lobbies, Britain needs some 300 shiploads of goods a week to subsist, since about 90% of its trade and raw materials travel by sea.

Any possible enemy wishing to make a deadly strike against this critical lifeline need not agonise over the possible consequences of starting a nuclear war — torpedoes will suffice as two world wars demonstrated. To defend Britain's lifeline what is needed are frigates and destroyers — in short a conventional navy, as the Falklands events amply demonstrated in the context of actual aggression.

But since 1979, says Richard Humble, the British Navy has been reduced by 28 frigates and destroyers and only nine replacements were ordered in the period, despite repeated Government assurances that the destroyer/frigate fleet would be maintained. He points to the massive strength of the Soviet navy and castigates governments since 1945 for their failure to understand how vital conventional sea power is to Britain's survival. This, as his outspoken book shows, has been the case for some 400 years. He is deeply critical of the present Government's actions in respect of the Falklands and the British Navy, arguing forcibly the unreality and dangers of the Fortress Falklands policy, of believing a nuclear deterrent to be any use as a substitute for adequate sea power, and of privatising naval dockyards.

The policies of Mrs Thatcher's Government are strongly and severely criticised in terms sure to sting its spokespeople into equally outspoken rebuttals. The strength of Richard Humble's case is that it is based on some 400 years of actual British experience of the nature and necessity of sea power and on actual current events.

Falklands 'mistake'

The UK Ministry of Defence said yesterday a breakdown in communications probably caused a Royal Navy ship to shoot down a British army helicopter during the 1982 Falklands campaign, killing an officer and three soldiers.

Protection call

A call for Britain to impose fishery protection measures around the Falkland Islands was made yesterday by Sir Rex Hunt, former Civil Commissioner of the islands in the wake of the sinking of a Taiwanese fishing vessel by an Argentine gunboat.

FALKLANDS FISH 'MUST BE SAVED'

BRITAIN should urgently impose fishery protection measures round the Falklands, the islands' former governor, Sir Rex Hunt, said yesterday.

Sir Rex, speaking at his home in Sunningdale, Berkshire, was commenting on the sinking of a Taiwanese trawler by an Argentine gunboat.

He said it was ridiculous for Argentina to claim a 200-mile fishing limit—the official justification for the sinking.

But he was equally critical of Britain for allowing a "fishing free-for-all".

Sir Rex said he feared that the fish stocks were going to be destroyed.

"Before 1982, there were about 30 boats a day operating. Now it is more like 300," he said.

Skipper blamed

Our Diplomatic Correspondent writes: Argentina has accused the master of the sunken Taiwan trawler of causing the incident through his own "irresponsible conduct" by refusing orders to heave-to.

Britain shared the blame because its 150-mile exclusion zone around the Falklands provided shelter for foreign fishing fleets which had endangered fish stocks through "indiscriminate and irrational" catches.

The Argentine Foreign Ministry said the government regretted the loss of life—one man died—and said similar incidents could be avoided if foreign vessels respected Argentine laws.

THE TIMES, may 31 1986.

Pressure to protect Falklands fisheries

By Nicholas Ashford
Diplomatic Correspondent

Britain is coming under renewed pressure to impose unilateral fisheries protection measures around the Falkland Islands after the sinking of a Taiwanese fishing vessel by an Argentinian gunboat.

Sir Rex Hunt, the former civil commissioner of the islands, has said Britain should declare a 200-mile fishery protection zone around the islands.

He said that because there was no restriction on fishing around the Falklands, it had become "the last great fishing free-for-all in the world", and it was feared that fish stocks were going to be destroyed.

Fishing experts have said the islanders could be earning about £12 million a year from controlled fishing.

The British Government has turned a deaf ear to the islanders' pleas, saying that it would be impossible to police a fisheries protection zone.

Instead, Britain has been pressing for the establishment of a multilateral fishing regime to be arranged through the UN Food and Agriculture Organization.

● **BUENOS AIRES:** The Argentine Foreign Ministry has claimed that the sinking of the Taiwanese fishing boat came after two warnings and three non-explosive warning shots (a Correspondent writes).

The statement placed the direct blame on the irresponsible conduct of the ship's captain, and claimed that Argentina had abstained from using legitimate policing powers in the exclusion zone to demonstrate its willingness to find a peaceful solution to the problems of the area.

Bomb threat and intrigue hits Alfonsin

by Maria Laura Avignolo
Buenos Aires

PRESIDENT ALFONSIN of Argentina is facing an increasing threat to the stability of his democratic government from discontented elements within the armed forces.

Last week the public was shaken by the disclosure of an attempted assassination of the president, a bomb threat on his palace last Friday and a row about a mysterious kidnapping in which Ministry of Defence officials are said to be implicated. The three events have cast serious doubts on Alfonsin's ability to control the security services.

The attempt on his life was to have been made when Alfonsin visited the 3rd Army Corps base in Cordoba province on May 12. Police Corporal Carlos Primo discovered a 6lb bomb hidden behind some brushwood. It was constructed from a mortar case available only in military establishments and connected by cable to a military detonator.

Alfonsin was 200 yards away at the time. He was trying out a new gun and a few minutes later was due to move down the road past where the bomb was planted.

After the first shock, awkward questions are now being asked. Who could have planted a bomb in a restricted military area which had been under day-and-night patrol for a week? The answer was

obvious, if difficult to accept: either the army or the police.

A public battle has broken out between the two forces, each accusing the other of the assassination attempt. The army argued that the bomb was a mock device planted to provoke a scandal rather than to kill anybody. The generals insisted it had been planted by the Cordoba police to discredit the army.

The revelations have cost General Anibal Verdura, the head of the 3rd Army Corps, his job. Alfonsin showed his displeasure with the army by boycotting last Thursday's army day ceremonies. But the government could not disguise the fact that both the armed forces and the intelligence services are proving difficult to keep under control, as the second running scandal of the week demonstrated.

The case of Osvaldo Sivak, who was kidnapped last year and is still missing despite his family's payment of a \$1m ransom and \$300,000 to a group of Defence Ministry "investigators", caused a storm in parliament last week.

The interior minister, Antonio Troccoli, denied that the government was implicated but the session descended into uproar when an MP played a tape-recording of a conversation between Troccoli and Marta Sivak, the victim's wife, in which he admitted that the government was "responsible" and that the "investigators" were the kid-nappers.



Mrs Winnie Cockton shows photographs of her son Simon (below), a lance corporal, who died with three other soldiers after HMS Cardiff fired at their Gazelle helicopter

Death of soldiers in Falklands blamed on error by destroyer

By David Fairhall,
Defence Correspondent

Four British soldiers who died in the Falklands when their helicopter was hit by a missile are now believed to have been shot down by the destroyer HMS Cardiff, the Ministry of Defence said yesterday.

The ministry has blamed their deaths on "a breakdown in communications. The four were in a Gazelle helicopter on June 6, 1982, just before the final assault on Port Stanley, flying a resupply mission to a British radio site on Mount Pleasant.

They were originally logged as having been "shot down by an unknown enemy missile". Even when it was discovered that the Royal Navy's Type 42 destroyer, lying offshore on anti-aircraft patrol, had simultaneously fired at a slow moving target in that area, the connection was not made.

It was only when the missile fragments were re-examined

that it was decided they could have come from a Sea Dart and the navy now accepts that this is what happened.

The four who died were the two crew, Staff Sergeant Christopher Griffin, from Great Yarmouth, Norfolk, and Lance Corporal Simon Cockton, from Aylesbury, Buckinghamshire, both of the Army Air Corps, and two signallers, Major Michael Forge, from Rochester Kent, and Staff Sergeant John Baker from Rothwell, Northamptonshire.

The fatal mistake was made when the Cardiff saw the slow moving target on her radar heading towards Port Stanley which was still in Argentinian hands — and assumed it was an enemy helicopter.

A check was apparently made, but since the destroyer had received no report of a British helicopter in this position, about three miles south-west of Mount Pleasant, it opened fire.



THE TIMES, May 31 1986.

Navy may have shot down army helicopter

By Rodney Cowton, Defence Correspondent

The deaths of four British soldiers during the Falkland Islands conflict in 1982 are thought to have been caused by a missile from a Royal Navy destroyer which shot down the helicopter in which they were flying.

The Ministry of Defence said yesterday it had been assumed that the Gazelle helicopter had been destroyed by Argentine fire.

But a review of the evidence last year suggested that the probability was that it had been destroyed by a Sea Dart missile from the Type 42 air defence destroyer, HMS Cardiff. The soldiers' next of kin were told of the new evidence last week.

Yesterday Mrs Winifred Cockton, aged 62, of Aylesbury, Buckinghamshire, the mother of one of the dead, accused the Army of having lied to her about the death of her son Simon, aged 22, who was co-pilot in the helicopter.

She said an Army captain had called to see her and said the Army was 99 per cent certain that her son's helicopter was shot down by the Navy.

Mrs Cockton said: "We already suspected that. I have more or less realized what happened to my son. It was the Army's fault. The Army Air Corps apparently had not informed the Navy about this particular mission."

Mrs Cockton said the Army was sending a general to see her. But she said: "I am not interested in their lies. Now it

is not a question of finding out how Simon died, but why."

A ministry source said that initial examination of fragments of missile found near the helicopter had suggested that it could not have been a Sea Dart.

But a detailed examination in Britain of fragments could not rule out the possibility that the missile was a Sea Dart which circumstantial evidence suggested was from HMS Cardiff.

The Ministry of Defence yesterday attributed the shooting down to a "breakdown in communications".

The helicopter appeared to have been detected on HMS Cardiff's radar as "a slow moving" object and, because the ship was not expecting a British helicopter in the area, it seems to have been identified as Argentine.

The three men who died, in addition to Lance Corporal Cockton, were Major Michael Forge, of Rochester, Kent, who was unmarried and Staff Sergeant John Baker, married with two children, of Rochester, Kent, both of the Royal Signals; and Staff Sergeant Christopher Griffin, married with one child, of Yarmouth, Isle of Wight, who was the pilot.

The mother of Sgt Baker, Mrs Gwen McDonnell, of Corby, Northamptonshire, last night said she could not see any point in a public inquiry into the affair. "I personally do not want to stir up everything again."

Navy error killed four in Falklands

Four British army officers were killed in the Falklands conflict in 1982 when the British destroyer HMS Cardiff fired a Sea Dart missile at an army Gazelle helicopter, the Defence Ministry confirmed.

It blamed a failure of communication between the army and the Royal Navy in the last days of the campaign. It also confirmed, without giving details, that six soldiers had lost their lives in clashes between British land forces.

ARGENTINA ACCUSED BY BRITAIN

Boat 'was sunk in Falklands quest'

By DAVID ADAMSON Diplomatic Correspondent

BRTAIN accused Argentina yesterday of using its claim to the Falklands to justify the sinking of a Taiwanese fishing boat with the loss of a crew member.

A Foreign Office statement on the machine-gunning of the Chiann-Der 3 by the coastguard cutter Prefecto Derbes said the Government rejected Argentina's claim to jurisdiction over the waters where the attack occurred.

"This action amounts to an attempt to pursue a sovereignty claim by force," it said. The use of force against an unarmed vessel on the high seas was both unjustified and excessive.

"We are shocked by the tragic loss of life and the sinking of the vessel."

Foreign Office sources said last night that it was not expected that there would be any further moves to emphasise British condemnation of the incident or to put Argentina in the dock over it.

The incident occurred despite a message sent through the Swiss foreign ministry to



Buenos Aires earlier this week urging the Alfonsín government to avoid actions in the south-west Atlantic which would increase tension. The sinking took place five miles outside the 150 mile British protected zone around the islands.

Argentina has an internationally-unrecognised claim to a 200-mile-wide territorial sea. The attack on the Chiann-Der 3 fell outside it if measured from the mainland but within it if measured to include the Falklands as Argentine territory. It took place at Latitude 48 deg 42 min 7sec South; Longitude 59 deg 56 min 2 sec West.

Despite the strong language of the statement, Britain used the occasion to pursue a diplomatic objective, a fisheries agreement. The regulation of the fisheries in the south-west Atlantic was an international problem which required an international solution, the Foreign Office statement said.

Anger at over-fishing

It was for this reason that Britain had pursued a "collaborative approach" through the Food and Agriculture Organisation to the management of the fisheries, and had called on all the countries concerned, including Argentina, to support it.

There are probably more than 200 foreign fishing vessels, most of them from the Far East and Eastern Europe, in the prolific fisheries and the evidence of over-fishing has prompted furious demands from the Falkland islanders for Britain to declare an exclusive fishing zone.

The international complications have caused Britain to hang back from taking action. But it has reached voluntary

agreements with Japan, South Korea and Taiwan on restricting squid fishing in the 150-mile protected zone.

In the case of Taiwan, the agreement allowing 25 boats to catch squid in the zone expired on May 24. The Chiann-Der 3 and a second boat, Chi-Fu 6, which was machine-gunned but escaped into the protected zone, may well have been attacked after they moved outside the protected zone to continue fishing.

For an Alfonsín government intent on improving Argentina's international image, the incident with its evocation of the trigger-happy days which preceded the Falklands War, can only have been a profound embarrassment.

A communiqué issued by the Argentina coastguard restricted itself to giving the location of the Taiwanese boats and describing in factual terms what happened.

The British message to the Alfonsín government earlier this week may have been prompted by Argentina's introduction of heavier fines for unauthorised in 'Argentine waters.' They were raised from £100,000 to £165,000.

No British warship witnessed the sinking of the Chiann-Der 3, despite a Taiwanese claim that one had offered to help with the rescue. The Ministry of Defence said that two Sea King helicopters were sent to the scene but did not take part in the rescue.

The fishing boat's lifeboat was holed and the 21 crew were picked up from the freezing water by the Prefecto Derbes and taken to Puerto Deseado in Argentina. An offer by the Sea Kings to take three injured crewmen to Port Stanley was refused.

Argentine 'force' condemned

By Michael Simmons and David McKie, with Jeremy Morgan in Buenos Aires

The British government yesterday accused Argentina of seeking to pursue sovereignty claims by force after attacking two Taiwanese trawlers in disputed waters close to the Falkland Islands.

The incident occurred late on Wednesday, when an Argentine gunboat opened fire on the trawlers just outside the 150-mile exclusion zone imposed by Britain after the 1982 war. According to the Argentinians, who claim what they call the Malvinas Islands as their own, the trawlers were illegally violating a 200-mile fishing limit.

One Taiwanese fisherman died, and three others were injured — though not seriously — when one of the trawlers caught fire. The men were picked up from lifeboats, with 22 other crew members, by another Argentine vessel, which then headed for the mainland coast of Argentina.

The Foreign Office statement said: "We greatly deplore the Argentine use of force against an unarmed vessel on the high seas which was both excessive and unjustified. We are shocked at the tragic loss of life and the sinking of the vessel."

The statement made no reference to the fact that the Argentinians have been publicly vexed for several months over what they see as encroachments on their waters by foreign fishing boats. Six trawlers have been captured since the beginning of the year, and it was recently announced from Buenos Aires that there would be a stepping-up of the campaign to stop "illegal" fishing.

Ambassadors from those countries whose fleets fish these troubled waters were

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Argentine use of 'force' condemned

Continued from page one

informed of the new measures on Tuesday—something which may have escaped the luckless Taiwanese, since they do not have diplomatic relations with Argentina.

The SDP leader, Dr David Owen, yesterday condemned the Argentinian attack on the Taiwanese fishing vessel as "a grossly excessive use of force."

It was a warning sign, he said, that the aggressive nature of the Argentinian navy had not yet been effectively curbed by the country's new democratic Government. Dr Owen said that, in October, 1977, the Argentinian navy had fired on a Bulgarian ship, hitting a sailor. That incident had been the start of a build-up of tension which led to the dispatch of a British submarine and two frigates to the South Atlantic the following month.

The Labour foreign affairs spokesman, Mr George Foulkes, pressed yesterday for early talks

with the Argentinian Government to prevent further incidents. He said that Britain and Argentina should reach an agreement to police the area side by side.

Mr Tam Dalyell, the Labour MP for Linlithgow who has conducted a long campaign against government policy on the Falkland Islands, wrote yesterday to the Foreign Office Under-Secretary, Mr Tim Eggar, asking for a clarification of government policy.

Argentina's coast guard service has admitted that one of its gunboats attacked the Taiwanese trawler, but that left open questions about the Government's role in the affair.

A silence of more than 24 hours from the government added weight to suggestions that the gunboat attacked the trawler without first receiving specific orders from the authorities. With officials going to ground, it was difficult to establish whether it was now

the government's policy to fire on illegal trawlers and, if so, since when.

A hurriedly arranged meeting on Wednesday night between the Foreign Minister, Mr Dante Caputo, and Admiral Ramon Arosa, the head of the navy, merely fuelled rumours.

The Foreign Office view last night was that the shooting took place in international waters and an official spokesman said he couldn't see how Buenos Aires could claim they were Argentine waters.

"This action," the statement went on, "amounts to an attempt to pursue a sovereignty claim by force."

According to the Ministry of Defence in London, an offer from the British Army to rescue the Taiwanese survivors was refused by the Argentinians. There had been two Sea King helicopters in the area immediately after the firing took place, when the afflicted trawlers had issued a Mayday call for rescue.

Argentina condemned

Britain condemns Argentina for attacking two Taiwanese trawlers near the Falkland Islands and accused Buenos Aires of trying to pursue sovereignty claims by force.

Loans to South American farmers spark Congress row

BY NANCY DUNNE IN WASHINGTON

A ROW is brewing in Congress with both Republican and Democratic legislators upset over World Bank loans aimed at boosting global agricultural production.

At issue is a \$350m (£232m) loan made to Argentina in April, described as part of the Baker plan, which ties lending to the debtor nations to economic reforms. The loan, supporting a reduction in export taxes on farm products and an increase in producer prices, would enable Argentina to earn an additional \$1bn a year in foreign exchange by 1989, the bank said.

A week after the loan was made, the bank approved a \$155m loan to Brazil for a project to increase agricultural efficiency. A \$500m agricultural sector loan to Brazil is expected to come up for bank approval at the end of this month.

By law, the US director to the World Bank is supposed to vote against a World Bank loan if it could result in injury to US producers. The US director approved the Argentine loan, just after the US dropped its price supports, believing that new surpluses would not drop the price lower than 5 per cent, the Treasury's standard of injury. The US director abstained on the \$155m loan to Brazil.

Two Republican senators, Mr Steven Symms of Idaho and Mr Don Nickles of Oklahoma, have introduced the Foreign Agricultural Investment Reform Act, which would tie reduce US contributions to the World Bank if it approves loans to expand farm exports and the US director votes against such loans. At least five other bills have been introduced to limit farm sector lending by the development banks for projects which would increase exports.

Sen Dan Quayle, an Indiana

Republican, introduced a resolution earlier this month, supporting development lending but opposing loans which aggravate structural trade imbalances and inflame trade relations. Development projects, he said, should proceed at a rate consistent with a country's ability to service these obligations.

The US agriculture lobby is leading the fight against new lending for agriculture. "The (development) banks have learned that they can't foreclose on a country, but they can foreclose on the farmers," say Mr John Baise, vice-president of the American Soyabean Association.

The National Association of Wheat Growers and the US Wheat Associates wrote to both the secretaries of Agriculture and Treasury to complain that the US, through its contributions to the bank, is supporting the expansion of its principal competitors.

"Our farmers," the groups said, "cannot ignore the terms of this (Argentine) loan: 15-year term, three years' grace period with a variable interest rate which is currently 8.5 per cent. There are thousands of American farmers (who pay interest of about 12-14 per cent) who would love to have terms such as this for their own operations."

Mr David Mulford, assistant Treasury Secretary, replied to the farm leaders, telling them that the Treasury had approved the Argentine loan because "the funds will not be used for agriculture per se."

The loan was also opposed by the USDA. In a letter to the American Soyabean Association, Mr Daniel Amstutz, USDA under-secretary, said the department had opposed the loan "because the expressed purpose was to increase Argentine agricultural production and exports. . . ."

FISHING IN TROUBLED WATERS

Falklanders who have campaigned against overfishing by foreign ships in the waters around their islands might conclude that the Argentine navy has done more than their own to scare them off. But the Argentine sinking of a Taiwanese trawler, involving loss of life and injury, can hardly have advanced its country's claims to be responsible custodians of the South Atlantic.

Mr George Foulkes, the Labour Party's spokesman on foreign affairs, yesterday blamed the incident upon Mrs Thatcher's intransigence over sovereignty and argued that it should persuade the British Government to reach a settlement with Buenos Aires. That is surely a strained argument. The Foreign Office statement, which strongly deplored the Argentine action, was nearer the mark and must have concealed some quiet satisfaction in Whitehall. If Buenos Aires wants to win friends and influence people, it must recognise that there are better ways than this.

With 100 fishing boats in the

area last year — including those from Spain, South Korea and the Soviet Union — one must acknowledge that there is a real problem. A Foreign Office survey last November indicated that at least one of the region's main species, the blue whiting, was being seriously over-fished. Yet an exclusive fishing zone as demanded by the Falklanders would be extremely difficult to police. Portsmouth is 8,000 miles away, and the Ministry of Defence anxious to reduce the British presence around the islands rather than expand it.

Argentina has responded to this vacuum by seizing Polish and Japanese fishing boats. It had given warning before this latest incident that it was about to take still tougher action against miscreants. The sinking of the Taiwanese boat, deplorable though it is, might at least prod those responsible into moving more swiftly towards a fisheries agreement.

Britain has indeed been trying to secure a multilateral fishing agreement in the South Atlantic under the auspices of the Food and Agriculture

Organization (FAO). Under such an agreement, the fishing fleets would effectively police themselves, particularly if neighbouring countries in South America, with their navies close at hand, could be persuaded to join. Accordingly, the Foreign Office last Autumn welcomed the recognition by Buenos Aires that the FAO has a part to play in finding a solution.

Argentina's concern about overfishing arises from its claim to sovereignty over the Falklands. Buenos Aires argues that, if it were not for the 150-mile protection zone around the islands, Argentine gunboats would be able to patrol the area more effectively. This latest action will therefore be seen as an attempt by Argentina to keep the issue in people's minds.

If so, it went badly wrong. At a time when Argentina's government is presenting itself as full of sense and sweet reasonableness, such precipitate use of force can only remind everyone of General Galtieri.

Argentine shooting condemned

By Nicholas Ashford
Diplomatic Correspondent

Britain fired a verbal broadside at Argentina yesterday over the sinking of a Taiwanese trawler on Wednesday, accusing Buenos Aires of trying to pursue its sovereignty claim by force.

A toughly worded statement by the Foreign Office deplored the Argentine use of force against an unarmed vessel on the high seas as being unjustified and excessive.

The Chian Der 3 was sunk by an Argentine gunboat a few

Protection plea 8
Leading article 13

miles outside the 150-mile British-imposed protection zone around the Falklands after its captain defied orders to proceed to Argentina.

"The British Government rejects Argentina's claim to exercise jurisdiction over the waters in question," the statement said. "This action amounts to an attempt to pursue a sovereignty claim by force."

Britain has not yet made a formal protest to Argentina because it was unclear yesterday on what basis it had decided to take action against the trawler.

If, as seems likely, Argentina claims the vessel was infringing Argentina's territorial waters around the islands, then the British Government will make a sharp protest.

"If they don't make such a claim then their action amounts to an act of international piracy," one British official said yesterday.

Argentina's strong-arm tactics against the Chian Der 3 and other Taiwanese vessels is seen in London as an attempt by Argentina to force Taiwan to sign a bilateral fisheries agreement with Buenos Aires. This would presumably lead to moves to persuade other

Continued on page 16, col 1

Argentina condemned

Continued from page 1
nations fishing in the South Atlantic to enter into similar arrangements with Argentina.

Britain and Argentina have agreed to let the Rome-based Food and Agricultural Organization try to devise an international arrangement to control fishing in the rich waters around the disputed islands.

Until the FAO manages to negotiate such a multilateral fisheries deal, the Argentinians have made it clear they intend to take the policing of those waters into their own hands.

● **BUENOS AIRES:** Twenty Taiwanese fishermen, four of them injured, arrived in the southern port of Puerto Deseado yesterday aboard the Argentine Coast Guard cutter that destroyed their vessel

with machine gunfire (AP reports).

The cutter Prefecto Derbes was also carrying the body of the Taiwanese crewman who died during Wednesday's attack. The Coast Guard said the crewman apparently died of a heart attack and said the captain of the Chian Der 3 reported another of the crewmen missing.

Señor Horacio Jaunarena, the Argentine Defence Secretary, said his country "lamented the loss of lives" and the incident "must be viewed as part of a very difficult situation consisting of the depredation of Argentina's resources in her zone of jurisdiction."

● **TAIPEI:** Taiwan will demand compensation from Argentina for attacking the trawler (AP reports).

Daily Mail
30 May 1986

Trawler sinking angers Howe

By JOHN DICKIE,
Diplomatic Correspondent

BRITAIN denounced Argentina yesterday for attacking and sinking an unarmed trawler in international waters off the Falklands.

'This action amounts to an attempt to pursue a sovereignty claim by force,' said the Foreign Office in London.

The statement issued on the instruction of Foreign Secretary Sir Geoffrey Howe expressed shock at the 'tragic loss of life' aboard the Taiwanese trawler Chain Der 3 — one man died and three were injured.

What particularly angered Sir Geoffrey was that only a few days ago he warned Argentina 'of the need to avoid actions in the South West Atlantic that could increase tension.'

The incident occurred on Wednesday five miles outside the 150-mile protection zone imposed by Britain around the Falklands but within an area which Argentina claims is part of its self-proclaimed 200-mile fishing zone.

FISHING NEWS
30 May 1986

Scrap-and -build fleet — says SDP

A RECENT meeting of the Social Democrats' fisheries council looked into the opportunities for expanding markets and discussed rejuvenating the fleet.

Dr. John Godfrey, chairman of the working party that produced the SDP's policy report on fisheries, called for comments and criticism of the document from the industry and the public.

"There is plenty of room for expansion of the market share for fish at the expense of meat and poultry, but only if there is further improvement in quality and product development for easy cooking in line with modern needs," said Dr. Godfrey.

"It is also essential, in the interests of the POs as well as the consumers, that fish out-competes its rivals in the supermarket on price."

Dr. Godfrey suggested that the government could help fight the crisis in the ship-building industry by pushing a scrap-and-build policy for the fishing fleet. "This would have to contribute to solving the long-term problem of overcapacity at the same time as it made a contribution to safety at sea," he said.

"Research at Dundee University makes it clear that geriatric vessels contribute more than their fair share to the loss of life among fishermen, still running at about four times the rate among coalminers."

Discussing the Falkands fishery he said: "Every month brings fresh evidence of overfishing in the Falklands waters. The islanders want their fishing managed. Why is the government standing idly by as the problem gets more difficult to resolve?"

Argentines open fire

An Argentine gunboat opened fire on and arrested a Taiwanese fishing vessel operating just outside the 150-mile Falklands protection zone. It pursued two other Taiwan vessels.

SHOOTING OFF FALKLANDS

Taiwanese squid fishermen said yesterday that an Argentine naval vessel fired on one of their boats just outside the 150-mile exclusion zone imposed by Britain around the Falklands. Shots, possibly from machine-guns were said to have wrecked the mast and the radio room of the fishing boat.

The Ministry of Defence in London said an aircraft had been sent to investigate.—AP.

Argentines' sea 'attack'

By Seumas Milne

An Argentine naval ship reportedly fired on a Taiwanese fishing boat yesterday just outside the 150-mile exclusion zone imposed by the British government around the Falkland Islands.

The attack apparently came after the Argentine ship had tried to arrest three squid fishing boats inside the 200 nautical mile fishing limit which Argentina claims off its coastline.

Mr Tsu-Kang Lei, who represents Taiwanese fishermen on the Falklands, said machine-gun fire had wrecked the mast and radio room of the Defu 6.

The Argentine ship, thought to be the Force 28, reportedly chased the other two Taiwanese boats for two hours towards the British exclusion zone.

It was unable to catch one vessel and threatened to fire on the other unless it accompanied it to Argentina. The Taiwanese ship anchored in heavy seas and sought advice from its owners.

Boat in Falkland shooting sinks

From Graham Bound
Port Stanley

An Argentine gunboat sank a Taiwanese fishing vessel last night just a few miles outside the 150-mile British-imposed exclusion zone around the Falkland Islands.

Earlier in the day it had fired on another Taiwanese boat and chased two others, which fled into the safety of the exclusion zone.

The Chian Der 3 was sunk after its captain had defied orders to proceed to Argentina, while offering to move to other fishing grounds. After the ship steamed to the east and was hit by Argentine cannon fire, it sent Mayday signals and reported fires on board.

The Taiwanese crew of 22 took to the lifeboats in heavy seas, but the captain reported that some lifeboats had been holed.

Another Taiwanese ship said later that the Argentinians were trying to pick up survivors, but the operation was an increasingly tricky one as darkness fell.

Offers by a British warship to move in alongside the stricken boat to take off survivors were ignored by the Argentinians, whose radio signals indicated that they would not give safe passage to any vessel wanting to rescue the crew. Similar offers of help from a Sea King rescue helicopter were also ignored.

The master of the Chiteng 666, another Taiwanese ship steaming about 20 miles from the sinking vessel, said he also could carry out a rescue, but requests for safe passage again received no reply from the Argentinians.

It is known from radio reports heard here that some of the crew jumped into the sea or were lost overboard in temperatures only just above freezing. The captain radioed that the ship was hit only five miles outside the exclusion zone.

It was the second Taiwanese ship hit yesterday. The Defu 12, whose bridge and masts were raked by machine-gun fire in the morning, evaded the Argentine gunboat safely and suffered no casualties.

Prior to the attack on the Chian Der 3, the gunboat captain said over the radio that he was under direct orders from Buenos Aires to escort fishing vessels in the disputed waters to the mainland and was to sink any that did not obey, even if this occurred near the Falklands.

The Taiwanese captain was reported to have said that he was not aware that the Falkland waters belonged to Argentina.

There are more than 200 fishing vessels of various nationalities operating around the Falklands.

ARGENTINE NAVY

IN ATTACK OFF

FALKLANDS

Warship guns sink trawler

From GRAHAM BOUND
in Port Stanley

AN Argentine warship sank a trawler in international waters off the Falklands yesterday, opened fire on a second and chased a third.

Reports from the area said almost certainly some fishermen had been killed.

A British warship and a Sea King helicopter were at the scene early today as attempts went on to rescue the 22-man crew of the sunken Taiwanese ship, who had taken to lifeboats.

But radio messages picked up in the Falklands indicated that the Argentines would not guarantee safe passage to any vessel wishing to carry out a rescue.

The British warship, which did not identify itself, repeated several times a signal saying: 'We are able to offer assistance with approval of Argentine warship. I have medical facilities on board.'

Survivors

This and a similar signal from the helicopter were ignored by the Argentines.

The drama happened five miles outside Britain's 150-mile exclusion zone round the Falklands, and 228 miles from the Argentine shore, according to Taiwanese official Tsu-Kang Lei.

The Argentines claim a 200-mile fishing zone and the Argentine naval ship accused the Taiwanese trawler Chain Der 3, of being inside it.

The warship ordered the trawler to accompany it to an Argentine port and when the trawler captain refused, opened fire with cannon.

According to Mr Lei, who monitored radio messages between the vessels, the warship gave the fishing boat ten minutes to comply.

The Chain Der 3 sent a distress call and the men took to the lifeboats. It is believed some jumped into the freezing sea or were lost overboard.

According to monitored radio messages, a belated Argentine attempt to pick up survivors was severely hampered by the burning hulk. A few men were sighted in the water clinging to a life raft, but it is believed that lifeboats on the ship's deck were shot up in the attack.

In the last few months, Argentine ships have had confrontations over fishing rights with Polish, Spanish, Japanese and Korean boats.

Argentina lifts bank secrecy

By Tim Coone in Buenos Aires

ARGENTINA is to oblige banks to pass information to the tax authorities on customers' saving and current accounts in an effort to reduce tax evasion and ease the country's fiscal deficit.

Anonymity in stock and share dealing is also to be removed.

Mr Marcelo de Corte, the director general of Argentina's tax authorities, called for public co-operation with the measures, introduced this week, saying: "We must change the prevailing mentality that considers the tax evader smart

The banks will now have to report monthly to the tax authorities on any accounts which have more than australes 15,000 per month paid into them (£8,145) and annually on accounts which have more than australes 30,000 paid in per year.

Major restores spoils of war to open road

By Andrew Moncur

MAJOR Robert Dibley's souvenir of the Falklands is now for sale: low mileage; three previous owners including the Argentine military and the British Army (spoils of war); MoT tested.

The 10-seater, four-wheel drive Mercedes radio wagon which he picked up in Port Stanley for a song and shipped back to Winchester, has been restored. It had an eventful life before finding its way into the baggage of the Pay Corps major.

It was shipped to the Falklands with the Argentine invasion force, captured by the British (who painted it, in regulation army green) and, eventually, sold by tender to a Stanley civilian who — in

the absence of spare parts — ran it into the ground.

Major Dibley is not sure whether the hole in the bodywork was caused by a shell or by accident. The hole in the the windscreen was another mystery. When he took it over the engine was seized, the brakes had failed, and the bodywork was a mess.

"It was a total write-off. The Customs valued it at £400 as scrap," Major Dibley said yesterday.

Since he returned from the Falklands last August, Major Dibley has been painstakingly rebuilding the 1981 Mercedes, at his Hampshire home. He is now being posted to the United States and is looking for an enthusiast to take the military wagon off his hands — at a price of at least £5,000.

THE TIMES, Wednesday 28 May 1986.

Sir Rex Hunt accuses Labour

For Maggie read Mary

The continuing strain on Anglo-Argentine relations seems to be permeating the film industry. The director Maria Luisa Bemberg has made a movie in which Julie Christie plays an English governess who revisits Argentina and has a love affair with a former charge, a young Argie film discovery called Donald McIntyre. The title was to have been *Miss Maggie*, which would of course have carried overtones of the nation's least favourite foreign statesperson, dubbed by the press as Senora No during the Falklands war. Now the film is to be called *Miss Mary*. Boring.

Sir Rex Hunt warns Labour

By A. J. McIlroy

ANY LABOUR party step towards compromise with Argentine over the future of the Falklands would lead to an overwhelming exodus of islanders. Sir Rex Hunt, their former governor, said last night.

"Nothing less than full sovereignty will satisfy the Argentinians," he said at his Berkshire home.

A Labour party internal report, prepared by Mr George Foulkes, front bench Latin American affairs spokesman, has suggested talks between Labour leaders and the islanders.

It also called for an immediate restoration of diplomatic relations with Argentine, and said different forms of

status for the islands, including shared sovereignty and dual nationality, should be considered.

"I feel I must speak out against this," said Sir Rex, surrounded by memorabilia of the islands where he was governor from 1980 to 1985.

"I am in touch with the islanders," he said. "I visited all 50 settlements before my retirement last year, and almost to a man they said they would pull up stakes if any kind of Argentinian presence was allowed by a future British Government.

"I am reflecting their views and can assure everyone that if this Labour party report becomes official policy of a future Government we can say goodbye to the Falklands.

"We must have learned by

now that compromise would be viewed by Argentine as appeasement with inevitable consequences and anguish to those who made so much sacrifice to keep the islands British in accordance to the wishes of the population."

Mrs Thatcher has repeatedly made it clear that the Government would not discuss with Argentine the sovereignty of the Falklands. Government policy is to seek a gradual normalisation of relations with Argentina.

Falklands report attacked

FINANCIAL TIMES REPORTER

SIR REX HUNT, Governor of the Falkland Islands during the 1982 Argentine invasion, yesterday attacked proposals contained in an internal Labour Party report, for talks on the future of the islands.

Sir Rex said the proposals, in a report drawn up by Mr George Foulkes, Labour's spokesman on Latin America, would mean that Britain could "say goodbye to the Falkland Islands."

The report, which is not official Labour Party policy,

suggested talks on the future of the Falklands between Labour leaders and islanders before the next general election.

It also urges an immediate resumption of diplomatic relations with Argentina, and suggests four possible alternatives to the Government's "Fortress Falklands" policy; United Nations trusteeship; joint administration; shared sovereignty; and lease-back.

In a letter to The Times, Sir Rex says Argentina will not be satisfied by anything less than full sovereignty.

Complaints from the well-heeled

SIR— I have always been one for listening to what the public say but I do find their present mood (if correctly reflected by the media and the opinion polls) nasty, dangerous and silly.

The latest manifestation is the care with which the Government has to reduce the increases in top pay for fear of upsetting the envious. Personally I do not like us having to have cut-price judges, generals and so on.

Then we are told the public want a better education system, but the Minister who has tried faithfully to do this has had to be hounded out of office, whereas the real culprits — the leadership of the National Union of Teachers—go scot free.

The National Health Service is generally considered to want millions of pounds more of taxpayers' money, but no one seems to consider that what is wanted is much better leadership and management in our hospitals, not necessarily more money which will lead to ever greater waste, theft and so on.

Finally, the finest Prime Minister the nation has had since Churchill, the one alone who has made us face economic reality, is now considered too harsh, and a softer touch is required. Are we still the once proud nation which won the Falklands war, or has the rot set in, and do we just want to slip right back to the disastrous '60s and '70s and hope the International Monetary Fund can step in again and save us from national bankruptcy?

Fortunately, I see one spark of hope. Most of the complaints are coming from the well-heeled middle class who are learning fast how to take all they can from the Welfare State and who seem to be rushing to the S.D.P. and Liberal Party in droves; but I notice the aspiring class who were once called the working class are far more sturdy and independent and complaints from that sector are few. Perhaps the real people of England have not spoken yet.

JOHN STOKES, MP (Con)
House of Commons.

A way ahead in the Falklands

From Mr Christopher Hurst

Sir, The Labour party's declared intention to discuss the sovereignty of the Falklands/Malvinas with Argentina (report, May 20) induces no less despair than the Prime Minister's refusal to do so.

If the Prime Minister were refusing because the issue of British or Argentine sovereignty over the islands is part of a very much more important issue, then one could feel hope. But apparently her position, having taught the Argentines a lesson for their aggression, is that British sovereignty must remain inviolate. Having invested so heavily in the new airstrip, thoughts of value for money must weigh with her, too.

The shadows of the sovereignty battle between Britain and Argentina fall, in greatly enlarged form, on to the Antarctic continent. Sovereignty claims there are based on the "cake" principle. If Argentina's sovereignty were to extend as far east as the Falklands, let alone South Georgia, her slice of the Antarctic cake, at present fairly thin, would grow into a substantial chunk (as it is shown on some Argentinian maps).

Argentina has shown herself more nationalistic in her Antarctic claims than any other Antarctic Treaty nation — instances of this abound. With the treaty up for revision in a few years, and the tempting prospects of economic exploitation tending all the time to ease out the old concept of international economic cooperation, Antarctic claims are being burnished now ready for the great day.

If Britain, as their present sovereign, were to start negotiating (under the auspices of the UN Secretary General?) the permanent internationalisation of the Falklands/Malvinas as a base for Antarctica — for which the airstrip provides excellent facilities — satisfaction could be assured to all the parties.

The islanders could live in real rather than false security; the British could guarantee the future of their wards and deny absolute sovereignty to Argentina; the Argentines would see Britain denied sovereignty and might have some economic privileges as part of the deal, although their more grandiose Antarctic claims would be lost; and the Antarctic Treaty regime would have the addition of a new stabilising element.

The international community would have reason to feel grateful for Britain's statesmanship and generosity — qualities which are not evident in our present lopsided and selfish policy.

Yours faithfully,
CHRISTOPHER HURST,
Director,
C. Hurst & Co. (Publishers) Ltd.,
38 King Street, WC2.

From Sir Rex Hunt

Sir, If Mr Foulkes's report becomes official Labour Party policy, as suggested by your Political Reporter (May 20), we can say goodbye to the Falkland Islands under a Labour Government. Nothing less than full sovereignty will satisfy the Argentines. Any compromise solution, such as UN trusteeship, joint administration, shared sovereignty, dual nationality or leaseback will be acceptable to them only as a short-term stepping-stone towards full sovereignty. They will recognise it for what it is: appeasement.

The islanders know this; that is why they support the present Government's policy of refusing to discuss sovereignty. After 1982, who can blame them?

Significantly, it was not their own treatment under the occupation that shocked them so much as the medieval way in which the Argentine officers treated their other ranks. They glimpsed a totally alien culture and understandably want no truck with it. I visited each of the 50 settlements before I retired last year. All but one family said that they would leave if a future British Government agreed to an Argentine presence on the islands.

Labour may now try to insist that the Falklands war was not fought to maintain sovereignty over the islands; but I believe that the vast majority of British people supported the Prime Minister in 1982 when she told the House of Commons

Aggression must not be allowed to succeed ... The liberty of the Falkland Islanders must be restored.

Having restored that liberty, and at such cost, surely we should now respect their wish to stay British in British sovereign territory.

Yours faithfully,
REX HUNT,
Old Woodside,
Broomfield Park,
Sunningdale,
Berkshire.
May 20.

From Sir Cosmo Haskard

Sir, Your issue this morning gives lengthy coverage of Mr Foulkes's report on the Falkland Islands, but the report would appear to omit reference to their strategic value.

In the event of a war which closed the Panama Canal, the existence of the airfields and excellent harbours of the Falklands in the Cape Horn region must surely be of great importance to the United States and her allies.

Yours faithfully,
COSMO HASKARD,
Tragariff,
Bantry,
co Cork,
Republic of Ireland.
May 20.

Stanley the knife

The government has, I understand, picked the armed forces minister, John Stanley, to defend the Prime Minister against a new onslaught by Tam Dalyell on Friday week. Dalyell has won a Commons ballot that allows him to raise whatever topics he likes. He plans to ask embarrassing questions about her role in the leaking of the Solicitor-General's Westland letter and about her granting permission for the F 111 attack on Tripoli. He will also raise the Select Committee report on the Belgrano affair, still undebated a year after its publication. The government is so concerned that it plans a three-line whip, unheard-of for a Friday morning. Stanley, a generally unloved figure, was Mrs Thatcher's PPS during 1976-79. Clive Ponting's book records Stanley's judgment that the country is not worthy of such a leader. Stanley's run-ins with Dalyell are famous; indeed, he once accused Dalyell of

character-assassination for claiming a memo Stanley penned was "deliberately misleading". Dalyell's view of why Stanley has been chosen? "They have found someone who is not going to ask too many questions before launching into a defence."

Buenos Aires lifts ban on trade

By Maria Laura Avignolo
in Buenos Aires

ARGENTINA has quietly lifted economic sanctions which have been in force against Britain since the Falklands war. However, it is likely that the Ministry of Defence will refuse the first item on Argentina's shopping list — replacement engines for frigates used to invade the South Atlantic islands in 1982.

No formal announcement on the end of the trade ban has yet been made in Buenos Aires. President Alfonsín's government is afraid of the public uproar that it would create. Instead, the foreign minister, Dante Caputo, last week sent discreet messages to Argentine banks and companies whose trade with Britain has been frozen since the Falklands conflict. Caputo told them that export and import licences would now be granted without delay for business with Britain.

Argentina's overture places Mrs Thatcher's government in a dilemma. Although the Foreign Office welcomes the lifting of sanctions, it must turn down Argentina's expected request for Rolls-Royce turbine engines for two British-made frigates, the *Hercules* and the *Santissima Trinidad*, which saw action in the Falklands. The frigates stood guard off Port Stanley as the first Argentine soldiers landed.

The engines fall under the classification of "sensitive strategic goods" and the Department of Trade and Industry is under instructions from the Ministry of Defence not to sell such items to Argentina because it never declared war against Britain before attacking the Falklands and has not yet declared an official end to the hostilities.

The Foreign Office claims it has not received official notification of the lifting of sanctions. "Frankly, we're not quite sure what the Argentinians are up to," a spokesman said. The reason is that previously when Argentina has publicly extended peace feelers to Britain, fierce opposition from the political parties and the armed forces has forced Alfonsín to back off.

Presenting the British case

At last. A clear and sensible voice of comment from across the Atlantic on the problems of the IRA extradition treaty with America ('St George struggles to slay Senate doubts,' last week).

I lived for almost 20 years in America, yet never once saw the British Government's side in the Northern Ireland question put to the American people in an accessible way, or with any enthusiasm at all.

Britain was able to present its case for the Falklands War (flimsy though it may have been) with clarity and pugnaciousness. It got through to the American people, and they responded. If only a quarter of this public relations effort had been applied over the years to

the Northern Ireland problem, many Americans who remain rather neutral on the issue would have responded to this as well.

Those Americans who are not 'Irish' may be Armenian, Greek, Italian, Jewish, Mexican, Polish, Puerto Rican, Russian, South American, etc., in origin. Deep down, the English persist in seeing America as merely a huge *extension* of England. But what possible basis is there for thinking that Americans will automatically think as the British do?

Susan Bailey,
Leigh-on-Sea.

Whitehall admits to 'crisis' news plan

PAUL LASHMAR

THE Ministry of Defence has admitted that there is a secret agreement between the Government and the BBC for dealing with news in times of national crisis.

Last week *The Observer* revealed the existence of the agreement and now the BBC has written to the Home Secretary, Mr Douglas Hurd, who is responsible for broadcasting, asking for the agreement to be scrapped in case it leads to 'misinterpretation' of the BBC's relationship with Government.

In a parliamentary answer to Labour MP Tony Banks last Friday, the Minister of State for Defence, Mr John Stanley, explained that the agreement had been drawn up with the BBC in the early 1960s 'without prejudice to its independence of editorial judgment and with a full sense of responsibility and consultation with the Government.'

Mr Stanley said that the present Government had decided that compulsion would be neither practical nor desirable in times of crisis. 'Voluntary co-operation should be the guiding principle.'

'The Government also accepts that circumstances could arise where additional powers need to be taken for the control of information or special arrangements for the live reporting of Parliament. Such matters must be for the Government and Parliament of the day.'

The MoD had originally taken steps to suppress evidence of the agreement in a study it had commissioned of its handling of the media during the Falklands war. The study, due to be published shortly, was carried out by the Centre of Journalism Studies at University College, Cardiff.

One of the study's authors, Mr Derrick Mercer, had found references to the secret agreement in a footnote to an internal MoD memo marked 'restricted.' He concluded that such an agreement might undermine the BBC's reputation for independence. MoD officials asked for the reference to be removed from the draft report.

Mr Mercer said yesterday that he was glad the matter had been clarified by Mr Stanley. 'That's what I wanted to achieve.'

The BBC said last week that the secret agreement had never been invoked and that it was writing to the Home Secretary to end the agreement.

A spokeswoman commented: 'In our view it says no more than is contained in the BBC's licence and charter, and together with its own record of independence and responsibility does not need to be glossed in this way.'

The BBC could not say exactly when the secret agreement had been drawn up. It is to be the subject of further Parliamentary questions this week.

Bombs hit offices of Alfonsín

Buenos Aires (Reuter) — Explosions seriously damaged two district committee offices of President Raúl Alfonsín's Radical Party yesterday. It was the latest in a growing wave of attacks, police said.

The attacks came as the opposition Peronist Party demanded an investigation of a failed bomb attack against Señor Alfonsín at a military base in Córdoba earlier this week.

The two bombings brought to nine the number of attacks on offices of the Radical Party since late last week. No one has claimed responsibility.

Police said a grenade exploded in the early morning at the district committee office in Morón, a suburb of Buenos Aires, causing heavy damage.

A home-made bomb also went off shortly before dawn in the district committee office in Resistencia, the capital of Chaco province, 680 miles north of here. It caused extensive damage to the office and buildings in a 100-yard radius, police said.

Reforms slow to come

Argentine talks

SENIOR Swiss and Argentine officials will discuss British-Argentine relations during talks in Berne next week, the Swiss Foreign Ministry said yesterday. Switzerland has represented British interests in Buenos Aires since the Falklands War in 1982.—
Reuter.

Argentina

Reforms slow to come

EXPECTATIONS of a reform of the Argentine financial sector, promised by the Government since the return to civilian rule 2½ years ago, have ebbed and flowed during the past year.

Statements recently by central bank directors Salvador Treber and Jaime Baintrub have confirmed the view that officials are not likely to make significant system-wide changes in the immediate future.

However, the postponement of government action in the financial sphere may be the one case in which delayed action yields positive results. With seven months of the Austral Plan under its belt, it is clear that the Government's earlier tactics, such as a shoot-from-the-hip closing of bank branches, have been discarded, and that reform will be a more sophisticated and negotiated restructuring.

Citibank vice-president Al Miro used the metaphor of a flood to explain how near-hyperinflation distorted understanding of financial sector problems. "With the inflation rate over 20 per cent a month, the whole system is under water. It's only when the flood subsides that you can see what damage has to be repaired."

What the receding waters have revealed is a financial system that pleases no one. With interest rates of 5 to 7 per cent a month, little available credit and none long term, low bank earnings, falling sectoral wages and a cloud of uncertainty over the whole system, bankers, employees, government officials and private businessmen agree that something should be done.

The system's major faults are over-dimensioning, a deformed asset base, and fragility. The dramatic reduction in inflation has only emphasised the weaknesses, while hinting at possible compensating factors.

Another legacy of the period of financial expansion and high inflation is to be seen in disproportionate amounts of fixed assets held by the financial sector. This adds a dimension to the question of reform.

The book value of these fixed assets is considerably greater than their market value, which means that in any rationalization of the financial system, losses will have to be registered somewhere.

According to former central bank director Ricardo Mazzorin, financial institutions currently claim \$2.4bn in fixed assets,

while a private sector source estimated the market value loss to be a minimum of 20 per cent.

The fragility, or level of solvency, of Argentine financial institutions is said by some banking analysts to be another factor calling for reform. As many as 110 small institutions, they claim, are edging into the red, while five to eight relatively important entities need serious restructuring.

At the heart of the debate over the financial system is, who or what is responsible for its high costs. Bank spreads are about 2 per cent a month in Argentina, compared with 0.05 to 0.07 per cent in other financial systems. What this means is that, if inflation and time deposit interest rates were to reach zero, loan interest rates would still be over 20 per cent a year.

Bankers and banking associations have been quick and persistent in their responses to charges of *surcursalismo*, or the over-extension of branches. The association of private Argentine banks (ADEBA), in a strong statement, said the level of inefficiency in the banking system is no greater than the average inefficiency in the Argentine economy as a whole — cold comfort, indeed. The high cost of financial intermediation, ADEBA explained, is the result of the reduced size of the market and various plagues of government intervention.

Another key factor is high labour costs. Although the financial sector has fallen from 3.6 to 1.8 per cent of GDP, the number of employees has not declined, and salaries have not gone down in proportion to other economic sectors.

Bankers gripe about red-tape aspects of government regulation (an ADEBA study shows that one employee, in two, in trade finance, does nothing but fill in forms). But their real complaint is more fundamental.

Current levels of Central Bank-dictated reserve requirements immobilise 90 per cent of deposits, placing serious limits, they maintain, on their ability to circulate funds and therefore to reduce the cost of borrowing.

"High reserve requirements," says former economy minister Jose Maria Dagnino Pastore, "transfer the Government's financing problems on to the private banks."

Since April 1985, this pro-

cess has been accomplished by requiring the banks to purchase government bonds at below market interest rates. Not only does this requirement leave banks with greatly reduced funds for lending to the private sector, but it increases government indebtedness through the interest rates that are paid on these funds.

The exact amount that banks have available to lend is a matter of debate. Analyst Rodolfo Rossi's calculations leave 22.36 Australs available for loans, but several bankers, and ADEBA itself, say that the proportion is only 10 of every 100 Australs.

On the other hand, one foreign bank executive says: "This claim distorts the truth—which is bad enough." If previously existing lines of credit are taken into account, banks are lending significantly greater amounts.

The serious problem behind the combination of high reserve requirements, high levels of re-discounts and low loan volumes is that, to continue supporting rediscounting credits, the authorities must keep private financial institution reserve requirements high. This means that credit remains scarce and expensive, and economic expansion in the internal market illusive.

Bank and economic authorities fear that any easing up on credit will result in increased inflationary pressures and capital flight. The view is not without its critics.

With pressures for reactivation mounting from industrial, labour and farm sectors, the issue of credit expansion and high interest rates becomes daily more tense and will keep the problem of financial reform simmering.

One indication of the future direction of government actions in the financial sphere is due soon. In January, BCRA director Guillermo Feldberg announced that the fate of the Banco de Italia would be decided within 90 days. The eighth largest bank, the Banco de Italia was closed down briefly in May 1985, only to be re-opened due to strong pressures from union and political groups.

The Government has said that it wants to re-privatise the entity as a whole, but bankers say that splitting it up may be the only way to attract buyers.

Charles South

Step towards Falklands talks

MOVES towards negotiations with Argentina on the future of the Falklands Islands have been started by the Labour Party.

BY HAROLD FRAYMAN

"The first step must be a resumption of diplomatic relations and the beginning of a dialogue," says a paper prepared by shadow foreign minister George Foulkes.

It urges talks now, rather than after a general election, both with Argentina and the islanders themselves.

Foulkes warns that failure to talk will continue to be damaging to Britain, to the Falklands, and to the Alfonsin government in Argentina.

The damage to Britain includes a cash cost of £550 million a year,

enormous strains on its defence budget, damage to its relations with Latin American countries, and damage to its relations with its allies, which failed to back Britain in the last United Nations debate.

Foulkes quotes all-party support, uncovered by the Gallup Poll, for the resumption of diplomatic relations between the UK and Argentina.

He proposes a campaign of public education which would stress, among other things, that the status quo is not in the long-term interests

of the islanders or the UK, and that a Labour government would seek, and obtain, effective guarantees for the islanders' way of life.

The paper, endorsed by Labour MPs, notes that the islanders' attitude, encouraged by the government, has hardened - in public at least.

"While the strength of this view should not be underestimated, the islanders privately maintain some contact with the mainland and are acutely aware not only of the importance of the mainland to their economic prospects, but of the absence in economic fortunes that vast military expenditure on the islands has brought."

MPs' BALLOT

Dalyell's lucky break

By our Political Staff

The Commons will debate the conduct of the Prime Minister next month, as a result of a lucky break for one of her most indefatigable critics, Mr Tam Dalyell.

Mr Dalyell, Labour MP for Linlithgow, came top of the ballot this week for private members motions to be debated on Friday, June 6—an opportunity for an MP to initiate a five-hour debate on any subject.

In pursuit of his campaign to delve further into the decision-making machinery at Downing Street, Mr Dalyell has tabled a lengthy motion for debate covering Mrs Thatcher's actions in the Falklands War, the Westland affair, and the American raid on Libya.

Mr Dalyell intends to renew his demands for more information on all these issues, and is clearly hoping to use the debate to present new evidence to support his various claims against Mrs Thatcher.

As a result of Mr Dalyell's motion government whips have decided to take the unusual step of issuing a summons to attend to all Tory MPs perhaps even in the form of a three-line whip.

Falklands film

THE ISRAELI movie moguls, Menahem Golan and Yoram Globus, plan to produce a big budget drama film on the Falklands war officials of the pair's Cannon Group said in Paris yesterday.—Reuter.

FALKLAND ALERT FOR WARSHIP

By Our Port Stanley
Correspondent

An unidentified ship which crossed into the 150-mile Falkland Islands protection line caused a full-scale alert, with the frigate Brilliant, just back from patrol, making a hurried return to sea. The intruder was not found.

A Polish trawler and a Japanese jigger have reported being severely "harassed" by an Argentine gunboat "several miles inside the zone" and recently two Japanese trawlers were arrested by Argentinians "on the very edge of the zone."

£6.5m film

The Israeli film makers Mehaem Golan and Yoram Globus are to spend £6,500,000 making a film on the Falklands War, on location in Argentina, the Falklands and Britain.

—Reuter.

Falklands lobby angered

Allonsin in army bomb alert

Argentine arrests likely

Arrests and changes in Argentina's military high command are expected after an attempt on President Allonsin's life on Monday.

Second ship is held off islands

Falklands lobby angered

By Nicholas Ashford, Diplomatic Correspondent

Any decision by a future Labour government to discuss the sovereignty of the Falkland Islands with Argentina would be a "victory for Galtieri", the former Argentine president who ordered the 1982 invasion of the islands.

This was the reaction yesterday of Mr Eric Ogden, chairman of the United Kingdom Falkland Islands Committee, to a new Labour Party document calling for talks to be reopened with Buenos Aires on the islands' future. He said the islanders were opposed to any talks that could lead to a change in their sovereignty.

A recent survey showed that 95 per cent of the islanders wanted to stay British and that the overwhelming majority rejected the options put forward

in the Labour Party document, such as United Nations trusteeship, shared sovereignty or a leaseback arrangement.

"The report is George Foulkes at his best — or worst," Mr Ogden said, refer-

\$10m film deal

Paris (Reuter) — Menahem Golan and Yoram Globus, the Israeli film moguls, have signed a deal with Stuart Urban, the British director, for a film on the Falklands War costing "in excess of \$10 million", it was announced.

ring to the MP for Carrick, Cumnock and Doon Valley, author of the report. "Foulkes knows the views of the island-

Second ship is held off islands

Buenos Aires (AFP) — Argentina has seized a Polish fishing vessel operating inside the exclusion zone proclaimed by Britain around the Falkland Islands, Argentine officials announced here.

The trawler Sejno was intercepted by coast guards 15 miles inside the exclusion zone which extends 150 miles from the archipelago's centre, the Argentine Naval Prefecture said.

The interception is the second in the last few months in Falklands waters claimed by Argentina.

The other was a Spanish vessel which was fined \$15,000 (£9,800).

The Sejno arrived under escort on Monday evening at Puerto Deseado where the captain faces prosecution for illegally entering Argentine waters.

Although Britain bars Ar-

gers, yet he blithely ignores them."

The document is likely to provoke anger and new anxieties in the islands since it will encourage the Argentine Government to cling to its hope of a change in British policy.

The Foreign Office yesterday refused to comment on the report, except to reiterate the refusal to negotiate with Argentina on sovereignty.

Mr Ogden denied the report's assertion that the islands were costing the British taxpayer £550 million a year. "That was the figure two years ago. Now it is £490 million and falling." The cost of maintaining a garrison is expected to drop to around £190 million by 1989.

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gentine vessels from the exclusion zone to guard against surprise attack on the Falkland Islands, Britain has authorized a number of foreign boats to fish there.

● Correction: A report on May 16 on the arrest by the Argentine Navy of a Japanese fishing vessel in the South Atlantic should have given the position as 49 degrees 38 minutes south and 61 degrees 51 minutes west.

Alfonsín in army bomb alert

Buenos Aires (Reuter) — Police defused a bomb in an army officers' club on Monday shortly before President Alfonsín was due to address officers in a nearby building, Argentina's official news agency, Telam, reported.

A private news agency, DYN, said that the bomb was discovered after an anonymous telephone call warned it was in the officers' club of the Third Army Corps at Cordoba, 470 miles north-west of Buenos Aires. Official spokesmen refused to comment.

Bombs exploded last Friday at six district offices of President Alfonsín's Radical Party hours before sentences were announced in the court martial of the military junta that led Argentina to defeat in the 1982 Falklands War.

DYN said that explosives experts of Cordoba police defused the bomb in a special anti-explosives van. The case is being investigated by a federal judge.

The President said on his return from Cordoba that most of the armed forces were not only following "the democratic path, but they also are convinced that this is the road that we must take".

LABOUR AND THE FALKLANDS

In 1949 the Federal Republic of Germany was established and recognised by the Western powers. In 1950 it entered the European Coal and Steel Community. In 1955 it was admitted to NATO. Finally, in 1956 West Germany entered the European Community and full amity with its former enemies. These events occurred, respectively, four, five, ten and eleven years after one of the most terrible, bitter and fiercely fought wars in history.

The Falklands War deserves none of those adjectives. It was, in its way, a chivalrous war in the midst of which the British Defence Minister could pay a tribute to the courage and skill of Argentinian air force pilots without arousing either shock or hostility. Except for the dispute over the sovereignty of the Falklands, no cause exists for hostility between the Argentinian people and this country. There is accordingly every reason for the Labour party, looking optimistically ahead to when it might assume the responsibility for foreign policy, to consider how it might best overcome the sole obstacle to restoring the formerly close Anglo-Argentinian relationship.

But the activity of an Opposition party should be directed to thinking seriously about the Falklands problem before it attempts to solve it by active diplomacy. This is suggested not just by common sense, but also by the earlier failures of governments which acted on the principle that a solution would somehow evolve from the very process of diplomatic activity.

The effect that this produced on the islanders was to convince them that the Foreign Office was bent upon selling them out to Buenos Aires and thus to implant in them a

perpetually nervous siege mentality. Initially at least, it instilled a similar belief in Buenos Aires and consequently built up the hope there that a satisfactory settlement would be reached fairly soon. When it became clear that diplomacy of its own accord could produce nothing (except perhaps more diplomacy), the Argentine government felt cheated. And that sentiment, coupled with a view that a decadent Britain would accept the *fait accompli* of a successful annexation, brought about the invasion.

Four years later, only one item in the mix has remained unchanged — the Falklanders still suspect that London is slyly determined to betray them. Should Labour Shadow Ministers arrive in Port Stanley, their briefcases bristling with various hypothetical solutions, keen to explore them all but committed to none, the islanders are liable to resist every proposal and to borrow from Ulster loyalists the negotiating posture of "not an inch". The islanders would find some support, as they have done in the past, from backbenchers of all parties.

This train of events would create the worst possible climate for any fresh negotiations between London and Buenos Aires, whether conducted by Mrs Thatcher or, as the Labour party study indicates, by an incoming Labour government. It would do so, moreover, in the service of a purely theoretical diplomacy by an Opposition which could not clinch any success it might achieve. Meanwhile, Labour's efforts might actually drive the government into diplomatic obstructionism.

Far better, then, for Labour foreign policy thinkers to use the luxury of non-responsibil-

ity to think out a clear solution before negotiating one. Mr George Foulkes, the author of the report and his party's spokesman on Latin America, might begin by considering how to meet the two most passionate (and reasonable) desires of the islanders. The first is that their distinctive institutions and way of life should be preserved uncontaminated by Argentinian customs or by an influx of Argentinians in sufficient numbers to tilt the balance of population. The second is that any agreement which established such rights should be protected against a change of mind (or government) in Buenos Aires.

Of the various solutions under discussion, two might be married in order to meet these fears: joint sovereignty and leaseback. If the islands were to be placed under the joint sovereignty of Britain and Argentina but leased back for a lengthy period to a British administration, that would assure the islanders that their local customs would survive.

Joint sovereignty, on the other hand, would be an additional safeguard against Argentina's reneging. It would also meet the political objection to simple leaseback: popular opinion might conclude that British soldiers had died for a timetable.

Labour, by advancing such ideas, might find a surprising echo in Conservative and Alliance opinion. It might additionally begin the construction of a new "Falklands lobby" in parliament that would defend both the interests and reasonable wishes of the Falklanders without making their rights the cause of an unending quarrel with a nation long deemed friendly.

Labour move for talks on Falklands

By Philip Webster, Political Reporter

Preparations to enable a Labour government to reopen negotiations with Argentina about the future of the Falkland Islands, including their sovereignty, have been recommended by an internal party report.

The plans, which include a public campaign to emphasize the heavy financial burden of the present Fortress Falklands policy and its damage to British relations with the rest of Latin America, envisage the possibility of talks between Labour leaders and the islanders before the next general election.

Their purpose would be to convince the Falklanders of Labour's determination to obtain effective guarantees for their way of life in any negotiations.

The confidential report, which calls for an immediate restoration of diplomatic relations with Argentina, makes no definitive proposal on the form of the future status of the Falklands but suggests consideration of four — United Nations trusteeship and joint administration; shared sovereignty; dual nationality with a distinction between sovereignty over peoples and sovereignty over territory; and leaseback.

The present situation is not in the interests of the islanders, it concludes.

The report has gone to Labour's Shadow Cabinet after being approved by the

Parliamentary Labour Party's foreign affairs committee, and seems certain to become party policy. It is the work of Mr George Foulkes, MP for Carrick, Cumnock and Doon Valley and the party's front-



Mr Foulkes: author of the party internal report.

bench spokesman on Latin America.

It states: "The Government's attitude towards the Falklands and Argentina is costing the country about £550 m a year and is damaging our defence commitments.

"It is a policy which is alienating the rest of Latin America and which no longer has the support of our allies in Europe or in the United States."

Opinion surveys have shown an overwhelming desire for the resumption of diplomatic relations, renewed contacts and even a willing-

ness to see a change in the islands' status, it states.

The report appears likely to cause a political row, and provoke fierce opposition on the islands.

The Government's policy since the Falklands conflict has been gradually to seek a normalization of relations with Argentina, although it has repeatedly made plain that the sovereignty of the islands is not up for discussion.

The Labour report says the Government's policy effectively involves a veto for the islanders.

Since 1982, the report says, the Argentines have made clear that they are willing to offer guarantees to the islanders and that respect must be given to their way of life; that they seek a peaceful resolution of the conflict; and that talks must involve all aspects of the future, including sovereignty.

But the report states that failure at least to begin talks with the United Kingdom would place strains on President Raoul Alfonsin; talks would give a boost to Argentine democracy and President Alfonsin's peaceful route.

Labour's campaigning stance should emphasize the enormous cost of the Falklands in terms of the strains on Britain's contribution to Nato and its relations with other Latin American countries, the Government's isolation on

Continued on page 20, col 8

Labour move for talks with Argentina

Continued from page 1

the issue within the country and from its closest allies, and the Government's willingness to give a veto to the islanders in contrast to its attitude to Hong Kong.

Labour should stress that:

"We are willing to discuss with a democratic country all issues which divide us, including all aspects of the future of the islands and that an immediate restoration of diplomatic relations is therefore needed; that we seek and obtain effective guarantees for the islanders' ways of life in any negotiations; that the Falklands war was fought not to maintain sovereignty over the islands but over the principle that aggression cannot pay; and that the status quo is not in the long-term interests of the islanders."

The report accepts that islander opinion appears to be against an accommodation with Argentina and considers steps to educate public opinion.

It suggests the possibility of a formal forum for consultation with the islanders before the election in which Labour would explain the importance it attaches to guarantees for their way of life in any future settlement "and the economic necessity from their point of view of renewed relations with the mainland."

The report raises, but does not reach a conclusion upon, the question of whether Labour should discuss guarantees with Argentina before the election.

But it recommends that Labour considers whether to offer any compensation or resettlement grant for islanders who feel unable to accept the terms of any future deal over the islands.

Argentina faces...
Rising prices put
reforms at risk

Falklands talks plan

By our Political Staff

Labour leaders should talk to the Falkland islanders before the next general election to discuss a possible change in the status of the islands, the Shadow Cabinet has been told.

A report from the foreign affairs committee of the Parliamentary Labour Party proposes the restoration of diplomatic links and talks with Argentina and the islanders to try to find solution to the problem of sovereignty.

Argentina tackles unruly economy

Rising prices put reforms at risk

From a Correspondent, Buenos Aires

For decades Argentina has had the dubious distinction of having one of the world's unruliest economies.

Yet in the past 10 months and to international acclaim, Argentines have been trying to accustom themselves to the longest period of price stability and the lowest inflation in a decade.

But a recent heating up of inflation after seven months of record low rates, has led analysts to examine the past successes and problems still facing the Austral Plan, the adjustment programme initiated on June 14, 1985.

By mid-June last year when Señor Juan Sourrouille, the Economics Minister, announced the plan, inflation was heading for a monthly rate of more than 35 per cent. During the plan's first seven months, total inflation was 37.9 per cent.

At the same time, Argentina's decade-old economic stagnation took a turn for the worse with the gross domestic product falling 4.4 per cent in 1985. With the return of price and currency stability, economic activity also picked up.

During the last quarter of 1985 and the first of 1986, industrial production increased by 20 per cent.

The statistics are reflected in everyday life. Grocery stores' shelves now hold a wider variety and larger quantity of goods. Household appliances and cars are available for purchase on credit — unthinkable with the previous rates of inflation — and factories are working overtime.

However, when inflation shot up to 4.6 per cent in March and stayed at 4.7 per cent in April, the pressures on the Austral Plan became more obvious. Analysts were questioning whether the initial drop was only the transitory

result of the wage/price controls imposed by the plan, and whether or not the plan's April 4 stage-two modifications would promote growth in real terms.

They focused on six areas of concern for the consolidation of the acknowledged successes of the Government's economic policy: A wage/price spiral; interest rates; exchange rates; the state sector; business attitudes; and, the international context.

The Government has been under strong pressure from the trade unions to grant wage increases above the rate of inflation forecast in this year's budget. That would in turn produce demands from the business sector for higher prices. The Government has so far firmly resisted union pressure.

Only a week ago the unions threatened to withdraw from the consultation talks and were warning of another general strike, which would be the fifth since the return to democracy 2½ years ago.

On the other hand, the high real rates of interest maintained under the plan have been blamed by business for restricting growth possibilities. Although real interest rates are the lowest in 11 years, they are still ranging from 6 to 8 per cent a month for first-line companies.

Exchange rate parity for the Austral Plan, the new currency introduced as part of the anti-inflation campaign, was maintained without modification until April 4. Since then it has been subject to mini-devaluations, totalling 4.9 per cent since June 1985.

Economists and businessmen are also concerned about the prospects for any rapid restructuring of the state sector, the big obstacle in the administration's running battle against the fiscal deficit.

Peter Montagnon reviews some radical debt crisis proposals from Morgan Guaranty

Latin America urged to reform markets

RADICAL REFORMS in Latin American domestic financial markets are needed if the region is to overcome its endemic problem of capital flight and harness the resources for financing renewed economic growth.

This is stated by Morgan Guaranty, the influential US bank, in its latest review of world financial markets. Its analysis attempts to address two issues that have surfaced as talking points in relation to the debt crisis in recent months. The first is the failure — worrying to debtors as well as lenders — of domestic investment to recover after the recession of the early 1980s. The second is the more cautious debate over the nature of the structural reforms debtors will have to implement to achieve the sort of growth-orientated economic adjustment envisaged under the so-called Baker plan for easing the debt crisis.

In essence Morgan's conclusion is that simply cutting the public sector deficit is not enough. Debtors must also implement structural changes in their own financial markets that foster domestic savings, reverse capital flight and allocate available resources more effectively.

"Such reforms are far from easy because they undercut vested political, business and labour interests which have mushroomed under government protection and support,"

Morgan says. But they are necessary because the time has come to reverse Latin America's long history of government manipulation of financial markets which has made them "shallow and inefficient" and held back economic advance.

This tendency goes back to the 1940s and 1950s when Latin America decided that industrialisation, "fostered as necessary by protection and subsidies," was the only means to economic progress. That led both to increasing public sector deficits and an unwarranted role for central banks in the credit allocation process.

Morgan cites four main drawbacks to this approach. First, it encouraged the accumulation of foreign debt as the public sector exhausted available supplies of domestic savings. Second, it weakened the ability of central banks to control monetary aggregates. Third, heavy public-sector borrowing crowded the private sector out of domestic financial markets, and fourth, it distorted the structure of interest rates.

With few exceptions, mainly Brazil and Chile in recent years, governments have directly or indirectly obtained a major portion of their financing from the banking system at below market interest rates. Central banks are usually required to purchase Treasury obligations, and to fund this, they in turn impose high re-

serve requirements on commercial banks.

Since 1982, the bulk of deposits in Argentine banks has been reservable up to 100 per cent — offset in part by central bank rediscounts. Reserve requirements in Mexico have been falling, but they still average about 40 per cent of deposits. In Brazil the requirements have been lower. Its "more forthright approach to budgetary financing has helped develop a capital market that is less distorted than in Argentina and Mexico."

Beyond their public sector burdens, financial markets in Latin America have also been distorted by credit allocation rules, Morgan says. This makes credit readily available to certain preferred institutions or category of borrower, and leaves commercial banks with only limited resources available for extending credit according to their own market preference. Since last year, for example, the freely lendable portion of new deposits in the Mexican banking system has fallen to a record low of 11 per cent as a result of reserve requirements and credit allocation rules.

Public ownership of the banking system is also used to promote credit allocation. In Argentina state, provincial and municipally-owned banks account for 57 per cent of

deposits and loans in the banking system. At the end of last year, the Brazilian government's share of bank deposits was 68 per cent and of loans 57 per cent. The Mexican government owns an impressive list of eight development banks, over 30 trust funds and, since their nationalisation in September 1982, 19 out of 21 commercial banks.

Yet credit allocation has penalised entrepreneurs and created an entrenched class of favoured borrowers, typically a combination of large corporations, small-scale farmers in depressed areas and middle-class urban dwellers, who have grown used to obtaining long-term low-cost credit.

Their access to concessional financing has fostered capital-intensive investments, often in labour-surplus regions and in activities that otherwise would employ labour-intensive production methods. It has also led to widespread abuse, exemplified by the use of low-cost farm credit for non-agricultural purposes."

Worse still, credit allocation has undermined the soundness of financial institutions by requiring lending for long terms and at low interest rates to borrowers of inferior credit standing. It has fostered the development of financial markets beyond the basic reach of regulation, such as the inter-

company markets in Argentina and Mexico.

Finally, government manipulation of interest rates has discouraged savers by offering them a negative real rate of return, particularly after tax which is generally deducted at source. The tax system also discourages business saving and promotes debt over equity financing unless inflation accounting is used to assess corporate tax liabilities. This was the case in Argentina until recently and still is so in Mexico. In the absence of inflation accounting, a successful project brings inflated profits that are taxed if financed from retained earnings. Substantial tax credits may ensue if the project is financed with borrowed funds, Morgan notes.

Morgan says there is a growing recognition in Latin America that interest rates do matter, but liberalisation of capital markets has been generally insufficient or too short-lived to assure depositors of a steady, positive rate of return.

Meanwhile "reliance on administered interest rates in the face of inflation, devaluation and taxation has obstructed financial development in Latin America. It has reduced the pool of savings channelled through financial intermediaries into domestic capital formation and economic growth, and has encouraged the acquisition of better-yielding foreign assets — capital flight."

FALKLANDS THE FAMILIES RETURN



Sara Jones and Des Keoghane lay flowers at the Liberation Monument in Stanley.

It was a time for memories, renewing friendships and forging new links, when 55 members of the Falkland Families Association visited the Falklands.

The visit was organised by the FFA in close collaboration with the Falkland islanders, and was the result of some 19 months planning.

Formed on board the Cunard Countess returning from the Falklands after the Ministry of Defence sponsored 1983 visit, the FFA now has around 400 members.

"The association arose from the marvellous friendship of all the people involved in the original visit, and the knowledge that all the families had the common bond of losing people they have loved", says Sara Jones, Col H's widow and FFA's vice-chairman.

Although deeply appreciative of the first visit, many relatives felt that they needed a longer visit to the Falklands to learn about the islands and meet more of the islanders. A week's programme in April was planned; the greatest problem facing the organisers was that of financing the visit as the FFA is not a registered charity and had to rely on its own resources.

Although the MoD charged

reduced rates and the FFA members stayed with islanders during their visit, funds had to be found to help pay for the air fares and transport on the islands.

The FFA made a concentrated fundraising effort, including publicising the visit by writing to Service units. A total of some £22,000 was raised, and more than 50 per cent of the UK's contributions was reached by those in the Falklands.

Much of this money was raised by Servicemen on tours down there. This included a sponsored marathon run of 33 miles between Mount Pleasant Airport and Stanley by Warrant Officer Clive Osborne of 77 Falkland Islands

allowing the relatives time to talk to Falkland islanders. The programme included visits to the sites of RFA Sir Galahad and HMS Coventry, Fitzroy, Pebble Island and Goose Green, as well as battlefield tours of Mounts Longdon, Harriet and Tumbledown.

Memorial services were also held at Blue Beach cemetery (where Col H is buried) and at Christchurch, Stanley. Relatives also visited the Argentine temporary cemetery.

Many of the relatives spoke warmly of the islanders' hospitality and kindness. Lt Col Desmond Barry, whose son Jim was killed at Goose Green with 2 Para, said: "People in the UK don't realise

about. It's not just an island 8,000 miles away."

Emotions are inevitably mixed. Clifford Sweet's son Philip was a lance corporal in the Welsh Guards, who was lost with Sir Galahad. "Every time I visit I am bitter to see how it happened, how close it was to the shore," he said. "I don't think time has healed that bitterness, but it isn't against the Falklands. The people are great, marvellous people."

How will relatives feel as the Falklands conflict drifts into the past? Sara Jones — "Time is a healer; you don't forget, you just learn to live with it."

Will other visits to the Falklands be organised? Des Keoghane is acutely aware of the financial constraints of such visits, that there are limits to the number of appeals they can make to other people's generosity, but he sees no reason why individual families should not return.

He said at the reception held by the FFA for their hosts on the last night of the visit: "The visit went far better than I ever dreamt. I think you will see me back."

In the Falklands, many roads in the new Mount Pleasant Complex have been named after those who died in the 1982 conflict. As with the FFA pilgrimage, new links forged with the past look forward to the future.

Story: Penny Russell-Smith

Picture: Phil Cadman

Stores Company, which raised £380 for the FFA visit, and a 24-hour disco which raised £800.

As Des Keoghane, FFA chairman, says: "The money raised by the Services was a magnificent effort and we are extremely grateful to them."

The visit was designed to take in as many of the sites from the 1982 conflict as possible, while

what a wonderful place the Falklands is; the people are very hospitable and I am committed to the islands."

Sara Jones compared it with the previous visit in 1983 — "We have been here longer and appreciate it more. The islanders warm to us and you know you have met friends. You get more of a feel for the place, realising what it is all

Galtieri trial a balancing act

By MAXI GAINZA

THE TRIAL of the military leaders responsible for the South Atlantic war reeks of political compromise, inspired, many Argentines believe, from the very top—as did that of the former military juntas over the so-called “dirty war” against Left wing subversion.

Last week General Galtieri, the former President, and his Naval and Air Force colleagues Admiral Jorge Anaya and Brigadier Basilio Lami Dozo paid the price, with jail sentences ranging from eight to 14 years and loss of rank, for launching Argentina into war and defeat.

Last year, while awaiting the verdict of the protracted trial about military violation of human rights from 1976 to 1983, President Alfonsín faced the invidious task of satisfying popular demand for justice against the armed forces—some of it of a highly vindictive nature—without pushing the military too far.

Nor did he dare provoke the Peronist opposition over their part in first fostering dangerous subversive groups while Isabel Peron held office and later launching an all-out war against them before the military take-over in 1976.

President Alfonsín's well-developed political instinct cautioned him against upsetting either of these two dominant forces in Argentine political life. He is all too well aware of the power of the Peronists to make the country ungovernable. He also understands the need for every constitutional government to maintain a loyal and effective army.

This goes a long way to explain why the civilian High

Court in December last year failed to mete out heavy punishments for human rights abuses to lower-ranking officers, while the full weight of punishment was then, as now for General Galtieri, concentrated, on the military leadership.

Critics in Argentina have been quick to point out that in both trials there were flagrant constitutional irregularities. These stemmed from President Alfonsín's balancing act between the Peronists, the military and his own vociferous Left wing—some of whose members were themselves victims of the military repression.

A civilian High Court judged the military over human rights violations which the military regard as a matter to be dealt with by court martial.

And, paradoxically, it was a military tribunal which punished the former heads of the armed forces last week for essentially political acts during the South Atlantic war, while exonerating the field commanders of their evident incompetence.

Furthermore, Galtieri, Anaya and Lami Dozo, were, in essence, punished for a political-military venture which at the time had the overwhelming backing of the people.

The sentences—which in Galtieri's case is likely to be served in the military prison of Magdalena—will not satisfy any of the irreconcilable political forces in Argentina, which still hold the country in their thrall.

In the end President Alfonsín may have to rely on the healing effects of time to put behind him the sad episodes of armed internal strife and the failure of the Falklands gamble.

One lesson that has certainly been learnt from the two concurrent trials of the military leaders is that it is as difficult for civilians to judge the acts of the military as it is for soldiers to judge the political acts of their brother officers while running a military government.

But the more poignant lesson is how difficult it is for a country to judge itself.

[Maxi Gainza is the London correspondent of La Prensa of Buenos Aires].

Delegation's visit

Our *Diplomatic Correspondent* writes: A delegation of prominent figures from Buenos Aires is to meet British MPs in London this week amid indications that the diplomatic climate for contacts between Britain and Argentina is improving steadily.

Senor Arnaldo Musich, former Argentine Ambassador to Washington, and Senor Oscar Camilión, ex-Foreign Minister, are among five representatives from the Centre for South Atlantic Studies in Buenos Aires who are flying in for a private visit.

They will meet MPs on the South Atlantic Council and see representatives of the Institute for Foreign Affairs, although there are no plans at present for them to call at the Foreign Office.

The prospects for a rapprochement are improving with British plans to reduce the military garrison on the Falklands from about 3,000 to 1,000 next year, and to cut the naval force drastically so as to rely on one permanent patrol vessel, with occasional support from visiting ships.

Alfonsin shaken by new scandal

FOR MOST Argentines the tragedy of the "disappeared ones" belongs to a past which President Alfonsin has condemned. But last week details emerged of the kidnapping and subsequent disappearance of Osvaldo Sivak, a crime committed under Alfonsin's government.

It has provided unwelcome proof that the paramilitary groups which flourished under Argentina's last military dictatorship are still able to operate in broad daylight and to find protection in the highest circles of power.

According to his wife, Martha, who last week called a press conference to draw public attention to the scandal, Sivak, a successful young businessman, suffered his second kidnapping in seven years last July 29 as he was parking his car outside his psychoanalyst's office in Buenos Aires.

He has never been seen again, although his family paid a ransom of \$1.1m and handed over a further \$300,000 to Defence Ministry intelligence agents "to pursue the investigation and get him back alive".

Martha Sivak, a former adviser to Alfonsin's radical government, told journalists that at least three ministry officials were implicated in her husband's disappearance: a former police officer, Mario Aguilar, Ruben Barrionuevo, of army intelligence, and Pedro Salvia, of navy intelligence. They had been recommended to her by the ministry to help clear up the case. All of them belonged to a special intelligence group

by Maria Laura Avignolo
Buenos Aires



Sivak: disappeared

founded under the democratic government and run by Lt-Col Juan Carlos Sacco, who has been aide de camp and secretary to three ministers of defence since October 1983.

It was Alfonsin who pointed the Sivak family to the ministry rather than the police, considered "corrupt and oppositional" by the government. The late defence minister, Roque Carranza, put them in contact with Sacco and his team.

A few days before, the Sivak family had received a phone call from a "Mr Johnson" demanding the ransom, which they paid. They were then told that Sivak would be released in Uruguay.

But at this point, the ministry team demanded a further \$150,000 to "begin negotiations with the kidnapers and pay some of the costs of the investigation".

The family declined at first, but they finally made the payment in a ministry office.

When Sacco convinced them that obtaining money officially to continue the investigation would be slow and complicated, they gave another \$25,000, which also ended up with the "investigators," to the Ministry of the Interior.

Finally, they paid another \$125,000 to the agents, who assured them that the victim was still alive. It was only on April 14 that the government acknowledged a close connection between the investigators and the kidnapers.

When "Mr Johnson" telephoned Sacco to demand \$550,000 for Sivak's release, the police tapped the call and discovered that "Mr Johnson" was none other than Pedro Salvia, calling from a bar next door to the Ministry of Defence. Another "investigator," Mario Aguilar, was arrested in the same bar as he tried to contact Salvia.

The three investigators are under arrest, charged with kidnapping and extortion, but Colonel Sacco continues with his duties as aide to the present minister of defence. He has become a main witness in the case, accusing his subordinates of total responsibility for the crime.

But a scandal certainly has erupted and has called into question the probity of the ministers of the interior and defence and the efficacy of the "moderate clean-up" of the intelligence service initiated when Alfonsin came to power.

Galtieri jailed over conduct of Falklands war

BY TIM COONE IN BUENOS AIRES

THE THREE leaders of the Argentine armed forces during the Falklands war have been stripped of their ranks and sentenced to prison for incompetent handling of the forces under their command during the 10-week conflict in 1982.

General Leopoldo Galtieri, former Argentine President and architect of the military assault on the islands, was sentenced to 12 years imprisonment. Admiral Isaac Anaya, the naval chief, received a 14-year sentence because of the critical failure of the naval fleet to support the armed landing just over four years ago.

The Air Force Chief, Brig-Gen Basilio Lami Dozo, was sentenced to eight years. His

lighter sentence apparently recognized the important role of the air force in supporting the army.

Admiral Anaya was particularly criticised for his apparent failure to take advantage of a possible negotiated end to the conflict.

The military courts have been investigating since 1983 the conduct of the military during the war combined with the issue of the thousands of "desaparecidos" or civilians who disappeared during the late 1970s and early 1980s.

The investigation has kept the conduct of the war a burning issue in Argentina in the intervening years.

Shortly before the sentences were ready yesterday, bombs exploded at six district

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Continued from Page 1

Galtieri jailed

offices of the ruling Radical Party of President Raul Alfonsin, who spearheaded the prosecution of the military leaders. One person was injured, but Government officials attributed the attacks to Government workers who had been dismissed from their jobs and not to the trial.

Nine other officers have cases pending against them. A government spokesman said yesterday that only two or three were likely to be sentenced.

The three military chiefs

are expected to appeal against the decision and judgment will pass to a civilian court. They have already spent 30 months in prison, which may be deducted from their sentences on appeal.

The three leaders were earlier tried for human rights violations, over the desaparecidos, but were absolved by a civilian court last December. A debate continues over whether several hundred other military officers should be charged with human rights violations.

Jail terms for Galtieri and fellow leaders

By Our Foreign Staff

Three members of Argentina's last military junta, including General Leopoldo Galtieri, the former President and Army commander, have been convicted of negligence for launching and losing the Falklands war, according to reports published in Buenos Aires yesterday.

The Supreme Council of the Armed Forces sentenced General Galtieri to 12 years in jail, Admiral Jorge Anaya to 14 years and Brigadier Basilio Lami Dozo to eight years. All three were stripped of rank. Appeals are expected.

The other 13 officers accused of negligence, including General Mario Benjamín Menéndez and Lieutenant Alfredo Astiz, have been exonerated or disciplined.

Leading article, page 9

Junta is gaoled for losing war

From Jeremy Morgan
in Buenos Aires

General Leopoldo Galtieri, the Argentine President and Junta leader who launched the Falklands war, was gaoled yesterday for 12 years after being convicted of negligence for starting and losing the conflict.

The former navy commander, Admiral Jorge Anaya, the second-ranking Junta member, was sentenced to 14 years by the Armed Forces Supreme Council, Argentina's highest military court. Military sources said his sentence was longer than General Galtieri's because his "inflexibility" during the war undermined attempts to halt the fighting.

The third Junta member, the air force commander, Brigadier Basilio Lami Dozo, apparently got an eight-year sentence.

All three were stripped of



Condemned men: (left to right) Galtieri, Anaya, Lami Dozo

their ranks and drummed out of the forces.

However, there was confusion over the fate of 13 other officers on trial for their role in the war, as no official announcement has yet been made

on the court's decisions.

There were unconfirmed reports that most, if not all, would be acquitted or given largely nominal sentences.

News of the verdicts, in a trial that has been shrouded in

official secrecy since it began three and a half years ago, was leaked by the military, apparently throwing the government into confusion.

A report drawn up after the war by the late General Benjamin Rattenbac, a distinguished retired officer, recommended that charges carrying even stiffer sentences should be brought against Junta members. Had these been applied in full, General Galtieri and Admiral Anaya could have faced life imprisonment and General Mario Menendez, Argentina's military governor and Falklands commander during the 10-week war, might even have faced the death penalty.

● The verdicts leak was preceded by a bomb attack against six local offices of President Raul Alfonsin's ruling Radical Party, in which one person was seriously hurt.

JAIL FOR JUNTA CHIEFS

By Our Buenos Aires
Correspondent

THE three former military junta chiefs who led Argentina into conflict with Britain over the Falkland Islands in 1982 have been stripped of their rank and given jail terms ranging from 14 to eight years.

The Armed Forces Supreme Council found the former President, retired Gen. Leopoldo Galtieri, 59, the former Navy Commander-in-Chief Adml Jorge Anaya, 59, and the former Air Force Chief Brig-Gen. Basilio Lami Dozo, 57, guilty of negligence in the handling of the campaign, sentencing them to 12, 14 and eight years respectively.

Anaya received the longest sentence because the occupation of the Falkland Islands was said to have been originally a navy plan. The three are expected to appeal.

Thirteen other officers accused of negligence were acquitted or received token sentences.

Picture—P6

GENERALS JUDGE A GENERAL

In the spring of 1982, General Leopoldo Galtieri sent his country's best troops to the Chilean border. There they stayed, waiting for the Chileans to attack. In January the treaty providing for arbitration of border disputes between the two countries had been abrogated on the general's order. Then the whim of Buenos Aires produced war in the Atlantic. To an officer of the general's calibre, the prospect of war on two flanks posed no hazard.

Thus the mountain infantry brigade stayed guarding the Andean passes throughout the Falklands invasion, leaving the defence of the islands against a numerically inferior British expeditionary force to an army of conscripts. Ill-trained and ill-provisioned, they were led by strategists whose idea of battle was retreat to Stanley and surrender, provisioned by quartermasters whose idea of field rations was left-overs from the officers' mess, and set an example of professional soldiering by men whose chief skill was the placement of electrodes on trussed prisoners in military barracks.

General Galtieri, his colleagues and subordinates, appear to be much of a piece. His trial, during the past year or so before the Armed Forces Supreme Council led by that lion of the battlefield General

Reynaldo Bignone, never seemed to offer much wisdom, military or judicial. And so, with the sentences handed down yesterday, it has proved. General Galtieri shares his every attribute with a generation of military officers that has made his nation offensive not just to those who value the civil protection of human life and individual liberty, but risible as an example of machinery for war.

President Alfonsin must, it is argued, tolerate Argentina's powerful military (and hence its need to scapegoat senior officers for the Falklands) as he attempts simultaneously to set the country's economy aright and cauterize the wounds of recent history. He does indeed deserve support in his delicate dance, fiscal and political, with General Rios Erenu, the head of the armed forces.

This means accepting, as the best justice on offer, legal proceedings against the torturers of between 1976 and 1983 — proceedings that have apparently exonerated the torturers themselves in order to concentrate on the presidents and their associates. Thus Captain Astiz is released while General Viola, who may or may not have given the original orders for Navy terror, is arraigned. In this legal process General Galtieri has been tried and acquitted.

President Alfonsin, and the

experiment with national maturity he represents, depends on the justice of that verdict. We must accept it for his sake. The general, however, remained on trial charged, alongside other members of his junta, with military crimes — in effect for losing the Falklands war. His reported sentence appears unjust.

For it was, as the General reminded his court, the people of Buenos Aires, voters for President Alfonsin among them, who stood in the Plazo de Mayo to applaud the invasion and hurl abuse at Britain, the United States and foreigners in general. The Falklands adventure was the destiny of a nation with a corrupt political culture and a broken national identity: Galtieri was a mere instrument of that will, which is still evident. He is no less a creature of the system that produced his judges.

The prosecution of Admiral Byng at an earlier stage of this country's development might, conceivably, have been justified for the effects it had in precipitating both political reform and military reorganization. Perhaps in the short run Galtieri's imprisonment will aid President Alfonsin. But the values still espoused by the Argentinian military give faint hope that the sins of the Galtieri era will not be repeated.

Fishing dispute off Falklands

Argentina holds Japanese ships

From Graham Bound, Port Stanley

The Argentine Government appears to have embarked on an increasingly aggressive policy towards the huge international fleet of vessels fishing in the disputed seas around the Falkland Islands. The Argentine Navy has arrested two Japanese ships so far this season, the latest, the Chidori Maru, last Saturday.

The arrests are not new, occurring infrequently last year, but, more disturbingly, the Argentine patrol ships are acting with increased zeal, and may be prepared to enter the British 150-mile protection zone around the Falklands.

The Japanese fishing executive based in Port Stanley, Mr Y. Kanbe, said this week that the Chidori Maru was stopped and boarded by the Argentinians at 45 degrees 38 minutes south and 61 degrees 51 minutes west, some 10 miles *within* the protection zone. It was then escorted to the Argentine mainland, and is now thought to be in Bahia Blanca.

The zone is patrolled regularly by warships and RAF Hercules planes from the new Mount Pleasant airport, but the confrontation between the fishing vessels and the Argentine Navy was not observed by

the aircraft sent to investigate, possibly because of poor weather conditions.

It is not clear what would have happened had there been any contact between the RAF or the Royal Navy and the Argentine ship within the protection zone. A military spokesman simply said: "We are not looking for confrontation with the Argentinians."

The Second Secretary at Government House in Port Stanley said he believed the Japanese had given a false position, and added: "There is no evidence to suggest there have been any breaches of the zone." Of the Argentinians he said: "They are flexing their muscles and wanting to show they are controlling their waters."

The occasional arrests may have a political impact if they continue, but the Taiwanese, Koreans, Japanese, Spanish, Polish and Russian companies are probably more concerned about catches, which are seriously down on last year.

Environmentalists will welcome the Argentine policing action. They fear that uncontrolled fishing within the 150-mile zone around the Falklands is doing irreparable damage to marine and bird life.

UN chief urges Argentine link

THE UN Secretary-General, Mr Javier Perez de Cuellar, said in London yesterday that he had told Mrs Thatcher he thought the time was ripe for a resumption of Anglo-Argentine relations.

Before leaving for Spain, Mr Periz de Cuellar said: "I told her that I found an atmosphere that was appropriate for starting something. Negotiations are always the best way to solve problems."

— Reuter.

Call led to disaster

By Richard Norton-Taylor

A CALL from HMS Sheffield to the fleet headquarters in Northwood, outside London, during the Falklands war prevented the use of counter-measures against the attack by an Exocet missile which killed 20 of the destroyer's crew, the Ministry of Defence confirmed yesterday.

The satellite-transmitted call interfered with electronic counter-measures which would have warned the crew about the incoming missile, a spokesman said. The two systems used the same frequency.

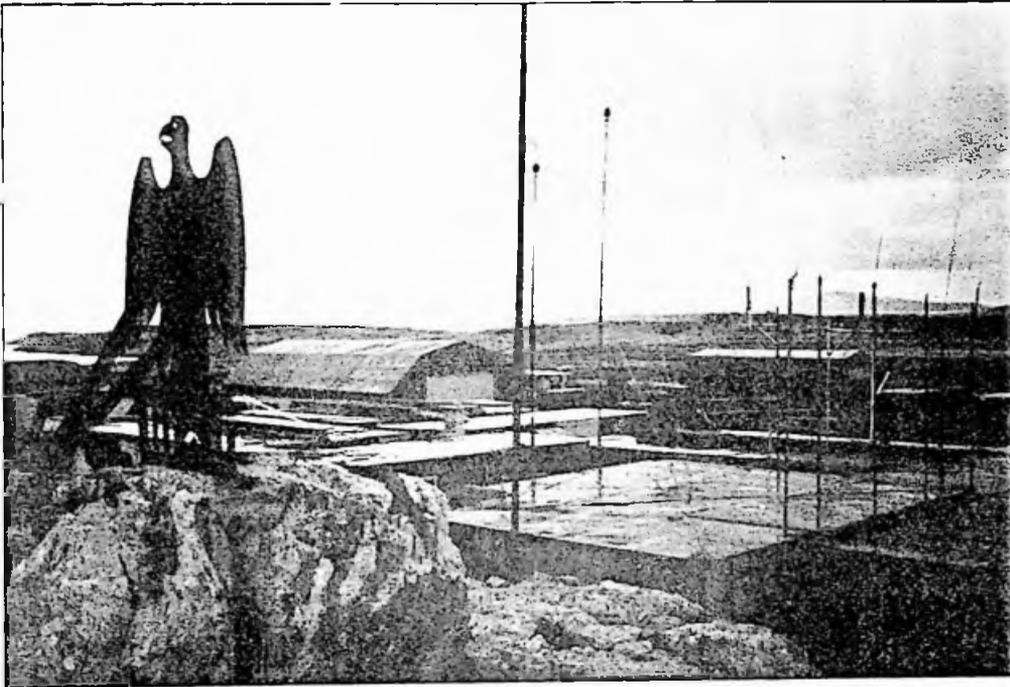
Mr Tam Dalyell, Labour MP for Linlithgow, yesterday asked for a full report of the incident from Mr George Younger, the Defence Secretary "If there were known to be difficulties in using the communications system with London and operating the defence system, why was HMS Sheffield selected for picket duty after the sinking of the Belgrano?" he asked.

He also said that the order to sink the Argentine cruiser Belgrano before HMS Sheffield was attacked was more dangerous than the Belgrano itself. The consensus among naval commanders at Northwood, he added, was that the sinking would make the British fleet more vulnerable to air attack.

£18 m refit

The ice patrol ship, HMS Endurance, which played a key role in the Falklands war, arrived at Devonport dockyard yesterday for £18 million refit.

Black Eagle's wings clipped at Stanley End of an era



On 22 April at 2200Z, the Short Range Air Defence of RAF Stanley closed down. Black Eagle Camp from which all four RAFG Rapier Squadrons have operated, is being dismantled after nearly four years of continuous operations.

Yet another chapter in the continuing history of the RAF Regiment has ended. It was fitting that 63 Sqn which started the ball rolling should be the one to call time and dismantle the base.

The establishment of the camp on 4 July 1982 followed the move of 63 Sqn from their war positions covering San Carlos Water. The Sqn was shipped from the far side of East Falkland in the RFA Sir Lancelot to Stanley Harbour, from where it moved by road to an area south of the existing runway on the north facing slope of Canopus Hill.

In little time there sprang up a rough and ready collection of tented accommodation, work areas, engineering and supply box bodies, trailers and other assorted vehicles. Throughout the following years, the camp grew with the construction of much needed facilities including Rugg hangars for the engineering 1st line repair units and Sqn MT Servicing Section. Portacabins providing office

and domestic accommodation. ISO containers were used not only for the storage of parts and supplies but also to create an armoury and the RAF Stanley Standby Operations Centre.

Additionally a Packaway building was "purloined" which became one of the finest eating establishments on the islands as the Black Eagle Mess. The addition of a Wyseplan building created a combined Officers' and SNOs' Mess — something unique in modern RAF Regiment history. The roads throughout the camp, constructed from hard core, were built with lorry loads of aggregate, undoubtedly earmarked for elsewhere, being diverted into the camp and unloaded. The present standard of facilities indicate the level of

effort and hard work by all the Sqns involved.

The closure of Black Eagle Camp as the home of Rapier in the Falklands, was commemorated by an All-ranks Party in the mess, with guests from all the various units and departments, RAF, Army and civilian, whose support over the years has enabled the resident Rapier Sqn to function to the standard that it has. There was also a Guest Night in the Officers' and SNCOs' Mess at which the Station Commander was guest of honour. 63 Sqn RAF Regiment was the first unit to establish itself at Stanley airfield in 1982 and at the closing down parade on 30 April 1986, the ensign was lowered by Flt Sgt "Taff" Bruton and Sgt Bob Prince, two members of the current Sqn lineup, who were present on the Sqn throughout the Falkland campaign and the establishment of RAF Stanley.

Black Eagle Camp will live on for some time to come, and will probably be the last element of RAF Stanley to be dismantled as the camp will become the home of the Royal Engineer detachment responsible for the clear up. The spirit of Black Eagle will live on for many years at RAF Mount Pleasant, where, in recognition of the prominent part played by the RAF Stanley Resident Rapier Sqns in the Falkland Islands, the functions room of the Junior Ranks' Mess at Mount Pleasant will be named the Black Eagle Room. The new purpose-built office and workshop facilities for the Sqn will be known as the Black Eagle Complex.

RAF NEWS
16-29 May 1986

Mt Pleasant is operational

THE NEW international airport at Mount Pleasant in the Falkland Islands became fully operational on May 1 when the RAF moved in from their former base at Stanley.

Since the main runway at Mount Pleasant was completed, and the airport opened officially by Prince Andrew on May 12 last year, the remaining work on the second runway and associated airport facilities, including permanent accommodation for the RAF personnel, has been completed.

Several hundred members of the contractors workforce were among guests assembled in the new hanger to witness the ceremony at Mount Pleasant to mark the opening of the airport as an operational RAF Station.

They heard Air Vice-Marshal "Kip" Kemball, the Commander British Forces Falkland Islands, praise their efforts and express appreciation for the "tremendous job" they had done.

Following the ceremonial parade, Phantom aircraft of No. 23 Squadron took off in a practice quick reaction alert to mark the end of the ceremony and the start of operations from their new base.

The previous day, the ceremonial closure of RAF Stanley had taken place in dismal weather. The tattered RAF ensign, which had flown at Stanley for the past four years, was lowered by FS "Taff" Burton, 47, from Glamorgan. A member of No. 63 Rapier Squadron, RAF Regiment, he was chosen for the task because he was present when the ensign was first raised at Stanley in July 1982.

Stanley Airport will be returned to its former condition, prior to the conflict, and will be used by the Falkland Islands Government Air Service, in addition to the facilities at Mount Pleasant.

Now fully operational, the Mount Pleasant airport will be used by RAF and civil aircraft. Regular flights between the United Kingdom and the Falkland Islands are made by RAF Tristar aircraft, carrying passengers and freight.

The island's air defence includes Phantom aircraft and the Rapier missile system. Other RAF aircraft include Hercules transport/tanker aircraft and Chinook and Sea King helicopters. The Station Commander at RAF Mount Pleasant is Gp Capt Joe Sim, who also commanded RAF Stanley.

Lean times ahead for Argentine farmers

By Tim Coone in Buenos Aires

THE vast Argentine pampas, stretching out over thousands of square miles in the hinterlands of Buenos Aires and Bahia Blanca are expected to produce record harvests of maize and sunflower seeds this year.

However, neither this prospect, nor the possibility of increased Soviet buying after the Chernobyl nuclear accident, has prevented deep gloom settling over Argentine grain producers and traders.

Regarding the prospects for more Soviet purchases on the international grains market, Mr Marcelo Regunaga, head of economic studies for the Argentine National Grain Board said: "Practically all our wheat from this year's harvest is already sold. Even if the Soviet Union were to increase its imports as a result of the Chernobyl disaster, we are not in a position to provide them until the next harvest at the earliest."

However, there are already indications that wheat planting this year will be as much as 30 per cent down on 1985, which in turn were down 6 per cent on 1984. Low profitability for the pampas farmers has caused them to switch to maize and oilseed production, or simply to leave their land idle.

Soviet purchases from Argentina have fallen sharply since their peak in the early 1980s when over 80 per cent, or some 15m tonnes of wheat,

maize and sorghum, were sold to the USSR. At the beginning of this year, a new five-year trade accord was signed with Moscow, but this calls for the supply of only 4.5m tonnes of maize, sorghum and soyabeans each year. Even with the new deal, grain sales to the Soviet Union were practically non-existent until early May when 700,000 tonnes were sold. "It was the first important purchase by the Soviet Union this year," said Mr Regunaga. He pointed out that the five-year accord is not in fact a binding contract, and that there is no guarantee that Soviet purchases will indeed reach 4.5m tonnes this year. The Soviet Union has itself been anxious for Argentina to improve the trade balance between the two countries which is heavily in Argentina's favour.

One leading trader on the Buenos Aires cereals market said "The most serious thing is that the Russians don't have any money. They are driving very hard bargains and buying at the cheapest they possibly can." He said that the subsidisation of EEC and US cereal production, and the prospect of major disposals of stocks onto the market this year, was undermining Argentine cereal production, and wheat in particular.

Government plans to raise grain production to 60m tonnes per year by the end of the decade from their present level of between 35m and 40m per year "are Utopian" he said.

The expansion of grain and meat exports at the same time as sharply reducing imports was seen as one way out of the country's simmering foreign debt crisis several years back. Policies directed to those ends lay behind the expansion of land under cultivation for cereal and oilseeds production to a record of 23m hectares in 1982-83.

However, the gradual fall in area since then is expected to accelerate this year with less than 21m hectares being put to the plough this season. A decline in the cattle herd by some 2m head since 1984, means that a further 2m hectares of agricultural land will lie idle this season due to falls in export demand oversupply on the world market. Grains and beef traditionally comprise 70 per cent of Argentina's total exports.

This depressing prospect prompted President Raul Alfonsin to declare forcibly in a state-of-the-nation speech at the beginning of the month that "Argentina will not cede space in the international markets." He promised that export taxes would gradually be reduced as a means of stimulating production. His scope for doing so is limited however. Almost 20 per cent of Government income is derived from export taxes and any serious cuts in Government spending will aggravate an already tense situation with the militant trade union movement.



Paraguay regime faces mounting pressure for return to democracy

From John Enders, Asunción

The Paraguayan regime of General Alfredo Stroessner celebrated 175 years of national independence this week, amid a rising tide of anti-government demonstrations and social conflict.

General Stroessner took power in 1954 after a military coup, and has ruled this South American country of 3.7 million people with a firm hand ever since.

The Stroessner Government has come under increasing pressure internally from dissident political groups, students, workers, members of his own Colorado Party and the US Government to bring back democracy. To date it has shown no willingness or need to do so.

Paraguay and Chile are the only military dictatorships remaining in South America since Argentina, Uruguay, Brazil and Bolivia had returned to democratic rule.

"Stroessner's old military allies have disappeared," said Señor Waldino Ramón Lovera, an opposition political leader who spent 25 years in exile until 1983. As General Stroessner and other military and civilian supporters watched the traditional military parade yesterday through

The second-ranking official of a Peruvian human rights group, Señora Guadalupe Ccallocunto Olano, aged 36, is being held as a suspected guerrilla (Reuter reports from Lima). Police sources said Señora Ccallocunto, secretary of the Association of Relatives of Abducted, Detained and Disappeared People in the Emergency Zone, was being questioned to determine if she was linked to the Sendero Luminoso (Shining Path) insurgency, which began in her home town of Ayacucho.

the streets of Asunción, the dictator, aged 73, still appeared to be firmly in control.

But cracks in the edifice could be widening. Doctors and nurses at the state-run Hospital de Clínicas, a teaching hospital, have been on strike for three weeks, seeking salary increases.

Government repression of their movement and jamming of the only opposition radio station have galvanized opponents and sparked public sentiment in their favour.

Police have surrounded and denied access to and from the hospital for five days.

An anti-government rally on Wednesday was attended by about 750 people, even though the gathering was surrounded by hundreds of police and Colorado Party ruffians shouting taunts and armed with clubs and braided electrical cords used in recent weeks against other demonstrations.

On Wednesday, apparently thanks to the presence of an enlarged international press contingent, there was no violent confrontation.

Meanwhile, the Roman Catholic Church in Paraguay has been asked by the striking doctors and nurses to mediate in the conflict.

The Paraguayan church, traditionally quite conservative, has been taking a much more active role in recent months, in an attempt to head off increasing violence.

"One month ago, no one could have imagined that the street demonstrations would happen," said Bishop Jorge Livieres Banks, secretary general of the Catholic Bishops' Conference.

The church is increasingly calling for democratic change, as have Catholic leaders in other Latin American countries in recent years.

Capital venture in Argentina

By Robert Graham

NOT EVEN Argentines know very much about Viedma. But President Raul Alfonsin is determined to change all that. This small provincial capital, some 500 miles south of Buenos Aires at the mouth of the Rio Negro, has been chosen as Argentine's proposed new federal capital.

In the month since the idea was first floated, the general reaction has been a mixture of disbelief and scepticism. Buenos Aires is so firmly rooted in the national psyche as the capital that a move seems inconceivable. Yet it would be a pity if the idea was not given a fair hearing.

Buenos Aires has come to play a disproportionately large role in national life. The historic reasons for this are obvious enough. The city is well sited at the mouth of the River Plate, has a good climate and is the hub of a vast railway network.

Resources

Also, as the principal port in an export-orientated economy, Buenos Aires became the commercial and financial centres of the country. These attractions have acted as a magnet, and Buenos Aires and its surrounding province now account for almost 40 per cent of Argentina's 30m population and over 60 per cent of its industry.

In a country this size, development is distorted by such a high concentration of resources, human and economic, in a tiny portion of the territory. A vicious circle grows up whereby civil servants, doctors, engineers, or teachers do not wish to work elsewhere, companies cannot locate elsewhere and people come from elsewhere to find opportunity. Thus the dominance of the capital snowballs, its privileges bolstered by the presence of the most politically articulate groups being based here.

President Alfonsin wants to correct this distortion and focus attention on the huge underutilised space — and resources — in the interior and south. Similar considerations led to the establishment of Brasilia in the late fifties. And today in Latin America there are other candidates for a new capital cities.

The prime example is Mexico City which has attracted around it a quarter of Mexico's 76m people and nearly half its manufacturing output. High population growth, uncontrolled urban spread and excessive centralism have converted Mexico City into one of the world's most polluted and unmanageable cities.

Last year's earthquake exposed not merely the city's urban problems but also how damage to the capital's buildings and communications could temporarily paralyse the country. But despite talk of decentralisation, the opportunity has been passed over. Prejudices and vested interests are too ingrained.

Peru's President Alan Garcia has encountered the same built-in prejudices in his efforts to reduce the dominance of Lima, which is 10 times as big as any other city, contains three quarters of all manufacturing, and two-thirds of the country's doctors.

In its short existence, Brasilia has proved a political and psychological success. But it can hardly be described as either an architectural or planning success. Apart from the Presidential Palace and the cathedral there are no architectural masterpieces and the frequent complaint is that there is a lack of any urban density, roads are too wide and distances between everything are too long.

Enclave

Modern architects in Brasilia have not to date been able to produce agreeable small-scale neighbourhoods that are enjoyable to live in and Brasilia's depressing diplomatic enclave has only made ambassadors long for the life of Rio.

While Brasilia was conceived at a moment when architects and planners were convinced that concrete and motorways were enough to make a new city times are different now and President Alfonsin has a remarkable chance to commission a city that will take note of the failures of the wide open spaces of new capitals like Chandigarh and Islamabad.

When he advertises for an urban planner, will anyone be up to the job?

UN chief still hopeful of Cyprus solution

BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT

THE UN Secretary-General, Mr Javier Perez de Cuellar, yesterday told Mrs Margaret Thatcher, the British Prime Minister, that he had not given up hope of finding a solution to the Cyprus problem.

Cyprus, together with the Falkland Islands, the Middle East situation, Afghanistan and terrorism, were among the main issues discussed by Mr Perez de Cuellar in meetings in London with Mrs Thatcher and Sir Geoffrey Howe, the Foreign Secretary.

The UN Secretary-General is understood to have told his hosts that, in spite of the negative response by the Greek

Cypriot Government to his latest plan for a Cyprus settlement, he did not think that President Spyros Kyprianou of Cyprus had shut the door completely on his proposals.

Mr Perez de Cuellar made it plain that he was going to persist with his mediation efforts and that he was looking for a conditional acceptance by President Kyprianou of his plan, which has already been endorsed by the Turkish Cypriots.

In the absence of further details, it is difficult to find any reasons for Mr Perez de Cuellar's optimism, apart from the fact that the Greek Cypriots have stopped short of formally

rejecting it. However, President Kyprianou made it clear in his response to Mr Perez de Cuellar on April 10 that the plan for a federal bi-communal Cypriot state was unacceptable in its present form.

The Greek Cypriots called on Mr Perez de Cuellar either to organise an international conference or a summit meeting between Mr Kyprianou and Mr Rauf Denktaş, the Turkish Cypriot leader, to negotiate an agreement on three essential issues not tackled in detail in the UN plan.

These issues, considered as

the key to any Cyprus settlement by Mr Kyprianou's Government, are a timetable for the withdrawal of Turkish troops from the northern part of the island, the freedom of movement, settlement and property ownership on the island and reliable international guarantees for a settlement.

Mr Perez de Cuellar, who recently visited Argentina to explore the possibility of finding a solution to the conflict between London and Buenos Aires over the Falkland Islands, appears to have got little change out of Mrs Thatcher.

FINANCIAL TIMES

15.5.86

U.N. chief briefed on Falklands

By JOHN BULLOCK
Diplomatic Staff

MRS THATCHER firmly rejected any suggestion that sovereignty of the Falkland Islands should be part of any negotiations with Argentina when she met Senor Perez de Cuellar, United Nations Secretary-General, in London yesterday.

The United Nations chief, who is on a tour of European capitals, was recently in Argentina, and he was able to give an up-to-date assessment of the Argentine position. This prompted Mrs Thatcher to emphasise again that sovereignty was not for negotiation.

The Prime Minister also said Britain was anxious to improve relations with Argentina and had made suggestions to that end. None had been acted on by the Argentines.

In a lunchtime speech Mrs Thatcher praised Senor Perez de Cuellar's perseverance with issues of great complexity and difficulty.

She reaffirmed British support for the United Nations. But in private conversations she made it clear that Britain, like other European nations, was not prepared to make up the United Nations financial shortfall caused by certain countries' failure to pay up.

Fate of Alex Collett

One matter discussed at length was the probable fate of Alex Collett, 64, the British journalist missing in Lebanon since March last year.

He was working for the United Nations Relief and Works Agency when he was taken hostage by a Palestinian group linked to the terrorist Abu Nidal cell.

After the American attack on Libya a videotape was delivered in Beirut showing the hanging of a man said to be Mr Collett. But British officials have been unable to decide whether the tape actually showed Mr Collett.

Senor Perez de Cuellar said that United Nations officials were divided on the authenticity of the tape.

Helicopter inquiry

Our Port Stanley Correspondent reports: Members of a board of inquiry, are to leave Britain this week for the Falklands to begin investigations into the crash of an RAF Chinook helicopter.

Two RAF men killed in the crash were named yesterday as Flying Officer David Vincent Browning, 23, married, from Edmonton; and Sgt Wayne John Horton, 23, married, from Leamington.

Borges marries and a nation rejoices

From Jeremy Morgan
in Buenos Aires

Argentina's irreverent, grand old man of letters, Mr Jorge Luis Borges, got married by proxy in Paraguay, and yesterday found his wedding was the subject of national celebration.

Mr Borges's decision to plight his troth with Miss Maria Kodama, his professional collaborator, private secretary, and constant companion of a dozen years, leapt on to the front pages of the newspapers and hogged a great deal of space inside.

The press went to town as though the marriage was a royal event. An unusually courteous veil of discretion was drawn over the disparity between the ageing, blind and

frail Mr Borges's 86 years and his bride's 41.

Argentine journalists, commentators, writers, and virtually everyone else were out to emphasise their own identification with the man whom everyone today agrees is Argentina's greatest-living literary figure. It would not have been the case five years ago.

The aristocratic author of *The Book of Sand* and essayist on innumerable scenes ranging from Nordic runes to a love of English literature that prompted paranoia about his loyalty to Argentina has not always endeared himself to mainstream society here.

Styling himself an "anarchist", Mr Borges was frequently written off as some sort of subversive in a society



Jorge Luis Borges —
irrepressible mischief

that grew increasingly conformist as the grey years dragged by.

While most of the nation was in thrall to Peron, it was Borges' lonely voice that lampooned the elected dictator's

populist pretensions as "the First Worker". Worse still, the eccentric author took deliberate aim at Evita, Peron's glamorous and scheming wife, and perhaps the real power inside his regime, lashing her highly publicised handouts to dub her the "Blonde Fairy".

Mr Borges' acceptability dates almost exclusively from the defeat in the Falklands war. As much of the nation glorified General Galtieri, he lambasted the war as "two bald men fighting over a comb". His most acid attacks were always reserved for the military, whom he described as gangsters and criminals.

One year older than the century next August, Mr Borges appears to have lost none of who, for all his years, has always seemed centuries ahead of his compatriots.

Inquiry starts into RAF crash

MEMBERS of a board of inquiry will leave Britain this week for the Falklands to begin investigations into the crash of an RAF Chinook helicopter, on Tuesday, which killed three servicemen and injured 11 others.

Two of the dead were named as RAF Flying Officer David Browning, aged 23, from Edmonton, north London, and RAF Sergeant Wayne Hopson, 27, from Leeds. The third man was a Gurkha.

THE GUARDIAN

15.5.86

Defence
Foreign Affairs

Vessel held
An Argentine warship is reported to have arrested the Japanese fishing vessel Chidori Maru close to the edge of the 150-mile Falklands Protection Zone.

Thatcher unmoved by signal from Alfonsín

By Nicholas Ashford, Diplomatic Correspondent

Mrs Margaret Thatcher yesterday told Señor Javier Pérez de Cuéllar, the United Nations Secretary-General, that Britain is not prepared to shift its position on the sovereignty of the Falkland Islands, even though Argentina has signalled that it wants to improve relations with London.

But she added that, despite the sovereignty issue, Britain was itself anxious to normalise Anglo-Argentinian ties.

Señor Pérez de Cuéllar, who held wide-ranging talks in Whitehall with the Prime Minister and Sir Geoffrey Howe, the Foreign Secretary, has recently returned from a

visit to Buenos Aires, where President Alfonsín expressed his wish to end the four-year Falklands feud, although insisting that sovereignty be on the agenda of any talks.

The UN head was at least made aware yesterday that Britain is deeply appreciative of the way he has handled the dispute at the UN.

Another seemingly intractable dispute — Cyprus — was also high on the agenda, and Señor Pérez de Cuéllar made it clear that he intended to persevere with his present settlement plan.

Leading article, page 19
Photograph, page 22

THE TIMES

15. 5. 86

Defence's sums don't add up

Forget the action; watch the reaction. On Monday our new Defence Secretary of State, Mr George Younger, presented his first white paper; and pretty unstimulating it

was too. Defence spending, we learned, is scheduled to decline by some 6 per cent in real terms over the next three years. But that was known; it represents no more than stopping the escalator of a Nato commitment. Notwithstanding such struggling, however, Mr Younger foresees Britain's land, sea, air and nuclear plans continuing as usual. End message, except for a few general essays about this and that. Yesterday, however, the reaction from the Government's own supporters was distinctly more stirring. The Daily Mail, looking at the figures, concludes that they won't work and wants the cancellation of Trident. The Times, similarly alarmed, wants the Rhine Army brought home. The Telegraph wants MoD research budgets slashed. No-one (not even Mr Younger?) truly believes that British defence spending — even in its newly trimmed state — can carry on indefinitely as the highest percentage of GDP anywhere in Western Europe. There will be much more on this theme from within the Government before many months have passed. Cue, perhaps, for somebody to ask Mr John Biffen what he thinks about the long term future of the Nato alliance?

In the meantime, though, amongst so much basic and manifest unhappiness, it pays to get back to the heart of the matter. The central issue, by chance, is perfectly illustrated in Mr David Stockman's best-selling autobiography. The departed US budget director recalls in those pages an early meeting with Mr Ronald Reagan and his Defence Secretary, Caspar Weinberger. "I walked in, knowing I would never be able to persuade the President directly. 'Defence' he had said repeatedly, 'is not a budget issue'. You spend what you need. Just possibly correct. The only problem was there was no tribunal of wise men who could objectively and precisely quantify the need". Mr Stockman sums up the dilemma exactly. The "need" depends upon perception, not of market forces, but of the threat posed by a potential adversary. And yet one searches defence white paper after white paper for delineation of that threat. It's the great conundrum. Mr Younger's latest effort — in one of those essays — stresses the dimension of the threat, in much the same way that Mr Heseltine or Sir John Nott tended to stress it in years past. But this time there's a dislocation. Mr Younger responds to an allegedly growing threat, in an allegedly unchanged diplomatic climate, by cutting defence spending. Mr Heseltine would have used the same preliminary arguments before putting it up. Nobody dare start by a simply political assessment which says that under Brezhnev / Andropov / Chernenko / Gorbachev the climate this year means

that, objectively, the need for a pell-mell accretion of hardware is rather less/or more than it was last year.

One may see the hiatus, perhaps, most clearly reflected in an area which has nothing whatever to do with the Soviet Union. The Falkland Islands; still destined to consume in the coming year rather more than the annual increase for the whole of the defence budget put together. And that's on the benign accounting the MoD chooses for Port Stanley. Mr Younger, to be sure, hopes for significant savings in future years, as the permanent garrison contracts to defend the new airport. Well, we shall see. But what, pray, about the need or threat? Objectively, it doesn't exist. President Alfonsín has castrated his armed forces. There is rather less chance today of the Argentines invading the Falklands than there is of Mr Jacques Chirac annexing Sark. Economic ties are being quietly rebound. Mr Perez de Cuellar is in town this week trying to get a dialogue on the road. Our politicians, alas, will give him scant encouragement because they'd rather give Mr Younger the money than take a diplomatic risk. But the military equation isn't real; it's concocted to a political formula. Once you start looking and asking "Where's the threat?" you come up with some very dusty answers. But you have to ask the fundamental question first.

Argentina lifting trade ban

From Jeremy Morgan
in Buenos Aires

Argentina is discreetly lifting its blockade against imports from Britain imposed during the Falklands war, according to a private report circulating among bankers in Buenos Aires.

The Argentine Government also appears to be clearing some overdue payments for British goods delivered in recent years and maybe seeking finance for further shipments, said ABRA, an association representing overseas banks and some local banks in Buenos Aires.

In an internal memorandum circulated to member banks by its external affairs committee, ABRA suggested Argentina was also issuing customs clearance certificates for some imports from Britain.

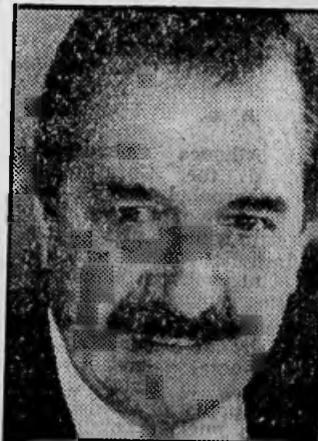
ABRA issued its report on April 18, two weeks after the first hints that Argentina was edging towards a cautious removal of some restrictions on trade with Britain.

In early April, almost exactly four years after the Argentine military regime occupied the islands, diplomatic sources here revealed that the elected civilian government was quietly poised for at least a partial restoration of economic ties.

Diplomatic sources at the time said President Raul Alfonsin was waiting for a suitable moment to announce the change in the Government's position.

The Government has until now shown considerable reluctance about any move to dismantle the restrictions imposed by General Leopoldo Galtieri in the early days of the Falklands crisis.

Meanwhile, in West Germany, police raided the premises of an Argentine naval mission in Hamburg yesterday on suspicion of illegal arms exports during and after the Falklands War.



Alfonsin: waiting for
right moment

Two men killed in Falkland crash

By *PATRICK WATTS in Port Stanley*

A GURKHA and an R A F sergeant were killed and 14 other servicemen were injured, some seriously, when an R A F Chinook helicopter crashed on the Falkland Islands yesterday.

The Chinook, based at Mount Pleasant, crashed in atrocious weather conditions near Mount Alice on West Falkland. In addition to four crew members the helicopter was carrying 12 soldiers of the 2nd Battalion of the 2nd King Edward VII's Own Goorkha Rifles, the infantry battalion at present stationed in the Falklands.

One of those seriously injured was the co-pilot, who was trapped in the wreckage for several hours.

Aircraft sent to locate the crashed helicopters were hampered by blizzards and white-



out conditions which a spokesman said, was making rescue attempts very difficult.

Medical teams sent to the scene administered immediate first aid to the seriously injured in another Chinook which was able to land close by, while the not so seriously injured were sent to medical centres at Fox Bay and to the British Military Hospital in Port Stanley.

After five hours, a combined services rescue bid was still continuing.

An accident investigation team has been sent to the scene, and an RAF Hercules is on constant surveillance co-ordinating the rescue.

Three servicemen killed in Falklands air crash

By David Hearst

Three servicemen were killed and eight others injured, two seriously, when a British military helicopter on an exercise in the West Falklands crashed into a remote mountainside in a blizzard yesterday.

The helicopter, a Chinook, was carrying 12 Gurkha infantrymen and four RAF crew from Mount Alice to Byron, in East Falkland, when it crashed on the 1,175 feet high Mount Young. A Gurkha soldier, an RAF flight sergeant, who co-piloted the helicopter, and an RAF crewman died as the Chinook rolled on to its side. Two RAF crewmen were last night described as "very seriously ill."

Conditions during the rescue were so bad that the most seriously injured were treated by medical teams in another Chinook alongside. The less

seriously injured were flown to the British military hospital in Port Stanley.

The soldiers were from the 2nd King Edward II's Own Gurkha Rifles battalion. They are due home at their headquarters in Church Crookham, Hants, from their posting on the Falklands in two months' time.

The twin-rotored Chinook helicopter can carry up to 80 soldiers in wartime conditions, but it was thought to be lightly loaded at the time of the crash. A Ministry of Defence spokesman in Port Stanley described conditions during the rescue as "atrocious." A ministry official in London said: an inquiry will be held into the crash.

The last major military helicopter crash occurred during the Falklands war when a Sea King carrying 30 paratroopers crashed into the sea, drowning 21 soldiers.

Helicopter crash in Falklands kills 3

By Staff Reporters

Army and Navy helicopter crews in the Falkland Islands battled for more than six hours in an blizzard yesterday to rescue trapped colleagues after an RAF Chinook helicopter crashed in a remote part of the islands killing three and injuring 14, two of them seriously.

The dead are an RAF sergeant, a helicopter crewman and a Gurkha soldier from the 2nd King Edward 7th Own Gurkha Rifles. The two other helicopter crewmen are said to be "seriously ill", and 11 Gurkhas are less badly hurt.

The helicopter had been taking part in a snap training exercise in which the crew had been scrambled without notice. The accident came as the Chinook was returning to base.

A military spokesman in Port Stanley described the rescue as one of the most difficult and hazardous operations mounted in the Falklands.

Army Scout and Naval Sea

King helicopters ferried the stretcher cases to Port Stanley military hospital. The less seriously injured were flown to Fox Bay medical centre.

The crash site, Mount Young, which is between the Byron Heights and Mount Alice on West Falkland, is accessible only by helicopter.

The spokesman said: "The rescue took place in a blizzard with very low visibility and strong winds."

It took more than six hours to bring all the injured and survivors out. The Chinook was carrying 12 Gurkhas and four RAF crew.

The rescue operation was mounted when the Chinook went out of contact during the flight. The survivors were located by the personal emergency beacons which they carried. The first rescue helicopters were on the scene about an hour later.

The Gurkhas are on a four-month tour of duty in the Falkland Islands from their normal base in Church Cookham, Hampshire.

Argentine weapons claim

BY PETER BRUCE IN BONN

WEST GERMAN police yesterday raided the Hamburg offices of an Argentine Military Commission following allegations to be published tomorrow that it has been illegally buying arms throughout Europe.

No arrests were made, police said. The Commission, established in Hamburg in April 1982, after being expelled from London at the start of the Falklands War to oversee the

construction of four frigates, may also have been buying weapons through Israel, police claimed.

The weekly magazine, Stern, says tomorrow that Commission officials used Hamburg as a base to try to buy weapons in Europe during the Falklands War. These included French Exocet anti-ship missile, radar, anti-aircraft ammunition, torpedoes and spare parts for aircraft.

Falklands crash

A helicopter had crashed in the Falklands and deaths were reported, the UK Ministry of Defence said in London last night. A Chinook, with 16 people on board, came down on Mount Young, east Falklands, while en route from Mount Alice to Byron.

A woman
to give
the orders

Memorial Services

Sir Miles Clifford

A memorial service for Sir Miles Clifford was held in the Chapel of the Order of the British Empire, St Paul's Cathedral, yesterday. The Dean who officiated and gave an address was assisted by Canon Peter Ball and the Rev Michael Beck. The Right Rev Launcelot Fleming read the lesson. Among those present were:

Lady Clifford (widow), Mr Jack Damian-Grint, Mr Philip Damian-Grint, Mr James Damian-Grint, Dr and Mrs Samy Taleb, Mai and Sara Taleb, Mrs Christina Sloan, Mr and Mrs Gordon Sloan, Miss Christine Sloan, Miss Elizabeth Sloan, Miss John Sloan, Miss Rachel Sloan, Mr John Sloan, Mr Archibald Sloan, Viscount Leverhulme (Leverhulme Trust), Lord and Lady Porritt, Sir Alexander Glen, Lady McIndoe, Sir Edwin Arrowsmith, Lady (Harington) Thompson, Sir John Biggs-Davison, MP, (Conservative Parliamentary Foreign and Commonwealth Affairs Committee), Sir Nigel Fisher, Sir Patrick and Lady Macrory, Sir John Worde.

Mr and Mrs Graham Bean, Mr and Mrs Bert Cohen, Mr George Greenfield, Mr and Mrs David Higginson, Mr and Mrs C de Kretser, Mrs John Leonard, Mr Richard Leonard, Mr Robert McGill, Mr and Mrs John Roberts, Brigadier and Mrs Frank Stafford, the Rev M Lloyd-Jones, RN, Judge and Mrs Ranking, Mr S Koto, Professor R A Humphreys, Mr Wally Herbert.

Mr G Davis (vice-president, Toc H) with Mr D Lockhart, Mr William F Davis (African Medical and Research Foundation), Mr C A Prendergast (chairman, East Grinstead Research Trust), Mr Michael Randolph (editor, *Reader's Digest*) and Mrs Randolph, Mr Eric Ogden (chairman, Falkland Islands' Association) with Major-General Alan Mills (treasurer), Mr Alastair Cameron (representing Falkland Islands' Government), Mr Herbert Lloyd (secretary, Northcott Foundation), Professor J Lynch (director, Institute of Latin American Studies, London University), Mr George D Cracknell and Mr A B O'Neill (Barclays Bank), Dr R M Laws (director, British Antarctic Survey).

Wally Mail
13 May 1981

A woman to give the orders



In charge: Hilary Whiteway

SIXTY servicemen will find out that Hilary Whiteway is boss when she flies in to take over her new command in the Falklands.

The 32-year-old WRAF squadron leader will be the first woman in charge of a Falklands operational unit—an air defence radar station.

For the next four months her home will be in a steel box 20 ft by eight on top of the bleak Byron Heights in the West Falklands, a world away from the cottage home she is renovating near Andover, Hampshire.

The radar station is manned by the RAF and guarded by soldiers. 'I shall be in charge of 60 men but I don't foresee any problems', said the 5 ft 5 in officer who joined the service at 19.

'I know it sounds a hostile place but I was in charge of a radar station in the Shetlands so I'm used to tough environments.'

Daily Mail
13 May 1986

UN chief to meet Thatcher

By Hella Pick

Britain, while laying out the red carpet for the UN secretary-general, Mr Perez de Cuellar, does not expect important diplomatic dividends from the four-day official visit to London, which begins today.

Cyprus and the Falklands are said to be high on the UN secretary-general's agenda when he meets the Prime Minister and Sir Geoffrey Howe, the Foreign Secretary. In the case of Cyprus, he is hoping that Britain, as one of the guarantors of the island's controversial constitution, can exert some influence on President Kyprianou to accept the latest UN peace plan, at least as a basis for negotiation.

But Mrs Thatcher is said to be doubtful that she can do more. Britain has already tried to dissuade the Greek Cypriots from rejecting the federal constitutional framework for Cyprus, which remains the central purpose of the UN's draft plan.

The leader of the Turkish Cypriots has readily grasped the plan put forward by Mr Perez de Cuellar. This in itself is cause for profound suspicion by the Greek Cypriots, who assert that the UN proposals fall woefully short of their demands for clear commitments on Turkish troop withdrawals, freedom of movement on the island, and property rights.

The Prime Minister, who met President Kyprianou last month, has already indicated that Cyprus would be far wiser to accept the concept of a federal constitution.

In the case of the Falklands, the UN secretary-general has indicated that he would like to help bring about a reconciliation between Britain and Argentina. The Government has been given no advance notice of any ideas that he may have, and is certainly prepared to listen to him.

There is scepticism that he can bridge the gap between the two countries. Britain remains adamant that it will not discuss the sovereignty of the Falklands.

But the Government's offer of talks aimed at normalising relations remains open. Britain is also ready for informal contacts to discuss how Argentina views the process of reestablishing relations with London.

British officials yesterday pointed to the fact that the group of Argentine parliamentarians who visited London earlier this year turned down an invitation to meet a junior Foreign Office minister.

Socialist dies

THE grand old woman of Argentine socialism, Mrs Alicia Moreau de Justo, died yesterday at the age of 100 after a brief illness, hospital officials said in Buenos Aires.—Reuter.

Falklands on UN chief's UK agenda

From Our Correspondent, New York

Señor Javier Pérez de Cuéllar, the UN Secretary-General, is in Wales today on the first leg of his four-day official visit to Britain, which will be highlighted by an audience with the Queen later in the week and meetings with Mrs Thatcher, the Prime Minister, and Sir Geoffrey Howe, the Foreign Secretary.

He arrives amid speculation over his intentions concerning a second term as Secretary-General after his current spell in office runs out at the end of the year. He has said that he wants to leave the post, but has not ruled out the possibility of being drafted by the Security Council for another five years.

Señor Pérez de Cuéllar is known to be in the good graces of the British Government, which has praised his handling of the Falklands dispute, including his decision not to bring public pressure to bear on Britain to reopen negotiations on the sovereignty issue, as mandated by the General Assembly.

Before embarking on his trip, however, the Secretary-General told reporters that he would be renewing the offer of

his good offices to bring about a reconciliation between Britain and Argentina.

He said that during his recent talks with Argentine leaders in Buenos Aires he had found real interest in reaching a solution to the Falklands dispute.

Noting that the Opposition in Britain has different views on negotiations over Falklands sovereignty, the Secretary-General said he would meet Mr Neil Kinnock, the Labour Party leader.

Also on the agenda for his meetings with Mrs Thatcher and Sir Geoffrey will be Cyprus, the Middle East, Afghanistan, the Iran-Iraq war, Namibia, terrorism and the UN's financial crisis.

It is understood that Señor Pérez de Cuéllar has engaged the help of Mrs Thatcher in trying to persuade the Greek Cypriots to accept the latest in a long series of UN plans for a political settlement, leading to a reunification of the island.

The visit will culminate on Thursday with Señor Pérez de Cuéllar's first audience with the Queen since assuming his post.

DRUNKEN SAILORS SAVED

By PATRICK WATTS
in Port Stanley

THREE Falklands civil police, including a woman police constable, are to be recommended for bravery awards for saving British Servicemen and a Merchant seaman from drowning.

Following a "Run ashore" in Stanley, sailors gathered on the pier to await a launch. An officer from the M.V. St Angus stumbled into the harbour and within seconds a dozen drunken sailors followed him, intending to rescue the officer.

The freezing night water temperatures soon took their toll on the rescuers, although two did manage to bring the unconscious man, John Buchanan, to the pier where the local police had arrived.

Sgt Anton Livermore gave first-aid, ensuring Buchanan's survival, while WPC Gail Steen and a third policeman, Bob Ashton, began pulling sailors by their clothing from the sea.

However, several weakened sailors and Ashton had to enter the water and fasten a line around their bodies and have them hauled ashore.

One man sank on several occasions and Ashton, fully clothed, was forced to keep him afloat by swimming alongside.

Falklands police chief Ken Greenland, paying tribute to his constables, said "There is no doubt that, given the freezing water conditions in the Falklands, several sailors may well have drowned but for my constables' actions."

Ecuador set to sign \$150m Treasury loan

By Peter Montagnon,
Euromarkets Correspondent

ECUADOR is expected this week to sign up for a \$150m (£97.4m) short term loan from the US Treasury as part of a funding programme designed to offset a shortfall in export receipts caused by plunging oil prices.

Government officials in Quito have said that the country will need about \$400m in extra loans to plug the gap in the country's balance of payments caused by the fall in oil prices from an average \$23 per barrel last year to around \$15.

Among other borrowings Ecuador is expected to seek a \$200m oil trade finance facility, to be arranged on a semi-voluntary basis from bank creditors as well as a \$150m credit financed jointly by commercial banks and the World Bank.

Bankers said there is considerable sympathy for Ecuador which has taken rigorous measures to curb its budget.

US economy 'hurt' by Latin American policy

By Nancy Dunne in Washington

REAGAN Administration policies towards the Latin American debtor nations have assisted US banks while sacrificing the interests of the US economy as a whole, according to a new study released by the bipartisan congressional joint economic committee.

The study, which is bound to appeal to populist forces in this election year, is also highly critical of the Baker plan, which it said would simply transfer more funds to the indebted nations to be used for interest payments.

According to the committee, the Administration's programme has prevented a collapse of US banks so that profits and bank stocks have risen in the last four years. Farmers and manufacturers, however, have lost many of their Latin American markets as the debtors reduced their imports.

OBSERVER
Sunday 11 May 1986

Desolate choice for ships

A REMOTE Antarctic island is to become the latest 'flag of convenience' for the shipping world. Kerguelen, population 76, is to allow shipowners to register their vessels there to avoid expensive manning restrictions.

Kerguelen, also known as the Islands of Desolation, is a French territory just off the Antarctic coast in the southern Indian Ocean. The main island, surrounded by 300 islets, was discovered in 1772 and explored by Captain Cook four years later. Once frequented by whalers and sealers, its only inhabitants now are scientists at the French base of Port-aux-Français.

France's new Secretary of State for the Sea, Amboise Guellec, announced last week that Kerguelen, part of the French Southern and Antarctic Territories Department, is to become a major shipping flag. This is to discourage French shipowners from transferring to foreign

flags to avoid tough regulations on employing French crews.

Guellec said crews of Kerguelen-registered ships need only be 25 per cent French, which could save owners as much as £1,300 a day on an 18-man crew.

Some ships used for oil production work have already been registered in Kerguelen. Lloyd's of London records show a fleet of 15 ships, including a 24,000-ton pipe-laying vessel. Most of them are owned by the Paris-based Feronia International Shipping.

The French authorities expect the new registration facilities will be particularly attractive for bulk carriers. Already applications have been filed for two such vessels. French seamen's unions oppose the plan because it threatens their members' jobs.

Martin Salley

THE OBSERVER, SUNDAY 11 MAY 1986

UN CHIEF FACES UPHILL TASK

The United Nations Secretary-General, Javier Pérez de Cuellar, (right), was due in London last night with the twin mission of trying to persuade Britain to pay more to help the UN out of its financial crisis and of getting Britain and Argentina to talk about the Falklands, writes Hugh O'Shaughnessy. He is due to see Mrs Thatcher and the Foreign Secretary, Sir Geoffrey Howe, on Wednesday. His chances of success on either issue are not rated high. Despite a \$30 million (£20 million) cost-cutting package agreed by the General Assembly last week, the shortfall in this year's UN budget could still be at least \$70 million.



FALKLANDS FINE

**By Our Port Stanley
Correspondent**

Gareth Jones, a bricklayer from Neath, South Wales, working on the Mount Pleasant airport complex in the Falklands, was given a three-month prison sentence, suspended for nine months, and fined £100 after being convicted of supplying cannabis resin to an islander, Ronald Biggs, who told the police.

THE GUARDIAN, Friday 9 May 1986.

Falklands move

THE UN Secretary-general, Mr. Javier Perez de Cuellar, said yesterday that during his recent talks with Argentine leaders in Buenos Aires he found "real interest" in reaching a solution of the Falklands crisis, and he will seek Britain's response in London next week.

Reuter.

Argentina set for industrial unrest after wage move

BY TIM COONE IN BUENOS AIRES

A WAVE of industrial action is expected in the wake of the Argentine Government's decision on Wednesday to announce wage increases which the powerful CGT trade union federation, controlled by the opposition Peronist movement, has deemed unacceptable.

The Government has imposed rigid price and wage controls since the introduction of the Austral Plan in June 1985, which brought down the hyperinflation of 1983 and 1984 at the cost of a sharp reduction in

demand and living standards.

Talks between the Government, industry and trade union representatives broke down earlier this week after failing to reach agreement over across-the-board wage increases for the three months from April and to compensate in part for the fall in living standards since June last year.

Meanwhile, retail prices rose by 4.6 per cent in March and a further 4.7 per cent in April, the highest rises in eight months,

Airport completed

Mount Pleasant airport in the Falkland Islands has become fully operational a year after the first wide-bodied jet touched down. It is estimated to have cost £303m to build, plus £10m for navigational aids.

PHANTOMS IN FALKLANDS

By Our Air Correspondent

Phantom fighters of 25 Squadron are now defending the Falklands from the international airport at Mount Pleasant, which has been completed at a cost of £276 million.

The RAF has moved from Port Stanley after a four-year presence at the little airfield. Stanley is being returned to its former condition for use by the Falklands Island Air Service.



Ana Maria and Oscar Gatica with their children, now reunited

nos Aires to pore over photos and testimonies of released prisoners, or anonymous tips, in the hope of finding a clue to the whereabouts of Maria Eugenia.

The clues led to a police inspector — Commissario Rodolfo Silva, in La Plata, where they had lived. Blood tests showed that the nine-year-old girl, he claimed, was his own daughter Elizabeth, was in fact Maria Eugenia. He did not want to give her up, although he only saw her at weekends, because she was being brought up by his estranged first wife. He tried to run away with her but eventually had to give himself up.

For Ana Maria and Oscar it was an agonising time of waiting and frustration. Finally a judge handed Maria Eugenia, bewildered and crying, back to her parents, eight and a half years after she had disappeared.

At first she cried and refused to speak to them. Norberto Liski, a psychologist who worked with the Abuelas, talked to her gently explaining that these were her real parents, who had spent years looking for her.

Oscar told her bluntly: "Those others aren't your parents. They kidnapped you. We are your parents."

Soon Maria Eugenia stopped crying. She began playing with her brothers and sister and she began to make up for the lost years.

Maria Eugenia does not remember anything about her kidnapping, but she is desperate to recover her family memory. On the trip to neighbouring Brazil, to see old friends and show the children, she pestered her parents with questions. She wanted to see exactly where they had lived, where her younger brother and sister were born, where they played.

For Ana Maria and Oscar there has been a happy ending. With four children and being unemployed, life is a struggle, but they want to help other families who are still looking for missing children. The Argentinian Government has promised that the restoration of these children is a priority, but the courts drag their feet and the Grandmothers Association struggles with a lack of funds to investigate all the clues that are sent to them. Meanwhile, the children are growing up. So far only 30 of the 180 known to have disappeared have been located.

Jan Rocha tells the story of two children who disappeared in Argentina, and of their parents' relentless quest to find them

The agony of seven years stolen years

ANA MARIA, a 38-year-old teacher, has four children. She sat in the garden of a house in Sao Paulo recently, watching them play, together. Nothing remarkable about that, except that for more than seven years she and her husband Oscar, a metal/worker, had no idea where the two oldest were. Now, Ana Maria and Oscar radiate happiness, because for them the terror that tore their children away from them is finally over.

The Gaticas are Argentines. On March 16, 1977, a year after a rightwing military coup began a reign of terror, anyone suspected of being a dissident, or potential dissident, or relative or friend of a dissident, was rounded up in a campaign to eliminate leftwing terrorism. Thousands "disappeared" into secret detention centres and were never seen again.

Oscar was a trade unionist and the family lived in Le Plata. On that fateful day Ana Maria had to take baby Felipe, three months old, to the doctor. She left 13-month-old Maria Eugenia with her next door neighbours, the Abdalas.

When she returned a few hours later the usually noisy street was deathly quiet. Worse, the Abdalas' house stood empty.

Frightened neighbours told her that a carload of armed

men had arrived, burst into the Abdalas' house, and dragged them all out. Maria Eugenia and the Abdalas' two-year-old son Jose Sabino, Mrs Abdala, her head in a hood, and her husband beaten half unconscious. Nobody knew where they had been taken.

Afraid the men would return, the Gaticas hurriedly moved to a friend's house in the district of Berisso.

A month later, on April 19, another carload of masked men (they were usually plainclothes) arrived at night.

They smashed their way through the front room window. Oscar, washing up in the kitchen at the back, managed to flee. Ana Maria, changing the baby, had her arm broken as she tried to protect him and was dragged out and thrown into the boot of the car. Baby Felipe was handed to the next door neighbour with orders to do what she liked with him.

For four months Ana Maria was held in the concentration camps of La Cacha and Pozo de Banfield, and tortured for information. But she had no information to give and in the end they released her.

She found that Felipe had now disappeared too, because the neighbour said she had given him to a couple claiming to be his grandparents.

mother eventually accepted the need for the little boy to discover his true identity and return to his real family. She remained a close friend, visiting frequently. Felipe came back into the family he had never known with amaz-

ing ease, helped by his younger brother and sister. Now they all wanted their older sister back. At meals, they kept an empty chair for her. Every day Oscar or Ana Maria went to the cramped office of the Abuelas in Bue-

Younger aims to block diary

By David Rose

The diary of a naval officer describing life on board the nuclear submarine HMS Conqueror during the Falklands conflict and the sinking of the Argentine cruiser, the General Belgrano, must not be produced in court lest national security suffer "unquantifiable damage" the Defence Secretary, Mr George Younger, will claim today.

Large sections of the diary, compiled during the conflict by Lieutenant Narendra Sethia, have already been published by the Guardian and the Observer, but it would be dangerous to produce even these passages, Mr Younger believes.

Mr Younger's statement represents a highly unusual intervention by the Government in a case of civil litigation. Mr Sethia is suing the Observer for libel and breach of copyright, and at today's hearing the Observer intends to apply before the Master for the original of the diary through the process of discovery.

In a certificate signed on

Friday, which will be presented to the High Court by agents of the Attorney-General today, Mr Younger acknowledged that lengthy extracts had already been published. But, he went on, "it would nevertheless be contrary to the national interest on grounds of national security that there should be confirmation as to the authenticity or otherwise of any of these passages.

"Damage can arise notwithstanding that some of the information disclosed might be unclassified and apparently innocuous, because such information may take on a wider significance if put together with other information in the possession of other persons so as to enable them to check the veracity of their sources of information."

According to Mr Younger, producing the diary would "endanger the effective discharge by the Royal Navy of its current and future operations, and, as a consequence, be of value to a foreign power and highly detrimental to the

national interests of the United Kingdom."

Mr Sethia, who has now left the Navy and is running a business in the West Indies, described the tension following and then sinking the Belgrano in April and May, 1982. "This afternoon I knew what fear was," he wrote on May 2. "At 14.00 we received a signal authorising us to sink the cruiser Belgrano even though it was outside our exclusion zone."

Mr Sethia went on to describe how, after firing three torpedoes at the Belgrano, "the control room was in uproar, 30 people shouting and cheering. Should Mr Younger's intervention succeed, it will throw a spanner in the works of both legal actions; it is difficult to see how Mr Sethia could allege copyright damage through the publication of a classified document, while the Observer's defence against the libel allegation may be impaired if it is unable to make use of the document on which the action appears to be based.

US invites Argentina aboard

By Arthur Gavshon

The Reagan Administration has been working quietly to persuade Argentina to join in extensive naval exercises in the South Atlantic with the US in August.

Until recently, President Raul Alfonsin's left-of-centre Government had been expected to accept the US invitation, which has been on the table annually since 1983, the year after the Falklands war. But the political decision, and its timing has become a delicate issue since the controversy over the US air strike against Libya.

The Alfonsin Government has closely identified itself with other Third World coun-

tries and Mr Alfonsin would certainly be attacked from right and left if he collaborated militarily with the country accused of abandoning inter-American solidarity by backing Britain in 1982.

Britain is still technically at war with Argentina, and has been kept informed by the Americans on the planned exercises.

However, the Prime Minister and her service chiefs can hardly be expected to be pleased at the spectacle of US and Argentine navies exercising together in the South Atlantic.

Among other things, the exercises would give the Argentinians a chance to try out some of their new warships, mostly built in West Germany. These include four destroyers,

two frigates, and two diesel electric Rolls Royce-powered Thyssen submarines.

A US navy spokesman said the US task force would be starting the four-month exercises in August with at least eight South American navies, and Argentina had been invited to join in.

On Argentine participation, he said: "Argentina has been invited and we're waiting to hear from them formally."

Argentina steered clear of the annual exercise with the Americans because of its resentment over Washington's pro-British role during the Falklands war.

However, in the past year, there have been signs of a change in the Argentine attitude — at least until the strike against Libya.

Harry gets the bird . . . down South

SIR HARRY SECOMBE, in the Falkland Islands, in make two Highway programmes for the BBC, was given an unexpected memento as he was about to leave. It was a surprising photograph of himself dressed as a penguin taken by Cpl Trevor Smith, an aeromedical coordinator at Mount Pleasant.

Spare time

Trevor, who spent most of his spare time in Stanley pursuing his hobby of photography, has developed into an expert in producing trick photographs. It is his intention to carry on with this aspect of his hobby at Wegberg where he has now been posted.

The picture shows Sir



Sir Harry Secombe in characteristic pose with his 'portrait' by Cpl Trevor Smith.

Harry's delight on receiving his penguin picture from Trevor just as he was about to board the TriStar for the journey home.

CHARITY SPOTLIGHT

Marathon "yomp" will help school

THREE RAF suppliers undertook a marathon "yomp" in the Falkland Islands for charity recently.

They walked as our troops did during the conflict, with full camping gear and rations on their backs from Port San Carlos to Moody Brook in Stanley — a total distance of 54 miles.

Flying Officer Dick Page (OC Air Movements Flight), SAC "Deano" Dawson and Cpl Martin Turner did not take the easier lowland route but chose to go over the mountains en route, including Mt Osborne (the highest mountain in the Falklands), Wickham Heights and Rocky Mountains.

EXHAUSTING

It is hoped that sponsorship for the journey, which took three exhausting days, through some of the worst Falklands weather will raise well in excess of £200 towards the fund run by the RAF air movements organisation in support of the Stanley Infants and Junior School.



Pictured above, the suppliers at the end of their marathon "yomp." (left to right): Cpl Martin Turner, Fg Off Dick Page and SAC "Deano" Dawson.

RAF NEWS 2 MAY-15 MAY 1986

SEAMAN SAVED

Hercules leads Sea King

AN RAF Hercules and a Sea King helicopter went to the rescue of an injured seaman on a Taiwanese squid fishing vessel near the Falkland Islands. The seaman, who had sustained serious head injuries, needed urgent medical treatment.

A Hercules from 1312 Flight RAF Stanley flew to the scene — about 150 miles north-west of Stanley — to plot the exact location of the ship and give a position report to the Sea King.

The Sea King, when it arrived, lowered winchman Master Airloadmaster Roger Fletcher who recovered the patient by stretcher.

A doctor, Flt Lt Dave Tallent, gave emergency treatment to the casualty while the rest of the Sea King crew, Flt Lt Mike Fairbairn (Capt), Flt Lt Paul Redfern and FS Pete Lilly flew the helicopter to the British Military Hospital in Stanley where the patient is still undergoing treatment pending transfer to the UK for specialist treatment.

The Hercules, crewed by Flt Lt Nigel Charles (Capt), Flt Lt John McFadzean, Flt Lt Glen Haldane, Sgt John Law and FS (WRAF) Ros Robinson, returned to base some three and a half hours after the start of the mission.

The pictures show the stretcher being raised on a winchline from the Sea King to the Taiwanese vessel and illustrates the difficult conditions of the crowded deck.

Alfonsin in drive for industrial expansion

By Tim Coone in Buenos Aires

INDUSTRIAL modernisation and growth are now priority goals for the Argentinian government, President Raul Alfonsin said yesterday.

In a keynote state of the nation speech televised throughout the country, he said "growth is an essential condition for the maintenance of long-term stability. The advances achieved in the fight against inflation must now be followed by a clear and defined policy in favour of growth."

The development of high-technology industries and greater co-ordination between the agricultural and industrial sectors were key elements of the Government's industrial modernisation programme.

Mr Alfonsin said the recently announced decision to move the capital to Patagonia in the south of the country was also an essential part of the Government's plan for the country's economic renovation.

Constitutional reforms would be necessary to deepen the process of democratisation of the country. Democratisation throughout South America was a prerequisite for greater economic co-operation on the continent.

Robert Graham, recently in Rio de Janeiro, reports on co-operation between two Latin American countries

Brazil and Argentina swap ideas on economic plans

TRADITIONAL rivalry between Brazil and Argentina has meant that Brazilian officials and the media have presented the new economic stabilisation programme as entirely original. Yet the "Cruzado plan" bears a striking similarity to Argentina's earlier Austral Plan and behind the bluster of nationalistic pride there has been a remarkable degree of co-operation.

Finding common cause in the debt crisis, Latin American governments and academic institutions generally are exchanging ideas and watching each others' experiences to an unprecedented degree.

This has occurred most among the high inflation economies of Argentina, Bolivia, Brazil and Peru. But it has also flourished under the umbrella of the Cartagena Group of the region's 11 main debtor nations and has since last year received considerable encouragement from the single-minded efforts of Mr Enrique Iglesias, the Uruguayan Foreign Minister.

The curious feature of the Argentine-Brazilian co-operation is that although the Austral Plan came first, there was, it now emerges, a strong Brazilian intellectual input.

The basic idea behind President Raul Alfonsín's Austral Plan was a price and wage freeze, combined with monetary reform, to defeat hyperinflation.

The feasibility of such a plan



President Sarney (left) was more cautious than President Alfonsín but this enabled the Brazilians to learn from the Argentines' mistakes

Lopez also underline a fundamental difference in Brazil's favour. He says the similarity of aims and measures should not obscure the fact that in Brazil stabilisation was introduced after a year of high growth (8 per cent). In Argentina the Austral Plan was introduced after four years of harsh recession. Thus the comparative resilience of the two economies to stabilisation plans was markedly different.

However, the basic economic thinking behind the two plans was similar: that government deficits were not solely respon-

sible for uncontrolled inflation and that it was essential to tackle what the Brazilian economists call "inertial inflation." This is the element of inflation caused by linking or indexing of large sectors of the economy whether wages, prices or interest rates to keep pace with, or even ahead of, inflation.

In both the Austral Plan and the Cruzado Plan, the authorities devalued the currency and introduced a new one (austral and cruzado); on the basis of 1,000 to 1. The effect from inflation. In Brazil,

substitution was geared to take place over 12 months with devaluations on a daily basis against the old currencies (peso and cruzeiro) because of the impact on rents and debt.

The table for regulating the devaluation of the peso against the austral and the cruzeiro against the cruzado was devised by Argentine economists. This is one of the elements "imported" by Brazil into its stabilisation plan. Both plans adopted similar exchange policies that stopped the former daily devaluations against the dollar and permitted, instead, periodic adjustments.

In the case of financial reform, both plans acted to end the automatic linkage between inflation and interest rates on public debt, which effectively encouraged investors to put money in financial paper and not productive investment. In Brazil this was more pronounced and the measures required were more widespread.

Both plans also adopted indefinite price and wage freezes. But there were important differences here. The Austral Plan's price freeze was introduced after a series of very substantial price increases. During the 40 days prior to the measures fuel prices had gone up 10 per cent. It was, therefore, far more difficult to absorb the price freeze in Argentina without a roll-over effect from inflation. In Brazil,

the authorities ensured through regular price increases that such a brutal realignment prior to the freeze was unnecessary. This meant that, while in the first month of operation the Austral Plan showed 6 per cent inflation, Brazil prices actually fell 1 per cent. The Brazilians also took the precaution of devising a new price index, while the Argentinians continued with their indices unchanged.

The Argentine approach to a wage freeze was also more draconian. Wages had been previously fixed a month in advance and with hyperinflation this meant real wages were falling at the time of the freeze. In Brazil wages were adjusted to an average of the previous six months' inflation plus a small top up.

The difficulties that have emerged in implementing the Austral Plan can now be pointed, in the light of the Brazilian experience. These have stemmed from the smaller period of preparation, the large price rises before the freeze (which has meant inflation has had less chance to come down to acceptable levels) and the plan's introduction after four previous years of recession in Argentina.

In contrast the greater flexibility, better preparation, less brutal price increases and the continued strong growth of the Brazilian economy, provide a better chance of success for the Cruzado Plan.

Falklands fishing

From Lord Montgomery of Alamein

Sir, The letter from Lord Morris and his friends (April 26) overlooks one important aspect of the situation in the South Atlantic. No one would dispute that uncontrolled fishing in this rich marine area by so many nations is most deplorable, but the Falkland Islands, and their relevant territorial waters, are subject to a long-standing claim by Argentina.

It is also worth recalling that the fishing, neglected by Britain long before the conflict, has always presented an opportunity for Anglo-Argentine collaboration, and the unfortunate events of 1982 have not changed this.

At the end of last year the UN voted overwhelmingly that bilateral negotiations on the future of the islands should start again. This resolution has been ignored by HM Government, so the proposal for multilateral management of fishing resources under FAO (Food and Agriculture Organisation) auspices is a welcome development, but no substitute for direct dialogue between two nations with so much common interest.

Yours faithfully,
MONTGOMERY,
House of Lords.
April 28.

London Standard

01 May 1986

On top of the job

ACCOMMODATION is doubtless hard to find in South Ken but Neil Cossons, newly arrived director at the Science Museum, has aroused the interest of his juniors, by asking for a staff washroom and lavatory to be converted into a small flat for himself. The museum has agreed and with the help of Michael Preston, the museum's Head of Exhibitions, feasibility plans are being prepared.

Nobody will put a price on the work but administrator Ken Rhodes said the accommodation will be "simple" and that it "is

a perfectly accepted practice in publicly-funded institutions."

Well, the nearby V & A has no flat for its director, Sir Roy Strong, and the Natural History Museum says although it has a room with a bed and kettlepoint for senior staff, in the light of today's tight budgets it would think "very carefully" if it was starting afresh.

Dame Margaret Weston, replaced by Cossons two months ago, did not "live in."

Cossons, who's paid £31,000, arrived from the National Maritime Museum where he was responsible for introducing an entrance charge. He tells me he only wants "cheap and simple" accommodation. His overnight presence means he can devote more time to the job



in first place



Pictures: Swan Hunter Shipbuilders

Sheffield in first place

TWO WEEKS before the dramatic launch of the Coventry, HMS Sheffield became the first Royal Navy ship to be launched bearing the name of a vessel sunk in the Falklands War.

As in the case of her sister-ship, the Type 22 frigate was sent down the slipway at Swan Hunter Shipbuilders' yard on the Tyne. She was launched by Mrs. Susan Stanley, wife of the Armed Forces Minister, Mr. John Stanley.

Just under four years ago the new ship's predecessor, a Type 42 destroyer, sank after being devastated by an Argentine,

air-delivered Exocet missile.

Twenty of the ship's company died in the attack on May 4, 1982, and among the guests at the launch of the frigate were members of their families. In all, 86 members and their wives of the HMS Sheffield Association — representing the ships' companies of both previous Sheffield — attended the event.

Notable among the guests was Commodore Sam Salt, who as a captain was commanding officer of the Type 42 when she was hit. He said that the launch was a poignant moment for all who were linked with his ship, and memories would not

fade. "But here we see a new Sheffield, and the important thing is to look to the future."

First ship to bear the name was a light cruiser, launched in 1936. She served with distinction in the Second World War and for many years after, finally being scrapped in 1967.

Her successor, launched by the Queen in 1971, was the first Type 42 destroyer. ● CPO Bob Chalmers, a member of the Sheffield Association, is now back in the South Atlantic on board HMS Hermione, and laid a wreath over the final resting place of the sunken ship.

APPOINTMENTS

Adml. Kerr to be FOF1

REAR-ADMIRAL John Kerr is to be Flag Officer First Flotilla in October in succession to Rear-Admiral Robin Hogg.

A former commanding officer of HMS *Illustrious*, Rear-Admiral Kerr has also commanded the frigate HMS *Achilles* and the destroyer HMS *Birmingham*. He is currently Assistant Chief of the Defence Staff Operational Requirements (Sea Systems).

Succeeding him in this appointment in September in the rank of rear-admiral is the present commanding officer of HMS *Illustrious*, Capt. Alan Grose.

AIDE-DE-CAMP

Capt. Grose, who assumed command of the *Illustrious* in September 1984, was recently appointed as an aide-de-camp to the Queen. His previous appointments have included being in charge of the RN Presentation Team and command of the destroyer HMS

Bristol during the South Atlantic campaign.

Another commanding officer of a carrier to be promoted shortly is Capt. Christopher Layman, of HMS *Invincible*, who will succeed Air Vice Marshal R. J. Kemball as Commander British Forces Falkland Islands in the rank of rear-admiral in August.

Capt. Layman's previous appointments have included command of the Seventh Frigate Squadron in HMS *Argonaut*; command of HM ships *Hubberston* and *Lynx*; and as executive officer of HMY *Britannia*.

Stamp of gratitude

SOLDIERS of the 2nd Battalion The Queen's Regiment presented a flag depicting the regimental crest and a franked collection of South Georgia stamps to the Master of RFA *Sir Bedivere*, Capt. Peter Taylor.

The gifts were in thanks for the *Sir Bedivere's* support of 2 QUEENS during their four-month tour of garrison duty in South Georgia.

Tiger Bay sold

THE 81-tonne *Tiger Bay* — formerly *Islas Malvinas* captured at Port Stanley during the Falklands conflict — has been sold for use as a diving vessel.



SEAGOING SECOMBE

WOOLLY-hatted Sir Harry Secombe talks to Capt. Michael Bracellin, commanding officer of HMS *Liverpool*, on board the guided missile destroyer in the Falkland Islands. The *Liverpool* was alongside RAF *Resource* at Port William, Stanley, before sailing for a ten-day visit to South Georgia. Sir Harry spent a week in the Falklands with a Channel TV crew to make two "Highway" programmes on the Islands. The programmes, scheduled to appear on April 27 and May 4, feature the visit to HMS *Liverpool*.

Secret return for Coventry

ON A NIGHT to remember, the new HMS Coventry slipped her shackles in secret to be launched in defiance of a shipyard strike.

Twelve hours before the scheduled launch, the Coventry was sent down Swan Hunter's slipway, Wallsend, by management staff, at 0345 on April 8.

The hush-hush operation was organised to prevent the Type 22 frigate from being stalled through a strike over pay by 2,000 boilermakers and outfitters at the shipyard. Gale force winds forecast for the following day added to the problems.

Although the ship was

launched as planned by Lady Stanford, wife of the Commander-in-Chief Naval Home Command (Admiral Sir Peter Stanford), the vessel was not actually named by her until later in the day when all the guests invited to the scheduled launch could be present.

They included relatives of the 19 officers and men who died when the previous Coventry, a Type 42 destroyer, was sunk off the Falklands by Argentine bombs.

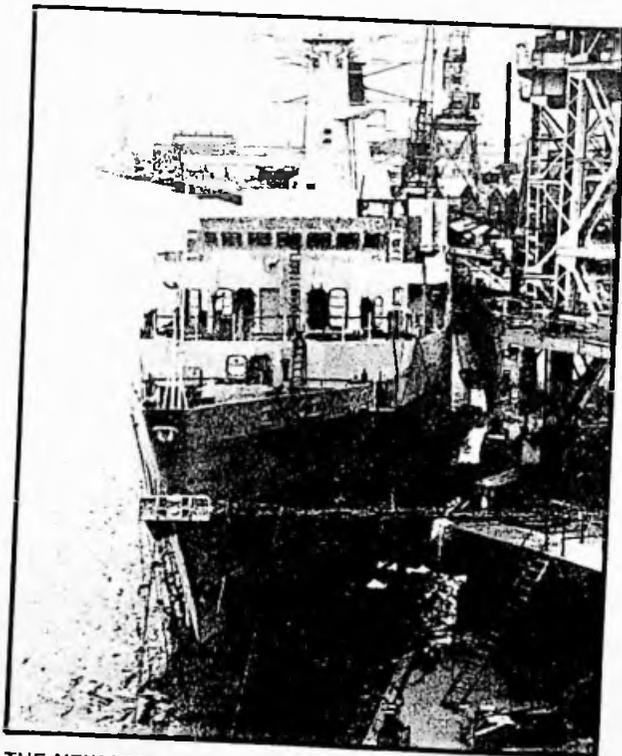
As planned, a luncheon was

held for them and the other guests, who included Admiral Stanford and the Controller of the Navy, Vice-Admiral Sir Derek Reffell. Both were also present at the launch.

Commanding officer of the previous ship, Capt. David Hart-Dyke, could not attend as his duties kept him abroad.

HMS Coventry is the sixth of the 4,000-tonne "stretched" Type 22s armed with Sea Wolf surface-to-air and Exocet anti-ship missiles. As with her sister-ships she will have the capability of carrying two Lynx helicopters, but will also be able to operate a Sea King or the proposed EH101 medium helicopter.

She is the fifth Royal Navy ship to bear the name, the first being a 20-gun vessel captured from the Spanish in 1658. Subsequent Coventrys saw service in many actions, and during the Second World War an anti-aircraft cruiser of the name won fame in the Atlantic and Mediterranean. She was sunk by Axis aircraft off Tobruk in 1942.



THE NEW HMS Coventry rests alongside at Wallsend after a night launch.

Discovery sails to birthplace

SCOTT of the Antarctic's ship, Discovery, sailed home at Easter — from St Katharine's Dock in the River Thames to Dundee, where she will become the centrepiece of a £25m. tourist-related heritage development on the city's waterfront.

The Discovery, which survived two years of being locked in the Antarctic pack ice, was built on the Tay in 1901 by Dundee Shipbuilders Ltd.

□ □ □
A yomp across East Falkland was the choice of ratings from HMS Achilles to raise £350 for the NSPCC. When their ship deployed to the South Atlantic they marched from San Carlos to Port Stanley via Wickham Heights, Top Mapo House, Estancia House, Mount Kent and Mount Longdon.

The marchers were team leader CY Raven, PO(S) Elliott, POEM Halley, POCK Williams, LRO(G) Walsh, LWEM Stacey, RO1(T) Thodes, AB(M) Woods and RO2(G) Turner.

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Falklands pilgrimage

FIFTY-SIX members of the Falklands Families Association, relatives of servicemen killed during the 1982 war, took part in a week's privately-funded tour of the battle areas, monuments and cemeteries, in and around the islands.

MAY 1986

TRUCK & DRIVER



FORTRESS FALKLANDS
WE MEET THE CIVVY TRUCKERS BUILDING IT
INSIDE: RACING GETS ROLLING AT BRANDS

Dawn. The clock says 5am and all over town men are donning working gear, for another 12-hour day. In fact it's Sunday today, but for these men it's the same as any other. Work goes on seven days a week, day and night. This is the world's most productive building site.

'Town' is a vast sprawl of buildings housing over 2400 people. Two years ago it was mud and rock and not much else. Three years ago it was virgin mountain peat bog. Today it is called Mount Pleasant. We are on the Falkland Islands.

From the huge mess hall – one of three where unlimited food is available free of charge to everyone who works here – John Sutherland walks out into what he and his fellow Scots call a soft morning. There's a low grey slab of cloud and a steady drizzle soaks everything in a damp chill. It's still dark, but there's a dim glow in the eastern sky. John climbs up the three steps into his Scammell S24, which is coupled to a King 75-tonne low loader.

Actually it belongs to the Laing-Mowlem-ARC joint venture, LMA, but John likes to think of it as his own. His first job today is to bring in a primary stone crusher from a quarry at Pony Pass, more than three-quarters of the way to Port Stanley, the capital.

For this job John leaves the King behind, because the portable Goodwin Barsby crusher has a coupling at the front end and a 20-ton bogie under the rear. It weighs 46 tonnes, plus a bit for the accumulated grime of two-and-a-half years of work crushing stone for the very road on which the S24 has travelled.

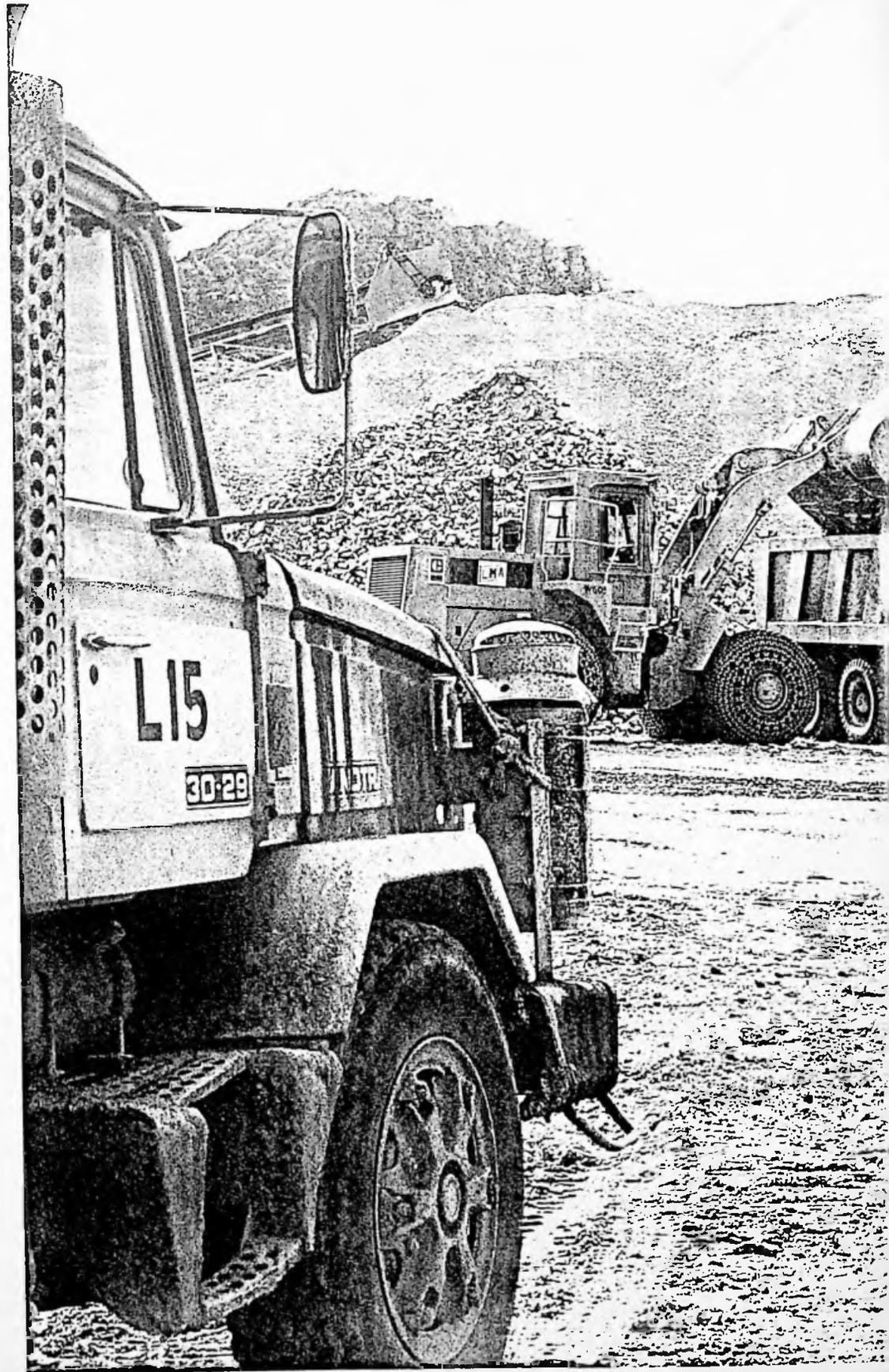
It hasn't moved in all that time and nobody is too sure about the crusher's wheel brakes. To be on the safe side a Leyland Landtrain concrete side tipper – the heaviest 6x4 on site – has been borrowed to act as brake van.

Carefully John couples up the big ungainly machine, drags it out into the open where it can be checked over, and discovers that one of the eight tyres has a puncture. It's the left rear outer, but there's no tyre service truck within 30 miles. All the other tyres are sound, so they decide it will be okay at low speed.

The Landtrain noses in behind, two heavy terylene straps are shackled to the crusher's rear crossmember, and hooked to the six-wheeler's front towing pin. Gingerly they set off westwards along the new road.

All is well, so progress resumes, quicker this time up to 15-18mph. Past Bluff Cove and its neat new settlement, then past Port

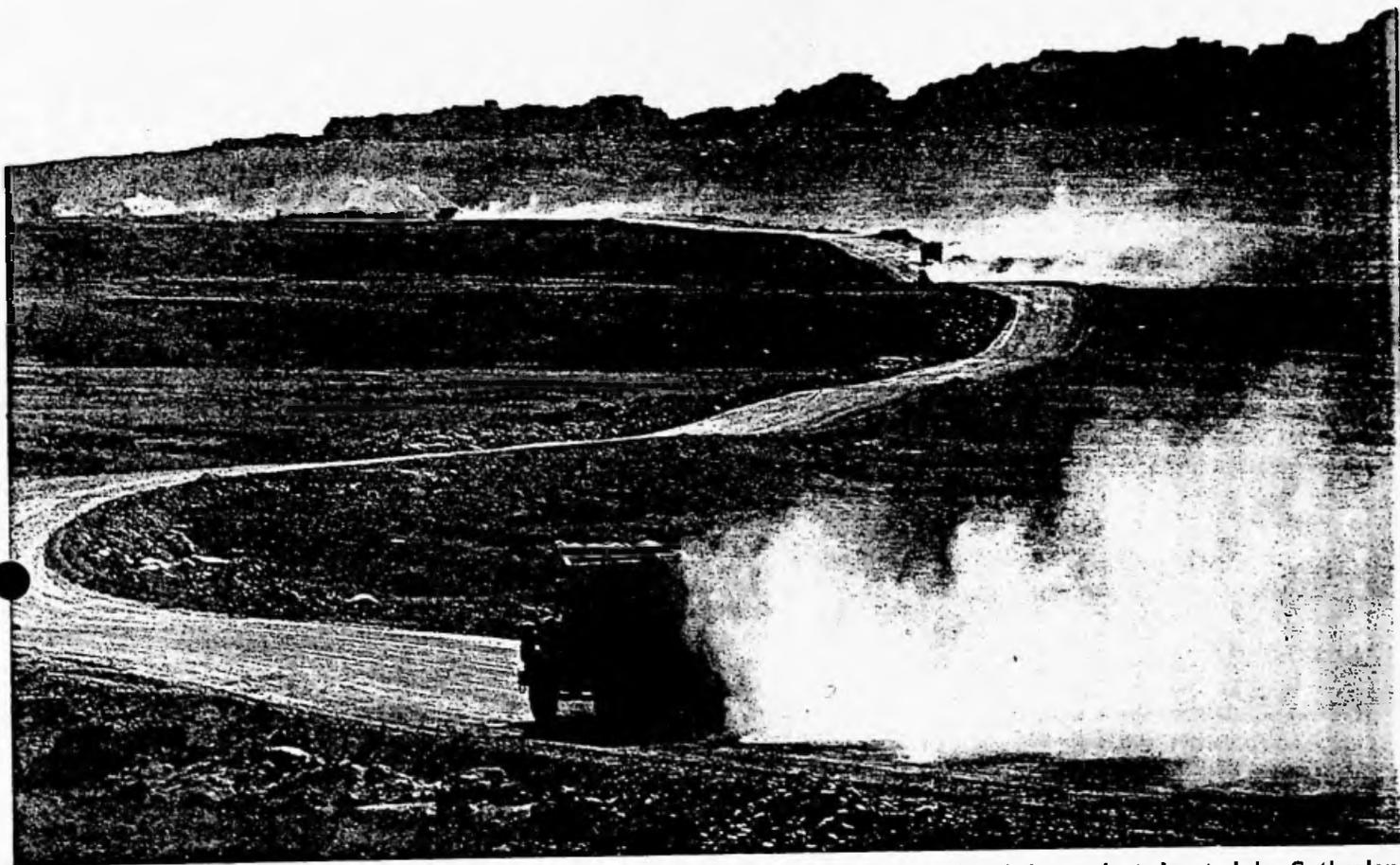
Rebuilding the Falklands is a race against the clock. Pat Kennett joins



TRUCKS

the hard working men and their heavy duty trucks on the Mount Pleasant construction site





Tipplers haul crushed rock as far as the eye can see, giving some idea of the huge scale of the project. Inset, John Sutherland

Fitzroy they trundle.

The Scammell's 350bhp Cummins and the 10speed Fuller box with four additional crawlers, are more than man enough to haul this piece of tackle, even up the steep gradients of Fitzroy ridge. The tricky bit will be getting down the other side, and that's where the Landtrain does its stuff.

The S24 has its own radio set because it works continually, ferrying the hundreds of bits of plant and equipment around the island. Kevin in the Landtrain has a hand radio set and the two men keep in touch. The tail-end-Charlie driver can't see anything but the back of the crusher, so he simply keeps the straps loose except when Sutherland calls for brakes on the downgrades.

Then, just a very gentle touch on the pedal pulls the resilient terylene taut, and on go the brakes. Altogether the train weighs around 80tonnes. Most of the gradients are only about one in 12 to one in 10, and short, but up ahead there's Fitzroy ridge.

Over the new culvert bridge at Fitzroy river, headlamps and beacon glaring in the Falklands morning mist, they begin the climb to the ridge. We can hear the healthy bellow of the

Cummins from two miles away, as John drops down through the box two at a time. Highest of the four crawlers is just right and the outfit lugs up the gradient at about 1500rpm, not a trace of exhaust smoke, the engine note as clear as a bell.

John signals to his brakeman as they approach the summit, and begins a countdown to the point where brakes will be needed. The slope undulates at up to one in eight in places, and they start the descent at little more than walking pace. There's a dull twang as the straps snap taut, and all six axles of tractor and

brake truck, plus both exhaust brakes, are concentrated on the job of getting safely down.

Gently, slowly, the trio trundles towards the lowlands leading to Mount Pleasant.

There's a brief puff of mixed blue and black smoke as the Cummins goes off the overrun and begins to apply power again. Then the main box gears come into play once more, the speed creeps up slowly to 15mph.

There's another gentle climb over Marsh Ridge, then Mount Pleasant comes into view, a vast hive of excavation, paving, building, fitting, wiring, and 101 other tasks. John looks at his watch as he rolls onto site - just 8.30am and the first job is over.

Brian Thomas, by this time, has already been working for three-and-a-half hours and he's having a 10minute break when we catch up with him, up on the bleak side of Mount Pleasant itself. Brian greets us in the soft tones of a born and bred West Midland man, and we exchange pleasantries as we climb up into the rather battered cab of his Landtrain, with its Edbro steel body. Brian comes from Redditch and is proud of the fact.

We back under the big Cat 988B shovel. There are four

resounding thuds as four loads of harsh, abrasive, bruising quartzite rock are dumped aboard, as gently as the Cat driver can manage. That's about 26tonnes of payload, 44tonnes gross, even though the plated gross is only 30tonnes.

But Brian is no cowboy overloader. Every one of the 79 Landtrains on site does the same, and they've been doing it 23hours a day without let-up for two-and-a-half years. As we hurtle off down the steep haul road, Brian explains his job.

This particular run from the quartzite quarry up the mountain, which has been producing 30,000tonnes of rock a week non-stop for 120weeks, is relatively easy and peaceful, he claims.

Despite the overloading needed to keep pace with the relentless construction schedules, despite the vicious abrasion of the quartzite, despite the dust on dry days and the mud when it's wet, Brian isn't complaining.

We rush down the hill at up to 45mph down gradients as steep as one in seven, where Brian takes it a bit easier in deference to the brakes. Most of it is about one in 12 before reaching the more horizontal environment of the



airport and its supporting town.

Today, a total of eight Landtrains, plus three big Cat 769 50tonne dumpers are hauling quartzite rock down to the process plant where it will be crushed and graded into a variety of products, from rough 120mm stone through half a dozen grades down to sand.

He backs the Landtrain up a steep ramp onto the 20ft high stockpile, a second truck hard on his heels. In goes the pto, down goes the right boot, up goes the big steel body. Despite the overload, the long single Edbro ram is fully extended in 12secs flat; the load pours out. Before the last rocks have fallen, the body is on its way down, the Leyland rolling forward and heading back up the mountain for another load.

Today, that one truck will shift more than 1000tonnes of rock all by itself. Others will move it from the stockpile to the crushers and screens and from those subsequent product-stockpiles to the concrete batching plant, or to the asphalt plant, or to a dozen different uses around the vast 25sq km site.

This is all routine for Brian and his pals, despite the frantic production rate. He complains about the dust on dry days when he has to wear a face mask, but it's easy compared to the early days. He used to work on the Stanley Road – a project that has a reputation not far short of that acquired by the infamous Burma road in World War Two, among Falkland workers.

That project, a modest 45km long, took more time, sweat, excavation, draining, filling, and rock hauling than any other single part of the Falklands project. The route lay over wet peat bogs up to 25ft deep, over razor sharp rock outcrops, through cascades of loose scree rocks, and worst of all through Argentine minefields.

The Army's sappers had cleared the all-plastic mines from which the metal tags for detection had been removed, as best they could, but the danger was ever-present in the featureless shifting peat.

The road was driven through from opposite ends, Mount Pleasant forming the main base. Some of the Landtrains were ferried round to the Stanley end on a pontoon craft, together with some quarry plant, and worked out of a quarry excavated at Pony Pass a few km out of Stanley.

So bad were the conditions in the early stages that loaded Leylands were frequently dragged chassis deep through wet



peat bogs by Caterpillar D8s on bog-tracks, shifting the overburden out, and filling in with rock to form a sound base. Yard by yard the road took shape.

The rock available on site was tillite, a relatively softer rock

The Stanley Road had a reputation among the Falkland workers not far short of that held by the infamous Burma Road in World War Two

than the quartzite, but with an unpleasant habit of splitting into shards which cut through tyres, boots and anything else less resistant than tough steel.

'That was a nightmare job', recalls Brian. 'I've never seen anything like it, and I don't think I want to again.' The amazing

thing was the way the trucks stood up to it, according to Brian. Sure there were breakages, and accidents too, but even working round the clock with just half an hour's inspection once a day, a grease once a week and a service every three weeks, the trucks kept on going. 'We bent axles wading through water and bog and striking hidden rocks', he related, 'and the door locks clogged up with mud or slurry and broke. And the bonnet catches would never stay on.'

Practically every Landtrain on site has a webbing nose band to hold the bonnet shut, but the bits that mattered held out, helped by a 12-strong team of Leyland fitters led by a tough Scot called Duncan Robb who learned his trade with Scottish hauliers.

The testimony to his work is that of the original Landtrains, all except two which were badly damaged in accidents and then cannibalised for spares, are still

working happily after two-and-a-half years. That is reckoned by the LMA plant manager to be the equivalent of at least six years on a normal construction job.

Brian Thomas agrees: 'A day here is like a week of normal work', he says, 'but the trucks have taken it all and come back for more. This one isn't even a rock body, it's a premium body intended for finer stone or gravel, but it's held up.'

Less frenetic is the task of Nigel Laity from Buckfastleigh in Devon. He is working on asphalt laying with yet another Leyland Landtrain. It isn't a properly insulated asphalt body like some, but a premium stone body with the side frames panelled over to provide a modest insulation.

We catch up with Nigel under the loader of the on-site asphalt plant, and as soon as the body is full, he pulls away and parks by the quality inspector's office. A technician climbs onto the load with a bag and a shovel and takes a sample. Every single load is tested in this manner.

The next stop is the plant weighbridge which shows we have just over 19tonnes on board, 37tonnes gross. This is coarse-mix asphalt for the drainage run-off at the edge of roads and airport taxiways so it's not very dense. The high density Marshall asphalt, used on the runways and the heavy duty haul road down to the harbour at East Cove, can weigh up to 27tonnes a load, to make the Landtrain gross 45tonnes.

But at least on this job the site roads out of the process area are smooth even if they are muddy.

Leyland Landtrains have stood up well to the rugged life, each shifting around 1000tonnes per day





Scammell S24 low loader hauls plant around the massive 25sq km site and (right) tows a crusher with Landtrain as caboose

and most of the airfield roads and taxiways are usable.

It isn't all plain sailing though. The taxiway edges are sharply cambered to shed rainwater – of which there is plenty here in the Falklands – and when Nigel backs his wagon up to the Blaw Knox asphalt layer the chassis is a good 8-9deg off-level.

Most tippers would be unable at that, but the stocky Landtrain tippers don't even bow their rams at this angle. Up goes the body, the asphalt slowly feeds down into the BK's hopper, and then it's back for another load.

Nigel drove for his Dad's firm back in UK, that's Westend Haulage at Buckfastleigh. He did a spell with Kingston Minerals down in the West Country too. But why did he come to the Falklands, we ask? 'The money was very attractive even on a basic 60hour week, and anyone can do up to 85hours and get lots of overtime.

'But it wasn't just the money. I was taught well by Dad, but I needed to broaden my horizons, gain more experience. The Falklands project has certainly done that, and put a bob or two in the bank as well.'

Not all the trucks are Landtrains, although most are

Leylands. A handful of second-hand Magirus Deutz tippers and tractors can be found, plus some new Volvo mixers and tippers shipped in two years after the start to cope with a short-term peak of concrete production and laying earlier on.

Looking oddly out of place are five Leyland Bison truck mixers which did five years hard work with ARC before they ever went to the Falklands.

On another part of the site Wimpey-Taylor Woodrow have yet more Landtrains, a few Fodens as well as Haulmatics and Bedfords.

Then there are LMA's service trucks, a fleet of five 4x4 Landmasters, converted by Newton Abbot Motors from the standard 4x2 article. These unspectacular workhorses have kept both plant and trucks running through two-and-a-half years of intensive operation.

In the early days they fought their way over rocks and through peat bogs to ensure that every one of the 100-plus items of plant had its filters and oils changed on schedule, and its moving parts greased thoroughly.

Three lube service trucks are kitted out with Tecalemit equipment designed for the job,

including a compressor.

Tyre contractors OTR use two more to keep all the wheeled equipment rolling, and an idea of the enormity of that task can be seen in the statistics.

Month after month they averaged 1400 puncture jobs, where even the big tough Goodyear site tyres were pierced by shards of tillite or cut by a razor-sharp lump of quartzite. Over 300tyres a month were gobbled up by trucks, plant and the 85-strong Land Rover fleet.

We join one of the Tecalemit-equipped Landmaster lube trucks up at the quartzite quarry. They have just blasted 10,000tonnes of raw rock off the face, using seven tons of explosives, and the crews of the big Cat 245 excavators are anxious to get it moving, as are the loader men with their 988Bs.

But the plant supervisor is adamant. Maintenance is due, and neglect means that the job stops for much longer than the

20minutes or so that it takes to service each machine.

Patrick Whiting zeros-in on the first 988B to stop shovelling rock, and with his mate Isaac Donaldson, pounces on the big Cat even before its engine has stopped turning.

Off come the covers, off come the filter cases, and every drain plug is loosened with the proper tools. Then all the oils are pumped out, engine, transmission, final drive hub-reduction cases, the lot.

All the oil is hot so it comes out quickly and cleanly. In go fresh oils, in go new filters, a slug of grease goes into every nipple. Before the Cat driver has finished his brew in the site mess-hut and eaten a roll from his 'doggy-bag' (provided by the base kitchens to all hands) Patrick is banging on the door to indicate that all is ready, and he and Isaac are off to the next job.

Patrick is quick to point out that this one was easy. The plant is on hard standing, even if it is on top of a mountain. Often the excavators – particularly the deep mud or uncompacted ground, and what's more it rains at least 300days a year here.

Consequently, reaching them



is often extremely difficult, but the plant maintenance men claim that not one item has missed a service: the crews have always got there even if they had to winch themselves in and out again.

Not surprisingly, these service trucks have a rather piratical battle-scarred appearance, but what matters is that the job is completed as planned.

Back on the main site, John Sutherland is still hard at it, doing short-haul plant-shifts with the King trailer and the huge Scammell. We join him again on an early morning shift. A Cat 225 excavator weighing 26tonnes needs moving across the site, so we join John and go to find it.

Its driver has already raked up a little ramp at the roadside and is perched on it like a mountain goat on a rock.

John pulls the low loader alongside, climbs up on the gooseneck to start the donkey crane, and lowers the bed to the ground. As soon as it touches down, the 225 driver moves forward off his makeshift perch and aboard the King's bed.

It's only a short haul, and John tells him to leave the chassis side-saddle but slew the bucket round to align with the trailer. The bed is raised again, the driver clambers into the S24's cab with us, and off we go.

It's only a couple of miles to the spot where this particular 225 has another job to do, and John pulls the trailer in close to the bank on the East Cove Road. In seconds the 225 drives off onto the bank and we're ready for the next load.

Job One today took just 26 minutes from the time the Scammell set off from the yard to delivering the first machine. John consults his notebook and makes a call on his radio.

Up at the north-east end of the site are a D6 dozer and another 225, both of which have to be moved to adjacent spots at the other end of town. 'We'll double up these two', mutters John, 'and save ourselves some time.'

The D6 is relatively easy, despite being in a drain gully 5ft below the road. With a few blocks of wood to help it, it scrambles in over the side of the King's bed, slews round 90deg, shuffles as far as it can to the rear and rests its dozer blade on the rear deck.

The next job is harder. Not only does it take three or four re-shuffles to back the long low-loader up a narrow road with a nasty dog-leg at the beginning, but the excavator is on the other side of a wide ditch. It's finished earthwork so there's no question



of making a ramp. The 225 shuffles to the ditch edge, directed by John, until it's almost at the point of balance.

Then the grab swings over and lodges on the far edge of the trailer deck. Using that as a prop

There is barely an inch between the two 50tonne machines. These men are artists at their work and we can do nothing except admire their huge skill

the Cat's tracks can just bridge the gap twixt bank and bed and gain a foothold.

The grab then swings back to the bank to support that end of the machine while it crawls the last few feet onto the trailer. There is barely an inch between the two machines, and the total

load is over 50tonnes. These men are absolute artists at their work and we can do nothing except admire their skill.

On the run down towards East Cove, John relates a bit of his background. Born near Thurso in the far north of Scotland he spent several years as a merchant seaman, then worked as a shepherd at Fitzroy and Bluff Cove for 10 years.

When the Mount Pleasant project began he went to England to sign up with LMA and he's been back on the island ever since.

First of our heavyweight duo to disembark is the 225, which sidles off onto a convenient heap of earth, then we deliver the D6 to an anxious site supervisor.

We head back for further instructions on a massive D9 that needs moving. The time is still only 9.15. It's just over two hours since we began and already three plant movements have been

completed. To John Sutherland it's a routine he loves. To us it is an astonishing work rate.

Before leaving the drivers we take a look at the port area. With great ingenuity LMA sailed a cargo ship from the UK to East Cove, about 45km west of Port Stanley.

They established it as a floating jetty complete with workshops, accommodation, stores and the first needs for the Mount Pleasant contract, and worked out of it for many months using a Bailey bridge as a ship-to-shore connection.

In fact, the ship is still the main means of landing freight and supplies. Some of the logistics of that first stage of the project are impressive.

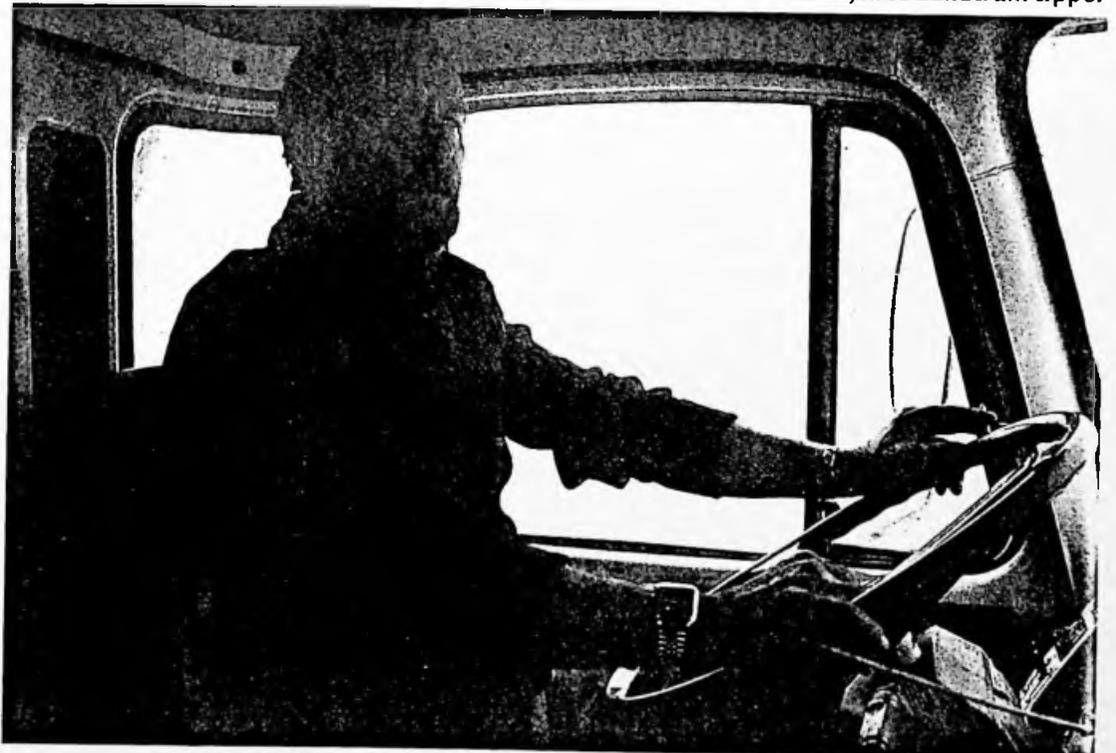
Working over virgin peat bog and rock outcrop, a serviceable haul-road 9km long was built in four weeks flat, to serve the site chosen for the new airport and its associated town.

The airport itself accepted its first wide-bodied jet aircraft just 80 weeks after the ship's arrival.

The island provided rock and it provided water: Nothing else. Every single item of equipment, plant, fuels, oils, accommodation, food, milk, beer, toilet paper, furniture, office equipment, spare parts, medicines, and everything else, had to be shipped in by LMA.

The project was a mammoth task and it isn't finished yet. To the men in the Falklands it was the truck fleet that bore the brunt: The truck fleet and the men who drove them and maintained them.

Brian Thomas, veteran of the infamous Stanley Road, at the wheel of his Leyland Landtrain tipper



LLOYDS LIST

Monday 30th June, 1986

**Hogg Robinson
wins contract**

By a Staff Reporter

HOGG Robinson Transport has won a competitive contract to supply domestic fuel to the Falkland Islands.

The contract, let by the Falkland Islands government, is likely to comprise about 90,000 tonnes of product a year.

Some of it will be used to bunker the large number of foreign fishing vessels now operating in the area.

It is understood the contract was won in the face of tenders from at least three other companies.

THE TIMES

Monday June 30th, 1986

Precedent

If Branson's airline secures another MoD contract for Falklands flights, like the one it got last week, we could witness the spectacle of an Argentine aircraft returning to the Falklands — one of Virgin's second-hand jumbos, the Maiden Voyager, having once belonged to Aerolinas Argentinas. Any chance they will now let us have Diego Maradona?

Monday 30th June, 1986



Mr Russell Richardson with the "midibus" outside Optare's factory in Leeds.

CBI lists 'firm winners'

By Our Business Editor
A FIRM HELPING to supply fresh water to drought-stricken areas and another which makes life easier for bed-ridden patients are highlighted today as "successes" by the Confederation of British Industry.

The are in a list produced by the CBI to demonstrate that British firms "can be winners in world markets."

The special portable tank

invented by Mr Seanus Connolly, of Muckamore, Co Antrim, is being used in Africa to keep water fresh for starving children.

The tank, produced by Mr Connolly's firm, Fast Engineering, weighs 150 lbs, can carry 2,000 gallons of water and can be erected or dismantled quickly in difficult conditions.

Orders have been received from 55 countries, including Abu Dhabi, as well as from

Alaska and the Falkland Islands.

The company is using the technology to test market a children's trampoline. The tank itself has been adapted by some users to rear prawns and salmon.

Other firms listed as "British successes" by the CBI included the Lingard Group of Wareham, Dorset, which makes hospital beds which use a constant air supply to support immobile patients.

THE TIMES

Monday June 30th, 1986

Burning issues

Labour MP Tam Dalyell's latest sortie into the politics of embarrassment is to make an issue of the Prime Minister's determination to keep her Cabinet Secretary, Sir Robert Armstrong, beyond his retirement date. He has tabled a parliamentary question for Tuesday asking Mrs Thatcher to state her reasons. Tonight I expect Dalyell to elaborate on his theory that an outgoing Tory administration would depend on Armstrong to determine which sensitive Downing Street documents should be saved, and which could be dispatched to the Number 10 shredder. Dalyell argues that the two other men who could have filled this function, Robin Butler and Sir Clive Whitmore, the former principal private secretaries to the Prime Minister, have both moved on to other senior posts. Armstrong is thus the only man with the detailed knowledge of the highly sensitive documentation about the Falklands war and the Westland crisis. Dalyell will make his claims to the West Lancashire Labour Party in Ormskirk — the constituency of Conservative MP Kenneth Hind who supported the recent filibuster which prevented Dalyell from attacking the Prime Minister in the Commons.

Two former colleagues at the Royal Military Police Training Centre at Chichester have found themselves working together again, this time 8,000 miles away in the South Atlantic where one of them is now Chief Police Officer of the Falkland Islands and the other is Provost Marshal to the Forces based there.

Former Major now Superintendent Ken Greenland controls the division force of two sergeants, eight regular constables and five reservists. His job when he first arrived in the islands in 1986 was to run the Falkland Islands Garrison Police Unit, a job currently filled by Major Garry Evanson, who is on a four month unaccompanied tour.

The pair had previously been together at Chichester when Major Greenland was OC the Close Protection Wing and Major Evanson the Centre's adjutant.

With 4,700 square miles of territory to cover Ken's deployment has to be carefully considered, using his eight constables to best advantage. In addition to normal policing, he also acts as prosecutor,

and has responsibility for immigration.

Although there are differences, the basic police work of the Army and the Falklands police is the same, and the RMP courses and procedures during his ten years in the Corps all provided a relevant background for civil police work, says Ken.

Future plans for the force include an expansion of the number of police reservists and the possible introduction of a police patrol boat of a design that is in use with the Icelandic Lifeboat Authority.

★ ★ ★

THE CLASSIC NOVEL OF THE FALKLANDS



OUT IN SPHERE PAPERBACK



N.C.

DAILY TELEGRAPH

11

Monday 30th June, 1986

**1312 Flight RAF, Falkland
Islands**
Officers and men of 1312
Flight held a dining-in night at
RAF Mount Pleasant, Falkland
Islands, on Saturday. Squadron
Leader C. E. Cook presided.
Dinner was served aboard
Hercules aircraft No. XV205.

Falklands' contract for Virgin

Virgin Atlantic, Mr Richard Branson's airline, announced yesterday that it had won a short-term Ministry of Defence contract to operate Boeing 747 flights to carry servicemen, contractors and cargo to the Falkland Islands.

The service will operate via Ascension Island. The value of the contract was not disclosed, but it is for three round trips next month.

The Ministry of Defence said that the contract would supplement the one RAF TriStar operate on the route. For security reasons the frequency of the flights or dates could not be given.

Mr Branson said yesterday, shortly before leaving New York for his Blue Riband record attempt: "I am delighted to hear that private enterprise has won this contract for the Falklands, in spite of stiff competition from the major airlines."

The aircraft to be used, called Scarlet Lady and currently operating on routes to the US, will be flown by Virgin pilots.

How war prize came back by devious routes

FALKLANDS HUEY SAVED BY BLUFF

A REMARKABLE helicopter story which has lasted four years was completed at the TVS Air Show at Hurn Airport, Bournemouth.

An Argentinian Huey helicopter, complete with Argentinian military markings, made its first public performance in this country since it was found abandoned on the Falkland Islands in 1982. The story of its rescue and restoration is a tribute to the tenacity of Sqn Ldr Rob Tierney.

Rob was attached to an Army brigade in the Falklands as an RAF liaison officer and his brigade stumbled across an abandoned immaculate Argentinian helicopter behind a deserted farmhouse.

The Brigadier asked Rob whether he could fly it. Rob responded that he had taken the test pilot's course but had never flown a helicopter before — but he was prepared to learn. A few weeks later Rob was happily flying around using the brand new helicopter for casualty evacuation.

At the end of the war he was recalled to his base at Odiham. However no one in the Falklands was prepared to take the helicopter from him when he had to come back. So he flew out to a British Rail ferry, landed on the deck and asked the captain to take it to England.

Rob thought that was probably the last he would see of the Huey, but three months later he was amazed to receive a telephone

call from the Navy at Portsmouth to tell him that his helicopter had arrived.

He decided that all he could do was to keep bluffing, so he phoned the Navy at Yeovilton and asked them to bring his helicopter to Odiham. To his continued amazement, nobody questioned this and one week later one white helicopter arrived at the gates of Odiham.

The Air Force seemed to accept that the helicopter belonged to Tierney and a few weeks later asked him if they might borrow it to take it to Doncaster for a Falkland Islands display. Rob readily agreed but on the way back disaster struck. They hit a motorway bridge, wrecking the machine.

Undeterred, Rob set about

rebuilding the helicopter. He wrote to or phoned all the air forces in the world who operate Hueys and persuaded them to send him the parts he needed. Spares flooded in from all over and Rob spent two years rebuilding the Huey without spending any money at all.

Two weeks before it was due to fly, the air force told him he couldn't own it because it was war booty and must go the RAF Museum at Hendon.

But Tierney managed to persuade Air Chief Marshal Sir Alistair Steadman to intervene. He approached the Foreign Office and the MOD and the result was that the International Air Tattoo bought the Huey for the Royal Air Force Benevolent Fund for £1.

Daily Mail
27 June 1986

Branson on course for a double success

By JON STEAFEL
and MALCOLM EVANS

POP tycoon Richard Branson got a business boost yesterday as he launched his second attempt to cross the Atlantic by sea in record time.

Just hours after his powerboat left New York for the Scillies it was announced that his Virgin Atlantic airline had beaten British Airways to win a Defence Ministry contract serving the Falkland Islands.

Under the deal, Branson's two Jumbo jets will fly troops and armaments to and from the South Atlantic while the RAF Tri-stars which usually do the job are out of action.

The contract is regarded as a snub to British Airways, which flew the route for six months last year.

Although Virgin have won just three return flights next month, Branson said in a radio message from his

vessel: 'We're hoping this is the first deal of many with the MoD.'

Neither the Ministry nor Virgin would disclose the contract's value or name the other airlines which competed for it.

But an MoD spokesman said last night: 'It is a simple matter of economics. When you need a service you will have to pay for, you put it out to tender to ensure the lowest price.'

Branson and his five-man crew on Virgin Atlantic Challenger II were last night confident of breaking the Transatlantic record.

He said that things were going 'like a dream.'

Spending cuts put forces under threat, MPs say

By Richard Evans, Political Correspondent

The operational capability of Britain's armed forces is under threat because of large cuts in defence spending over the next three years, an all-party Commons report said yesterday.

While the Ministry of Defence has attempted to cloud the full scale of cash cuts, the defence Select Committee says that those could total 7 per cent in real terms by 1988-89, excluding spending on the Falklands.

The MPs say the main source of economies will be the equipment budget and add that Mr George Younger, Secretary of State for Defence, will have to make "painful" decisions.

"We note that this reduction in defence expenditure comes at a time when, in the view of the Secretary of State, the threat to our security is no less than it was, and in some respects (is) greater," they add.

The Select Committee says that improved management of the defence budget, combined with improved efficiency, will not avoid consequent cuts or delays, affecting equipment in particular.

"There is a risk of an adverse effect on operational capability, but not in itself amounting to the ending of a major role or commitment.

Any further economies will have a direct effect on capability", it says.

The about-turn in defence spending comes after an 18 per cent increase in real terms between 1979-80 and 1984-85, when equipment expenditure increasing by 36 per cent.

The strain on the defence budget is likely to be exacerbated by pay increases to the armed forces which this year cost £129 million more than was planned - about the cost of a Type 23 frigate - and in 1986-87 will be £36 million above the planned total.

The MPs also warn that the decline of merchant ships available for defence purposes "remains a matter of concern," and they call for a formal government statement spelling out policy.

● The report urges the Ministry of Defence to examine urgently "corrective measures" aimed at stopping the flow of Royal Air Force pilots retiring early and joining domestic airlines. It costs the taxpayer £2.87 million to train an RAF pilot to operational fast jet standards, but in the first 11 months of 1985, 147 left the service, 58 of them on premature voluntary retirement. The RAF is short of 100 junior officer pilots.

Falkland mistake admitted

Mr John Stanley, the Armed Forces Minister, admitted last night that it had been a mistake not to hold a formal inquiry into the shooting down of an Army Gazelle helicopter by a British naval missile in the Falklands.

In a Commons' written reply, Mr Stanley confirmed that the helicopter, which crashed on June 6, 1982, killing four people, had probably been hit by a Sea Dart missile fired by HMS Cardiff.

He also admitted evidence given to the Southampton Coroner was wrong. It was said at the time that scientific analysis of the warhead fragments found in the wreckage indicated that the helicopter had been hit by an Argentinian missile.

The Gazelle was flying from Darwin to Pleasant Park, 19 miles away, carrying vital radio spares when it crashed. Its "friend or foe" identification was switched off because the use of the equipment caused interference.

The admissions came in a detailed statement in response to a question from Mr Henry Bellingham, Conservative MP for Norfolk North West, from whose constituency two of the dead people came.

Tim Coone reports on the economic clouds over Buenos Aires

IMF challenges Argentina's dream

AS THE people of Argentina this week celebrated the victory over England of their World Cup soccer team in Mexico, another apparent cause for celebration slipped by almost unnoticed.

The board of the International Monetary Fund approved a waiver on a \$275m standby credit on Monday, and Argentina's creditor banks agreed to release a further \$600m in funds at the weekend. Together these make up the final disbursements of the \$5.6bn financial package which launched the country's Austral plan for economic stabilisation one year ago this month.

The lack of public enthusiasm for this international show of support is not so surprising, however, for most of the funds will have to be used to make interest payments on the country's \$52bn foreign debt.

Little of it will filter through into new factories, roads, ports or combine harvesters.

The IMF waiver has averted the possibility of the Argentine Government being lured closer towards a debt moratorium but the conditions attached to it leave the Government practically no room for manoeuvre. An Economy Ministry official admitted that keeping salaries in line with spending targets was going to be very difficult.

Living standards have fallen by an estimated 30 per cent since the introduction of the Austral plan. Public sector tariffs are expected to rise soon and the public holds inflationary expectations of around 4 per cent per month. Trade union leaders are now coming under heavy pressure to act.

ARGENTINA'S IMF TARGETS FOR 1986

- ① Inflation rate averaged over the year of no more than 2 per cent per month.
- ② Fiscal deficit of no more than australes 1.06bn for the second half of 1986, equivalent to 3 per cent of GDP.
- ③ Money supply growth rate limited to 3 per cent per month in the second half of 1986, reduced from the present rate of 6 per cent
- ④ Maintenance of positive real interest rates.
- ⑤ Dismantling of price controls.
- ⑥ Freeing of foreign exchange for payments of services and capital transfers.

Most unions are organised under the banner of the CGT, a federation of over 2m trade union members, which has called six successful one-day general strikes since President Raul Alfonsin came to power.

The CGT is wracked by internal power struggles and has still to put together a coherent plan of action to force the Government to relax its austerity programme and declare a moratorium on a major part of the foreign debt, one of the aims of the Peronist Opposition. The general strikes have not therefore led to a show-down.

Internal elections within the CGT are due however before the end of the year, and differences over strategy should be resolved, resulting in more concerted action against the Government's economic policy. Sensing Government weakness in the face of the IMF, many unions are not prepared to wait even that long.

The powerful metal workers are already engaged in skirmishes with managements of the principal steel and car-part

plants in the country, which have forced Mercedes Benz and Ford of Argentina to lay off workers and cut production this week due to materials and parts shortages.

The 180,000-strong teachers union is stepping up selective strike action next month in pursuit of increases in salaries, already some of the lowest in the country, but comprising 25 per cent of total Government spending on personnel.

Any significant Government concession to the teachers could be expected to violate the IMF waiver agreement. The Education Minister is shortly expected to be replaced amid rumours that he is resigning in protest at an inadequate budget for the education sector.

No fewer than 11 major unions are planning industrial action on a nationwide level in the coming month over salary-related issues. In this light, Government economic targets for the year, as presented to the IMF, appear optimistic. Confrontation with the unions seems inevitable if the Government sticks to the IMF conditions.



Mr Alfonsin . . . a new Argentina

The Government has begun to hint that it may have to introduce limitations on the right to strike if the labour situation worsens. If it is more than bluff, such a move could prove politically suicidal for President Alfonsin.

The austerity of the Austral plan has so far been accepted as a fundamental economic necessity to achieve that dream, but which requires as its counterpart a major new inflow of foreign funds for investment. Without that the Government displays little confidence it can hold the unions at bay.

It would be ironic indeed if President Alfonsin felt obliged to turn to the police and the military to deal with the unions, as the only way to salvage an economic programme which pays off the foreign debt but fails to deliver the dream.

Falkland mines

From Dr A. W. Rudge

Sir, Following publication of your article, "Falkland minefield clean-up abandoned", by Rodney Cowton, on June 12, I write to clarify a number of points.

Firstly, the technical performance of the pulsed or ground-probing radar has far exceeded the original technical goals. Reliable detection of all types of mines found in the Falkland Islands has been demonstrated in a wide variety of field conditions. The full design data required to build operational mine-detection systems has been generated, but no units built. The cost is significant because of the need for 100 per cent safety, but any Falkland

Island mine-detection clearance scheme would be expensive.

From several points of view the abandonment of the project is disappointing. Its thrust has given the UK a world lead in this very new technology. We will attempt to maintain that lead over strong Japanese competition, through the many other applications where the ability to "see" a buried or hidden object is important.

We now have the technology to detect the plastic mines; it is unfortunate that it is not to be exploited.

Yours faithfully,
ALAN RUDGE,
Managing Director,
ERA Technology Ltd,
Cleeve Road,
Leatherhead, Surrey.

SS GREAT BRITAIN – Built by Isambard Kingdom Brunel in 1843, the *Great Britain* was the first metal-hulled, screw-propelled, transatlantic passenger steam ship. After lying as a hulk in the Falkland Islands from 1886 to 1970, she was returned to her home port, Bristol, where she is

being fully restored by The Great Britain Project. The work is likely to take some years.

LADY ELIZABETH – The *Lady Elizabeth*, which came from R. Thomson's yard at Sunderland in 1879, is, according to the World Ship Trust, "the most intact deepwater sailing ship not being preserved or serving some use". She is aground in the Falklands, and the Trust is promoting a scheme to restore her and moor her in Port Stanley harbour as the permanent home of the Falkland Islands Museum.

DISCOVERY – Forever associated with Captain Scott, this Antarctic research vessel also has the distinction of being the last big wooden sailing ship ever to be built in Britain – at Stevens Yard, Dundee in 1901. The ship, which was taken over by the Maritime Trust in 1979 and had £½m. spent on her, left her London mooring in April for Dundee, where the local Heritage Trust has undertaken to raise £600,000 to complete her restoration. *Discovery* will be the centre-piece of the city's new waterfront development.

Extracted from *The International Register of Historic Ships* by Norman Brouwer, published by Anthony Nelson Ltd, Oswestry, Shropshire.

WHY ARGENTINA KNOW THEY HAVE TO WIN TONIGHT

Analysis:

Despair of the nation

From PATRICK CLANCY

FLYING into Buenos Aires airport yesterday, I sensed what it must be like on the rim of a smouldering volcano.

For Argentina will either explode with a roar of joy and passion tonight or be plunged into such black Latin despair that the Government may topple.

That is how important the World Cup quarter final against England is.

Argentina's Foreign Minister, Dante Caputo, has just become the latest politician to pretend it is only a football match.

'A sporting contest is no place to settle our political differences with you,' he said. 'I naturally expect we will win. But I hope above everything else the game will be played in a friendly and sporting atmosphere.'

Oh yes? In the cafes and bars of Buenos Aires last night they were after just one thing . . . revenge. Walking the streets, I

Dateline Buenos Aires: The Mail on Sunday is on the spot as tension rises

was reminded how deeply football is ingrained in the Argentinian psyche.

Eight years ago, when they won the World Cup in that memorable final against Holland, more than two million people jammed the city centre to celebrate. Argentina did not sleep for three days.

Dangerous

But they were celebrating more than just a sporting victory. The win came at one of the blackest times in their history, with a repressive military regime in full control.

All the racket that first night — the rumbas, the trumpets and drums, the million car horns sounding off at once — was a way of announcing to each other that their nation's manhood had been

restored. The Argentine male's extraordinary sense of machismo is well-known. Machismo is an Argentine quality or vice — however you see it — rather than Italian or Spanish. It is a deep-down expression of sexual inadequacy.

But it is unpleasant in an individual man because it so often leads to violence against women — and it is dangerous in a nation.

The Argentine machismo was horrifically wounded by the Falklands War. This match is seen as an opportunity to regain national pride.

One evening newspaper said in a Page One headline: 'Now we will have to kick the daylight out of the pirates.'

It is such a dangerous mood that some politicians believe it would be wiser if

robbed of its machismo

Argentina withdrew from the match, rather than risk the consequences.

In a telegram to President Raul Alfonsin, eight Peronist senators said: 'It would be a demonstration of Argentina's permanent right over the Malvinas and other islands in the South Atlantic now the possession of Britain.'

Another Peronist, Alberto Brito Lima, said: 'One should not play with a country with whom we are still in a state of war.'

President Alfonsin ignored the request, of course.

The Britain I left early last week was obsessed with the World Cup. Friends talked about it . . . but there were other things to engage them.

Curiosity

Here in Buenos Aires, the mood is very different. Nobody makes jokes about the Argentine football team. And nobody, but nobody, doesn't regard tonight's match as being anything other than the most important event in the history of this country.

Take Diego Maradona. He has assumed the mantle of a saint.

Small, and not so small boys dream of him constantly. The president and the politicians dream of him too, but they have something else in mind. They are relying on him to keep them in jobs.

Buenos Aires is a most beautiful city. Its wide sprawling boulevards were designed for a more gracious age than this. Can 400 years of nationhood be reduced to the result of one football match.

Looking around this spacious city one hopes this cannot be. But I fear it might. The blow of failure to the Argentinian psyche would be so great that it would take years to recover.

On the other hand, victory tonight is not going to win back their Malvinas, but it will go a long, long way to repair a humiliation which every Argentinian, whether he took part in the war or not, feels as an individual burden.

If they win, then all well and good. But if the English do it again, the consequences could be extraordinary.

Victory and the Argentinian national identity are dangerously entwined.

Football in these parts is too important to be left to mere footballers.

Talk of football. . .

By MAXI GAINZA

DESPITE widespread concern over the presence of Argentine "barras bravas"—the equivalent of the British hooligans—in Mexico, the prevailing mood in Buenos Aires over today's match remains surprisingly quiet.

Even the popular Press, which during the 1982 South Atlantic conflict sank hand-in-hand with their British opposite numbers to abysmal depths of jingoistic reporting, refrained this time from declaring war on Britain.

"We are convinced that our players will put all their enthusiasm into this game and concentrate exclusively in playing football," Senor Rodolfo O'Reilly, Minister of Sport, declared last night after meeting the Argentine footballers.

The conciliatory and sporting mood on the Argentine side has been encouraged by the presence of Bobby Charlton in Mexico. Charlton, who played

against Argentina in Chile in 1962, pronounced the present Argentine team as "magnificent."

Feelings among the few Argentines still living in England are similarly low-keyed.

"On Sunday we will gather round the telly, just among friends, with plenty of good Argentine wine and an asado cooking over a slow fire, and we'll pray like mad that Argentina wins," one of my compatriots told me yesterday. "I also hope it will be a clean game."

Another Argentine, who insisted on remaining anonymous, hoped that an Argentine victory over England would not earn him another tin of corned-beef through his front window, as happened to him at the beginning of the Falklands war.

"The English are good winners," he explained, "but poor losers."

● Maxi Gainza is the London correspondent of *La Prensa* of Buenos Aires.

. . . and of revenge

By PATRICK WATTS in Port Stanley

MOST PEOPLE in the Falkland Islands will see today's encounter between England and Argentina as an excellent opportunity to settle a four-year-old score—that of invasion and occupation. Never has an England international match meant so much to so few.

"It's impossible not to think of it that way," said 23-year-old Peter McKay, a mechanic who lost his Landrover to the Argentinians during the conflict. "Every Argentine footballer was quick enough to support the invasion, but now they con-

veniently want to forget it. But I'm afraid we can't. I want England to give them a darn good thrashing."

There will be no television coverage of the match in the Falklands, but a new satellite radio link to the islands will allow the 4,000 British troops and the civilians on the islands to listen to the Radio 2 commentators direct from Mexico.

The kick-off is at 2 pm local time, and publicans have asked permission to extend licensing hours so that customers can have a beer while listening to the match, and possibly celebrate an English victory.

New radar detection of Falklands mines

By **GERALD BARLETT** Defence Staff

ARMY technicians are believed close to perfecting radar equipment for which could help remove thousands of mines still littering the Falkland Islands. Many of them are plastic anti-personnel mines.

They were laid by Argentine forces during the Falklands War in 1982 and have been fenced off and the areas declared out of bounds ever since.

Because British bomb-detection equipment is designed to work in the magnetic conditions of north west Europe rather than in the southern hemisphere, final safe clearance of all the mines in the Falklands has not been possible.

British bomb disposal officers stopped clearing operations just weeks after Argentine troops surrendered to the British Task

Force because too many soldiers were being injured.

The "extremely hasardous and sensitive" plastic anti-personnel mines are causing most concern because they contain only a minute amount of metal which does not register on conventional detection equipment "until the operator is" practically standing on the thing.

When the Falklands War ended comprehensive maps and records of Argentine minefields were handed over to British military commanders, but they proved to be "somewhat unreliable and often totally confusing."

'FORGET THE FALKLANDS' IN MEXICO

By **NIGEL DUDLEY**
Diplomatic Staff

THE Government is trying to ensure that nationalist sentiment does not get out of control in Sunday's World Cup clash between England and Argentina.

It held talks with the Mexican authorities about the possibility of a British team playing Argentina before England's victory over Paraguay last Wednesday won them a place in the quarter finals.

The match will be the first major sporting fixture between the two countries since the Falklands war.

In a rare display of unity the Foreign Office and the Argentine Press are urging that the match be played in a sporting spirit and feelings in the crowd should be restrained.

Open letter

Argentine papers, which praised England's win over Paraguay, said that Sunday's match might be marred by pressure from those fans on both sides who were unable to put the 1982 war behind them.

The nationalistic *Tiempo Argentino* said in an "open letter" to the Argentine squad that "the Malvinas do belong to us, but on Sunday it's just a football match. We know that the gangs in the stand might burn a British flag or two, even at the risk of having their heads cracked open by English fans, who are not innocent boy scouts.

"But don't play that game. Your job is to get hold of the ball not the Malvinas."

Meanwhile, a Peronist National Deputy *Senor Miguel Alterach* has sent a telegram to the President of the Argentine FA, *Senor Julio Grondona*, proposing that a minutes silence be observed before the start of the match, as a sign of respect for the fallen in the war.

Capital warships

From Admiral Sir Ian Easton
Sir, Colonel Wythe's letter (June 7) does a neat job of standing reason on its head.

In support of his contention that surface capital warships are, because of their vulnerability, "dinosaurs" and "defenceless in war", he states that "Our naval effort at the Falklands was almost destroyed by a small air force using guided missiles..." He then lists a number of circumstances which, had they not occurred, could have led to our defeat.

That our "naval effort" at the Falklands was not destroyed was in large part due to the presence of surface capital ships able to deploy fighter aircraft, able to provide extensive radar coverage and able to exercise a proper degree of command and control over an area covered by a most complex land, sea and air operation. These ships, despite their vulnerability and their proximity to a relatively substantial air force armed with some highly sophisticated weap-

ons, remained untouched.

With some research Colonel Wythe would, I believe, discover that the majority of battles would have ended differently had everything occurred as each side had planned or had some things not occurred which they had not planned.

He might also discover that every fighting vehicle has always been vulnerable and obsolescent the moment it is completed; that these factors apply to both sides; and that it is the organisation of men, vehicles or ships into a force, not the individual unit, that establishes the power/vulnerability ratio of military deployments.

He might also question whether the Falklands war, the fruit of botched diplomacy and irrelevant to the security of this country should, except in the weapon encounter sphere, be any sort of guide to our present and future naval requirements.

Yours faithfully,

IAN EASTON.

Causeway Cottage,
Freshwater, Isle of Wight.

Falklands fear in World Cup clash

From John Carlin
Mexico City

Both the British and Argentine ambassadors to Mexico have called on the Mexican police to take special measures to prevent violence at Sunday's England - Argentina World Cup quarter-final match.

Aware that ugly incidents either on or off the field could set back efforts to normalize relations between the two nations, the ambassadors said that, equally, a sporting contest could have a positive influence on future talks.

However, both Señor Facundo Suárez, the Argentine Ambassador, and Mr

John Morgan, his British counterpart, fear that taunts from either group of fans could lead to violence.

The Argentine goalkeeper, Nery Pumpido, said after England's victory against Paraguay on Wednesday: "To beat the English would represent a double satisfaction for everything that happened in the Malvinas".

Yesterday, however, players at the Argentine training camp were anxious to stress that Sunday's match would not become an issue of restoring post-Falklands national pride.

When I asked Argentina's captain and star player, Diego Maradona, what impact he

thought politics would have on the game, he replied testily. "Look mate, I play football. About politics I know nothing. Nothing, mate, nothing."

● LONDON: A message went out from the House of Commons yesterday to British supporters in Mexico that they should behave properly during Sunday's game.

Mr Robert Parry, Labour MP for Riverside, asked that the Minister for Sport, Mr Richard Tracey, should send a message urging the supporters to show "good behaviour and sportsmanship".

TV clash, page 3
Spanish enthusiasm, page 7
World Cup, pages 28 and 30

Doubt on Argentine pledge

From Jeremy Morgan
in Buenos Aires

Argentina promised the International Monetary Fund to strengthen its austerity measures even as figures warned that the budget deficit mushroomed early this year and might still be out of control.

In a document sent to the IMF's managing director, Mr Jacques de Larosiere, the Economy Minister, Mr Juan Sourrouille, reiterated government plans to get the budget deficit down to 3 per cent of national output.

Mr Sourrouille conceded the deficit reached 4.4 per cent during the first quarter of this year but said this would come down sharply. But bankers here wonder how he is going to do it.

Recent treasury statistics show the deficit reached 306.5 million australs (roughly \$340 million) in March, almost twice February's shortfall of 156.5 million australs.

The deficit has been rising steadily since the budget went into the red late last year after several surpluses under Plan Austral, the emergency freeze on wages, prices and state spending imposed by President Alfonsín as inflation topped 1,000 per cent a year in June, 1985.

Looking at the March deficit, banking analysts warned the government was already "halfway back" to the bleak position of a year ago when the deficit hit 665 million australs. Worse still, they said, spending ran at over 850 million australs in March, April and perhaps May, against a monthly ceiling of 700 million reportedly fixed under Plan Austral.

England v Argentina clash

MEXICO

ALERTS

5,000

TROOPS

From IAN WALKER in Mexico City

FIVE thousand armed troops are being called in for England's World Cup clash with Argentina.

In Mexico City's biggest show of strength at a soccer match, the soldiers will provide a massive security blanket in and around the Azteca stadium on Sunday.

Undercover riot police will mingle with the crowds; all fans will be searched as they enter the stadium; armoured cars will patrol outside; and two helicopter gunships will monitor events.

'Any supporters looking for trouble will be dealt with harshly,' said a police spokesman.

'So far we have managed to keep trouble to a minimum. But we realise this match is something special and we are acting accordingly. We have been talking to representatives of both the British and Argentine governments.

'They have emphasised that they will be urging their supporters to keep calm and we are hoping the football fanatics will heed that advice.'

Fervour

The quarter final confrontation is the first soccer match between England and Argentina since the Falklands war in 1982. And it has produced the biggest burst of patriotic fervour since that time. More than 20 million Britons are expected to watch the game on TV.

In Mexico, there have been hints that the emotion-charged atmosphere could turn violent.

Argentine supporters reportedly burned Union

Jacks during early matches and unfurled a banner proclaiming 'The Malvinas are Argentine.'

And as England defeated Paraguay on Wednesday there were chants of: 'Bring on the Argies, we want another war.'

The latest, sinister news for the authorities is that a gang of Argentine soccer thugs — the Baras Bravas — are believed to be in Mexico City.

Argentina's Attorney-General Mr Ideler Tonelli said yesterday: 'This gang have been involved in disturbances which have included people being shot. We believe they are in Mexico City and we are investigating how they got the money to travel there.'

Mr Robert Webb, British Consul in Mexico City, said: 'There will be no segregation at the ground and it is possible that trouble could start with one set of fans taunting the other.'

'But we are dealing closely with the Mexican authorities to make sure they are aware the potential danger.'

Mr Ted Croker, secretary of the Football Association, said of English fans in Mexico: 'They have been well behaved so far and have been a credit to England. This game is a great opportunity to build a bridge between our two countries.'

In the Falklands, an English victory would be relished by the 1,800 islanders.

Mr Des King, owner of Port Stanley's Upland Goose Hotel, said: 'It would really drive it home to give the Argies a second hiding.'

Will Hector just stay away?



The Queen: Private talk with Barrantes

AS THE last guests of the Queen left Windsor Castle in the early hours of yesterday following her 60th Birthday Ball, the talk of the party concerned the invitation of Argentinian polo professional Hector Barrantes to the wedding next month of his step-daughter Sarah Ferguson.

It had been noted that although the Royal Family had been courteous to Barrantes, who used to play for meat millionaire Lord Vestey, they have been careful not to be photographed with him — the Argentine has yet to declare an end to the war they started in the Falklands four years ago.

Hector, 48, left London yesterday after the Windsor bash and, it is said, is giving consideration to Royal Family pleas to absent himself on July 23 from Westminster Abbey on 'diplomatic' grounds. Guests at the party were told the Queen talked privately with Barrantes and Sarah's mother Susie at Windsor Castle this week.

Members of Susie Barrantes' family—her father was the agent for the late Lord Brownlow at Belton, the Lincolnshire stately home—feel that there is pressure on Hector which he might not be able to resist. There has even been rumours that No 10 Downing Street is involved.

The facts are simple: Barrantes is indeed an Argentine national, but contrary to many reports did not sign up at the outset of the Falklands crisis. He now plays polo for American tycoon Peter Brant and earns around £100,000 a year, as well as breeding ponies on his ranch 400 miles from Buenos Aires.

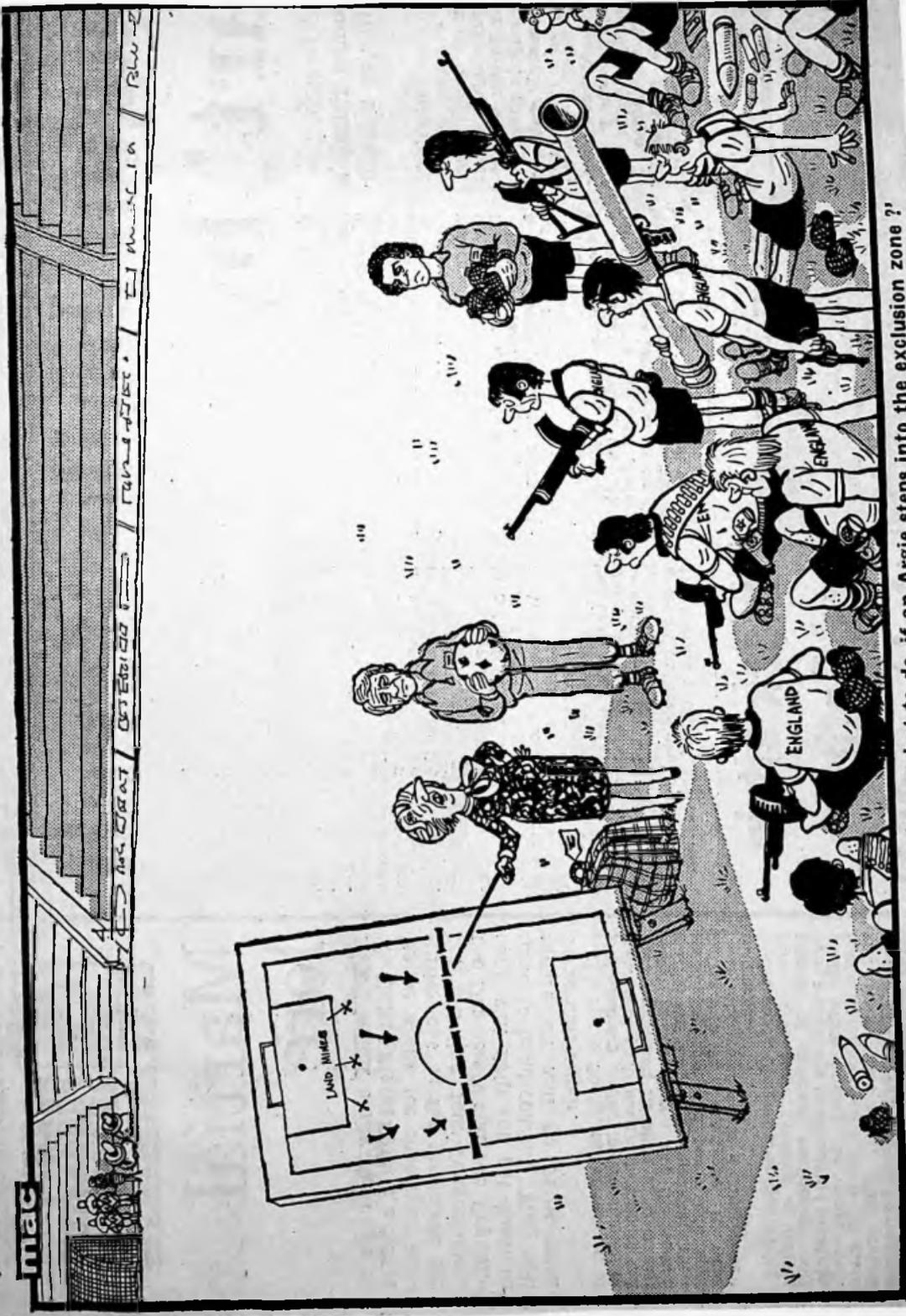
A member of the Ferguson family told me yesterday: 'I saw Hector last night and he certainly did not mention anything about absenting himself from the wedding. If there was a problem, I am sure he would have said so.'



Considering Royal pleas: Argentinian Hector
PICTURE: DAVID PARKER

Daily Mail
20 June 1986

Daily Mail, Friday, June 20, 1986



'Right lads—does everyone know what to do if an Argie steps into the exclusion zone?'

IT'S WAR! SENFORS!



- **Troops on alert**
for Argie battle
- **Gunships and**
tanks stand by

MEXICO put all its military might on war alert last night for Sunday's crunch soccer clash between England and Argentina.

They are determined to avoid a Falklands-style bloodbath in the first football meeting of the two countries since the South Atlantic war four years ago.

A frightening ring of steel will be thrown around Mexico City's giant Aztec Stadium with more than 7,500 armed troops and police on duty.

GANG

The gun-carrying soldiers inside and around the ground will be backed up by:

HELICOPTER GUNSHIPS hovering overhead with their weapons pointed downwards.

ARMoured CARS patrolling the streets lead-

By HUGH WHITTOW

ing to the stadium ready to scream into action at the first hint of trouble between the 5,000 English and 10,000 Argie fans.

The biggest security operation ever mounted for a soccer match was ordered following a chilling tip-off to Mexican undercover men.

They were told a fanatical 500-strong gang of Argentine fans called the Barras Bravas—"Fighting Men"—had pledged to turn the World Cup quarter-final into a football Falklands.

But British fans in Mexico were unperturbed last night.

Danny Brown, 30, from Liverpool, said: "We've won one war and we'll win the next."

And Daniel Withers, of Hull, said: "If Argentinian fans start saying the islands are theirs, then there could be trouble."

The Barras Bravas des-

peradoes have been burning Union Jacks during Argentina's matches.

YOBS

The British Government was also alarmed when English yobs chanted "Bring on the Argies—we want another war" after Wednesday's win over Paraguay.

Foreign Secretary Sir

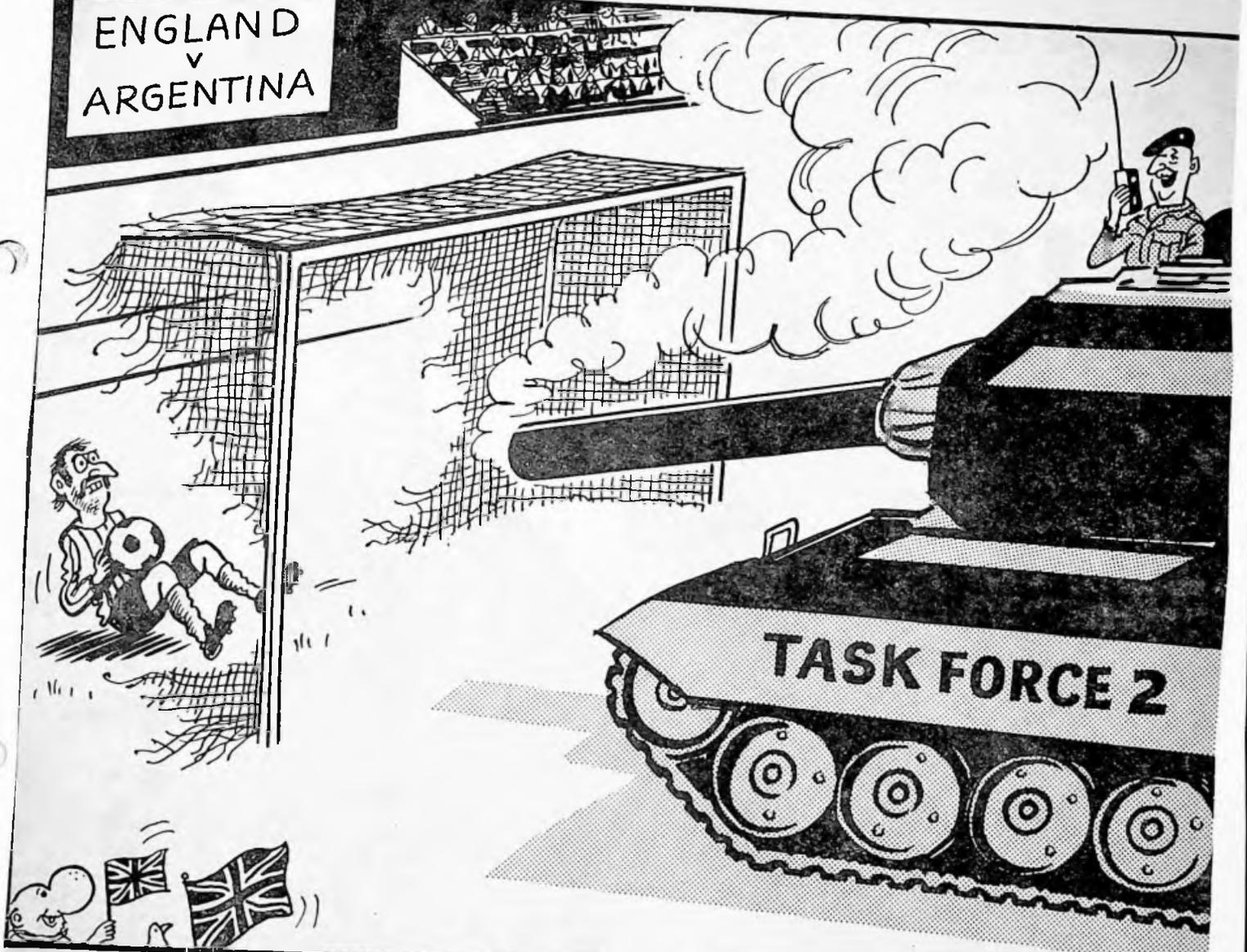
Geoffrey Howe said he hoped the match would be played and watched "in a sporting spirit."

Britain's 3,500 troops in the Falklands will see the match live on TV—but only by tuning into Argentinian transmissions.

■ Sarah Ferguson's Argentinian stepfather flew back home from Britain yesterday. But when asked who he would be supporting on Sunday, polo-playing Hector Barrantes laughed and said: "No comment."

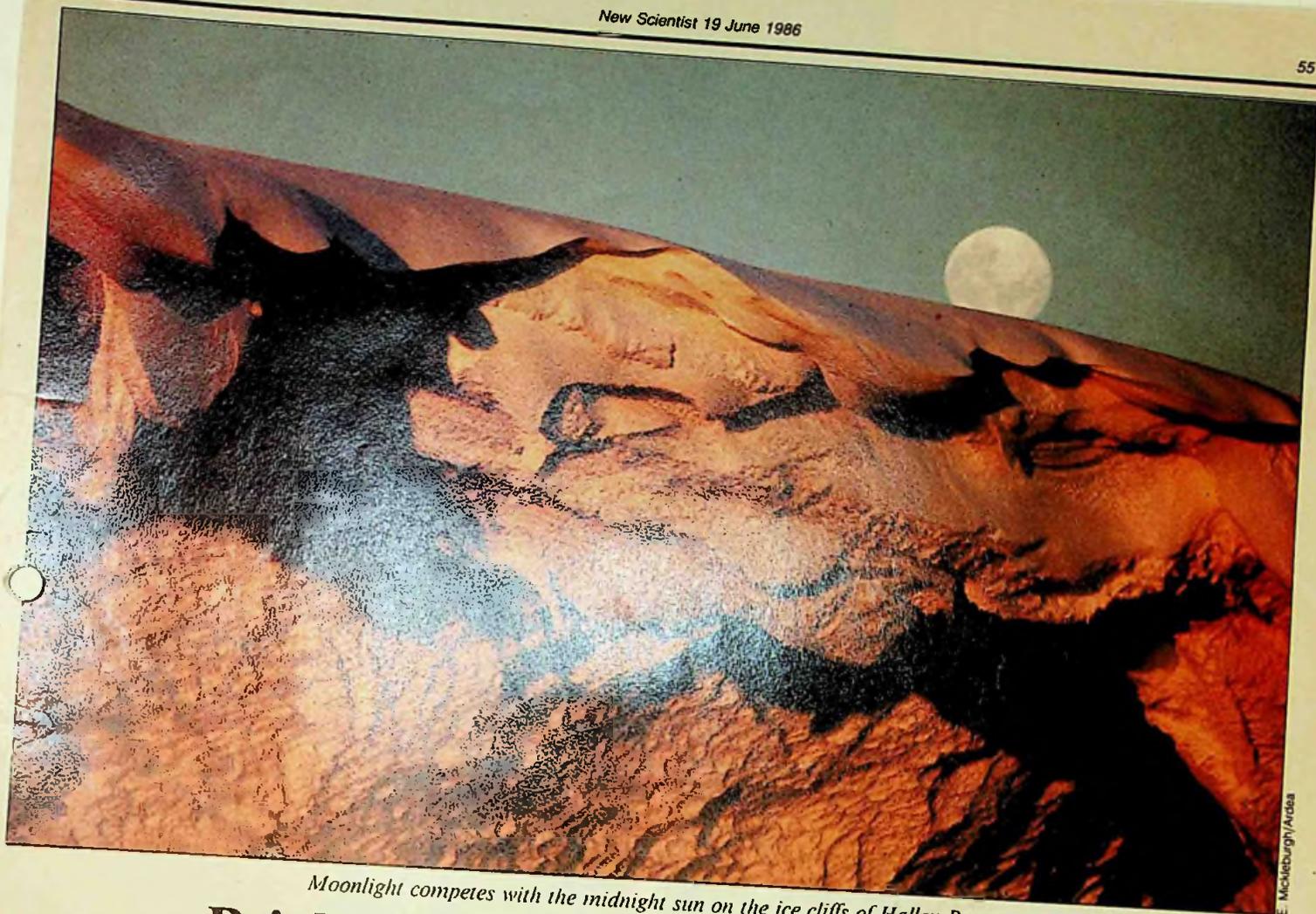
■ Argentinian politician Miguel Alterach yesterday appealed for a minute's silence to be held before the match in tribute to soldiers of both sides who died in the Falklands.

ENGLAND
v
ARGENTINA



"FIRST GOAL TO US, CHAPS!"

FRANKLIN



Moonlight competes with the midnight sun on the ice cliffs of Halley Bay

Bright outlook on Antarctic science

Twenty-five years ago, on Monday next, a unique treaty came into force. The treaty committed nations adhering to it to maintain the Antarctic as an international scientific region open to all nations. The success of the treaty is reflected in the science that has emerged

David Walton

ANTARCTICA is the last, unspoilt, continent. It lies frozen at the end of the world, remote from all major areas of human activities, surrounded by a broad belt of stormy seas and with winter temperatures as low as -89° C. With an area of almost 14 million square kilometres, the continent represents one-tenth of the Earth's land surface. Although Antarctica is expensive to reach and difficult to live on, scientists from many nations are now probing the rocks, ice, seas and atmosphere of this remarkable area, from 44 permanent research stations.

Antarctic research is expensive. The present annual US budget alone is \$110 million, and at least 17 other countries now support research programmes in the Antarctic. The large and growing investment of people and money is justified by an increasing recognition of the unique value of Antarctica to many areas of science. Data from this polar region are no longer just interesting but scientifically crucial to an understanding of such processes as the Earth's changing magnetic field, the world's climate, weather patterns, the circulation of the oceans, the global distribution of animals and plants, and much more.

The origin of much of the present scientific activity in Antarctica can be traced back to two men: the British geophysicist Sydney Chapman and the American physicist

Lloyd Berkner. They provided the motivating forces behind the plans for the International Geophysical Year (IGY) of 1957/58 (see Box). During the IGY, scientific interest worldwide was concentrated on Antarctica with 12 nations running 55 research stations. The scientific results from this intensive international collaboration were exciting, clearly revealing, for example, the special features of Antarctica as a natural platform from which to observe the Earth's atmosphere.

Jigsaw of a huge continent

Geologists now consider the Antarctic continent to be the central fragment of a former southern "supercontinent" called Gondwana. Measurements of remnant magnetism in rocks can reveal accurately the direction of the Earth's magnetic field when these rocks were formed. The technique made it possible to determine the latitude of the various parts of Gondwana when the rocks crystallised. These data, together with the matching of the 1000-metre contours of oceanic depth and also of geologically similar rock types, allowed an accurate reconstruction not only of the shape of most of Gondwana but also its changing position through geological time (see Figure). India and Africa were the first fragments to break free, over 100 million years ago, from Gondwana as it drifted towards the South Pole. Australia

The Antarctic Treaty

ON 23 June 1961, the Antarctic Treaty came into force, binding to its provisions the 12 nations that had research parties in the Antarctic region. Those countries were: Argentina, Australia, Belgium, Britain, Chile, France, Japan, New Zealand, Norway, South Africa, the United States and the USSR. As a result of the treaty, all territorial claims remain frozen and everyone is free to work anywhere in the area. The treaty, which runs indefinitely (although its provisions may be reviewed in 1991), made Antarctica the first truly international territory. With a further 20 countries now acceding to the treaty, including China and India, the treaty now represents the interest of 80 per cent of the world's population.

The treaty reflects the inheritance of more than a century of international collaboration in polar research culminating in the International Geophysical Year (IGY) of 1957/58. That international event was the greatest attempt up until then for "nations of the world to band together to examine without passion of national rivalry, their environment, and attempt to be all-embracing, to fit the Earth into the pattern of the Universe, to relate its parts together to discover hidden

C. W. M. Swinbank



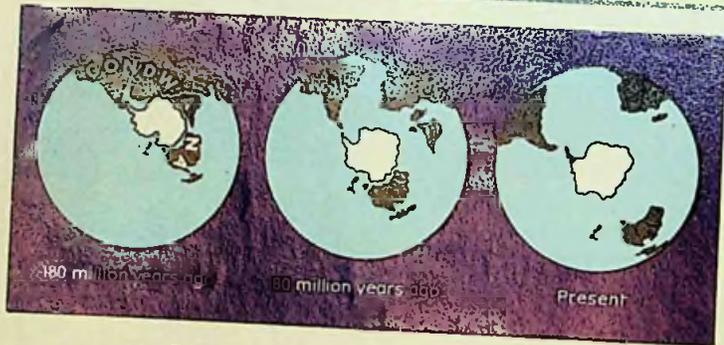
order, and to interpret the whole in relation to space, and especially, to that greatest influence in nearby space, the Sun."

John Tuzo Wilson, in IGY: the Year of the New Moons (Michael Joseph, 1981).

The Antarctic segment of IGY was judged by all who participated in it to have been a considerable success. That success led to the formation, eventually, of an International Scientific Committee for Antarctic Research (ISCAR), as part of the International Council of Scientific Unions, and which in turn paved the way for the Antarctic Treaty.

Over the past 25 years, interest worldwide in conservation issues has grown. Antarctica, remote and little populated,

seemed at first to be an area of low priority. Extensions to the original articles of the treaty, however, provided first, basic protection for the native flora and fauna, including restrictions on the importation of alien species. A second development was the Convention for the Conservation of Seals. More recently, agreement has been reached on a Convention for the Conservation of Antarctic Marine Living Resources, which is even wider in its range than the convention for seals. Other non-governmental bodies besides the SCAR are now actively interested in Antarctic conservation, especially in the light of current discussions on the establishment of a regime for the mineral resources of the continent. □



Dispersal of the Gondwana continent

broke away about 40 million years ago and moved northwards. Determination of the original position of what is now the Antarctic Peninsula has proved the stumbling block to finishing the jigsaw of Gondwana. Attempts by British and American geologists to solve this part of the puzzle are leading them to the conclusion that the peninsula may have consisted of five separate "micro continents", each with a separate history.

The final break, between the Antarctic Peninsula and South America, came 28 million years ago and had far-reaching consequences. Antarctica became surrounded by water, allowing a new weather pattern to establish as the Antarctic Circumpolar Current formed. This, probably the world's largest ocean current, drives the weather systems in a continuous track around the continent. Much of the climate of the southern hemisphere is determined by these storm tracks.

In the Scotia Sea, which was formed only 28 million years ago, tectonic processes such as sea-floor spreading, plate collisions and the formation of deep ocean trenches, when one plate overrides another, are still occurring. Geological and marine geophysical studies in the Antarctic, led by Mike Thomson and Peter Baker of the British Antarctic Survey and by Ian Dalziel of the Lamont-Doherty Geological Observatory, are adding to our understanding of these processes. Marine geophysical data are essential for detecting sedimentary basins and especially valuable in the search for oil-

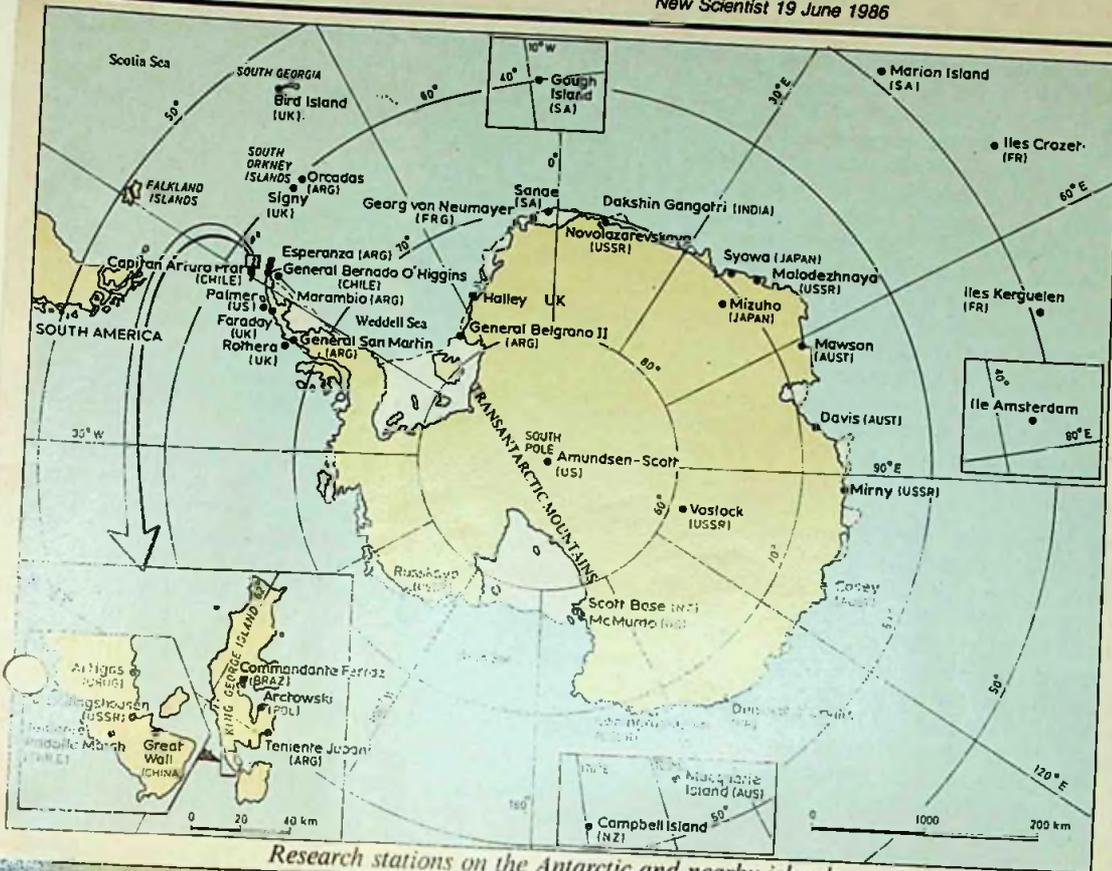


The dating of rock cores played an important part in reconstructing the Gondwana supercontinent

bearing strata. Except for coal and ice, there is no scientific evidence of viable sources of economic minerals in Antarctica. Certainly no reliable data exist to prove the existence (never mind the extent) of offshore hydrocarbon deposits. That said, there is a sharpening focus and fervour among some nations—those without their own natural resources—for the exploration of the mineral potentials of Antarctica. The matter is taking on a growing importance, and for that reason the countries adhering to the Antarctic Treaty have been examining since 1977 the sort of mineral regime that would be required to regulate and keep a check on any exploration and/or exploitation.

Biological implications of Gondwana

The central position of Antarctica in the original supercontinent makes it of special importance to biologists. The plant fossils found as early as 80 years ago showed clearly that the continent was once a much warmer land. Tree ferns and conifers stood where only ice now exists. Plants and animals could have moved freely between Australia, Africa and South America 200 million years ago. This revelation has helped to



Research stations on the Antarctic and nearby islands



Diving recorders strapped to Antarctic fur seals can reveal their diving patterns in relation to the movement of krill



Albatross chick sits pretty on an artificial nest that automatically logs its size of meal, timing and frequency

explain the present distribution of plants such as *Nothofagus*, the southern beech, with groups of species in New Zealand and southern South America. What was missing from the picture were vertebrate fossils. Reptiles, fish, shark and penguin fossils have been discovered, but perhaps the most recent exciting finds, by the American geologists Michael Woodburne and William Zinsmeister, are the fragments of three jawbones, about 40 million years old, of an extinct marsupial genus previously known only from Patagonia.

As the continent drifted southwards towards the geographical pole, so the climate cooled. The falling temperatures allowed both the formation of sea ice and the establishment on land of a permanent ice sheet. Evidence for when this began is still confusing, but it seems likely to date from at least 40 million years ago when Australia began to move northwards. The ice sheet probably began in Greater Antarctica, initially as mountain glaciers in the Transantarctic Mountains. By 7 million years ago, the ice had reached its present dimensions with large permanent floating ice shelves in the Weddell Sea and Ross Sea.

The timing of these events is important in understanding

the changes in the climate of the southern hemisphere. The changes on land were inextricably linked to a cooling of the Southern Ocean and to the establishment of the present patterns of water circulation. Surface currents running northwards from the Circumpolar Current affect both the fisheries and local weather in South America, Africa and Australasia. Less well known is the effect of the cold, dense Antarctic bottom water, which sinks close to the continent and flows northwards into ocean areas throughout the southern hemisphere.

For a long time, biologists had little understanding of the marine life in the Southern Ocean. They relied to a remarkable extent on cruises and collections made before the Second World War. From the limited data available to them, the biologists assumed the Southern Ocean to be a highly productive area, supporting vast numbers of seals, whales and birds as well as even larger quantities of their prey. In support of this assumption was the large numbers of whales caught in Antarctic waters and especially in the Weddell Sea sector, until whale stocks were finally exhausted. Biologists gradually came to realise that although they had overestimated the productivity of the Southern Ocean it was, however, relatively rich in species.

By the 1970s, the South Atlantic had become a new international fishery with year-round fishing by large fleets from the USSR, Poland and other East European countries, and Japan. Fish and krill, the shrimp-like animal at the centre of the Antarctic marine food web, were both being caught in considerable quantities. Our knowledge of the effect that this was having on the ecosystem was totally inadequate. The scientific community produced an immediate response, organising a collaborative international investigation of the ecosystem of the Southern Ocean. This programme was established in 1976 under the acronym BIOMASS (Biological Investigations of Marine Antarctic Systems and Stocks), and coordinated by the Scientific Committees of Antarctic Research and Oceanographic Research. It consists of joint studies by 12 nations, with many ships working in unison at any one time. The West German programme, led by Gottlieb Hempel, is greatly aided by their highly sophisticated ships, such as the *Polarstern*. Although the studies are wide ranging, they focus in particular on the ecology and life cycle of krill, *Euphausia superba*. Major changes in the availability of krill and fish, for example, should affect the populations of birds and seals. As part of the BIOMASS programme, new assessments of

breeding populations of sea birds and seals are being made in many areas. A group of scientists from the British Antarctic Survey, led by John Croxall, and with several American contributors, has pioneered new methods of measuring rates of chick growth, frequency of feeding and adult activities at sea. For example, artificial nests weigh albatross chicks automatically every few minutes, while the parent birds are equipped with radio transmitters—to record visits to the nest, and activity recorders—to show how much time they spend on the sea feeding. Colin Pennycuik, now at University of Miami, has developed a special computer-based theodolite, to measure speed of flight; this, together with details of time away from the nest, makes it possible to calculate the maximum possible area covered by each species in its search for food. These studies have opened up a host of new research possibilities for ecologists studying sea birds anywhere.

The icy blanket

The development of scientific techniques goes hand in hand with scientific progress, and this is especially true for glaciology. As a result of surveys using a sophisticated radio-echo-sounding technique, glaciologists now know that the Antarctic ice sheet at its thickest reaches 5 kilometres, and in its entirety contains about 90 per cent of the world's total fresh water. Remote from human activities, the ice consists of the purest natural water found anywhere on Earth. However, locked up in the ice sheet is a record of previous climates and atmospheric events. Atmospheric pollution by sulphur, radioactivity and heavy metals, volcanic activity, the changes in air temperatures and in the concentration of atmospheric gases can all be measured in this unique stratigraphic record of atmospheric properties stretching back over many thousands of years.

Antarctic snow and ice can provide the baseline data that scientists need to establish reference levels for pollution on a global scale. One pollutant under increasing scrutiny is lead. It has taken many years, though, to provide reliable measurements of this metal in the very pure Antarctic snow because the concentrations (2 milligrams or less of lead in 100 tonnes of snow) are at the limits of detection. Eric Wolff at the British Antarctic Survey, Clair Patterson in California and Claude Boutron in France have all mastered the techniques. Their data demonstrate that, although the concentration of lead in Antarctica has increased by not more than five times over the past 1500 years, the equator has proved an effective barrier to transfer of lead from the increasing industrialisation of the northern hemisphere over the past 200 years. Concentrations of lead in Greenland have increased by a factor of more than 100 since the late 18th century.

Many climatologists now believe that an increased concentration of carbon dioxide (CO₂) in the Earth's atmosphere would lead to less infrared radiation being returned to space from Earth. As a consequence, the Earth's average temperature would rise. If this happened, one result might be the enhanced melting of the ice sheet, which in turn could cause a catastrophic rise in sea level around the world. Recent developments in gas analysis are establishing historical trends for CO₂ trapped in air bubbles in polar ice. Research groups in Switzerland and France have shown independently that the CO₂ content of the atmosphere was about 30 per cent lower during the last glacial period than in recent pre-industrial times.

Scientists at the US Amundsen-Scott Station, at the South Pole, have continuously monitored levels of CO₂ since 1956. The data show a worldwide increase of almost 5 per cent but, despite various attempts, glaciologists are still unable to show any direct effect on the stability of the ice sheet. Methods are as yet too imprecise to cope with such huge areas as the Antarctic ice sheet. However, a new generation of polar satellites with radar altimeters should facilitate more accurate calculation of the ice volume in the 1990s.

Palaeontologists can obtain from fossils the evidence for

the climate millennia ago, while with analyses of deep ice cores it is possible to cover the climate of the past 75 000 years. The countries surrounding Antarctica, however, need to know about present weather patterns. Every Antarctic station routinely collects meteorological data and feeds them into the international data system of the World Meteorological Organisation for use both in immediate forecasting and in the development of models. In the US, in Britain and elsewhere, meteorological institutes are investing heavily in the production of a model of global circulation as the next stage to an understanding of world weather patterns. International discussions on the probability of a "nuclear winter" following a nuclear war highlighted recently the value of these models. All the calculations of the severity of any subsequent climatic change are dependent on the reliability of the model of global circulation.

Manned Antarctic stations are too few and inadequately distributed to provide ideal data either for accurate forecasting or for the development of these models. To provide better coverage, several nations have developed automatic weather stations (AWSs) that can operate for up to a year without attention and can transmit their data directly to a satellite. The University of Wisconsin is in the forefront of the developments of the AWSs, often using techniques derived from the US's space programme.

Inner and outer protective shields

Ozone in the upper atmosphere protects all life on Earth against overexposure to damaging ultraviolet rays. Exhaust gases from supersonic high-altitude aircraft and the aerosol propellants so widely used in Europe and North America may be reacting with ozone and thus destroying the essential shield it offers. Most measurements of ozone are made either with instruments on balloons launched at regular intervals, or, from the ground, with a spectrophotometer set to measure changes in certain wavelengths of light known to be due to changes in the concentration of ozone. Long-term and reliable data sets are essential to assess whether the ozone is now being destroyed. The best available data set, starting in 1956, comes from Halley Station on the Brunt Ice Shelf. Joe Farman, at the British Antarctic Survey, has recently used these data to show a large fall in the concentration of ozone in spring. Independent measurements by American satellites confirm this feature, which appears so far to be detectable only over Antarctica.

The Earth's magnetic field provides another shield, protecting the Earth from the highly energetic solar wind. This continuous stream of electrons and protons is emitted by the Sun, and much of it is diverted into a vast plasma tail to the Earth. Some of the stream of solar wind, however, interacts directly with the Earth's magnetic field, creating many effects including auroral displays and geomagnetic storms that disrupt radio communications. The scale and intensity of the interactions are greatest near the poles of the magnetic field, making the polar regions an ideal place for atmospheric observatories. In the southern hemisphere, the geomagnetic pole is twice as far from the geographic pole as it is in the north. The sector of Antarctica from 0° to 90° West is a unique area for studying both the "lower" ionospheric and the "higher" magnetospheric phenomena.

These special properties have been exploited by groups from Britain and the US using computer-controlled ionosondes called Advanced Ionospheric Sounders. The instruments at Halley and Siple are two of only six such instruments built by the Space Environment Laboratory of the US National Oceanographic and Atmospheric Administration. They give a complete picture of the ionosphere in real time and, when linked with other geophysical sensors, provide a remarkably powerful tool with which to investigate the outermost regions of the atmosphere.

Very-low frequency radio waves are generated by lightning flashes and are ducted down magnetic field lines. The signals



E. W. Wolf

The ice man cometh: scrupulous care has to be taken to ensure his equipment and any clothing do not contaminate the sample



J. Rouse

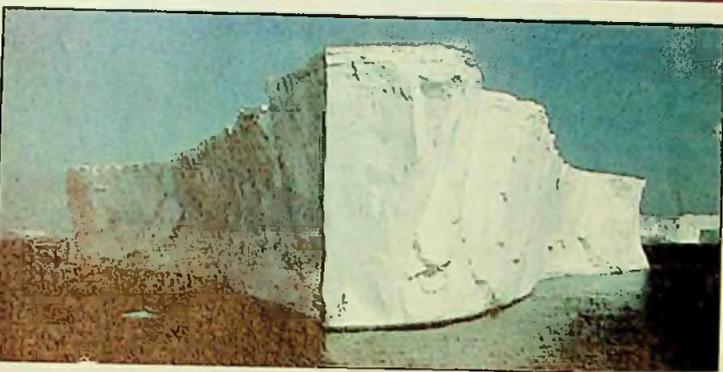
Aurora are an important visible display (above) of the effects of the interactions of the solar wind and the Earth's atmosphere



NASA

Computer plot from satellite data of ozone concentration. The levels seem to decline dramatically in early spring

C. J. Gilbert



Large tabular icebergs (left) continually break off from the front of floating iceshelves. It is often suggested that icebergs should be towed north to provide freshwater for arid areas, but no trials have yet been attempted

audible as tones of falling frequency and are called "whistlers". Storms in the northern hemisphere generate in Antarctica whistlers whose study can yield information on the area of space through which the radio signals passed. These studies are being actively pursued by American, South African, Argentinian, Soviet and British scientists. During the transmission of these natural signals through the magnetosphere, interference can be caused by signals generated unintentionally from the high-voltage power lines in the industrialised areas of North America. Thus, pollution of a new form now extends out to affect events thousands of kilometres from the Earth.

A unique wilderness

The increasing interest in what is often termed "the world's last great wilderness" has been further heightened by the present discussions on a minerals regime by the countries involved in Antarctic research. Suddenly it seems that the last untouched area of the world may also be damaged beyond repair by our apparently uncontrollable desire to exploit the continent. The nations of the Antarctic Treaty have made considerable progress in agreeing rules for conservation and protection but will these be adequate?

One treaty member, New Zealand, has suggested that Antarctica should be declared a World Park. Now the Inter-

national Union for Conservation of Nature (IUCN) has set Antarctic conservation as one of its priorities. In collaboration with the Scientific Committee for Antarctic Research, a scientifically sound strategy of conservation for the continent and its surrounding seas is being hammered out. Public opinion and organisations such as Greenpeace seem certain to keep this new impetus going.

Many other areas of Antarctic science show exciting developments. The thousands of meteorites collected from the ice have provided an unexpected wealth of information on extraterrestrial material. Biochemists have isolated, from microorganisms living in sea ice, enzymes adapted to low temperature, suggesting that there may even be potential material for genetic engineering in Antarctic species. The mapping of the bedrock beneath the ice sheet, the physiology of ice fish that have no red corpuscles in their blood to carry oxygen, the survival of plants and animals at very low temperatures, and many other lines of research, show that Antarctic science is moving forward on a broad front. Antarctica has a bright future, with a major part to play in our understanding and management of the Earth. □

Dr David Walton is a botanist and a microclimatologist with the British Antarctic Survey, based at High Cross, Madingley Road, Cambridge.

In the drink

LABOUR'S SHADOW minister for Foreign Affairs, George Foulkes, should perhaps think twice before venturing near the Falklands again after stating that Britain's sovereignty of the islands should be reconsidered in the light of its cost to the nation.

I gather that locals in Port Stanley, who were seriously miffed by his uncomplimentary reference to them as "Bennies" (after the simpleton from Crossroads soap opera) on his visit, plan to lob him into the bay.

When Foulkes was there at the opening of the airport last year, he let slip the Benny gaffe at the Upland Goose Hotel, much to the annoyance of owner Des King and his two daughters. Next time he goes, and he is hoping to do so soon, he would be well advised to hole up in an Argentine dug-out.

Argentina in pipeline debt dispute talks

THE Netherlands is negotiating the early takeover of a Fls2.5 billion (\$1.006bn) Dutch-owned gas pipeline by the Argentine government in order to resolve a debt dispute between the two countries.

The talks revolve around a 1,800-kilometre pipeline built and 90% owned by the Dutch company Cogasco SA, which until last year was a subsidiary of the financially-troubled Dutch dredging concern Koninklijke Boskalis Westminster NV.

Financing of the Argentine pipeline was guaranteed by the Dutch government, which is now responsible for credit payments for the project. The Argentine government unilaterally discontinued its payments for the pipeline in the early 1980s.

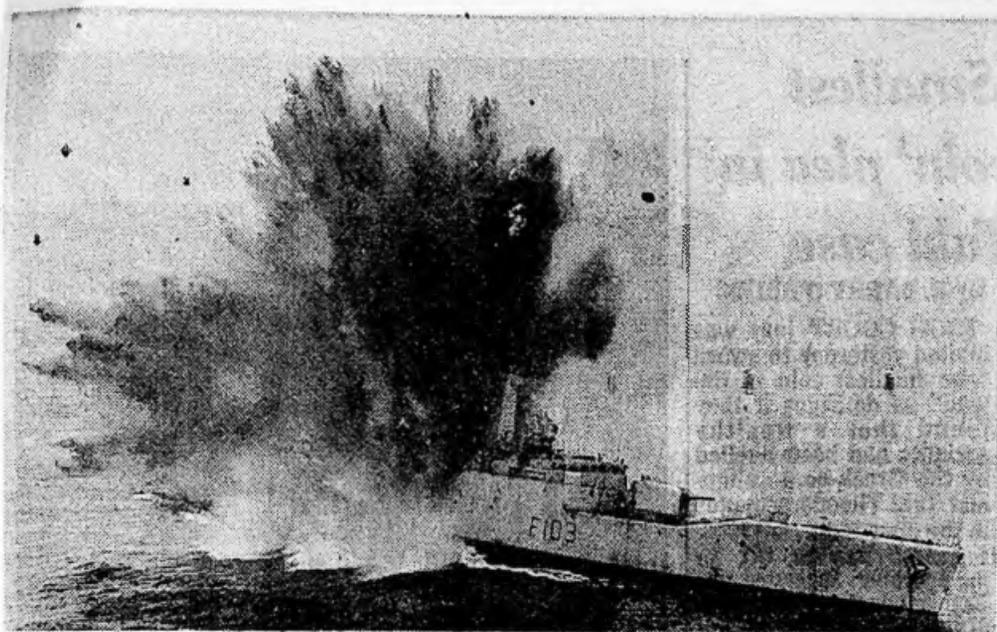
Under the original agreement for the pipeline, Argentina was to have bought out and taken over ownership of the pipeline in 1996. In the meantime, Cogasco was to operate the pipeline and receive fees on gas passing through the line.

The Dutch Finance Ministry declined to disclose details of the Dutch/Argentine talks. The latest negotiating session took place about two weeks ago, Dutch officials said.

A Finance Ministry official said more negotiating sessions were expected this year, but the timing of the next meeting is not certain.

Cogasco is currently owned by a trust controlled by bank creditors of Boskalis. As part of a financial and corporate overhaul last year, Boskalis sold off or relinquished control to the trust of most of its non-dredging assets.

The Dutch government declined to say how much of the total Fls2.5bn of construction and financing costs it was liable for through its reinsurance of financing for the Cogasco project.



The single hit by a Tigerfish torpedo which broke the back of the frigate Lowestoft.

Tigerfish sinks old frigate

By **DESMOND WETTERN**
Naval Correspondent
A NEWLY modified Tigerfish torpedo, fired at a range of several miles, by the nuclear submarine Conqueror, sank the old frigate Lowestoft in 13 minutes last week at the end of two months of tests.

The torpedo developed by Marconi Underwater Systems, has clearly come a long way since 1982 when one failed to sink the hulk of the landing ship Sir Galahad after the Falklands conflict.

Rear Admiral Richard Heaslip, Flag Officer Submarines, said yesterday that it was now

"second only in complexity to the space shuttle" being a "guided missile rather than a torpedo."

In March and April this year the weapon, without a live warhead, was tested under a variety of conditions against fast manoeuvring submarines and surface ships at the Anglo-American Atlantic Undersea Test and Evaluation Centre in the Bahamas.

Fifty torpedoes were fired by Turbulent, latest of the Navy's nuclear hunter-killer submarines, and Conqueror, which in 1982 used the short range Mark VIII torpedo, designed more than 50 years ago, to sink the Argentine cruiser General Belgrano.

Tigerfish, which has cost £1.5 billion to develop since work started on it in 1958, is guided by a wire from the launching submarine and uses its own sonar to detect its target.

Operating it underwater "with all the uncertainties of the structure of the sea, the speed of sound in water and changes of temperature is an incredibly harder task than it is launching an anti-aircraft missile on the surface," Admiral Heaslip said.

He believed that the Navy now had "a technical edge on our Soviet counterparts" whose submarines were becoming progressively quieter and therefore more difficult targets.

Philip bartered the Falklands!



Charles: Going private?

SECRECY shrouds the polo playing future of Prince Charles, now that his patron for the last nine years, French art dealer Guy Wildenstein, 40, is disbanding their Les Diables Bleus team—but the talk at Windsor is that the Heir to the Throne will start his own.

His manager Major Ron Ferguson tells me there will be no announcement until the end of the season in September; but Charles has been discussing the possibility of reviving the Windsor Park team, which his father Philip led until he retired in 1971 because of synovitis in his right wrist.

It costs around £250,000 a year to run a high goal polo team—including wages of around £100,000 for a top class 10-handicap player—and Charles will certainly not be able to afford such largesse. The alternative is a major sponsor—the late Archle Davie, an Irish landowner, financed the old Windsor Park team.

Prince Philip—a four-handicap man like his son, who is likely to be upgraded to five this year—achieved his ambition of winning the sport's premier trophy, the Cowdray Gold Cup, after a visit to the Argentine in 1966 when he met the country's outstanding player Gonzalo Tanoira, then a precocious 21-year-old.

At an official Argentine function Prince Philip was asked about the problem of the Falkland Islands, which the Argies call Las Malvinas. And according to his hosts, the Queen's husband uttered the immortal words: 'Give me Tanoira and you can keep the Falklands!'

Tanoira duly played for the Prince, but Britain has yet to keep the other side of the bargain.



Philip: 'You can keep the Falklands.'

MoD lost nearly £5½m on ferry

By ANTHONY LOOCH

THE purchase, refit and resale by the Army of a ferry for use in the Falklands, which resulted in an overall loss of almost £5½ million to the taxpayer, was "not well-handled", Sir CLIVE WHITMORE, Permanent Under-Secretary at the Defence Ministry, admitted to the Commons Public Accounts Select Committee yesterday.

The committee was questioning him about the recent report, published last week by Sir Gordon Downey, Comptroller and Auditor General, about Defence Ministry Service movements. The report said that, as an exception to their normal policy of hiring or chartering civil vessels, the Army had bought the 9,000-ton Keren, a roll-on roll-off ferry, for £7½ million in March 1983.

Its sole purpose was to ferry troops between Asconsion

Island and the Falklands, pending the expected completion of the Mount Pleasant airfield in April 1985, when air-trooping would become possible. The Ministry of Defence had been unable to charter a suitable vessel to meet this short-term commitment.

The Keren had duly returned to Spithead in June 1985, where its running costs were about £3,500 a day. A few weeks later it was moved to a berth at Portsmouth where costs fell to £1,000 a day.

Shortly after its return to Britain, a mandatory annual refit was required before its Class Two passenger certificate could be renewed. The Transport Department advised that the sale price of the vessel without this certificate would probably be scarcely more than its scrap value.

In May last year the MoD urgently considered four options for the ship. They were immediate sale; refit and sale;

refit and further operation pending sale; and refit

The MoD recognised the need for an early decision to avoid unnecessary expenditure, but had made no financial provision for the refit.

Eventually, a commercial refit order was placed in November at a cost of £400,000. In the following month the refitted vessel was sold for £3,150,000.

The report added: "Despite the fact that the vessel's likely date of release from Falklands trooping was known when it was purchased, and that it would need a refit to renew its passenger certificate, the MoD made no prior arrangements for either refit or disposal.

"The consequent delays gave rise to unnecessary care and maintenance expenditure of £233,500 increased the refit cost by some £100,000 and obliged the MoD to spend £380,000 on chartering another vessel for exercise purposes."

MYSTERY OF DEAD PENGUINS UNSOLVED

By Our Port Stanley
Correspondent

The mystery of the death of thousands of Falklands penguins remains unsolved, despite pathological tests carried out by the Agriculture Ministry in Britain. Virus and bacteria have been ruled out, and one theory now being put forward is of a possible toxin which has poisoned the birds.

The only confirmed diagnosis is that they are emaciated, and less than half their normal weight. The variety most affected is the little Rock-hopper, which nests on rocky ledges and hops into the sea.

Suggestions that casualty figures were grossly exaggerated have been refuted by Shane Wolsey a member of the Falkland Islands Trust, and Neil Pullan, the Government veterinary officer. During one day they counted more than 3,000 dead penguins, with others dying, sometimes piled in heap

Argentina loan in the balance

£5.5m loss on MoD ferry

The Ministry of Defence said yesterday it lost more than £5.5 million during its two-year ownership of the car ferry, Keren, which was used in the Falkland Islands.

On the vessel's return to Britain, defence chiefs were reluctant to sell her and last November a £400,000 refit was carried out before the vessel was sold for £3.15 million.

Argentina expected to cut export tax

Argentina's loss in the balance

£5m loss on ship

By our Political Staff

The Ministry of Defence has lost £5.5 million over the purchase and sale of one ship used to ferry troops to the Falklands from Ascension Island, the House of Commons Public Accounts Committee was told last night.

Sir Clive Whitmore, Permanent Secretary at the Ministry of Defence, admitted that a mistake had been made in not selling the ship earlier and leading to a substantial loss of money over its refit and delayed sale.

The MV Keron, a roll-on, roll-off ferry, was bought for £7.5 million in 1983, to ferry troops pending the completion of Mount Pleasant Airfield in the Falklands.

Argentina loan in the balance

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

RELEASE OF the final \$600m portion of Argentina's \$4.2bn loan from its commercial bank creditors hung in the balance last night, despite agreement by the International Monetary Fund to overlook the failure of the government of President Raul Alfonsin to meet key economic targets.

Mr Jacques de Larosiere, IMF managing director, has agreed to recommend to his board on June 23 the release of SDR 237m (£182m) from the IMF's SDR 1.1bn (£847m) loan to Argentina, but the decision has come too late to secure a parallel disbursement of commercial bank loans.

The Citibank-led committee of leading creditors of Argentina is now urgently seeking a waiver from banks participating in the loan to get round a clause stating that the IMF should have formally confirmed its own payment by yesterday.

Consent to this change is needed from two-thirds of the banks participating in the credit, weighted by amount, if the money is to be released before the bank loan agreement lapses at the end of the month.

Argentina is thus set to live up to its tradition of producing a photo-finish to its main negotiations in the debt crisis.

It took until the early hours of Saturday morning for Sr Jose Luis Machinea, Under-secretary of Economic Affairs, to complete talks with the IMF on the release of its loan that started last Thursday.

The IMF is thought to have been prepared to overlook Argentina's failure to meet its targets because it wants to avoid a showdown at a time when it is concentrating its main efforts on securing an economic policy agreement with Mexico that will inevitably mean inflicting painful budget cuts on an economy already reeling in the wake of falling oil prices.

Argentina expected to cut grain export taxes

BY TIM COONE IN BUENOS AIRES

THE ARGENTINE Government is shortly expected to approve a reduction in its contentious taxes on grain exports. The taxes have been a source of increasing irritation to Argentine farmers, who claim that they are depressing production and making Argentina uncompetitive in the international market.

The Agriculture Ministry has announced that the proposed reductions, applicable to the 1986-87 harvest will bring down the export duty on wheat from 15 to 5 per cent and on all other grains from between 20 and 27 per cent down to a standard rate of 15 per cent.

Official approval is expected from the Economy Ministry within a matter of days.

Further measures to stimulate production are also awaiting approval and include assistance to small and medium producers through the refinancing of outstanding debts, and the waiving of transport charges for more than 500 km on soybeans produced in the north east of the country.

However, the main farmers' association in Argentina, the Sociedad Rural, has criticised the reductions as being "insufficient."

McDonnell Douglas in talks on joint Argentine venture

BY TIM COONE IN BUENOS AIRES

A NEW production line for the A4 Skyhawk, one of the world's most widely used light jet fighter and ground-attack aircraft, is being negotiated by McDonnell Douglas of the US and Fabrica Militar de Aviones (FMA), the Argentine aircraft company.

The McDonnell Douglas representative in Buenos Aires, Mr Patricio Siedel, said negotiations were well-advanced. A "memorandum of understanding" was signed at the beginning of this month by both companies to negotiate the manufacture of the A4 in Argentina as a long-term joint venture.

The memorandum also took in the joint production of the Hughes 500 helicopter, spare parts for the A4 Skyhawk, ejector seats, and risk-sharing co-operation in the development of commercial aircraft.

Almost 3,000 A4 Skyhawks were produced in the US between 1953 and 1980 when the production line was closed down. The aircraft, which is in service throughout the world, has had its avionics and weapons systems up-dated.

Argentina received 91 A4B and A4C Skyhawks between 1965 and 1975 which were used extensively in the 1982 war in the Falkland Islands.

Mr Siedel said "there is continuing demand for the aircraft and Argentina has a great deal of experience with it." He

added that FMA "is the best-equipped aircraft factory in South America and has state-of-the-art technology." Low labour costs and considerable spare capacity were further factors making the project attractive for both companies.

Finalisation of the deal will depend on approval by the State Department and further market studies, but it is not expected to encounter serious obstacles.

The deal would also boost the Government of President Raul Alfonsin, which is seeking to develop high-technology industries with a strong export bias.

FMA has undergone a major shake-up since the end of last year. Civilian managers have been placed in its former military administration to turn it into an efficient and self-financing company to manufacture defence and civilian equipment for the domestic and export markets.

Co-production of the Brasilia turbo-prop business jet with Embraer of Brazil is due to begin in July and the fourth prototype of Argentina's first jet-trainer aircraft, the IA 63, is due to fly shortly. The IA 63 has been developed, with assistance from Dornier of West Germany.

FMA is also having talks with other foreign aerospace manufacturers, but the agreement with McDonnell Douglas is the first of any substance.

ARGENTINA TO ACT ON TALKS STALEMATE

By MICHAEL KALLENBACH
United Nations Correspondent in New York

THE ARGENTINE foreign minister, Senor Dante Caputo, is expected to outline a new scheme aimed at getting Britain to resume talks on the Falklands when he meets his Swiss counterpart, M. Pierre Oubert, on Wednesday.

According to diplomats at the United Nations, Senor Caputo had a "positive meeting" with Senor Perez de Cuellar, the UN Secretary General, last Friday in New York. He did not, however, reveal

details of his initiative, which is being considered as part of the continuing process of restraining talks with Britain.

In July 1984, officials from London and Buenos Aires travelled to Berne in the hope of resuming diplomatic links, but talks quickly failed after Argentina insisted that sovereignty be discussed.

The Swiss government looks after British interests in Argentina, while Brazil acts for Argentina in Britain.

Senor Caputo's meeting with the Secretary General was the first since the UN leader visited Buenos Aires in April and his subsequent meeting with Mrs Thatcher in London last month.

However, Mrs Thatcher has repeatedly refused to negotiate with Argentina over the future of the islands unless sovereignty be excluded from discussions.

Various ideas

Various ideas have been put forward privately to the Argentine side, as to how they might overcome this position, but as yet, no suitable agreement has been reached.

Senor Perez de Cuellar has a mandate from the General Assembly to use his "good offices" to bring the two sides back around the table.

The last time the assembly endorsed this move was in November last year when only Belsize, Oman and the Solomon Island joined Britain by voting against the Argentine resolution.

Diplomats noted that Senor Caputo made no mention of his forthcoming visit to Berne when he saw the Secretary General and his senior aides, including Senor Alvaro de Soto of Peru.

"That would fit in with Argentine thinking since Argentina would not need to inform the Secretary General if they were going to use the Swiss government and not the UN to get back to the negotiating table," said one diplomat.

During their meeting, Senor Perez de Cuellar urged the Argentine foreign minister to give serious consideration to a multilateral fisheries regime under the auspices of the UN

ISLANDERS REMEMBER LIBERATION

By Our Port Stanley
Correspondent

THE fourth anniversary of the Falklands liberation has been remembered in the islands by a thanksgiving service in Christ Church cathedral, and wreath laying ceremonies at the Liberation Memorial in Stanley and at the British war cemetery at Blue Beach, San Carlos.

The Vice-Chief of the Defence Staff, Air Chief Marshal Sir Patrick Hine, who is visiting the Falklands, joined the islands' governor, Mr Gordon Jewkes, and the Commander British Forces, Air Vice Marshal Richard Kemball in laying wreaths.

At San Carlos, where British troops landed in May, 1982, and where Col "H" Jones, who was posthumously awarded the Victoria Cross, is buried, a lone piper played a lament while the wreaths were laid.

NC



Alan Jay Lerner

Jorge Luis Borges

By KEITH NURSE
Arts Correspondent

Jorge Luis Borges, the blind Argentine writer who died in Geneva at the weekend, aged 86, once said that he had secretly longed to write a merciless tirade against himself under a pen name.

The remark was typical of the wry, self-deprecating manner of the man who had been regarded for many years as the greatest living author in Spanish-speaking Latin America.

Arguably one of the most influential writers of his age, he had been an annual, but unsuccessful candidate for the Nobel Prize for Literature.

He was widely acknowledged as a sweet, melancholic poet but it was not until he was in his 60s that his work became recognised internationally. He soon became almost a cult figure in the West.

One of his first books to be translated into English was "A Personal Anthology" which was followed in the early 1960s by works such as "Ficciones," originally published in 1945, "Labyrinths", a selection of short stories and other writings, which displayed many European influences, and "The Book of Sand" containing his later poems and stories (1979).

Borges was perhaps at his best as the writer of short, fantastic, metaphysical tales, dense and teasing stories, which were generally considered to be classics of imaginative fiction.

A booklet yet accessible writer, he drew on vast stores of often curious learning in many languages. But most of all, it was said, he was a master-craftsman at weaving beautiful puzzles.

Patriotic force

On another level, he was held to be in many ways the conscience of Argentina, a patriotic force for moral—as opposed to political—opposition, who spoke out boldly against the military junta's invasion of the Falkland Islands.

For him a dedicated and lifelong Anglophile, the conflict was a "nightmare, a bad dream". The junta, he once declared bitterly, sent "raw young boys from the north who had never seen snow fall to the South Pole to fight real soldiers."

Earlier, in the 1950s, he was a vociferous public opponent of the régime of Juan Peron. Because of his stance he was demoted, for a time, from his post as director of the National Library of Argentina and made a poultry inspector.

Borges always insisted that his poetry came from England, the country of his grandmother—"a lady from the Potteries."

Though blind for 30 years, he was a ceaseless traveller and declared that he could feel a country through its noises and smells as well as any man with perfect sight.

In April this year he married his long-time secretary and travelling companion, Maria Kodama, 41.

NS



Drawing by Rogelio Naranjo

W. J. WEATHERBY
on Jorge Luis Borges,
the great Argentine
writer, who died on
Saturday

Blind genius of faction

JORGE LUIS BORGES, one of Latin America's greatest writers, was a master at combining fact and fiction. His greatest works, written before he became totally blind in the mid-1950s combine the short story and essay forms to produce fables as convincing as if they were reportage from some spiritual daily newspaper.

It delighted him to profile an imaginary writer or review a book that had never been written in a way that had readers convinced they were real. A master of paradox, he credited G. K. Chesterton, the lover of paradox, as being a major influence. One personal paradox was that although he was blind, he was one of the most widely read of creative writers and had a special love for English literature. The Falklands war between his country and Britain was a great tragedy to him and the only word this master of precision could find for it was "atrocious."

Geneva burial for Argentine poet-author

By Our Foreign Staff

The Argentine author, Jorge Luis Borges, who died in Geneva on Saturday aged 86, will be buried there on Wednesday, after a funeral service in the 10th century St Pierre Cathedral.

Borges, who had become blind over the past two decades, moved to Geneva this year with Maria Kodama, his 41-year-old secretary and travelling companion for many years, whom he had recently married.

In Buenos Aires artists and public officials hailed Borges, as Argentina's greatest writer and newspaper obituaries called him a genius.

President Alfonsín sent his condolences to Borges's widow.

Obituary, page 14

Capital warships

From Captain R. H. Norman, RN Sir, Perhaps Lieutenant-Colonel Wythe (June 7) would like to explain how the Falkland Islands might have been recovered without the surface "capital" warship! The fact is that without the handful of heavy warships available on the day, Mrs Thatcher and her Government would have had no options at all for the recovery of the islands, which would now be part of Argentina.

Of course ships are vulnerable (so are soldiers, tanks and aeroplanes — Argentina lost most of its air force in 1982). But there are certain tasks which can only be

undertaken by surface ships; the answer is to provide them with proper weapons and sensors, which requires size and sophistication.

If the Royal Navy had an equipment problem in the South Atlantic, it was inadequate or unsuitable weapons and not enough surface ships — largely a reflection of inadequate resources in earlier years. Incidentally, only one warship, a destroyer, was lost as a result of missile attack.

Yours faithfully,
RAYMOND H. NORMAN,
The Sycamores,
22 Preston Lane,
Faversham, Kent.
June 7.

NC

JORGE LUIS BORGES

Jorge Luis Borges, the celebrated Argentine writer, died on June 14 in Geneva. He was 86. A master of parable and parody, he stood as a unique figure in world literature.

Borges was born in 1899 in Buenos Aires. An English grandmother ensured that he was brought up bilingual and from the precocious age of six he began writing.

He literally grew up among English books in his father's library, a sign of his intense and devoted bookishness. His father's failing eyesight (inherited by Borges himself later) took the family to Europe in 1914 for a cure.

Both parents were crucial to Borges' later life as a writer; his father, a novelist, anarchist and teacher whose unfulfilled writer's ambitions Borges quite consciously assumed, while his mother accompanied, protected and aided Borges until her death at the age of 99 in 1975.

Borges returned to Buenos Aires in 1921 after participating in the tepid Spanish poetic avant-garde called *ultraismo*, like Imagism based on extravagant metaphors and where Borges first made a name for himself as a poet. Back home in Buenos Aires he initiated his contemporaries into the new poetry, collaborating in magazines and literary gatherings, but he soon repudiated these "timid extravaganzas".

Yet from his earliest published collection of poems, *Fervor de Buenos Aires* (1923), through *Cuaderno San Martín* (1929), *El hacedor* (1960), *Elogio de la sombra* (1969) up to *El oro de los tigres* (1972) and *La cifra* (1981) - to name some - it was as a poet that Borges esteemed himself.

However, Borges' astonishing reputation rests clearly, if slightly mistakenly, on his small output of short fictions. It was through these "fictions" that Borges transcended his language and culture, much to his own surprise.

According to Borges himself these modest subversive experiments emerged after a near fatal accident in 1938 (the

same year as his father's death) to become the Borges canon: *Ficciones* (1944; *Fictions*, 1962); *El Aleph* (1949); *The Aleph and Other Stories*, 1970, also partly in *Labyrinths* (edited by D. Yates and J. Irby, 1964) and less convincingly the later *El informe de Brodie* (1970; *Doctor Brodie's Report*, 1971), and *El libro de arena* (1975; *The Book of Sand*, 1977).

It was the Formentor Prize of 1961 (shared with Samuel Beckett) that brought Borges cult admiration, both in Argentina and abroad.

There are many Borgeses (poet, story-teller, essayist, parodist, prologuist, translator), as Borges himself wryly noted in "Borges and I", and this is a good measure of his elusory appeal.

The Borges certain to last as a minor classic of the twentieth century is the poet who, turning to prose, created cunning mystifications and artifices in terse prose that vied with brain-teasing riddles and that bafflingly and allusively elaborated his lifelong concerns.

But more than a clever constructor of elegant conceits, Borges' work can be identified by the underlying tones of melancholia and humiliation.

Borges' best "fictions" can be read as deeply ironic, even pessimistic parables of our times. Their modernity is in line with Kafka (to whom Borges devoted some of his most acute and succinct critical notes) in that they assert both the almost self-indulgent pleasures and the grim necessities of fantasy (that is art) in a brutalising empirical world.

In Spanish, Borges was an acknowledged master of style; his verbal rigour, his refusal of ostentation, his skilful anglicising of his mother tongue, indeed his intense consciousness of language itself (its tautological status) have indebted later writers. There is a clear post-Borges mode of writing, evident in Anglo-American fiction as well.

Borges' life from the 1940s onwards was not eventful; he worked as a librarian, reviewer and professor and remained in his beloved Buenos Aires. After Perón's rise to power (1944) Borges became vocal politically and was demoted from librarian to inspector of poultry, but with Perón's fall (1955) Borges was nominated Director of the National Library.

That same year Borges' eyesight failed and he became almost totally blind. During these years of blindness he continued teaching and writing poems and the occasional story, working with mental drafts.

After his mother's death, he was aided by loyal secretaries, translators, friends and readers.

Borges has been honoured with many notable prizes (Formentor, Cervantes, Jerusalem, Cino del Duca) but notoriously not the Nobel; he lectured in the United States and Europe and received several honorary degrees (Oxford, Columbia, Michigan).

Borges had always been an avid and provocative conversationalist whose every opinion from the funny to the profound has been recorded and published. His memory and love for literature were truly astonishing.

He will also surprisingly be remembered as the champion of neglected British writers like Stevenson, Hudson, Chesterton and Kipling, as well as a shrewd reader and exploiter of the eleventh edition of the *Encyclopaedia Britannica*.

Borges helped to revive a particular way of reading; a suspicious distancing that at first seemed unfashionable and dilettante where his own writing became his way of reading other writers and where a reading of Borges is a re-writing of his reading.

He was married, first in 1967, to Elsa Millan (they were legally separated three years later) and in April of this year he married Maria Kodama, his secretary and student.

DAILY TELEGRAPH, Sunday, June 15, 1986

Falklands lament by lone piper

By R. H. GREENFIELD in Port Stanley

A THANKSGIVING service in Stanley Cathedral, followed by the laying of wreaths at the Liberation monument and an act of remembrance at the British military cemetery, marked the fourth anniversary yesterday of the liberation of the Falklands.

On a chill day at the height of the Falklands winter, in conditions very similar to those in which the campaign was fought, islanders joined with members of all three services to commemorate those who gave their lives to free the islands from the Argentine invaders in 1982.

It was a solemn occasion. The most poignant moment came when a lone piper played a

lament over the 15 graves at the Blue Beach military cemetery, San Carlos, where troops from the task force first landed. These graves included that of Lieutenant Colonel H. Jones, who won a posthumous VC leading the 2nd Battalion the Parachute Regiment in the capture of Goose Green and Darwin.

As well as the governor, Mr Gordon Jewkes, and the Commander British forces, Air Vice Marshal R. J. (Kip.) Kemball, the ceremonies were attended by Air Chief Marshal Sir Patrick Hine, Vice Chief of the Defence Staff. He is out in the Falklands on a visit from Britain.

Falklanders say farewell to arms — P2.

Large numbers of Falkland Islanders gathered in Stanley Cathedral yesterday to mark the fourth anniversary of the liberation of the islands from Argentine rule.

The service was held at 11.30am and was attended by a large number of islanders and members of the three services.

Canon John Williams, the cathedral's vicar, presided over the service.

Canon Williams said that the service was a time to remember those who gave their lives to free the islands from Argentine rule.

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Falklands' ... for ...

THE GOLD ...

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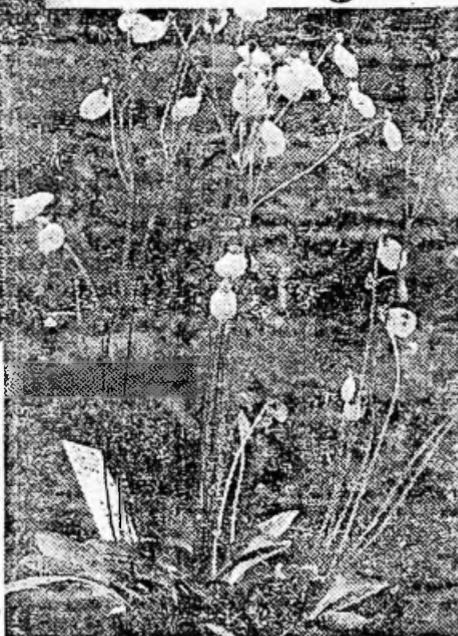
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Falklands' flowers for our Fergie



FERGIE: Special bouquet.

SARAH Ferguson's wedding bouquet will be gold and white, the perfect colours for a summer bride.

Like Princess Diana, who carried five Mountbatten roses as a tribute to Prince Charles's favourite uncle, Fergie is expected to include a personal touch—a Falklands plant to mark Prince Andrew's South Atlantic service in the navy.

The Falklands are not a florist's dream. The islands are rich in grasses and rushes, but there are also some lovely hardy plants.

Calceolaria falklandica has pure golden yellow slipper blooms and is a superb plant for a cool spot in the rock garden.

Quite easily raised from seed, like all calceolarias it is short-lived, so a supply should be grown each year.

Another candidate is a delicate fern with a big name, *Blechnum penna-*

marina, which would sound better called Fergie's Fern.

It will thrive anywhere in the garden which is shady and dry.

By tradition she will have the flowers of the Common Myrtle (*Myrtus communis*) picked from the plant at Osborne, Isle of Wight, which is said to have been grown from a cutting from Queen Victoria's wedding bouquet.

Slightly tender, it makes a neat ever-green shrub, smothered in white blossoms in the Summer. She will almost certainly have orchids. The Sussex growers McBean, provided two *Odontoglossum* hybrids—Royal Wedding and Royal Occasion, for Princess Diana.

These lovely spray orchids are not too difficult to grow under glass, in cool moist conditions. They must be protected from draughts and from March to October from direct full sunlight. They do need full light between November and February.

PURE GOLD: *Calceolaria falklandica*.

Minefield warning ugly memento on Liberation Day

The Falklanders' sad farewell to arms

By R. H. GREENFIELD, Defence Correspondent
in Port Stanley

ANKLE DEEP in snow on the bleak summit of Sapper Hill, a squadron of Royal Engineers stood round a simple stone cairn last week to proclaim: "We will remember them."

It was but one of the ceremonies held by members of the British garrison in the Falklands over the past few days, to commemorate comrades who gave their lives to liberate the islands just four years ago yesterday.

Liberation Day here is still a sombre occasion. Lance Sergeant Ian Boyd who took part in the campaign, remembers friends lost in the epic rock-to-rock fighting by the Scots Guards to capture Tumbledown Mountain. The islanders, too, have friends to mourn—Susan Whitley and Doreen Bonner, killed in the assault on Port Stanley, and Mary Goodwin, who died soon afterwards. The rejoicing has been muted.

In the past four years many of the physical scars have healed. Most of the trenches and dug-outs have been filled in; the Augean stable full of military debris abandoned by the Argentines has been miraculously cleared away. Gulls now forage unconcernedly on the foreshore of Stanley Harbour. In the hinterland—the Camp—the sheep may (fairly) safely graze.

Nevertheless, there are still ugly mementoes. One of the ugliest greets you before you have even left the new Mount Pleasant airport. All arriving passengers are given a compulsory briefing on the dangers still posed by Argentine mines, booby traps and unexploded weaponry.

Souvenirs of the campaign are strictly forbidden, while those contemplating an afternoon stroll in the countryside receive the grim warning: "Never go out without a minefield map, plus a field dressing."

The psychological scars are proving even harder to erase. Anyone in Britain who contemplates the eventual handover of the islands to Argentina must accept that almost every one of the 2,000 islanders would regard any such move as an utter betrayal—of the Falklanders, and of those servicemen whose names are now inscribed on Stanley's liberation monument.

Earlier this year, a survey of every voter on the islands was conducted by the Marplan organisation. Of the 89 per cent who responded, 1.6 per cent were

prepared to consider independence, 1 per cent a lease-back agreement with Argentina, 0.3 per cent UN trusteeship, 0.3 per cent Argentine sovereignty, and 1.2 per cent "some other solution." The remaining 94.5 per cent declared that they wanted to remain under British sovereignty.

"Become Argentine? No bloody fear!" remarked Syd Miller, who pioneered the introduction of the islands' noted breed of sheep. "Why should we? This has been our home for generations, and there's nowhere that is as British as the Falkland Islands."

It was a view I encountered everywhere I went in the past week. It was not confined to the older generation. Indeed, the

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Buckland, 18

young islanders are, if anything, even more vehement. Patsy Buckland, 18, and an eighth generation Falklander, said: "If the islands become Argentine, I would have to go. No one here wants it, young and old alike. We've seen the Argentines, thank you very much. Their way of life is completely alien to us."

After their experiences in the occupation, when the 114 people in Gopse Green settlement spent 29 days locked up in the village community centre, bitterness towards the Argentines is understandable.

"I'll show you my bed space, over by the stove, and the holes we cut in the floor to shelter from the gunfire," Gavin Browning told me.

"I spent all that time locked in here with a broken collarbone and a bad attack of asthma, but they wouldn't send their military doctor or even

give me the drugs sent by the hospital at Stanley.

"And when we got out we found our home looted and every room deliberately fouled. The Argentines come here over my dead body."

Distrust of Argentine protestations seems equally universal. "We just don't believe what they say. They can't be trusted," said Pat and Isobel Short, whose Blue Beach Farm overlooks the British military cemetery and the spot where the landing forces first hoisted the British flag at San Carlos.

"The Argentines promised us our lives wouldn't be changed," they said. "Yet within three days we were being forced to use their currency, drive on the opposite side of the road, and stop using English in our schools."

The recent attack by the Argentine navy on a Taiwanese trawler off the islands, for "fishing in Argentine waters," has reinforced the distrust. "They wouldn't even give the fishermen 10 minutes to radio for guidance," said Mrs Hazel Ford. "It shows they're still tarred with the same brush. They pick on people who can't defend themselves."

Antipathy to Argentina seems only to have hardened over the years. But much else has changed since last I visited the islands just after the liberation. In many ways the islanders' traditional way of life has re-established itself.

Both sides have triumphantly disproved the suggestion that the locals would be overwhelmed by a military population at least twice their number. Soldiers and civilians have co-existed in astonishingly harmony, and the troops are now moving out to the military complex around the new airport amidst expressions of mutual and genuine regret.

The troops will be far more comfortable in purpose-built barracks, instead of being cramped into Portakabins or floating "coastels" built up from shipping containers. But they are already missing the islanders' spontaneous warmth and friendliness.

For their part, the Falklanders are missing the opportunity to invite passing soldiers in for a cup of coffee or a hot meal. "The place is so quiet now," you are constantly told. "We even miss the reassuring

roar of the Phantoms taking off over Stanley Harbour."

But the islanders are indignant at terms like "Fortress Falklands," implying a sort of concentration camp in which all civilians live under armed guard. "For heaven's sake, these islands are almost the size of Wales." I was told out in the settlements. "We hardly see any soldiers now, more's the pity. We loved having them around."

While the former pace and tranquility of life in the islands are reasserting themselves—centred round the age-old cycle of lambing, gathering, shearing and the long winter nights—there have been significant alterations.

One of the most profound has been the improvement in communications. There are now three TriStar flights a week to and from Britain, carrying civil as well as military passengers and mail.

A satellite link allows telephone calls across the world, plus the opportunity for the farming settlements to listen to the BBC news or "The Archers" with less interference than one gets in London. Possibly even more revolutionary has been the arrival of video. No longer need Falklanders confess ignorance of Fawlty Towers or Dallas, when they can hire a video cassette from one of the shops in Stanley and watch.

Stanley now boasts a chip shop and an ice-cream parlour, and other amenities are in train. By the end of the year the capital's dairy herd should be re-established, so that townspeople can enjoy the fresh milk they have not tasted since the Argentines shot and ate their last cows.

The Falkland Islands Development Corporation was set up to help to administer the £31 million of British Government economic aid, and has already launched a number of projects with varying success. The Penguin Brewery, an independent project, floundered, and the first tourist hotel near the new airport is struggling to survive, but others are more promising.

A woollen mill set up on West Falkland has, for the first time, allowed the colony to exploit for itself the astounding qualities of its main product, and neither the mill nor local knitters can keep pace with the demand.

The hundreds of foreign trawlers and factory ships now flocking into the Falklands Protection Zone are seen as even more important than projects like tourism as the key to the

NCC

Borges the battler is dead at 86

by Brian Glanville

JORGE Luis Borges, one of the world's greatest writers in the Spanish language, died in Geneva last night, aged 86, barely a month after he married his secretary, 40 years his junior, and stirred up a furore in his native Argentina.

At a time when fiction had become so problematic an art, Borges made a series of remarkable flanking attacks on it. He was like some guerrilla general, rejoicing in a series of marvellous shifts and strategies. He used almost every conceivable adversity—physical, literary and political—in his own favour.



Jose Luis Borges: furore

He had a curious ambivalence towards violence. A deeply bookish, sedentary man, Borges seemed to fantasise about himself as a gaucho, and once wrote about the glory of dying from a knife thrust on some obscure suburban corner.

He hated Juan Peron and the vulgar deceptions of his florid regime. The Argentine dictator reciprocated his antipathy and once, half whimsically, sent him to run a chicken farm.

Borges adored the English language, and there were times when one visited him in his modest apartment in Buenos Aires that he seemed to regret he had not been born an Englishman. "I laughed myself awake," he once quoted to me from Sir Thomas Browne, adding: "You can't say that in Spanish. In fact, you can't say anything in Spanish!"

On those visits, one was asked to read to him, particularly from Kipling,

whose robust poetry he adored. Another of his great literary heroes was G K Chesterton; perhaps he found in him some reflection of his own capacity for antic invention.

Borges was an expert on many unexpected things, not least the tango, about which he wrote with enormous, percipient knowledge. He explained how it had started not in society tearooms, but in the brothels of Buenos Aires so that no respectable woman of that city would originally dance it. He invented fantastic animals. He was full of original and imaginative literary conceits.

His eyesight failed him long ago, and it was the much younger companion who devotedly read to him whom he would eventually marry.

One room in his flat was kept as a shrine to his beloved mother, unquestionably the most important woman in his long life. The young in Argentina had turned away from him during the military regime which followed the vicious civil war—a regime to which they felt he was too friendly, though the truth of it probably was that his chief concern was with peace.

That he was solipsistic was perhaps to be expected, given his age, his blindness, and his colossal reputation, though it never brought him the Nobel prize for literature awarded to so many lesser talents.

The romance of the immense open spaces of Argentina with their passionate, virile, violent men clearly enthralled him. When he visited London some years ago, expecting to be regarded as "just an old gaucho", he was touched and thrilled by the enormous interest shown in him by the young people who flocked to his many lectures.

In the last months of his life, it was rumoured that he would at long last leave Buenos Aires to settle with his young wife in Switzerland. Officially, and furiously, the Argentines denied it. Although he had so often been "agin the government", they had no desire to lose one of their last literary treasures.

NEC
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Obituary



Jorge Luis Borges

JORGE LUIS BORGES, the great South American writer, patriot, Anglophile and gentleman, who died yesterday in Geneva, was generally regarded as one of the most influential writers of his age, although like Graham Greene he was a perennial candidate for, but never won, the Nobel Prize for Literature.

His writing established itself as something of a cult. Terse, dense, teasing tales, his short stories quickly established themselves as classics of imaginative fiction.

He was also, however, a fervent campaigner for liberty and a leading opponent of the régime of Juan Perón in his native Argentina. Because of his courageous stance in the early 1950s, Perón had him thrown out of his job at the National Library and made him instead "a poultry inspector."

Although handicapped by creeping blindness, his vision of liberty and the power of the imagination was never clouded. In 1982 Borges bravely spoke out against the Buenos Aires junta's Falklands invasion.

Mario Vargas Llosa, the Peruvian novelist, said of him: "Every Latin American writer looks to Borges as their master." But the influence of his surreal short stories, constructed as elaborate intellectual puzzles, was equally great on English and European writers.

In April he married his long-time secretary and travelling companion, Maria Kodama, 41.

Borges, tireless weaver of dreams

JORGE Luis Borges, the great Argentine writer, died yesterday in Geneva aged 86. He was widely acknowledged as Latin America's greatest writer and had for many years been an annual but unsuccessful candidate for the Nobel Prize for literature.

Borges was the last person to put himself forward for such glory. He habitually dismissed most of his prolific output as second-rate.

Such disparagement of his own work was typical of his mischievous nature. He had gone gradually blind since his late thirties but his tiny, frail figure still radiated the liveliness

and irreverence of a much younger man.

Only last month he married Maria Kodama, his 41-year-old secretary and companion for the past 12 years, to the surprise and delight of his countrymen. It was his second marriage — he was first briefly married at 67 — but it could not be legally recognised in Argentina, which did not sanction divorce.

Borges was born in Buenos Aires in 1899, the only child of a cultured lawyer and teacher who spoke to him in English, which he then felt to be his real native tongue. From early childhood he immersed himself in the English classics, Norse

lurid imaginations led to comparisons with Poe and Kafka, whose work he translated into Spanish. Like Poe, he believed short stories had greater value than novels, which he once described as 'full of padding.' His first published book of stories was 'The Universal History of Infamy' (1935) and he went on to produce more than 30 books which won him many awards.

His anti-Nazi views did not find favour with many of his countrymen during the Second World War and he was a vociferous public opponent of Peron. He was for many years director of Argentina's national library, though demoted for a time to

chicken inspector by the vengeful dictator.

Borges was equally scornful of the military dictatorship which ruled Argentina in the 1970s. He memorably described the Falklands War as 'two bald men fighting over a comb' and saluted the return of democracy to his country in 1983 with the words: 'A miracle has occurred; now we are allowed to have hope.'

He was a relentless traveller until the end. Again, he dismissed his blindness, saying that he could 'feel' a country through its noises and smells as well as a man with perfect sight.

Robert Low

OBITUARY

sagas and the stories of gauchos from the pampas.

His many collections of short stories, poems and essays demonstrated his vivid, frequently surrealist imagination. 'I think of myself as being a weaver of dreams,' he once said.

He described his blindness as no handicap for a writer. 'It leaves the mind free and unhampered to explore the depths and heights of human imagination,' he said.

He was best known for his 'fictions' — short, fantastic stories. Their verbal ingenuity and

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Tories getting back on top, says Tebbit

By NICHOLAS COMFORT Political Staff

THE CONSERVATIVES are regaining the political initiative after a difficult winter both through the Government's presentation of its case and the division in the SDP/Liberal Alliance, Mr Tebbit, party chairman, said last night.

"This Government has lost neither energy, nor determination, nor vision," he told the East of England Industrial Council at Luton

Hoo, Bedfordshire. "Nor will we lose the next election."

Mr Tebbit stressed the determination of Mrs Thatcher and her team to continue with "radical thinking and radical action" in such fields as the abolition of domestic rates, increasing the pace of job creation and improving the National Health Service.

And he allowed himself a degree of praise in claiming that the Conservatives were recovering ground, recalling that when times were difficult "even my robust defence of the Government and my modest and softly-worded criticisms of our opponents were either condemned or ignored".

Main target

The party chairman allowed himself some jibes at Labour, arguing that had the party not been deprived of power in 1979, taxes would be prohibitively high, unilateral disarmament might have caused Nato to collapse and Argentina would have ruled the Falklands.

And with an eye on the next election, he urged Conservatives to look beyond Labour's "respray job" and neither to under-rate nor over-rate the threat it posed.

But his main target was the Alliance, which he said was being "re-assessed" after a period in which it could do no wrong.

He poured scorn on voters at Ryedale who, he said, had opted for a Liberal party whose policies ran against their own interests as home owners, farmers, retired soldiers and motorists.

"Now", added Mr Tebbit, "the dramatic split between the two leaders and the two parties of the Alliance on nuclear issues has broken the spell of credibility."

ARGENTINA HALTED

A 24-hour strike in protest at the first anniversary of Argentina's anti-inflation plan halted trains, buses, ships and aircraft yesterday.

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Ford, VW discuss S America link

BY TERRY DODSWORTH IN NEW YORK AND DAVID BROWN IN FRANKFURT

FORD and Volkswagen, two of the leading international motor manufacturers operating in South America, have opened talks on combining some production in Brazil and Argentina.

The two companies have more than 50 per cent of the Brazilian market for cars and trucks and about 20 per cent of the Argentine car market.

Ford announced the talks in a short statement from its headquarters in Dearborn, Michigan, yesterday. It said co-operation between the two companies "could involve better utilisation of existing facilities and resources." Both companies, the statement stressed, intended to maintain the image and identity of their trademarks.

In Wolfsburg, Volkswagen

said: "In view of the worldwide trend in the car industry, both partners are seeking ways to reduce production costs and thereby strengthen the competitive position of their subsidiaries both in domestic and export markets."

The talks come at a time of increasing collaboration in the world motor industry, as the big US companies in particular move to forge new alliances overseas and at home.

Ford has recently expressed dissatisfaction with its profitability in South Africa. Although it would not give financial details of its operations in Brazil and Argentina, its annual report for last year shows that its Latin American businesses generated total sales

revenue of \$3.1bn (£2bn) up from \$2.8bn in 1984, while losses amounted to \$57m against a loss of \$110m in the previous year. In 1983, it lost \$193m in Latin America.

Ford indicated yesterday that the talks with Volkswagen were aimed at cutting costs through manufacturing economies, although it would not say whether the companies were considering closures or capacity reductions.

The emphasis appears to be on possible collaboration in manufacturing, with the two companies looking for longer production runs and the application of new technology to generate economies of scale.

Ford said these techniques

could improve competitiveness, quality and costs in joint facilities.

Of the 638,000 cars sold in Brazil last year (up from 544,000 in 1984) Ford had a share of 20 per cent and Volkswagen almost 40 per cent, while in the truck market 21 per cent up on the year at 170,000 units, Ford's share amounted to 25 per cent while VW had almost 29 per cent.

In Argentina, Ford had about 15 per cent of the car market of 124,000 vehicles last year (down from 138,000 in 1984). In trucks, Ford has a commanding position in Argentina with a 54.3 per cent share of the 25,500 units sold last year (down from 31,000), while Volkswagen has 8 per cent.

Argentine strike halts industry

Labour unions staged a 24-hour general strike in Argentina yesterday to protest at government austerity measures and to urge a tougher stance with foreign creditors, AP reports.

The strike virtually halted industry and absenteeism was reported high in offices. However, commercial activity appeared normal in many areas of the capital.

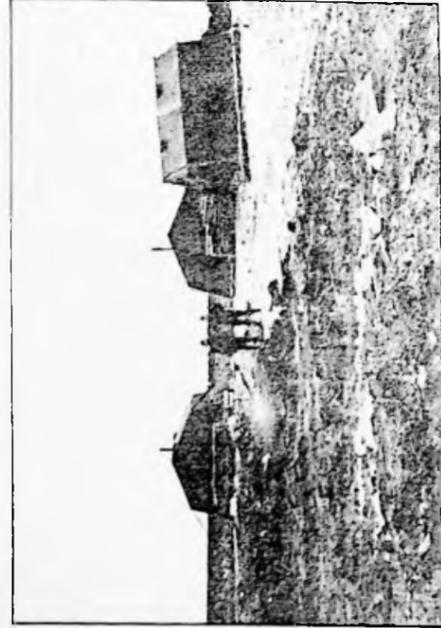
Police who reported scattered incidents of violence said industry was functioning at 10 per cent of normal and commerce at 30 per cent.

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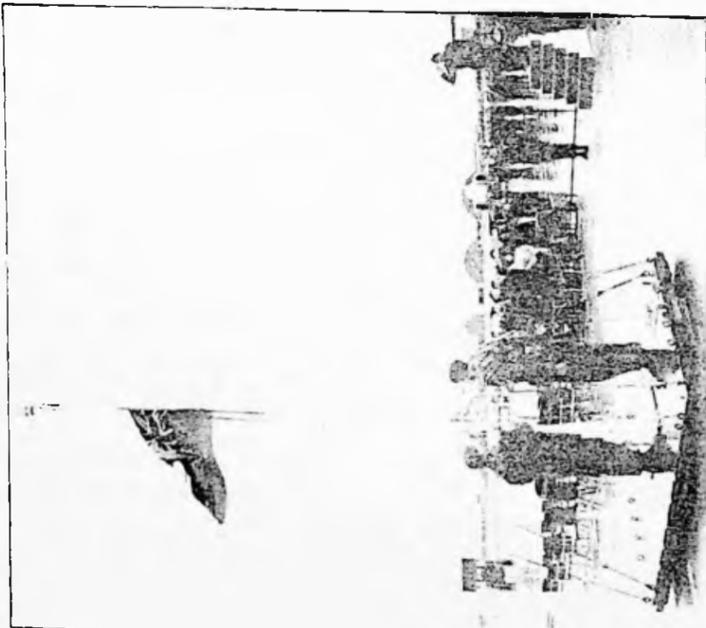
General strike

A 24-hour general strike on the first anniversary of Argentina's anti-inflation plan caused widespread disruption yesterday. The General Labour Confederation said at least 92 per cent of the workforce had stayed at home. — Reuter.

A 'PLEASANT' CHANGE



Upper: An aerial view of Kellys Garden (home of 1310 Flt Chinooks) on the last day before the exhibit in the same way that they supported Stanley the exhibit will be a fitting tribute to a unique station.



Lower: The Tristar hangar and Passenger Terminal lounge at RAF Mount Pleasant.

AS REPORTED earlier in RAF News, RAF Stanley formally closed on 31 April 1986, and to mark the occasion 106 men led by their Station Commander, Gp Capt Joe Sim, paraded for the final lowering of the RAF Ensign at the base.

The parade took place against a backdrop of Phantom, Hercules, Chinook, Sea King and Bristow's aircraft — the aircraft which had worked so hard to fulfil the tasks of RAF Stanley, and its outposts at Navy Point (Sea King) and Kelly's Garden (Chinooks).

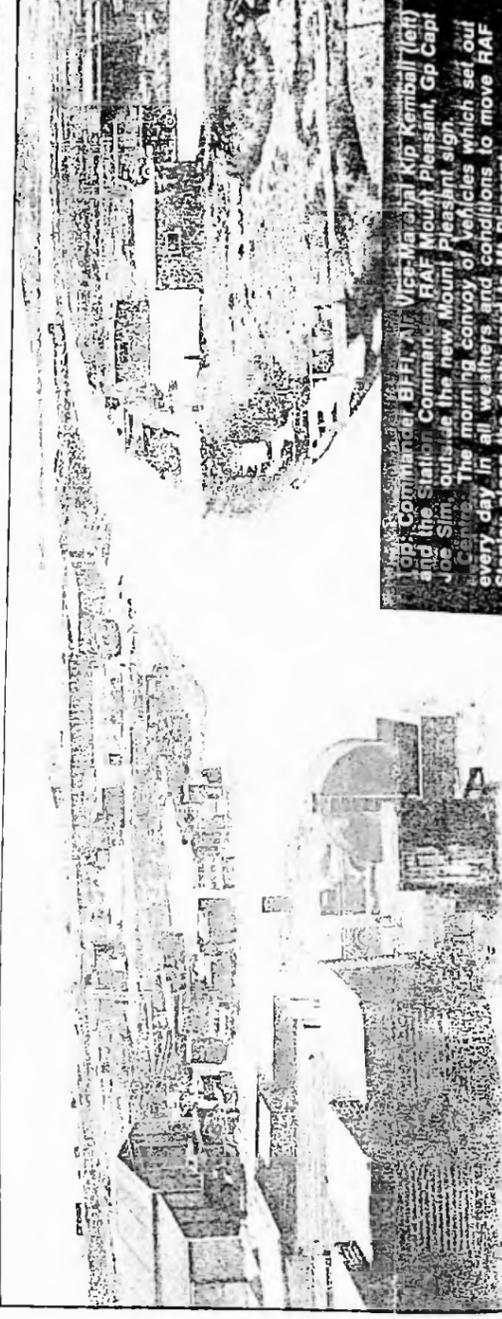
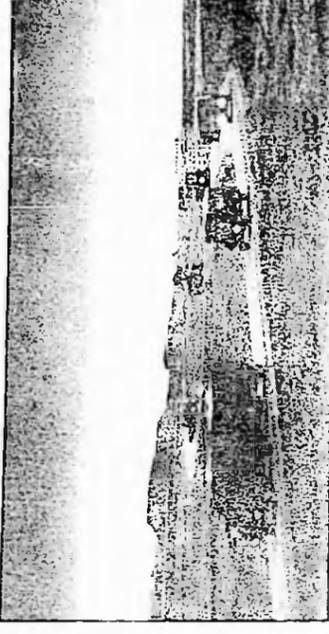
Prior to the lowering of the Ensign, Cpl Nigel White marched on Sgt Air Dog Jaeger, the official mascot of Stanley, to be ceremoniously disbanded. The Ensign was then lowered by FS Taft Bruton and Sgt Bob Prince, two Senior NCOs from 63 (Resident) Rapier Squadron, who had been present when the Ensign was first raised at Stanley on 15 July 1982. After the ceremony, as the parade marched past, a Sea King, Chinook and Bristow's helicopter flew overhead closely followed by a Hercules aircraft trailing its refuelling hose.

The early days of RAF Stanley are now well known — from the first Hercules airbridge landing on the short runway only days after the conflict (the first of some 896 airbridges to take place during the following four years) to the arrival of the Phantoms in October 82 on the new (and rapidly built) AM2 matting runway.

But it is the irrepressible spirit and humour of RAF Stanley and its outposts which prevailed often in the most trying conditions, which will be remembered by those who served there, from the early tented days to the comparative luxurious living of Coastals and Portakabins.

As Air Vice-Marshal Kip Kemball, Commander British Forces Falkland Island, said in his address as Reviewing Officer, the closure of RAF Stanley was "the end of a chapter in Service history," which marked four years of remarkable achievement and tri-service co-operation.

RAF Mount Pleasant formally opened as an operational unit the following day. The occasion was marked by a ceremonial parade held in the Tristar hangar and the same 106 men who had paraded for the lowering of the Ensign at RAF Stanley stood guard again as the new Ensign was raised for the first time at RAF Mount Pleasant.



Upper: Admin Alley. The tented accommodation of Admin Wing RAF Stanley, 1982.
Lower: The final lowering of the ensign at RAF Stanley on 30 April, 1986.

Top: Commander BFFI, Air Vice-Marshal Kip Kemball (left) and the Station Commander, RAF Mount Pleasant, Gp Capt Joe Sim, outside the new Mount Pleasant sign.
The morning convoy of vehicles which set out every day in all weathers and conditions to move RAF Stanley along the duty road to Mt Pleasant.
Above: A view of RAF Stanley (looking towards Surf Bay) just before closure.
Right: The picture was taken during the cross-on-the-right of the picture, which was taken at the station church — now to be preserved at the RAF Museum.

Did you serve at Stanley?

RAF Stanley holds a unique place in the history of the Royal Air Force. For a period of four years Stanley was the linchpin upon which the defence of the Falklands was based. Over 12,000 RAF servicemen and women served there on four month tours between June 82 and April 86. In order to provide a lasting testimony to the unique achievements of those men and women an RAF Stanley exhibit is being created to be displayed at the RAF Museum Hendon. The major items for the exhibit will come from RAF Stanley. However, the personal memorabilia that represents such an important part of Stanley can only come from those who have served at Stanley.

Would anyone who has any memorabilia large or small that they would be willing to donate or loan for the exhibit please write to the Project Officer, Sgt Ldr Roger Langdon at HQSTC, RAF High Wycombe. "Flazzed" items gratefully accepted. No questions asked! Your colour transparencies and colour and black and white prints also. If those who served at Stanley now support the museum exhibit in the same way that they supported Stanley the exhibit will be a fitting tribute to a unique station.

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Contemptible Thatcher

LABOUR MP Tam Dalyell may yet get his chance to deliver his swingeing attack on Margaret Thatcher from the floor of the House of Commons.

Tory business managers were forced to make a concession which may allow the debate on the prime minister's conduct during the Falklands, Westland and the US attack on Libya to take place the week after next.

A Tory backbench filibuster inspired by Thatcher last week prevented Dalyell from moving his private member's motion.

The filibuster - widely attacked by Labour MPs and seen by some Tories as another Thatcher own goal - was described by former Labour leader Michael Foot as "a night of squalor and disgrace".

It succeeded in wiping out the whole of Friday's commons business. Dalyell delivered his 90-minute speech in a commons committee room instead after a warning from the speaker of the house that would constitute a private meeting and that the speech would therefore not be covered by parliamentary privilege.

This week Dalyell claimed to have evidence of a Tory plan to have two Conservative MPs wearing white coats sitting either side of him if he had been able to deliver his speech.

Some Tory MPs were, however, severely critical of the filibuster tactic. Cambridgeshire wet Robert Rhodes-James described it as a "squalid shambles".

It was felt that attempting to silence Dalyell had given the issues more press coverage than if he had been allowed to make his commons speech.

The weight of Tory backbench pressure was added to Labour calls for the restoration of a day's private member's business, which was conceded by the government on Wednesday this week.

This does not give Dalyell an automatic opportunity to deliver the speech. There will be a rebalancing to decide which backbench

BY CHRIS McLAUGHLIN

MPs should mount debates on the given day.

Sunderland North Labour MP Bob Clay told a meeting of the PLP on Wednesday that there was a strong moral obligation on any Labour MP who topped the ballot to put forward Dalyell's motion.

In it Dalyell claimed Thatcher had not been candid with the commons or her own cabinet colleagues during the Falklands, the Westland affair and the US attack on Libya, he described her behaviour as that of a "contemptible human being".

He claimed that Thatcher and Leon Brittan, when he was trade secretary, had conspired to leak the solicitor general's letter to damage then defence secretary Michael Heseltine's position even before he wrote it.

"The solicitor general was lured by the prime minister, with the reluctant connivance of the trade secretary, into writing a letter which the prime minister intended to be leaked from the moment before it was suggested to the law officer," claimed Dalyell.

Solicitor general Patrick Mayhew had been "set up, used and abused and had for a sucker in a shameful way".

Dalyell paints a picture of a prime minister who was ready to deceive the commons and cabinet to cover her political back in the Falklands, was rumbled in her attempt to do the same over Westland and had reached the stage during the Libyan raid where she was prepared to "invent

any cock-and-bull story that suits her".

He argues that at one stage during the Westland affair the whole government was at risk, saved only by the angry silence of law officers.

They were on the verge of resignation, Dalyell says, but knew that to do so in the wake of the cabinet resignations of Heseltine and Brittan would have taken the Tory administration to the brink of collapse.

"... the whole government would have been at risk", claims Dalyell.

'If any of the rest of us were caught wasting police time we would soon be in the dock. Is there one set of rules for the prime minister and another for the rest of the British people.'

Anger among civil servants at the department of trade was rife in an atmosphere of open revolt.

The anger - which Dalyell describes as spilling over into the open at public functions with trade delegations from other countries - was over the way in which DTI officials had been made scapegoats of an organised plot orchestrated by Number 10.

"The doctrine that is now before us is that if a senior minister or prime minister find themselves in a jam of their own making, blame the civil servants," said Dalyell.

"The prime minister's image is one of courage. But blaming civil servants for one's own actions is not courage, but cowardice."

Dalyell said that "seedy incompetence" - for which Thatcher was guilty - was one thing. But she was also responsible for "a pack of lies".

"Authorising a leak inquiry

when the prime minister knows full well that she was responsible for the leak, that she instigated the very offence under investigation, is the action of a contemptible individual."

Dalyell points to the fact that Thatcher claimed in the commons for two weeks that the leak inquiry was under way, that the authority for the leak came from her.

"If any of the rest of us were caught wasting police time we would soon be in the dock. Is there one set of rules for the prime minister and another for the rest of the British people."

On the US Libya raid, Dalyell accuses Thatcher of giving the commons none of the real reasons for the raid - including inter-service rivalry among the Americans.

"A raid of this kind was deemed to have great value in the presentation to congress of the case for greater spending on the US navy and airforce.

"But it was not a reason given by our prime minister to our house."

The reason for allowing the British-based F111s to be used on the raid was Thatcher told the house, because they were more accurate.

That, said Dalyell, was simply not true.

The most important reason was the American wish to lie in Britain politically, as one European country seen to be supporting the US.

Dalyell repeated his allegations that throughout the tentative peace negotiations to prevent an armed conflict in the Falklands Thatcher was determined to ensure the military humiliation of the Argentines and that she had only a spurious commitment to the search for a solution through the intervention of Peru.

"What the house has now to decide is whether or not it deems that the prime minister by her actions has brought the public life of Britain into disrepute."

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Argentine's...
Strikers...
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...

Argentine's race allegation

An Argentine language teacher who claims he suffered "orchestrated hostility" from colleagues told an industrial tribunal in Southampton yesterday: "I am an Argentine, you are British. We are at war in everything."

The outburst came as Mr Julio Farrando cross-examined a member of staff from

Portsmouth Grammar School, where he claims he was insulted and discriminated against because of his "colour, nationality, culture and race".

Mr Farrando, of Titchfield, Hampshire, was a part-time Spanish teacher, his only pupil being a sixth-form girl.

He said that he was offered a plate of left-overs in the

canteen. But Mr Raymond Bratt, head of languages at the school, told the hearing that it was the first time he had heard the allegation.

Mr Denis Jenkinson said he had dealt with a pupil who had been rude to Mr Farrando, but he was dissatisfied with the punishment.

The hearing continues.

Argentina's economic medicine

Strikers turn down Alfonsín's cure

From a Correspondent, Buenos Aires

As Argentina's praised economic stabilization programme, the Austral Plan, completes its first year, workers and farmers are waging strikes against the Government's tax and incomes policies.

The first phase of the unorthodox plan — from June 14, 1985 to April 4 this year — curbed a runaway inflation rate of more than 30 per cent a month, using wage-price controls and monetary reforms, fiscal discipline and increased tax collection and public service charges.

The General Confederation of Workers (CGT) has called a 24-hour general strike for today in protest against "a year of smothering family economies". In a statement last week, the CGT claimed that the plan had depressed popular consumption and gave a warning of "social explosions" if it continued.

Two big farmers' organizations called their members out on strike on Monday and Tuesday this week, demanding the elimination of export taxes on agricultural products.

For the 2½-year-old Government of President Alfonsín, today's general strike, the sixth since the return to civilian rule, is only one of a series of battles with the union movement. Unable to reach an agreement on basic minimum wages, the Government decreed an increase of 8.5 per cent on May 7. This was rejected by the unions, which have since suspended the ne-

gotiations and refused to attend the annual International Labour Organization meeting now taking place in Geneva.

The CGT leader, Señor Saúl Ubaldini, said last week: "We workers broke with dictatorial regimes, but with democratic authorities we only suspend conversation". In spite of the conciliatory tone of that remark, wage agreements are unlikely in the near future.

At the root of the conflict are public sector wages, which have fallen considerably in the past year as the Government sought to rein in its fiscal deficit. Recent figures show that the deficit has fallen to 2.6 per cent of gross domestic product in the first quarter of 1986, down from 15.6 per cent for 1983.

The four largest unions in Argentina are made up of public administration employees, who will wield great influence in negotiations over the "normalization" of the CGT, which before the end of the year is to return to the operating procedures that prevailed before the military took over government.

Wage pressures are less strong in the private sector, where the combination of extra-official agreements and overtime have pushed salaries up by 15 to 20 per cent.

The increase in purchasing power has been strongly reflected in the rise in basic food purchases. Meat consumption is at an historic high of about 220lb per person per year, in spite of relatively high prices.

THE TIMES, Thursday 12 June 1986.

Islands claim

Buenos Aires — Argentina commemorated the day of their "affirmation of sovereignty" over the Falkland Islands with a Mass at the military chapel of Stella Maris, attended by the Ministers of Interior and Defence, a congressional delegation and high-ranking officers.

Falkland minefield clean-up abandoned

By Rodney Cowton
Defence Correspondent

Four years after the fighting in the Falkland Islands, the Ministry of Defence has for the time being abandoned its efforts to find a means of safely clearing the minefields laid during the conflict.

There are estimated to be about 13,500 mines in the Falklands, but the ministry's efforts have been concentrated on trying to find a means of detecting the 10 per cent or so of them which are almost entirely made of plastic and, therefore, undetectable by traditional means.

Last year hopes were raised that a system of transmitting a radar post into the ground would produce a method.

But Mr George Younger, Secretary of State for Defence, in a written answer, yesterday told the Commons that "despite considerable progress there would still be a long way to go in terms of time and money before a practical solution could be placed in the Army's hands which would be sufficiently reliable and suitable for use in peacetime. Funding of the present research programme will therefore cease."

It is thought that about £6 million to £7 million has been spent so far in the search for a solution.

Although the pulsed radar remains an encouraging possibility, it might cost another £20 million to fully develop it and produce enough equipment, spares and other back-up so that the minefields could be cleared in a 10-year programme.

Mine clearance was carried out for several months in 1982 and 1983.

● Academics at the Buenos Aires Strategic Studies Institute are to begin work with the War Studies Department of King's College, London, on a joint study of the conflict.

Priority for Falklands solution

A HIGH priority should be given to finding an equitable solution to the Falklands problem, thereby permitting significant further reductions in defence costs in the South Atlantic, the report says.

"The out-of-area commitment which cries out for major reduction is that of Fortress Falklands. There has been no formal declaration that hostilities are ended, even if there seems little short-term prospect of the islands being invaded again by Argentina.

Against this background the provisions made by the present British Government for defence of the islands, including the Mount Pleasant airfield, are largely irreducible.

"Although the further capital costs may not be very high, the strain placed upon the three services, particularly in the area of personnel, is large.

"According to the published figures the total programme costs attributable to the Falklands commitment, in the years 1982-94, comes to £4,650 million at 1983-84 prices.

"Much of this represents sunk costs (replacing war losses, capital investment in the islands) but the running costs of the garrison are put at £135 million a year at present and part of these at least would be saved if the commitment could be liquidated.

"Britain should give very high priority to diplomatic efforts to arrive at an equitable solution."

Joint war study

A joint study into the Falklands war is to be made by British and Argentine academics.

Miss Virginia Gamba, director of the Buenos Aires Strategic Studies Institute, will begin a year-long visit to Britain early in November to conduct the study in conjunction with the War Studies Department of King's College, London.

Prof Lawrence Freedman, head of the War Studies Department, said yesterday: "The main idea is to study the war from as many angles as possible. Miss Gamba will be able to give the Argentinian interpretation on many of the orders and different aspects of the conflict."

Fishing boat diplomacy round the Falklands

BY JIMMY BURNS IN LONDON AND TIM COONE IN BUENOS AIRES

JUST A few months ago fishing seemed to most officials concerned with the Falklands problem the one issue on which Britain and Argentina could find some substantive agreement. Now the subject has driven a wedge between the two nations, evoking ominous memories of the Falklands war in 1982.

The issue resurfaced with a vengeance at the end of last month when an Argentine coast guard vessel fired on a Taiwanese fishing boat inside territorial waters claimed by Argentina and just a few miles outside the military exclusion zone set up by the British around the islands.

The incident came as a result of Argentina's apparent resolve to protect its fishery resources against foreign depredation and to keep alive the sovereignty issue over the Falklands.

British officials have taken little comfort from the fact that the boat was not sunk and that no British war ship was close by, contrary to what early alarmist reports suggested. Instead they have expressed themselves "not encouraged" by the tone of an Argentine Foreign Ministry statement issued in response to an early protest from Whitehall. Far from excusing the incident, the Argentine Foreign Ministry justified it in terms of a legitimate self-defence against an intrusion into Argentine waters by the Taiwanese. The only guarantee that such incidents would not be repeated, it warned, would be the future respect of foreign boats for "Argentine laws and norms." The reasons why a government that has always emphasised its non-belligerence should now be adopting the kind of trigger-happy, get tough policy so beloved of the juntas are difficult to access.

Argentina, a signatory of the UN Law of the Sea Charter, believes it has an internationally recognised right to an exclusive economic zone up to 200 miles from its mainland. Britain is not a signatory of the charter. Moreover Argentina's economic zone overlaps with the military exclusion zone from which Argentine vessels are effectively barred. (Theoretically Argentine fishing boats are allowed into the area if they seek the permission from the British although this is regarded by Buenos Aires as an unacceptable recognition of a

territory it claims as its own.) Argentina feels it has a right also to a 200-mile zone around the Falklands as part of its sovereignty claim to the islands. "We have been insisting that the ring between the exclusive zone and the 200-mile limit around the Malvinas must also be patrolled (by Argentina), andis our understanding that it is what is now being done," says Mr Alfredo Pott, the president of the Argentine Trawler Association (Capeca).

Within Argentine government circles however a serious and potentially dangerous confusion exists as to what waters Argentina intends patrolling to protect its fisheries.

The Taiwanese trawler was machine-gunned outside the 200-mile limit off the Argentine mainland but within 200 miles of the Falklands.

According to the Argentine Foreign Ministry statement, the Government had abstained from exercising its legitimate right to police within the protection zone to avoid accentuating tensions with Britain—an apparent reference to a message sent earlier to Buenos Aires via the Swiss embassy urging the Alfonsín Administration to avoid military actions in the South Atlantic. However, the statement went on, "this does not imply a renunciation of (Argentina's) legitimate rights over the zone... or the obligations of a coastal state to conserve and administer the live resources of the sea."

The Taiwanese trawler was only the latest in a growing list of foreign boats operating in the South Atlantic which have been intercepted by Argentine patrol craft in recent months. Now fishing industry officials are hinting that action may increasingly be taken not only against foreign vessels operating within 200 miles of the mainland but also against refrigerated cargo boats which carry stocks fished inside the exclusion zone. Two days before the attack on the Taiwanese trawler, ambassadors from European, Asian and Comecon countries were informed by the Foreign Ministry in Buenos Aires that the Government had decided to strengthen specific measures of surveillance including the imposition of a minimum fine of \$250,000.

According to the Ministry this was a "consequence of the careful analysis regarding the

serious depredation that is increasingly taking place, due to indiscriminatory fishing on the part of foreign vessels."

The "careful analysis" is understood to refer to an as yet unpublished report on the problem of maritime resources

fisheries agreement in which several nations would be involved in the management and control of the area. As part of such an agreement the British would like to see a system of licences instituted, with the fees in part or whole going to the Falklands Islands.

The Argentines believe that such an arrangement implies British control and sovereignty. They seem to have elaborated the Inidep report simply as a means of restating their position before the UN.

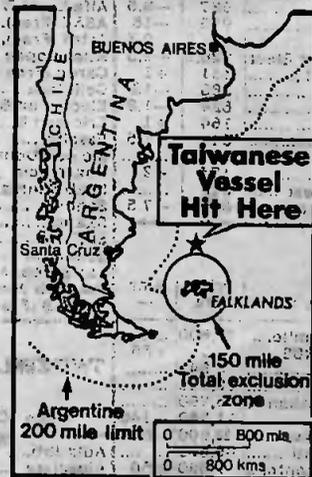
"Argentina is not going to sign a multilateral agreement. What we are prepared to do is make bilateral agreements with the various countries that are fishing in the South Atlantic," says Mr Adolfo Gass, the president of the Argentine Senate foreign affairs committee. Argentina is understood to be close to signing such an agreement with the Soviet Union. The terms of the agreement will be carefully elaborated to refer to controls of fishing species rather than zones, thus side-stepping the sovereignty issue.

The deal, which is expected to be followed by similar arrangements involving other Eastern European fleets operating both in Falklands waters and off the Argentine mainland may help preserve stocks, boost Argentine budget revenue, and even lead to a revival of the flagging Argentine fishing industry. But it is unlikely to contribute to peace in the South Atlantic.

Reports of such moves coupled with the apparent failure of recent voluntary restraint agreements signed between Britain and a limited number of countries in limiting fishing has placed Britain in a difficult predicament.

Britain continues to resist imposing its own territorial zone of 150 miles or 200 miles for fear of asking a confrontation with Argentina and of obliging a costly defence effort for the islands.

But for Britain to stand back and do nothing now that the multilateral effort appears to have hit a brick wall could risk being interpreted in Buenos Aires as proof that Whitehall really has no interest in the heart of the matter: sovereignty. To a growing number of Falkland watchers, the fishing problem has a worrying element of *deja vu*.



in the South Atlantic prepared by Argentina's National Institute of Maritime Investigation and Development (Inidep).

By emphasising the depredation of stocks in South Atlantic waters as a result of a lack of adequate regulation, Inidep finds common ground with a study prepared in December for the Foreign Office by Imperial College's Centre for Environmental Technology. Where the Argentines differ with the British is in increasing the number of species analysed to include joint stocks which inhabit both Falklands waters and the Patagonian Shelf off the Argentine mainland.

By extending the scope and scale of its analysis to include a reference to the potential of the Argentine fishing fleet and the effectiveness of Argentine regulation prior to the Falklands war, Inidep implicitly reaffirms Argentina's claims to the Falklands and its surrounding sea, and the country's readiness to exercise effective policing over the entire area.

Both reports were initially prepared as part of a joint decision to collaborate with the United Nations Food and Agriculture Organisation's feasibility study on fisheries in the South Atlantic.

The FAO initiative is regarded by the British as a first step towards the eventual setting up of a multinational

Government climbs down in filibuster row

BY OUR POLITICAL CORRESPONDENT

IN A surprise climbdown, which immediately brought cries of victory from the Opposition benches, the Government indicated that it would make a concession to end the escalating row over its tactics last week to prevent a Commons attack on Mrs Thatcher's conduct.

Conservative Party business managers, under threat of continuing disruption to House of Commons business, now appear ready to provide additional debating time for private members' motions in order to compensate for the time lost by last week's tactical manoeuvres.

Last Thursday night, Tory backbenchers organised an all-night filibuster on procedural motions relating to the Channel Tunnel Bill in order to eliminate

Friday's business in the Commons. The day was to have been devoted to a debate on a private member's motion from Mr Tam Dalyell (Lab, Linlithgow) condemning the behaviour of the Prime Minister in relation to the Westland affair, the Falklands conflict, and the US attack on Libya. Mr Dalyell made his speech at a press conference.

The move, which was condemned by some Conservatives for drawing attention to a debate they claimed would otherwise have raised little interest, also provoked anger among Opposition MPs.

Conservative Party managers have since emphasised, however, that they regarded the proposed debate as an abuse of private

members' time, constituting a motion of censure.

On Monday night, Labour MPs took their revenge and prolonged until 3 am the debate on the National Health Service (Amendment) Bill, forcing 100 Conservative MPs to remain in case they were needed to force an eventual vote on the closure of business.

In the Commons yesterday, an unrepentant Mrs Thatcher had just defended the tactics used by her supporters and cited two occasions when Labour MPs resorted to a similar ploy, when Mr John Biffen the leader of the House, indicated that the Government was preparing to make a concession.

He said he hoped to make

a "positive response" tomorrow to Labour demands for additional parliamentary time to compensate for Friday's loss of business.

Mr Biffen also confirmed that procedural motions, the House is required to approve in order to clear the way for new clauses to be added to the Finance Bill, and which Labour MPs had been threatening to use as the vehicle for a counter-filibuster, would not be included on the Commons agenda until tomorrow.

The Government concession means that there will have to be a new ballot for private members wishing to take advantage of the extra time likely to be allotted to them.

Argentine farmers strike over plan for land tax

BY TIM COONE IN BUENOS AIRES

ARGENTINA'S farmers began a three-day strike yesterday, to protest at the Government's plans to introduce a land tax.

The farmers are suspending delivery of grains, meat and other produce to wholesale markets, slaughterhouses, and food-processing plants. Food shortages are expected in all the main retail food markets and shops by midweek.

This will, in turn, provoke price rises which will push up the monthly inflation rate figures, and undermine government efforts to keep the annual inflation rate to under 28 per cent this year.

The land tax is being proposed as an alternative to levying taxes on grain exports,

which the farmers argue are depressing production and making Argentinian grains uncompetitive in the international market.

Argentina depends for approximately 20 per cent of its tax revenue from the grain export taxes.

The farmers, however, argue that a land tax would be an intolerable burden on top of existing capital and property taxes.

The Government faces further labour problems later this week. A nationwide stoppage has been called by the opposition-controlled trade unions, in protest at the Government's economic stabilisation programme, the Austral plan.

N.C.

FALKLANDS

Navy to get new radar

ROYAL Naval ships are to be re-equipped with new radar systems in the aftermath of the sinking of HMS Sheffield after being hit by an Exocet missile during the Falklands war, the Armed Forces Minister, Mr John Stanley, indicated yesterday.

Mr Stanley was replying to Commons written questions from the Shadow Defence Secretary, Mr Denzil Davies, on improvements to navy radar equipment following the sinking of HMS Sheffield with the loss of 20 lives.

Mr Stanley replied: "The difficulties encountered during the Falklands conflict in dealing with the threat of air attack are being remedied by improvements to ship-borne surveillance, air warning, and tracker radar systems."

Since lack of airborne early warning was one of the task force's greatest handicaps during the campaign, each operational carrier now carries a flight of Sea King early warning helicopters, the minister added.

Controversy has surrounded the loss of the Sheffield which was sunk by an Argentinian Exocet after interference from the ship's satellite communications equipment prevented detection of an incoming air attack.

Quizzed by Mr Davies on communications procedures for ships in war zones, Mr Stanley said yesterday: "A number of improvements have been, and are being, made in equipment and operating practices."

Mr Stanley said the attack on the Sheffield was the first experience of an airborne Exocet raid. "The aircraft's tactics, in particular flying in very low under radar cover, thus giving only fleeting opportunities for detection, were not fully appreciated by all the ships concerned," he said.

With surveillance radar failing to make initial contact with the incoming aircraft and interference to the vessel's electronic support measures, equipment from the satellite transmitter then in use, the Sheffield did not pick up the warning signals.

"By the time she appreciated the threat it was too late to respond," said the minister.

NC

Latin America to resist US move on IADB rules

BY PETER MONTAGNON IN BASLE

LATIN AMERICAN countries are determined to resist pressure from the US for a change in voting rules that would allow it effectively to veto new loan proposals by the Inter-American Development Bank.

The US is seeking to increase the majority required for the approval of individual loan proposals from 50 per cent of the IADB's shareholders to 65 per cent. This would be in return for support for a \$19.9bn capital increase that would allow the IADB to increase its lending under the so-called Baker plan for easing the debt crisis.

Latin American central bankers attending the bank for international settlements annual meeting in Basle say such a change would have no chance of being ratified by the region's parliaments. The US has a 34.5 per cent voting share on the board of the IADB and could block loans with the support of just one other member.

As a result the role that the IADB will play in implementing the Baker plan still remains to

be defined. Only with a substantial increase in capital will it be able to meet its targeted 50 per cent increase in lending to some \$5bn a year.

One fear is that failure to agree a new capital increase would leave the Inter-American Bank unable to make new loans to the four largest debtors in Latin America — Argentina, Brazil, Mexico and Venezuela — reducing it to the minor role of helping only the poorer countries of the region.

Since the Inter-American Bank's annual meeting in San Jose, Costa Rica, last March, the US has refused to modify its conditions for a capital increase.

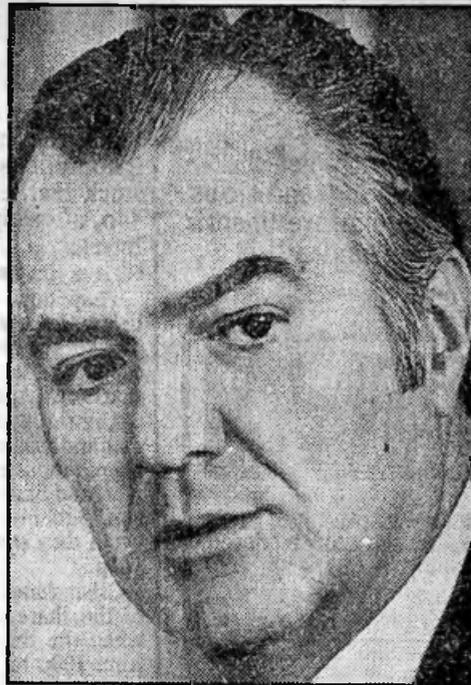
This also includes a tightening of economic policy conditions applied to its loans so that it can embark on more sectoral programme lending rather than financing specific projects.

Further attempts to resolve the problem will be made at a meeting of the governors' committee in Paris in mid-July.

N.C.

Mexico's World Cup debt moratorium

by ROBERT DEL QUIARO in London and SUE BRANFORD in Sao Paulo



De la Madrid : Visibly shaken

AN ANNOUNCEMENT that Mexico is declaring a moratorium on its foreign debt payments is expected to be made immediately after the World Cup ends on 29 June—at the latest.

During the past two weeks, Mexican officials have contacted Brazil and Argentina, the other two major Latin American debtor nations, to sound out the respective governments over the possibility of agreeing a mutual moratorium.

Mexico urgently requires new hard currency loans this year, following the collapse in the price of oil—its main export commodity—and the need to repair the damage wrought by last year's earthquake.

Overseas banks are inevitably reluctant to advance funds to add to Mexico's existing \$96 billion debt. To force their hands, the Mexican Government is planning a 30-day moratorium accompanied by the threat that, if the banks do not make significant concessions, the moratorium will be extended.

If the banks do not cooperate the Mexican Government is considering the following action:

- Refusal to pay interest on its debt above a certain rate (probably 5 or 6 per cent).
- Limiting the annual servicing of its debt to a percentage of the country's export revenue.

Mexican officials are discussing a servicing limit of 25 per cent of export revenue. This would halve the amount currently paid to foreign creditors.

Such measures are expected to be accompanied by a scheme to tackle Mexico's inflation and public debt. The latter costs

\$12 billion to service, more than the foreign debt service burden, which stands at \$10 billion.

The Mexican Government has adopted a hard line position, because senior officials at the Central Bank are advising Mexican Government ministers that something has to give if the country is to retain sufficient hard currency from its export trade to pay for this year's essential imports of food and capital equipment.

The Mexican Government's room for political manoeuvre is tight. Indications are that the moratorium might be declared while attention is focussed on the World Cup. Any such declaration would have to come before key state elections are held on 6 July. The Government desperately needs a gesture against foreign creditors to win votes.

President Miguel de la Madrid was visibly shaken last week when his speech to declare the World Cup open

was drowned by boos and whistles in Mexico City's Azteca stadium. He is regarded at home as far too accommodating to 'gringo' bankers.

The creditor banks acknowledge the oil price blow to Mexico's economy, but are resisting pressure to make further advances; not least because they regard the Mexican state oil monopoly, Pemex, as inefficient and over-staffed. Many observers also believe that much of the aid which poured into Mexico after the earthquake was syphoned off.

Commercial banks are now more concerned with the efforts of James Baker, the US Treasury Secretary, to raise new funds for strengthening third world economies.

Last weekend President José Sarney of Brazil, and his advisers, considered Mexico's moratorium initiative. The consensus was that Brazil, the largest Third World debtor with liabilities of \$104 billion, should not join in.

N.C.
NK

Army helps flood island

A company of the Parachute Regiment has been put at the disposal of Jamaica to help in rescue and clear-up operations after floods caused by several weeks of torrential rain, the Ministry of Defence announced last night.

Helicopters and relief supplies will be sent within the next few days.

The 110 men from the second battalion of the Parachute Regiment, the famous "Two Para" of the Falklands

War, have been on an exchange exercise in Jamaica and will stay on for an indefinite period to help with disaster relief.

The British Government is also sending a Hercules aircraft, which will arrive today, and the Royal Navy frigate HMS Ariadne, which arrives on Sunday, the ministry said.

The Government is considering what further assistance can be provided to Jamaica over the next few days.

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N.C.
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From Lieutenant-Colonel A. R. Wythe

Sir. Your leader of May 31 calls upon the Royal Navy to reexamine the options for its fleet of surface escorts in the matter of hull design. Should it not first examine the viability of the surface capital warship?

After the Falklands war the Atlantic Committee said:

Ships are more vulnerable even than aircraft to the electronic revolution. They are larger targets; their speed has not advanced comparably with aircraft; and they do not look likely to benefit so much as airborne platforms from the new means of evasiveness, such as "Stealth" and ECMS[electronic counter-measures].

Techniques in signature reduction, such as changing the vessel's profile, can equally be applied to the incoming missile. The detection, identification and tracking of surface vessels has become a relatively simple task, and even well-defended ships are vulnerable to a growing range of target-locating and terminally intelligent sea-skimming missiles.

Our naval effort at the Falklands was almost destroyed by a small air force using guided missiles, operating so much at the limit of its range as to only permit engagement for minutes at a time. Had not some missiles failed to explode after impact, and a freighter been sunk in mistake for a carrier, we could have faced defeat.

We must accept the fact that a warship, or any other ship, can be destroyed at ranges of hundreds of miles by missiles launched from submarine, aircraft, "soft" ship or land. The time of the hugely expensive surface capital warship, packed with instantly out of date technology, taking years to build and man and defenceless in war, is past.

This is not to say that the fighting ship is no longer required, just that a beautiful dinosaur is just that.

Yours faithfully,
A. R. WYTHER,
5 Hurrell's Row,
Harston, Cambridge.
May 31.

N.C.

End this new Corn Law folly

by Richard Body

As Europe and the US are poised to fight a trade war over surplus wheat, we in Britain are celebrating the victory over the Corn Laws 140 years ago. Free trade, for Cobden and Bright, was not an end in itself, but a means to peace between nations. Allow the people of one country to buy as much as they like from those of another, and the likelihood of them wanting to fight each other vanishes. The same idea was behind the creation of the European Community.

Sadly the child of Europe's founding fathers has gone astray. The mischief of the Common Agricultural Policy is twofold, and both are a repetition of what the Corn Laws did. By cutting off the trade with Russia, whose people's prosperity depended largely on the export of grain, the Corn Laws led eventually to the Crimean War.

It is arguable that when we, in accordance with the rules of the CAP, ceased to buy beef and wheat from Argentina, having been her largest customer for a century, she believed she had nothing to lose by invading the Falklands. True, no shots have been fired by Canadians, Australians or New Zealanders, but as their farmers go to the wall, the bonds between us weaken.

A third of Australia's dairy farmers, according to her former prime minister, have gone out of business as a direct result of the CAP. Her sugar growers, probably the most efficient in the world,

have been forced to accept a price (about £85 a metric tonne) below their cost of production (£140). How could it be otherwise when the EEC dumps on to the world market one fifth of the world's supply with export subsidies of about £200 a tonne?

The plight of New Zealand farmers is perhaps even worse. They receive no subsidies because, as the lowest cost producers of lamb and dairy products in the world, they should not need them. But they are plunging into debt, and once prosperous holdings that used to afford a good livelihood for several families are being abandoned as no longer economic.

It is bad enough, Australia and New Zealand say, that the British people should no longer be allowed to buy their low cost food; now they are finding it impossible to hold on to other markets as the EEC dumps its subsidized surpluses.

The damage to the world's low cost food producers is visible: efficient farmers bankrupt, their land abandoned, their stock sold at knock-down prices. What is invisible is the effect of protectionism on our own prosperity.

Most of the cost of EEC dumping is paid for out of our contribution to VAT, while the basic protection afforded to

our high cost producers, is provided by import duties and levies, set at a height to exclude low cost food from our market. It is now common ground that the ordinary family pays an extra £7 a week for food as a result of the CAP — effectively a tax of between 5-10 per cent on the income of our poorest families.

When we spend an extra £7 a week on food, we must clearly forgo something else we would like to buy — usually the product of our manufacturing industry; £7 a week for the average household may not sound much, but multiplied by all the years we have tolerated the CAP, it represents a diversion of many billions of pounds of purchasing power. It seems one obvious explanation, though not the only one, why so many British companies have disappeared and perhaps a million jobs lost.

Cobden and Bright argued that once the Corn Laws were gone, millions of people would have more money to spend and that their purchasing power would be like an engine generating new wealth, eventually benefiting everyone, even those who believed they gained from the Corn Laws.

Today, 140 years on, it is futile for politicians to wring their hands over the decline of our industries. Let them learn from history.

Sir Richard Body is Conservative MP for Holland with Boston. This article is extracted from a speech at a rally last night organized by the Manchester Society.

Dalyell filibuster splits Tory ranks

By Sheila Gunn, Political Staff

Conservative backbenchers yesterday succeeded in stopping Mr Tam Dalyell, Labour MP for Linlithgow, from staging a strong personal attack on Mrs Thatcher in the Commons. However, the filibuster tactics succeeded also in causing an important rift within the ranks of the Government's supporters.

After the all-night sitting that stymied Mr Dalyell, the MP delivered his 90-minute prepared speech to journalists and political colleagues in Committee Room 10 at the House, accusing the Prime Minister of "cowardice", and using words such as "contemptible" to describe her for criticizing Civil Servants over the Westland affair. He also attacked severely her behaviour over the American raids on Libya and during the Falklands crisis.

Mrs Thatcher is said to have "no feelings at all" about the contents of the speech, nor to be concerned that Mr Dalyell was making accusations without the protection of parliamentary privilege. There is no

question of her suing him. Mr Dalyell was due to make his speech in the Commons yesterday morning, but a group of Conservative MPs debated the procedures for examining the Channel Tunnel Bill all night and effectively "talked out" his debate.

MPs of all parties had no doubts that the filibuster was mounted by the Whips to prevent Mr Dalyell from speaking.

A senior backbencher, Mr Robert Rhodes James, MP for Cambridge, described the tactics as "unworthy".

He added: "I have yet to meet a Tory MP this morning who is not absolutely enraged at the folly of it all. Had Mr Dalyell been allowed to make a two-hour speech to a nearly empty chamber no-one would have taken a blind bit of notice of it."

At 9.35am Mr Dalyell marched out of the Commons and staged his own mock debate. He centred the attack on his claim that Mrs Thatcher had arranged for Sir Patrick

Continued on page 2, col 1

Tories split on Dalyell filibuster

Continued from page 1

Mayhew, the Solicitor General, to write a warning letter to Mr Michael Heseltine, the former Defence Secretary, and then had asked for it to be leaked to the press.

"The agreement to leak had been taken between the Prime Minister and an uneasy Mr Leon Brittan (then Trade and Industry Secretary) who had demurred, but was eager to please the Prime Minister, before ever inducing the Solicitor General (Sir Patrick Mayhew) to write a letter to the Defence Secretary (Mr Michael Heseltine)."

He added that Sir Patrick had been "set-up, used and abused".

"When factors of political expediency transcend those centuries-old standards it should come as no surprise to all of us here if the law, if justice as we practise it, if public morality, fall into general disrepute.

"If we, as representatives of the people are seen to be cutting corners, covering up the truth, flouting the traditions achieved and cherished by our forebears, we can have no right to complain if our fellow citizens beyond the precincts of this Palace of Westminster begin to do the same."

Mr Nigel Spearing, Labour MP for Newham South, said the clear wish to prevent the

debate taking place in the Commons was "a contempt of Parliament" and of the democratic rights of the people.

During the all-night sitting MPs gave a second reading to the Channel Tunnel Bill by 309 votes to 44 - a government majority of 265. Most Labour MPs abstained. Seven Conservatives voted against the £3 billion project: Mr Jonathan Aitken (Thanet South); Mr Peter Rees (Dover); Mr Patrick Cormack (South Staffordshire); Mr Edward Taylor (Southend East); Sir John Farr (Harborough); Mr Roger Gale (Thanet North); and Mr Roger Moore (Faversham).

Parliament, page 4

N.C.

Dalyell attacks PM's

By Alan Travis
THE Prime Minister has now reached the stage when she will invent any cock-and-bull story that suits her, Mr Tam Dalyell, Labour MP for Linlithgow, alleged when he finally delivered his suppressed Commons speech in a committee room at Westminster yesterday.

His 90-minute speech, delivered to journalists and a few fellow Labour MPs, centred on "three crunch issues" — the Falklands, the Westland affair, and the bombing of Libya — where Mrs Thatcher had not been candid with the Commons or even her own ministerial colleagues.

He described Mrs Thatcher's behaviour in the Westland affair, which led to the resignation of two Cabinet ministers, as that of a "contemptible human being."

He made a new allegation accusing the Prime Minister

and Mr Leon Brittan, then Trade and Industry Secretary, of having decided to leak the infamous letter from the Solicitor-General accusing Mr Michael Heseltine, then Defence Secretary, of material inaccuracies before they had even asked him to write it.

"The Solicitor-General was lured by the Prime Minister, with the reluctant connivance of the Trade Secretary, into writing a letter which the Prime Minister intended to be leaked from the moment before it was suggested to the law officer."

Mr Dalyell said Sir Patrick Mayhew, the Solicitor-General, had been "set up, used and abused and been had for a sucker in a shameful way." The law officers, despite being on the verge of resignation, remained silent in the knowledge that if they had gone the "whole Gov-

ernment would have been at risk."

For his evidence Mr Dalyell rested extensively on newspaper reports, Commons debates and the book by journalists David Leigh and Magnus Linklater, *Not with Honour*. However, he said his claim that the Prime Minister and Mr Brittan had agreed to the leak before the Solicitor-General had written the letter came recently from a participant at a dinner in London for the Turkish Minister of Technology at Lancaster House on January 30 during the height of the affair.

"In anger, officials of the Department of Trade and Industry, in a position to know, raged about the behaviour of politicians for all at the dinner who cared to listen. They were seething and angry at the fact that the blame for leaking the Solicitor-General's letter had been

'cock-and-bull stories'

put on them and their colleagues at the DTI.

"The doctrine that is now before us is that if a senior minister or Prime Minister find themselves in a jam of their own making, blame the civil servants. The Prime Minister's image is one of courage, but blaming civil servants for one's own actions is not courage but cowardice."

Mr Dalyell said Mrs Thatcher stayed silent while civil servants faced a leak inquiry. "Authorising a police inquiry when the Prime Minister knows full well that she was responsible for the leak, that she instigated the very offence under investigation, is the action of a contemptible human being." Her statement that her officials approved the leak without her knowledge was nauseating.

"In her tantrums, mad with anger against her erst-

while Defence Secretary, she and Bernard Ingham [her chief press officer] with the eventual acquiescence but against the better judgment of her Trade Secretary, hit on the idea of putting Mr Heseltine wrong in law and making him look foolish." She was guilty of cynical and underhand behaviour.

Mr Dalyell turned to the decision by Mrs Thatcher to allow the Americans to use British bases to launch the F-111 strike against Libya. She had been told by the Americans that the F-111s in Britain were necessary because they were more precise than the US carrier-based A-9 aircraft and would minimise civilian damages.

American specialist magazines, including *Aviation Week*, had shown this was simply not true, said Mr Dalyell, adding that both types of aircraft use the

Tram weapons system. The real reason was to "tie in Britain as one European country seen to be supporting the United States. Again, this was not a reason the PM offered to the Commons.

"The Prime Minister has got to the stage where she will invent any cock-and-bull story that suits her,"

Mr Dalyell also detailed further allegations that Mrs Thatcher had misled the Commons during the Falklands War when she had received first indications of the Peruvian peace proposals and the decision to sink the Argentine warship, the *Belgrano*.

Before the filibuster which drove Mr Dalyell's speech off the floor of the Commons, the Speaker had ruled that delivering a speech in a committee room at Westminster would constitute a private meeting and not attract parliamentary privilege.

Filibuster to beat Dalyell angers Tories

Continued from page one

participation in the filibuster.

Mr Neil Kinnock, the Labour leader, said: "It must be the first time in history that a Government with a majority of more than 140 have spent so much energy practising to be an Opposition."

Mr Dalyell delivered his speech to an audience of journalists and a few Labour colleagues who had participated in the Foreign Affairs Committee investigation into the Belgrano affair. He delivered his speech without the benefit of parliamentary privilege and he said he was saddened by the filibuster.

"I would have preferred to have made the speech in the chamber where Conservative MPs could have challenged me and where Sir Michael Havers, the Solicitor General, could have been present.

Mr Ian Mikardo, Labour MP for Bow and Poplar, who was beside Mr Dalyell throughout, said the organised conspiracy to destroy the debate had shown that the government whips' office under the Thatcher regime, had "become a branch of Mr Bernard Ingham's dirty tricks department in No 10 Downing Street."

Downing Street sources tried to play down the whole affair, saying that outside the hot house of Westminster, nobody was terribly interested.

Mrs Thatcher was said to have "no feelings at all" about the contents of Mr Dalyell's speech and there was no question of considering any legal action

The filibuster started at 10pm on Thursday after the Commons had dispensed with the second reading of the Channel Tunnel Bill and MPs moved on to discuss a procedural motion to set up a select committee to scrutinise the tunnel project.

About 20 Conservative MPs and the Liberal MP Simon Hughes, took part in the filibuster, which included a 5½-hour debate on whether there should be nine or 11 MPs on the committee.

They kept the debate going until 9.30 am yesterday, when Mr Dalyell was supposed to start the day's business with his private members' motion debate on the conduct of the Prime Minister.

After protests from Labour MPs the Speaker, Mr Bernard Weatherill, made clear his distaste for what had happened. "It is perfectly true that an MP who has won a place in the ballot for private motions has a right to put his motion and it was in order."

But he added that the filibuster had also been in order

Premier's "cock-and-bull stories," page 2.

N.C.

Filibuster angers Tory MPs

By Alan Travis

THE Government chief whip, Mr John Wakeham, yesterday suffered a blow to his prestige as the government's attempt to muzzle Mr Tam Dalyell, Labour MP for Linlithgow, rebounded with some Conservative MPs condemning it as a calculated cheat and a squalid shambles.

The Prime Minister was consulted and approved of all the all-night filibuster which sabotaged Mr Dalyell's debate on the conduct of Mrs Thatcher and led to the loss of yesterday's Commons business.

The Government took the motion as a vote of confidence in the Prime Minister, and despite warnings from the Conservative backbench 1922 Committee, applied a three-line whip and a filibuster. It ended up, though, with a major blow to Tory Party morale.

When Mr Dalyell delivered his 90-minute speech in an upstairs Westminster committee room he accused Mrs Thatcher of telling "a pack of lies" over the Westland affair, the US raid on Libya and the Falklands.

Mr Robert Rhodes James, the Conservative MP for Cambridge, said yesterday: "This was a squalid shambles and a disgrace to the Government and to the Conservative Party. Someone must explain this deliberate, calculated cheating. I gather there are moves to call the chief whip to appear before the 1922 to do some explaining."

He could not understand how those Conservative MPs who had vigorously defended freedom of speech in the universities could explain to their constituents their par-

Turn to back page, col 6

Tory filibuster backfires and fails to silence Dalyell

THE GOVERNMENT was facing awkward questions from Conservative backbenchers yesterday after an attempt to block a Commons attack on the Prime Minister turned into a publicity coup for the Opposition, writes Kevin Brown.

The Government Whips organised a filibuster on procedural motions relating to the Channel Tunnel Bill which kept the Commons in session from 2.30 pm on Thursday until 9.47 am yesterday, wiping out the day's business.

The intention was to prevent debate on a motion tabled by Mr Tam Dalyell, the Labour MP for Linlithgow, which questioned the integrity of Mrs

Margaret Thatcher on the Falklands conflict, Libya, and the Westland affair.

The filibuster was approved in advance by Mrs Thatcher who was said to believe it was unfair to keep Conservative MPs in the Commons all day on Friday to vote down what was essentially a censure motion.

Mr Dalyell, outflanked the Government, however, by booking a Commons committee room, where he delivered his 64-page indictment of the Prime Minister in a 95-minute speech to an audience of Labour sympathisers, journalists and radio microphones.

He said the Prime Minister

was a "contemptible human being" who had told "a pack of lies" about the Westland affair, and "lured" a law officer into a plot to discredit Mr Michael Heseltine, the former Defence Secretary.

Many Tory MPs were outraged both by the added publicity gained by Mr Dalyell, and by the use of the Whips' office to prevent discussion of a private member's motion.

A senior backbench MP, Mr Kenneth Warren (Hastings and Rye) said he had written to Mr Cranley Onslow, chairman of the 1922 Committee of Conservative backbenchers, demanding an explanation.

Mr Robert Rhodes James, MP

for Cambridge, said every Tory MP he had spoken to was "absolutely outraged at the folly of it all," and Mr Anthony Nelson (Chichester) accused the Whips of setting a bad precedent.

The anger of many backbenchers was underlined by scores who ignored the three line whip for the Channel Tunnel debate during Thursday night and went home.

Mr Dalyell said he was "saddened" by the filibuster, which meant that no Government minister was required to answer his charges on the record.

Other Labour MPs accused the Government of insulting parliament. Mr Ian Mikardo, the

veteran Labour MP for Bow and Poplar, said voters would conclude that the debate had been blocked because the Prime Minister had something to hide. The Government Whips' office under Mrs Thatcher's regime had become a branch of the "dirty tricks department" operated by Mr Bernard Ingham, the Prime Minister's press secretary, he said.

Mr Nigel Spearing, the Labour MP for Newham South, said the Prime Minister was "afraid of freedom of speech and afraid of a free parliament."

Mr Neil Kinnock, the Labour

Continued on Back Page

Argentina

Power to the army

FROM OUR CORRESPONDENT IN BUENOS AIRES

President Raul Alfonsín's objective of remoulding Argentina's stubborn and incompetent military caste, has been set back once again. On June 5th he appointed his fourth defence minister, taking office 31 months ago. The first two died in office, of natural causes; the third, Mr German Lopez, resigned after only

three months in the job, pleading sickness and confessing to pessimism about the chances of reforming the officer corps. Mr Lopez alleged, after resigning, that freelance agents employed by the interior ministry to investigate the kidnapping of a businessman had extorted large sums from the victim's family—and that the extortionists had previously been employed as part of the military rulers' "repressive apparatus", the polite term for the old death squads.

Two immediately preceding events demonstrated both the officer corps's self-confidence and the government's diffidence in confronting it. They were an attack by an Argentine gunboat on a Taiwanese trawler, which left one crewman dead, and the mystery of a bomb in the barracks that did not go off.

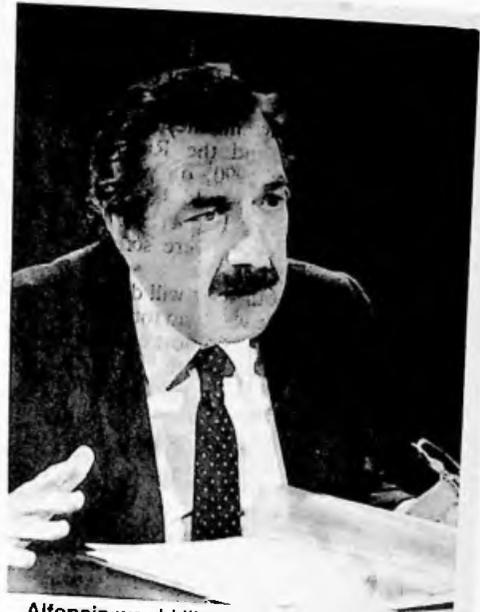
The Taiwanese trawler, *Chian Der 3*, was fishing within what Argentina claims as its 200-mile fishing zone, and just outside the 150-mile Falklands Islands exclusion zone which, it is generally agreed, is scandalously over-fished. Other Taiwanese fishing boats had escaped Argentine pursuit by running for British-protected waters. The *Chian Der 3* was

fired on and set ablaze by the cutter *Prefecto Derbes*, which took some of the wounded to the Argentine mainland. A British warship and another Taiwanese vessel offered help with a rescue: the Argentine coastguard told both to push off. Fisheries policy seemed to be set by an angry captain on the high seas.

The bomb was found on May 19th, inside the base of the Third Corps of the Argentine army, under a bridge that Mr Alfonsín was due to cross in the course of a visit. Mr Alfonsín was thus offered an ironclad opportunity to assert his authority. Instead, the army carried out its own inquiry, not into who placed the bomb but into the less grave question of whether it was meant actually to go off; the implication being that the incident was some sort of mildly dangerous prank. The commander of the Third Corps, General Ignacio Anibal Verdura, resigned, claiming "sole responsibility".

The soldiers claimed that General Verdura's self-sacrifice wiped the slate clean. They had adopted the same attitude just before the bomb incident, when the Armed Forces Supreme Council handed down its verdicts, and jail sentences, upon General Leopoldo Galtieri and two other Falklands warlords. After a trial lasting almost three and a half years, the whole blame for the Falklands disaster was shuffled off on to three individuals. The armed forces intend to do things in their own time and their own way.

For the moment nobody expects a new military coup, if only because the economy is in such a bad state that the soldiers would rather not try to run it. But the officer corps is not averse to a "Prussian arrangement", whereby military men hold real power behind a civilian front. This is how the country was run in the



Alfonsín would like an explanation

years around 1960, under Arturo Frondizi and then Mr José María Guido. Like his predecessors, Mr Alfonsín is seeking a compromise with the military state-within-a-state that has always been the key to power in Argentina. Civilians reacted to both the bomb under the bridge and the Falklands verdict by first demanding something better, then shrugging shoulders in apathy. From that apathy the power of the soldiers grows.

Keith Hindell **The Aland Islands**

A Baltic model for a South Atlantic solution?

The League of Nations settlement between Finland and Sweden over the now-thriving Aland Islands was a successful compromise between claims of sovereignty and self-determination. Could an 'Alands arrangement' provide a way out of the Falklands dilemma?

In the Gulf of Bothnia, between Finland and Sweden, lies a Baltic Ruritania—23,000 people with their own prime minister and parliament, their own flag and their own stamps. They live in an internationally recognised neutral zone and do no military service, even in wartime. They are Finnish citizens who do not speak Finnish. Their mother tongue is Swedish, yet they no longer wish to become Swedes. Proudly they tell you that they are neither Finns nor Swedes but Alanders—a new nationality whose identity has been largely moulded by an inspired international compromise, the principles of which could yet be applied to the Falkland Islands. Ironically, Britain played a leading part in bringing about the settlement in 1921 through the League of Nations.

The Aland (pronounced Orland) Islands archipelago consists of 6,800 heavily glaciated and wooded islands and islets, only 80 of which are inhabited. They have long, cold winters in which the sea freezes over in the maze of fjords and inlets, sometimes hard enough to allow one to walk or skate the 50 miles to Finland. The brief summers produce lush pastures, and are warm enough to attract hordes of tourists. Geologically, the islands are part of Finland but geographically the largest island, with most of the population, is closer to Sweden. Napoleon, who allowed the Tsar to defeat Sweden in 1809, is supposed to have

said that the Aland Islands were a pistol pointed at Stockholm. Historically, the islands were Swedish for centuries and ethnically most of the inhabitants are of Swedish descent. Today, the strongest cultural influence is Swedish television, which the islanders receive without having to pay a licence fee.

When the Finns threw off Russian rule in 1917 the Alanders at once began to press for reunion with Sweden. Their islands had always been part of Sweden until acquired by Russia in 1809 as a prize of war. Like the Finns, the Alanders based their claim on the Wilsonian principle of self-determination of peoples. Under the leadership of a local newspaper editor, Julius Sundblom, they took their case first to Sweden, then to the Paris Peace Conference and finally to the League of Nations, which devised a well-balanced compromise. Finland retained sovereignty, but the islanders were granted a large measure of home rule.

Now, 65 years on, the scope of local autonomy on the islands is still being expanded by mutual agreement. So much so that the Alanders are no longer a disregarded minority, but in some respects are rather a favoured few, earning higher wages than the average Finn and paying lower taxes.

The basis for this remarkable outcome is the Finnish autonomy law which was passed originally in 1920 by the infant Finnish Republic in

cont../

order to defuse pro-Swedish agitation on the islands and to avert a possible war. Technically, this law was poorly drafted and initially led to many disputes between the islands' parliament in Mariehamn and the central government in Helsinki. But the basic principles of the autonomy act were sound. After 30 years it was revised, and now it is once again undergoing a major revision and liberalisation.

Under the existing law of 1951, Swedish is the official language of the islands, in its schools, its parliament, its courts and its radio station. Only Aland citizens can buy land, and a Finnish immigrant must be resident five years to acquire regional citizenship. Politically, the islands have their own parliament and executive which control a wide number of functions including education, labour, farming, fishing, police, social and health services, roads, town planning and nature conservancy. Control of foreign affairs, defence, national taxation, the courts, post office and alcohol are all retained by Helsinki. The county governor, Helsinki's representative in Mariehamn, is only appointed with the consent of the Alands' parliament.

Originally, the Alanders were given the right to petition the League of Nations if they were dissatisfied with their treatment, but they have never exercised this right, despite much distrust and many disputes in the early years. The most dramatic demonstration of 'national' feeling came after the Munich crisis of 1938 when the Finnish government applied conscription to the islands, in direct contravention of the League of Nations' stipulation that the islands should be neutral and the islanders exempt from military service.

Four thousand people marched on the capital and more than 10,000 (96 per cent of the adults) signed a petition against this move. Despite the obvious danger, the Finnish government backed down and stuck to this decision even during two desperate wars fought against Russia. During the second of these wars, Finnish troops were sent to the Alands, contrary to the League's settlement, but the islands were not touched by any campaigning.

In fact, the Alanders have enjoyed a peaceful existence amidst a violent world almost continuously since 1856, when the islands were demilitarised after the Crimean War. At the Peace of Paris, Britain and France imposed what is quaintly known as 'The Alands' Servitude' under which the Russians were not supposed to refortify the islands. Many Alanders are proud of their neutral status, while the Alands Peace Society actively propagates the lessons of the islands' experience.

Finnish control, which once seemed intolerable, has not proved onerous, while Finnish sovereignty has to some degree been outflanked. The Aland Islands' ministers sit alongside the foreign ministers of real countries in the Nordic Council of Ministers. They can also take part, as much as their energy allows, in the work of the Council of Europe and other international bodies.

Shipping, which is one of the twin pillars of their economy, is under severe stress. The number and tonnage of ships owned by Alanders has declined in recent years in line with the contraction of the developed world's merchant marine. Only the luxury ferries which ply the Baltic and carry a million tourists a year to the islands are doing good business. Alanders may be a little over-proud of their self-government, but most of them recognise their

economic interdependence with Finland and the other Nordic countries. The political leaders also recognise that a small community can easily become inward-looking and intolerant of its neighbours.

However, 65 years on, there seem to be no regrets on economic grounds. For most of that time they would have been richer in Sweden, but in the Seventies and Eighties Finland has been catching up fast. Once poor, neglected islands, they are now one of the richer regions in a prosperous country. Their very success, politically and economically, has bred a self-confidence, which some argue has given birth to a new nationality.

In 1921 the League of Nations settlement gave the islands the most far-reaching rights enjoyed by any minority group in Europe. Although the Finnish autonomy law no longer looks particularly generous (as judged against the Hong Kong agreement, for instance) the spirit in which it is applied is remarkable, and the proof that it works is self-evident.

When the United Nations Secretary-General tried to mediate in the Falklands War in 1982 he studied the Alands settlement as a possible model. The idea of 'leaseback', which was timidly canvassed by British governments for

the Falklands in the Seventies, goes much further than the Alands settlement, and that may be one reason why it was unacceptable to Argentina even when Galtieri was looking into the barrels of the Task Force.

It may be felt in Britain and the Falkland Islands that an 'Alands arrangement' is impossible with Argentina. The Finns and the Swedes may be regarded as placid and used to compromise. But it did not look like that to the Alanders in 1918, who twice voted overwhelmingly in favour of union with Sweden, nor to their leaders who were imprisoned for treason by the Finns in 1920.

The League of Nations settlement was a compromise between the claims of sovereignty and self-determination, between territorial integrity and historical and ethnic ties. It was imposed on all three parties, none of which liked it at the time. In pondering a way out of the Falklands' dilemma it is worth underlining the fact that the wishes of the islanders were taken into account, but were not allowed to be paramount. Yet the settlement turned out to bring mutual benefit to all concerned.

Keith Hindell reported on the Aland Islands for the BBC World Service.

Colonial carve-up

CREATING, as ever, policy on the hoof, one of the leaders of our great democratic movement has just announced that a Labour government will negotiate with the Argentinians over the Falklands.

If "the Argentinians" were the indian aboriginals that the Spanish exterminated so recently, then there might be a case for such a just move.

However, the Falklands intervention was not about that bleak sheep-pen in the south Atlantic; it was about the oil deposits and the mineral deposits in the Falkland Sound, the south Atlantic shelf and the Antarctic - consult your Pluto maps of the world.

Presently a hotch-potch of the old colonial powers have rights; the US and the USSR have no rights and do not recognise the old powers' rights.

The United Nations is not set to begin the new international carve-up until 1996.

With this scenario, and with the US's control of south America, the statement that we will negotiate with Argentina over the Falklands is not only naive, it is criminal.

We have a lot to be ashamed of in our colonial past but our world war with Spain is not part of it and we should not start appeasement now.

■ Jack Brown, 51 Lamb Lane,
Monk Bretton, Barnsley.

Not so alma mater

THAT UNLIKELY Old Etonian Tam Dalyell was recently invited back to speak to the school's Political Society and, to judge from the Eton College Chronicle report of the proceeding, he gave the members their money's worth.

As well as laying into Neil Kinnock—for being preoccupied with the party's image and for making a "vulgar" attack on Militant at the last party conference—he advocated Argentine sovereignty in the Falklands and said that Britain would be better off if the Conservative Party was run by Old Etonians.

None of this cut much ice with the Chronicle man, who pronounced Dalyell "an unattractive figure" whose answers to the boys' questions were "ultimately mundane" and who gave the impression of being "grim and totally humourless."

Dalyell's

Tory filibuster

Dalyell scores on Tory filibuster

By Alan Travis

CONSERVATIVE MPs were furious last night that the government had handed Mr Tam Dalyell, the Labour MP for Linlithgow, a publicity coup over a private members motion which was due to be debated in the Commons this morning.

The government whips had prepared an all-night sitting on the Channel Tunnel Bill to abort Mr Dalyell's scheduled debate on the conduct of the Prime Minister due to start at 9.30 am.

But after a day of protests from senior Labour party figures at the "organised conspiracy to wipe out the debate" the issue arose at an explosive meeting of the backbench Conservative 1922 committee.

The MPs, already unhappy at having to attend on a Friday to obey a three-line whip for a private member's mo-

tion, decided that it was time to voice their outrage.

Mr Kenneth Hind, the Conservative MP for West Lancashire, was given a cold reception when he appealed for volunteers to join the all-night filibuster to "stop opposition parties using a platform to attack the Prime

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Minister, probably making untrue allegations which will take weeks to disprove."

Instead more than a dozen senior backbenchers, including Sir Edward Gardner, voiced concern at the Government trampling on an MP's right to hold a private member's motion debate after he had won top place in the ballot. They complained that the Government had once again shot itself in the foot.

Conservative MPs who used to abuse Mr Dalyell for his single-minded pursuit of the Belgrano affair now seem to be held in a hypnotic trance by his interventions, waiting for him to deliver a fatal blow.

It is not always forthcoming but his motion accusing the Prime Minister of lack of candour in her conduct during the Falklands, the Westland and Libyan affairs has produced an almost paranoid response from the Government. Hence the three-line whip and the all-night filibuster.

Mr Dalyell has, as usual, taken extraordinary measures when faced with a conspiracy. He announced that if he cannot deliver his 52-page speech indicting Mrs Thatcher on the floor of the House he has booked a Commons' committee room to do it, starting at 9.34 am.

This moved Conservative MPs to rush successfully to get a ruling from the Speaker that a private meeting in a committee room did not attract the same parliamentary privilege as a speech in the chamber.

Seven Conservative MPs voted against the Government last night on a decision to approve in principle the building of the £2.3 billion Channel Tunnel project. The bill was given a second reading by 309 votes to 44 with the bulk of Labour MPs abstaining.

Conservatives who voted against the Government were Mr Jonathan Aitken (Thanet South); Mr Roger Gale (Thanet North); Sir John Farr (Harborough); Mr Roger Moate (Faversham); Mr Teddy Taylor (Southend East); Sir Peter Rees (Dover); and Mr Patrick Cormack (Staffs South).

Argentine defence minister resigns over kidnap case

BY TIM COONE IN BUENOS AIRES

THE resignation this week of the Argentine Defence Minister, Mr German Lopez, was due to political disagreements with other members of President Raul Alfonsin's cabinet rather than for his earlier stated reason of ill-health.

Mr Lopez later said that the handling of the investigations into the kidnapping last year of a wealthy industrialist, Mr Oswaldo Sivak, lay behind his resignation.

Mr Lopez complained about the apparent involvement of military and security officials in extortion rackets, and the official sanctioning of a "free lance" investigation team to trace the missing industrialist. The team was paid a large sum of money by the family of the missing industrialist. The pos-

sible misuse of public funds in the case is under investigation.

Over the past month, both Mr Lopez and Mr Antonio Troccoli, the Interior Minister, have faced intensive questioning from opposition and ruling party representatives in the Congress over the kidnapping.

Mr Lopez was to have faced a further series of questions in Congress this week. He said that he had disagreed with Mr Troccoli over the use of an unofficial investigation team in the Sivak case.

Mr Sivak had previously been kidnapped in 1979 and his kidnapers demanded \$3m ransom. After his release he publicly stated that his kidnapers had been members of the intelligence service. Mr Sivak is still missing following his second kidnapping in 1985.

Secret service
dispute 'made
minister quit'

Crossbones of contention

Sir,—It may be instructive to supplement G. Gil's observations about gunboat diplomacy (Letters, June 2) with an illustration of the technique plausible lie and the inflammatory word wrapped in an unattributable statement.

A Foreign Office official was reported last week to have stated that unless Argentina's sinking of a Taiwanese trawler off the Falkland Islands was followed by its claim to sovereignty over the territorial sea around the islands, such sinking "amounts to an act of international piracy."

Piracy *jure gentium*, which is probably what the official was referring to, is rightly regarded with particular odium by the international community. It is

therefore a highly emotive term and is accordingly defined with great precision in Article 15(1) of the 1958 Geneva Convention on the High Seas, the relevant constituent elements of which are: "Any illegal acts of violence . . . committed for *private* ends by the crew or passengers of a ship...and directed on the high seas, against another ship..." (emphasis added).

The Argentinian ship was a public vessel and the action can hardly be construed as one committed for the private ends of the crew. It is therefore mischievous nonsense to characterise the sinking as an act of "international piracy."—Yours faithfully,
David J. Appadurai,
9 Paterson House,
London, N19.

Secret service dispute 'made minister quit'

From Jeremy Morgan
in Buenos Aires

Argentina's outgoing Defence Minister, Mr German Lopez, has said he resigned because of a clash with other senior government officials over the use of secret service agents to investigate the kidnapping of a businessman.

Mr Lopez, Argentina's third Defence Minister since the military regime handed power to the elected civilian Government in late 1983, denied that the chief reason for his departure was ill-health as reported in an official statement.

Instead, he said, he stepped down because of a row with the Interior Minister, Mr Antonio Troccoli, because the Government set up a group of men linked to the security and intelligence services to track down the gang that kidnapped Mr Osvaldo Sivak in July last year.

The businessman is still missing and it is feared he has been murdered. Four members of the special "parapolice" group were recently arrested in connection with the case, adding to a rumbling row over the Government's decision to keep on some of the agents who worked for the former military regime.

Critics claim some of the men belonged to the secret services at both the Interior Ministry and the Defence Min-

istry. It is alleged that instead of investigating the disappearance of Mr Sivak, they extorted at least \$275,000 from his family.

Amid claims that at least two of the men were still on the Government's payroll when they were arrested, the Sivak case is now being investigated by Congress.

Mr Troccoli, whose resignation is being demanded by members of opposition parties, appeared in Congress with Mr Lopez a week ago to deny the charges.

Mr Lopez's resignation came not much more than a day before he was due to be questioned again in Congress. After resigning, he claimed that when he became Defence Minister last February, he told Mr Troccoli that the Government should "immediately" end the use of the special group, "and I told him categorically."

Mr Lopez complained that while Mr Troccoli was given several days to plan his defence before appearing in Congress last week, the Defence Ministry was given only 15 minutes before questioning opened. This had "bothered and displeased" him and he offered his resignation to President Alfonsin a day later.

The President faced the prospect of his Government being plunged into its first major internal crisis.

Defence

Along a delicate path

A SENSE of anticipation was growing within Australia's tiny coterie of defence analysts last month. Service chiefs, Defence Department officials and academic researchers were eagerly awaiting reaction to publication of the long-awaited Dobb report, expected around the end of May.

Written by Mr Paul Dobb, a former intelligence official and now a widely respected researcher at Australian National University's Strategic and Defence Studies Centre, the report is a major review of Australia's defence capabilities ordered last year by Mr Kim Beazley, Minister of Defence.

The terms of reference were wide. As described by the Defence Department, Mr Dobb was to examine the content, priorities and rationale of defence forward planning and to advise the Australian Government on which capabilities were appropriate for the country's present and future defence requirements.

This meant a review of all the armed forces' equipment, facilities and activities, and of Australia's plans to deal with various levels of threats. The report is clearly aimed at gathering public opinion behind a change of direction in official Australian defence thinking which has already occurred—away from past principles of "forward defence" and dependence on a "great protector," and in favour of greater self-reliance and the defence of Australia.

To outsiders it is surprising that this was not done decades ago. But it was only in the 1970s that Australia felt itself obliged to think about such matters, and even now many people remain unconverted.

For most of the country's history Australians have calculated that they are defenceless and need the protection of powerful friends against outside threats. The bloody price has been paid fighting with the British and the Americans—against the Maoris and the Boers, in the Boxer rebellion and in two World Wars, and in Malaysia, Korea and Vietnam.

It was Churchill's Europe-first strategy and the fall of Singapore in 1942 which caused Australians to look away from Britain and towards the US for protection. The Anzus Treaty of 1951, linking the US, Australia and New Zealand, became the cornerstone of Australian defence and it remains so.

Australians were nevertheless forced to re-assess the Washington relationship after the US defeat in Vietnam and, in particular, President Nixon's 1970 announcement in Guam. Henceforth, Mr Nixon had said, countries like Australia and New Zealand would be expected to defend themselves in regional conflicts.

It is one of the ironies of the US relationship that Washington has meanwhile become heavily dependent on three joint facilities in Australia—at Pine Gap, Nurrungar and the North West Cape—as part of its global nuclear strategy. Though the presence of these "bases" is strongly opposed by the Left and by peace activists, successive Australian governments have argued that they contribute to nuclear stability.

As for the "Guam doctrine," this has slowly but surely generated fresh principles of defence policy. These can be summed up simply as the need for a self-reliant capability, the necessity for the best possible relations with the country's neighbours, and a requirement that the US connection through Anzus be maintained.

The problems posed by New Zealand in Anzus are an awkward complication for this evolution. US anger at the Wellington Government's refusal to allow nuclear-powered or nuclear-armed ships into New Zealand ports has effectively removed one arm of the alliance, leaving Canberra to tread a delicate and perhaps impossible path between the two without alienating either.

The occasional difficulties Australia has maintaining amicable relations with its neighbours were exposed last month in the wake of a Sydney newspaper's publication of an

article criticising the wealth allegedly amassed by President Suharto's family and associates in Indonesia. Jakarta reacted bitterly, provoking Canberra into its own sharp responses, and a recently-improved relationship suffered a bad knock.

Against this, Australia retains good relations with Singapore and Malaysia. All three are partners with Britain and New Zealand in the Five Power Defence Arrangement which operates an integrated air defence system over Malaysia and Singapore. Australia's closest defence relations are with Papua New Guinea, its former colony immediately to the north and contiguous with Indonesia.

However, it is the shift to self-reliance which is moving to the centre of Australia's defence policy debate. For the defence forces the change has already meant some painful restructuring, simply because they had been geared to fighting other people's wars far away.

On the other hand there was undoubted relief that Australia did not end up actually buying the British aircraft carrier *Invincible* as originally agreed. The UK's decision to keep it after the Falklands War saved Canberra unnecessary capital and operational expense.

Other equipment purchases are under way, based on a clear line of analysis reflecting its new principles. According to this, Australia should have excellent intelligence in the region, good surveillance capabilities and a capacity to react against almost any conceivable threat.

What that threat might be is difficult for most ordinary Australians to conceive. After all, the country lies in one of the most benign environments in the world. No country other than a superpower has the capacity to invade, and the chances of this are extremely remote, especially given the Anzus pact.

Defence analysts estimate

several years' warning of any other country wanting to launch even a limited attack. But it is also clear that Australia, with its 12,000 miles of coastline, vast spaces and small population, is highly vulnerable to low-level threats—infringements of air-space or maritime zones, for example, or even brief force landings in remote spots.

The Dobb report, among other things, will spell out how the country should handle this wide range of contingencies. But as its purchases and activities show, Australia has already moved ahead in implementing its plans.

Several airbases are built or under construction in the north and north-west of the country. It is purchasing 75 McDonnell-Douglas F/A-18 combat aircraft to replace its ageing Mirages, and last month decided to buy 14 Sikorsky Blackhawk helicopters, the first of up to 100 for the army to transport its soldiers for dispersed operations.

On the surveillance front, Australia has bought Lockheed P-3C Orion aircraft for maritime patrols and is close to operating an inexpensive over-the-horizon radar system with a range of 2,500km which can track both aircraft and ships. Airborne early warning systems are under consideration, and Australia is engaged on research with the US on a space-based system for tracking aircraft.

Beyond this Australia is replacing its six Oberon-class submarines which, with its F-111 bomber aircraft and armoured tanks, are intended to provide the core of Australia's capacity to react quickly to any threat. If none of this is cheap—Australia spent almost A\$6bn, about 2.9 per cent of its gross domestic product, on defence in 1984-85—all surveys show the conservative Australian public broadly supports it. After the Dobb report, their reasons for doing so will be much clearer.—

Chris Sherwell

Trawlermen freed

Nineteen crewmen of the Taiwanese fishing boat sunk near the Falkland Islands by Argentina are expected to return to Taipei this weekend. The Kaohsiung Fishery Association said yesterday that the men had been released by the Argentine government.

Dalyell's query

Tam Dalyell is tabling questions in the House today on the four-year gap between the downing of an army helicopter by HMS Cardiff during the Falklands conflict and MoD confirmation last week. He is to ask the Defence Secretary, George Younger, and the Prime Minister what new evidence has come to light since the army coroner first reported that the helicopter's four crew were killed as a result of enemy action. As I wrote yesterday, the diaries of Narendra Sethia, a lieutenant on board the submarine Conqueror, show the incident was the subject of discussion in the conflict zone at the time.

Daily Mail
4 June 1986

Sinking spirits

I SEE that an Argentinian gunboat machine-gunned a Taiwanese trawler, killing and maiming the crew. Are these the people whom Neil Kinnock and co would like to see sharing the government of the Falkland Isles?

J. MORLEY,
Tuckton Road,
Southbourne, Bournemouth.

... THERE were screams to high heaven from Tam Dalyell and his cohorts when the Royal Navy sank the General Belgrano during the Falklands war.

But when an Argentine gunboat sinks a Taiwanese fishing vessel with loss of life, in peacetime and in international waters, the silence is deafening.

FRANK NICHOLSON,
Renfrew Road, Aspull,
Wigan, Gtr Manchester.

Navy shot down Army helicopter

By **DESMOND WETTERN** *Naval Correspondent*

AN ARMY Gazelle helicopter shot down four years ago in the Falklands, killing four soldiers, was hit by a Sea Dart missile from the destroyer Cardiff and not by the Argentines, it has now been officially confirmed.

The aircraft, on a resupply flight between Darwin and Mount Pleasant, entered an area in which, the destroyer had been told, no friendly planes would be, owing to what the Defence Ministry said was an "unfortunate breakdown in communications."

It was not, as has been reported, on its way to the area of Port Stanley, which was still in Argentine hands.

The Cardiff at the time was providing air defence support for the Army's Five Brigade ashore, but the Defence Ministry could not say "at this stage in time", where the overall control of the sea and ground air defences lay.

The ship should have been told that there was a friendly aircraft in its air defences sector, an area out to around 50 miles radius, the range of the Sea Dart.

The incident occurred on June 6, six days before the war's end.

Missile in wreckage

Subsequent scientific tests established only that the Gazelle had been destroyed by "an unknown missile" but studies of the air defence plot of the area at the time have shown that no Argentine aircraft were within it, and pieces of a Sea Dart missile were apparently identified in the wreckage.

The four men in the Gazelle were two passengers, Major Michael Forge and Staff Sgt John Baker, of the Royal Corps of Signals, and the pilot, Staff Sgt Christopher Griffin; and his observer, Cpl Simon Cockton, both of the Army Air Corps.

Cpl Cockton's mother, Mrs Winifred Cockton, said at her home at Aylesbury, Bucks, yesterday that an Army captain had called to see her and "admitted that the Army was now 99 per cent sure Simon's chopper was shot down by the Navy."

Gunboat diplomacy

Sir, — The shelling of a Taiwanese ship by an Argentine gunboat has provoked a strong statement from the Foreign Office, and fierce indignation among the pro-Government press.

The incident is deplorable and unjustifiable, but either the Taiwanese boat was in British-controlled waters, in which case what was the Argentine navy doing there, or it took place in international waters, therefore no more the concern of the Foreign Office than any other government, and it would be a matter for the UN or relevant international bodies.

With regard to the Press reaction, the Argentine government has suddenly become "a trigger-happy regime" "not to be trusted", "Britain can not lower its guard on the South Atlantic", etc. Maybe all this is true, but there is a wide range of explanations for the incident, ie human error, imbecility, or a desire by the Argentine Navy to embarrass the Alfonsín government after the recent lifting of trade restrictions, none of which turn a democratic government into a "regime".

It is an odd coincidence that the Falklands issue is once again pushed to the foreground, during the same week when the Government achieved its lowest poll rating. I hope, for the sake of the casualties on both sides, that this is not the beginning of a non-stop Falklands remembrance until the next election. — Yours
G. Gil.
London N1

COMMENTARY



Geoffrey Smith

The attack on the Taiwanese fishing trawler by the Argentine coastguard could not have come at a worse time for those who have been looking for a negotiated settlement over the Falklands.

Before this incident there had been a difference of opinion between Sir Geoffrey Howe and Mrs Thatcher as to whether it would be wise to try to get negotiations with Argentina going again after the failure of the talks in Berne nearly two years ago. That exercise broke down because of the Argentine insistence on discussing the sovereignty of the islands.

Sir Geoffrey has been in favour of another attempt, in which both sides would have had the opportunity to state their views on the delicate question of sovereignty. There was no expectation of an agreement this side of the next British general election. But if sovereignty was not ruled off the agenda progress might have been made on such practical issues as fishing, and a dialogue might have been resumed.

That approach did seem sensible to me. I thought there was a lot to be said for trying to start a process of negotiation in which the issue of sovereignty would be neither specifically included nor excluded. If other points of dispute could have been settled, if confidence had been gradually built up in the new democratic regime in Argentina, then the dialogue could have led on to the consideration of some form of joint sovereignty.

Impact on Tory backbenchers

That still seems to me a possible solution for the longer term. But the time for such a dialogue has now been set back for some while on grounds both of practical politics and common prudence.

The attack has not surprisingly had an impact on Conservative backbenchers, and there are some who previously favoured negotiations but do not now believe it would be appropriate to proceed for some time. Such reactions must be taken into account by the Government: it will not wish to find itself once again in the predicament that it was in before the Falklands invasion, when its negotiating tactics were savaged by its own supporters.

To attach so much significance to one incident might seem excessive, especially when there have been reports that the coastguard captain was exceeding his orders. But the Argentine Government has sought to justify the action and to raise its diplomatic importance.

According to the official Argentine report, the trawler was first intercepted within the 200-mile limit from the Argentine coast. It is not quite clear, however, what this limit is.

There is no case under international law for a country claiming territorial waters of 200 miles. There would be stronger grounds for an exclusive economic zone of that size, within which other countries would be forbidden to fish. But it is not evident that Argentina had previously claimed such a zone.

Amount of force the vital factor

Even if it has, there could be no justification for using such utterly disproportionate means to enforce its claim. The trawler was not sunk, as was first reported. After it ignored requests to accompany the coastguard into port, warning shots were fired over its prow before shots were directed at its rudder. But a fire was started, the crew had to be taken off and the trawler was left adrift.

By no stretch of imagination can it be said that only the minimum force necessary was used, even according to the Argentine account. That is the nub of the matter, in terms both of international law and of common sense.

Rather than disown the action, or seek to play it down, Argentina has deliberately linked it to the dispute with Britain over the Falklands. "This episode and others that have occurred in the zone stem," it maintains, "from the existence of the so-called 'protection zone' illegally declared by Great Britain."

This reference to the 150-mile zone established by Britain around the Falklands is at best a *non sequitur*. At worst it suggests either that the Alfonsin regime is not so firmly in control as had been supposed or so strongly attached to the peaceful settlement of disputes as had been hoped.

DAILY TELEGRAPH, Monday 2 June 1986.

Final recall

AFTER half a lifetime filming in hotspots from Vietnam to the Falklands Bernard Hesketh, the internationally respected BBC television news cameraman, is on his last foreign assignment before retiring from the BBC.

Hesketh is in Moscow with his former Falklands colleague Brian Hanrahan, where he filmed the visit of Lord Whitelaw.

Legends have grown around the silver-haired and impeccably mannered cameraman who has manned BBC cameras for 32 years and has always been distinctive among his colleagues by his insistence in wearing a suit and tie. His reporters, it is said, carry his tripod in which he still places his faith and he has never been known to cable home for money lest someone realises where he is and calls him back.

Labour mix-up over Falklands

LABOUR MPs returning to the Commons tomorrow after the recess will find a sharp letter awaiting each of them from the Falkland Islands Government Office in London concerning recent statements by George Foulkes, an Opposition foreign affairs spokesman.

Foulkes, who has twice visited the Falklands, said that a future Labour government would discuss the islands' future with Argentina. Between now and the General Election, he added, Labour would try to persuade both the British people and the Falkland Islanders that there was no future for the concept of "Fortress Falklands."

But the elected Legislative Council in Port Stanley has passed a resolution deploring Foulkes's remarks. It is now trying to isolate him from the rest of the Parliamentary Labour Party.

The council draws Labour's attention to a recent opinion poll in the islands which showed that 94.5 per cent of the islanders wished "to continue to enjoy British sovereignty." It also recalls pointedly that in a BBC television interview a year ago Foulkes said: "I give this pledge on behalf of the Labour party: we would never sell out the Falklanders."

Navy's rebels sank Taiwan fishing boat

THE Argentine government did not authorise the sinking of a Taiwanese fishing vessel just outside the Falklands exclusion zone by one of its gunboats last week, writes *Maria Laura Avignolo in Buenos Aires*. The authorities were not told of the incident until 12 hours later, according to senior government officials.

The incident infuriated the Argentine foreign minister, Dante Caputo, who immediately warned President Raul Alfonsin of the international repercussions. "This is an act of madness, and a very dangerous one," a senior government source admitted.

Officials in the Argentine Foreign Ministry could scarcely conceal their annoyance at the sinking of the vessel, which came only a week after the ministry had authorised direct trade with Britain for the first time since the Falklands war in 1982.

But last week, the Argentine navy remained defiant. "We complied with international law," said the naval spokesman, Juan Moscada. "We requested the boat to stop her engines and when she failed to do so we advised that we would open fire, and did so. We do not need to consult anybody. That is the law."

One Taiwanese crew mem-

ber died in the attack and another is missing. A second boat which came under fire took refuge in the British exclusion zone. A British Sea King helicopter asked the Argentines for permission to mount a rescue as the fishing boat was sinking, but this was ignored. Three other seriously wounded crew members are now in hospital at Puerto Deseado, where their condition is described as satisfactory.

Only a day earlier, the Argentine government had informed the ambassadors of Portugal, Poland, the Soviet Union, South Korea, Bulgaria, Spain and Japan that fishing boats from those countries would be liable to fines of \$200,000 if they breached the prohibited zones.

The official government statement on the incident confined itself to saying that if Britain and Argentina would negotiate the question of sovereignty, such problems would not arise.

Senior officials fear the incident was staged by officers in the armed forces who objected to the steps already taken towards opening negotiations with Britain. It was the highly nationalistic Argentine navy which planned and executed the Falklands invasion.

Tories to talk out Dalvell debate

Helicopter did not use identification system

An Army helicopter accidentally shot down by the Royal Navy during the Falklands conflict was not using its IFF (Identification Friend or Foe) system, writes OUR DEFENCE CORRESPONDENT.

The Defence Ministry has admitted that in addition to failing to tell the Navy of the flight, the Army had ordered the pilot not to switch on his IFF system "for operational reasons." As a result, the Type 42 air-defence destroyer Cardiff assumed that the echo on its radar came from an Argentine aircraft, and fired a Sea Dart missile.

At the time, six days before the Argentine surrendered, the Cardiff was providing air defence protection to troops of 5 Brigade. The Gazelle helicopter, with four men on board, was on a re-supply mission to a radio station on East Falkland.

Tories to talk out Dalyell debate

by George Jones

AN all-night debate on plans for the Channel tunnel may prevent Tam Dalyell, Labour MP for Linlithgow, launching a full-scale attack in the Commons this week on Mrs Thatcher's conduct in the Falklands war, the Westland affair and the American bombing raids on Libya.

The debate would have provided Dalyell and other MPs an opportunity to raise in the Commons the latest disclosures that a British army helicopter was shot down with the loss of four lives during the Falklands war by a missile from the navy destroyer Cardiff and not by the Argentines.

But it emerged yesterday that the government has deliberately arranged the coming week's business at Westminster so that MPs will be debating the controversial Channel Tunnel Bill the night before Dalyell is due to initiate his debate on "the conduct of the prime minister" on Friday.

Tory MPs have also been issued with a three-line whip, demanding their attendance at Westminster for a possible vote on Friday afternoon at the end of the debate.

But Thursday's debate is open-ended, and MPs will also be discussing motions on a proposed select committee which will hear objections to the tunnel. Government business managers believe the debate could run into Friday — and if it goes beyond 9.30am it will automatically wipe out Friday's business.

It was clear last night that Government business managers are imposing no restrictions on Tory MPs speaking in the "chunnel" debate. And it is expected that many Tories may prefer to stay up all Thursday night, and help the government kill off the Dalyell debate, rather than have to stay at Westminster until 3pm on Friday — when they are normally in their constituencies.

Argentina fears military coup

by HUGH O'SHAUGHNESSY

PRESIDENT Raul Alfonsin was involved in a bomb scare while flying between Buenos Aires and Cordoba just over a week ago, reports *Hugh O'Shaughnessy*.

The incident, coming on top of the discovery of a bomb at the Cordoba headquarters of the Third Army Corps during the

presidential visit, has raised the spectre of a new Argentine military coup.

The President had already taken off from the Argentine capital in Tango O2, a presidential aircraft, when calls to the control towers at Buenos Aires and Cordoba airports, the air traffic control office and the presidential palace revealed that a bomb was aboard.

According to a presidential press spokesman, the President ordered the pilot to continue flying while checks were done in the air. When the aircraft landed, the presidential escort and the crew carried out a thorough inspection and prevented other military personnel access to the plane. Apparently, nothing was found.

The other bomb would, however, certainly have killed Alfonsin had it not been found and defused. Nine more bombs have exploded in offices of the President's Radical Party in the past two weeks.

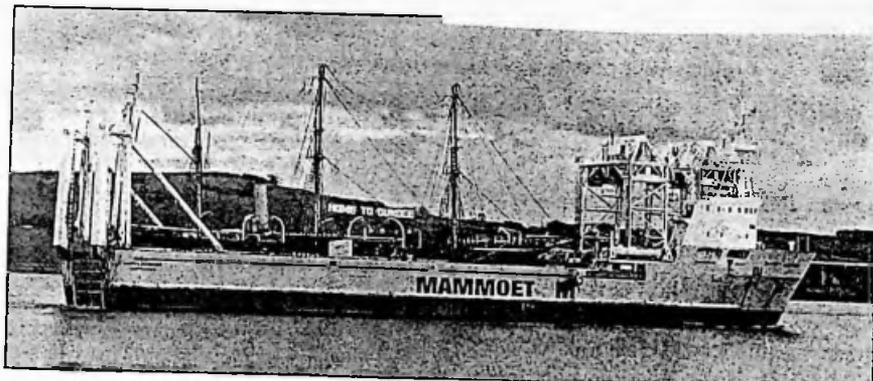
Fears are growing in Buenos Aires that extremists in the armed forces, opposed to civilian rule and furious with Alfonsin for his pursuit of senior officers guilty of atrocities in the 'dirty war' and the unsuccessful Falklands campaign, are planning to impose a new military dictatorship in Argentina.

Meanwhile, a federal judge at Puerto Deseado in Patagonia on Friday absolved the crew of the Argentine coastguard vessel Prefecto Derbes of any blame in the sinking of the Taiwanese fishing boat, Chiann Der 3, some 160 miles off the Falkland Islands last week.

In London, the fishery incident has cast a pall of gloom over Anglo-Argentine relations.

The Argentines, who appear to be claiming maritime rights in a 200-mile zone around the Falklands, are seen to be intent on imposing their rights by force.

Below — After being a familiar sight in London (first on the Embankment and latterly in St Katharine's Dock) the *Discovery* has gone 'Home to Dundee' where she was built in 1901. The *Discovery* was transported on her last voyage by the Dutch semi-submersible ship *Happy Mariner* aboard which she is seen here in the river Tay on 2nd April. The homecoming was a happy occasion with large crowds on the banks of the river and RAF aircraft and a helicopter flying overhead in salute. After being floated out the *Discovery* was towed into the Victoria Dock to the sound of bagpipes. Restoration work will take a further two or three years after which the *Discovery* will form the centrepiece of a tourist development on Dundee's waterfront. (T. Mahoney)



Falklands
paintings
in Dryad

Defence of Falklands to be less costly

A SIX per cent reduction in the value in real terms of the defence budget over the next three years will result in "some difficult decisions" says the Defence White Paper.

One spending reduction envisaged is in the Falklands. The 1986-7 cash provision for defence of £18.479 million includes £442 million for the Falklands, as against £552 million for 1985-6.

Since the new runway will facilitate rapid reinforcements "we should be able to achieve a further reduction in force levels without diminishing our ability to defend the Islands," says the statement.

FRONT LINE

In more general terms, the statement says "We shall need to balance the preservation of our present front line numbers against the requirement to invest in expensive new equipment to strengthen further the fighting power of our armed forces in the 1990s and beyond.

"Some difficult decisions will have to be taken but there will be no need for any change in our main defence posture."

ASSAULT SHIPS

The White Paper gives no indication of current thinking on new orders for Type 23 frigates or the long-term future of the assault ships HMS Intrepid and HMS Fearless, although decisions on both are expected this year.

Defence Secretary Mr George Younger assured a press conference that the present number of Royal Navy ships would be kept in future years.

Ice ship Wasps fly into history

AFTER nearly ten years of service in the South Atlantic, HMS Endurance's two Wasp helicopters made their final disembarkation to RN air station Portland on May 5.

They are to be replaced by Lynx helicopters as part of the Fleet Air Arm's modernisation programme.

Families of the aircrew attended a reunion at 829 Naval Air Squadron's headquarters at Portland when the Wasps flew in from the Endurance, which has just returned to the United Kingdom after more than 7½ months on deployment in the South Atlantic.

SANTE FE

Both the Endurance's Wasps were involved in the missile attack on the Argentine submarine Sante Fe at South Georgia during the Falklands War, and one of the helicopters — XS 527 — is destined to become part of the Falklands exhibition at the Fleet Air Arm Museum, Yeovilton.

The Endurance returned to Portsmouth on May 6 at the end of her long summer season in the Antarctic. She arrived at Devonport on May 15 to start a refit which will equip her well into the 1990s. The ice patrol ship is expected to resume her duties in October 1987.

Liverpool spruces-up memorial

SAILORS from HMS Liverpool, which was returning to Rosyth on June 12 at the end of her South Atlantic deployment, refurbished the memorial to HM Ships Antelope and Ardent which stands on the summit of a hill overlooking Ajax Bay in San Carlos Water.

The cross and 15ft. wooden mast were rubbed down and varnished, and the cairn area cleaned and tidied up.

Highlights of the destroyer's South Atlantic patrol were a visit to South Georgia with RFA Blue Rover, and a visit to the ship at Stanley by Sir Harry Secombe.

The Liverpool and HMS Hermione returned to the UK via Peru, Ecuador, Rodman and the Panama Canal after handing over to the next group, led by HMS Brilliant.

Falklands paintings in Dryad

EIGHT paintings commemorating the Falklands War have been hung at HMS Dryad, the School of Maritime Operations at Southwick, Hants. They are the work of artist Mr. David Cobb.

FALKLANDS FRIENDSHIP

Bond leads to moving pilgrimage

MARVELLOUS friendship springing from the first Falklands pilgrimage resulted in a second journey — this time by 55 members of the Falkland Families Association.

The FFA was formed on board the Cunard's *Countess* returning from the Ministry of Defence-sponsored 1983 visit, and the common bond of bereavement has now resulted in a membership of 400.

Although deeply appreciative of the first visit, many relatives felt that they needed a longer stay in the Falklands to learn about the islands and meet more of the residents.

Nineteen months of planning went into the journey, the preliminaries including consultations between the islanders and the FFA chairman, Mr. Des Keoghane, and vice-chairman, Mrs. Sara Jones, Colonel H's widow.

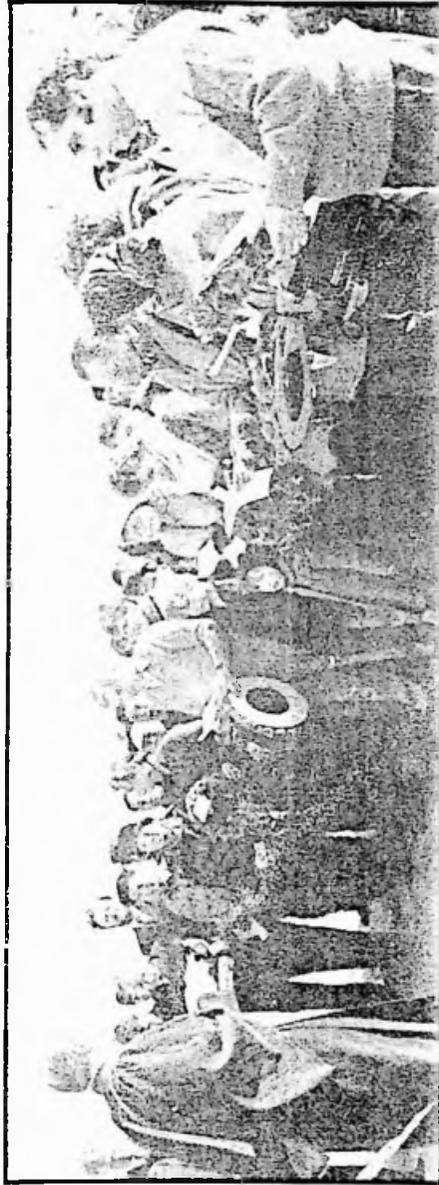
Generous response

The big problem was finance. FFA is not a registered charity and has to rely on its own resources.

Help was sought from Service units, who responded with a generous £22,000, more than half of the UK contribution being reached by those in the Falklands.

The programme included battlefield tours, and visits to the sites of the RFA Sir Galahad and HMS Coventry.

Relatives also saw the Argentine temporary



Relatives of those lost when the RFA Sir Galahad sank in 1982 stand on the flight deck of the RFA Sir Bedivere during a memorial service over the site of the Sir Galahad off the Falklands coast.

Memorial appeal

AN APPEAL has been issued to members of the ship's company of the Type 42 destroyer HMS Sheffield at the time of the Falklands War to help with the cost of a memorial to their shipmates who died.

Mr. Des Keoghane, chairman of the Falkland Families Association, said the memorial would be built on Sea Lion Island in the Falklands.

"Although we have been very lucky in finding a very kind person, Mr. Terry Clifton,

who owns the island, who will erect the memorial at his own expense and consider it an honour to do so, we would like to have a suitable plate inset on the base, recording the names of the men who were killed, and the action.

"If possible we would like to send one of the families to the Falklands to present the plate to Mr. Clifton. As you can imagine this will be a very expensive exercise and we are busy trying to raise the necessary money."

The association would be grateful for any donation, however small, made out to "Falkland Families Association," and sent to Mr. Keoghane at 6, Penrose Court, Hemel Hempstead, Herts HP2 6NP.

cemetary, which Mrs. Cindy Strickland, who lost her husband in HMS Coventry, found unexpectedly moving.

"I hadn't realized how much I needed to see it," she said. "It overwhelmed me. I am very glad I saw it."

Relatives stayed with islanders, and many spoke warmly of the hospitality and kindness shown to them.

Lieut.-Col. Desmond Barry, whose son Jim was killed at Goose Green with 2 Para, said: "People in the UK don't realize what a wonderful place the Falklands is. The people are very hospitable, and I am committed to the islands."

And what of the future of the FFA? Des Keoghane is acutely aware of the financial constraints, but sees no reason why individual families should not return.

Meetings are being planned in the UK, to keep relatives in touch with each other.

● See also Page 24

Reliant flight hosts Falklands pilgrims

MEMBERS of 826 Naval Air Squadron's A Flight on duty in the South Atlantic have looked after two groups of relatives of the men killed in the tragic B Flight accident in the Falklands Islands last June.

Mr. and Mrs. Rodwell, parents of the late Lieut. Simon Rodwell and Mr. and Mrs. Hayes, parents of the late Lieut. Duncan Hayes, were the first group to arrive, followed later by Mrs. Sandra Simpson, widow of Lieut.-Cdr. Rob Simpson, and Miss Sandra

Maddern, fiancée of Lieut. Hayes.

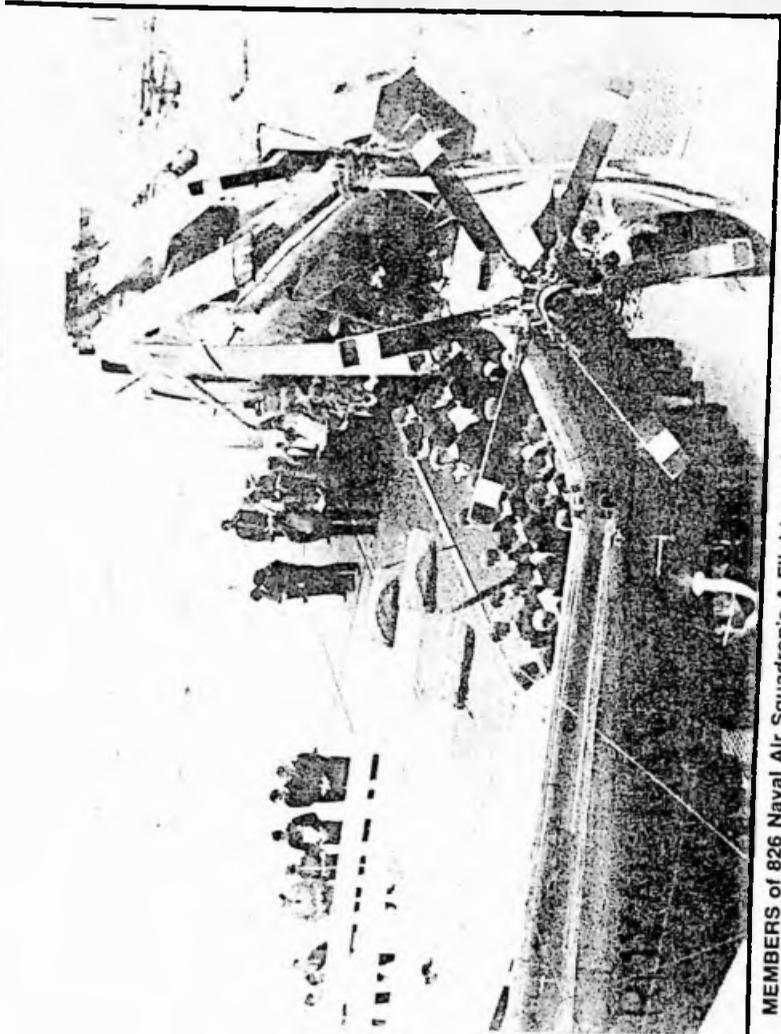
Both visits were deeply moving experiences for all concerned. Memorial services were held on the flight deck of RFA Reliant, A Flight's "home" during the tour of duty.

Throughout the tour, small groups of aircrew and maintainers escaped from the confines of the ship to venture deep into the Falklands, enjoying such exotic locations as Lively Island, Hill Cove and Port Stephens.

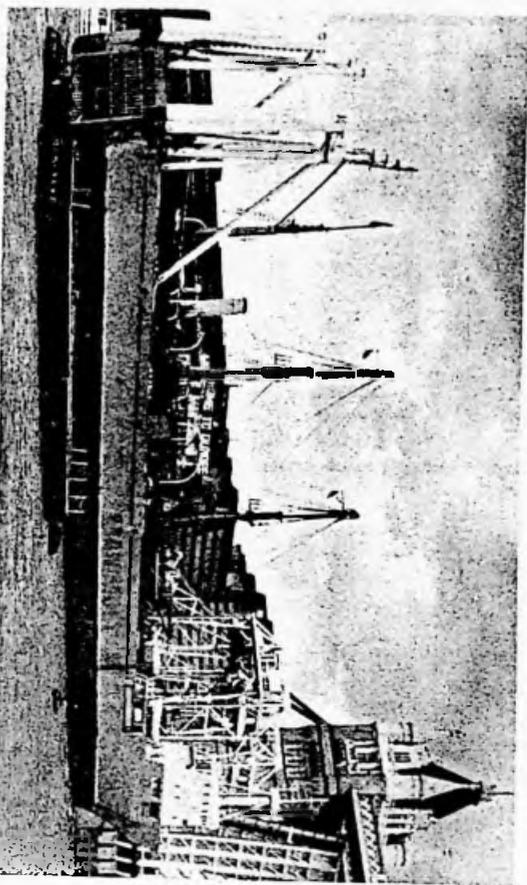
NAVY POINT

A liaison was established with 1564 Flight Royal Air Force at Navy Point, Stanley, and several pilots exchanged for a week at a time to fly the RAF's grey Sea King HAR 35.

POACMN Pete Pickering clocked up his 1,000th flying hour, Lieut. Gary Callow his 2,000th and POACMN Darby Allan his 3,000th. The Reliant celebrated her 4,000th deck landing. She returned to Devonport on May 28.



MEMBERS of 826 Naval Air Squadron's A Flight are pictured in the shelter of two of their Sea King helicopters during a service on the flight deck of RFA Reliant in memory of B Flight personnel killed in an accident in the Falklands Islands last year. Relatives of the dead, on a pilgrimage to the South Atlantic, attended the service. See also Page 13.



Semi-submersible "Happy Mariner" approaches Tower Bridge carrying the "Discovery"

Photomobile Ltd

SHIPS IN THE NEWS



Taken for a Ride

THE former Antarctic expedition vessel *Discovery*, familiar to Londoners for half a century, has been moved to Dundee, her birthplace, where she will take pride of place in a £25 mn. tourism project.

On March 26 she was taken from the East Basin of St. Katharine's Dock by tugs and man-hauled ropes for berthing alongside Ivory House in the Central Basin. Next day, with the advantage of one of only two equinoctial spring tides each year which permit both lock and gates between St. Katharine's Dock and the Thames to be opened together for a few critical minutes, she was moved into the river. Passing under Tower Bridge she moored alongside the semi-

Dock, was again ballasted down and her "passenger" floated out. On April 3 the *Discovery* was towed into Victoria Dock to undergo a programme of refurbishment.

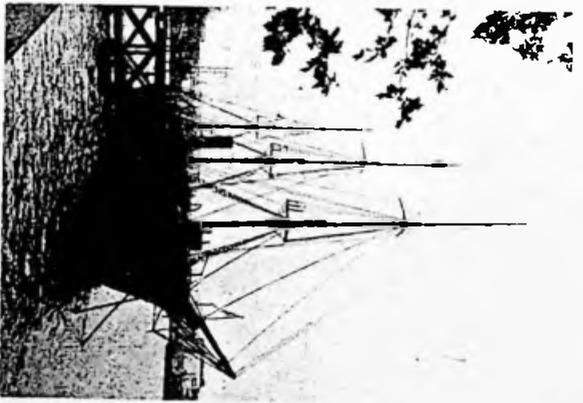
So begins a new chapter in the life of a memorial to the late Capt Robert Falcon Scott. The first vessel planned in the British Isles specially for Polar work, funds to defray her cost were raised by a joint appeal of the Royal Society and the Royal Geographical Society. Her keel was laid in 1900 at the Stevens yard of the Dundee Shipbuilders' Co. Ltd., and she was launched in March of the following year. Constructed throughout of Canadian timber two feet thick, her stem was built up to a depth of ten feet to withstand ice pressure and her hull strengthened outside by steel plates. Triple-expansion engines of 450 hp were from Gourlay Bros. of Dundee but she was nevertheless barque-rigged. Her rudder and screw could be lifted into the protection of the hull while she was still afloat.

The *Discovery* sailed South on July 31, 1901, carrying personnel of the British Antarctic Expedition and for two winters lay frozen up in MacMurdo Sound, Ross Sea, when hopes of ever freeing her were almost abandoned. In February 1904, as the relief ships *Morning* and *Terra Nova* were ready to disembark her crew and scientific staff, a swell arose, breaking up the pack ice, and a day later the *Discovery* was free. She returned to England and from 1905 to 1911 was engaged in the fur trade of Hucson's Bay Company, carrying stores to ports within the Arctic circle, and was then laid-up.

During the First World War she was chartered by the French Ministry of Commerce as a cross-channel transport. Stripped of her barque rig, she was mistaken for a Q-ship by a U-boat whose attack fortunately proved unsuccessful. In 1916 she was chartered again, this time as a relief

vessel to rescue members of Shackleton's Antarctic expedition who, following the loss of the *Endurance*, were castaways on Elephant Island. On the arrival of the *Discovery* at Montevideo, it was found that the marooned men were safe, and the opportunity was taken to load a cargo of wheat in her hold for Britain. After the Armistice of 1918 she carried supplies to the troops occupying Constantinople and was then laid-up for two years in London's West India Dock.

The *Discovery* returned to the Hudson's Bay Company until 1920. In 1922 she was purchased by the British Inter-departmental Committee of Research and Development, on behalf of the Government of the Falkland Islands, for the purpose of studying the habits of whales in the Antarctic. During 1929 and 1930 she made her last voyage to that part of the world, conveying the British Australia New Zealand Antarctic Research Expedition.



The "Discovery" at her Thames Embankment berth in 1948

Keith P. Lewis

She was again laid-up at London, this time in the East India Dock, but in 1937, through the good offices of Lady Houston, she came into the possession of the Boy Scouts' Association for use as a Sea Scouts' headquarters alongside the Thames Embankment, and she was also opened for visits from the public.

During the Second World War she was used mainly by the River Emergency Service, and as a pre-services training base for Sea Scouts. Her engines and boilers were removed, mess deck and gymnasium fitted, and coal bunkers turned into lecture rooms. Her charmed life holding good, she was hit by nothing worse than incendiary bombs which were quickly put out, but the remains of a barrage balloon, brought down by anti-aircraft fire in an "own goal" shot, became fouled in her foremast. In the course of the disentanglement of the uninvited guest, dry rot was discovered in this and other masts and spars. In 1948 she was closed to both public and Sea Scouts while temporary repairs were effected, but in 1951 a Canadian timber firm made the vessel a present of new masts.

Although an endowment fund had been provided by Lady Houston and the Pilgrim Trust, the annual maintenance cost of £5,000, plus £100,000 needed immediately for presentation work, was proving too much for the Boy Scouts' Association who in 1953 offered the vessel to the Admiralty. In November of that year the First Lord, Mr. J. P. L. Thomas, told Parliament that his department would be very glad to accept the vessel into naval service as an additional drill ship for the London Division of the RNVR if she could be converted and operated economically, and in July 1955 the transfer took place. Arrangements were made for the Sea Scouts to continue to use her and moor their boats alongside.

In April 1979 the *Discovery* was made over to the Maritime Trust who, with the National Maritime Museum, proceeded to restore the vessel to her original condition. She was moved to St. Katharine's Dock, remaining there until the end of March of this year when, as related above, she took passage to Dundee.

The tourist-related development of which the *Discovery* becomes a part is located on Dundee's waterfront between the Tay rail and road bridges. Her transfer from the Thames by Marmoeit, part of Nedlloyd group, had been to the order of the Scottish Development Agency and the Dundee Industrial Heritage Trust. The latter was formed in January 1985 by local community interests and is a joint venture by the Scottish Development Agency, Tay-side Regional Council, the City of Dundee District Council and the private sector. The *Discovery* however still belongs to the Maritime Trust.

The *Happy Mariner* was built by Verolme Scheepswerf in 1972 for Vander Laan Shipping and Trading Company of Curacao as the *Docklift 1*. A motorship, her first job was the transport of a dredger from Ipswich to Rotterdam. She was sold to her present owners in 1982.

SOLD

In June 1983 the sale was reported of the bulker *Strategist* (35,776 gross tons) by the Charente Steamship Co. Ltd. (T. and J. Harrison Ltd.), Liverpool. Her "overseas buyers" turned out to be Bridgewater Ltd., Hong Kong-based associates of the British and Commonwealth Shipping Co. Ltd. As the *Barnworth* she has changed hands again, her purchasers stately London-based Greek interests. A motorship, she was built at Copenhagen in 1975. Greek interests are the buyers of another bulkier, the *Bunga Chempaka* (20,759 gross tons), a motorship built at Osaka in 1972. Disposers are the

Malaysian International Shipping Corporation Berhad, Kuala Lumpur.

THE "UGANDA"

The turbine steamer *Uganda*, whose career has already been recorded at length in these columns, has finally gone to scrapbers whose identity is undisclosed at the time of writing. A year had been spent, say former owners P. & O., in trying to find a trading buyer but the only serious interest came from China where it had been planned to turn her into a leisure complex. Her future had been in doubt, continued P. & O., since the market for the educational cruises on which she had been employed started to dry up during the early 1980s.

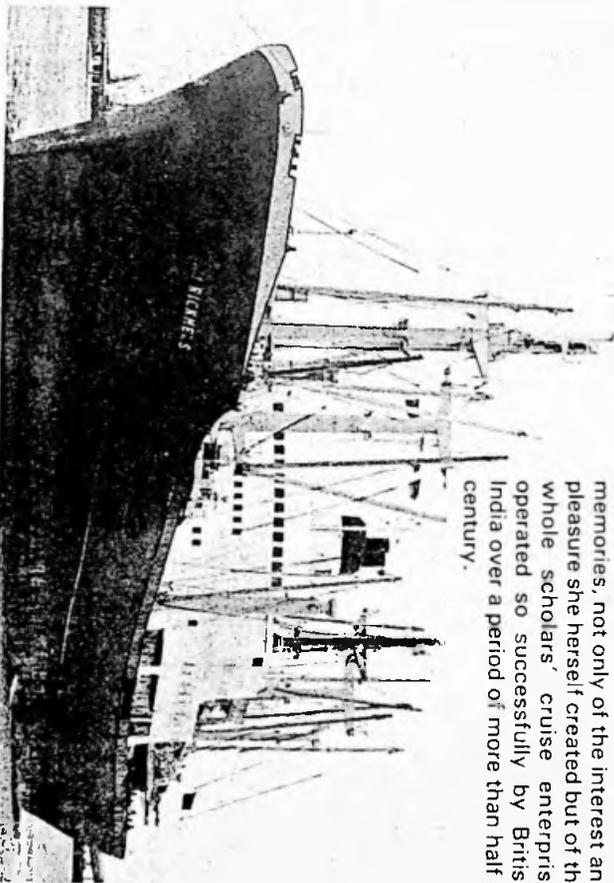
Her last such voyage came to an abrupt end when she was literally snatched part way through it as the Falklands war began, for conversion to

a hospital ship. Her 1,000 or so passengers were disembarked and flown home.

For the past year she has lain idle in the River Fal. A colour photograph of her destoring at Falmouth, looking sadly in need of paint, formed the cover picture of *Sea Breezes* issue of September last year.

The *Uganda* was built for the London-East Africa passenger and cargo service of British India Line. Launched on January 15, 1952, during a lull in a gale which was sweeping Clyde-side, she was the line's 450th vessel and the 65th to have been built for it by Barclay Curle. Selection in 1967 for her role as a scholars' cruise ship has caused her to outlive by 17 years her sister *Kenya*, completed in the same yard in August 1951 and broken up in Italy in 1969.

The *Uganda* will leave behind memories, not only of the interest and pleasure she herself created but of the whole scholars' cruise enterprise operated so successfully by British India over a period of more than half a century.



The "Mai Rickmers" (Singapore flag) has gone to Chinese shipbreakers

Alan Sparrow