

Mail on Sunday
30th October 1983

The sage of the train

I FEAR that new Transport Secretary Nicholas Ridley may be heading for the railway buffers.

He is so far to the right that he is in danger of falling over the edge. And what is largely forgotten is that when he was a junior Trade and Industry Minister in Mr Heath's Government he resigned complaining civil servants were the masters, not the Ministers.

Mr Ridley has proved that he is going to be the master at the Transport Department. For in just one week he has apparently learned all there is to know about our railway system and announced his conclusions to the Commons.

Is he running rings round his civil servants — or are they letting him think so?

Daily Mail
1st November 1983

PS

DEEP in the heart of the Foreign Office lies the ultra-secret cables and communications room, handling messages from throughout the world. The core of the team handling these sensitive missives is, I can reveal, composed of deaf mutes.

The official explanation is that the FO, in common with other employers, must employ a number of disabled persons.

But the security advantages can surely not have been overlooked by the Ministry which controls MI5...

Peronists suffer first election defeat in 40 years

Argentini- ans vote in the Radicals

BUENOS AIRES.
Monday

RADICAL PARTY leader Raul Alfonsin, an outspoken critic of human rights abuses, is the new President of Argentina.

He triumphed in the general elections to return the country to democracy after 10 years of military rule.

The Peronist party, suffering its first loss in nearly 40 years, conceded defeat early today.

"I want you to understand that we are beginning a new era in Argentina, a long period of peace and prosperity and respect for the dignity of man in Argentina," said in a victory speech from the balcony of his election headquarters.

Pledge

Thousands of supporters below roared with approval.

The 56-year-old Lawyer, who began his run for the presidency a year ago when Argentina's defeat in the Falklands forced the military government to promise elections, urged the Peronists to

FOREIGN NEWS

Falklands 'arrogance'

ARGENTINIAN Foreign Minister Juan Ramon Aguirre Lanari said today remarks by Mrs Thatcher on the Falklands issue showed Britain's arrogance.

Asked if she would be prepared to negotiate with whatever government was elected in Argentina's elections today, she replied: "If you mean the sovereignty of the Falklands or the future of the people the answer is no."

"contribute to the strengthening of democracy."

Alfonsin said he would form a party of national unity.

With two thirds of the vote counted Alfonsin had 5,147,258 votes (54 per cent).

The Peronist candidate Italo

Luder had 3,674,281 votes (38 per cent).

Alfonsin's pledges to rein in the military and end human rights abuses attracted Argentinians tired of a history of revolving door military and civilian regimes.

Several minutes after his televised victory speech, a Peronist spokesman acknowledged the Peronists had lost. Luder was meeting with top advisers inside the party headquarters.

Peronist vice-president Lorenzo Miguel, 67, said that "information fraud," or incomplete release of vote results, was causing panic among Peronists and called on all Argentinians to remain calm.

Raped

As the official results were being announced, some 2000 Radical party supporters holding an early victory celebration at the Plaza of the Republic in Downtown Buenos Aires clashed with Peronist party supporters.

In Buenos Aires, three shootouts were reported including one incident in which shots were fired from a speeding car.

In San Miguel, just outside

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The Standard
31st October 1983



RAUL ALFONSIN . . . "a new era."

the capital, several Peronist groups attack a Radical party office, injuring four Radical party volunteers with gunfire.

Radical sources said a young girl was raped at its San Miguel offices.

The radicals' results exceeded the party's most optimistic expectations.

Stunned Peronist leaders accused the government of manipulating results to cause clashes between rival supporters.

The Radicals won the federal capital and the four most populated provinces, including Cordoba, the country's second largest city.

The Peronist party had won all free elections in the past 48 years but was weakened by

internal divisions following the death in 1974 of its founder, General Juan Domingo Peron.

The Peronists' most powerful leader, first vice-president Lorenzo Miguel, had accused the government of manipulating official results in order to cause clashes between rival militants.

Handover

Miguel, who effectively heads the party in the absence of its exiled president, Peron's widow Maria Estela Martinez de Peron, told reporters earlier: "I urge all Argentinians to be quiet until the true results of the polls are known."

The military government is to hand over power to the elected government on January 30, but President Reynaldo Bignone has said he would consider bringing the handover date forward.

Voters also chose 254 members of the lower House of Congress and new provincial and municipal authorities.

A high turn-out was reported among the country's 18 million registered voters, but no official figures were available.

Daily Mail
31st October 1983

Maggie and the household chores

MRS THATCHER told radio listeners last night how she made time for household chores while coping with international crises.

And she told them that after the show she was off home to cook supper for her husband Denis.

The Prime Minister spoke to callers from all over the world in a BBC international phone-in programme.

A Far East listener asked her how she managed to successfully combine being a wife, mother and political leader.

'I've just been very fortunate in the way things have bounced for me all my life,' said Mrs Thatcher.

Her children were grown up before she went into politics, she told the caller.

She said she liked to get away to the privacy of her flat on the top floor at 10, Downing Street, where she could go to the kitchen and make something herself.

Mrs Thatcher told Falklands housewife Mrs Betty Miller, speaking from Port Stanley, that she would be pleased to help the islanders gain independence if they wished.

But it would mean Britain eventually pulling out the troops. 'I don't think we would stay indefinitely in an independent country,' she said.

Storm over cash for Falklands war families



Daily Mail Reporter

OUTRAGED families of British Servicemen killed in the Falklands war protested bitterly last night when they learned that they will not get more than £2 million donated by the public.

Instead the money—unspent donations to the South Atlantic Fund — will go to the general funds of three Service charities.

In spite of the large amount of unspent money in the fund — and donations are still coming in — some relatives of Falklands victims have received as little as £2,500.

Mrs Marcia McKay, widow of VC Sergeant Ian McKay, said: 'It's disgusting. This is not helping the widows to get back to a normal way of life — it has just caused tremendous upset and bitterness.

'We are not satisfied with the way the fund has been administered, when some widows receive £30,000 and others £70,000, while those with sons killed get £2,500.

'This was a public fund given for the Falklands victims and their relatives, and it was not meant to be distributed in this general way.'

Demand

MPs plan to protest to junior Defence Minister Mr Geoffrey Pattie, and they will demand public accountability of the way the total of £15 million collected by the fund has been spent.

The Association of Parents of Unmarried Sons Killed In The Falklands said they were taking legal advice to prevent the fund closing in the New Year.

It is supposed to have finished processing the claims from relatives of 256 men who died, and the hundreds who were injured.

But many families spoke bitterly of outstanding claims and inadequate payments that have left them in need.

Mrs Janet Stuart and her husband



Mrs McKay and children at the Palace with her husband's VC. She says: 'It has caused tremendous upset and bitterness.'

Raymond, who were self-employed, have been unable to work because of emotional strain since their son's death. They received the minimum £2,500, and despite applying three times for more they were turned down.

Mrs Stuart said: 'We feel the fund has given a worthwhile helping hand to some, but not to others. The widow of the man my son was killed alongside got £40,000, and we just got the £2,500. My son was absolutely priceless to me.'

Mrs Anita Flanagan lost her husband, Chief Petty Officer Flanagan, on the Atlantic Conveyor, and received a total of £36,000 for herself and her four children.

She had to give up her job as a nurse at a psychiatric hospital to look after her children and has already had to re-apply for more money.

She said: 'My eldest son used to look after the children while I did night duty, but since my husband's death he has left home and I had to give up work to look after them myself.'

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Daily Mail

31st October 1983

'What makes me mad is that some of the widows with no children have got up to £70,000 because their husbands had a long time to serve in the Navy, but because my husband was a chief petty officer with only a short time to serve, I was told his worth to the Navy was nil.'

Colonel John Ansell, secretary of the South Atlantic Fund said that the unspent £2 million plus will go to the Army Benevolent Fund, the RAF Benevolent Fund and the King George V Fund for Sailors.

Senior officials for those charities want to put the money into a general pool where it will be available for all servicemen, not just those who served in the Falklands.

Constitution

Next of kin of the Falklands men have been sent letters by the fund saying that no additional grants can be paid out.

General Sir John Mogg, president of the Army Benevolent Fund, said : 'It was in the constitution of the South Atlantic Fund that if there was any residual money then it would go to the Service charities.

'Naturally, much of this additional money will be set aside for the Falklands widows. But we were rather hoping that most of the Falklands relations' claims would have been settled by the time the money reached us.

'However, if there is hardship, then widows or relations will have to make their applications for help to us.'

The bus-and-bribe election

Daily Mail
31st October 1983

AT THE end of a week in which Buenos Aires was not so much a capital city, more a gigantic Kop, as uncountable millions exulted in the streets, the only significant sound at midnight was the whirr of computers.

Argentina was electronically counting the votes in the first election for ten years and thus using 20th century techniques to judge a contest filled with the old primitive passions of tribal war.

The army that has murderously ruled the land and led it into mad, impossible war with Britain is back in barracks: the thugs in dark glasses who were their hirelings and slaughtered 20,000 of their own countrymen no longer sit in their unmarked cars on crucial corners.

Who wins power in the return to a democratic rule is not certain. Who loses is surely already known—the 28 million betrayed people of this volatile nation. The same people who have filled their capital's streets with displays of total belief that seem to contain not a vestige of genuine hope.

Triumph

First came the literate middle classes, wearing their whitest collars to gather at the obelisk in the Avenida de Julio, symbolic centre of their nation to greet Raul Alfonsín, the Radical leader. How many were there? Maybe a million.

This crowd was unimaginable in size. Unbelievable in mood. I said the Kop, but no football team heard triumph like this before the game was played. No pop star ever drew such devotion, no Pope had a congregation declaring that on Earth, at least, deliverance was here.

Looking down on those seething columns it was suddenly possible to believe in a middle way for Argentina, a way chosen by neither the mob nor the military. Until that same street, that same statue, was chosen as the rally point for the Peronists.

If there had been a million before, there were two million now. Their leader had made his point. Bringing them in by buses and bribes—in Cordoba they got two

from

**BRIAN
JAMES**

BUENOS AIRES

kilos of sugar to attend his rally—he can still command the mass.

So the dynasty of the demagogues that began with Juan Peron in 1945, grew more theatrically garish with his wives Evita and Isabel, has its heir. The thunder of their drums, the menace of their marching, the scowling surrounding of anyone not joining the slogans at full voice, proved that the party and the fear and loathing that surrounds it is still intact.

What are they for, this incredible amalgam of Fascist base and militant union organisation? It is easier, by deciphering the graffiti which smothers Buenos Aires like bunting, to list what they are against... generals and Jews, Yanks and Soviets, most other nations, all other creeds, every other politician.

Before beginning his final speech, Italo Luder, a lawyer and intellectual, took off his jacket and tie, the better to blend with these his people 'The Shirtless Ones'.

Veneer

His appeal to the working and workless classes, many if not most with the high-cheeked faces of the mixed-blood peasant, is simple—he promises most.

That night there was scarcely a diner in a decent Buenos Aires restaurant, though the beer halls were bursting with noise. That night the veneer that Buenos Aires, sophisticated home of a cultured people, is the true Argentina crumpled before our eyes.

All Saturday buses and trains left besieged stations carrying millions to the remote corners of

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Daily Mail
31st October 1983
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the country—free travel suddenly offered made it possible for everyone to get home and vote. Out there in the dusty provinces Peronistas rule.

Argentina's elections are difficult to comprehend, involving the choice of a President, 254 Deputies, every municipal dogcatcher. Only if there is a landslide for the Presidency can even a computer give a quick answer . . . otherwise an electoral college goes into days of horse-trading with minor parties to establish the majority.

The only thing that is certain is that the army has gone. And the only thing nearly as sure is that if the Peronists win, soldiers will be taking the covers off their cannon for another coup within months.

Scapegoats

For Luder can't keep his promises. Not with Argentina's problems. Within days the IMF will be asking about the debt expected to reach 60,000 million dollars by the end of the decade. In simpler terms that's like every single British family owing foreign banks £25,000.

No Argentine worker worries about such colossal sums. He's got more personal problems.

Example: A journalist friend calculated that the salary he was earning in 1973 is worth precisely 27 centavos today . . . that's a shade under two pence.

The new President's options are few. To buy off the military he must stick to the deals believed to have been made—to settle for a few lower-echelon scapegoats instead of tracing the blame for the missing thousands, whose fate and graves will never be known, right up to the heights to which it belongs.

Yet the loudest roar of all at the obelisk came when Luder and Alfonsín each promised no escape for the criminals in uniform.

No embattled Argentine President will even have a chance to play the Galtieri gambit . . . invading the Falklands. Never mind about the Royal Marine garrison, there's no appetite anywhere for a repeat of that madness.

Almost the oddest thing of all in Buenos Aires this week, a city where antipathies are aerosoled down every inch of blank wall, is the total lack of obvious dislike of the British. The customs man who shook my hand did indeed say 'The Malvinas are ours,' but he was smiling and the tone was like being told 'We'll beat you in the next round of the FA Cup'.

The British accent, the passport, they're welcome everywhere. Pure deceit? No, according to Jim Neilson, brave editor of the Buenos Aires Herald. For 17 years he's been slagging off the weirdest and wickedest of Argentine politicians, ignoring death threats as casually as you and I ignore all but the final demand for the rates.

He did take his family briefly to Uruguay during the Falklands fighting. 'I thought I might have

to pretend to be Norwegian or something when I came back. No way. People have picked up the old friendship with Britain as though nothing ever happened.

'They deserve a future more optimistic that I can pretend to believe. The riches every Argentine believes in are there. Underground. Unexploited. They might make it

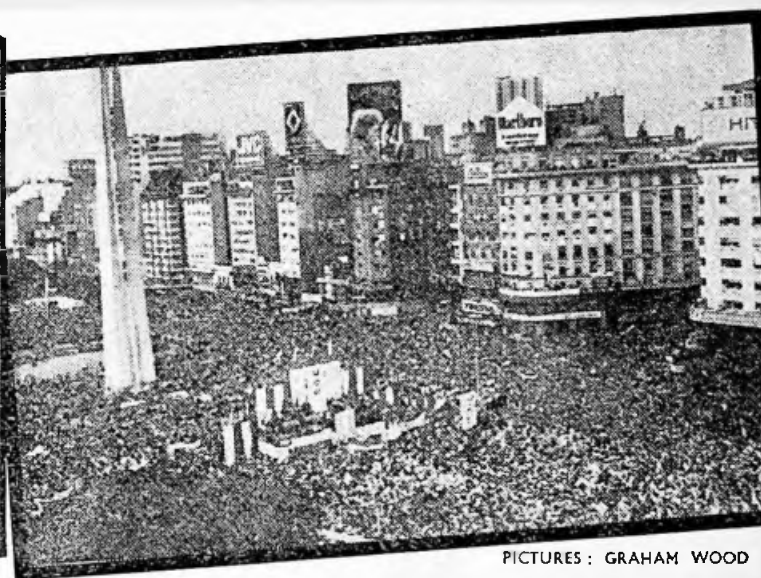
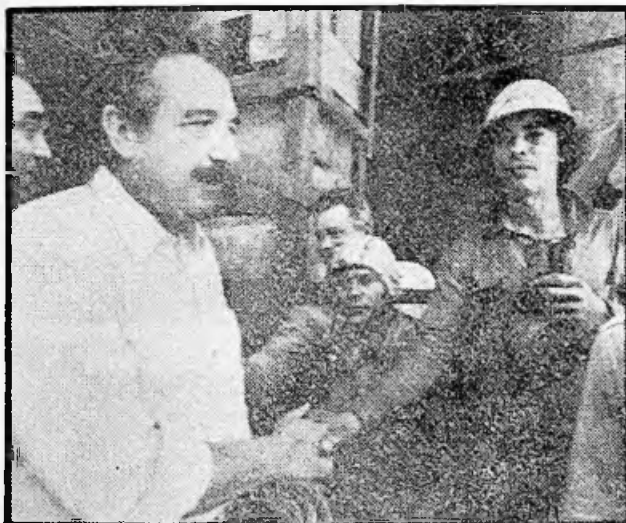
with a five-year plan. It is in the nature of these super simple people to want it . . . in about five days.'

The car the killers always used, the Ford Falcon, became a symbol of Argentina's oppression. The Falcon, bird of prey, has not migrated from this lost, lovable land. It's perched out of sight . . . balefully waiting.

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Daily Mail
31st October 1983
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Behind the thunder of the drums and the thuggish scowls, the spirit of Evita lives on



PICTURES: GRAHAM WOOD



Centre: Election fever in Buenos Aires as a million-strong crowd hails Radical leader Raul Alfonsín. Left: Alfonsín meets the workers. Right: Peronist candidate Italo Luder, heir to the dynasty of the demagogues, rallies the faithful.

31.10.83

Argentina votes in 'new era'

By TONY ALLEN-MILLS
in Buenos Aires

ARGENTINA opened a new chapter in its turbulent history yesterday when 18 million people went to the polls to choose a civilian government for the first time in a decade.

A measure of popular enthusiasm for the return to democracy after seven years of military dictatorship was the size of the queues outside 70,000 voting stations hours before the polls opened at 8 am.

"Today is the day we regain our rights and begin a new era," said Senor Raul Alfonsin, 56, the Radical party leader who is challenging the working class-based Peronists for victory.

Both Senor Alfonsin and Senor Italo Luder, 66, the Peronist presidential candidate, voted early in their home towns in Buenos Aires Province.

Siege lifted

The military junta marked the election by lifting, for the first time since 1976, the state of siege that suspended many individual rights and gave the security forces wide powers of arrest and imprisonment.

More than 130,000 soldiers and policemen were on security duty but no serious incidents were reported. The Government banned the sale of alcohol during the day, public meetings were forbidden and theatres stayed closed.

Apart from the presidential race, Argentines were choosing a new Parliament, provincial governors and city mayors. The presidential election is expected to be close and, if no clear winner emerges, it could be several weeks before the identity of the country's new leader is known.

'BETRAYAL' AS FALKLANDS FUND IS WOUND UP WITH £2m UNSPENT

By A. J. McILROY

PARENTS of many of the single men killed in the Falklands protested angrily yesterday on being told that the South Atlantic Fund is to be wound up and £2 million in unspent donations handed on to other Servicemen's charities.

Letters telling them that the fund is to be closed in the New Year contain a paragraph stating: "The trustees have looked again at your case but after the most concerned and careful consideration they have concluded that they are unable to make any additional grant to you."

The bulk of more than £2 million still unspent, and money still coming into the fund, will go to the main Service charities: the Army Benevolent Fund, the RAF Benevolent Fund and the King George V Fund for Sailors.

Col John Ansell, the fund's secretary, rejected the criticism from parents. The fund was doing its work well. It had just finished processing claims from relatives of the 256 men who died and the hundreds wounded.

"The charities receiving the

unspent money will carry on the work of caring for those who suffered as a result of the conflict," he said.

The fund, which has received more than £15 million, was opened in July 1982.

£38,000 average

In its latest statement the Ministry of Defence said that payments ranged from £30,000 to £70,000 in the £15 million paid out so far and that the average was £38,000 per claim.

As a charitable trust the fund had to make payments based on need and on the assessment of the amount of the financial loss suffered by, for example, a husband's death. Experience gained in Northern Ireland had helped these decisions to be made fairly, the Ministry said.

The transfer of residual

money to the three Service charities was clearly laid down in a Deed of Trust when the fund was set up, though no time limit was set.

The Association of Parents of Unmarried Sons Killed in the Falklands, set up along with the Falklands Families Association to examine the methods of payments to relatives, protested yesterday that the giving public had been "betrayed."

"The public gave out of compassion for the victims of the Falklands campaign so that their dependants and those others they left behind could receive help," said Mr Leslie Stockwell, the parents association chairman.

Proof of need

"Of course nothing can replace the loss we have suffered. But the parents of about 60 of the 121 single Servicemen killed in the Falklands had to get together out of concern for the way the fund was being administered by men and women standing between the bereaved and the public's compassion."

"They cleverly made it a charity and said money could be paid out only on proof of need. But there are sons who would have wanted to do more than just provide for essential needs of parents in their twilight years."

"Because it is a charity we are told we have paid no income tax on what has been paid out. But most of us parents of single Servicemen have received no more than £2,500 which was the initial lump sum payment."

Mr Stockwell, whose son was Petty Officer Geoffrey Stockwell, killed aboard the destroyer HMS Coventry, 3,500 tons, said the association intended to renew its protests through MPs and public protest.

Staff at the three Service charities which have already received £250,000 each from the South Atlantic Fund, said that they hoped the money received on the closing of the fund would not have to be accounted for separately, but placed into the general pool of money.

POPPY DAY PLEA BY LEGION

The Royal British Legion has launched its 1983 Poppy Appeal with a plea for the public not to make it an anti-climax after the record £6 million raised last year following the Falklands conflict.

A spokesman said: "Inflation continues to erode the real value of our income, and a successful appeal is vital for the continuation and expansion of our services for the disabled and the widowed."

Atlantic fund £2m 'unspent'

By CATHERINE STEVEN

THE South Atlantic Fund, set up to receive money from the public for Falklands war victims, is to be wound up in the New Year. Over £2 million of unspent donations will go to three Servicemen's charities which want to use it for general purposes.

Families of the war victims have expressed concern at the decision.

The fund, which has received over £15 million since it opened in July 1982, has just finished processing claims from relatives of 256 men who died and from hundreds of injured servicemen. A total of £15 million has been paid out.

The transfer of residual money to the three charities was clearly laid down in a Deed of Trust when the Fund was set up, though no time limit was set for the move.

This week letters are being sent to next of kin informing them that the trustees of the fund have "looked again at your case but after the most concerned and careful consideration they have concluded that they are unable to make any additional grant to you."

This is despite the fact that money is continuing to pour into the fund's London offices daily.

Colonel John Ansell, secretary of the fund, said the money and the £2 million left over from the general fund would be channelled into the three main Service charities; the Army Benevolent Fund, the RAF Benevolent Fund and the King George V Fund for Sailors.

He said: "The charities would carry on the work of caring for those who suffered as a result of the conflict."

Last week, senior staff at the three charities — which have already received £250,000 each from the South Atlantic Fund — expressed the hope that the fund's money would not have to be accounted for separately, but placed into the general pool of money.

The Association of Parents of Unmarried Sons Killed in the Falklands was set up to examine the methods of payments to relatives.

Mrs Stuart said the South Atlantic Fund had caused much distress among parents and next of kin. "In some ways I wish the fund had never been set up. It has caused more trouble than it was worth."

SUNDAY TELEGRAPH

30.10.83

FINANCIAL TIMES

29.10.83

for 18 scientists of the British Antarctic Survey and a key part of our national presence in the South Atlantic.

Royal Engineers erected these tubes at top speed in the teeth of icy gales last spring, to the evident delight of Sir Hermann Bondi, chairman of the Natural Environment Research Council, owners of the Halley Station. Shortly a research vessel will sail from Britain laden with instruments and supplies to fit out the new laboratories.

Next summer the scientists will emerge from their present burrow, 16 metres deep, past the London Underground sign at the mouth, to occupy the new Halley Station. By then the wooden tubes will be well encrusted with ice and already beginning to disappear into the snowscape. By the end of the century they will have sunk about 19 metres below the barren surface.

These scientists have lived with the impermanence of their quarters ever since Halley was first established in 1958, originally at the expense of the Foreign Office. They have needed a new home every 10 years before ice crushed them flat.

This is their fourth: a novel design reached by collaboration between the British Antarctic Survey and Structaply, specialists in plywood construction. The four tubes, each 120 metres long and over nine metres diameter, are formed of interlocking plywood panels which give the structure both strength and flexibility in facing the crushing burden of ice. Its designers say their model tests show they will keep the

scientists safe and snug for the next 15 years.

All 648 tonnes were first erected in Britain, dismantled and taken by sea to the Antarctic, transported across 11 miles of ice last winter (mid-summer at Halley) and re-erected. Sir Hermann says the best hopes of his scientists were "brilliantly achieved" by the soldiers. Interconnected, the tubes will provide two-storey living and working space for a team of 18.

Sir Hermann regards this research group and its administration in Cambridge as "an extraordinarily cost-effective organisation." He claims that it generates more scientific papers than any other scientific team operating in the Antarctic.

Halley lies beneath a scientifically fascinating boundary between two atmospheric phenomena, called the plasma-pause, where electrically hot and cold conditions interact. A computer-controlled radar at Halley is used to explore this boundary, and also send up balloons—55 last year—bearing instruments to an altitude of 30 kilometres. The Government has recently recognised more clearly the strategic as well as the scientific advantage of the presence of such a hardy band of explorers and authorised an increase in last year's budget of £5.7m.

Was it possible that the scientists could also show eskimos how to make a better igloo? Sir Hermann took the question seriously. If not eskimos, he believed that other inhabitants of Antarctica would be keenly interested in the performance of the new Halley Station.

Four giant Wooden igloos for Antarctica

Four large wooden tubes, each longer than a football pitch, squat in the snow on the floating Brunt ice shelf at Halley in Antarctica, 75 degrees south. They are about to become home

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Peter Hennessy talks to the Foreign Office officials with Grenada on their minds

Bright young things of the FO



In Mrs Thatcher's Whitehall some things are at a discount, diplomats and think tanks among them. It is mildly surprising, therefore, to find in the Foreign and Commonwealth Office a flourishing team of bright young officials licensed to think the unthinkable. What is more, Sir Geoffrey Howe, the Foreign Secretary, seems to relish their output. The Prime Minister uses their material for her speeches and has just appointed one of their former heads, Sir Percy Cradock, to be her personal adviser on foreign affairs in Number 10.

The Cabinet's Think Tank, the Central Policy Review Staff, has lain dead since July. But the FO's planning staff continues to pour out stuff on movements in the price of oil, instability in Central America, East-West economic relations, Poland, Hongkong, Gibraltar, the Falklands, Belize and, since last Wednesday when it became their number one priority, Grenada. Once a month, Sir Anthony Acland, head of the Diplomatic Service, calls a meeting of his deputy secretaries to plunder their product. There is a constant two-way flow of information with the Joint Intelligence Committee, the engine room of Whitehall's secret world, which the planning staff carefully avoid mentioning (the JIC and its works littered the pages of the Franks report on the Falklands in January, but the mist has descended once more; nobody will admit that it exists).

If Mrs Thatcher, the slaughterer of think tanks, did cross Downing Street to pay the planning staff a visit in their ground floor billet, next to Sir Antony Acland's office, with its grand view of St James's Park, she would probably like what she saw. Its small staff do not fit the fashionable but unfair stereotype of the FO as a citadel of polished smoothies forever talking down the national interest and endlessly seeking one group of foreigners or another to sell out to.

For a start they are run by a woman as sharp as any in public life. Miss Pauline Neville-Jones, who has a knack of being in the right capital at the right time – Salisbury, Rhodesia when UDI was declared, Washington as Watergate engulfed the Nixon presidency – has her own view why the planning staff have survived.

"Why have we been spared? For a number of reasons. We don't attempt to be inter-departmental. We are not involved in the inter-departmental power game. We have been established for a very long time [since 1964]. People do not let us see the papers. They can't stop us seeing the telegrams. But they could stop us seeing the policy submissions. Nothing could kill a

planning staff sooner than to be cut off from information. The FO does understand the value of licensed devil's advocates."

They use a number of ploys to make an impact on potential customers. They try to invent snappy titles for their papers. Miss Neville-Jones did not want to give away scoops by mentioning recent examples. But *The End of the Rainbow*, an early 1970s study of what happens when North Sea oil runs out, is a cherished gem from the past. Beneath the headline the idea is to keep it short and relevant. It helps if you have prepared the market in advance by engaging the customers in debate. Think the unthinkable by all means but do not stray into the realms of the politically daft like suggesting half-a-dozen ways of ceding the sovereignty of the Falklands to Argentina. This week their energies will be concentrated on possible practical solutions for Grenada in the post military intervention phase.

The planning staff have proved adaptable. They usually have an outsider on their strength – though they are all insiders at the moment. Mr Colin Jennings is on secondment from the

allow games to be played with it, to let an argument run."

In fact, part of the planning staff's job is to inject heterodoxy into the FO, raiding the minds of MPs, academics, journalists and the collective wisdom of bodies like Chatham House and the International Institute of Strategic Studies. Sir Julian Bullard, FO's political director, and an important patron of the planning staff, is particularly keen on this aspect which is described by Miss Neville-Jones as "spreading the seed corn around the office".

A lot of corn has been pushed the way of ministers in the past two years. The Falklands resignations brought in one new bunch, the general election a second (Sir Geoffrey Howe, says Miss Neville-Jones, is "a great consumer of paper and has a very retentive memory - you put something up and it comes back with little marks all over it"). As a result of ministers marching up their learning curves, about 75 per cent of her workload is generated by others. She would like it nearer 50-50. She has to beware, too, lest the short-term crowds out the long-term.

The planning staff are meant to fulfil the impossible task of spotting crises or developments over the horizon. Colleagues can be rather unkind when they fail. Of all the options foreseen for post-Solidarity Poland, military rule was thought to be the least likely as it had not happened before in Eastern Europe. Since the oil shocks of the 1970s, forecasting, which flourished in the "salad days" of the Cradock era (1969-71), has been replaced by "scenarios" - for example what happens if the price of oil plummets.

The diplomatic world is full of planners in foreign offices each drawing up scenarios, contingency plans for crises and surveys of trouble spots. In the west, a kind of trade union has grown up among them. But the FO's team is much smaller than its American and French counterparts, consisting of Miss Neville-Jones, six first secretaries, one third secretary, a registry clerk and three conventional secretaries.

One in-house sympathizer says times are hard for the planning staff "because we do not have policy any more, we have rhetoric". Miss Neville-Jones showed her steel at this point: "Simply not true. Styles change, my goodness they change. The way policy is presented these days is different from five or six years ago. It's very important to underline the British interest and defend it. That there is policy I have no doubt". There is more than one Iron Lady in Whitehall.

Ministry of Defence. Mr David Lyscom is an economist and statistician. Mr Andrew Colqhoun is an Arabist with a PhD in plant physiology from Glasgow University. The ages of the team range from 28 (Mr Sherard Cowper-Coles) to 43 (Miss Neville-Jones). They respond to external circumstances and the wishes of their consumers, while all the time trying to generate initiatives themselves which may be sparked off by an odd paragraph in a routine telegram or even by something they have read in the newspapers.

The invasion of Afghanistan in 1979 and the invasion of the Falklands in 1982 saw them transformed temporarily into a crisis clearing centre - by Sir Michael Palliser, then head of the Diplomatic Service who had run the planning staff in its first two years, when the Russians struck and by Sir Antony Acland when Port Stanley fell to the Argentines. Sir Michael always had a soft spot for them. "Access to the Permanent Secretary", said one insider, "means the planning staff can play games with the big divisions. Palliser was prepared occasionally to

Falklands hostilities will not fade away in Argentine poll

From Jonathan Steele
in Buenos Aires

THEY CALL it the house of the war veteran, and it is not hard to guess which war they mean. In a Buenos Aires side street, the League of Housewives inaugurated a beautifully converted old house as a social centre for war wounded. About 200 people, including roughly 30 young men, some on crutches, stood in the street as a priest blessed it.

Then they sang the March of the Malvinas, which begins with the words, "beneath their mantle of mist we must not forget them", and ends "for the honour of our flag, and for the sake of our national pride, Fatherland. Let the lost southern pearl shine in your crown". A 22-year-old veteran, who said proudly that he had spent 86 days on the Falklands from the first days of the invasion until the end, declared: "The Malvinas are even more Argentine now because their soil is stained with Argentine blood. We must never give up hostilities."

The League of Housewives is an upper middle-class organisation — one aim is "to im-

prove relations between housewives and their maids to ensure a real community of labour—and is closely connected with the armed forces. One of its leading members is the wife of General Menendez, the former governor of the Malvinas.

But it is matched by other veteran organisations of the left, including members of parties to the left of the main parties contesting tomorrow's election. In a mirror image of the view held by British

Leader comment, page 12

people that loans to Argentina should be stopped until a formal end of hostilities, the Intransigent Party argues that Argentina should stop paying its debts to Britain until sovereignty over the Falklands is regained.

While these positions may seem extreme, they represent a mood which makes it certain that neither of the likely winners tomorrow will end hostilities unilaterally. The paradox of these elections is that, while the Radicals and the Peronists condemn the generals who started last year's war, neither will declare it over.

The Radicals call the war "a crazy adventure" and the Peronists, "a mistake". But both insist that Britain will have to make concessions in return for an Argentine declaration that hostilities have ceased.

Mr Raul Alfonsín, the Radical leader, has said that both sides must make a simultaneous joint statement renouncing the use of force, and Britain must also lift the Exclusion Zone, withdraw its troops, and open negotiations on sovereignty. Mrs Thatcher rejects all these points. The Radicals say that their maintenance of a state of hostilities is a judicial point since it is clear that they do not intend to resume the war. But it is believed that Britain insists on it to weaken their political position.

Mr Italo Luder, the Peronist candidate, has been less clear. He says there is no case for an end of hostilities so long as Britain pursues its Fortress Falklands policy. Argentina wants a diplomatic solution, but does not exclude "ultimate consequences" if Britain continues to block negotiations.

Falklands 'ark' arrives after 36-day voyage

By PATRICK WATTS in Stanley

AFTER a 36-day voyage from Britain, 226 sheep, cattle, horses, goats and pigs have arrived in the Falklands, many to replace those lost in last year's conflict.

They travelled on the livestock carrier, Dina Khalaf, 357 tons, under the command of Capt. Klaus Kaufman, a German who has had 17 years' experience transporting animals all over the world.

For the Captain, his two fellow German officers and five Filipino crew it was just another voyage. But for two English veterinary officers it was the trip of a lifetime.

Similar conditions

Mr Graham Joss, 65, a retired veterinary officer from Reigate, Surrey, and Mr Roger Mason, 51, who has an X-ray veterinary practice in Taunton, Somerset, accompanied the animals. They gave their services free to the Falklands Appeal which has financed the "Noah's Ark" with about £200,000.

Mr Joss said the animals had adapted to the journey "quicker than I did." He insisted that accusations of cruelty to the animals were unfounded.

"The animals were housed in similar conditions to what they would be at home," he said. "All were in stalls: well fed and well cared for. If there is a criticism, then it was that they couldn't go for a walk."

Asked about the deaths of two animals he said. A Romney

Marsh ram had "an old, standing hernia and could have died at any time." An Ayrshire cow "had sustained certain injuries before giving birth to her calf, and later died."

Fresh grass

Mr Mason had persuaded another cow to adopt the orphan, which was one of six calves born on the journey. Another birth was imminent, said the vet.

A grass-making machine provided fresh grass throughout the voyage. "You feed it barley seed and eight days later out comes green grass," said Mr Joss.

The animals will be unloaded today then spend several days in quarantine in Stanley. Many will then have another journey, in an even smaller boat, to their new homes on Falkland farms scattered around the islands.

Sir Rex Hunt, Falklands Civil Commissioner, who is a trustee of the Appeal, is due to officially receive the animals this morning. About 60 per cent. of the animals were donated by the Appeal, while islanders have paid about £17,000 for the remainder, to introduce new blood into their stocks.

GUARDIAN

28.10.83

Argentina

Anti-Peronist protests reach new climax

From Jonathan Steele in Buenos Aires

THE RADICAL challenge to the Peronists' long years of supremacy in Argentine electoral politics has reached a climax with the biggest street demonstration the country has seen for more than 10 years.

A crowd, estimated at between 800,000 and a million, turned out to hear Mr Raul Alfonsín address his final rally in the capital on Wednesday evening before Sunday's voting.

Not since General Peron's triumphant return from 17 years' exile has there been so large a political display. Jubilant people crowded streets and balconies overlooking the platform in front of the tall obelisk which celebrates the country's independence. Scores of people perched

dangerously on the roofs of pavement cafes. Others climbed trees, and thousands stood packed tight in the wide boulevard in front of the stage.

The red and white banner was waved a hundred times over as Mr Alfonsín began his speech with the words, "Argentines, the dictatorship is over." One of the loudest bursts of applause broke out when he condemned "American imperialism" for the invasion of Grenada.

Mr Alfonsín was at times scornful but also patronising about his main opponents. They were campaigning for a dead man, he shouted, but who was going to run the country? General Peron's death during his third presidency eight years ago had sparked off a crisis of authority which left

the way open to military adventurism.

He attacked the present military regime as "the most infamous in Argentine history which came in to eliminate corruption and ended up by corrupting everything." The "irresponsible" Falklands war benefited small groups. He ended by appealing to national unity so that after the election there would be an end to the 'Argentina dominated by a foreign and domestic financial oligarchy and no more chance of another military coup.

Mr Alfonsín's rally has given enormous heart to his mainly middle class and youthful supporters, but it is still far from clear that it will be translated into victory on Sunday.

Under Argentina's election system a majority of votes cast does not necessarily ensure vic-

tory. Patterned on the US system, the presidential vote is indirect. There is a 600-member electoral college in which densely populated areas such as Buenos Aires and its surrounding province, which contain half the electorate, have only 198 seats.

Each of the country's 24 electoral districts produces two senators, regardless of population, and there are 252 parliamentary deputies. Each area has two electoral college seats for each senator and deputy. The result is that although Mr Alfonsín seems strong in Buenos Aires and other large towns, he may be outgunned in the provinces.

If neither party has an overwhelming majority in the electoral college, it can try to form alliances with the smaller parties. The most successful of these

is expected to be the leftwing Intransigent Party, led by Mr Oscar Alende, a former governor of Buenos Aires province, who still commands loyalty in the province. He has won support among younger votes for his outspoken defence of human rights and his repeated warnings that the country is in a pre-revolutionary situation in which the entrenched power of the military must be vigorously challenged.

The next most successful party is thought to be the Movement for Integration and Development, which is backed by former President Arturo Frondizi. Both of these parties say they will refuse to switch their votes in the electoral college. This could throw the result into the arms of Congress where a process of bar-



● Paul Alfonsín : 'Dictatorship over'

gaining and coalition-forming could take place.

Officially the military government of President Bignone has said it will hand over power to the newly chosen administration at the end of January. But it is almost certain that this date will be brought forward to end the country's political paralysis and enable the new government to complete the negotiations on repaying the foreign debt.

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CENSORSHIP RULES 'UP FOR GRABS'

DAILY
TELEGRAPH
28.10.83

By CHARLES LAURENCE
with the British Army in
Holzminden, West Germany

DRACONIAN regulations for war correspondents drawn up by the Defence Ministry after the Falklands war are "up for grabs" in the wake of the Army's "guinea pig" exercise for journalists in West Germany this week.

Senior army officers have said that they consider the Ministry's censorship rules "impracticable" in the age of modern communications and instant television pictures.

The Ministry's provisional regulations—themselves meant to be "secret"—include a list of "don'ts" in reporting that bans everything from approaching senior officers for interview to naming units or ships—even, absurdly, writing personal criticism of officers and "attached civilians"—the Ministry officials themselves.

Instead of this rigid control of the media, the Army wants a relationship based on trust and a "gentleman's agreement" backed by the free flow of news direct to the reporters' newspapers. In the Falklands, all news was sent through the Ministry for a second tier of censorship.

Privately admitted

Lt-Gen. Sir Martin Farndale, Commanding Officer of the First British Corps, BAOR, said: "I can't see how censorship can be practical in this day and age. In my experience, people speculate when they don't have information and it is the speculation that can be dangerous."

The media experiment attached to the British First Armoured Division exercise "Eternal Triangle" is being run by Brig. David Ramsbotham, head of Army Public Relations at the Ministry.

He said yesterday: "The draft regulations which you so despise are up for grabs. That is the point of this exercise. We are looking for new regulations that can work properly to everyone's satisfaction."

However, senior officers in Holzminden have privately admitted that there have been few indications that the Ministry would be prepared to relinquish control of the media in a conflict.

Meanwhile, during the media exercise, the time-honoured system of dressing us up in uniform, imposing a degree of military discipline and keeping reporters in the mud with the troops continues. But we have been provided with our own transport and exclusive communications system.

The "guinea pig" experiment has failed to tackle the thorny question of censorship. Instead, as Brig Ramsbotham put it, "there is no blue pencil" on the exercise.

BOOST FOR ARGENTINA'S 'UNDERDOGS'

By TONY ALLEN-MILLS
in Buenos Aires

SEÑOR Raoul Alfonsín and his underdog Radical party have boosted their chances of beating the Peronists in next Sunday's General Election in Argentina by staging one of the biggest political rallies seen in South America.

A spectacular crash of more than 750,000 jubilant Radical supporters thronged a central Buenos Aires avenue on Wednesday night to fete the man who has brought them to the brink of victory in the first democratic poll in Argentina for 10 years.

It was an evening of stunning personal triumph for the tubby 56-year-old lawyer who by his own admission has worked 35 years in politics to become an overnight success.

When Señor Alfonsín mounted the scaffolding platform to greet the crowd there was a great roar of joy.

The Avenida 9 de Julio, wider than an airport runway, was a floodlit ocean of waving red-and-white Radical flags. A veteran Argentine journalist who has covered every important demonstration in Buenos Aires in the last 30 years said the Radical fiesta was the biggest he had seen.

Eva Peron memory

He said the only occasion that compared was the day Eva Peron—the idolised "Evita"—announced in 1951 her withdrawal from public life due to illness.

"Argentines like to back the winner," a Western diplomat commented yesterday. "After the Radical rally they may feel that Alfonsín looks like the winner."

The Radical resurgence poses an awkward challenge to the Peronists, who are holding their own closing campaign rally in the same Buenos Aires avenue tonight.

TELEX WENT TO PLASTICS FIRM

By CON COUGHLIN

THERE were some red faces at the Foreign Office yesterday following the disclosure that telex messages sent from Grenada to London warning of an imminent invasion by American troops went astray.

The messages arrived at the headquarters of a small Scandinavian plastics company instead of the Foreign Office.

Two separate telexes arrived at the offices of Scan Plast, in the West End, on the day of the invasion.

The telexes gave a warning that the invasion was imminent and appealed to Britain, as head of the Commonwealth, to bring the plight of Grenada to the attention of the United Nations.

Foreign Office officials, no doubt mindful of severe criticism they received for their handling of the Falklands invasion, were yesterday trying to play down the significance of the telexes, saying there were doubts about their authenticity.

But directors at Scan Plast who tried to pass on the information to the Foreign Office nevertheless found the official apparent lack of interest hard to believe.

Employees at Scan Plast found the telexes when they arrived for work on Monday. A director immediately contacted the Foreign Office telling them what was in them and asking what they wanted done with the messages.

"It seems that our telex number is an old Foreign Office telex number and the Grenadian sent the telexes here by mistake," said a spokesman.

Discussion refused

"It is not the first time it has happened. We have had birthday greetings for the Queen from Peru and congratulations to the Foreign Secretary from Malta."

"But obviously this was different so we immediately got on to the Foreign Office. But we were amazed by the response. No one seemed at all interested in them. We were told to put them in an envelope and post them on."

"When I persisted, one of the girls said she would take a note of the contents to pass it on. But then it turned out she could not even do shorthand," he said.

The Foreign Office refused yesterday to discuss the contents of the telexes or whether the information contained in them was of any significance.

But it is known that the first news of the invasion came from news agency reports, which first informed Mrs Thatcher of the invasion. The Foreign Office was only able to confirm the reports later.

"We are rather mystified as to why the informant used this telex number, which is out of date, and not the more established diplomatic channels which are normally used," said a Foreign Office spokesman.

"The messages were also addressed to the Ministry of External Affairs which indicates that whoever sent the messages was not well-acquainted with these channels."

"We now have the telexes and they do not make any great material difference to the information we already had," he said.

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Falklands ghosts in corridors of Foreign Office

By JOHN MILLER *Diplomatic Staff*

THE Foreign Office came in for another battering yesterday over its handling of the Grenada crisis, and the so-called Falklands syndrome reappeared.

During and after the Falklands conflict in 1982, the Foreign Office came under withering criticism for allegedly failing to inform Mrs Thatcher about Argentine intentions.

Although "cleared" by the Franks Report after a six-month inquiry, the Foreign Office image has never been fully repaired. And a familiar question was being asked—who are the guilty men?

The Foreign Office is unable to answer the question because it does not know. In any case like all big organisations, and Government departments, it is unable to accept that it could possibly be at fault.

The key charge is that the Foreign Office was told last Friday or certainly during the weekend, that Caribbean countries wanted to use military action to restore law and order in Grenada and sought American and British aid, and that it failed to tell No 10.

It is the Falklands affair all over again. Who failed to tell whom about an invasion? Or if the message was passed up the line, at what point was it ignored?

Regular reports

The British diplomat "in the field" throughout the crisis has been Mr John Kelly, 43, a second secretary who recently switched to Grenada after being on loan from the Foreign Office to the Department of Trade and Industry. He sent regular reports about the turmoil in Grenada to Bridgetown Barbados.

Because of cutbacks in the Foreign Service over the past few years the British presence in the Caribbean is concentrated on Barbados.

The High Commissioner, Mr Giles Bullard, 57, took up his post in August. He is also High Commissioner (non-resident) to Antigua and Barbuda, Dominica, Grenada, Saint Lucia, St Vincent and St Christopher and Nevis. He has a staff of about 15 including military and naval advisers, and immigration officers.

DAILY
TELEGRAPH
28.10.83

Small department

Mr Bullard's daily file on the situation in the Caribbean would have been sent, probably in code, to the Foreign Office and eventually found its way to a desk in the West Indian and Atlantic Department.

The department is run jointly with the Overseas Development Agency and is one of the smallest of its kind in the Foreign Office. The deskman dealing with Grenada also "looks after" several other small Caribbean countries.

The department is headed by Mr John Edwards, an ODA man, but is effectively the responsibility of Mr John Ure, 52, a superintending under-secretary, a former Ambassador to Havana, who was also in control of the South American Department before and during the Falklands crisis.

Mr Ure on reading all his incoming cables from Barbados, and digesting the input from Washington involving his area, would make brief recommendations for action to be taken in memoranda to Sir Antony Acland, 53, the Permanent Under-Secretary of State at the Foreign Office and Head of the Diplomatic Service.

Sir Antony, who took over after the Falklands war and a sharp slump in the morale of the Foreign Office, reports to Sir Geoffrey Howe, Foreign Secretary, but day-to-day decisions affecting the area would be taken by Lady Young, Minister of State, and Mr Raymond Whitney, Under-Secretary of State.

MI 6 reports

Intelligence about the situation in Grenada, United States' intentions, and the position of the Organisation of Eastern Caribbean States, would at some time or another also have reached the Foreign Office from MI 6 "stations."

Summaries would have ultimately landed on the desk of Sir Anthony Parsons, 61, the special foreign affairs adviser to No. 10 Downing Street.

Sir Anthony, who works a three-day week, is retiring in December. His appointment in November, 1982, was widely interpreted as reflecting Mrs Thatcher's concern that she was not receiving prompt and accurate information from the Foreign Office.

One other body, the Joint Intelligence Organisation based in the Cabinet Office, also exists to make assessments for ministers and officials of a wide range of external situations and developments such as Grenada.

These are considered before circulation by the Joint Intelligence Committee, headed by Sir Anthony Duff, 63, who after retirement from the Foreign Office became the Cabinet security and intelligence coordinator.

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Argentine Radicals flock to giant rally

From Andrew Thompson
Buenos Aires

Señor Raúl Alfonsín, Argentina's Radical Party presidential contender, addressed one of the biggest political rallies in the country's postwar history on Wednesday night.

More than 800,000 supporters filled the centre of Buenos Aires to listen to an impassioned speech by Señor Alfonsín and other party members. The success of the rally - party officials had been expecting a turnout of about 300,000 - showed that the presidential race, which culminated at the polls on Sunday, was still wide open.

The Peronists are due to hold a similar rally today and face strong psychological pressure to at least equal the radicals in numbers.

The jubilant Radical Party crowds crammed into the streets around the obelisk on the 9 de Julio Avenue, chanting slogans and waving flags. From the improvised rostrum made out of scaffolding, it was impossible to see where the crowds ended; the columns stretched back into the distance.

The speeches were marked by a strong anti-military sentiment, coupled with open challenges to the traditional electoral hegemony of the Peronists. The need for peace in international relations was also heavily emphasized.

Referring to the Falklands conflict with Britain, Señor Víctor Martínez, the Radical Party's vice-presidential candidate, said that if the party gained power "we will work



Señor Alfonsín: "The dictatorship is ending."

hours, days, nights, years, through diplomatic channels, but we will not wage one single minute of war to wound Argentine youth in military adventures."

Señor Alfonsín said: "The dictatorship is ending. Corruption is ending. Those decrees written by Daddy's Boys (a reference to the military) are ending. The rule of the thugs is ending. We are no longer going to be strangers in our own country. Democracy is coming."

The candidate drew thunderous applause when he made a plea for national unity to defend Argentina against any "crazy putschist adventures in the future" and against "imperialism, which today sunk its claws in Grenada."

In a direct attack on the Peronists, Señor Alfonsín said: "Important voices in the Justicialist Party say that they can win the elections with General Perón. But if this is true, I ask, as millions of Argentines ask, who is going to govern in Argentina?"

General Perón died in 1974.

THE TIMES

28.10.83

A Falklands myth

From Lord Shackleton

Sir, In his interview with Andrew Thompson (reported in *The Times* of October 18) Mr Costa Mendez, in replying to the question as to why Britain reacted in a much stronger fashion than he had imagined, alleged that the Prime Minister was motivated "by the possibility of reviving the powers of empire" supported by "the powerful lobbies of the Falkland Islands Company, the Royal Navy, and the British Antarctic Survey".

Regardless of what political advantage there may have been derived subsequently, in regard to the Falkland Islands factor, I am bound to say that I have never heard such idiotic nonsense. As for the reference to the Falkland Islands

Company (a wholly owned subsidiary of Coalite) and British Antarctic Survey, they were no doubt surprised, and possibly even amused by this description.

In particular, British Antarctic Survey, as a scientific organisation, has as such tried to keep out of politics. If there is an area of political concern for them it is the preservation of the Antarctic Treaty whose efficacy has, it is hoped, not been too seriously impaired by events in the south-west Atlantic.

Regrettably, this element of self-deception and myth on the part of Argentine leaders does not augur well for a sensible solution to the "geo-political" issues in the future.

Yours faithfully,
SHACKLETON,
House of Lords,
October 26.

Austerity plan at Crown Agents

By Our Financial Correspondent

The Crown Agents are planning to sell their grandiose headquarters in London and already been told must go as part of a plan to make the organization more streamlined and commercial.

A management document leaked by the unions representing the staff shows that the Agents have been considering a number of drastic options, including making the entire staff redundant and then reemploying them on a selective

basis. This was rejected on legal advice.

Mr Alan Frood, the Agents' managing director, confirmed that the civil service working conditions of the staff - including their index-linked pensions - were being reviewed to see whether they could be afforded in the Agents' new and more commercial role.

He denied that employees would have to work longer for less pay, however.

How the FO messages found their way into a plastic bag

By David Cross

After several months of indifference, the Foreign Office yesterday woke up to the fact that several urgent and confidential telex messages from foreign governments, including Grenada, had been going to a plastic bags firm in the West End of London.

The firm, Scanplast of South Molton Street, yesterday received two telexes from the Foreign Office, a mile away in Whitehall, asking whether it was the company that earlier this week received a number of messages from the Grenadian authorities trying to prevent the American invasion of their Caribbean island. The belated request for this information was too much for Scanplast's bemused officials, who have been trying to establish contact

with the Foreign Office since Monday. "I just can't be bothered any more", one of them told *The Times*.

According to one Scanplast official, two messages from the Foreign Ministry of the Revolutionary Military Council of Grenada arrived on the firm's telex on Sunday night addressed to the Foreign Office. One message said that an invasion of Grenada was imminent and asked the British Government to take whatever action it could to forestall it. The other was a copy of a telex addressed to the United States embassy in Barbados, appealing to Washington to hold back its forces.

When the small staff found the messages on Monday morning, one of them telephoned the Caribbean and

Atlantic desk at the Foreign Office to ask what he should do with them. He was told that copies of the messages had probably been received already by the Foreign Office and he should put them in an envelope and pass them on.

"I said I don't think that's the right thing to do", he told *The Times*. He then asked to whom he should give them if he brought them down to Whitehall. "They said: 'Leave them at the front door.'" The Scanplast official put the phone down in disgust and posted them with a first-class stamp at 1pm on Monday.

When he came into his office the next morning, another telex from the Grenadian Foreign Ministry, sent late on Monday night, was waiting for him. This appealed to the British

Government to "urgently raise the matter in the United Nations and to condemn publicly this planned invasion, which is a blatant violation of international law".

The official again telephoned the Caribbean and Atlantic desk and was told by a woman that the messages he had posted on Monday had not yet reached that office. As the latest message appeared to be urgent, he began to dictate it to a Foreign Office secretary. She explained that she could not take it down in shorthand, so he suggested that someone with shorthand should ring him back. By the time the Foreign Office called back, the American invasion was under way.

The London office of Scanplast, which has its headquarters in Denmark, first started receiving telexes addressed to the Foreign Office soon after the machine was installed in early June. On June 10, one day before the Queen's official birthday, it received a message of greetings from Peru, and a couple of days later two messages arrived from the Maltese Government bidding farewell to Mr Francis Pym, the outgoing Foreign Secretary, and welcoming Sir Geoffrey Howe as his successor.

The second message from Valletta contained confidential information in the form of a request to the British Government to remove some of the Second World War shipwrecks from its waters as a step towards improving Anglo-Maltese relations. In each case, the company contacted the Foreign Office, who picked the

messages up about 48 hours later.

When the firm contacted the Post Office to find out why it was receiving telex messages addressed to the British Government, it was told that it had inherited an old Foreign Office telex number.

It has since received about 20 inquiries from foreign governments trying to contact Whitehall, but the British authorities have so far shown no interest in allocating Scanplast a new number.

A Foreign Office spokesman said yesterday that two of the three messages received by Scanplast were hardly intelligible because they were extremely garbled. Moreover, the Grenadian authorities had established means of contacting the British Government

THE TIMES

28.10.83

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FINANCIAL
TIMES

28.10.83

Rival parties in Argentine poll clashes

By Robert Graham in Buenos Aires

VIOLENT clashes between supporters of the two main political parties, the Peronists and Radicals, have marred the closing stages of Argentina's election campaign.

There is concern that in the run-up to Sunday's poll, the violence might intensify. Over the weekend the state of seige, in force since 1974, is due to be lifted.

The clashes, involving militant Peronist youths, broke out after up to 1m supporters of Sr Raul Alfonsin, leader of the Radical Party, held a rally in central Buenos Aires.

It was the biggest rally seen in seven years of military rule and confirmed Sr Alfonsin's emergence as a major alternative to the Peronists who have dominated Argentine politics since the end of the Second World War.

After the rally, Peronist youths burned flags with Radical Party banners and attacked people leaving the demonstration. Police intervened but there were no arrests.

The main Peronist rally is due to be held in the capital today. Yesterday, Peronist supporters were driving through the streets of Buenos Aires in vans with loudspeakers urging people to attend the rally in a major show of the party's strength.

Party organisers said the rally would only be addressed by Sr Italo Luder, the Peronists' leader.

Crown Agents put case against threat of abolition

BY DAVID DODWELL

THE Government-appointed Crown Agents, which manage investment and other services for foreign governments, yesterday highlighted their "special function in maintaining and developing trading links with developing countries" as one of the major arguments why they must remain "an important part of Britain's international business life."

The statement came in answer to suggestions in parliament and Whitehall that the Crown Agents should be broken up or abolished. It comes at a time of financial difficulty following the loss of a fund-management contract with the Sultan of Brunei which accounted for over 70 per cent of the Agents' fund-management earnings.

Claiming that the organisation remains viable, the Agents say that over 80 per cent of their orders in 1983 which may amount to over £160m—will be placed in Britain, and that many of these orders go to smaller British companies which would otherwise have no access

to overseas markets.

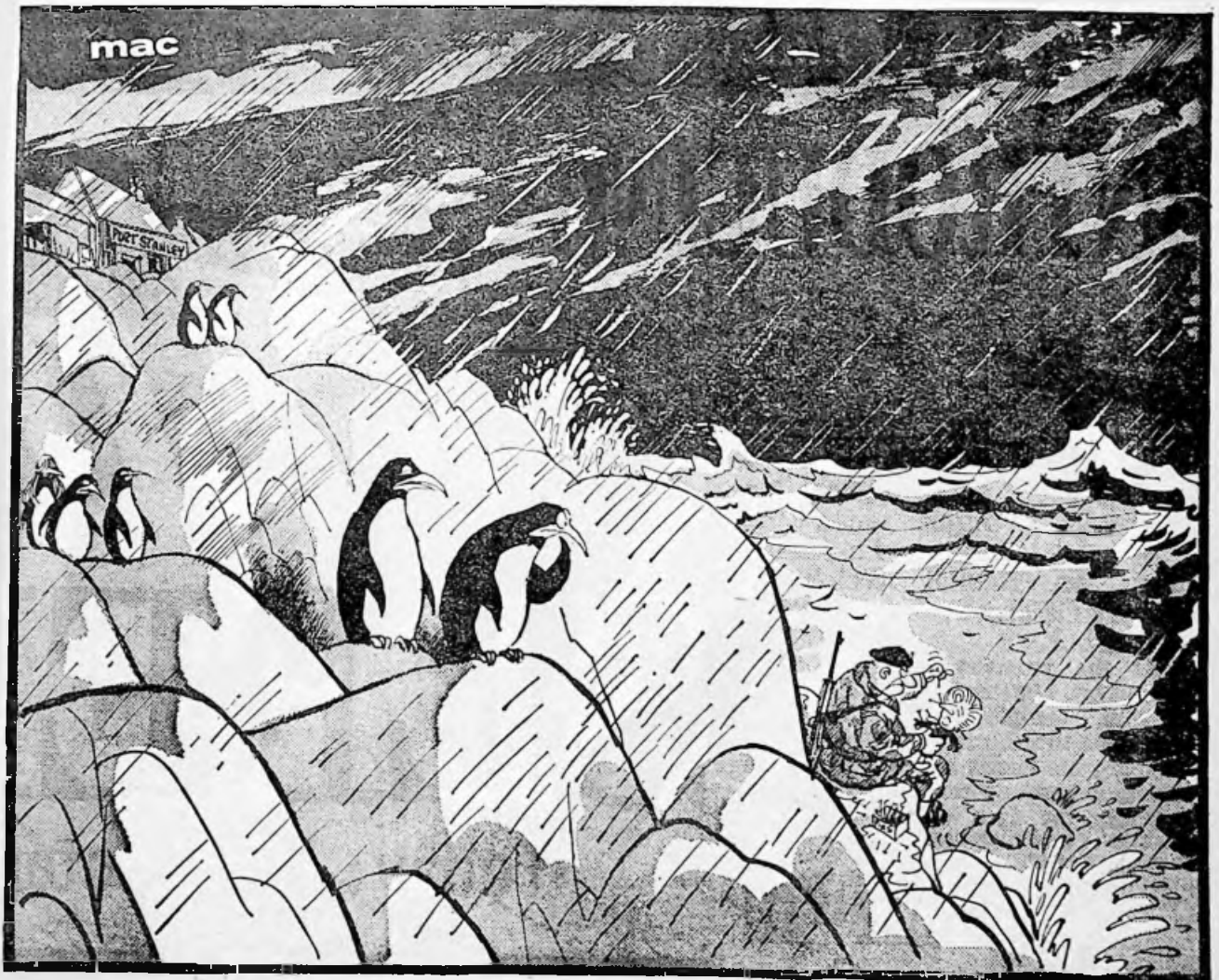
The Agents acknowledge the damage done by the loss of the Brunei contract, which is linked with the Sultanate's imminent independence from Britain, but say they still manage more than 200 funds with an aggregate value of £800m. This results in invisible earnings worth over £1m.

They also claim to be important as a monitoring service of the orders being placed by government bodies abroad; as a partner in multilateral programmes, and in training personnel in developing countries.

Trade union leaders at the Crown Agents also warned the Government yesterday that British industry would lose millions of pounds' worth of contracts if the Agents were disbanded.

Mr Keith Knox, chairman of the trade union side of the Crown Agents' London Whitley Council, said: "Reports of the imminent death of the Crown Agents are greatly exaggerated."

Daily Mail
28th October 1983



'Because, instead of defending nubile, sun-kissed West Indian girls against Marxist oppression, he's here defending you. That's why.'

Daily Mail
27th October 1983

WORLD WIDE in brief

Mass crowds greet Argentine freedom

From BRIAN JAMES in Buenos Aires

EVEN the greatest crowd scenes of the era of Evita Peron were surpassed by Argentinians last night.

More than 1,800,000 took to the streets in a triumphant salute to the end of seven years of military rule.

The final election meeting of presidential candidate Raul Alfonsin produced the scene—his

election audience stretched for a mile down the capital's main thoroughfare, the Avenida de Mayo.

There has not been a civilian government elected in Argentina for ten years. Last night's scenes may well swing undecided voters to Alfonsin, a 56-year-old radical lawyer, to beat the Peronists whose rule began in 1944.

War reporting regulations 'unobeyable'

By Richard Evans

Strict regulations issued by the Ministry of Defence that could control the way British journalists report any future war or conflict of the Falklands type are "unobeyable and unenforceable", according to a senior army officer.

Lieutenant-Colonel Richard Powell, aged 40, Commanding Officer of the 1st Battalion, the Welsh Guards, explicitly criticized the ministry at a question and answer session with reporters on Tuesday and encouraged them to act now if they wanted to get the regulations changed.

His frank comments, which highlight the gulf between official ministry thinking and that of senior army officers in the field, came a few hours before 50 British reporters set

off for a war-reporting exercise in Germany.

It is the first time since the Suez crisis that a group of reporters has been issued full combat clothing and been fully accredited in order to accompany a front line division.

Each reporter has had to sign a copy of the controversial regulations which have been criticized, as draconian and open to very wide interpretation. No censorship, however, will be imposed during this week's three-day trip.

The ministry insists that the regulations, which are based on those used in the Second World War and cover accreditation, legal status, and reporting restrictions, are only in draft form and may be amended or improved. But it is sensitive about them being published.

Reporters will get a chance to comment on the regulations after the exercise and Colonel Powell, who recently served on the staff of Supreme Allied Command in Europe, told them: "If you don't get it right this time it is no use complaining in two years' time. If you think they are over restrictive you must say so now."

The ministry will always try to blot everything out. I think you are bound to be opposite each other, the ministry and the press.

The Government, and ministers in particular, do not want egg on their faces. They want to present a perfect picture to the House [of Commons]. That is what it really comes to."

He described as "rubbish" the action of Sir Frank Cooper, Permanent Secretary at the

Ministry during the Falklands crisis, "in trying to use the media to put over a deception story".

In stark contrast to the regulations, the colonel said he was all in favour of personal contact with reporters in order to establish a trusting relationship.

Referring to a "catch all" rule that a journalist must not do anything to prejudice or damage the morale of British forces, Colonel Powell said: "A responsible journalist has to look at that and wonder whether the morale of troops is being undermined by something not being told."

"You have to think it through on a security basis and ask: 'Am I hazarding the lives of men and women by saying this now?'"



Brigadier Ramsbotham:
Criticized report

Army acknowledges needs for journalism

The essence of successful warfare is secrecy and the recipe for successful journalism is publicity, but the two concepts need not be mutually exclusive, according to the Army's top public relations official.

"We acknowledge these imperatives exist, but we also acknowledge this gap has to be bridged", Brigadier David Ramsbotham told journalists.

Outlining his ideas about the treatment of war correspon-

dents, he said that there was: No absolute right to know, but no absolute right to suppress; an absolute right to ask questions, but an absolute right to refuse to answer provided a reason is given.

Brigadier Ramsbotham bitterly criticized a report that war reporting involves a clash over press freedom. He said he had remonstrated with the defence correspondent of *The Guardian* for making the suggestion. "We are not at all concerned with a

row over press freedom".

He hoped that the exercise would enable journalists to see "the imperatives that operate on us in trying to protect the security of our operations and the people involved and why they are necessary".

The Ministry of Defence believed an operational commander had the right to ask for protection of his operation and the people involved by controlling the time of release of operational information.

Jimmy Burns in Buenos Aires on the Peronists' electoral rivals

Radicals give Argentines a choice

EVEN IF the pundits are proved right and he loses in the Argentine elections on Sunday, Sr Raul Alfonsín, the candidate of the Radical Party, will almost certainly be able to claim a historic victory.

The paradox is explained by undisputed evidence suggesting that the Radical Party, thanks to Sr Alfonsín, has emerged as a viable political alternative in Argentina after nearly half a century of political dominance by the party of General Juan Perón.

Yesterday nearly half a million people gathered in the centre of Buenos Aires in the most impressive rally in Radical memory and one of the largest street demonstrations in seven years of military rule. Sr Alfonsín's last public rally in the city in December—when he officially announced that he was running for the presidency—drew a crowd of only 30,000 people. During the country's last election campaign in 1973 the then Radical candidate, Sr Ricardo Balbín, drew crowds of not more than 17,000 before losing by a humiliating 24.4 per cent against the Peronists' 61.8 per cent.

It used to be said that the Peronists were the only ones capable of manipulating the masses and that the Radicals were a somewhat nebulous middle of the road party, strong on rhetoric but poor in their capacity to stir popular emotions and to apply practical programmes.

But during the campaign Sr Alfonsín has managed to

explore even enemy country with the confidence of someone who has lived there all his life.

The Radicals undoubtedly owe much of the growth in their popularity to the personality of their leader. Ever since he won the party convention last June the "Alfonsínazo"—as the Alfonsín phenomenon has been billed—has been widely viewed as something fundamentally new in local politics. Here is a man with charisma who has nevertheless insisted on emphasising policies over the cult of personality.

The cynics claim that Sr Alfonsín is a master of electoral trickery. His campaign has certainly borne a striking resemblance to a U.S. Primary, complete with balloons, fireworks, pretty women and general razzamatazz. But Sr Alfonsín has distinguished himself in one important respect from his rivals. He has not embodied what certainly has clung to the Peronists: an obsessive and some would say fatal attachment to the past.

This is arguably a point in his favour after seven years during which Argentines have been ruled by the sheer institutional weight of the armed forces and the escapism of the Peronist mystique.

Sr Alfonsín has no real political past. The left of centre faction which he formed in 1972 in protest against what he saw as the woolly policies of the party leadership effectively exiled him from the main-



Alfonsín . . . leading Radical candidate

stream of politics until last year. He was never given a party post nor elected to parliament. More recently this has proved an asset, as the bulk of political establishment figures has been discredited in the public eye as collaborators of the military regime.

For the past seven years, Sr Alfonsín has worked behind the scenes as a lawyer interceding for people arrested by the authorities and signing several documents accusing the Government of human rights violations.

Among the middle class Sr Alfonsín has been consolidating his support by default and has

managed to emerge as undisputed leader. Not so the Peronists who continue to be wracked by internal faction fighting. For those looking for stability as a basis for economic prosperity—a notion dear to the heart of the Argentine middle class—the Peronists now represent uncertainty and potential chaos.

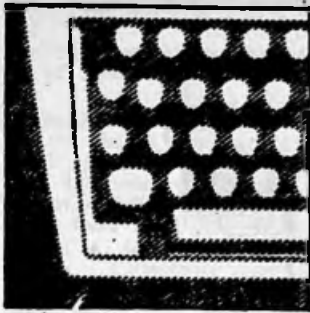
Many Argentines have warmed to Sr Alfonsín's outspoken approach to military and union reform as the best chance the country has of breaking the cycle of ineffective civilian government followed by military coup which has dogged the country for most of its recent history. His defence of human rights—he has promised an investigation into past violations—has attracted the youth vote.

The Radical economic programme, in its commitment to a mixed economy with a greater role for the state in planning, is virtually indistinguishable from that of the Peronists. The Radicals have a moderate approach to the foreign debt question, although they do insist on better terms from the bankers.

Sr Alfonsín has also spoken boldly of housing and education projects, of creating job opportunities and curbing inflation through a prices and incomes policy. But his problem remains that of covering the enormous emotional distance which has traditionally separated his party from the working class.

GUARDIAN

27.10.83



DIARY

THE magnificent obsession continues. Mr Tam Dalyell is back at the Commons after a discreet flying visit to Peru, during which he spent 75 minutes with President Belaunde Terry discussing — well, what else? The Belgrano.

Mr Dalyell flew out last week after receiving an invitation from the President to meet him at 4.30 pm on October 21 in his palace. The two men had been corresponding since mid-August. "In that sense," says Mr Dalyell, "It was they who offered. But I paid for it. I got a £516 return academic's ticket because I'm involved in academic research in the issue."

Mr Dalyell is keeping mum for the time being on the results of his meeting, which will have centred on the crucial details of the Peruvian Peace Plan negotiations and their scuppering when news of the Belgrano sinking reached Lima on May 2 last year. "I don't want to say anything until I've had a chance to see Neil and the Foreign Affairs Group," says Mr Dalyell. He evidently has interesting news? "I think you can legitimately draw that conclusion."

But the four-day trip was, for Mr Dalyell, overshadowed by a greater torment. "If you're as keen on the Incas as I am, to go so far and not to go to Cuzco is agony. I have had the fortune to go to many of the other ancient sites of the world and when I got to the airport to come back there was a plane leaving for Cuzco. Oh, it was absolute agony!"

Peronist drums try to drown Radical rivals

From Andrew Thompson, Buenos Aires

Argentina's two main parties, the Radicals and the Peronists, have organized last-minute rallies in Buenos Aires before Sunday's general election. The Radical rally was due last night and organizers were predicting a turn-out of more than 200,000.

The Peronists had planned to hold their rally on the outskirts of the city in Avellaneda, the stronghold of Señor Herminio Iglesias, the gubernatorial candidate for Buenos Aires province. But party leaders decided at the last minute that "we cannot leave the centre of the city to the Radicals" and the venue has been changed.

Campaign managers of both parties believe a big turn-out is essential to cause a "bandwagon effect" among the large number of undecided voters.

The Peronist rally will be tomorrow, the last day of campaigning. The Radicals will close their campaign with a meeting in Rosario, the country's largest city.

On the campaign trail, the Peronists are exuberant, storming through their whistle-stop meetings in a kind of organized chaos.

Señor Italo Luder, the party's presidential candidate, arrived in the town of Santa Fe (population 350,000) in the province of the same name last week. This is strong Peronist territory, on the banks of the Paraná river, 210 miles north-west from Buenos Aires.

A crowd of supporters waited at the airport, banging drums and chanting slogans. It turned out that most of the crowd were members of the "62 organizations", the political wing of the Peronist trade union movement in charge of security. They surrounded a reception committee, including local Peronist dignitaries and the party's candidate for the governorship.

But when Señor Luder's jet touched down, carefully laid plans went awry. Officials and television crews intent on getting there first commandeered cars and rushed off at high speed down the runway to meet Señor Luder. In the end the candidate bypassed the airport building completely, heading a caravan of cars and lorries into the town.

The dwindling reception committee stood on the tarmac in front of the airport, against a setting sun, amid voices shouting "He's gone" or "wait here because he is coming". Finally, they had to rush off in more

cars in an attempt to catch up with the fast-moving candidate.

About 60,000 people turned out that night to listen to Señor Luder speak from an improvised podium in the centre of town. The next day there were more than 100,000 people out to hear him in Rosario, the provincial capital, also on the banks of the Paraná.

The crowds chanted slogans, beat drums, and devoured chorizos (a tasty sausage) roasted on smoky fires. The most popular slogan at the moment is "Olele, Olara, we are Peronists, we will win". Entire families, of predominantly working-class origin, turned out and spent hours standing in the throng and dancing. A group of first-aid workers carried off the people who fainted in the crush, sometimes as many as 20 in one meeting.

ARGENTINE ELECTIONS



In Santa Fe the crowds roared approval when the Stars and Stripes, carrying a picture of Señor Raul Alfonsín, the rival candidate from the Radical Party, was burnt. The Peronists are trying to fix the image of Señor Alfonsín as the "Coca-Cola candidate". Nationalist and anti-United States sentiment is a powerful force, but seems to be more a rhetorical device for the candidates than something which will lead to any concrete measures.

Señor Luder has to make an effort to tailor his style to the spirit of these meetings. A soft-spoken lawyer, given to wearing discreet suits and ties, who is said to find the continual drum-beating a bit tiring, he has begun to develop the right type of oratory.

The Peronists are almost certain to win in Santa Fe, which is Señor Luder's province of birth. But all the signs are that it will be a close battle in other key areas, such as the federal capital and the province of Córdoba, where the Radicals are front runners.

27.10.83

Progress made on Falklands work talks

SOME progress was made at Monday's meeting between the unions and the Falklands airport consortium.

In talks with George Henderson, TGWU construction secretary, the Laing/Mowlem/ARC group agreed to carry out the £215 million airport contract under the provisions of the Health and Safety at Work Act.

It has also agreed to set up joint consultative committees to deal with workers' grievances. But these measures fall short of an active trade union presence or structure on the site.

The consortium has also agreed to provide insurance to the value of £50,000 per employee.

The meeting was adjourned so that both parties could consult their colleagues. Mr Henderson said the consortium had agreed to consider maintaining the holiday-with-pay, death benefit and lump sum retirement benefit stamp scheme of the industry for those workers already in the system.

Two main areas of contention remain. Mr Henderson is still dissatisfied with the level of payments - annual salaries are believed to be between £10,000 and £12,000. This could be resolved with the consortium's agreement to consider bonus payments.

The other area of contention is the consortium's decision to use South Africa as a staging post.

The consortium argued that South Africa was the shortest practical route to the Falklands and it promised that there would be no discrimination. But Mr Henderson is still concerned about black employees.

● The government was keen to keep out of the TGWU and Laing Mowlem ARC debate on wage rates and employment terms for workers on the airport project when the matter was raised in the House of Commons this week.

Replying to a question about the rates of pay and conditions of service offered to construction workers, Junior Environment Minister Sir George Young said he was satisfied the terms were generally fair and reasonable. He added that the precise terms and wage rates were a commercial matter for the consortium.

In response to further questions, Sir George said that, up until October 20, a total of 166 workers had been recruited.

He went on to detail timetable and subcontractors for the project. The main runway should be usable from April 1985 with the complex due for completion by February 1986.

Five main subcontracts have been let so far: Balfour Kirkpatrick for power generation services, Capper Neill International for the bulk fuel installation, Wyseplan for the construction camp, Hallam Group for RAF living accommodation and Kelvin Catering for the camp services.

Two vie for £10m work on airport

TWO firms, Ward Brothers (Sherburn) and Redpath Dorman Long, are understood to be vying for the estimated £10 million plus structural steel-works contract for the Falkland Island airport being built by the Laing Mowlem ARC consortium.

Industry sources put Ward Brothers as favourite for the work but spokesman for both contractors declined to comment on this.

An award is expected early next month and will call for work on several structures including a passenger building and aircraft maintenance hangars.

DAILY TELEGRAPH

27.10.83

'COPTER CREW HONoured

Daily Telegraph Reporter

THE Fleet Air Arm Wessex 3 helicopter crew, which rescued Special Air Service troops from behind enemy lines during the Falklands campaign, was awarded the Prince Philip Helicopter Rescue Award for outstanding courage by the Guild of Air Pilots and Air Navigators last night.

It was presented by the Duke of Edinburgh, Grand Master of the Guild, to Lt Cmdr Ian Stanley, 36, HMS Antrim Flight Commander at the time of the action, but now Commanding Officer of 706 Squadron, Culdrose.

Two of the four-man crew are still serving aboard HMS Antrim which last night stood off Grenada.

On the night of April 21 last year, with the bulk of Britain's Task Force still many thousands of miles away, 15 SAS soldiers were taken by helicopter to Fortuna Glacier, South Georgia, to observe the Argentine garrison.

In winds of 100mph, bivouacs were swept away and movement was unthinkable.

Next morning they reluctantly asked to be withdrawn to

try again by another route. A Mark 5 Wessex helicopter flew in through a total white-out to recover them - but crashed within seconds of take off. A second helicopter flew in, survivors clambered aboard—but a few minutes later, that too had crashed.

Lt. Cmdr Stanley and his crew succeeded in a third Wessex.

Shared honours

Once again this year Guild honours are shared between military and civilian pilots.

Mr Dick Smith, an electronics marketing man from Sydney, Australia, who as a private pilot made the first round the world solo flight by helicopter was awarded the Guild Sword of Honour.

The whole of 846 Naval Air Squadron was honoured for exceptionally accurate navigation over water and land in total darkness and at a very low level during the Falklands campaign. Its award, the Johnston Memorial Trophy, was received by Cmdr Simon Thornewill.

Mr Roy Bradford, a British Aerospace test pilot, won the Derry and Richards Memorial Medal for outstanding flying for his test flying work on BAC 111, VC10 and Concorde aircraft.

The Guild's Award of Merit was presented to Mr Robert Pooley, a private fixed wing and helicopter pilot (more recently a balloon pilot) who combines flying with publishing and other business activities and has devoted special efforts to the work of the Guild.

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Falklands ships to receive battle honours

By Rodney Cowton, Defence Correspondent

The Queen has approved the awarding of battle honours for the Falklands campaign.

This means that all the Falklands task force ships and units which meet the qualifying conditions will be able to inscribe the honour on their colours, scrolls of honour or plaques.

The precise conditions for the award vary between the three services, but the general requirement is that the ships or units were active between April 2 and June 14 last year in the South Atlantic between the latitude 35 deg south, marginally south of Buenos Aires, and 60 deg south, encompassing South Georgia.

Details of the honours were given yesterday in the House of Commons by Mr Michael Heseltine, Secretary of State for Defence.

Royal Navy: The award of the battle honour "Falkland Islands 1982" is to be made to all ships, submarines and Fleet Air Arm Squadrons of the Royal Navy which meet the requirements. Royal Fleet Auxiliaries and Royal Maritime Auxiliary Service vessels and merchant ships will also qualify.

This means that 44 Royal Navy ships, 15 Fleet Air Arm Squadrons, 22 Royal Fleet Auxiliaries, one Royal Maritime Auxiliary Service vessel and 32 merchant ships qualify.

Included among them are the six vessels which were lost in the conflict: HMS Sheffield (below), Ardent, Antelope, Coventry, the container ship Atlantic Conveyor and the Royal Fleet Auxiliary, Sir Galahad.

About 14 ships which were listed in the White Paper, "The Falklands Campaign: The Lessons", as being part of "the task

force and supporting elements" have not qualified.

Of the Royal Marines, Mr Heseltine told the Commons: "In accordance with a long-standing tradition which dates back more than 150 years the Royal Marines do not receive battle honours for any individual operation or campaign in which they have been engaged. Instead the corps motif of the globe surrounded by a laurel is the symbol of their outstanding service throughout the world."

Royal Air Force: Squadrons which saw service within the latitudes and period laid down, or took part in an operational sortie south of Ascension Island, will be awarded the battle honour "South Atlantic 1982".

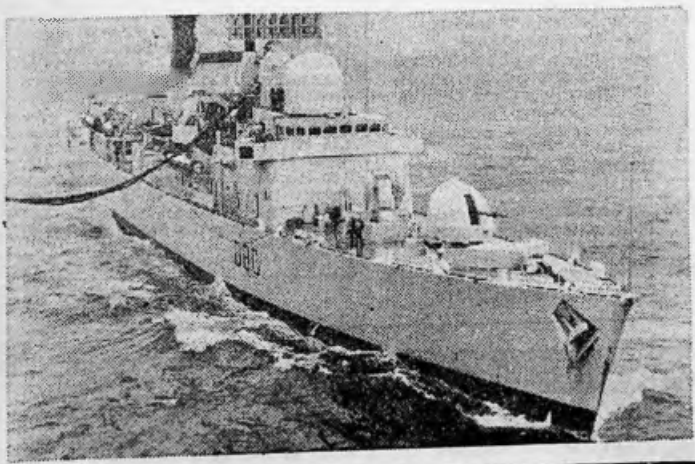
Fourteen RAF squadrons and one RAF regiment squadron qualify. Seven squadrons listed in the White Paper as being part of the task force are considered not to have qualified.

Army: The theatre honour "Falkland Islands 1982" together with honours for the engagements at Goose Green, Mount Longdon, Tumbledown Mountain and Wireless Ridge have been approved for the Army. Individual regiments will now have to claim entitlement to the honours.

The Army only awards honours to infantry and cavalry regiments which have guedons or colours.

It also only awards them to regiments that have been involved in close quarter battle "in the face of the enemy" and where at least half of the regiment was involved.

For those which do qualify, the theatre honour will be emblazoned on the regimental colours and the engagements honours will merely be recorded in the *Army List*.



THE TIMES

26.20.83

Crown Agents expect surplus by 1986

By Jonathan Davis, Financial Correspondent

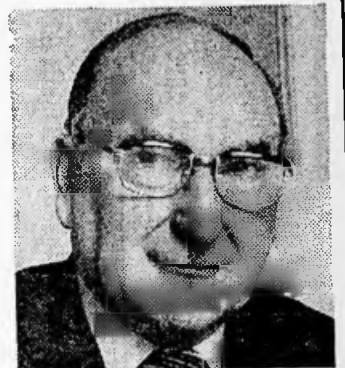
The Government will be making a mistake if it allows the Crown Agents to be broken up or abolished because of their present financial difficulties, Mr Peter Graham, the Senior Crown Agent, claimed yesterday.

He declared: "This is a unique British institution which helps small businesses in this country, shows the flag abroad, has a very positive diplomatic role and gives invaluable assistance to the international aid agencies. It would be short-sighted to take a decision to lose all those benefits".

Mr Graham acknowledged that the loss of the agents' lucrative fund-management role for the Sultan of Brunei in July had pushed the organization into deficit. But he said the survival plan which the agents have submitted to the Government would ensure that they were making a surplus again after meeting interest payments and all other obligations by 1986.

Mr Graham, who has only just taken over from Sir Sidney Eburne as senior agent, is expected to meet Sir Geoffrey Howe, the Foreign Secretary, shortly to discuss the agent's proposals for coping with the crisis prompted by the loss of the Brunei business.

He said that he was worried



Mr Graham: defending the Crown Agents

by reports that the Government was considering dismantling the agents or privatising parts of their operations. "It would be a mistake for the Government to reach any negative decision of this kind", he said.

The agents plan is based on savings in administrative costs, cuts in overheads and a streamlining of the many diverse activities they already carry out for foreign governments. Civil service unions have been told between 300 and 400 of the 1,200 permanent staff may have to go, though a final decision will rest with the Government.

Mr Graham said that the agents have always been aware that they would have to contract in order to survive in the 1980s.

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THE GUARDIAN
26.10.83

Falklands honours for task force

By Susan Tinbutt

FALKLANDS battle honours are to be awarded to the task force, including the four warships sunk in the conflict, the Defence Secretary, Mr Michael Heseltine, announced yesterday.

The honour "Falkland Islands 1982" will be inscribed on the scrolls of the ships and squadrons and emblazoned on regimental colours. The honour will remain with the names of the sunk ships, the Sheffield, Coventry, Ardent and Antelope.

Royal Fleet Auxilliary, Royal Maritime Auxiliary Service and merchant ships such as the QE2 and the Canberra will qualify.

Army regiments can claim "theatre honours" for the battles at Goose Green, Mount Longdon, Tumbledown Mountain and Wireless Ridge hut, in a long standing tradition, the Royal Marines will not receive battle honours. Their motif of the globe surrounded by laurel is their "symbol of their outstanding service throughout the world," said Mr Heseltine.

The Defence Secretary cited 44 warships, 15 Royal Navy air squadrons, 23 Royal Fleet auxiliaries and Royal Maritime Auxiliary Service vessels and 32 Merchant Navy vessels for the award.

● A naval rating who started a potentially catastrophic fire on a warship at Devonport was dismissed the service yesterday and sentenced to 15 months' military detention.

Air Engineering Mechanic Graham Patching, aged 21, who caused £900 worth of damage on the £100 million frigate Penelope, admitted two arson offences at a Devonport court-martial.

Lt Hugh Wolfensohn, defending, said that Patching, of Portland, Dorset, was depressed at the possibility of returning to the South Atlantic after spending six months there.

The Falklands factor

Sovereignty issue unites all parties

With Argentina's first general election for 10 years due on Sunday, Andrew Thompson, in the last of three articles from Buenos Aires, predicts the likely changes in foreign policy under civilian rule.

Almost all the politicians involved in the election campaign agree that foreign policy under the military regime has been unpredictable and even schizophrenic.

The same generals who proclaimed their "Western Christian" credentials in international forums (while ignoring constitutional safeguards of civil liberties at home) later turned to the non-aligned movement which they had previously scorned.

The politicians now stress that Argentina must follow an independent and nationalist course, which at the same time is clear and coherent.

The Falklands dispute with Britain is, in many senses, not an election issue because the main candidates have such similar positions.

Señor Raul Alfonsín, the Radical Party's presidential candidate, told *The Times* that "for our party, the recovery of Argentine sovereignty over the Malvinas, Georgias and South Sandwich Islands will be an undeniable objective of our foreign policy". He added that, if he became president, Argentina would seek a solution to the dispute based on United Nations resolutions.

Señor Alfonsín is not prepared to sign a formal cessation of hostilities "unilaterally", without any concessions from Britain. He says both governments should agree a number of mutual and simultaneous steps beforehand. These should include a joint commitment not to use force to resolve the dispute; British troop withdrawals and the removal of the exclusion zone; and an agreement to negotiate sovereignty within the UN framework.

Señor Italo Luder of the Peronist Party said the pursuit of sovereignty in the South Atlantic "will be the first priority of my government's foreign policy". Criticizing Britain's "punitive colonialist expedition" during last year's crisis, he added that rather than Argentina making the first

move by signing a cessation of hostilities, it was up to Britain to fulfil UN resolutions calling on both countries to negotiate.

"I think it is appropriate for your influential newspaper to ask the British Government when it will accept the United Nations resolutions, and when it will sit down at the negotiating table for a definitive discussion of sovereignty in the Malvinas." Señor Luder also said he wanted to send his regards to "all those progressive sectors in Britain who rejected and still reject the policy of colonialist war in the Malvinas".

Aware of the strength of nationalist sentiment, both main candidates avoid too much comment on the Falklands question. In private, however, their foreign policy specialists are prepared to go further.

ARGENTINE ELECTIONS



One source in the Radical Party emphasized that there was no question of Argentina using force again in the dispute. A Peronist took a similar line. Another specialist from the Peronist Party stressed that both countries should gradually remove "factors of irritation" and start negotiations with the help of a "contact group" of countries, which would also be called upon at a later stage to provide a framework for negotiations and an interim administration on the islands.

Señor Oscar Camilión, of the Movement for Integration and Development, argues that Argentina should sign a cessation of hostilities. "The candidates of the two main parties have married themselves to the idea of not signing a cessation. But we must reduce tension in the South Atlantic, just as we must solve the Beagle Channel dispute with Chile."

Concluded

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26.10.83

Queen approves Falkland Islands battle honours

By Maj.-Gen. EDWARD FURSDON
Defence Correspondent

THE Queen's approval was published yesterday for the award of the battle honour "Falkland Islands 1982" to 44 Royal Navy ships and submarines and to 15 Fleet Air Arm squadrons.

These had passed or were below 34deg South and north of 60deg South between April 2 and June 14 last year.

Twenty-three Royal Fleet Auxiliaries and Royal Maritime Auxiliary Service vessels, as well as 32 ships taken up from trade, such as the QE2, the Uganda, and the Atlantic Conveyor, to support the operation, will also qualify.

The Royal Marines, in accordance with long-standing tradition, do not receive battle honours for any individual operation or campaign in which they participate. The Corps Globe motif, surrounded by laurel, suffices by itself.

Separate honours

For the Army the theatre honour "Falkland Islands 1982," together with separate honours for the engagements at Goose Green, Mount Longdon, Tumbledown Mountain, and Wireless Ridge, has also been approved.

Regiments which took part in these battles are now entitled to claim these separate honours. After initial examination by the Army Board, those agreed will be submitted for the Queen's final approval. Details will be announced in due course.

Fifteen R A F squadrons, including No. 63 R A F Regt Rapier Sqdn, all of which saw service south of 35deg South and north of 60deg South, or which took part in operational sorties, south of Ascension Island, will similarly be awarded the battle honour "South Atlantic 1982."

Future generations

Battle honours are an official acknowledgement of the part played by a ship, unit, or squadron in a successful campaign or engagement, and are something of which future Service generations can be proud.

Honours for Royal Navy ships and Fleet Air Arm squadrons are inscribed on the ships' or squadrons' scroll.

Army regiments have their honours emblazoned on their colours.

R A F squadrons' honours are added to official records, but may in certain circumstances be emblazoned on their standards.

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Daily Mail
26th October 1983

Award for mother of burned Falkland hero

THE mother of a terribly injured Falklands' soldier was voted Woman of Achievement for 1984 yesterday.

Mrs Pauline Hatfield collected it for the care and love she had given to her son Simon, a Welsh Guardsman very badly burned in the Argentine attack on Bluff Cove.

But as she clutched her trophy Mrs Hatfield, 43, from Nelson, Mid Glamor-

gan, dismissed her role with the words: 'It was my privilege to be with Simon. He is my son.'

Simon Weston, now 22, featured in a TV documentary about the horrors of his injury.

Mrs Hatfield won the award after votes were sent in by readers of Woman's Own magazine who sponsored the ceremony held at a London hotel.

Galloping inflation, crippling debt

Victory may prove pyrrhic for the soldiers' successors

Andrew Thompson reports from Buenos Aires on the economic crisis facing the victors of Sunday's elections in Argentina. This is the second of three articles.

With inflation running at an annual rate of 381.8 per cent, unemployment in the region of 15 per cent, and delays and complications piling up in the complex renegotiation of the country's heavy foreign debt, the party which wins next Sunday's elections in Argentina will inherit a difficult challenge on the economic front.

The essential problem is political. After seven years of military rule real wages remain below 1974 levels, as do other economic indicators such as industrial production and gross domestic product per capita.

To seek constitutional stability, the election winners will need to offer at least some improvements in living standards. Indeed there is already a danger that campaign promises are leading to rising popular expectations which will be difficult to satisfy.

"For the first time in Latin America, Argentina and other countries are returning to democracy in the midst of a major economic crisis. This is historically unprecedented", says Señor Oscar Camilion of the Movement for Integration and Development.

The dilemma is whether it is possible to generate domestic economic recovery and at the same time the type of surplus on the trade balance capable of covering the heavy debt servicing burden.

The dramatic nature of Argentina's foreign debt problem is underlined by the

reckless way debts were incurred during military rule. No one knows exactly how much the country owes. The Central Bank's latest estimate is slightly over \$406bn (£266bn), but the bank's president admits this excludes the "secret debts" incurred to buy arms.

The Peronists and the Radicals, the electoral front-runners, believe that it is possible to create economic breathing space. Both are promising to increase real wages, which, they say, will boost consumption.

It is believed continued inflation can be controlled by cutting back the military budget, watching state spending,

Señor Camilion, however, believes that no one has yet understood the full impact of the Latin American debt crisis: "Some people say we should not pay the foreign debt, and default. Others say we should pay it at all costs. The first course of action is foolish. But the second, at present interest rates, and barring major improvements in the international prices of our exports, is impossible."

It is clear that the next government will have to renegotiate the foreign debt agreements with the International Monetary Fund and the creditor banks. The Peronists and the Radicals believe that this can be done on acceptable terms and that the international community will be well disposed to helping a democratic Argentina.

If the Peronists win, a clash may well emerge between the Peronist union rank and file and its leaders, as has happened before when the Peronists were in power.

If the Radicals win, a direct clash with the Peronist unions may be unavoidable. The Radicals point out, however, that if they win they will do so with many working-class votes. They have made the democratization of the unions a key electoral issue.

But even assuming that the debt crisis is overcome, it is clear that whatever the complexion of the next government, it will be unable to meet wage demands in full.

Whoever forms the next government, it will find its crisis management skills stretched to the limit.

Tomorrow: Foreign policy

Ministry backs 'fortress Falklands'

By Our Own Correspondent

The Government yesterday reaffirmed its commitment to a "fortress Falklands" policy.

In response to a report by the Commons defence committee, the Ministry of Defence said: "Until such time as Argentina renounces the use of force in pursuit of its claim to the Falklands Islands, and is seen genuinely to have done so, it will be necessary to maintain an appropriate garrison to defend the islands against the military threat posed by Argentina".

● *The Future of the Falklands: Observations by the Secretary of State for Defence on the Third Report from the Defence Committee, 1982-83. (Cmmd No K 9070, Stationery Office £1.75.)*

ARGENTINE ELECTIONS



and setting up a social pact between labour and capital to cover prices and incomes.

The parties point out with some reason that the fundamentals of the Argentine economy are promising. The country is self-sufficient in oil and rich in other natural resources, particularly wheat and cereals (hence the old saying "a good harvest solves this country's problems").

The paradox of the past 40 years is precisely that the economy has stagnated repeatedly despite its natural advantages.

25.10.83

ARMS FOR ARGENTINA

WASHINGTON'S APPARENT determination to resume arms sales to Argentina must be seen as an imprudent act. The Reagan Administration believes that such a step will strengthen the democratic forces when the country casts off military rule following the weekend elections. Nobody should object to any action that will foster civilian Government, but Argentina is still in a state of war with Britain following the Falklands conflict. There is no indication that either the Peronists or the Radicals, who are likely to emerge victorious, are in favour of ending hostilities.

One can understand some of the reasons why the United States wants to strengthen ties with Argentina. The Falklands war was an embarrassment for it meant Washington had to choose sides, coming down firmly in the end by backing Britain and rendering us valuable help. Now Washington sees a new chapter emerging and an urgent need to repair relations. Undoubtedly there is a recurrent fear that Argentina might turn to Russia for arms, particularly if Señor ITALO LUDER, the Peronist leader, is elected President.

All these factors may appear reasonable and valid in Washington; but Britain has every right to object in the strongest terms, especially as there is no Argentine readiness to end the state of war as the necessary first step towards a gradual resumption of Anglo-Argentine relations. The United States is our closest ally and friend. Today there is world-wide collaboration—Europe, the Middle East and elsewhere—a sharing of common responsibilities and dangers. Therefore, is it too much to ask Washington to remember the sacrifices Britain paid to defeat Argentine aggression on the Falklands? Arms sales can divide friends.

Satellite aids Falklands phone link

By PATRICK WATTS
in Port Stanley

SERVICEMEN in the Falklands should experience no difficulties telephoning home this Christmas unlike last year when many were unlucky.

A new £2 million Earth satellite station financed by Cable and Wireless should be in operation by the beginning of December and Servicemen will then be able to dial direct to their homes from Stanley, 24 hours a day.

Phone booths will be installed in the company's offices for this purpose as the Falklands telephone magneto system is probably one of the few remaining anywhere in the world and does not offer dialing facilities.

At the moment just two channels are available daily on high frequency radio from 9 a.m. to 6 p.m. and this often leads to a congestion of calls. The new satellite station will have five channels and more could be provided.

Argentina possible

"It will even be possible to dial direct to Argentina should anyone wish to do so," said Mr John Buchanan, Cable and Wireless installation manager who is supervising his eighth Earth station.

Intelsat 5 which lies 22,500 miles above the Equator is the satellite which will serve the Falklands. Locally a dish aerial supplied by Marconi now stands prominently and will receive the signals.

Cable and Wireless has long considered installing an Earth satellite station in the Falklands.

Heseltine defends the cost of maintaining Falklands garrison

By Richard Norton-Taylor

The present Falklands garrison — payment for which is a source of serious concern to the Treasury — is of the minimum size and cost necessary to defend the islands and to deter an Argentine attack, Mr Michael Heseltine, the Defence Secretary, said yesterday.

In response to a report by the Commons defence committee he also implicitly acknowledges that the scale of Britain's military involvement in the South Atlantic is weakening its commitment to Nato in Europe.

The defence committee in its report last July pointed to what it described as the difficult task of reconciling the vast sums of money planned to be spent in the Falklands with restraints on expenditure for other parts of the defence budget designed to meet "equally important political obligations."

But Mr Heseltine states: "Until such time as Argentina renounces the use of force in pursuit of its claim to the

Falkland Islands and is seen genuinely to have done so, it will be necessary to maintain an appropriate garrison to defend the Islands against the military threat posed by Argentina."

The total additional cost of the Falklands, including replacing equipment, will amount to nearly £2,000 million over the next three years, according to official estimates. The Ministry of Defence says that, of this,

Leader comment, page 10;
Legacies of misrule, page 15

the cost of maintaining the garrison will be about £250 million a year.

But that figure is criticised as an underestimate by independent defence analysts who argue that it does not include the full cost of the forces deployed in the Falklands, including about a quarter of the navy's destroyer and frigate fleet, which cannot be used for other defence purposes.

The decision to construct a new airfield—estimated to cost

about £220 million over three years—could be interpreted, according to the defence committee, as a commitment to the establishment of a permanent military presence, with serious implications for diplomatic negotiations in the future. For Mr Heseltine the decision is a demonstration of the Government's commitment to safeguarding the islanders' future.

He also appears to reject the committee's view that rents levied by the Falkland Islands Company for army use of its property were too high. The charges paid by the ministry to the company reflected "a fair market rent."

A number of economic hawks in the Government are becoming increasingly worried about the cost of maintaining a large Falklands garrison. They include Mr Nicholas Ridley, former Financial Secretary to the Treasury, who was elevated to the Cabinet last week as Minister for Transport.

Ministry of Defence, Future Defence of the Falklands, Command 9070, Stationery Office, £1.75p.

GUARDIAN

25.10.83

A tide of cash, going South

Time lends bleak perspectives. Last year, when Jarliament resumed, the glow of Falklands' victory still lingered. This year the days of San Carlos Bay seem far away. Mr Nigel Lawson is struggling to bite lumps out of Michael Heseltine's budget. Mr Norman Fowler endures trial by Walden, fencing over sums of money roughly the same as 12 calendar months of Falklands' costs. And still the South Atlantic bills come in. In the broad sweep of rhetoric, of course, the five or six billion pounds heading South this decade can be made to seem only a trivial sum. But there is nothing like the agony of the Treasury on the warpath again to put such triviality in context. Is it 64 hospitals for closure, Norman: or only 48? And does Falklands spending count in with a 3 per cent extra commitment to Nato, Michael? Or is it on top?

By chance, yesterday, the Secretary for Defence produced a half answer to that last question. "Forces deployed in the South Atlantic remain committed to Nato," he wrote. "Inevitably, though, the distances involved mean that they are not as readily available to Europe or the Eastern Atlantic as would otherwise be the case." Gosh. Who'd have thought it? The quotation comes from a formal Heseltine response to last summer's defence committee report: a blandly evasive document, bereft of hard figures. (It is, for example, "HMG's objective to maintain a garrison of the minimum size and cost compatible with providing an effective deterrent and defensive capability"). Everything, in such responses, is always under active review. Nothing is given away. Yet, perhaps by accident, a couple of separate sentences do strike fresh chords. On the one hand, the fortress will be necessary until Argentina "renounces the use of force in pursuit of its claim, and is genuinely seen to have done so." On the other hand, the civilian and military infrastructure grows determinedly more interwoven. Joint hospitals; joint laundries and catering; squash and tennis courts to keep as many of the people happy as much of the time as

possible. The situation on the ground is one that binds the islanders ever closer as civilian base support workers. The diplomatic formula for eventual settlement, meanwhile, grows ever more ethereal since no one, surveying the profound, ratcheting instability of Argentinian politics over centuries, would dare say that a particular regime at a particular moment could be relied upon to be around and say the same thing a couple of weeks later. "Genuinely," in such circumstances, is an all-time stopper: and Mr Lawson may not be alone if he scents yet another MoD gambit to keep its budgets sheltered.

The trouble, of course, is that the Falklands is more than a purely British battle. It floats on a sea of international calculation. Argentina is about to hold a free election, and next month the generals (for a time) will go back to barracks. If we could not deal, last year, with a "fascist dictatorship," can we deal this year with a new democratic government? Alas, neither of the major contending parties seem to possess a Falklands' policy anywhere at odds with General Bignone's. They, too, will bang away at the UN, to our profound embarrassment, whilst hastening to seek fresh supplies of American armaments. And Mr Reagan has already signalled that, whether "Angry Thatcher chews carpet" or no, he will be selling those arms at the first possible opportunity. Which, full circle, brings us back to Mr Heseltine's little document, explicitly linking future spending levels to "any changes in the threat posed by the Argentine Armed Forces." That, of course, is a one-way escalator.

It really is the most senseless, nerveless drift; and one the Government must finally address. Unless they do, a new Argentinian government will make matters worse rather than better and the people who will suffer in the end — the islanders — will be the people we first set out to help. Both the Labour Party and the Alliance, this summer, said the fortress was potty and could not endure. That sets a constrained political span to garrison-mongering in the South Atlantic. Meanwhile Mrs Thatcher's pledge of last year formally to consult the islanders about their future within twelve months lies mushily abandoned. We can't consult anyone over there, until we can openly debate the options and the costs at Westminster. And so we limp forward, ploughing billions into the sodden turf and privatising the army laundries on the quiet for want of anything we could call a policy.

FINANCIAL TIMES

25.10.83

'Minimum cost' garrison

THE FALKLANDS garrison is "of the minimum size and cost" necessary for the defence of the islands, Mr Michael Heseltine, the Defence Secretary, said yesterday.

But he says the garrison is being maintained at some cost to Britain's commitment to Nato's forces.

His comments are in a White Paper published yesterday on the future defence of the Falkland Islands, in reply to the report of the Commons Defence Committee in June.

The committee expressed concern at both the expense and likely duration of the military commitment in the South Atlantic. Mr Heseltine said the "current mix of forces" was the smallest and cheapest possible garrison both to act as a deterrent and to defend the islands.

He said that, although the garrison was still committed to Nato, distance was a problem.

● *The Future Defence of the Falkland Islands: Command 9070, HMSO: £1.75.*

Caribbean obligations are a useful lever, Robert Graham reports

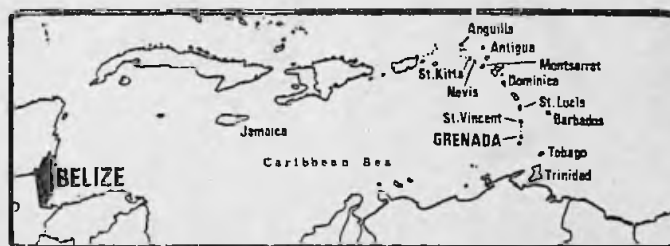
Britain plays its Belize card

THE DESPATCH of the British destroyer HMS Antrim, accompanied by a support tanker, to stand off the troubled former colony of Grenada has highlighted Britain's continued residual interest in the Caribbean.

Although the decolonisation process is virtually complete, strong obligations remain in the area — nowhere more so than in Belize on the Central American continent with a strategic Caribbean coastline. Britain currently has a garrison of 1,600 troops and airmen in this former colony. It is not widely known that this is the largest permanent military presence of an external military power in Central America.

Four Harriers, helicopters and RAF support personnel plus army units are there by agreement with the Belize Government, staying on after this nation of 150,000 inhabitants gained independence in 1981. The commitment, at least in public, is an open-ended one, despite recent reports that the British Prime Minister, Mrs Margaret Thatcher, is anxious to pull them back soon, there is no evidence that policy has changed. Both the Belize Government and Britain recognise that the military presence is a potential embarrassment and has little long-term relevance for Britain's defence or diplomatic needs in the regions. The question all along has been only when it was appropriate to withdraw.

The principal reason for the presence of the British garrison is Guatemala's claim to a large chunk of Belize's coast line. Guatemala has never recognised independent Belize and from time to time has made war-like



moves, such as mobilising forces on the border. British diplomats have little doubt that the British military presence has served as a deterrent.

Although Britain has no diplomatic relations with Guatemala, only a representative of British interests in the Swiss Embassy, the Guatemalan authorities have recently become more friendly, and a reasonable working relationship has been established with the right-wing military regime in Guatemala.

This stems from the fact that British troops have been actively co-operating with Guatemala in patrolling the border and monitoring the Belize coastline to prevent infiltration by left wing guerrilla movements and impede seaborne supplies of weapons from Cuba.

As guerrilla activity inside Guatemala continues, the authorities there have come to place considerable reliance on British co-operation. Thus, far from exerting pressure on the British forces to leave, the Guatemalans are keen that they should stay—or, at second best, that they should be replaced by U.S. troops. The U.S. Administration, for its part, is reluctant to contemplate a military

presence in Belize and agrees with Guatemala on the need for Britain to say on.

So while the original reason for the British presence has faded the pressures from other interested parties for Britain to stay on have grown. This has provoked suggestions that Mrs Thatcher has taken advantage of her leverage to ensure the U.S. holds back from significant rearming of Argentina. While any sort of "blackmail" is denied by British officials, the British undoubtedly have made the point that Britain is doing the U.S. and its allies a favour in Central America and expects recognition in the way the U.S. behaves over Argentina and the Falklands.

Behind all this is an unpublicised debate within the Government over Britain's policy towards Central America. The big military commitment in Belize contrasts starkly with the paucity of British diplomatic representation in Central America.

Britain has no permanent representative in El Salvador or Nicaragua, the two principal areas of current tension. A small embassy in Honduras deals with El Salvador while one in Costa Rica handles

Nicaragua. This is recognised by the Foreign Office as unsatisfactory. Britain relying very much on U.S. assessments and information on those two countries. Of all members of the EEC, Britain agrees most closely with U.S. Central American policy.

An inspection team from the Foreign Office recently toured the region and is understood to have favoured introducing a British diplomatic presence in both El Salvador and Nicaragua, with the latter a priority. A decision in early summer was reportedly shelved because of Mrs Thatcher's reluctance to be associated with a gesture which the left-wing Sandinista government might exploit as a sign of British friendship. It was then decided that if a move was to be made it had to coincide with the opening of an embassy in war torn El Salvador. Since then arguments over funds and budget restraint have stalled a decision.

The potential destabilising effect of a British pullout from the region is implicitly recognised by other states there, in particular the Contadora group, which is trying to mediate in El Salvador and Nicaragua. This group, comprising Costa Rica, Mexico, Panama and Venezuela — has produced a peace formula calling for the withdrawal of all foreign troops and advisers from the region.

But it has made no mention of Britain and Belize, and the group's public statements appear mainly aimed at the Cuban military advisers in Nicaragua, Americans and Argentines in Honduras and Americans in El Salvador.

GARRISON 'MUST BE MAINTAINED IN FALKLANDS'

By Maj.-Gen. EDWARD FURSDON
Defence Correspondent

THE Defence Ministry's response to the Commons Defence Committee's Report of May this year on the Falklands, published as a White Paper yesterday, accepts that "conditions in the Falkland Islands are far from comfortable, and repeated tours may prove unattractive to Servicemen."

The White Paper's main conclusion is that the Armed Forces' garrison must be able to deter further Argentine aggression, protect Port Stanley airfield, enforce the 150-mile Protection Zone, and to respond quickly to Argentine harassment or raids.

The Government's intention is to perform these tasks at minimum cost compatible with effective deterrence and defensive capability.

The opportunity is taken to pay tribute "to all those Servicemen who have served in the Falklands, and who continue to do so under difficult conditions."

Topically relevant to yesterday's reports from Argentina regarding the unlikelihood of an end being declared to hostilities, the British message is as hard as that of the Argentine.

"Until such time as Argentina renounces the use of force in pursuit of its claim to the Falkland Islands, and is seen genuinely to have done so, it will be necessary to maintain an appropriate garrison to defend the Islands against the military threat posed by Argentina," it says.

Significant role

But Britain will continue to review its force levels regularly in the light of any changing threat assessments and improvements in its Armed Forces capability.

The White Paper comments in detail on all the Commons Committee's main points of concern, the commitment to Nato of forces deployed in the South Atlantic; the significant role of the new strategic airfield in reducing the garrison's recurrent running costs; the defence of South Georgia; and, looking to the future, the effective co-ordination of the many planned military and civilian infrastructure and social improvement projects. The local Falkland Islands Defence Force is being developed.

During the coming Antarctic summer, the Royal Engineers' construction and other workload will necessitate an increase in the number of Field Squadrons deployed up to six. The Property Services Agency is to take over responsibility for the Falklands Military Works Area from the RE as from April 1, 1984.

More helicopters

The maritime reconnaissance task "does not warrant" the deployment of RAF Nimrod aircraft, the White Paper says, although they could be deployed if necessary, as "this task is being carried out quite adequately by Falklands-based Hercules aircraft as an additional function to their primary role as tanker aircraft."

Three S-61 helicopters from commercial sources are, however, to be leased in order to supplement a likely shortfall in helicopter assets at the peak of the R.E. building programme this autumn.

Regarding the emotive question of troop accommodation, "ship-type coasteels and hutted camps are now used almost exclusively to accommodate our forces." The report states: "Only a very small number of troops who need to be close to their posts for operational reasons are accommodated in tents, and no troops are using accommodation ships in Stanley harbour."

Recreational and entertainment facilities are being substantially improved, but the new 'Combat High Boot'—although said to be an advantage on the old pattern—is having understandable teething troubles which, the Report says, should be reduced by an appropriate period of 'wearing in.'

The Future Defence of The Falkland Islands, Cmnd 9070, HMSO, £1.75p.

ARGENTINES FIRM First move is Britain's

FRANK TAYLOR in Washington writes: Senor Italo Luder and Senor Raul Alfonsin, the two Argentine politicians fighting it out for the Presidency in Sunday's elections, have both declared that they would not declare an end to hostilities over the Falklands once in power.

In interviews with American newspaper correspondents, both make it plain claim to the islands must be pursued with vigour. Both say Britain must "make the first move" towards negotiations on the dispute.

Senor Alfonsin, leader of the radical party, is perhaps the most vociferous on the Falklands issue. In one interview, he declared there was no question of Argentina making a "unilateral" declaration ending the hostilities, which began with the military invasion of the islands in April last year.

"Britain must first take some steps, such as starting talks and abolishing the exclusion zone they have around the islands," he said. "In a word, they must discuss the matter of sovereignty."

Senor Luder, a former senator who has inherited the mantle of Juan Peron and now leads the Peronist party, said that although "in a practical sense" hostilities had ceased, "as long as England maintains its rigid attitude of not accepting negotiations, Argentina cannot change its position."

Editorial Comment—P16

DAILY TELEGRAPH

25.10.83

Daily Mail, Tuesday, October 25, 1983

Falklands pay deal shelved

HARDSHIP pay for British troops on 'Fortress' Falklands has been ruled out — for the moment.

A decision on the proposed extra allowances has been shelved by Defence Secretary Michael Heseltine — but now the Services' pay body is to study the Commons Select Committee's report.

THE TIMES
24.10.83

Forty years of military coups Caught in a vicious circle of instability

Next Sunday, Argentina goes to the polls in the country's first general elections for 10 years. Andrew Thompson, in the first of three articles, reports from Buenos Aires on the difficulties facing the politicians.

Perhaps the key issue in Argentina's elections is whether the victorious presidential candidate will last the six-year term in office.

Success, in simple terms, will be an historic feat. In the past 40 years, Argentina has had 19 presidents, and the number is still higher if one counts the frequent caretaker presidents who lasted only a few weeks in the midst of political crises. Of the 19, 11 were army generals who reached power through military coups. The average term in office was just under three years. Only one president lasted the full constitutional term: General Juan Domingo Perón from 1946 to 1952.

The vicious circle of instability is widely recognized as being central to Argentina's postwar decline. M Alain Rouquié, a French political scientist specializing in contemporary Argentine history, said recently at a seminar in Buenos Aires: "The problem is not so much the politicization of the military, more the militarization of the civilians."

While Argentines are wary of the opinions of foreign specialists, there is agreement that almost all the coups have been requested, instigated, or supported by different political parties at different stages in the past.

Señor Raúl Alfonsín, the Radical Party's presidential candidate, has used the popular Argentine version of M Rouquié's observation: "We have all knocked on the doors of the barracks in the past", he has said. Like Señor Italo Luder, the Peronist candidate, and all the other parties, Señor Alfonsín holds that times have changed now.

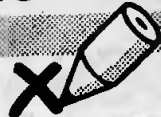
The optimistic argument is based on the theory that the last cycle of military governments, starting with the 1976 coup, has been so disastrous for the country that a deep change in attitudes has taken place.

The last seven years have certainly been rich in catastrophes. Economic policy under the military failed to control three figure inflation and led to bank and company failures and unprecedented unemployment. The method chosen to fight guerrilla movements, the so-called "dirty war", led to deaths and "disappearances" variously estimated at between 15,000 and 30,000. The majority of those were peaceful opponents of the regime.

Having failed on the domestic front, the generals brought the country to the brink of war with Chile in 1978 to 1979, and then threw it into the disastrous Falklands war with Britain last year.

But the view that the catastrophes on their own will cause a regeneration of democ-

ARGENTINE ELECTIONS



racy must be questioned. Señor Oscar Camilión, a former foreign minister and member of the Movement for Integration and Development is cautious.

"The elections open up the possibility of a stable Government. Only a constitutional Government can be stable. We have the chance to pull Argentina out of the category of unpredictable countries", he says. But he also gives warning that the opportunity can be turned into a reality only if the next Government starts solving the country's essential problems.

Señor José Milguens, a Peronist sociologist who has studied militarism, insists that the key question is whether a Government can generate powerful popular support, and use it to enforce "the subordination of military power to the decisions of elected authorities, the political power."

The programmes of the two main parties, the Peronists and the Radicals, offer few clues to the success of the next effort at democratic rule.

The real test, observers agree, will be the pragmatic steps taken by the next Government in its first 100 days in office.



General Perón in 1973, the year before his death.

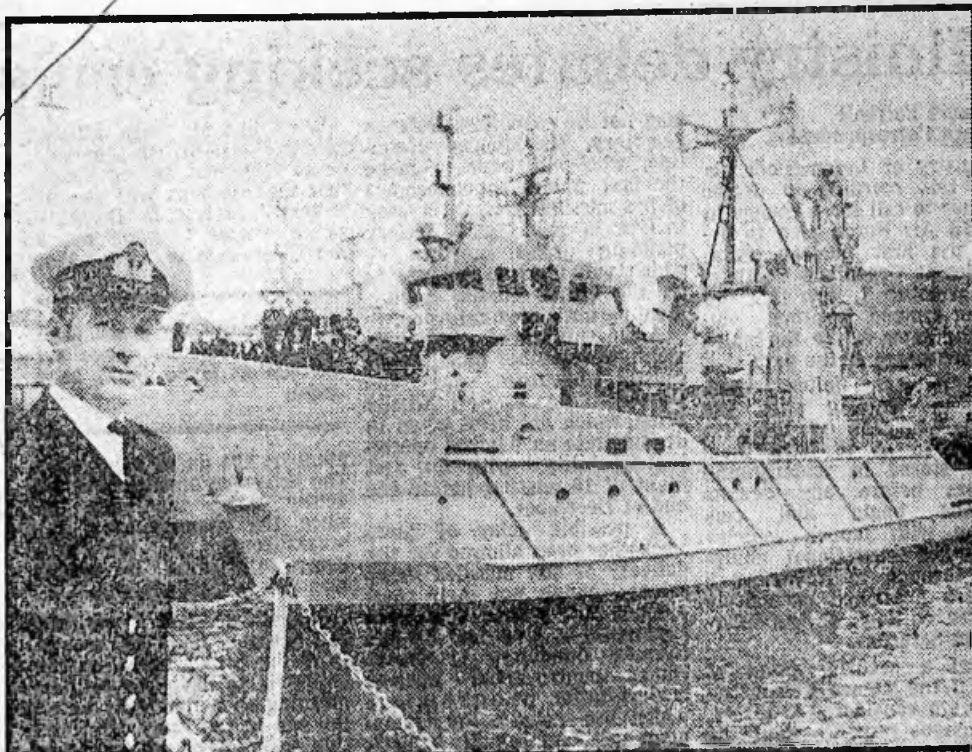
"The next Government will have to take four or five dramatic measures immediately, capable of capturing the popular imagination and consolidating its position. In those first 100 days popular power will be at a peak and no one will dare launch a coup. But if the Government wastes its opportunity and starts hesitantly, it will be laying the seeds for its eventual downfall."

Tomorrow:

The economic dilemma

GUARDIAN

24.10.83



Lieutenant Tony Mead with his patrol ship HMS Guardian, 1,700 tons, a former North Sea support vessel, which was commissioned on Saturday at Rosyth naval dockyard. The ship — the third in the navy's history to be named Guardian — will serve in the Falklands.

Picture by Ian Southern

McMillan-Scott Associates *Public Affairs*

41 Whitehall London SW1A 2BZ Telephone: 01-930 6935

EX-TUGS TO PATROL FALKLANDS

By **DESMOND WETTERN**
Naval Correspondent

THE first two of three new patrol ships for the Falklands are to sail for the South Atlantic early in December to allow the Navy to reduce the present force there of five or six destroyers or frigates.

The two ships, the 1,600-ton Protector and Guardian, were formerly the oil rig tugs and supply ships Seaforth Saga and Seaforth Champion, completed in the 1970s.

The task of converting them began shortly after their purchase by the Ministry of Defence in March, and the initial work was done by Commercial Dry Dock Enterprises of Cardiff.

Later they went to the naval dockyard at Rosyth where they were formally commissioned as warships at the weekend at a ceremony attended by Major-Gen. Sir Jeremy Moore, who commanded the ground forces in the Falklands conflict.

During their conversion they have been equipped with two 40mm guns; mountings for machine-guns; and fitted with radar, radio communications and damage control systems.

Marines on board

Each of the ships will have a crew of 20 officers and men, and seven Royal Marines.

Their primary task will be local security patrols in coastal waters around the Falklands to prevent any Argentine attempt to land special forces, saboteurs. This might mean putting patrols ashore using two rigid inflatable craft.

Maintaining six destroyers or frigates at all times in the Falklands means that the Navy at present has to allocate 18 out of the total of 55 in commission to allow for transit time between Britain and the islands, as well as refits and crew leave.

It is intended that the new patrol craft should be able to operate in the Falklands for three years without refitting, but there has been disappointment in the Navy over the time that has been needed to carry out a fairly simple conversion.

The third ship, the Sentinel, formerly the Seaforth Warrior, has been sent to the Tyne Ship Repair company for conversion and it is expected the work will be completed by early next year.

The three ships will form a Falklands local squadron which will be commanded by Lt-Cdr David Irvine, who is also captain of the Protector.

No details of the price paid by the Defence Ministry for the three ships have been given, but it is known that it was substantially less than the cost of chartering them for three years.

New ships, which would cost very much more, would have taken at least three years to build.

FALKLANDS TRIBUTE

A stone memorial to six Cardiff Servicemen killed in the Falklands was dedicated at a civic ceremony in the city's Cathays Park yesterday. Relatives of the men, five Welsh Guards and a sailor, later planted six Atlantic cedar trees close to the Welsh National War Memorial.

DAILY TELEGRAPH

24.10.83

McMillan-Scott Associates Public Affairs

41 Whitehall London SW1A 2BZ Telephone: 01-930 6935

Peronists patch up party divisions to woo floating voters

From Jonathan Steele
in Buenos Aires

The Peronist presidential candidate, Mr Italo Luder, has been making strenuous efforts this weekend to present an image of moderation and patch up tensions within his party as voters prepare for Sunday's poll. The Peronists have been Argentina's leading party for more than 35 years but in the forthcoming poll, the first for 10 years, they face their hardest challenge yet.

The question which this disparate coalition of trade unions

and centre-left interests must resolve is whether Peronism can survive without Peron. The experience of the last Peronist government, which was falling apart in internal wrangling before the military coup of 1976, has made it hard for the party to co-opt the palpable hunger for change which pervades the country on election eve.

The main opposition candidate, Mr Raul Alfonsín, who leads the Radicals, has been going after the five million new voters, some 30 per cent of the electorate, who have

never had the chance of making a choice before. Although both candidates are lawyers and relatively inexperienced politically, Mr Alfonsín is the more charismatic speaker. He is expected to run a close second and might even win, according to observers here.

Vast crowds have been turning out to attend both parties' rallies in an explosion of political activity after seven years of military dictatorship.

Mr Luder told some 150,000 people in the industrial city of Rosario on Saturday night that the international banks who

of the country's main task now was to regain political control from the armed forces. He intended to "regain the road of the Peronist revolution, rebuild Argentina's productive possibilities, improve wages, generate equal opportunities in education," and in a vague reference to the Falklands war, "end the erratic foreign policy of the military junta."

While repeating the traditional Peronist formula of independence from both Yankee imperialism and Marxism, Mr Luder is careful not to upset the international banks who

have a virtual stranglehold on the country's economy.

But the main interest aroused by Mr Luder's weekend campaigning was the studied appeal he made to undecided voters, and the re-appearance of one of the Peronist movement's most powerful trade union leaders, Mr Lorenzo Miguel. Mr Luder promised that, if elected, he would call a conference of the other main party leaders, to find points of common ground and ensure national unity.

At the same time, Mr Luder has been trying to keep the platform at Rosario.

Decision soon on Crown Agents

Mr Timothy Raison, Minister for Overseas Development, is expected to decide in the next month whether to maintain the Crown Agents as an independent body.

Their future has been in doubt since the Sultan of Brunei decided to withdraw £3,000m funds from the Agents' investment management side. The profits on managing this portfolio are thought to have been about £1.5m a year and without these the Agents are unprofitable.

Mr Raison is believed to be sceptical about the need for the Agents' existence - a view which the Treasury and Foreign Office are said to share.

Vote for Gibraltarians

From Mr Robert J. Peliza, MHA

Sir, At the Conservative Party Conference yesterday (October 12) the Government announced that British citizens living in the European Community would be allowed to vote in the British and European elections.

In the past the then British citizens of the United Kingdom and Colonies born in Gibraltar, defined "as a United Kingdom national for Community purposes", were denied the right to vote for the European Parliament on the basis that they were not entitled to vote for the British Parliament: an argument that can only be sustained on the precept that one wrong justifies another wrong.

Now that, under the new Nationality Act, Gibraltarians, like the English, Scots, Welsh and Northern

Irish, are full British citizens, it is hoped that the new conditions will also be applicable to British citizens born and resident in Gibraltar, a territory which, as well as being British, is also an integral part of the European Community and could easily be included in a British constituency.

The people of small French territories overseas, far away from Europe, years ago cleverly decolonised by being given representation in the French Legislature, vote in the French national and European elections.

What have these French overseas people got that we British in Gibraltar lack that deprives us of these elementary democratic rights? Yours faithfully,

ROBERT J. PELIZA,
House of Assembly,
Gibraltar.
October 13.

SUNDAY TIMES

23.10.83

Junta destroys dirty war files

from JIMMY BURNS in Buenos Aires

ARGENTINA'S military regime has secretly ordered the destruction of crucial evidence of the torture and murder of thousands of civilians because of the possibility that the incoming civilian authorities may order a thorough investigation into human rights violations.

A senior military officer told *The Observer* that in recent months key files on some of the estimated 15,000 *desaparecidos* — the men, women, and children who were kidnapped by the security forces during the 'dirty war' against left-wing guerrillas — had been taken from the Ministry of the Interior to the Army headquarters 'for safe keeping.'

Other files held by the First Army Corps based in Buenos Aires, which is allegedly responsible for the arrest and subsequent execution without trial of many political suspects between 1976 — when the Army seized power — and 1981, had already been shredded or burnt.

Human rights has become one of the key issues of the electoral campaign which winds up on Thursday before polling next Sunday. Latest opinion polls indicate that the Peronist party may be heading for an historic

defeat at the hands of Raul Alfonsin, the charismatic candidate of the middle-of-the-road Radical Party. Alfonsin is one of several politicians who have promised a sweeping reform of the armed forces.

Military officers are convinced that if the Peronists recover ground this week and win next Sunday they will be unlikely to take any major initiative on human rights. Many senior party officials have close ties with the armed forces.

Alfonsin, however, made a name for himself as one of the few lawyers in the country who probed cases of 'missing' people. He has promised to repeal a recently approved amnesty for officers accused of human rights violations.

The Peronists and their candidate, Italo Luder, have been concentrating on their natural working class supporters stirring nationalist emotions with cries against US and British imperialism and promises of major income redistribution.

Although both major parties have made the 'recovery of the Malvinas' by diplomatic means a key point of foreign policy and ruled out an early cessation of hostilities unless Mrs Thatcher agrees to discuss sovereignty. The Peronists have gone one step further by refusing to rule out the renewed use of force 'as a last resort.'

SUNDAY TELEGRAPH

23.10.83

Diana's aide was Falkland officer

By PAUL WILLIAMS

A NAVAL officer, Lt-Cdr Peter Eberle who had a miraculous escape during the Falklands campaign starts work tomorrow as the Princess of Wales' first equerry.

Lieutenant Eberle was warfare officer on HMS Argonaut, which was hit twice by Argentine bombs as she covered the invasion at San Carlos Bay.

One bomb severely damaged the engine room, crippling the ship, while the second lodged in the ship's magazine, killing two crew members. But like so many other of the Argentine bombs they failed to explode.

"We were one of the luckiest ships around," Lt/Cdr Eberle said yesterday. "What would have happened had the bombs gone off does not bear thinking about."

The crippled ship was towed to shore, where it remained a helpless target for several days while the damage was repaired. "To begin with we had hardly any guns operational and we were a bit of a sitting duck but it was just part of the job," he said.

One bomb was defused but the second remained live for several

days until a diving team managed to get it out of the ship.

The decision to appoint an equerry was made because of the increasing demands being made on the Princess's time by public engagements.

Lt/Cdr Eberle is the son of Admiral Sir James Eberle, who takes over in January as director of Chatham House, the Royal Institute of International Affairs.

Sir James said yesterday his son is "rather more perceptive than me," and described him as "a very privileged young man."

A keen tennis player, Lieutenant Commander Eberle is popular both with his fellow officers and with the ladies. He served for a brief time with Prince Charles on HMS Jupiter and before the Falkland campaign he commanded HMS Cygnet, a patrol vessel keeping a close watch on the west coast of Scotland for illegal fishing or gun-running.

Yesterday, as he relaxed at his parents' farm in the remote Devonshire village of Holne, he said: "It is a great honour and a great challenge. I am looking forward to it immensely."

McMillan-Scott Associates Public Affairs

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After the war... what life

Special
report
by Tony
Furnell

BEATING

From Port Stanley, Saturday

THE 6,000 or so servicemen defending the Falklands are not the only "troops" Mrs. Thatcher has banished to the South Atlantic.

FORTRESS FALKLANDS

Maggie's other army came
8,000 miles to find jobs

Maggie's other army is made up of the labourers and construction workers who are helping to rebuild this largely forgotten outpost of the British Empire.

"Like the soldiers we really have no choice but to be here," said 34-year-old labourer Terry Greeny, from Chorley, Lancs.

"It's hell so far away from home but the only alternative is the dole—and that's no alternative."

Terry is among an advance party of over 100 men currently in Stanley earning between £200 and £400 a week building new houses and roads.

Another 1,400 will follow shortly to work on the £220 million strategic airport.

So cold

"Don't believe it when politicians say men like being on the dole," said Terry.

"There were 300 applicants chasing 30 jobs here and it's the last place on earth."

"I was here in the worst of the weather. There were blizzards and the place was like a quagmire."

"It gets bitter cold and the weather can change so suddenly. It can be sunny in the morning and snowing before lunch."

"It's a depressing place but at least the money's good. I've done one six-month stint and now I'm back for another four."

"When you get here it's

the isolation that hits you hardest. It's like Alcatraz. There's no escape. I'm only here because there's no work back home."

As a 23-year-old labourer John Eccles from Wigan put it: "It has taken a war and the loss of all those lives to put us in work. It's ludicrous."

Only the prospect of a job and decent money made him up and leave his wife Lorraine and son Brent for a six-month stint.

"I hate being here but there is nothing else open to me," said John. "I got depressed on the dole. It's demoralising and shaming sitting about the house doing nothing."

"At least here I can support my family, but it's a terrible strain being so far away with nothing to do but booze and work."

Electrician Tony Russell, 39, from Manchester, worked on the Hillside Camp erected on the outskirts of Stanley for the Fairclough construction company's road building teams—better known as Fairclough's Fusiliers.

"We were up to our eyes in mud when we arrived," said Tony. "We had to start from scratch and the winter was terrible."

"There were no roads here to speak of and if you fell into a pothole you needed a ladder to get out."

"I'm only here for the money so that I can look after my wife and two kids. The dole is no good to me."

"It's bloody hard but I've no choice. I get boozed every night but it's not enjoyable. It's just a habit—something to beat the boredom. I'd rather be back home taking the wife out for a nice meal."

The loneliness of the long-distance labourer is illustrated by the monument Fairclough's Fusiliers have constructed at their camp site.

Singing

It's a mock singfest with place names like Liverpool, Colwyn Bay and Rochdale—and the 8,000 miles they are away.

It's a hell of a long way to go for a job. The "Officers' Mess" for the hard-drinking Fairclough men is a couple of Portacabins with a bar and a pool table.

They prefer "to moshie with the locals and the squaddies in the three Stanley bars—The Rose, The Globe and The Victory—where singing is banned."

At least on their own territory they can let their hair down and sing their work song:

Hey ho, hey ho, it's off to work we go, with a shovel and a spade and a hand grenade, hey ho, hey ho hey-ho!

is really like at the last outpost of the British Empire

THE DOLE AT THE
END OF THE WORLD

FAIRWAY PLACES: Exile Tony Russell and signposts to home

Lack of female company, adds to the tension. There are so few women around they can virtually be discounted.

So much so that the hardcore available is not just confined to the roads. In a private room I found Fairclough's Fusiliers watching the hardest of hard-porn videos from Sweden.

But scenes of explicit sex do little to ease the frustration.

"It's a big turn-off," said one worker, Peter Elliott, 59, from Merseyside. "It just makes you feel even worse."

"And once you've seen one you've seen them all. It just becomes boring."

The only other escape is booze.

Heavy drinking is even a problem with the locals, who find themselves on a legal blacklist if they over-indulge.

An average of ten people

are on it all the time for periods ranging from four months to a year. The list is displayed everywhere where drink is sold and landlords and storekeepers face heavy fines if they supply anyone on it with booze.

At the "social club" for men working for Brewsters, the firm building 54 new homes in Stanley, Peter Kearney, 36, married with three children back in Stevenage, Herts, told me: "There is nothing to do but drink."

"But at least this is one place a wife can safely send her husband because there are no women here to speak of."

In fact many are shocked to find there is nothing here to speak of.

It makes the sign on the outskirts of town seem like a bad joke.

"Welcome To Stanley", it says...



DIGGING IN: Terry Greeny

"I count my feet each day... and thank God they're both still there"

AS chief of the Falklands bomb disposal squad Major Leslie Smallman dices with death every day. His two predecessors in the nightmare job of clearing up the thousands of mines left behind by the Argentinians each lost a leg.

"I count my feet every morning," 38-year-old Major Smallman told me with a twinkle in his eye. It's hardly a joking matter, but the major points out: "I can't afford to dwell on it, I would go nuts—and so would my wife back home."

"I appreciate that something could happen to me as well. But there again, you can get killed crossing the road."

The close friend he took over from as officer commanding the 30-strong bomb disposal detachment of the Royal Engineers based in Stanley was just days from the end of his tour of duty when he became another casualty of the war.

Careful

Major Smallman pointed to the spot where he was blown up.

"It shouldn't have happened," he said. "That path had been walked a hundred times and was considered safe. He lost a leg. The same thing happened to the commanding officer before him."

In the early days after the end of the war a Gurkha lost his life helping to pinpoint the 100 minefields around Stanley and the outlying settlements.

"We are very careful and do things by the book but there is always something that can go wrong," said the major.

"That's why at the moment we are concentrating on locating the minefields and simply sealing them off."

Patterns

"It is a slow, painstaking process. We do it with ten men in a line. The minefields were cunningly laid and some can't be seen on the surface. You have to get down on your hands and knees."

"Minefields follow certain patterns but some devices can't be located with metal detectors. An innocent-looking piece of plastic can be a detonator."

As well as mines, the weapons and equipment left behind by the Argies are frequently booby-trapped.

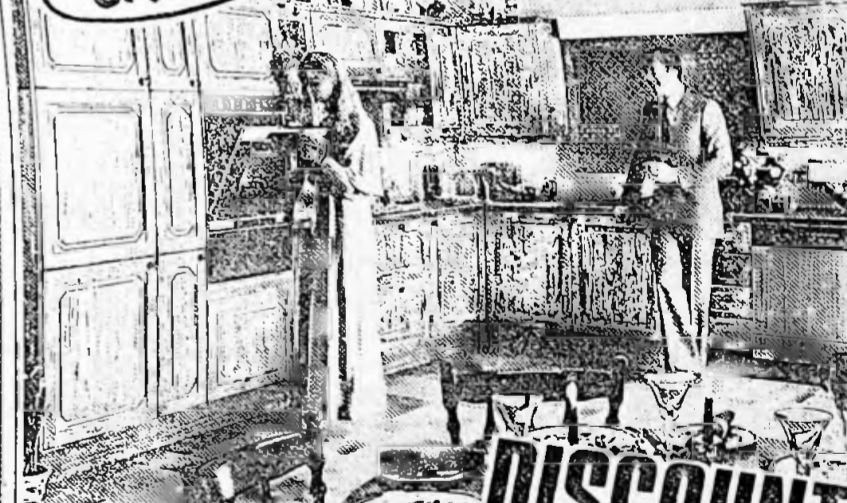
The bleak beauty of the Falklands is now scarred by barbed wire fencing off the minefields. Large chunks of Stanley Common and favourite beaches are strictly out of bounds.



CLEARING UP: Major Smallman

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Pictures by RANDOLPH CAUGHIE

I SHED A TEAR FOR
COLONEL H

IT'S not only the biting cold that sends shivers through you in the Falklands.

The chill wind of death is all around you in the graves of the 255 men who lost their lives to liberate a place most hardly knew existed.

Back home the boys were told time and time again that their comrades died for principle.

Here they can see for themselves they gave their all for a huge chunk of nothing the size of Wales with a population no bigger than a poor gate for a Fourth Division soccer match.

It's impossible to forget. The Falklands may be small on numbers—just 1,200 islanders at the last count—but it's big on memories.

You come across monuments to the glorious dead—First World War, Second World War and last

year's conflict—all over the place.

I felt tears welling in my eyes as I stood by the makeshift mound of stones marking the spot where Colonel H. Jones, commander of 2 Para, was shot in the back and won a posthumous VC.

On the mound someone has placed a tiny red china flower unaffected by the ravages of the weather. But a wild daffodil, the real thing, lies drooping in the biting wind.

Sanctuary

It's an insignificant spot for a hero, overlooked in the distance by a tiny civilian cemetery where almost everyone remembered there died in their beds.

A more permanent memorial to Col. H. and his brave comrades can be found on a hillside between



FALLEN HERO: Col. H.

the two settlements of Darwin and Goose Green.

I made a pilgrimage there dodging the cow pats, and couldn't help noticing that the plastic flowers placed at the foot of the cross were blowing away in the wind.

It is there with a backdrop of nothingness that on Remembrance Day next month a bugler will sound the Last Post at this last outpost of the British Empire.

OTHER PEOPLE'S SUNDAY LUNCH

Cooking your goose in Port Stanley

The Falklands received unexpected publicity thanks to General Galtieri, but as Judith Stares reports, its inhabitants are taking the presence of their military saviours in their naturally hospitable stride



Vi Bonner and Vi Robson with two of 'our boys' on Stanley quayside

Gathered around Vi Bonner's cosy kitchen, there is the persuasive atmosphere of Home Sweet Home. British-style, with familiar roasting smells and splutters from the Rayburn stove, plus the soporific sound of the BBC World Service playing their inimitable Sunday morning selection of golden oldies.

It takes a great will to remember that we have travelled a tortuous 8,000 miles to join this remarkable lady for her Sunday lunch, which she has been preparing the same way, with the same ingredients, for the greater part of her 76 years.

We are in the centre of Port Stanley, capital of the Falklands. Even with the presence of a cathedral, whose clock can be heard chiming in the distance, it would be

difficult to describe Stanley as a city.

Vi and her grandson, Maurice, live in a solid, red-brick Victorian terrace, reassuringly named Jubilee Villas, with a view overlooking the harbour. Until last year there was no reason to suppose that their lives would have ticked along in anything other than the predictable pattern set by previous generations. But thanks to General Galtieri, Vi and her compatriots have had greatness thrust upon them. It is a tribute to their stoicism that they have adapted to the limelight so ungrudgingly.

Our hostess, an indomitable, cheery widow, is bemused that her lifestyle, not to mention her cooking, is the subject of such curiosity, but she gamely agrees to chatter

about old times whilst stirring, basting and whipping up the items she has carefully chosen to represent as a typical menu for the benefit of readers 'back home'. Since she has never received daily papers, never mind Sunday colour supplements, such consideration is doubly charming, and the welcome given to strangers is as warm as that extended to her other guests, whom she lovingly describes as 'our boys'.

Temporary lodger for a four-month tour is Colin Young, a sergeant major in the Royal Military Police, and it says something for the informality of Vi's household that she has also invited his boss, Major Ken Greenland, RMP. Making up the party is her inseparable buddy,

Vi Robson, an equally indomitable 84-year-old, who must miss the morning preparations since she is playing the organ in the cathedral - her weekly task for 60 years.

A crowd for lunch is not unusual at Jubilee Villas, for Vi has a reputation for open house. 'Even before the war I had the Marines here, and the sailors, then there were always the youngsters doing VSO and the visiting teachers. But I've got a soft spot for the soldiers now - it's only natural, isn't it?'

Since her husband died 20 years ago, Vi has had to abandon her isolated life as a shepherd's wife in the wild and remote settlements which are the essence of a Falkland's existence. Sheep farming is the inevitable career for a male islander, who takes a wife from among the local belles and establishes his own family base in the camp, a word derived from the Spanish 'campos', meaning countryside, and used to describe the entire Falklands' area outside Stanley itself.

Vi looks back fondly on amazingly primitive pleasures, even now being enjoyed with similar enthusiasm by her own daughter, Yona, and her family.





Above: sauce for the goose?

Yona has provided the main course for today's luncheon – two upland geese which have been tucked into Vi's deep freeze awaiting a special occasion. These birds breed wild and the locals are free to pot their requirements during the designated shooting season.

Neighbours and families in the camp keep the older generation supplied with vegetables, so Vi doesn't miss out on garden produce. Whatever else she requires can be obtained from the West Store – the Harrods of Stanley, providing everything from a washing machine to the tinned apple sauce which is to accompany our goose.

Every islander has a peat bank which provides free fuel, though they must cut and transport it themselves. The younger members stock up for the elderly there is no sheltered accommodation for senior citizens, and without such a support-system survival would be impossible.

Vi has been caretaking the two geese in her peat-fired oven for over four hours – it isn't a fuel which is compatible with either recipes or regulo numbers. 'I just cover them in mutton fat and don't believe in



Feeding the stove with peat, the islanders' free fuel. RIGHT: the two Vis before Jubilee Villas, a touch of England 8,000 miles away in the South Atlantic

pricking the skin because it lets the juices out,' she explains. Deep-fat roasted turnips, carrots and potatoes sizzled on the rack above, and a traditional British gravy was made from the juices in the pan.

Vi Robson's arrival was greeted with starters – large gin and tonics





Shopping in West Store, Port Stanley, the Harrods of the Falklands

all round, with lodger Colin acting as bar-tender. The elder Vi lives on her own, but shares all the delight in 'our boys'. 'We were just so pleased to see them that we were determined to do everything we could to make them feel at home.'

By this time, the kitchen is too cramped for the cat, who has fled to the peat shed. The photographer is standing on the back of a chair and Vi junior is really getting into the swing of things, whipping up Roselle Complete Instant Topping for the pudding – two pastry flans filled with

assorted tinned fruit, combined with egg custard. 'I can only get fresh cream from Yona, and even that is scarce now because the Argies shot most of the cows,' she apologises.

Reference to the war is without bitterness, and the influx of 'our boys' has obviously been a great compensation to these dear ladies. More resentful memories are held by Maurice, who has made a fleeting appearance after an all-night party called the Grand Slam – an annual knees-up held to celebrate the end of winter.

'I lost my last job because of the Argies,' he complains. 'I used to drive a small bus around Stanley, picking up the old folk and the young children, but they confiscated it. For the rest of the war I did odd jobs and kept my head down. What upset me was that I had been at school with a couple of the Argentine soldiers, but it didn't make any difference to them – they still stuck a gun in my back.'

Maurice has elected to live with his grandmother rather than stay in the camp with his parents and brother. 'There is more going on here. I'm a garage mechanic now, but I can change my job tomorrow if I want.' He refers to the chronic labour shortage which enables many islanders to hold down two or more jobs simultaneously. At the age of 22 he has already owned several Land Rovers, tinkering with each and selling at a profit. His current model is worth £4,000 and every purchase has been cash down. HP is non-existent in the Falklands. The same goes for mortgages. Wages are low, but tidy bulk sums can be earned by healthy lads at sheep-shearing time. It seems unlikely that Maurice will ever know poverty if he remains in his own environment. Ken Greenland is greeted with another round of double gins (duty-free NAAFI

supplies are another compensation), and Vi dexterously places enormous portions of succulent goose on to a dinner service provided by her last grateful guests.

We are instructed to take our laden platters into the front room, where we spread napkins on our knees and tuck in. West Store has turned up trumps with Mateus Rose and Liebfraumilch, though Maurice is inexplicably absent. Ken is exhorted to tackle the spare helping and provides proof that an army major's resistance is no match for Vi's masterly maternal insistence. He gracefully and manfully ploughed through another joint of goose, and it seemed unkind to ask him to contribute to the conversation too.

We try to steer the talk to food, and learn that we could well have been served whale meat, penguins' eggs or oxtail, thereby demolishing one prediction that we would be offered mutton, for sure, though at 18p per pound it's a good way to feed a crowd.

Lunch-time ends at tea-time, since Vi Robson must make ready for her duties at the evening service. We thank our hostess with the hug she deserves and waddle, penguin-style, back to our hotel (coincidentally called the Upland Goose), just in time to cancel our evening meal.



Mr John Stanley, Armed Forces Minister, visiting the monument on Mount Longdon in the Falklands commemorating men of the 3rd Bn Parachute Regt who fell there during the conflict.

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ARGENTINA ARMS 'SNUB' FOR BRITAIN'

Reagan is ready to lift embargo

By FRANK TAYLOR in Washington

THE Reagan administration is preparing the ground for a swift resumption of arms sales to Argentina once the October 30 elections there have taken place and a civilian government is in power in Buenos Aires, it was learned yesterday.

President Reagan will formally notify Congress "within days" of the new government's inauguration that Argentina has returned to internationally-accepted norms regarding human rights.

He will propose that, on these grounds, the arms embargo imposed by the Carter administration in the mid-seventies will be lifted forthwith.

The move will fly in the face of strong pressure from Britain for a continuation of the embargo—at least until Argentina formally declares an end to the state of hostilities over the Falklands.

Mrs Thatcher raised the issue during her brief visit to Washington last month.

One report of that meeting said that Mrs Thatcher tried to "blackmail" President Reagan into maintaining the embargo by threatening to pull British troops out of Belize in Central America.

A knowledgeable source told me yesterday that there was no truth in the report, although Mrs Thatcher did raise both issues, without linking them directly.

The same source added: "You can expect arms sales negotiations between the U.S. and Argentina by February at the latest."

Ceremony advanced

The new government in Argentina was originally due to be inaugurated in January, but reports from Buenos Aires suggest that the ceremony may be moved forward to December.

The Pentagon is already preparing for the first requests from the Argentine armed forces for military hardware.

Informants maintain, however, that "the Argentines won't be able to just walk in with a credit card and get what they want."

Requests would be considered on a case-by-case basis, I was told.

With Britain's objections obviously in mind, Washington will not, at this stage, contemplate large-scale sales of offensive weapons systems.

Russia a rival

But it is assumed in Washington that the Argentines are certain to press for such systems at a later date and there seems little prospect that the United States would be able to turn them down.

One reason for this is that the Soviet Union, which offered a wide range of armaments to Argentina during the Falklands crisis, has recently secretly restated its willingness to become a main supplier.

And senior officers of the Argentine air force are understood to be raising the possibility of taking Moscow up on its offer.

"The air force desperately wants to gear up again after its losses in the Falklands war," I was told.

"It seems obvious the US will have to consider fulfilling orders at some stage."

Cases closed

It seems clear from the way in which the US administration is preparing for certifying Argentina's return to the human rights fold that it considers the cases of the thousands of "desaparecidos" (disappeared ones) during the military junta's rule as closed.

The American view is that while the issue has not really been settled to anyone's satisfaction — except, perhaps the Argentine military's — there is little justification for delaying a return to normal relations once a civilian government is in power.

The other obstacle in the way of declaring Argentina "clean" again — the continued detention without trial of political prisoners — has also dropped away with the release last Tuesday of what were believed to have been the last 66 detainees.

At the same time, the Interior Ministry in Buenos Aires

Continued on Back P, Col 3

ARMS 'SNUB'

By FRANK TAYLOR

Continued from Page One

announced the lifting of conditional liberty restrictions on 113 former detainees living at home.

By all accounts, the embargo decision has not caused any serious divisions of opinion within the upper echelons of the Reagan administration.

One informant said that it was well known that Mrs Jeane Kirkpatrick, the hard-line American Ambassador to the United Nations, had long advocated such a move.

But it appeared also to have the support of such "moderates" as Mr Shultz, Secretary of State, and most of his key advisers.

Mr Weinberger, the Defence Secretary, is also reportedly in favour.

Opposition cools

The Reagan administration has also sensed a dramatic dwindling of opposition in Congress to lifting the arms embargo by way of the human rights certification.

White House advisers are confident that the move will get the necessary backing of both Houses.

A good indication of this came yesterday from the office of Mr Michael Barnes, the Maryland Democrat who is head of a key Inter-American Affairs Sub-Committee, and one who had been one of the strongest critics of the Argentine military's rule.

One of his staff aides told me that Mr Barnes would accept certification "once a civilian government takes over."

Administration officials have also been persuading members of Congress that there would be no sense in maintaining an arms embargo on a democratically-elected government in Argentina while continuing to supply arms to the military in El Salvador.

The final argument is that, Falklands or no Falklands, the United States must make moves towards normalising relations with a key strategic and traditional ally in the western hemisphere.

Air base delay — P5

Falklands mobile air base delay

By **DESMOND WETTERN**
Naval Correspondent

DELIVERY of the Navy's new Falklands mobile air base, which is also to be the prototype for mercantile aircraft carriers, is already behind schedule and will now be further delayed, the Defence Ministry has confirmed.

The 28,000 ton Harrison Line container ship *Astronomer*, chartered by the Ministry for two years, arrived at Cammell Laird's shipyard at Birkenhead in May for work to start on converting her to operate and maintain a number of Sea King anti-submarine helicopters using the leased American "Arapaho" system.

Though the Ministry took the precaution of avoiding giving a date for her completion, it had been hoped she would be ready to sail in September or early October.

But it is now officially confirmed that it will be mid-

November at least before she is ready to leave the shipyard.

Part of the reason for the delay was a five week strike by shipyard welders in June and July followed by a week long strike by boilermakers in August. But a shipyard spokesman said other contractors fitting out the ship had also had simply parked here awaiting delays, and the ship "is now others' equipment."

British Aerospac have the task of building boxes to match the size of international standard cargo containers in which will be stowed workshops, stores, ammunition, spares, accommodation and fresh water for the embarked helicopters and their flying and maintenance crews.

These boxes are being fitted in spaces previously used for cargo containers and over them the steel landing deck and hangar forming the "Arapaho" system have been laid.

This system, produced by the American Navy in the 1970s but only tried out once before at sea, is intended to be a prototype to permit commercial

container ships to be converted rapidly in an emergency to operate anti-submarine helicopters and possibly Harrier fighters while retaining much of their cargo carrying capacity.

The sections of flight deck are designed to lock into the anchoring points for containers to form a rigid structure.

Long-term value

Although the *Astronomer*—which is to be manned by the Defence Ministry-owned Royal Fleet Auxiliary, and has been renamed *Reliant*—is to provide improved overhaul facilities and accommodation for the Fleet Air Arm Sea King anti-submarine helicopter squadron now based ashore in primitive conditions in the Falklands, it is hoped she will be of much longer term value.

If the task of converting container ships to operate modern naval aircraft can be kept simple and inexpensive it would do much to improve the Navy's ability to operate its aircraft overseas in a crisis without having to rely exclusively on its three carriers.

ARMY HARBOUR FOR THE FALKLANDS

By Our Transport
Correspondent

A military harbour is to be built in the Falklands, close to the airport being built at a cost of more than £200 million. Invitations to tender are expected soon.

It will be in addition to the new harbour at Stanley, which is to be provided by ITM Off-shore of Middlesbrough at a cost of £23 million.

This is being prefabricated in Britain and will be based on giant barges being converted at Harland and Wolff in Belfast to link together as a causeway and jetty with warehouses.

PATROL SHIPS FOR FALKLANDS

Two specially-converted ships will be commissioned at Rosyth dockyard in the Firth of Forth today as part of a new Falkland Islands patrol squadron.

Protector and Guardian, formerly 1,100-ton commercial oil rig supply ships, will carry high-speed raiding craft for the Marine detachments on board. The third ship of the squadron, Sentinel, will join them in the Falklands after trials.

DAILY TELEGRAPH

22 10 83

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Crown Agents end in sight

By Maggie Brown

The future of the Crown Agents, in the balance since it lost a £3 billion share of Brunei's investment management business in July, is about to be decided, but the indications are that it will be abolished, and some of its key functions privatised.

The Crown Agents, headed by new chairman, Mr Peter Graham, former chairman of Standard Chartered Bank are fighting a strong rearguard action, and have presented several options for continued existence at a reduced level. Civil service unions have already been told 300-400 jobs will have to go.

But much of the advice being received by the agent's sponsoring department, the Overseas Development Administration, favours abolition. The Foreign Office and Treasury are arguing for its disbandment.

Mr Timothy Raison, Minister for Overseas Development, in charge of the Crown Agents has not yet formed a view of the matter, but the outcome is probably outside the ODA's control.

The Crown Agents are a relic from the British Empire, and employ 1,200 people carrying out a range of services, largely for former colonies and developing nations. These include procurement, project management, technical assistance and arranging stamps and currency.

But its largest single earner is fund management, and the loss of the Brunei contract wiped out 70 per cent of the capital it manages. Since then two of its important remaining funds, those of Abu Dhabi and Hong Kong have been reviewing their position.

The Brunei decision was a bitter blow for the Crown Agents, which had been put on a much more efficient footing after running up losses of more than £200 million in the 1970s.

Britain accused

ARGENTINA has alleged at the UN that British warships last year were carrying nuclear weapons to intimidate Argentina during the Falklands war. The accusation was made by its ambassador, Mr Julio Cesar Carasales, during a disarmament debate. — Reuters.

Galtieri off the hook



General Galtieri

From Jeremy Morgan in Buenos Aires

General Galtieri has been "admonished for a light offence" by the head of the Argentine army for remarks he made in a newspaper interview published last April on the anniversary of the Falklands occupation.

After the official reprimand, the commander-in-chief of the army, General Nicolaidis, is not expected to take further action against the former war leader and President. Until now, General Galtieri faced the prospect of being brought before a military tribunal.

He served a 45-day sentence earlier this year after the interview, in which he criticised his subordinates and accused Argentina's Falklands military commander and governor, General Menendez, of "sinking five centimetres a day" during the conflict.

Argentina's quarrelsome officers have meanwhile brought charges against General Lanusse, the last military president to hand power over to an elected civilian government 10 years ago.

He has been ordered to appear before a tribunal demanded by General Videla, the first President of the Process of National Reorganisation imposed by the armed forces after they overthrew the Peronist government.

Letter from the UN

Slaking a voracious thirst for power

To say that food and drink has been the lifeblood of diplomacy is not to exaggerate unduly. But this year at the United Nations General Assembly opening, the cornucopia overflowed, and even the lowliest of third secretaries could produce stacks of engraved invitations.

The feasts ranged from one where Mrs Indira Gandhi, the Indian Prime Minister, sat down with a handful of New York philosophers to discuss Determinism in European Politics, to a reception given by Prince Norodom Sihanouk where the presence of Pol Pot officials provoked journalists into thinking up clever opening lines. "What is it like to be a mass murderer?" one of the Khmer Rouge was asked.

President Reagan gave an intimate luncheon for Senor Javier Pérez de Cuéllar, the UN Secretary-General, which was billed as an occasion for a tour d'horizon of world affairs. Instead, Mr Reagan told jokes the whole time, and convinced everyone present that he was a most beguiling host.

One of the theories on the Falklands War is that it was largely the result of an episode where the British had trampled on the Argentine's gastronomic sensibilities. During the little-noticed talks that preceded the invasion by six weeks, the Argentine negotiators entertained their British counterparts at La Cote Basque, New York's premier restaurant, while the British reciprocated far more modestly.

For the diplomats who give the UN its more deliberate pace during the rest of the year, the glitter and flurry of activity was looked upon with great disdain. When they were not carrying around their foreign ministers' briefcases and dinner jackets, they sat around speaking of angels and pinheads, on the grounds that such discussions were far more relevant than the speeches made by their masters in the General Assembly.

The irony is that these UN regulars had for the most part

written the ministers' speeches themselves, using the right blend of knights of the Round Table and chicken in every pot. Diplomats have the misfortune of sharing the cynicism of politicians without the luxury of power.

For our own revenge, long-suffering journalists drew up a list of informal accolades for the three weeks of whirlwind diplomacy that sent the champagne corks popping while moves were made on the international chessboard.

President Mitterrand was cited for his capacity to say nothing in the most serpentine way during the longest press conference given by a visiting dignitary. His thrusts in translation sounded like bad Shakespeare: "Your question starts with poison and ends with a dagger", he said.

Another award went to all those British officials who tried terribly hard to persuade reporters that Mrs Thatcher's failure during her stopover in New York to comply with protocol and call on Senor Jorge Illueca of Panama, the President of the Assembly, was not a snub. Senor Illueca is most famous for his remarks last year on Mrs Thatcher's glandular system, which he claimed was responsible for her behaviour during the Falklands conflict.

The debate in the assembly had taken one of its labyrinthine paths, and the philosopher-diplomats decided this was their cue. "Is it duty that brings the world leaders or is it for their own glory and gratification?" asked one sage, sipping a cappuccino.

"Margaret Mead once wrote that the United Nations was an attempt to fulfil a primordial need for ritual that was absent in modern society", answered a younger student.

"Are we better off with the UN or without it?" the sage continued, as he scanned the catalogue of meetings that would be everyone's labour for the next three months.

Zoriana Pysariwsky

Daily Mail
22nd October 1983

Andrew the 'TV natural'

PRINCE Andrew faced his first big television test yesterday—and was called 'a natural' by interviewer David Frost.

Relaxed and confident, the 23-year-old Prince was in front of the cameras at TVam for 20 minutes.

A jubilant Frost, who scooped his BBC breakfast rivals with the interview to be screened on November 13 said: 'I think people will be really delighted by the quality of the man.'

The Prince had agreed to be interviewed about the SS Great Britain Trust, of which he is patron. The Great Britain, designed by Brunel, was one of Britain's greatest steamships and was salvaged from the Falklands.

The Prince also discussed his role in the Falklands campaign as a naval officer, and his public life in general.

Belize, part 2: Poverty spread equally

Balancing on the US-Cuba tightrope

In this second of two articles on Belize, John Carlin interviews the Prime Minister.

The door of the office of Mr George Price, the Prime Minister of Belize, is always open. "That way a draught can run through," he explains. "We have no air conditioning or electric fans here."

The temperature in Belmopan, the 4,000-population capital of Belize, is never too far from the 100°F mark. But Mr Price, at 64 unmarried, in his youth a Jesuit seminarian, refuses to allow himself the frills many Latin American leaders seem to view as their right.

The floor in his office is covered with linoleum; the furniture is metallic; the noise of his secretary's typewriter, deafening.

With an annual budget of US\$100m (about £65m), an almost total dependence on the fluctuating world price of sugar (Belize's main export) to make foreign exchange, and a need to import anything remotely resembling manufactured goods, Belize is a poor country even by Central American standards.

"We have no high-rise steel or glass buildings here," says Mr Price, "we believe in spreading the wealth around."

His southern neighbour, Guatemala, which has the same claim to Belize as Argentina to the Falklands, has a visibly more powerful economy than this British colony of 150,000 people. High-rise buildings abound in Guatemala City and government affairs are conducted with customary Latin American pomp.

But while the literacy rate in Belize is 92 per cent - a figure matched only by Argentina in Latin America - in Guatemala it is 37 per cent. While the average per capita income in the Belizean countryside is US\$1,000, in Guatemala 70 per cent of the population, mostly rural Indians, receive an annual income of only \$42.

Unlike Guatemala, there is not even a hint of armed



Mr Price receives constitutional instruments from Prince Michael of Kent on Independence Day

opposition in Belize because, to paraphrase Mr Price, it is poverty, and not wealth, which is spread around equally. Consequently there is no visible internal target on which to focus social resentment.

On the second anniversary of independence from British rule, celebrated on September 21, happy crowds paraded and danced around the streets of Belize City, the country's Caribbean port.

There were reggae bands everywhere but no song drew more hip-swinging hand-clapping enthusiasm among the blacks, Asians, hispanics and occasional whites in the racially diverse city, than the local favourite, *Tell them Guatemalans to leave Belize alone*.

Mr Price, very conscious of his country's atypical Central American tranquility, wrote a letter to *The Times* last month (published September 9) in which he thanked the British Government and people for the presence of the 1,800 British

troops who, as he put it, "are a factor of security and stability in a turbulent region."

Clinging to his country's internal stability is the principal aim of Mr Price's foreign policy. Under his leadership (he is also head of the People's United Party) Belize has become a member of the Non-Aligned Group. Yet Mr Price has offset any offence this might cause Washington by distancing himself from Cuba.

While the American Embassy in Belize is growing dramatically in size, there are no diplomatic ties with Cuba. Asked whether he wished for a closer relationship with the Castro Government, Mr Price typically biblical in his allusions, replied: "Given the reality of history and geography... we know that at this stage in the world's development we can't be all things to all men".

At a time of worldwide recession, Mr Price is only too well aware of the importance to

his small country of financial aid from the Americans. For that reason he has rejected Cuban aid, and its accompanying ideological strings.

Notwithstanding his shrewd foreign policy, and the British military presence, Mr Price believes that his country's best safeguard against the turbulence so close by is provided by government policies founded on social justice.

With British help Belize has been able to place budgetary emphasis on education at the expense of defence. An inscription, in bold red letters, on the side of a white Ministry of Education van in Belize City expresses this remarkable Central American anomaly with eloquence, at the same time drawing attention, with unconscious irony, to Britain's reluctant military commitment:

"A nation's might - not on how well its army can fight, but on how well it people can write."

[concluded]

A face from the past dominates Argentine poll

FINANCIAL
TIMES
21.10.83



Peron . . . ecstatic supporters

GENERAL JUAN PERON is alive and well and living in Argentina—or so his supporters believe. Nine years after his death, as the country lurches towards elections on October 30, the resurrection of the Peronist mystique has become one of the main characteristics of an increasingly emotional campaign.

"Peron, Peron, how great you are," chanted more than half a million ecstatic supporters in two massive rallies on Monday. In the streets leading to the capital's huge Velez stadium, men shrouded in Argentine flags sold posters showing Peron resplendant on his favourite horse—the very image of the Latin American "Caudillo."

Chocolate portraits of Evita Peron, his second wife and a legend in her own right, were also being busily snatched up. All around, the recorded speeches of the General and Evita crackled and sparked from battered vans as groups of faithful stood by, some of them tearful, as if the words were being really proclaimed at that moment.

Argentines have a remarkable capacity to forget their own history, the writer Ernesto Sabato once said or, in the Peronist case, to rewrite it to suit their own self image. "By remembering the old man, it helps us to forget the chaos of what we are," remarked an unusually candid young Peronist on Tuesday.

The last Peronist Government (1973-1976) caused violent clashes between Left and Right, killings by terrorists at a rate of hundreds a week, hyperinflation, a virtual de facto suspension of payments on the foreign debt, and the almost complete bankruptcy of industry. But that was not as bad as what ensued, Peronist supporters argue. In any case, it is not the frail old man who briefly returned from Spanish exile they remember today but the golden early post-war years of the first Peronist Government when many Argentines found they had never had it so good.

Anyone present at Monday's rallies was left in no doubt of the attraction Peronism still holds for the bulk of the country's industrial working class and people on the fringe of society—an estimated 50 per cent of the voting population.

Of the three strands of official Peronist doctrine, two in particular have been dug up with a vengeance in the current campaign: anti-imperialism and social justice.

The Peronist electoral platform makes the "reaffirmation of national sovereignty" a key aspect of future Government policy. Quite what this will mean in the context of the Falkland Islands depends as much on Mrs Margaret Thatcher, the British Prime Minister, as on political developments in Argentina. However, nationalist feelings are running high, and most high-ranking Peronist officials have warned that if they do not get the islands back eventually they do not rule out the renewed use of force.

Significantly, when recently a

former Peronist Foreign Ministry official, Sr Leopoldo Tetamanti, suggested that he would be prepared to lay the ground for a new understanding with Britain by declaring a formal cessation of hostilities, the man was verbally crucified as an "antipatriot" who was unrepresentative of party thinking.

A key component of Peronist foreign policy doctrine remains the "third position," independent of both superpowers. Here again, Peronists are convinced that their legacy has been vindicated by recent events.

President Reynaldo Bignone's assertion at the Non-Aligned Summit in New Delhi in March that his country "did not accept a world view that reduced everything to a permanent ideological and military conflict between east and west" was viewed by some diplomats as a radical U-turn for a military regime nourished on anti-communism and clandestine contacts with U.S. generals. But the Peronists saw it only as a belated return to the golden days of Argentine neutralism under their late leader.

There are signs that a future Peronist Government would not hesitate to play the Moscow card and exploit the average Argentine's deep-rooted anti-American feelings to try and bend Washington to its wishes. The Peronist leadership has accepted the support of the Communist Party in the forthcoming election, and it has been given free reign in formulation of much of the most strident anti-Yankee propaganda.

The Peronist economic programme is also essentially a return to the past, occupying a middle ground between capitalism and outright state control. It hints at national socialism rather than social democracy by its implicit reliance on an essentially corporatist organisation of the state, based around the general and nationalised sectors of industry.

But the party platform is publicly committed to a mixed economy and sees a continuing role for foreign investment. It hopes to put the country back on the road to economic prosperity with a prices and incomes policy, sweeping reforms of the banking and fiscal systems, and by using subsidies to stimulate agricultural exports and import substitution.

On the foreign debt side, the Peronists are clearly faced with an unprecedented situation, since no civilian government has owed \$39bn. For the moment, the Peronists remain officially committed to honouring Argentina's debt obligations, and recognise that the difference in the structures of Latin American economies makes it difficult for them to think in terms of a future debtors' club.

They have promised, however, to carry out a thorough investigation of the debt to establish how much of it was used up in speculation or unaccounted arms purchases. This could leave some creditor banks trapped in a nightmare of litigation.

The Peronists have accused the present authorities of unconditional surrender to foreign banks and hint strongly that, like Brazil, they want to

see easier terms on their credits when an estimated \$10bn of overdue payments come up for renegotiation next year.

"This Government has conceded on everything. This must change when we come to power," commented Roberto Lavagna, an advisor on economic policy.

Such shows of machismo clearly appeal to Peronism's natural supporters among lower income workers, who have been particularly hit by the recession of the last three years. Nevertheless, the Peronist Party is for the first time in its history struggling for electoral acceptance by more than just its natural allies. Recent opinion polls show that the impressive lead which the Peronists have traditionally commanded over their rivals, the Radicals, will be considerably narrowed on October 30. The apparent shift in voting patterns has been largely attributed to an exodus from Peronist ranks by middle-class voters particularly small businessmen and students.

Looking beyond the mystique and into what they perceive as the real world, many Argentines have encountered a party wracked by internal rivalries. In spite of having been given an essentially symbolic role as Party Chairman, General Peron's surviving third wife Isabelita remains mute about her precise political intentions while exiled in Madrid. The confusion surrounding Argentina's last civilian president has contributed in recent weeks to a hectic jockeying for positions in the Party hierarchy.

In the absence of its first lady, the Peronist convention last month agreed on Sr Italo Luder as its presidential candidate. Sr Luder's reputation is that of a moderate if somewhat lacklustre lawyer who has remained above the campaign in striking contrast to the highly personalised style of his rival, Sr Paul Alfonsín. He is a former speaker of the senate and was provisional President for six weeks in 1975 (when Isabelita was ill).

But Sr Luder's campaign has been undermined by the dissatisfaction of some party militants with the recent appointment of the powerful metal workers union boss, Sr Lorenzo Miguel as Party Vice President. The choice of Sr Herminio Iglesias, as the Peronist candidate for the Governorship of Buenos Aires has also generated considerable controversy because of his alleged involvement in right-wing death squads, the illegal drugs trade and prostitution. In the past it was General Peron who resolved internal disputes by the sheer weight of his personality and political acumen. But unfortunately for the Peronists, he is no longer around.

Argentina bomb team 'got past Gibraltar defences'

BY OUR MADRID CORRESPONDENT

THE ARGENTINIAN sabotage squad which is now known to have been plotting a raid against Gibraltar at the height of the Falklands war managed to make several incursions past British defences while preparing the operation, a Spanish magazine claimed yesterday.

The weekly Cambio 16 cited a confidential government report and said that the four men, all attached to the Argentinian Navy, were caught within hours of launching their attack.

Madrid has confirmed that a group of Argentinians was intercepted by Spanish police near the Gibraltar border and expelled from the country.

led from the country.

The magazine alleged that the "suicide squad" initially aimed to blow up a destroyer and a support vessel in Gibraltar harbour. These ships had however been replaced by a frigate, HMS Ariadne, and a sea-going tug, it said.

The men were reported to have obtained four magnetic mines through the army and naval attaches of the Argentinian embassy in Madrid. Equipment including oxygen cylinders and an inflatable dinghy were found in a car they had rented, according to the report.

UK and China end Hong Kong talks on optimistic note

BY ALAIN CASS IN HONG KONG

BRITAIN AND China ended their fifth round of talks over the future of Hong Kong yesterday on an optimistic note after weeks of deadlock and public recrimination.

A joint statement issued after the talks held in the former Austro-Hungarian legation building in Peking described the talks as "useful and constructive."

The only other time the sessions have been described in this fashion was after the two sides first met last July. On the last two occasions, as the two sides wrangled over the issue of sovereignty, no official comment was made.

Yesterday's talks, which were led on the British side by Sir Percy Cradock, the British ambassador to Peking, and on the Chinese side by vice-Foreign Minister Yao Guang, also lasted half an hour longer than previously.

Officials in Hong Kong cautioned against undue optimism and gave a warning that the negotiations had a long way to go. But the atmosphere seemed more cheerful, and one official conceded that "things may be looking up."

It was pointed out that compared with previous occasions, this session of talks was not preceded by the usual barrage of propaganda from Peking.

The two sides said they would meet again on November 14 and 15.

Officials refused to comment on reports that Sir Percy handed a letter from Mrs Margaret Thatcher, the British Prime Minister, to the Chinese side.

China has been insisting that Britain concede sovereignty

over the entire territory before the two sides discuss practical arrangements for its administration after 1977.

That is when the lease on the New Territories and much of the Kowloon peninsula runs out. Hong Kong Island was ceded to Britain in perpetuity in a 19th century treaty which China disputes.

Hong Kong's nervous financial markets hardly reacted to the news, which dealers said had been discounted in trading earlier this week. The Hang Seng index closed at 790.11, down 4.23 points following two successive days of gains.

Yesterday's fall reflected anxiety over sharp rises in local interbank rates stemming from the demand for Hong Kong dollars created by last Saturday's measures to shore up the currency.

The Hong Kong dollar ended the day at around HK\$7.80 to US\$1, the rate set for new note issues by the government in its rescue package.

But, in a move which apparently reversed its earlier support for the measures and indicated a growing tendency to make itself felt in the territory, an official of the Bank of China was quoted calling for the new measures to be scrapped.

● Hong Kong's export recovery received a major boost in the third quarter of this year prompting the government to revise upwards its overall growth forecasts.

According to provisional figures yet to be released by the government, exports to Hong Kong's major trading partners rose by a weighted average of 29 per cent over the same period last year reaching HK\$72.879bn (about \$10bn).

Gurkhas on guard in Belize

By Maj-Gen Edward Fursdon
Defence Correspondent

THE 10th Princess Mary's Own Gurkha Rifles, commanded by Lieut Col Mark Cook, have taken over as the Army's resident battalion in Belize.

They relieved 2nd Bn the Parachute Regiment commanded by Lieut Col David Chaundler and famous for their Goose Green Battle of last year, who now revert to being part of Brig. Tony Jeape's 5th Infantry Brigade at Aldershot.

Battalions do a six-months unaccompanied tour in Belize and already in the Army's long-term forecast "plot" of unit moves—failing some future Cabinet decision to the contrary—another infantry battalion is currently earmarked to take over from the Gurkhas in April next year.

2,000 troops

It is of course very much in Britain's, Belize's and America's current interests that British armed forces should remain in Belize.

Nearly 2,000 troops — commanded by Brig. Tony Pollard — are stationed there under a bilateral British-Belizean Government agreement to deter any aggressive Guatemalan military moves in support of its long outstanding territorial claims against Belize.

British forces would be withdrawn only after prior consultation and agreement between the two governments. Currently Britain is not considering any unilateral withdrawal and there are no outstanding requests from either party for joint decisions involving any immediate or premature moves towards withdrawal.

As far as the British Army is concerned it is happy for the Belize commitment to continue at its present level. Thanks to the reduction of the Northern Ireland commitment, maintaining an infantry battalion and other units in Belize is not a strain on its resources despite the added Falklands Islands garrison commitment.

Tough training

Any reinforcement increase in strength, especially if associated with being drawn into any new type of long term requirement, would however definitely cause the Army difficulty.

A tour in Belize provides a commanding officer with invaluable tough training and live firing opportunities in a different and challenging environment not readily available elsewhere.

Many soldiers enjoy the job satisfaction of a real outlet for their training. For instance, it is quite common for a private soldier to lead a two-week jungle patrol.

They also appreciate the wide variety of aquatic and other sporting facilities and the chances to travel on leave to Mexico, Costa Rica or America.

The Belize garrison is not an unacceptable current strain on the defence budget. The estimated extra budgetary costs of its presence for 1982-83 was £5 million which is only 0.04 per cent. of the £14,091 million defence budgetary total.

Constant review

Whitehall sources say that the Cabinet's Defence and Overseas Policy Committee will shortly discuss the future of Belize. They say that there is no particular significance in this and it gives an opportunity for Mrs Thatcher to update her colleagues on the subject following her recent talks with Mr Reagan.

They point out that the subject of the Belize garrison, by its very anomalous nature, is something kept under constant review.

It is hoped, however, that new talks will be arranged with Guatemala next year and that at long last some acceptable progress can be made towards a peaceful settlement of this long-running dispute and thus towards Britain's long-term aim of the elimination of Britain's troop presence.

PEKING TALKS ON HONGKONG 'USEFUL'

By GRAHAM EARNSHAW
in Peking

Sino-British talks on the future of Hongkong finished in Peking yesterday with the release of a soothing statement saying the discussions had been "useful and constructive."

Following the last meeting in September, the Chinese attacked Britain for its "Colonialist" desire to retain a role in Hongkong after 1997, the date the British are due to return the territory to China.

Senior Hongkong leaders flew to London two weeks ago for talks with Mrs Thatcher. She was said to have sent a letter to the Chinese leadership conceding sovereignty, but stressing Britain's wish to have a role in Hongkong's administration into the next century.

Tories abandon Falklands tribute

By R. BARRY O'BRIEN

A PROPOSAL to name streets in a new housing development after battles in the Falklands campaign has been rejected by the Conservative-controlled St Edmundsbury district council in Suffolk.

The council, which has 30 Conservative, nine Labour and five Independent members, decided the proposal was "too controversial" after objections from a Labour member.

The decision brought an angry response last night from a Conservative councillor for the ward where the private development of 162 houses at Haverhill is located.

"I am absolutely disgusted by this decision. I thought it was a wonderful idea and a splendid way to celebrate part of our country's history," said Councillor Geoff Rushbrook.

"I can't understand why it was turned down. It seems to me that we won a war and achieved victory and the people of this country don't want to celebrate it."

"Can you think of any other country where people would not want to name streets after a victory?"

Street names proposed for the Boyton Hall Estate included

San Carlos Drive, Goose Green, Pebble Island, Longdon Road (after Mount Longdon), and Mount Tumbledown Close.

But the names were opposed by Gerry Kiernan, elected in May as Labour member for the ward covering the estate. As a result of his objections, the council has chosen local names proposed by a historical group.

"There was no local connection in the Falklands names and I thought it was a political idea," Mr Kiernan, 25, a chemical process worker, said last night.

"I think local names are a lot better. It is an excellent idea and will encourage people to look back at Haverhill's history."

The Falklands names were proposed by Mr Gerald Dixon, Falklands-born architect for the developers, Regalbourne, of Witham, Essex.

He has been informed in a letter from the council that his proposal has been rejected because of the council's policy of avoiding street names "which could create controversy in local and national circles."

Gurkhas on guard in Belize

by Maj-Gen Edward Fursdon
Defence Correspondent

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Belize, part I: Britain's military presence

Welcome anachronism keeps Guatemala at bay

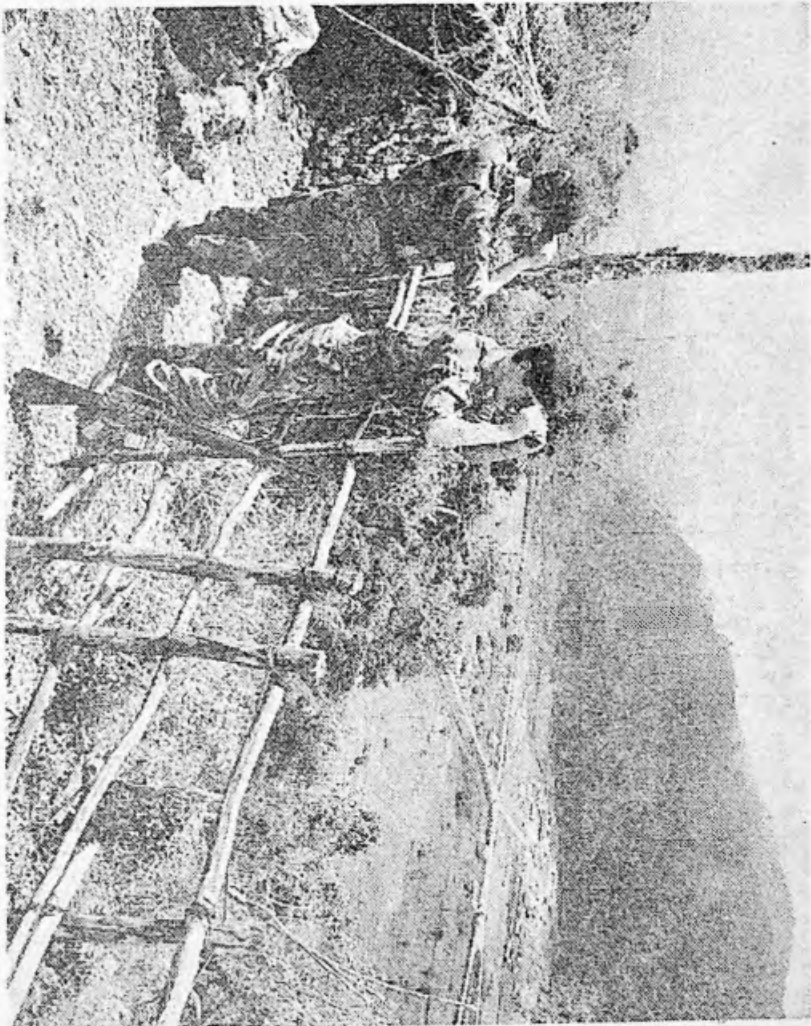
Since Mrs Thatcher raised the subject of the continued presence of British troops in Belize with President Reagan during her Washington visit, speculation has been rife about how long they will remain. In this first of two articles on Belize, John Carlin reports on the role of the forces.

The presence of a permanent garrison of about 1,800 British soldiers in Belize, bolstered by four Harrier jets and an assortment of tanks, helicopters and artillery equipment not only offers reassurance to a population of 150,000 fearful of Guatemalan attack, but also removes the need for the Government to arm the country to the teeth, in the manner of its turbulent neighbours.

Belize's rudimentary army — the Belizean Defence Force — consists of 500 men: the Air Force of two twin-propeller British aircraft; and the Navy comes into existence later this year with the arrival of two small British-made patrol boats.

Manifestly, this is no defence against Guatemala, whose 38-year-old constitutional claim to the whole of Belize's territory is backed by the biggest, most battle-hardened regular army in Central America.

Hence the anomaly of Britain, at a time of stretched defence resources, spending £25m a year in preserving the sovereignty of an ex-colony, now a full member of the United Nations, in a part of the world unrelated to British defence interests.



Border watch: British troops keeping an eye on a vital road crossing into Guatemala.

Every Belizean interviewed, however, from dreadlocked, marijuana-smoking Rastafarians to the austere, devoutly Roman Catholic Prime Minister, Mr George Price, was happy and relieved that the anachronism lingered on.

Politicians in Belize argue that the real, or net, cost to Britain of its military commit-

ment is way below £25m, a point on which British Army officers agree. Marine Captain Henk De Jager said that the additional cost of having troops in Belize, as opposed to having them, for example, in Aldershot, was only £5m.

A leading Western diplomat in Belize City said it was "100 per cent unlikely" that the British soldiers, concerned

purely with the external threat, would ever fire a shot in anger in Belize.

Nevertheless, recent press reports suggest Britain may be preparing to pull out its troops. Mr Price told *The Times* that, should this happen, "a vacuum would be created and inevitably new forces would rush in".

Such forces could clearly be either the Guatemalan Army

or, as has been suggested, Guatemalan guerrillas eager to establish a military base and sanctuary in Belize. But, while not admitting it, Mr Price would not rule out the possibility United States troops might also fill a vacuum — a hypothesis that appears more likely after a visit to Belize last week by the United States Assistant Secretary of State, Mr Langhorne Motley.

The Americans consider Belize vital in their efforts to maintain control over their central American "backyard". While there is no definite indication yet that Washington has any plans to step militarily into Belize, the facts show that, since independence two years ago, the American Embassy in Belize has grown 10 times in size and American aid to the Government has quintupled.

"United States bases here would be very provocative. They'd be interpreted as a threat by some of our neighbours and we might not be able to avoid making enemies of them," said Mr Manuel Esquivel, leader of the main political opposition in Belize, the United Democratic Party.

British good will towards the former colony may now be on the wane, with suggestions that Mrs Thatcher is eager after her recent visit to Washington that "the appropriate period" which Parliament, deliberately vague, has fixed for continuation of the British military commitment, become more clearly defined.

Tomorrow: The Prime Minister

TIMES
20.10.83

Falklands rebuff

A claim by a ferry crew returning home that two out of three ships in the Falkland Islands were non-British was rejected yesterday by the Ministry of Defence. It said of 17 tankers on charter for the Falklands 13 were British.

Talks resume

Peking (Reuters) - Talks on Hongkong resumed after a month-long break amid reports that Britain planned to present new proposals to China to try to break the deadlock.

Argentina frees 180 prisoners

From Andrew Thompson
Buenos Aires

The Argentine Government has ordered the release of 180 political prisoners in a pre-election gesture. Detention orders were withdrawn against 243 people held under state of siege regulations. Of this total, only 180 will effectively regain their freedom, as the remainder still face court sentences.

Among those benefiting from the measure are Señor Oscar Ciarlotti, who helped to kidnap his uncle, a rear admiral, in 1972; Señor Juan Dante Gullo, a left-wing Peronist youth leader, and a retired colonel, Luis Perlinger.

Also benefiting from the measure is Señor Jorge Fontevicchia, editor of the weekly magazine *La Semana*, who is in year after the Government objected to an article on Captain Alfredo Astiz, the notorious commander of the Argentine garrison on South Georgia during the war with Britain.

Meanwhile, a local journalist has claimed that Señor Raúl Alfonsín, this Radical Party presidential candidate, faces a possible assassination attempt - by sectors of the Army.

Signals for the Falklands war

From Lord Buxton of Alsa

Sir, On February 22, 1982, I had my private talk with the Argentine Foreign Minister, Nicanor Costa Mendez, in his apartment in Buenos Aires, which was recorded in the report of the Franks committee. I reported to the British Embassy after the discussion, and subsequently to the Minister, Richard Luce, that I had gained the impression from what Costa Mendez said that there would not be an invasion of the Falkland Islands, but that there might be sporadic "Condor-type" raids, probably in South Georgia.

Ever since then I have wondered if, through ineptitude or inexperience, I contributed to the trouble by conveying the wrong impression.

The report today (feature, October 18) of your correspondent's interview with Costa Mendez, in which he states that "he was informed of the decision to invade the islands on March 26, 1982", more than four weeks after my meeting, is naturally fascinating to me and to some extent relieves my mind, if what Costa Mendez says is true. But above all it proves conclusively that there is no possible alternative to the present policy of the British Government on the sovereignty issue.

Argentina has its full share of delightful, friendly and cultivated people and many of us have close friends there. But the trouble is that most distance themselves from Government, and the country has an unfortunate tendency of acquiring the most frightful regimes.

How could Britain or any free country negotiate with a state where the Foreign Minister, himself in charge of current diplomatic negotiations, does not know that his country is about to embark upon unprovoked aggression against a friendly neighbour until seven days before it takes place?

I am, Sir, yours faithfully.

BUXTON,
House of Lords.
October 18.

FINANCIAL
TIMES
20.10.83

Argentina frees 66 prisoners

BY JIMMY BURNS IN BUENOS AIRES

THE ARGENTINE Government has released 66 political prisoners and revoked house arrest or parole orders on a further 113 Argentines.

The measure applies to all those detained without trial since the 1976 coup, except for 63 prisoners charged recently.

Human rights groups believe about 300 Argentines are still in jail or in detention camps—the only survivors of an estimated 15,000 who were arrested by the

security forces, and subsequently disappeared.

The military government says the bulk of the "desaparecidos" are now dead, although several hundred Argentines remain in exile.

Officials hailed the latest releases as a symbol of the Government's commitment to democratic life less than two weeks before the October 30 elections.

In an apparent move to

appease Argentina's major political grouping, the released prisoners include Sr Dante Gullo, a former leader of the Peronist Party's militant youth.

Human rights groups yesterday reacted cautiously. The state of siege allowing for detention without trial is expected to be formally lifted before the elections, but the Government continues to refuse to grant information on the whereabouts of the "disappeared."

DAILY TELEGRAPH
20.10.83

CHRISTMAS SPIRIT

Artificial Christmas trees are being sent to troops in the Falklands by a firm in Newport, Gwent.

Our Nicanor

AS Argentine Foreign Minister during the Falklands War, Señor Nicanor Costa Mendez became a familiar and even well-loved figure for many people in this country. His activities at the United Nations alone suggested that the Hispanic-American world had at last produced a knockabout comedian of the first rank.

So there was some disappointment when he decided to "quit the boards." An interview he has just given to *THE TIMES* newspaper suggests that he may be thinking of staging a comeback.

He says that the original Argentine conception was a peaceful occupation of the islands, "a move to stun Britain into negotiating. The project was conceived as an occupation to negotiate, including provision for the withdrawal of our troops.

"In no way did we plan to go to the Malvinas and stay there. That came as the result of a decision by the military junta . . . It was caused by Britain's intransigent response and the fact that the British Government left us no room to manoeuvre."

There is great talent there and we can only hope to hear more of it. Señor Costa Mendez might have got more of a laugh out of the fact that the original Argentine plan — to go to the Falklands and not stay there — was in fact carried out. But he is not one to overdo things.

There is a mystical side to his nature. Elsewhere in the interview he says that Lord Carrington, a fellow ex-Foreign Minister, told his predecessor at the United Nations that "for British foreign policy the islands question was priority number 242."

Kabbalists will be working on the mystical significance of this number, which with a little trouble can be made to yield 666, the Number of the Beast. Others might be interested to know what were the 241 higher priorities of Lord Carrington's Foreign Office.

IT DOES not seem to have caused much of a splash as yet, but a new campaign to sell Great Britain has been launched by Mr John Fenton, who bills himself as the Billy Graham of selling. Coincidentally, he is Chief Executive of the Institute of Sales and Marketing Management, and has addressed 50,000 business people during the past year.

Mr Fenton chose to launch his new campaign at the Speech Day of Myton High School, Warwick, on October 4, which may explain the campaign's low profile. Mr Fenton advocates boasting about the Falklands War by way of selling Great Britain.

This is how you do it: "Liken Argentina to the school bully who grabs your sandwiches and stamps on them. If you do not stand up and fight him, you know he will flatten you, as well as your sandwiches. All the rest of the school will know you are a soft touch and your sandwiches will be stamped on for the rest of your life. So it was with the Falklands. Nobody stamps on Great Britain's sandwiches."

Detainees freed by Argentine Junta

By Jeremy Morgan
in Buenos Aires

The military government has freed 179 people held without trial in an evident attempt to bolster the recent amnesty for crimes during the "dirty war" against alleged subversion.

The regime lifted detention orders imposed under the nine-year-old state of siege on 242 people, but kept 63 of them in custody pending charges and possible trial.

Of the rest, 113 were released from house arrest and 66 from gaol. All had been held "at the disposition of the executive power," nominally President Gignone, but in reality the ruling three-man Junta made up of the heads of the armed forces.

The Interior Ministry said the releases had been ordered under the "law of national pacification" announced last month.

The regime hopes to use the new law to pardon military personnel and members of the

security services or police held responsible for the illegal detention, torture, disappearance, or death of thousands of people during the "dirty war" of the 1970s.

Human rights campaigners conservatively estimate that 6,000 to 15,000 people disappeared during the conflict between the authorities and mainly leftwing opponents, although some estimates range up to 30,000.

Many of those leaving Villa Devoto prison in Buenos Aires on Tuesday night had been held for eight or 10 years, sources said, indicating that they were first detained under the Peronist Government.

One was Mr Juan Carlos Dante Gullo, who led the Young Peronist branch of the populist movement when he was detained in April, 1975, almost a year before the coup. He nevertheless felt "more Peronist than before," and said yesterday that he was convinced the movement would win the October 30 elections.



WHEN THE BOAT COMES IN : Seamen on board the ferry Rangatira, the longest serving ship in the Falklands, give vent to fears about the future on arriving back at Devonport yesterday. Report, page 3

GUARDIAN

19.10.83

McMillan-Scott Associates *Public Affairs*

41 Whitehall London SW1A 2BZ Telephone: 01-930 6935

Falkland veterans fire salvo at Maggie

DISGRUNTLED seamen on the longest serving ship in the Falklands sailed home yesterday with a blunt message for the Prime Minister.

The roll-on, roll-off ferry Rangatira, berthed at Devonport with cotton sheets draped over the side emblazoned with such slogans as "Maggie welcomes us back to the doc," "Margaret Thatcher — 20th century vampire," "Welcome home to the giro."

The Rangatira, 9,400 tons, was chartered by the Ministry of Defence on May 24 1982, at the height of the Falklands war, for use as a troopship, and sailed for the South Atlantic on June 19.

Hostilities had by then ended and the ferry served as a "floating hotel" for servicemen.

A showpiece reception was planned on her return after 486 days at sea. A Marine band played, escorting tugs sounded hooters and sent plumes of water skywards from their fire-hoses, and dockyard workers and relatives of the crew lined the jetty.

But the crew fear the Rangatira will be laid up. Garry Rimmer, aged 25, from Liverpool, said: "We have nothing against the company. It's a change of Government policy we want."

"There are 1,600 British seamen without jobs and when we were in the Falklands there were 13 foreign ships," Mr Rimmer said, standing near a huge banner proclaiming: "13 foreign ships unlucky for us."

"We work hard, keep our noses clean, and all we have to look forward to is the doc."

Captain Pat Liddell, of Preston, Weymouth, who has been in command throughout, said the future of the Rangatira was uncertain.

He added: "This makes me very sad because I have been with the ship for seven years. I think she will probably be laid up, at least until there is another suitable job."

Lord Geddes, chairman of the owners, the Union Steamship Company, admitted it was a possibility that the Rangatira may be laid up. She is due for a refit at Harland and Wolff in Belfast, after which it was hoped she might play an offshore support rôle for the oil or gas exploration industry.

● Two RAF men who died when their Phantom jet crashed into a mountainside in the Falklands were named yesterday as Flight Lieutenant John Gostick, and Flight Lieutenant Jeffrey Bell who was married with two children.

GUARDIAN
19.10.83

Miscellany

Sir, — Apropos Mr Alderson's letter (October 15) about the availability of Argentine books in this country, readers may be interested to learn that A message from the Falklands — the life and Gallant Death of David Tinker, Lieutenant, RN, duly translated as Un Mensaje de Las Malvinas, is currently available throughout Argentina.

Ross Gilhome.
Windsor,
Berkshire.

THE TIMES
19.10.83.

Document dear to Gandhi

From Michael Hamlyn, Delhi

"I always start off by not expecting anything: That always helps, I think", Mrs Gandhi said to me at the weekend, talking about the forthcoming meeting of Commonwealth heads of government, which will be held in Delhi next month.

"These meeting are not meant to achieve any kind of dramatic result. They are get-togethers in a friendly, informal atmosphere, where we can talk about things", she said.

"At such meetings we discuss matters which are of special concern to us. There are many matters which do concern the Commonwealth as a whole to discuss them and to arrive at a consensus is a worth-while achievement."

The principal matter likely to be discussed at the November meeting, and one that is dear to the Indian Prime Minister's heart, as chairman of the non-aligned movement, is a docu-

ment proposing steps towards a new Bretton Woods agreement.

The Commonwealth prime ministers will have before them a document forwarded by the meeting of finance ministers held last month in Trinidad. Despite reservations expressed by the British, Canadian and, to a lesser extent, the Australian representatives, the document sees the need for an international monetary conference to provide a new order for world financial and economic dealings.

The document was drawn up by a number of economists at the suggestions of Mr Robert Muldoon, the New Zealand Prime Minister. Despite the differences of initial response to the paper at Trinidad, the finance ministers agreed to "commend its thrust to Delhi", according to the Commonwealth Secretary-General, Mr Shridath Ramphal.

According to Mr Ramphal:

"It sees an international conference at the end of the road, but sees a necessary period of very careful preparation for it, and suggests a process by which that preparation might take place".

The notion of a world monetary conference has been very much on the minds of the Third World nations recently. The non-aligned meeting in Delhi earlier this year made a similar call for a meeting, and Mrs Gandhi, as chairman of the movement, urged its consideration at both Unctad and at the Williamsburg summit. The developed world powers, however, have so far resisted the call.

"One of the situations that is threatening peace, apart from the arms race, is the widening gap between the rich nations and the poor nations" Mrs Gandhi said. "We very much hope that it will be one of the items on the agenda here."

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Navy orders new generation of anti-sub frigates

By Rodney Cowton, Defence Correspondent

The Royal Navy has adopted a new class of frigate – the Type 23 – to be the backbone of its anti-submarine surface force until the end of the century. It has been designed to operate with exceptional quiet and be virtually invisible to attacking missiles.

The first frigate is expected to be ordered next year at a cost of about £100 million from Yarrow Shipbuilders on Clydeside. From about the end of 1985, further Type 23s will be ordered from British shipyards on the basis of competitive tendering.

From then on the Navy expects to be ordering Type 23s at the rate of about three a year. There are expected ultimately to be between eight and 12 ships of this design built, but they will be followed by a so-called "Batch 2", a development of the Type 23 in the 1990s.

The decision to go ahead with Type 23 was announced yesterday by Mr Ian Stewart, Under-Secretary of State for Defence Procurement, before moving to take up his new appointment as

TYPE 23 FRIGATE

Length on waterline, 123 metres
Beam, 15 metres
Standard displacement, 3,000 tonnes
Max speed, about 28 knots
Cruising speed, 17 knots
Range, 8,000 nautical miles

ARMAMENTS

One 4.5in gun; vertical launch Sea Wolf missile system; surface-to-surface weapon; eight sea-skimming missiles of a type still to be decided; one helicopter; four torpedo tubes.

Economic Secretary to the Treasury.

The Type 23 programme will be a big boost to jobs in the shipbuilding areas, with each ship requiring about 3,500,000 man/hours of work, providing employment for about 400 to 500 men for at least four years.

Although capable of other tasks, Type 23's main role will be in anti-submarine warfare in the North Atlantic. It has been designed to operate very quietly, so that it will not be detected by

its prey and its noise will not obstruct its own sonar systems as they listen for enemy submarines.

It has been carefully designed to produce a low profile and the minimum possible radar echo. The Navy hopes it will prove virtually undetectable by attacking missiles.

It will carry a large helicopter, such as the Sea King, or its eventual successor, the EH101, capable of making long-range attacks on submarines using the new Stingray torpedo.

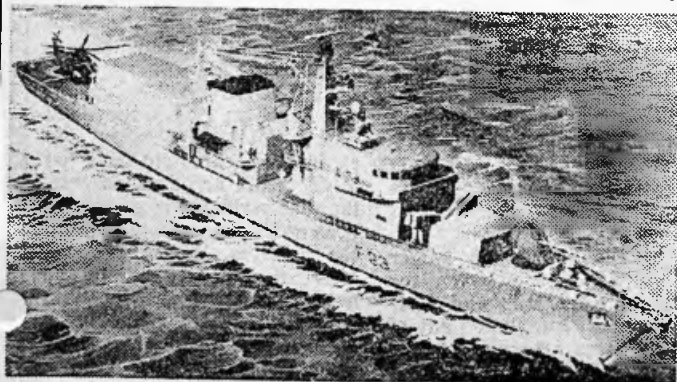
The vertically launched Sea Wolf missile will be its defence against surface-skimming missiles, and it will also have its own sea-skimming missile as the main weapon against other surface vessels. A 4.5in gun is mounted for shore bombardment.

Design has been influenced by the Falklands experience. Among the lessons were the need for defence against surface skimmers and for greatly improved ways of preventing smoke from spreading if the ship is hit.

The frigates will have a standard displacement of 3,000 tonnes, a length of 123 metres at the waterline, and a beam of 15 metres.

The £100m cost compares with more than £130m for the Type 22 frigates being built at present. It will also be cheaper, with a crew of about 143, to operate than Type 22, which has roughly 100 more.

The decision to go ahead with Type 23 constitutes final defeat for a small firm of naval



Artist's impression of Navy's new submarine killer

architects based at Bembridge on the Isle of Wight, Thornycroft Giles and Associates, who challenged the entire naval establishment with claims that its short fat design – the S-90 – would meet the Navy's needs better than Type 23.

But Mr Stewart said yesterday that the S-90 would not have achieved the reduced noise levels needed, lacked sufficient space, and did not meet requirements on speed and endurance.

● **Freeze rejected:** A mass meeting of 1,300 shipyard men in Southampton yesterday overwhelmingly rejected a wage freeze plan by British shipbuilders. The men, who work for Vosper Thornycroft, also rejected demands for 2,000 redundancies in the industry and change in working practices.

THE TIMES

19.10.83

DAILY TELEGRAPH

19.10.83

Dole demo by Falkland veterans

'A' WELCOME - HOME ceremony for the Merchant Navy ship which holds the Falklands record for long service was soured at Devonport yesterday by a jobs protest from the crew.

The roll-on roll-off ferry Rangatira berthed with cotton sheets draped over the side carrying slogans like "Maggie welcomes us back to the dole," "Margaret Thatcher – 20th century vampire," and "Welcome home to the Giro."

The crew fear the 9,387-ton vessel will be laid up, putting many of them out of work.

She was chartered by the Ministry of Defence on May 24 last year at the height of the Falklands war for use as a troopship, and sailed for the South Atlantic on June 19.

Since the Argentine surrender she has been used as a floating hotel for thousands of British Servicemen.

Pomp and bitterness

The Royal Navy planned a showpiece reception on her return after 486 days at sea.

A Royal Marines band thundered out patriotic tunes. Tugs sounded their hooters and sent plumes of water skywards from their fire-hoses in scenes reminiscent of the receptions for returning warships during the summer of 1982.

But the crew were bitter. Searman Gary Rimmer, 25, from Liverpool, said: "We have nothing against the company. It's a change of Government policy we want."

"There are 1,600 British seamen without jobs, yet when we were in the Falklands there were 13 foreign ships there. We work hard, keep our noses clean, and all we have to look forward to is the dole."

Lord Geddes, chairman of the Falkland Islands, who has been omitted there is a possibility of in Britain since the outbreak the Rangatira being laid up. of the South Atlantic conflict She would go for a refit at 18 months ago, yesterday began Harland and Wolff in Belfast, an 11-day journey to return to and it was hoped she might get his farmhouse near Port an offshore support role in the exploration industry, either oil or gas. But he could give no assurances.

FALKLANDER OF 85 TO RETURN

The oldest resident of the owners, Union Steamship, ad- Falkland Islands, who has been omitted there is a possibility of in Britain since the outbreak the Rangatira being laid up. of the South Atlantic conflict She would go for a refit at 18 months ago, yesterday began Harland and Wolff in Belfast, an 11-day journey to return to and it was hoped she might get his farmhouse near Port an offshore support role in the exploration industry, either oil or gas. But he could give no assurances.

Mr Archie Short, 85, a retired shepherd, was one of the last to leave when Argentine troops invaded in April, 1982. Since then he has been staying with his daughter, Mrs Mary Ursell, at her home in Stoke Lanc, Gedling, Nottinghamshire.

McMillan-Scott Associates Public Affairs

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It's an ill wind. However wretched the circumstances of last weekend's Cabinet reshuffle – and they don't come much more wretched in my book – there's one aspect of it which gives me unalloyed pleasure: the elevation of Nicholas Ridley to the Cabinet as Transport Secretary.

It was long overdue, and goes to prove that in the fickle world of politics ability against the odds is still occasionally rewarded. Although he comes from one of the great Tory families of the north of England, Ridley has had to fight every inch of the way.

Before the 1970 election he played a key role in shaping the Tory party's approach to industrial policy; yet within two years, when the climate changed, he was dispatched without ceremony to the back benches. In the later 1970s he conducted a series of brilliant and entertaining one-man parliamentary forays to expose the follies of the Callaghan government's so-called "industrial strategy". Yet when the 1979 government was formed he was appointed – to the surprise of some of us – to the Foreign Office and given charge of the apparent backwater of Latin America. Had a handful of loudmouths on the backbenches not succeeded in ditching his plans for a Hongkong solution for the Falklands, there might have been no Falklands war: but they did.

As Financial Secretary to the Treasury he then carried perhaps the heaviest workload of the hardest-worked of all departmental teams (I write with feeling). And throughout it all he has consistently demonstrated that ministers can be more than Jim Hackers if they have the character for the task. He would be an asset to any Cabinet.

Having got that – deserved – panegyric off my chest, I have a little task for him. One of the early acts of the first Thatcher government was to set up a London Docklands Development Corporation under the chairmanship of Mr Nigel Brookes of Trafalgar fame, to bring life back to a part of the East End which the dockers (with judicious late assistance from the likes of Mr Jack Jones and Lord Aldington) had turned into something of a desert. And one of the early conclusions of Mr Brookes and his corporation was that you could not develop the docklands unless first you could get to the docks. Which, by existing public transport, on the whole you could not.

So it was decided that the docklands must have a railway of one sort or another. What emerged eventually was a plan for a light rail transit system to connect the Isle of Dogs to Tower Hill in one direction and Stratford in the other, at a cost of £77m.

London Transport duly promoted a private Bill, which is now before the House of Lords, and which – all being well – should get the royal assent before Christmas. Thereafter the LDDC will be going out to tender. And this is where the plot thickens.

London Transport has set its heart on a scheme to use existing railway track linked up where necessary by specially-built street tramway track, and there are a number of contenders to supply such a system, involving steel wheel

on steel rail technology. There is, however, a rival proposition promoted by a consortium headed by Lord Plummer, the former Tory leader of the GLC. This would be based on the technology developed by the French group Matra for the city of Lille, involving a specially-constructed track to carry cars in pairs on rubber wheels.

According to Lord Plummer and his men their scheme would be swifter, cheaper and more economical while vastly reducing noise nuisance. Since it would be entirely computerized to eliminate the need for drivers and manpower to couple on additional units in the rush hour, it could be operated to produce a commercial rate of return as it does in Lille, either by the consortium as agent for London Transport, or in partnership with London Transport; and hence could be financed from private capital (which has been lined up). Furthermore, they claim, the



Nicholas Ridley: an early task

Matra technology (which would be 80 per cent built in the UK) has, unlike the traditional rail technology, worldwide export potential.

Well, they would say all that, wouldn't they? There is, however, one aspect of their case which Nicholas Ridley might care to have a look at. As I say, London Transport has throughout backed the steel wheel concept. So back in June Lord Plummer wrote to the LDDC to ask whether it was in fact prepared to consider tenders involving a different technology. The LDDC replied that it had agreed with the GLC that "the system performance specification should be drawn up on the basis of the concept of steel wheel on steel rail". Lord Plummer wrote back in August to ask why tender conditions should be drafted to exclude alternative technology. He has had no reply. Yet it seems a pertinent question.

Could it be that Aslef and the NUR and their friends on the GLC are afraid that if the Matra computerized technology were once used for dockland someone might think of developing it to meet the needs of commuters more generally? And what would become of the train drivers then?

Lord Bruce-Gardyne was Economic Secretary to the Treasury in Mrs Thatcher's last government.

Jock Bruce-Gardyne

Put us on the right track, minister

THE TIMES

19.10.83

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GUARDIAN
19.10.83

Peking wants to appoint governor but territories way of life will continue

China issues Hong Kong plans as talks resume

By John Gittings.

Talks between Britain and China on Hong Kong's future resume today in Peking in a slightly milder mood than last month's acerbic round, but with both sides still poles apart.

The Governor, Sir Edward Youde, arrived in Peking for the talks yesterday and was met by the British Ambassador, Sir Percy Cradock.

China's intention of taking over Hong Kong by the year 1997 as a "special administrative zone" has been spelt out in the clearest terms so far by Peking's new man in charge of Chinese policy, Mr Ji Pengfei. Peking will appoint Hong Kong's governor, he said, from a list of nominees put forward by Hong Kong bodies and not by Britain. Hong Kong residents might enjoy self-rule for decades after 1997, but ultimate authority must rest with China.

Speculation about a British "concession" to Peking has centred in recent days on an apparent willingness by London to concede that sovereignty must ultimately revert to China. But it is not sovereignty but administration which is the issue, with Britain still believed to be insisting on an administrative role after 1997.

Mr Ji also said that China would be responsible for Hong Kong's defence, but would not station troops there. The territory would remain a free enterprise zone and its people would enjoy property rights, in contrast to the mainland system. China would not impose taxes on Hong Kong and its law and courts would be maintained.

China has, however, welcomed the new moves by the Hong Kong Government to stabilise the territory's currency by pegging it to the US dollar. In the Chinese view,



Sir Percy Cradock (left) greets a confident Sir Edward Youde in Peking yesterday. "I'm always smiling, I'm always optimistic," said Sir Edward

this bears out their previous contention that the financial crisis was largely caused by a deliberate policy of non interference with Britain hoping that China would then make concessions to save the Hong Kong economy. be united with their own Chinese Government, but only how, and it cares little for the majority of the population."

Daily Mail
19.10.83

'Invisible' frigate to beat Exocet

THE Royal Navy is to spend £1,000 million on building a fleet of 'invisible' ships.

The Ministry of Defence gave the go-ahead yesterday for the prototype of the new class of frigates which, it is claimed, will prove invisible to the radar of sea-skimming missiles such as Exocet.

Each ship will cost around £100 million and is designed primarily as an anti-submarine vessel. The warships, four of which can be built for the price of three existing frigates, will be constructed by Yarrow shipbuilders, Glasgow, and provide work for thousands of men.

The frigates, code-named the Type 23, are designed to remove all right angles — radar's favourite homing angle. At the same time they will be able to trail sophisticated decoys.

Another lesson from the war in the South Atlantic is the provision of air-tight doors.

Demo as Falklands ship docks

MILITANT seamen staged a demo yesterday when the 8,400-ton Rangatira returned after 486 days of Falklands duty as a floating hotel for servicemen.

As she berthed at Devonport some of the crew — none of whom has spent more than four months aboard — hung out banners saying 'Maggie welcomes us back to the dole'. The crew fear the ship will now be laid up.

German warships
had them in 1914-18 war!

The Standard
18.10.83

Silence over 'Andrew 'plot'

BUENOS AIRES, Tuesday
THE Argentinian navy has declined to comment on a report that it plotted to kill Prince Andrew last year on the Caribbean island of Mustique.
"We are not going to say anything. These are just unofficial reports and we never comment on this type of information," a navy spokesman said yesterday when asked to comment about the Sunday Times report.

The Standard
18.10.83

A dirty business for Falkland police chief

LONDON'S farthest-flung policeman has an abiding regret... he can't keep his uniform clean.

But for Bill Richards, a Metropolitan Police Chief Superintendent, it is only one of his problems and not one likely to earn him a reprimand from the Yard.

Mr Richards, 54, is head of the tiny civilian police force in the Falkland Islands.

He maintains the rule of law in a 1900-strong community still recovering from last year's invasion — and which now has to share the islands with more than 4000 British troops.

Mr Richards said: "I seem

to spend half my life climbing up Jacob's Ladders to ships, getting on to harbour ferries and clambering in and out of helicopters.

"Working in London, I would not be seen dead in the uniform in the state it's in here," he said as he tended the police station garden in Port Stanley on his first day off since taking on the post in March.

Mr Richards was born in the Falklands, and is sympathetic to the islanders' problems. But when his two-year stint ends, he will probably retire with his wife, Thora, 51, to live in Welling, Kent.

Two die in Falkland air crash

Daily Mail
18.10.83

AN RAF Phantom crashed on a desolate mountainside in East Falkland yesterday, killing the crew of two.

The Phantom, on a routine training mission from Port Stanley, was flying low over the 2,264-foot-high Mount Osborne, 10 miles north-east of Goose Green, when it suddenly disappeared from radar screens.

A search was launched immediately to find the wreckage, but both the pilot and navigator were dead.

The crew were Flight-Lieutenants John Gostick and Jeffrey Bell. Both were married but neither had children.

Daily Mail
18.10.83

Reagan rages over Maggie's 'blackmail' bid

PRESIDENT Reagan is said to be 'furious' over an attempt by Mrs Thatcher to trade the continued presence of British troops in Belize for an American ban on arms sales to Argentina.

Reports from Washington said the 'obvious blackmail' attempt was made during the Prime Minister's recent visit to the American capital.

Britain's presence in Belize is to prevent an invasion by Guatemala which separates the country from Mexico. The small garrison also fulfils an important role for the United States.

The British troops have effectively blocked shipments of arms from Cuba to Marxist guerillas in Belize who are plotting to overthrow the Mexico Government.

Slaughter

The CIA has warned the Guatemala would invade if the British pulled out and the resulting carnage would be on 'an appalling scale.' — particularly among the black population.

President Reagan doesn't want the slaughter, nor does he want to lose the good will of Guatemala in efforts

From GEORGE GORDON in New York

to subdue the Marxist revolution in Central America.

According to columnist Jack Anderson British officials 'coily informed their U.S. hosts that Britain was willing to keep troops in Belize,' as long as the arms embargo on Argentina stayed in effect. Implication: 'The British would pull out if Thatcher didn't get her way.'

White House sources said the U.S. sent the British millions of dollars worth of arms during the Falklands War.

Anderson quotes a White House source as saying: 'And now they threaten to pull out of Belize which would risk another war. It's damned ungrateful.'

THE TIMES
18.10.83

INFO

Kirkpatrick rejects offer of 'consolation prize'

From Nicholas Ashford, Washington

Mrs Jeane Kirkpatrick, the controversial US Representative at the United Nations, has rejected a specially created foreign policy post offered by President Reagan to assuage her disappointment at failing to be chosen to succeed Mr William Clark as National Security Adviser. He has instead selected Mr Robert McFarlane, his special envoy to the Middle East.

According to reliable sources the President wanted to set up a new senior post, but Mrs Kirkpatrick is reported to have rejected the offer because the scope of the job was undefined and it was unclear how much influence it would carry.

She has told the President she wishes to leave her UN post at the end of the present session. Mr Reagan is known to place great value on her opinions and is anxious to keep her in his

Administration and to have her continue to play an important role in forming foreign policy.

But *The New York Times* quoted a senior adviser of Mrs Kirkpatrick as saying: "What position could they give her? She is in the Cabinet. She is in the National Security Council. There is no way that she could be guaranteed access."

The choice of Mr McFarlane which was due to be announced formally last night, means that the President must also decide who should take over the job of Middle East trouble-shooter?

The question is likely to be considered at a top level strategy session on the Middle East at the White House today.

Mr McFarlane, who will attend the meeting, has recommended that the US must now widen the scope of its activity in the Middle East

Falklands: we never meant to stay

Buenos Aires

Visiting Nicanor Costa Mendez, Argentina's foreign minister during the Falklands conflict with Britain last year, has its paradoxes. His study at home in a residential district of Buenos Aires has a certain British flavour to it. The *Encyclopedia Britannica*, Shakespeare, and Locke are visible on the bookshelves. He says that he has always recognized the value of British culture and tradition.

He was, he said, informed of the decision to invade the islands on March 26, 1982. Was it true that the president, General Leopoldo Galtieri, had told him of the plan when offering him the ministry in December 1981? "No. When the president offered me the ministry he told me he wanted me to activate sovereignty negotiations and achieve concrete results, results which had not been obtained in the previous 16 or 17 years. He said nothing of a disembarkation on the islands then."

Costa Mendez argues that the original Argentine conception was a peaceful occupation of the islands, a move to stun Britain into negotiating. "The project was conceived as an occupation to negotiate, including provision for the withdrawal of our troops. In no way did we plan to go to the Malvinas and stay there. That came as a result of a decision by the military junta."

But how did the game-plan change? "As a result of a long process which cannot be condensed into a single answer," Costa Mendez replies. "It was caused by Britain's intransigent response and the fact that the British Government left us no room to manoeuvre." With the benefit of hindsight, would the foreign minister have acted differently? "Answering that question is difficult, because it is always difficult to reconstruct events which have occurred in the past. If I were back in April 2 or 3, I think we should have made more immediate use of Resolution 502, inviting the Security Council of the United Nations to intervene directly to implement it."

Although passed as a result of a British initiative, Costa Mendez insists it was satisfactory from Argentina's point of view. "The resolution did not condemn Argentina as an aggressor country, neither directly nor indirectly, explicitly or implicitly. All it said was that the peace had been broken, without saying who was responsible. It called for a cessation of hostilities, which was acceptable to Argentina. It called for the withdrawal of troops, which, if they were replaced by a United Nations force, was acceptable to us. And it called for serious negotiations on sovereignty, which satisfied our basic objectives."

Could it have been that Argentina did not want to appear to be taking a step backwards in the eyes of domestic public opinion? "It is a

Argentina's former foreign minister reveals his country's thoughts at the time of the invasion and its hopes now



Nicanor Costa Mendez: "Britain should make concessions"

question you should direct to the three commanders-in-chief, or to the president at that time. But no, in reality we always acted on the basis of 502. Argentina's proposals on April 19 were based on 502. The Haig and Belaunde proposals also mentioned 502."

Costa Mendez believes that peace was closest when the Peruvian president, Fernando Belaunde Terry, intervened. General Galtieri had agreed in principle to the Peruvian peace plan, subject to the ratification of the rest of the junta, which was due to meet on the afternoon of May 2. But as the meeting took place Admiral Jorge Isaac Anaya, the navy commander, received news of the sinking of the Belgrano, and the possibility of agreement was killed.

Why did Britain react in a much stronger fashion to the Argentine invasion than Costa Mendez had imagined? "Because of the internal political situation under Mrs That-

cher's government. There was a very difficult economic situation, an austerity programme and extremely high unemployment. In the new situation, she saw the possibility of reviving the powers of empire and giving the Conservative Party a new ideological make-up and profile. The powerful lobbies of the Falkland Islands Company, the Royal Navy, and the British Antarctic Survey also played a role."

But surely internal reasons played a part in Argentina's original decision? "The situations are completely different. For us affirming, sustaining and recovering our sovereignty over the Malvinas was always our first priority. Lord Carrington told my predecessor, Oscar Camilion, in the United Nations that for British foreign policy, the islands question was priority number 242."

Looking to the future, Costa Mendez is confident that his country's case will progress. The

Cont...

The Times 18.10.83

advent of democracy in Argentina is one of the factors he mentions. "Argentina has been attacked a lot in Europe, and it has a very bad image as a result of being governed by a military junta and as a result of the problem of the disappeared ones.

"Well, you can see that the elections here are going to be completely clean and correct. Many of the countries who attack Argentina will be left without that type of argument against us. Secondly, I believe that there is no British national interest in the islands capable of justifying the expenditure now being made on them. Nato has no strategic interest in the islands and has no money to take up an interest in this area, which does not have the strategic importance of, say, the missile problem."

He added: "The islands are distant from any communications route apart from those which interest Argentina, Brazil and eventually the United States; there are no proved oil reserves capable of justifying the investment; there are no fishing resources capable of justifying the investment, and finally, as I understand it, there is no British interest in siting their armed forces in places which are distant from the likely points of confrontation or friction in today's world."

He also holds that Argentina should not sign a formal cessation of hostilities with Britain until London is prepared to make some concessions of its own "such as sitting down around the negotiating table with us".

What does Costa Mendez now think of the British Prime Minister? "I can tell you that, apart from a reflex reaction which I cannot hide which is very negative - the feeling of irritation at the way she conducted the war - I cannot deny that she conducted it in a manner favourable to her political interest. She discovered, I don't know if she had discovered it before or if it came only as a result of the war, the possibility of a remodernization of Conservative ideology.

"Mrs Thatcher, who is a middle class woman, discovered the possibility of reinserting into Conservative Party ideology a series of elements which are similar to those brought by Disraeli. In other words non-economic elements, which are unrelated to concrete material values but have to do with the idea of a great United Kingdom, a Britannia ruling the waves, something which is close to a nostalgic sentiment which, I suppose, all Britons carry inside them. So she was able to revitalize a series of non-economic values, a series of ideals."

And does Costa Mendez share those ideals? "I share the need to affirm spiritual values, national dignity, and the dignity of man - even though a compatriot of yours, Samuel Johnson, said that patriotism is the last refuge of a scoundrel."

Andrew Thompson

THE TIMES
18.10.83

Two killed in Falklands jet crash

An RAF Phantom jet crashed in the Falkland Islands killing its crew of two. The accident happened while the aircraft was on a routine training flight over east Falkland. It crashed on to the south side of the 2,600 ft Mount Usborne, the highest mountain on the island.

GUARDIAN
18.10.83

Falkland air crash

An RAF Phantom jet crashed in the Falklands yesterday killing its two-man crew. It was on a routine training flight over East Falklands when it crashed on a mountainside.

The British Armed Forces Minister, Mr John Stanley, was touring army units in West Falklands at the time.

Helicopters and ground teams located the wreckage of the Phantom soon after the crash.

"We are taking action to inform next-of-kin and a full inquiry is to be carried out," a spokesman said.

DAILY TELEGRAPH
18.10.83

PHANTOM CREW KILLED IN FALKLANDS

By Our Port Stanley
Correspondent

An RAF Phantom aircraft crashed in the Falklands yesterday killing both members of its crew.

The accident occurred while the aircraft was on a routine training flight over East Falkland. It crashed on to the south side of Mt Usborne (2,600ft), the highest mountain on the island.

Mr John Stanley, Armed Forces Minister, was touring army units in West Falkland at the time. A military spokesman said in Port Stanley that the crash happened "several miles" from the Minister.

FINANCIAL TIMES
18.10.83

Falklands crash

An RAF Phantom jet on a routine training flight over East Falkland crashed killing its two-man crew. Armed Forces Minister John Stanley is on a week's visit to the islands.

Argentine's fear

Aigle (Reuter) - A Swiss court acquitted José Lopez Rega, an Argentine Welfare Minister during the Isabel Perón regime from charges of falsification of documents. The judge found he had been living in Switzerland under an assumed name out of fear for his life.

Tory MPs fear loss of committee jobs

By Our Political Reporter

Conservative MPs who served during the last Parliament on the Commons foreign affairs select committee fear that they may not be reappointed because of the Prime Minister's displeasure over the findings of their reporting the future of the Falkland Islands.

The position of Sir Anthony Kershaw, MP for Stroud, who is keen to carry on as the committee's chairman, is thought to be under threat.

The appointment of the new membership of the select committees has been held up by the Labour leadership and shadow cabinet elections, a delay which has not dismayed the Government. But the Commons Committee of Selection will be meeting when Parliament reassembles next week to draw up recommended lists of backbenchers from both sides for the departmental committees.

There is a conflict already between the view of the Committee of Selection, which is chaired by Sir Philip Holland,

that the majority of former members should not be reappointed to the new committees and a largely new membership should be composed and the views of senior backbenchers who believe that such a change would destroy any prospect of continuity in the committee's work. They believe that the chairmen, certainly, and at least some of the existing members should be reappointed.

The concern of some Tories who served on the Foreign Affairs Committee arises from their knowledge that their reports on the Falklands, which cast doubt on the long-term viability of the Fortress Falklands policy and said the Government should not turn its back on future talks with Argentina, caused considerable irritation to the Government.

The report was never officially published because at the time of the dissolution of Parliament in May its drafting had not been completed.

The committee's initial conclusions, incorporated in Sir Antony's draft chairman's report, were however disclosed in *The Times*.

Now, Conservative MPs believe, Mrs Thatcher may want a Foreign Affairs Committee on which the Conservative contingent would be more likely to reflect her own line on foreign policy issues, especially if, as expected, the Falklands report is reconsidered.

They believe that she may be trying, through the whips' office, to ensure that the Conservatives appointed this time are more sympathetic.



Sir Anthony Kershaw:
Under threat

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FINANCIAL TIMES

17.10.83

Ridley: a long time in the background

BY IVOR OWEN

FOR SOMEONE with such an archetypal Conservative background it has taken Mr Nicholas Ridley, 54, a surprisingly long time to get a department of his own and the seat at Cabinet table.

An old Etonian and son of a peer, he first entered the Commons in 1959 and was expected to get a foot rapidly on the ministerial ladder. In the event he had to wait until 1970, when Mr Heath formed a Government,

to get his first ministerial post.

It began a period of mixed political fortunes for Mr Ridley. His strong advocacy of the market economy, now fully in tune with Mrs Thatcher's philosophy, became more of a political liability than an asset as Mr Heath moved away from the "Selsdon" image to the blatantly interventionist policies which resulted in so many occupants of the Tory front bench standing on their heads.

Mr Ridley was not among them as he left his post as Under-Secretary for Trade and Industry in 1972.

In 1979 Mrs Thatcher made him a junior Minister at the Foreign Office, where he explored the possibilities of overcoming the problems of Britain's possession of the Falkland Islands by sounding out prospects for a solution based on transfer of sovereignty to Argentina under a leaseback

arrangement.

Mr Ridley was driven into a corner in the Commons defending his conduct of the negotiations, though his statements read very well in retrospect.

His patrician style has not always appealed to Treasury colleagues and some blunt comments on the Stock Exchange's need to deal with the thorny issue of minimum commissions did not endear him to some Tory backbenchers.

17.10.83

Union invited to talks on Falkland grievances

TALKS are to be held between the consortium responsible for the new Falklands Airport and union representatives following allegations of "exploitation" of workers in the South Atlantic.

Union officials are pressing for substantially more cash, better medical facilities and a more effective grievance procedure for the 1,400 men who will work on the £215 million Port Stanley airport contract.

Mr George Hinderson, national construction secretary of the Transport and General Workers Union, said he had been invited to meet with the consortium, Laing-Mowlem-Amey Roadstone next Monday.

Mr Hinderson said yesterday that action had been threatened "after fears of exploitation" by dockers, transport workers and airport services workers who are members of his union.

He said: "The area we are particularly concerned about is the safety, health and welfare of the workers."

"This is a high risk business and they need adequate medical facilities. We are not satisfied that these exist at the moment."

At present the men earn between £10,000 and £12,000 a year.

'Pay too low'

Mr Hinderson said: "This is poor in comparison with other overseas projects and even two projects in the U.K. Sullom Voe in the Shetlands and the Thames Barrier, where people got more money for less hours."

He added: "There is also a question about procedures. These workers can be sacked immediately. There is no provision for them to be able to deal with grievances and be represented."

Mr Hinderson will demand that union representatives are allowed out to the Falklands.

An advance guard of workers left for the South Atlantic on Sept. 29, and the workforce will gradually build up to 1,400.

Nobody from the consortium was available for comment yesterday.

THE TIMES

17.10.83

Storms delay Falklands ship

Storms have delayed the return home of the longest serving ship in the Falklands.

The ferry, Rangatira, was due to reach Devonport today, 485 days after sailing for the South Atlantic. But the Royal Navy said yesterday that bad weather in the Bay of Biscay meant the vessel would not arrive until tomorrow.

FINANCIAL TIMES

17.10.83

Hongkong initiative expected

By Henry Stanhope
Diplomatic Correspondent

A British initiative is expected at the new round of Hongkong talks which opens in Peking on Wednesday, after the recent consultations at Downing Street between the Prime Minister and Sir Percy Cradock, Britain's Ambassador to China.

But neither British nor Chinese sources would confirm last night that it constituted a surrender of British sovereignty in return for concessions on future administration.

It has always been assumed that Britain would lose its sovereignty over Hongkong when the lease on the New Territories expired in 1997, if only because China would accept nothing less.

But the Government has been reluctant to cede this point in the year-old talks without winning a hand in the future day-to-day administration of the colony, which would help to maintain business confidence and keep it stable.

Talks on claim of Falkland exploitation

FINANCIAL TIMES REPORTER

TALKS will be held between the consortium responsible for the new Falklands airport and union representatives, following allegations of "exploitation" of workers in the South Atlantic.

Union officials are pressing for more cash, better medical facilities and a more effective grievance procedure for the 1,400 men who will work on the Port Stanley Airport contract.

Mr George Hinderson, national construction secretary of the Transport and General

Workers Union, said he has been invited to meet the Laing-Mowlem-Amey Roadstone consortium, on October 24. He said action had been threatened "after fears of exploitation"

by dockers, transport workers and airport services workers who are members of the TGWU.

At present the men earn between £10,000 and £12,000 a year. Mr Hinderson said: "This is poor in comparison with other overseas projects."

Mr Hinderson will demand

that union representatives are allowed out to the Falklands.

An advance guard of workers left for the South Atlantic on September 29, and the workforce will gradually build up to 1,400.

The Property Services Agency, which handles the contract for the £215m airport on behalf of the Ministry of Defence, said: "We are aware that there are problems but we don't have anything to say on it."

All-party groups face row over new Tories

By Richard Norton-Taylor

A struggle is developing over membership of Commons select committees, the all-party groups which are at a crucial stage in their development. The committees, set up in 1979 by Mr Norman St John-Stevas, then leader of the Commons, began to show before the general election that they were not afraid of embarrassing ministers or Whitehall officials.

Labour's leadership contest prevented the party choosing its select committee MPs as the shadow cabinet's composition awaited the new leader and, by convention, front bench spokesmen do not serve on the committees.

This delay has been welcomed by the Government as it took the steam out of the committees' work; notably the foreign affairs committee's inquiry into the future of the Falklands, and the Treasury committee's investigation of Government economic policy.

The delay has also prevented an argument within the Conservative Party from breaking out into the open. The Prime Minister's office has suggested that it would be a good idea if new Tory MPs joined the select committees rather than being left on the back benches.

Independent-minded MPs from both main parties are worried that this could have a profound affect on the committees, since new Tory MPs could perceive their duty as merely to protect the Government.

The Commons committee of selection, chaired by the Tory MP Mr Philip Holland, will draw up a list of recommended backbenchers soon after Parliament returns next week following the long summer recess.

How much this list will be determined by the Tory whips — the Government's managers — will depend to a great extent on the determination of those senior backbenchers who believe that the committees' chief task is to scrutinise the executive, not merely recite the views of party leaders.

Whitehall is anxiously waiting to see if there are enough of these backbenchers to force an early debate criticising departments and ministers for failing in the past to give the committees adequate information.

The Commons is likely to be faced with a number of specific demands from backbenchers, including proposals that committee proceedings should be televised.

Two key committee posts are vacant. One is chairmanship of the Treasury select committee as Mr Edward du Cann, a leading Tory backbencher, no longer wants the job. The other is chairmanship of the foreign affairs committee, formerly held by Sir Anthony Kershaw, Tory MP for Stroud, who is not standing again for Parliament.

Mr Cranley Onslow, who was brought in as a minister of state at the Foreign Office after the Argentine invasion of the Falklands last year but did not keep his place after the general election, is a leading candidate for the foreign affairs job. Mr Terence Higgins, former Treasury minister, is a Treasury committee post candidate.

Did Argentina hunt Andrew?

by Robin Morgan and Isabel Hilton

ARGENTINA hatched an extraordinary plot to assassinate Prince Andrew last summer as he rested on the island of Mustique after serving as a helicopter pilot during the Falklands war.

It was one of a number of undercover operations planned by the Argentinian navy, in addition to the abortive raid on Gibraltar which was revealed by The Sunday Times last week and later confirmed by the Spanish government.

The team detailed to attack Prince Andrew's holiday retreat would have been landed on the Caribbean island by submarine in July of last year. But it was never sent, probably because of the shift in power within the Argentinian junta following the Falklands defeat in June.

The prince, a Sea King helicopter pilot aboard the aircraft carrier *Invincible*, was guarded by detectives during his stay on Mustique.

Michael Shea, the Queen's press secretary, was amused by news of the plot. He said: "If those intrepid explorers from The Sun and The Star couldn't get to Prince Andrew then I doubt if the Argentinians would have succeeded. The reporters were probably more resourceful in any case."

The threat of raids on military bases was taken seriously, however. In addition to the planned attack on Gibraltar, in which four underwater saboteurs were arrested five miles short of the border, two other raids were planned, according to sources in Buenos Aires and London.

A target in Britain, believed

to be the naval dockyards in Portsmouth, and the vital Task Force staging post at Ascension Island were singled out.

More details have emerged about the unsuccessful attempt to penetrate British defences on Gibraltar in May of last year, at the height of the war in the South Atlantic.

The Argentinian navy was, according to the Spanish newspaper *Pueblo*, training former members of the *Escuadron de Buzos Tacticos* - the Argentinian equivalent of the Special Boat Service - for the undercover missions at a military base near Puerto Belgrano.

Only the Gibraltar team was dispatched before the surrender of Port Stanley. Posing as tourists they flew into Madrid individually, drove south and hired a boat at the Spanish port of Algeciras, just a few miles along the coast from Gibraltar.

Pueblo claims to have talked to the commanding officer of the Argentinian sabotage squad, identified only as JL, aged 38 and now back in Buenos Aires. He told the newspaper that the hired boat was used in rendezvous with another vessel in international waters to collect arms and explosives to be used against British ships.

"We lost the war but we left the British with bloody noses," JL is reported to have said. "If my companions and I had come underwater to the ships in Gibraltar, they would have bled a little more."

The team was arrested by Spanish civil guards at the border town of San Roque and deported.

Additional reporting by Tim Brown.

OBSERVER

16.10.83

Canada's No on Belize

by IAN MATHER

AN ATTEMPT by Britain to organise a multi-national force to take over from British troops in Belize has collapsed after Canada's refusal to take part.

The Canadians, who have a large aid programme in Belize, have told the British Government they are willing to continue helping to train the locally recruited Belize Defence Force, but will not agree to sending their own troops to protect the former British colony against aggression from neighbouring Guatemala.

In an attempt to free itself of the financial burden of a 'Fortress Belize' policy which involves keeping 1,700 troops there, Britain has approached a number of countries with the aim of setting up a Commonwealth or 'hemispheric' force for Belize, led by Canada.

Argentine threat

from HUGH O'SHAUGHNESSY in Buenos Aires

ITALO ARGENTINO LUDER, the Peronist presidential candidate tipped to win the elections to be held here on 30 October, raised the spectre of a long drawn out and acrimonious fight with foreign creditors over the \$40 billion they are owed if he were returned to power.

He said that if he was elected, his government would rigorously investigate what were legitimate liabilities to foreign creditors and what were not. However, like his closest rival, Raul Alfonsin, leader of the middle-of-the-road Radical Party, he stopped short of saying that his government would declare a moratorium on payments to foreign creditors.

Luder also said that differences among the various Latin American countries made it difficult, if not impossible, for them to form an effective debtors' club.

Behind the Peronists' decision to inves-

tigate Argentina's foreign debt is the strong suspicion that much of it has been piled up in book transactions by the country's highly agile speculators, with a view to getting their assets out of the country in an emergency. 'Other Latin American governments borrowed abroad in order to develop their economies. During the last seven years of military rule the Argentine economy declined. Our debt is, therefore, to a large extent a purely financial one,' Luder declared.

Luder accused Argentina's present financial negotiators of being in the pockets of the country's creditors and of including people who used to work for foreign financial institutions, and who would doubtless work for them again. Luder also declared that he would not allow the debts to be repaid at the cost of even greater sacrifices by his countrymen.

Any financial inquiry set up by the Peronists — with the government ruling

what was a true debt and what was not — could leave creditor banks in a nightmare of litigation. At the same time, Argentina is thought in international circles concerned with debt rescheduling to be one country which would not suffer badly from a default, because of its wealth of natural resources.

As Argentina's inflation rockets towards 500 per cent a year — in the face of strikes against the military government's economic policies — Jorge Wehbe, the economics minister, and Julio Gonzalez del Solar, governor of the central bank, are grimly hanging on until the election, which is scheduled to return a civilian government to power in early December. They will hand over their jobs with little regret.

Clark becomes Secretary of Interior 'at his own request'

Kirkpatrick tipped as US adviser on security

From Harold Jackson in Washington

There was speculation in Washington last night that President Reagan will choose Mrs Jeane Kirkpatrick, the US ambassador to the United Nations, as his new National Security Adviser. But it was accompanied by considerable caution after the completely unforeseen nomination of the previous incumbent, Mr William Clark, as the new Secretary of the Interior.

The White House said last night that Mr Clark's transfer did not signal any dissatisfaction with his performance as the President's closest foreign affairs adviser. According to these officials, the initiative for the move had come from Mr Clark himself.

There had been several rumours in recent weeks that he wanted to end his term at the National Security Council and that he was planning to return to California. With one candidate after another publicly ruling himself out as Mr James Watt's replacement, Mr Clark apparently put his own name forward. His close relationship with Mr Reagan made it almost certain that his wish would be met.

The other person tipped to take over at the NSC is Mr Clark's deputy, Mr Robert McFarlane, now acting as America's special Middle East envoy. The job, however, would undergo a significant change if he is chosen by the President, reverting to the pattern set at the beginning of Mr Reagan's term.

Mr Richard Allen was chosen as a deliberately low-key adviser, in contrast to Mr Zbigniew Brzezinski and earlier holders of the job. The initial idea was that this would allow

a more productive debate on foreign policy and not generate the tensions which existed in the Nixon and Carter administrations between the National Security Council and the State Department.

The arrival of Mrs Kirkpatrick in the post would certainly bring new tensions into the life of Mr Shultz. The Secretary of State was said to have renewed his earlier disgruntlement with Mr Clark in recent weeks after the National Security adviser had made a trip to Rome for talks on the Middle East without informing the State Department. The two men have been at loggerheads over policy in the region almost throughout Mr Shultz's tenure.

Mr McFarlane has had long experience as a foreign policy expert and increased his reputation as Mr Clark's deputy. The work at the NSC is reported to have suffered noticeably since he was removed to take over the Middle East job from Mr Philip Habib. However, he does not enjoy close ties with Mr Reagan and — given the highly personalised nature of senior jobs in the White House — this must inevitably demote his influence as an adviser.

Mrs Kirkpatrick's appointment, on the other hand, could mean a rise in temperature well beyond the White House. Given her known attitudes and interests, it would almost certainly bring Central America back to the top of the American agenda. It seems likely that she would also prove as irritating to Mr Shultz as Mr Clark did. There have been repeated accounts of tensions between them in her job at the United Nations, even though the Secretary is nominally her boss.

Falklands folly: latest edition

Sir,—Despite protests—from MPs of all parties, and others—about the embargo on books from Argentina, the British Government has only partly relented by granting permission for British libraries and institutions to receive Argentine books. However, it is still not permitted for Argentine books to be imported for sale in British bookshops.

The continuing absurdity of this position was highlighted by a Guardian report (October 8) that General Menéndez, governor of the Falkland Islands during the

Argentine occupation last year, has been given 60 days' imprisonment in Buenos Aires for publishing his highly critical account of the handling of the Falklands war by the junta; his book may be freely purchased in Argentina, but not in Britain.

How sad that the central figure of A Message from the Falklands: the Life and Gallant Death of David Tinker Lieut. R. N. is no longer with us to pass on his comments to the Government he served.—Yours faithfully,

Stanley Alderson
7 Highfield Avenue,
Cambridge.

Nato expected to offer top civilian post to Carrington

By Rafiq Mughal and David Fairhall

The former Foreign Secretary, Lord Carrington, who resigned when Argentina seized the Falklands, is expected to be offered the post of Nato secretary general after the Alliance's ministerial meeting in December.

Yesterday Lord Carrington, who was also Defence Secretary in the Heath Government, said that reports that he would accept the job were no more than speculation, but Brussels diplomats described him as the frontrunner.

In London, colleagues in the City were already discussing his replacement as chairman of the General Electric Company.

Nato's present secretary general, Dr Joseph Luns, aged 72, has said that he will announce his departure at the December meeting, and his staff expect him finally to hand over in April next year.

Dr Luns mentioned Lord Carrington as a possible successor and there is little doubt that he would have the support of the British and American governments.

Portugal has put forward its former Foreign Minister, Mr Vasco Futscher Ferreira but he appears to have no support

outside the Iberian peninsula, and the Belgian Foreign Minister Mr Leo Tindemans has been mentioned as a compromise candidate if Lord Carrington is rejected by Spain because of the dispute over Gibraltar.

If Lord Carrington does take the job — and one close business colleague said yesterday that he had always wanted it, even if it did disrupt his career with GEC — his recent criticism of the Reagan administration's "megaphone diplomacy" will take on a new significance.

As secretary general he would be the Western Alliance's main public spokesman and its top permanent official. He would be ex officio president of the North Atlantic Council, the political body of national representatives that is supposed to control the integrated military structure, and is headed by a US general.

He would also chair the twice yearly meetings of defence and foreign ministers that initiate Nato policy, endorse its military strategy and agree its budget.

He would be leaving Britain's largest, and in some ways most successful company, which has wide interests in the military, electronics and nuclear fields.

Daily Mail
14th October 1983

Shipyard boost

The Harland and Wolf shipyard in Belfast, was last night awarded the £4 million Falklands' barge contract lost by Sunderland Ship-builders because of an unofficial strike.

Mail on Sunday
16th October 1983

Stanley in port

DEPUTY Defence Minister John Stanley flew into the Falklands last night to begin a week-long fact-finding tour. He is the first minister to visit the islands since the election.



The Royal Navy's Wilkinson sword of peace being presented by Vice-Admiral D. R. Reffell (left) to Captain Colin MacGregor, who received it on behalf of this ship, HMS Endurance, which was commended for its service to the Falkland islands last year. The ceremony was held after the ice patrol ship was rededicated at Portsmouth yesterday.

Banks proceed with \$500m Argentine loan

By ANNE SEGALL

INTERNATIONAL banks are to go ahead with the first \$500 million loan instalment promised to Argentina last December in spite of the country's deteriorating economic situation and a series of confrontations with creditor banks.

The surprise decision was reached in the early hours of yesterday morning after a marathon session of talks between Argentina's leading creditor banks in New York. Officials from the International Monetary Fund are understood to have participated in the attempt to find a solution to Argentina's cash needs.

The decision by banks to go ahead with the controversial loan was made after IMF assurances that Argentina would be allowed to draw its next instalment of IMF money in November.

Earlier this week, there were reports from Washington that the IMF was planning to withhold the \$210 million instalment because Argentina had strayed so far from its agreed IMF targets since the summer.

Other reports also suggested that both banks and IMF officials were preparing to suspend further loan moves until after the October 30 elections in Argentina.

In the atmosphere of intense electioneering leading to the

first elections in Argentina for seven years, hostility to the country's foreign creditors has been used for political ends, creating fears among bankers that an incoming government could repudiate debts incurred during the period of military rule.

Recent moves by an Argentine judge to block debt negotiations and arrest the governor of the central bank added to these fears but have since been reversed.

Banking sources in New York made it clear yesterday that banks would be keeping a tight grip on their money following the decision to go ahead with the loan.

Of the \$500 million, roughly \$350 million has been reserved for paying back part of a bridging loan made by major banks earlier this year to see Argentina through until longer-term funds could be negotiated. And the remaining \$150 million is to be set aside in a special account for paying bank interest.

The major problem for Argentina's leading creditor banks is persuading smaller banks to go along with their decision to proceed with the \$500 million loan. Smaller banks did not participate in the bridging loan and will thus be reaching into their pockets to provide Argentina with funds for the first time.

EXPOSURE CASES IN FALKLANDS

By Our Port Stanley
Correspondent

A review of the first half of a four-month Falklands tour by the 2nd Light Infantry Battalion reveals one case of hypothermia with the soldier requiring urgent evacuation to Stanley Hospital, one of immersion (trench) foot, and minor cases of exposure.

Lack of roads and limited use of helicopters means that much movement is on foot, carrying loads sometimes in excess of 100lb, which puts considerable strain on soldiers' knees.

McMillan-Scott Associates Public Affairs

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14.10.83

Brendan Keenan on Harland and Wolff's record

A reputation for delivering

WORK-STARVED Belfast may have difficulty understanding the caution of Harland and Wolff over whether to accept further work on the floating dock for the Falklands.

But Mr John Parker, Harland's chairman and chief executive who took over the loss-making yard a month ago, is determined to build a reputation for delivering on time as a first step to returning to profitability.

The yard's recent record has been good. Two 110,000-tonne tankers for BP were delivered on schedule. A £30m ore-carrier under construction for British Steel is three weeks ahead of schedule and the yard is attempting to bring a late order from the Blue Star line on to schedule.

Mr Parker, aged 40, is in the position of the man given a sledgehammer to crack a nut. In this case, the sledgehammer is the gigantic yard, designed to build 1m-tonne tankers of a kind which may not be in demand again this century.

Mr Parker and his predecessors have had to adapt the facilities to build the ships they think will be in demand. In Harland's case this means 100,000-tonne bulk carriers and oil product tankers of about 70,000 tonnes to service the growing concentration of refining capacity in the Middle East.

Some of the facilities are valuable. Whole sections of ships can be built indoors and the paint cell, which is the big-

HARLAND AND WOLFF is expected to decide by the weekend whether it will take over a £4m slice of a Falklands contract lost by Sunderland Shipbuilders because of a strike.

The Belfast yard has already been awarded a £3m share of the defence ministry contract for a floating harbour in Port Stanley. The company said it was "keen for more."

However, it wants to avoid jeopardising the delivery schedule for the existing part of the order. It has put proposals to ITM Offshore, the Middlesbrough-based main contractor, and awaits a reply.

Sunderland missed the deadline for agreement on the contract because of the strike by 1,600 men over crane drivers' pay.

gest in Europe, is important because of the specialised coatings required by modern oil and gas tankers.

Even so, the yard is a shadow of its former self. Fifteen hundred workers lost their jobs in the past year, reducing the workforce to 5,500. Ninety acres of the 330-acre site are to be relinquished and a cost-cutting programme is 60 per cent completed.

Hope for the future lies in changes in management structures and practice. A key element is the appointment of a project manager for each ship under construction. The vessel is divided into zones and a manager is charged with keeping each one on time and within budget.

"I believe in making managers accountable," says Mr Parker. One effect is that foremen and even rank-and-file workers find themselves

involved in the task of keeping to schedule.

Mr Parker dislikes the description of shipping as a traditional industry. He believes the Belfast yard is on a par with those in Scandinavia in computer-aided design but must catch up in the use of computers.

He sees no possibility of a return to profitability in the next four years, however, because of depressed prices for new ships. Harland's lost more than £30m in 1980 and recent orders have had to be subsidised by the Government. "We can only improve the things under our control," he says and warns that he will be prepared to look outside Britain for suppliers if their costs are more competitive.

"The next two years will be very tough," says Mr Parker, who is the first Ulster man to head the Belfast yard for 20 years.

Hong Kong and citizenship

From Mr P. Fergusson.

Sir,—In your leader (October 7) on Hong Kong residents, you said that "The 1982 Nationality Act has dispossessed them of the right to settle in Britain." In fact, for most Hong Kong residents, the British Nationality Act 1981 (which came into force on January 1, 1983) has no effect on the right to settle here. This right had been removed by previous Immigration Acts over 10 years ago. What the Act did was to replace the

anomaly of Hong Kong born people being citizens of the UK and colonies without any right of entry into the UK with a new citizenship (that of the British dependent territories).

P. Fergusson.
Wayfarers, Greenhill Close,
Godalming, Surrey.

14.10.83

DAILY TELEGRAPH

14.8.83

EARLY ARRIVALS*By Our Falklands
Correspondent*

Two of the 19 heifers travelling from Britain to the Falklands on board the Danish freighter Dana Khalaf have unexpectedly given birth to calves. The vessel is due in the Falklands towards the end of this month, having just crossed the Equator.

**HARLAND WINS
FALKLANDS JOB**

Belfast's Harland and Wolff shipyard was yesterday awarded a £4 million contract to convert a floating offshore barge for use in the Falklands. The contract was lost by British shipbuilders subsidiary Sunderland Shipbuilders because of an unofficial strike.

But as it was being towed to the Belfast yard yesterday, the barge broke free and drifted for eight hours. After a day-long rescue operation involving coastguards and the Royal Navy, the 1,500-tonne vessel was last night at anchor in the inner Hebrides.

**Hongkong rights
and freedoms***From Mr John Walden*

Sir, The letters from Sir William Keswick (October 1) and Mr Jack Perry (October 11) about Hongkong's future reflect a point of view rather widely held amongst those who trade into Hongkong and China but actually live somewhere else. This is that all that is needed to keep Johnny Chinaman happy is to keep the coins jingling in his pocket.

Of course, everyone likes to make a quick buck, and Sir William's "British merchant adventurers and nimble-witted Chinese" are no different. But to keep harping on maintaining Hongkong's prosperity and stability as if money and civil order were the only things that they care about is seriously to misjudge Hongkong people's concerns about their long-term future.

For a full year spokesmen of the Chinese, British and Hongkong governments have been publicly avowing their determination to maintain Hongkong's prosperity and stability up to and beyond 1997. Like Mr Jack Perry, most Hongkong people probably think that the Chinese can do it, even without British help. Yet they are still deeply apprehensive about 1997.

In fact, it seems to me that it is not the uncertainty about a prosperous and stable future that is causing confidence, money and people to desert Hongkong. It is a feeling of certainty, growing day by day in people's minds, that in 1997, or even before, authoritarian British colonial rule is going to be replaced by authoritarian Chinese Communist rule.

Hongkong people well know which they prefer, because more than a million of them have voluntarily left China to live in Hongkong since 1949. Many have died, or risked death, to get there.

Neither the British nor the Chinese Government has yet made any explicit statement indicating the position they propose to take in regard to the freedoms and civil rights now enjoyed by Hongkong citizens. Furthermore, the Hongkong Government has officially rejected a proposal that a referendum be eventually held to test the official assurances "that the outcome of the negotiations will be acceptable to the people of Hongkong".

Such obtuseness over a matter of such fundamental human importance cruelly serves to deepen Hongkong people's worries about their future and the future of their young children.

The vacuum in political leadership that an unimaginative attitude to public participation by the Hongkong Government in the running of Hongkong has helped to create has left the Hongkong people uniquely ill-prepared to help themselves in this predicament. It has increased the weight of responsibility falling on the British Government to protect their interest in the current negotiations.

The most important of these is the inviolability of their freedoms. It is simply not good enough to say, as Mr Edward Heath did, when visiting Hongkong recently, that Hongkong people should have no say in their future. Neither he nor any law-abiding British citizen has ever spent a night wondering if the Special Branch will knock at his door. No one has the right to deny that same peace of mind to the citizens of Hongkong.

Yours sincerely,
JOHN WALDEN,
St John's College,
University of Hong Kong,
82 Pokfulam Road,
Hongkong.
October 12.

Peronists losing election energy

From Jeremy Morgan
in Buenos Aires

Argentina's first election campaign in a decade has got under way after an uncertain start from the Peronists, who only months ago seemed confident of strolling to victory.

Only in the last few days has a sense of purpose entered the Peronists' attempt to reassert their hold on Argentina's political scene.

The campaign has been overshadowed by the debt crisis, clear signs of serious divisions within the military regime, and rumours of a coup to prevent the polls scheduled for October 30.

In the absence of initiatives from Argentina's biggest political movement, the run-up to the election has been dominated by Dr Raul Alfonsin, presidential candidate for the Union Civica Radical, traditionally the Peronists' biggest rival.

Dr Alfonsin has been on the campaign trail for months, drawing large crowds all around the country. In contrast, the response to the former senate leader picked by the Peronists, Dr Italo Luder, was mixed.

The contrast has prompted the suggestion that the Radical Party leader might assume the populist role normally reserved for the Peronist candidate in Argentina's electoral contests. Big crowds matter in Argentine politics, the voters like a winner, and since there are few policy differences between the two big parties, the choice may be decided by the electorate's feelings about the candidates.

Dr Luder now has some respectable crowd estimates to his credit, but nothing yet to come near matching the estimated 100,000 that went to see Dr Alfonsin on his only appearance in the capital so far.

Although the Peronists remain favourites to win power, Dr Luder's failure to capture crowds has cast doubt on the movement's hopes of winning an absolute majority.

The doubts partly stem from his bland and lacklustre style, which has done little to dispell suspicions that he is a vehicle for the Peronist power-brokers and labour barons who thrust him into the candidacy less than six weeks ago.

The uncertainty is compounded by misgivings, particularly among the middle class voters Dr Luder was selected to attract, about the disastrous record of the Peronists before the military coup in 1976.

The start of Dr Luder's campaign seems to have been delayed by an internal dispute over election tactics.

The argument centres on whether the Peronists should maintain their traditional and recognisable vote-winning way which no opponent is spared, to ensure its support in the working class, or broaden its appeal to attract other voters.

The issue was supposed to have been settled when the respectable Dr Luder was proclaimed at the Peronists' convention in early September.

Political sources say a three-cornered fight has broken out that does not augur well for Dr Luder should he assume the presidency.

Ranged against Dr Luder's moderates are the supporters of Mr Herminio Iglesias, a metal workers union chief who's the Peronist candidate for governor of Buenos Aires province.

Dr Luder denies "differences" between the two men, but Mr Iglesias has yet to show enthusiasm for the presidential candidate. When Dr Luder spoke in the province recently, Mr Iglesias was absent.

Mr Iglesias also seems locked in battle with Mr Lorenzo Miguel, a rightwing labour chief who is the party vice-president.

The unions have always provided Peronism's power base, and Mr Miguel was a prime mover in Dr Luder's selection. But the candidate is under almost constant pressure from the labour leader. Sources say that Dr Luder's aides have suggested union figures adopt a lower profile, only to be reminded of the union's traditional role in the movement.

The discomfort is motivated by fear that too close an identification with the unions might undermine floating votes, and also centres on the likely impact of Mr Miguel's past in a violent labour movement and his role in the Peronist administration up to 1976.

A key date in Peronist history is approaching — October 17, when protesting workers secured the release of the then Colonel Peron from a military gaol in 1945, one year before he went on to win election as President.

It is suggested that Dr Luder, who concedes his meetings have lacked "Peronist fervour," might hold his rally on that anniversary several hundred miles away from a meeting planned by union leaders.

GUARDIAN
14.10.83

McMillan-Scott Associates Public Affairs

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SAS Captain John Hamilton died heroically in the Falklands.

Brian Harris

TIMES

14.10.83

His wife recalls the happy times – and the sad ones

The big softie who fought to the last

A half smile flickers across the face of Victoria Hamilton as she sorts through the few precious photographs of her life with Captain John Hamilton, MC of the Special Air Service, who died a hero in the last days of the Falklands war. "We both knew he was going to die, that he was coming back", she says.

"John just would not let go of my hand when it was time finally to go. He said he might be going to war and might not be coming back, and 'Thank you for being such a super wife'. He said 'I can go knowing you're behind me all the way'. His men had to say 'Come on Boss' to get him to let go. Then they drove away."

Captain Hamilton was concerned about the effect his career in the SAS had on his wife: "He only joined knowing I would be happy letting him go and I realized all the dangers but I also know how much he enjoyed it. John could appreciate how in some ways being in the SAS is a very selfish thing. But he cancelled once and was so miserable.

"After he was killed it upset me very much that people came up to me and said it was a good thing he was dead as he was just a trained killer – even stopped having my hair done. When people find out your husband is in the SAS they think you're not human."

A favourite photograph shows her next to a Valentine bouquet sent while he was climbing Mount Kenya and she was staying with her diplomat parents in Trinidad. Members of Hamilton's SAS mountain troop, all now dead, clown in a mountain top snap. Had they survived the Falklands they would have attempted to climb Everest next year. Hamilton, she says, was never happier than when his yellow Renault 4 was loaded with climbing gear heading for an exacting mountain.

"But he was a big softie. He liked nothing better than curling up in front of the television with his sweetie jar, me and his English setter Marcus. He always found things funny wherever he was, and John was the giggliest person I have ever known.

"Sometimes he would come home

in fits of laughter after something funny happened at work. He would creep into the kitchen pretending to be the Pink Panther after food, but always letting me know he was there."

Born in Harrogate, Yorkshire, Hamilton was educated at the Royal Masonic Schools: motto *Aude, Vide, Tace* – Hear, See and Be Silent. Close friends at school were surprised he had become an SAS man. They knew a very quiet boy who wanted to become a doctor but whose A levels were not good enough.

After a year off, he finally drifted into the Green Howards, mostly because of his fascination with the lonely sport of climbing: "He used to try to get me climbing mountains", says his wife. "If I am killed on a mountain, he would say, 'I want you to know why I had to do it'. One day the only way I could get him to come down was to take my boots off and throw them down the mountain. Then he had to carry me."

I owe it to him to carry on. I don't want to let him down

They met in Berlin at a Green Howards curry lunch while Victoria's father was a diplomat there: "Our honeymoon was in Austria, climbing of course. He was a terribly physical person. He used to make his men at the Green Howards run with sand-weighted belts and when he left they gave him one for his dog Marcus." Not surprisingly Marcus has remained at the SAS barracks in Hereford; probably the only place on earth he can get the exercise he is used to.

Hamilton regarded his military career very seriously and it took him to Cyprus, South Armagh, Belize and even the French Commando School at Trier: "But he never broke a bone, he was so careful", his widow says.

He is unique in being the first of more than 30 SAS troopers to die a "soldier's death". Many think he



Above: Captain Hamilton, and right, his grave in the Falklands. He was buried by the islanders



should have got the VC, but viewed at a distance it was a rather perplexing "sacrifice", which is how even official reports refer to it.

A senior Falklands official, who had close contact with the SAS, said that the Argentines who surrounded the two men waited for one of them to go to the latrine before shooting Hamilton in the back in the hills near Port Howard. "There is some truth in that story", said Mr Robin Lee, of Port Howard, who helped bury Hamilton. "It was the reason why the radio was not being manned.

"We discovered that there were four SAS, two that went to observe the Argies and two who stayed back. That was Hamilton and a Fijian sergeant. They were surrounded and taken by surprise. The Argies told us later of how John fought to the last."

"He was medically minded and probably realized he was not going to come through", said Victoria. "The only possible way out would have been the water. I have seen it; it was very cold and they wouldn't have survived." So in the knowledge of almost certain death he fought on. Victoria has a picture of this other Hamilton, a stern warrior with an automatic rifle.

"I worry about the time between when he was shot in the back and the shot that killed him. Did he worry about me and the dog before he was killed? I hope not. He did not go out there to be killed, but if he had to die he would have preferred to die properly as he did, fighting the enemy", she says.

"To go down in history as one of the best officers to wear the SAS

badge would have meant so much to him. His life and death have a meaning. We loved each other so much it does not matter if that was what he wanted." But there is an unspoken tension between being proud of her husband "dying well" and wondering why he chose to die at all.

In his personal diary Hamilton often wrote a few words of love for his wife. He also carefully listed the numbers and types of aircraft he blew to pieces on Pebble Island. But there is no clue as to what he felt.

The colonel who commanded the Argentine troops later said of him: "He is without doubt the most courageous man I have ever seen", and asked for a flag to bury him. The truculent locals wouldn't give him one and later reburied Hamilton themselves.

The Argentines gave back Hamilton's belongings. "It all came with a long list in Spanish", said Victoria. "They even spelt his name right. They sent back a picture of us taken on Ilkley Moor which was in a plastic wallet with some of my hair. They were not really meant to carry rings and things. They even gave back his watch.

"When the really dreadful helicopter crash occurred at sea I went to see other wives. In a way it prepared me for what happened. One has to accept people being killed. John and I sat down and talked about what I would do if he were killed doing so and so. You have to, but you never really know what will you do. For six months I was numb. But John died so bravely I owe it to him to carry on. I don't want to let him down."

Paul Pickering

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Shipyard strikers 'gave up contract'

British Shipbuilders claimed yesterday that a cancelled £4 million Falklands order for Sunderland Shipyard could have been salvaged if 1,600 men had called off an unofficial pay dispute before the contract deadline.

The order to convert three floating barges for troops in Port Stanley, is now likely to go to another British yard.

A BS spokesman said: "We find it hard to believe when the industry is searching desperately for work that the men have turned aside the opportunity of this Falklands contract which would have provided them with good work and good money for some months to come."

"There is an agreed procedure in the industry for settling disputes. The men could have put their grievance into this procedure, continued working, and had the benefits of this Falklands order while it was sorted out."

"Instead they have taken unofficial action and possibly put jobs in jeopardy."

The order was part of a £23 million floating port contract.

The Sunderland men are on strike because of a complex dispute over crane drivers' pay. The drivers' traditional overtime allowances have been partly consolidated into their pay and manual workers are demanding similar increases.

The 15-day old dispute is an embarrassment to shipyard union leaders as it deflects attention from their main targets — the corporation's pay-freeze and continuing large scale redundancies.

Leaders of the unions' Shipbuilding Negotiating Committee, who are due to meet British Shipbuilders' chairman, Mr Graham Day today, are under fire from all sides in the Sunderland row for failing to intervene.

The yard's managing director, Mr Eric Welsh, appealed to them on Monday to "come off the fence" and stewards at the yard have passed a vote of no confidence in their leaders.

The chairman of the negotiating committee, Mr Jim Murray was not available for comment yesterday.

Sir Terence Beckett, director-general of the Confederation of British Industry described the loss of the contract as a great pity.

Sir Terence, who was at a Gateshead business lunch, said: "I do not properly understand why an issue as important as this has arisen from apparently such a small cause."

Bob Rodwell adds: Belfast shipbuilder Harland and Wolff is likely to make a bid today to take over the £4 million work.

Harland and Wolff announced last week that it had a £3 million share in the Port Stanley floating harbour contract.

The company's chairman, Mr John Parker said yesterday: "We have already been asked whether we could take on Sunderland Shipbuilders' share. My main concern is whether we could complete it within 14 weeks without prejudicing part of the project we already have."

Ulster yard seeks 'lost' £4m contract

From Our Correspondent
Belfast

Harland & Wolff, the Belfast shipbuilders are likely to make a bid today to take over the £4m share of a Ministry of Defence order for the Falkland Islands which Sunderland Shipbuilders, the Weirside subsidiary of British Shipbuilders has surrendered because of a three-week unofficial strike.

Only last week H & W announced that they had a separate share of the project to build a floating harbour for Port Stanley. The entire "flexiport" is due for delivery in only 14 weeks.

Yesterday, Harland & Wolff chairman Mr John Parker said: "We have already been asked whether we could take on Sunderland Shipbuilders' share. Clearly, it is something we will have to decide within 24 hours. My main concern is whether we could complete it within 14 weeks without prejudicing work on the part of the project we already have."

"Public memories are short and if we missed the delivery date people would not recall that it was because Sunderland Shipbuilders had a strike, it would simply be noted as Harland & Wolff falling down", said Mr Parker.

He said he was to spend the afternoon seeing whether a local Northern Ireland consortium could be put together

● Jobs at the Pallion yard in Sunderland are certain to be lost when the strike ends. Mr Eric Welsh, the managing director of the company, said yesterday.

Three initiatives by the Confederation of Shipbuilding & Engineering Unions to end the deadlock have failed and the 2,000 strikers, angry about a productivity payment made to 40 crane drivers at the yard, have ignored pleas to return to work.

12.10.83

Argentina creditors meet to set drawdown date

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

ARGENTINA'S leading creditor banks were meeting in New York last night in an effort to set a new date for the country to draw the first instalment of the \$1.5bn (£1bn) loan it has been promised as part of its debt rescue package.

Drawdown of the first \$500m instalment had been set for next Monday, but was postponed because of last week's mini-crisis, which saw the arrest of Sr Julio Gonzalez del Solar, Governor of the Central Bank, by a provincial judge in the Patagonian city of Rio Gallegos. Bankers said yesterday they still hope to complete arrangements before the end of the month.

This will, however, require a number of administrative changes which were due to be

discussed at yesterday's meeting. The changes basically involve altering the schedule for completion of related financial transactions between the banks and Argentina.

Specifically, creditor banks have to agree to a further delay in repayment of \$350m which Argentina owes them on a \$1.1bn bridging loan arranged earlier this year. Argentina cannot pay this money before it has received the \$500m loan instalment now under discussion.

They also have to set a new timetable for completion of re-scheduling agreements covering the debts of about 30 public sector agencies. These were previously due to be completed by mid-October. Also, they have to decide on the extent to

which Argentina must eliminate interest arrears on its public sector debt before drawing the \$500m.

The arrears are now thought to stand at less than \$100m with payments due up till the end of September broadly complete. Some bankers argue that September 30 could count as a cut-off date for computation of the arrears, and that the country should be allowed to draw further funds if all interest outstanding on that date has been paid.

But the new timetable for settling arrears and for signing the refinancing agreements will have to be sanctioned by the International Monetary Fund which has been monitoring Argentina's financial performance very closely.

DAILY TELEGRAPH

12.10.83

From the ashes...

A SIGNIFICANT event was celebrated at the weekend at the Medical Centre of R A F Stanley in the Falkland Islands when "The Shed," the first solid post-war structure to be built at the base and renowned hitherto as a most uncomfortable medical evacuation station, was re-opened after extensive refurbishment.

The "new shed" represents a considerable effort by the doctors, dentists and medical staff at the centre and its most important boast, apart from Tudor-style decor, is the only flushing lavatory for miles around.

The flusher, a cesspool and all the necessary piping was, I am assured, obtained locally in a complex barter involving two bottles of vitamin tablets. "This represents the R A F medical service's finest hour at R A F Stanley," I was told yesterday in an exhilarated message from the base.

Antarctica

Icebox hotting up

Beneath its prodigious icecap, the frozen continent is becoming a hot potato. During the current session of the United Nations assembly in New York, the 14 governments that are full members of the Antarctic Treaty club will face new pressure from many of the "outsiders". At their meeting in Canberra in late September, the club members did not seem to make any great progress towards reinforcing their joint hold on Antarctica.

This is getting to be another "north-south" issue; but it could be more accurately described as a case of both north and (far) south confronting the middle. Those club members whose Antarctic interests stem from propinquity (Argentina, Australia, Chile, New Zealand, South Africa) cannot easily be lumped together with the real northerners—including the Americans, British, French, Japanese, Norwegians and Russians—who were originally drawn to the southern polar regions by the same whaling and sealing activities that most of them had already pursued in the Arctic. And now, with a certain logic, it is an equatorial country, Malaysia, that has headed a campaign to substitute a new international regime for the present select Antarctic club.

The club, which includes Belgium,

West Germany and Poland in addition to the countries already named, is not a closed circle. The Antarctic Treaty's 12 original 1959 signatories agreed to extend full voting rights in their organisation to later adherents who qualified by mounting substantial research activity in Antarctica. The Poles qualified in 1977, the Germans in 1981. Brazil and India are already standing on the club's threshold; the past year has seen India's second and Brazil's first expedition arrive in the Antarctic.

However, the research qualification has come to be regarded as a stiff entrance fee designed to preserve the club's exclusiveness. The Poles and Germans decided to pay the fee, by establishing expensive shore stations whose work seemed to have little connection with their own interests in the region, which then mainly concerned its fishery potential. Poorer countries do not see why they should have to pay so much to obtain a voice in the affairs of an uninhabited region which, they contend, ought to be treated as the common property of all mankind.

Against this, the club members' prevailing view is that—as Australia's foreign minister, Mr Bill Hayden, argued at last month's Canberra meeting—the proposed new regime would introduce uncertainty and instability in a region where the treaty set-up has worked well for more than 20 years, eliminating previous frictions and permitting research to proceed in peace. And it is true that the club members have not selfishly exploited the Antarctic continent. Nobody has—yet. It is still a gigantic locked icebox; and it may be many years before anybody gets at whatever goodies it may prove to contain.

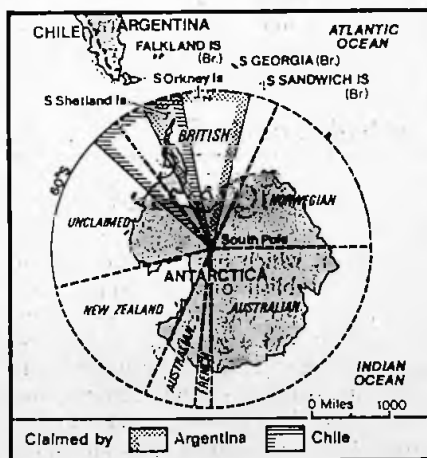
However, the pace is getting hotter. Last year the club members established a fishery regime which covers a huge sea area around Antarctica. At the review conference that they held a few weeks ago at Hobart in Tasmania, they were



Uninhabited? Who says?

able to express general satisfaction with the working of this regime, as between themselves. But non-members challenge the club's right to impose its rules on areas of sea in which its members have no recognised jurisdiction. Neither existing sea law, nor the still inoperative new UN code, provides a clear basis for resolving this question.

Last year the club members also opened formal negotiations for the creation of a regime covering the exploitation of Antarctic mineral resources. They have already held meetings on this problem in Wellington and Bonn, probably to be followed by more next year in Washington and Tokyo. Unlike the fishery regime, the proposed mineral one cannot dodge the tricky question of seven club members' claims to sovereignty over sectors of Antarctica—including the overlapping British, Argentine and Chilean claims. These claims, which are not recognised even by the other seven club members, let alone by outsiders, were "frozen" in the original 1959 treaty. But during discussion of the mineral regime they have begun to show signs of thawing out again.



Why some Argentines want to leave the Solar system

You are Mr Paul Volcker. You step off an aircraft at Kennedy airport to visit your family for the weekend. A man in a blue uniform steps up to the ramp. "Mr Volcker", he says, "I have a warrant for your arrest". Fantasy? Of course, but something very like it happened this week in Buenos Aires. The (brief) arrest of Mr Julio Gonzalez del Solar, governor of the Argentine central bank, gave a bizarre new twist to the country's political and debt crisis. When Mr Gonzalez del Solar and the economy minister, Mr Jorge Wehbe, set out for the IMF/World Bank annual meeting in Washington last month, they thought they were turning the corner in the long process of renegotiating part of Argentina's \$39 billion foreign debt.

A \$1.5 billion medium-term loan from a syndicate of foreign banks had been signed in August, despite a last-minute flurry of opposition from the British prime minister, Mrs Thatcher. The banks had agreed to a 30-day postponement on repayment of a \$300m tranche of a one-year bridging loan received at the beginning of the year. The IMF was delaying payment of the third instalment of its stand-by facility, also worth about \$300m, because of doubts about the country's economic performance in the third quarter of 1983.

All in all, however, the problem seemed manageable. The next step was to reach agreement on rescheduling the \$7.5 billion debts of 32 state companies. The first in the queue was Aerolineas Argentinas, the state airline, with foreign debts of \$220m. This contract was duly signed, and was meant to act as a "model" for the remaining 31 state enterprises.

Then came the thunderbolt, from the unlikely quarter of Rio Gallegos, the capital of the province of Santa Cruz in Patagonia, where Judge Federico Pinto Kramer issued a court order forcing the government to "freeze" all renegotiations. The judge, known for his links with ultra-nationalists, used a strange interpretation of existing Argentine laws.

He pointed out that a court investigation is under way into potential irregularities in the way much of Argentina's foreign debt was incurred during the military government. The Aerolineas rescheduling agreement, he claimed, threatened to curtail these investigations, because it included a clause on "extraneous jurisdiction": any disputes on non-payment come under the jurisdiction of New York courts.

In other words, the rescheduling agreement prevents Argentine courts from getting to the bottom of any fraudulent activities in foreign borrowing. Thus officials who signed the contract, such as Mr Gonzalez del Solar, were to be potentially guilty of acting against the national interest. Hence the arrest. By Wednesday, common sense had prevailed and Mr Gonzalez del Solar was released without being charged, while the case was removed from the jurisdiction of Judge Pinto Kramer.

The last time a similar ignominy befell the head of a central bank was in 1979. Then, charges were trumped up against the Italian governor, Mr Paolo Baffi, to confuse early investigations of the Banco Ambrosiano scandal. Only Mr Baffi's advanced age (67) saved him from detention. Mr Gonzalez del Solar is 66.

The repercussions from Judge Pinto Kramer's ruling were swift and massive. Foreign creditors responded by postponing disbursement of the first tranche of the medium-term loan, worth \$500m, until October 17th. At the same time, the \$300m repayment on the bridging loan will fall due. October 17th has therefore effectively become the deadline for Argentina to get its financial house in order.

The central bank, with the negotiations frozen, had no option but to stop remittances of foreign currency as a stop-gap measure to safeguard dwindling foreign currency reserves. Argentine citizens hoping to travel abroad can no longer buy dollars. Importers with requests for foreign currency pending have had to re-submit their applications. A central bank official said work was progressing on an



Central banker gets the bird

emergency priority system, to establish which payments can be authorised when.

The arrest of Mr Gonzalez del Solar on Monday, October 3rd, followed by a 24-hour general strike, threw all Argentina's financial markets into disorder. The black-market dollar rate started climbing rapidly, but turnover was down as anybody with dollars was holding on to them.

Politics loom large. The airforce was strongly sympathetic to Judge Pinto Kramer. The army leadership is opposed to him, but some middle-ranking officers are not. The navy is clearly opposed, and its commander has issued warnings about the imminent "catastrophe" of a default.

Although Mr Gonzalez del Solar's case has now been removed from the judge's jurisdiction, there are serious doubts that the country can get its financial act together by October 17th. Foreign bankers dealing with Argentina are used to deadlines being "notional", but this time they are showing signs of losing patience.

The political parties, caught in the last lap of the election campaign (polling is to take place on October 30th), started out by criticising what they saw as the harsh terms of the Aerolineas contract, but began to moderate their stance as the full implications of Judge Pinto Kramer's actions became clear. Nobody is sure whether the outgoing military government has enough unity left to handle the problems coherently. The power vacuum in Argentina makes the next few weeks look very dangerous.

Daily Mail
11th October 1983

Ship strike sinks £5m deal

WILDCAT shipyard strikers yesterday sank a £5 million Government contract for work on a new port for the Falklands.

Now the order, which would have guaranteed four months' work for 400 men on hard-pressed Wearside, may go abroad.

Bosses at Sunderland Shipbuilders, part of the British Shipbuilders group, had to pull out of a midnight deadline on the contract because the strikers refused to end their dispute.

Almost 1,600 men at the Wearside yard have been on unofficial strike for two weeks over a separate £13.60-a-week pay award to 28 crane drivers.

They want the same deal for manual workers—and have resisted fierce pressure to return to work so the crucial Falklands contract could be clinched.

At three mass meetings they were asked to go back. Three times they refused.

Jeopardy

Management could not then guarantee completion of the order for floating barges and withdrew from the deal.

The danger now is that the order could go abroad to meet the March deadline.

Last night, the company handling the Defence Ministry order warned the stubborn strikers: 'You have put your future in jeopardy.'

The deal, part of a £23 million contract, is being handled by ITM Offshore Ltd. Managing director Mr Alf Duffield said: 'It is absolutely ridiculous.'

'The whole industry will think very hard before placing any contracts with this yard in future after this episode.'

'Quite frankly, I think they are just giving up their jobs.'

Sunderland Shipbuilders' managing director Eric Welsh said the firm was 'extremely disappointed.'

'We've been chasing every little bit of work we could lay our hands on. This would have kept us going fine for four months.'

Shop stewards at the yard were unrepentant. Chairman Cedric Morse said: 'We are not cutting our own throats. Management are using the Falklands contract as blackmail.'

'We are sorry to lose the order but there is nothing we can do.'

11.10.83

Argentine junta may hand over in December

By Jimmy Burns in Buenos Aires
ARGENTINA'S military government is now seriously contemplating bringing forward the date for the handover of power to the new civilian authorities following the elections on October 30.

According to a draft proposal understood to be under review at the Interior Ministry, the new government would take charge in the first two weeks of December this year.

An influential sector of the military régime and the bulk of the political parties are now believed to be convinced that an excessively lengthy transition period could further aggravate the general climate of political and economic instability.

Argentine crash

Brig Gen Sigfrido Plessl, who ran Argentina's air force operations in the Falklands war, was one of 12 people — including five brigadier generals — killed in an air crash in Argentina.

Strike may give Falkland job to foreign firm

DAILY TELEGRAPH

11.10.83

By JOHN PETTY *Shipping Correspondent*

UNOFFICIAL strikers last night lost British Shipbuilders a £6 million contract to help provide a floating port for the Falklands. Now there are fears the work may go abroad.

Converting three North Sea barges would have provided work for four months for 400 men at the Pallion yard of Sunderland Shipbuilders on Wearside.

Overtime would have boosted Christmas earnings.

But about 1,700 men have been on strike for two weeks, so the shipyard had to tell ITM Offshore, the Middlesbrough firm with a £23 million Defence Ministry contract to provide a floating port for the Falklands, that it would be unable to meet the deadline.

Other yards owned by British Shipbuilders could take on the work, but the Pallion men are likely to urge union members elsewhere to refuse the job. Now the strike is likely to end in lay-offs.

Pay claim

The stoppage began when Pallion workers claimed that they should receive a rise which they said was being given to men working on cranes. British Shipbuilders said the crane men had not received a rise but overtime payments had been consolidated into weekly earnings.

British Shipbuilders say the men could have followed official procedures for dealing with their complaint. This would have meant continuing work while union leaders sorted out the problem.

Mr Frederick Morse, chairman of shop stewards at the yard, said they had passed a vote of no confidence in the shipbuilding negotiating committee of the Confederation of Shipbuilding and Engineering Unions.

The strikers wanted the same average weekly increase of £15.60 as well as the crane drivers.

Mr Morse said they were all "deeply worried" that the Falklands contract had been lost but it was not the men's fault.

SPAIN CONFIRMS ARGENTINE PLOT AGAINST GIBRALTAR

By TIM BROWN *in Madrid*

SPANISH secret service agents foiled a plot by Argentine saboteurs to cross into Gibraltar to attack British military installations during the Falklands war, it was confirmed in Madrid yesterday.

The four or five man team was arrested near the frontier with Gibraltar after being shadowed by security agents. They were detained for several days and sent back to Buenos Aires.

It was thought that Royal Navy ships might have been among their projected targets.

Confirmation of the sabotage plot came in an official statement from the Foreign Ministry in Madrid yesterday after officials in both London and the Spanish capital had earlier denied the incident occurred, or claimed they had no knowledge of the affair.

Although Spain supported Argentina's claims to the Falklands, Madrid's statement made it clear that it was not prepared to allow military action to be launched from its territory.

May arrival

The Foreign Ministry gave no date of the sabotage attempt other than saying that it was during the South Atlantic conflict, but reports in London said the group flew to Madrid on a scheduled flight from Buenos Aires in May last year. The Ministry note says that

the group of Argentines had been planning to enter Gibraltar from Spain with the intention of carrying out sabotage acts.

"They were detained and sent back to their own country," it added.

'Malvinas' backing

The communique went on: "The Argentine government was informed of the incident which constituted the use of Spanish territory for a warlike action."

"It was not sufficiently clear whether those who made up the group were acting under government orders or on their own."

"The Spanish government at the time did not leave in doubt its policy of supporting the judicial and historic claims of Argentina over the Malvinas (Falklands) but considered, correctly in the opinion of the present government, that it had to stop illegal action and those whose political and diplomatic consequences could be far-reaching."

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Argentines 'planned to attack Gibraltar'

By Susan Tirbutt

Whitehall spokesmen would not confirm or deny yesterday a report that an Argentinian sabotage team had sought to sink British warships at Gibraltar at the height of the Falklands conflict.

According to a report in the Sunday Times, the four-strong underwater sabotage team entered Spain secretly, aiming to blow up vital ammunition and fuel dumps on Gibraltar and sink any British warships in the harbour.

The four were arrested by Spanish authorities in a small town some five miles from the border and deported back to Buenos Aires. The newspapers says the information came from senior British military and intelligence officials.

The report said the decision to deport the four Argentinians caused a serious diplomatic rift between Spain and the then military junta in Argentina. Spain was ostensibly giving moral support to the Buenos Aires regime.

The raid would have caused havoc to the Falklands task force supply lines. The team, under the control of the Argentinian Navy, is said to have arrived at Barajas airport, Madrid, early last May, planning to buy arms, limpet mines, plastic explosives and diving equipment. They were then to travel south to the border town of La Linea.

The aim was to swim the mile from La Linea docks to the Gibraltar dockyard and attack the oil storage depot, the Admiralty magazine and shipping including HMS Ariadne, the Gibraltar frigate, regularly berthed in the dock.

But the four were intercepted by the Spanish authorities, probably by the army in San Roque, says the report.

Unofficial pay row loses firm four months' work

Stoppage costs shipyard £6m Falklands order

By Paul Keel

A shipyard in the North-east has had to pull out of a £6 million Ministry of Defence contract to improve dock facilities in the Falkland Islands because of a two-week unofficial strike.

Sunderland Shipbuilders had been offered the opportunity to assist in the completion of three loading barges which will form part of a £23 million scheme to install a floating dock at Port Stanley.

But yesterday it was forced to withdraw from the project after a meeting of the yard's 1,600 members of the Confederation of Shipbuilding and Engineering Union voted to continue their stoppage. The management said last night they could no longer guarantee a completion date.

Mr Eric Welsh, the company's managing director, said he was extremely disappointed at losing the order which the firm had been fighting for since March. It would have guaranteed the shipyard four months' work.

"We have been chasing every little bit of work we could lay our hands on, and this would have kept us going fine," he said. Mr Welsh added that there was a very real danger that some of the men's jobs could be in jeopardy.

He appealed to national officials of the union, who have not backed the dispute, to instruct their local members to go back to work. The shipyard workers are disputing a pay

rise which has been made to crane drivers, but not extended to manual workers. Last night no one from the union was available for comment.

Mr Alf Duffield, managing director of ITM Offshore, the company contracting out the work on behalf of the MoD, said he could not understand the workers' refusal to at least keep working while the local dispute was negotiated.

"Quite frankly, I think they are just giving up their jobs. Here we are engaged in a ridiculous argument while there are thousands of guys out there who are working under tremendous hardships and urgently need these facilities," he said.

But Mr Duffield stressed that he would try to transfer the contract to another British shipyard, rather than look abroad.

Yesterday Britain's largest seafaring union, the Merchant Navy and Airline Officers' Association, accused the Government of failing to support British interests over its choice of ships for supplying the Falkland Islands.

The association is angered by the Ministry decision to use a Danish ship, the Herta Maersk, to carry fresh water supplies to the Falklands on four occasions.

The association claimed yesterday that a British ship could provide the service more cheaply and should, in any case, be given favourable consideration by the MoD.

Spain foiled Argentine raid on Gibraltar

Madrid (Reuter, AP) - Spain yesterday confirmed that a commando of four or five Argentines was caught on Spanish soil while apparently planning an attack on Gibraltar during the Falklands war last year.

The Foreign Minister, Señor Morán, said: "A group of Argentines attempted to cross into Gibraltar presumably with the intention of carrying out some acts of war."

"They were intercepted by the Spanish security services and sent back to Argentina because the outgoing Government, correctly, considered that it could not allow the use of Spanish territory for the launching of an act of war."

He said news of the incident,

which was brought to light at the weekend by *The Sunday Times* in London, had been deliberately suppressed by the previous Spanish Government to avoid embarrassment.

A Foreign Ministry communiqué later said that the Argentine Government was informed of the incident.

The Sunday Times report said the Argentines were arrested at San Roque, near Gibraltar, and has apparently planned to swim across Algeciras Bay to blow up fuel depots on the Rock.

Señor described the newspaper's report as "very inconvenient". He said that at the time the incident had provoked a démarche between Buenos Aires and Madrid.



Señor Morán: Act of war could not be allowed.

Spain, which has a long-standing claim to Gibraltar, was caught in an awkward position during the war between Britain and Argentina. Madrid has

supported Argentina's claim to the Falkland Islands.

Confirmation of the Gibraltar incident came at a time when Madrid has again begun talks with London over the future of the colony. Señor Morán has met Sir Geoffrey Howe, the British Foreign Secretary, twice in recent months to discuss the issue.

He said yesterday that he had come away "empty handed" and that the British had to understand that talks could not always end that way.

● **London welcome:** The Foreign Office immediately welcomed the Spanish action (Henry Stanhope writes). "It is what we would expect from an ally", a spokesman said.

Telecom faces blow to business income

By Bill Johnstone
Electronics Correspondent

A substantial proportion of British Telecom's business traffic and its income would be seriously affected if the Post Office Engineering Union carried out its threat to disrupt international telecommunications.

The union which represents more than half of the employees of British Telecom, is engaged in industrial action in three London international exchanges, protesting about the Government's intention to sell 51 per cent of the corporation to the

private sector beginning in autumn of next year. Since the Government is determined to sell the dispute could easily escalate.

About eight of every ten telephone calls made in Britain are business calls. More than 322 million a year are international and they are growing at about 12 per cent a year. About four million business customers are responsible for most of those calls, and for about 60 per cent of the corporation's profits, despite residential subscribers outnumbering them four to one.

The present industrial action is centred on the three international London exchanges,

Mondale, Stage Lane and Wood Street, where the signals are routed to the customers.

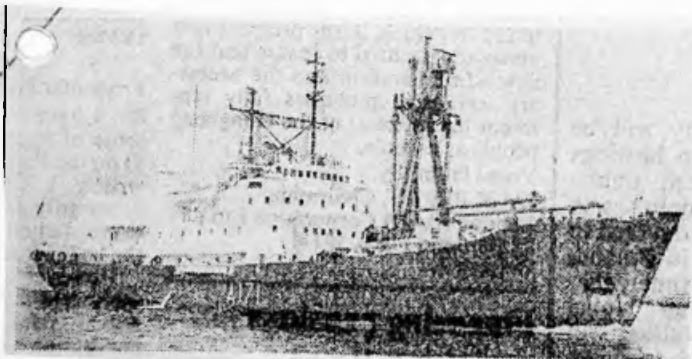
The international telephone calls, telex, data and television signals use a combination of satellite and cable. The union could step up its action by disrupting any of those services at source since it represents most of the technical and engineering staff in British Telecom.

Many telecommunication signals are carried by satellite and received at the two earth station complexes operated and maintained by British Telecom at Goonhilly, Cornwall and Madley near Hereford. Five

aerials in Goonhilly pick up signals from the Intelsat satellites over the Atlantic and Indian Oceans, plus maritime communications. Madley's three aerials are pointed toward the Intelsat satellites and the new European Communications Satellite, ECS1.

At least 90 countries are served by the Goonhilly and Madley satellite links, including the United States, Canada, Australia, India, Pakistan and Argentina.

In the last financial year British Telecom International contributed £208m profit to the £365m made by the corporation as a whole.



Sword of peace for HMS Endurance

By Henry Stanhope, Diplomatic Correspondent

The Royal Navy's Antarctic patrol ship HMS Endurance, which became a household name during the Falklands War, has been awarded a Wilkinson sword of peace.

Endurance won the navy's 1982 sword for "long-standing and continuing service on behalf of those who live in the Falkland Islands, their dependancies and South Georgia". A sword is awarded annually to each of the services.

Captain Colin MacGregor,

commanding officer, will receive it as a re-dedication ceremony in Portsmouth before Endurance sails back to the Antarctic after a long refit.

She was built in 1956 as a Danish vessel and then bought by the Royal Navy for scientific and hydrographic work. She was due to be scrapped because of the 1981 defence review, a decision which is believed to have encouraged the Argentines to invade the Falklands. The subsequent war led to the decision to grant her a reprieve.

THE TIMES

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8.10.83

10.10.83

Hallam obtains Falklands order

THE HALLAM GROUP of Nottingham has won a £6.5m contract to supply permanent accommodation at the service airfield under construction in the Falklands.

The contract, has been awarded by Laing-Howlem-ARC which is constructing the airfield. Units will be built and internally finished in the factory, shipped in the form of pre-stressed modules and placed on prepared foundations.

Mr John Holloway, chief executive of Hallam System Building, said that the type of construction was suited to the rigours of the South Atlantic weather.

Falklands ship hire criticised

Financial Times Reporter

BRITAIN'S LARGEST seafaring union will question the Government today about the use of a Danish ship in place of a British vessel for a Falkland Islands supply charter.

The Merchant Navy and Airline Officers' Association will question Ministry of Defence officials over the charter of the Herta Maersk, to replenish the Falklands garrison water supplies. The union feels taxpayers' money may have been wasted.

The association says the British ship, Fort Edmonton, was available for their work at cheaper rates.

Leaders of the 28,000-strong association will meet Lord Trefgarne, Under-Secretary of State for the Armed Forces. This follows a letter of protest sent by the union last month to Mr Michael Heseltine, Defence Secretary.

Mr Eric Nevin, general secretary of the association, said explanations of the decision had proved insufficient.

The association wants to ask why the Government will not discriminate in favour of the use of British ships. It will also raise what it sees as important security implications involved in the use of foreign flag ships.

Menendez arrested by army

By Peter Bains in Buenos Aires

GENERAL Mario Menendez, who was governor of the Falkland Islands during Argentina's occupation during 1982, has been placed under 60 days' arrest by the army High Command.

Military officials said the retired general had been sentenced for giving an unauthorised interview on his experiences during the conflict with Britain. Under the army code, retired officers must seek permission from the High Command before making public statements on controversial subjects.

The interview, by a local writer, has been published in book form under the title "Malvinas: the Governor's Testimony." It has been freely available in book shops for the last month, and there was some confusion over why the army had taken so long to act against General Menendez.

The book gives a highly critical account of the war. General Menendez claimed the original intention of the Argentine military junta was to put him at the command of a "symbolic" garrison. "The Junta was not, apparently, expecting an important military response from Great Britain," he said in the book.

His view is that there was considerable improvisation during the conflict and that his forces were hopelessly inferior to the British Task Force. He says he did not have the necessary long-range artillery and helicopters to mount a counter-attack after British forces landed at San Carlos.

General Menendez is also extremely critical of General Leopolda Galtieri, president and army commander during the conflict. When British forces surrounded Port Stanley, General Menendez says he asked General Galtieri to accept Resolution 52 of the United Nations Security Council while there was still time, but that this was refused.

General Galtieri was himself arrested for two months in April after giving a similar unauthorised interview.

Britain 'interested' in talks on Belize

By David Buchan

BRITAIN is "interested" in renewed talks between Belize and Guatemala facilitating early withdrawal of the 1,600-strong British garrison from Belize, Foreign Office officials said yesterday.

Any new talks over Guatemala's territorial claim to Belize would probably follow the same format as those held at the United Nations last January, which the UK attended as an observer.

Britain "has set no specific date" for its troop pull-out, officials said, but now wants it understood clearly that Belizean independence (since 1981) cannot remain indefinitely dependent on the UK forces.

Belizean security, and the faint possibility that Guatemala will finally renounce its 150-year-old claim, will be a factor in, but not a precondition to, the timing of a British withdrawal, officials in London stressed.

Concern over the 1,600 troops in Belize is not as immediately acute as that over the fate of the much smaller British contingent in the multinational force in the Lebanon. But there are fears the Belize garrison might get sucked into the conflict in Central America, where Mrs Thatcher's Government believes the call by the Contadora group of central and South American leaders for withdrawal of all foreign advisers is the right policy.

There is the subsidiary motive of easing the new strain caused by the British forces' deployment in the Falklands.

Mrs Thatcher told President Reagan in Washington earlier this month that Britain "wanted out" of Belize, and officials in London are hopeful that the U.S. could use its influence to check any intemperate Guatemalan move against Belize.

Mail on Sunday
9.10.83

Argentines 'tried to blast Gib'

A TEAM of four Argentine saboteurs tried to blow up vital military installations in Gibraltar during the Falklands crisis it was reported last night.

But Spanish authorities arrested them just short of the border and deported them.

A Ministry of Defence spokesman said last night: 'There is nothing we can say about this, it happened on Spanish soil.'

The report claimed that the team intended to blow up ammunition and fuel dumps, and sink British warships.

When arrested they were equipped with limpet mines and explosives.

Daily Mail
10.10.83

Argentine commando raids are foiled

MILITARY intelligence smashed an Argentine plot to launch a commando raid on the Ascension island base during the Falklands war.

British agents in Buenos Aires and Argentine military bases sent details of the plans, and as a result security at Ascension was stepped up: anti-submarine patrols ordered around the coast and a British nuclear submarine kept a round-the-clock watch on the Argentine coast.

The Argentine plan was to put heavily-armed men into a destroyer which would then rendezvous with a submarine in the South Atlantic.

Swift

This would then shuttle them to a remote spot on Ascension, returning to pick up more until the whole squad was ashore.

But while the planning went ahead, military chiefs in London acted swiftly to bolster the defences and track the ship and the submarine.

The Argentines were forced to abandon the plan and fall back on a small group of saboteurs with instructions to attack Gibraltar from Spain, and destroy fuel dumps and ammunition stores.

But even this was known about in advance and the Spanish authorities were warned to watch for the arrival of four men.

They were picked up near Gibraltar as they bought extra equipment and were sent back to Buenos Aires.

Military officials in Gibraltar were convinced that they could have prevented the raid from succeeding, and even if it had been successfully launched they believed that it would have had little effect on the task force.

9.10.83

2
NEWS

Union may stop the Falklands airport

by PETER DURISCH

PLANS to transport a labour force of construction workers to the Falklands to build the new airport at Port Stanley have run into trouble following the disclosure that workers are having to travel by the South African national airline.

The consortium handling the £215 million project has arranged a deal to fly half the 1,400 British workers to Johannesburg on South African Airways. The entire workforce would use SAA to fly from there to Cape Town, where they would board a ship.

Transport and General Workers Union general secretary Mr Moss Evans immediately said that his members would sabotage the arrangement. 'We will raise very strong objections indeed to this and will be in contact with the relevant authorities and companies,' Mr Evans's union has traditionally

been a strong opponent of South Africa's apartheid policies.

'About 80 per cent of the workforce are our members, and we will put a very positive request to them not to fly on SAA. I am sure they will follow our advice,' Mr Evans said.

'There are many other countries that could be used to catch a ship to the Falklands without going to South Africa. There are obvious problems with non-white workers going by this route.'

The airport project is being organised by the Property Services Agency on behalf of the Ministry of Defence. The PSA in turn gave the contract to a consortium of John Laing, John Mowlem and Amey Roadstone.

British Airways and SAA have a 'pooling' arrangement to share air traffic to South Africa. Airline sources said last

week that the plan by the Bristol-based Cunard Crusader travel agency is for the workers to be divided equally between the two airlines on flights from London to Johannesburg. From there they would all fly SAA to Cape Town, because BA does not fly the route. The travel contract is believed to be worth more than £1 million to SAA.

'Both British Airways and South African Airways are involved but nobody has flown out yet,' said Catherine Meredith, a spokeswoman for the consortium. 'But we don't want to talk about it at this stage because we haven't yet signed the final contracts with the airlines.'

Mr Mike Terry, secretary of the Anti-Apartheid Movement, said: 'We were extremely angry about the original scheme to use South Africa as a staging post, and are even more disturbed to discover that SAA will profit from this.'

SUNDAY
TELEGRAPH

9.10.83

Fewer ships for Falklands

By Our Naval Correspondent

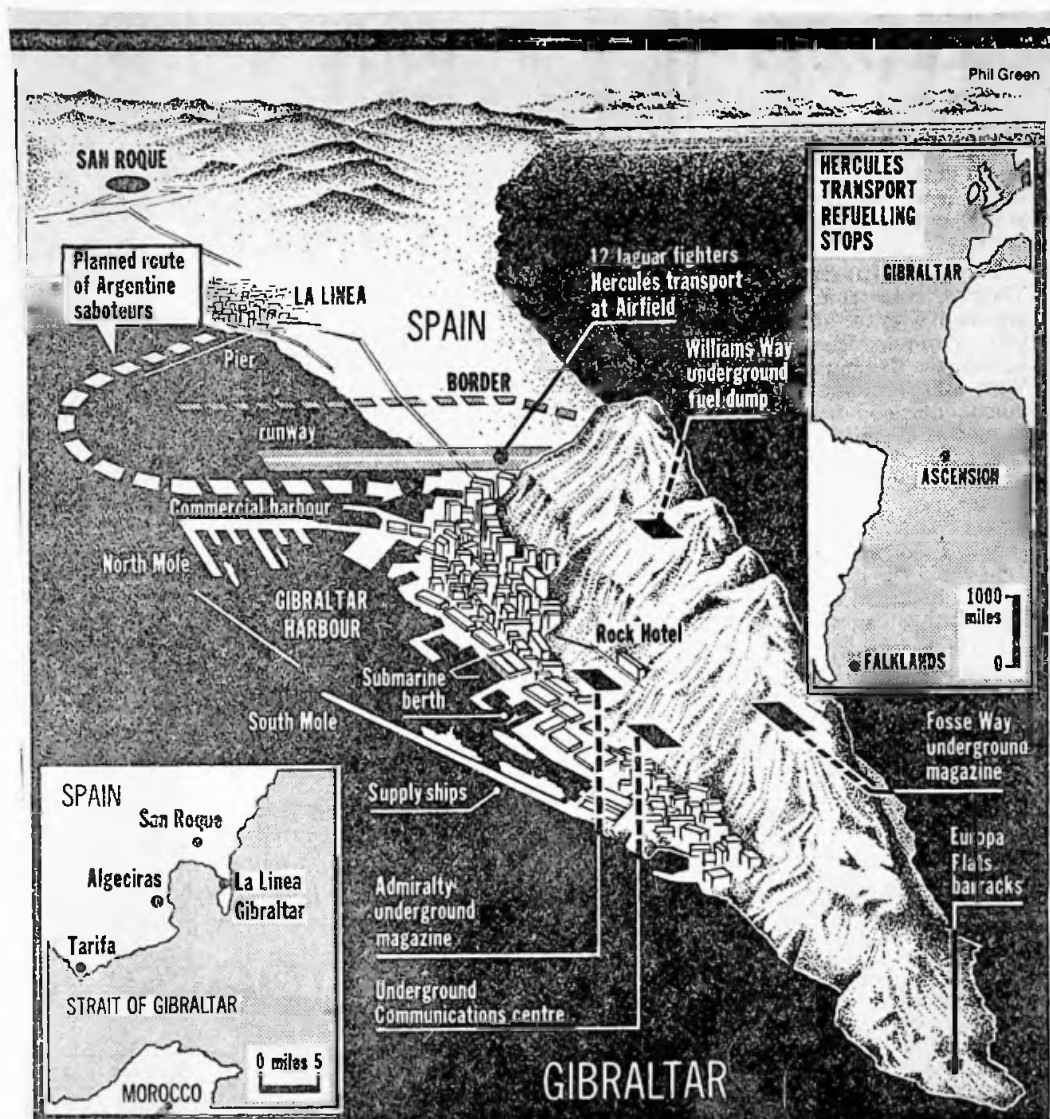
The Royal Navy is expected to cut its forces in the Falklands by half early next year, leaving just two or three destroyers or frigates on permanent station.

Although there are 56 of these ships in the active fleet, a quarter are having to be earmarked for service in the South Atlantic to allow for time in transit between Britain and the Falklands.

With the number of active fleet destroyers and frigates expected to drop to 50 next year as ships given temporary reprieves last year are finally paid off,

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The targets: Gibraltar installations the Argentinian squad could have attacked

How Argentina tried to blow up the Rock

by Simon Winchester, Robin Morgan and Isobel Hilton

AT THE height of the Falklands war, a well-equipped Argentine underwater sabotage team slipped secretly into Spain and made its way towards Gibraltar. Its aim was to blow up vital ammunition and fuel dumps in the colony and sink any British warships in the harbour.

But according to senior British military and intelligence officials, the Spanish authorities arrested the team of four men in a small town some five miles from the border. And in a hitherto undisclosed gesture of goodwill to the British government, Madrid ordered the four to be deported back to Buenos Aires.

The decision caused a serious diplomatic rift between Spain and the then military junta in Argentina at a time when Spain was ostensibly giving moral support to the Buenos Aires regime.

The planned raid on the strategically vital colony would have caused havoc to the Falklands task force supply lines. Many lives among the 13,000-strong civilian and military population of the Rock would have been lost.

A prime target was the fuel dump which task force ships used to top up en route for the South Atlantic. Huge storage tanks carved out of the rock lie just a few yards off Williams Way – one of 32 miles of roads and tunnels driven through the mountain by miners during the Second World War. They are guarded normally by just one man.

The more heavily-guarded Admiralty magazine, connected by one of those tunnels to the dockyard, contains a vast stockpile of ammunition including missiles, torpedoes and naval nuclear weapons. That stockpile became a vital source during the conflict as arsenals in Britain emptied fast. Royal Fleet Auxilliary ships called in at Gibraltar almost daily to take ammunition and fuel on board. It was there, early in April, that the nuclear-powered submarine

HMS Conqueror received the Mark Eight torpedoes that sank the Argentinian cruiser, General Belgrano.

Secondary targets identified by the team of saboteurs were any warships in Gibraltar and the airfield, which was an important bridge between Britain and Ascension Island. RAF Hercules planes flew daily to refuel and pick up supplies to be dropped by parachute to the task force.

Details of the raid have come from a variety of highly-placed sources. They include a senior army officer in another British colony who was ordered to increase security when the planned raid on Gibraltar was discovered. A high-ranking officer with access to intelligence information on the affair independently confirmed to us the Argentinian team's plans. Members of the intelligence community itself have given us further information. The Foreign Office, however, says it knows nothing of the incident.

But according to our sources in London and others in Buenos Aires, the team of four civilians acting under the control of the Argentine Navy, arrived at Madrid's Barajas airport early last May. Their mission was to purchase arms, limpet mines, plastic explosives and underwater swimming gear – all freely available off the shelf from arms dealer's in Spain. Then they were to make their way south to the border town of La Linea.

They were to penetrate the colony's defences – preferably by swimming the one mile from the La Linea docks to the Gibraltar dockyard – and attack the oil storage depot, the Admiralty magazine, shipping, including the Gibraltar guardship, the frigate HMS Ariadne, which was known to be regularly berthed in the dock.

But the four were intercepted by the Spanish authorities – probably the army in the town of San Roque. According to British sources, the four men

were fully equipped for their expedition, and were stripped of arms and equipment that included the limpet mines and high explosives.

They were detained for a few days and then, despite protests from Buenos Aires, were deported back to the Argentine capital.

It is clear that British signal

continued on page 2

Rock 'raid'

CONTINUED FROM P.1

intelligence became aware of the arrival of the team almost as soon as the men disembarked from their scheduled Aerolineas Argentinas flight at Madrid. Messages were flashed from London both to the governor of Gibraltar, General William Jackson, and to the governors and commanders-in-chief of other overseas military bases thought vulnerable to attack.

Precautions had already been taken in Gibraltar, largely because the colonial authorities had been warned – ironically, in the circumstances – of a possible Spanish attack aimed at recovering the peninsula during the confusion of the Falklands operations. General Jackson had arranged for day and night guards by men of the then Gibraltar garrison – the 1st Battalion the Staffordshire Regiment – and for naval "anti-swimmer" teams to be on constant alert. Patrol boats operated by the RAF Regiment were also on duty.

After the emergency message about the arrival of the Argentine sabotage team, "every inch" of the Rock was placed under guard, a military source said.

There was considerable confidence that the colony could be defended against a Spanish attack and equal assurance that, as the same officer put it, "we would have fished any saboteurs out of the water before they could get within sniffing distance of a ship."

In other colonies and overseas army bases – particularly Cyprus and Hong Kong – the news of the team's arrival in Spain triggered a series of security operations. Officers in Hong Kong were briefed secretly, within hours of the detection of the team's arrival in Madrid, by the local representative of the Joint Services Intelligence Staff. For the next two weeks all available manpower was put on the lookout for possible arrivals from Argentina.

"It would have been quite simple for them to have come in here while our backs were turned," commented one Hong Kong staff officer. "But after the attempt in Spain we made sure we were well battened down."

Because of a reluctance by the intelligence community to comment on the incident, some aspects remain a mystery.

Britain may ask US to garrison Belize

By Henry Stanhope, Diplomatic Correspondent

Britain is anxious to see talks reopened between Belize and Guatemala, with a view to settling once and for all Guatemala's claim to its tiny neighbour.

Whitehall is also understood to be exploring the possibility of replacing the Belize garrison with troops from elsewhere, including the US.

Mrs Thatcher made clear to President Reagan in Washington a week ago that the

independence of Belize, formerly British Honduras, could not continue indefinitely to rely on the 1,800-strong British force.

One reason is that Britain does not want to run any risk of being drawn into the political turmoil in Central America.

Another is that the troops and the four Harrier aircraft impose a strain on defence resources.

Junta falls out over foreign debt

From Andrew Thompson
Buenos Aires

The postponement of a meeting of the ruling military junta has been taken as a sign of continuing disagreement among the three commanders on the handling of the country's foreign debt crisis.

Both the Army and Navy leadership have issued statements emphasizing the need to continue renegotiating on payment of the \$7.5bn (£5bn) in public sector company foreign debts, which has been held up since late last month by legal action in Argentina. The Air Force has remained significantly silent.

Sources in the Government's economic team played down the significance of the delay in the Junta's meeting, however. They said that the special "inter-forces compatibilization team" set up to draft a report on the debt crisis had not concluded its work. It was likely that the junta would meet when the report was ready, sometime during the next week.

Economy Ministry and Central Bank officials meanwhile kept trying to unravel the legal complications. An appeals court was due to rule on whether to lift the freeze on renegotiated agreements.

But the officials said that the legal process could take some time, with three different courts involved and the possibility of further appeals all the way to the Supreme Court.

Economists in the political parties, in the midst of the electoral campaign which ends on October 30, have been suggesting an agreed 60 or 90-day moratorium on debt payments, so that the foreign banks can conduct the full negotiations with the next civilian Government.

Falklands airfield called a threat to peace

From Our Correspondent, New York

Foreign Ministers of countries in the non-aligned movement have reached agreement on a text that would define the construction of a new airfield in the Falkland Islands as an action adversely affecting the stability of the region.

The pronouncement on the Falklands is part of an all-encompassing communiqué which was due to be released late yesterday which sets out the non-aligned view and objectives on international issues. It is the result of consensus and morally binds those in the movement to uphold the policies it contains.

The airfield is referred to as "a strategic military base" that is a cause of concern to the maintenance of peace in the Latin American region.

The text also reiterates the firm support of the non-aligned to Argentina's rights to have its sovereignty over the islands restored through negotiations with the British Government.

● **PORT STANLEY:** British forces in the Falklands have completed a four-day military exercise involving Army, Navy and Air Force, officials said. (Reuter reports).

DAILY TELEGRAPH

8.10.83

ARMY JAILS MENENDEZ FOR 60 DAYS

By MARY SPECK
in Buenos Aires

GEN MARIO MENENDEZ, the Argentine military governor who lost the Falklands, was jailed yesterday for 60 days over an unauthorised book about the war.

He was arrested by officers at his home, taken to Army headquarters in Buenos Aires, and driven to the military base at Magdalena.

The punishment was ordered by Gen. Cristino Nicolaides, the army C-in-C. Last April the former President, Gen. Galtieri, served 45 days in custody for criticising the army.

Menendez, 53, was forced to retire from the army after being repatriated.

His book, "Malvinas testimony of the Governor," came out 20 days ago. Written by Carlos Turolo, it consists of questions and answers.

FOUR-DAY ALERT IN FALKLANDS

By Our Port Stanley Correspondent

A four-day full-scale Falklands military exercise involving all forces including the islands' defence organisation, has just ended.

Merchant ships left Stanley harbour, soldiers guarded key positions, the air-raid siren was sounded in full for the first time since the end of the conflict, and the Air Force was active.

and order.

£6.5m FALKLANDS CONTRACT

Fifty workers will be taken on by the Hallam group, of Langley Mill, Derbyshire, which yesterday announced a £6,500,000 order to supply prefabricated housing and offices for the airport being built on the Falklands.

In November last year, the company had to declare 80 redundancies after its £3 million tender for 56 homes to replace ones lost in the fighting around Port Stanley was rejected by the Crown Agents.

Whitehall fears wrong word could sabotage negotiations

Thatcher gags Hong Kong administration

By Patrick Keatley,
Diplomatic Correspondent

The Government, rigidly adhering to a policy of secrecy, yesterday refused to respond to a charge from China that negotiations on the future of Hong Kong had made no progress.

The colony has grown increasingly nervous in recent days as a stream of Chinese statements criticised the British attitude to negotiations on the colony, which mainly comprises territory administered under treaties with China ending in 1997.

The allegation that negotiations had made no progress so far came from the Chinese Foreign Minister, Wu Xueqian, during a visit to Ottawa this week.

Strategy talks in London, between the British Government and the Governor of Hong Kong and his aides, ended yesterday with a session chaired by Mrs Thatcher. A statement issued afterwards declared that the discussions took place in a "positive atmosphere" and ended with "complete understanding on the issues involved."

But Mrs Thatcher and her ministers have ordered the Governor, Sir Edward Youde, and the 11 members of his Executive Council, to refuse all news interviews.

The blackout has been im-

posed on the theory, strongly held by Mrs Thatcher, that one inept word by one of the visitors could bring the current negotiations with Peking to a halt. That, it is feared, would cause a fresh run on the Hong Kong dollar.

Sources in financial circles say differing views have developed in the ranks of the Executive Council after inconclusive talks in Peking a fortnight ago. The consequent slide in the currency rate and the share levels on the stock exchange in Hong Kong has raised questions about the strategy of insisting on a Chinese undertaking in advance, to continue a British administrative presence after 1997.

Some members feel that the the Chinese leadership cannot afford to give such an advance commitment and will never do so.

AP adds from Taipei: Taiwan will admit for resettlement all Hong Kong residents who pledge loyalty to the Nationalist Chinese Government and invest in the country. Premier Sun Yung-Suan said yesterday.

Mr Sun said the Nationalists will offer "any necessary assistance" to the people of Hong Kong because Taiwan is China's legitimate government. He said Taiwan will not recognise any agreement which Britain and China negotiate on Hong Kong's future.

Hospitals

Silver fishy

BRITISH construction workers setting out to build the proposed Falkland Islands "strategic airport" will doubtless have been delighted to learn in *The Times* last week that a 10-bed hospital will be on hand to treat any injuries. They may even have been impressed to learn of the way the £100,000 unit is being shipped out, ready-equipped, and just for them. But they might like to know more about the pioneering "entrepreneur" behind this breakthrough, and about his company, Medco International.

"Long" John Silver, the managing director of Medco and king-pin of several other companies, seems to suffer from an always fashionable cash-flow problem — a speedy flow towards him and a stately pace in the reverse direction.

More might already have been known on this score, and on several others, were it not for Silver's undoubted speed in dashing to the High Court, where last month he sought to obtain a "gagging" injunction against a disaffected and, as she claimed, partly unpaid former secretary. Fortunately, however, a fascinating fragment of the lady's thoughts had been made public by her union, APEX, before the injunction cut her off in full flow.

The Silver Empire she described to union officials consisted of a fraction of his Chiswick home and a trail of debts. In the course of a few days in July, she alleged, the telex was cut off for non-payment and VATmen were threatening a distress warrant to enforce payment of some £4,000, and life on the company credit card front was looking distinctly litigious.

Not even in the relaxed world of defence contracting could Long John claim unqualified success. A participant last year in "Floater '82" — a defence trade fair — he still owed its promoters, the Defence Manufacturers' Association, almost £4,000 for accommodation, the company's stall and its catalogue entry more than half way through '83.

Silver's competence in two areas should, however, bring solid comfort to the construction workers concerned that "their" hospital is in the hands of a man whose bank manager would not extend credit for a mere £735.65 just two months ago.

Thus it was, if his momentarily silenced ex-secretary is to be believed, that he sensibly spent those difficult July days in his Marbella second home — and left orders that a much-needed American Express Gold Card be 'sky-packed' to him the moment it turned up in beleaguered Chiswick.

Hospitals

Chiswick Fly-by- night

AGHASTLY silence has descended on parts of Whitehall following our revelations (*Eye* 568) of the seemingly less-than-secure financial position of Mr "Long" John Silver, supplier of a hospital to serve workers at the proposed Queen Maggie I International Airport, East Falkland.

The Ministry of Defence admit that they awarded the contract to Medco International but add in mitigation that it is being supervised for them by the Department of Trade. Switching its musical chair, the Department of Trade in turn points out that, although they are handling the contract, it remains the responsibility of the MoD.

The initial facts concerning Silver's business acumen were related by an ex-employee to her trade union. We understand that Silver regards this as good grounds for legal proceedings against the union concerned, APEX. The union's London office has said that it will make a fight of it.

Fortunately, ex-friends and ex-business contacts of Silver — the two groups are oddly identical — as well as current neighbours of the eminent entrepreneur are queuing up to talk.

Silver's home address, from which he conducts his business operations, is 40 Ibis Lane, London W4 — in the exclusive riverside enclave of Chiswick Quay. This residential estate is administered by a management association comprising its well-heeled inhabitants. The quantity of allegations against Silver emanating from this indignant body is impressive.

Firstly, Silver has failed to pay management charges amounting to £1,000 for three years running, and the association was driven to obtain a court judgement against him for the amount. Silver also manages the neighbouring 38 Ibis Lane, whose mysterious itinerant tenants are high-ranking Nigerian diplomats. Neighbours are concerned not so much to still the raucous noises of the jungle night as to fathom the mystery behind Long John's oversight in not paying the rates to the London Borough of Hounslow.

Equally disturbing claims are made by members of the Quentin Hogg Club, an assembly of rowing hearties based a few yards from Silver's front door. They allege that Silver effectively double-charged their vice-captain over some accountancy work, taking the job on and only then revealing that he was acting as agent for a genuine accountant. He also took a member's wife into his employ and then failed to pay her, and even defaulted on some odd-jobbery undertaken by the club caretaker's son.

Another centre of unease is a local off-licence that has ceased service to "Quick" Silver as a result of his over-due "slate", while local

motoring circles say that his present Lancia is a replacement for one re-possessioned by bailiffs.

But what is most worrying the good citizens of Chiswick Quay is a claim that Silver was owing Gilt Edged Travel some £1,500 a few months back and may still not have paid up. This could delay the financial wizard's hoped-for departure...

Union's bid to halt Falklands workforce

THE Transport Union wants to halt recruitment of a labour force for the massive Falklands Island Airfield project because it believes job-seeking workers are likely to be "exploited".

Its Construction and Civil engineering Group this week implied that it might prevent full mobilisation of the project by means of industrial action in the UK.

George Henderson, national secretary of the TGWU's building group, has sought an "urgent meeting of all unions concerned" in an attempt to stop more men leaving the UK for the Falklands. He is also due to meet representatives of the consortium contracted to build the £215 million airport — namely Laing/Mowlem/ARC.

He and his committee now wish to try and institute an agreement which bears some relation to previous UK-based large sites arrangements. At Sullom Voe and on the Thames Barrier, for example, a three-shift system was introduced which allowed completion on time and gave operatives a good chance of earning bonus.

Men on the Falklands project will only earn flat-rate wages under the present arrangements; there is a host of factors which could lead to instant dismissal and employment may be terminated at a month's notice.

The T&G warned in its statement that its lorry drivers' section would be "heavily involved" in the project, that its docks membership would be responsible for the loading and unloading of any shipping and that air-freight would depend on the activity of baggage handlers — also T&G members.

The construction group believes that projects "more important" than the airport could be instituted here in Britain.

The consortium — and its client the Property Services Agency — could run into further trouble with another union, the T&G implied in its statement. It said that the National Union of Seamen had contacted the T&G about the Falklands project.

John Laing acts as official spokesman for the three-party consortium, but nobody was available to put its case as CN went to press.

Guatemala to seek new Belize talks

GUATEMALA CITY — Guatemala is to seek new talks with Britain on the future of Belize, the Vice - Foreign Minister Sr Federico Fahsen Ortega said yesterday. Reuter reports.

Belize became independent from Britain two years ago but London has kept some 1,800 troops there to guard against any invasion by Guatemala which has long claimed sovereignty over Belize.

Nicholas Shakespeare welcomes Jorge Luis Borges as he returns to his literary roots

Dreaming tricks and paradoxes

Anthony Burgess tells how he once met Borges at a reception in the United States. The South American writer was being shadowed by a man from the Argentine Embassy, and so they communicated in Old English. The idea of two men with common names talking in a dead language could be the stuff of a short story by Borges, who so often enters his own fiction. It also reveals how complete is his grasp of our literature, a literature in which he has quarried all his life. The influence of this literature on Argentine writers was to be the subject of a lecture he delivered last night at the Royal Society of Arts to inaugurate the Argentine Society's Jorge Luis Borges Lecture.

"In a sense I've always been here", he told me on his first visit to this country since the Falklands conflict. "When deciphering the *Encyclopaedia Britannica* in my father's library, when reading *Pilgrim's Progress*, *The Time Machine* and Chesterton, I've been homecoming all the time. I've read so many English books." (An eternal candidate for the Nobel Prize, were he ever to win it, the first thing he would buy would be a complete set of Stevenson. "Not a first edition, but the last, because there would be fewer mistakes.")

Borges is not only returning to his literary origins, but also to the land of his ancestors. In fact his grandmother, Fanny Haslam, who was born in Hanley of Northumbrian Quaker stock, became the subject of a recent hoax reported as true in this very newspaper. The story went that in her honour Borges buried the head of a Celtic saint, St Penket, in a Staffordshire garden. "The past is always being changed", he chuckled. "Good for me if I did that."

When she married Colonel Francisco Borges, after meeting him at a ball in Parana, Fanny brought to the family the congenital blindness of the Haslams. "A small amount of English blood goes a long way. My great-grandfather died blind. My grandmother died blind. My father died blind with a smile on his face and I hope I will do the same. I have outlived my span. Reaching the age of 84 is a mistake really. My advice is three-score years and ten."

Borges forebears were not only Quakers; they were also military men who fought against the Indians, the Paraguayans – and each other. In 1874, "during one of our civil wars", Colonel Borges rode out on horseback in a white poncho following his defeat at the battle of La Verde. He was shot by two Remington bullets. "A fine fate", exults his grandson, who is amused to think that the firm which killed Fanny's husband bears the same name as that which shaves him every morning. "Better for a man to die a violent death than to die bedridden."

Borges's work has been informed by a "homesickness" for the violence of these ancestors. Would they, I wondered, have made better

leaders than the military today? He leant forward on his stick, a sturdy Irish blackthorn. "They would have been more efficient. They had seen fighting. These haven't."

The Falklands dispute touched a tender nerve. "Wars are either for the epic and the elegy, or for oblivion." It was evident to which he consigned the latter. To an interviewer in Buenos Aires he had complained how victory was celebrated before the battle had begun; how there was talk of anti-colonialism to justify the most colonial act in "recorded history"; and – with typical humour – how the military should have consulted a good lawyer to point out the difference between one's legal right to a territory and its invasion: someone, for instance, like Costa Mendes.

Being the great patriot that he is, to me he was naturally more reticent. "I had a nightmare kind of feeling. The people were so easily taken in by propaganda, by television, by loud politicians, and made into a shouting mob. Now they have other fish to fry with the elections, which will give a semblance of freedom at least. If we're lucky we'll get the radicals instead of the Peronists. They're not too bright but they're honest and they mean

well. I hate politics. I'm a mild, stay-at-home anarchist and pacifist, a harmless disciple of Herbert Spencer."

Were not the war and the military regime subjects worthy of his fiction? Borges smiled. "I don't go in for realism."

It is a Borgesian paradox that most other South American writers do, and do so under his influence. Garcia Marquez kept 14 volumes of his work permanently beside him in exile, while Carlos Fuentes has written of Borges that without his prose, there would be no modern novel in South America today.

"In that case, I'm guilty of a lot", is his modest comment. "Writing is directed dreaming. Subjects choose me. I try not to interfere. If the reader feels the writer is dreaming sincerely, that's all that matters. I never reread my own stuff. I don't like what I write. The whole thing's a kind of superstition. I prefer other people's works. I think of what I write as rough drafts."

Everything Borges has written is a distillation of the same themes, of the dual, the duel and the flesh made Word – "and not only the flesh, but bones, nails, hair".

Over the years he has condensed his fictional world, a world which

has been variously contained in a library, an encyclopaedia, an infinite book, a line – even a word. What line of his would he like to be remembered?

He nodded for a moment, sightless in thought before chanting "*Solo una cosa no hay, es el olvido.*" (There's only one thing that there isn't – and that's oblivion). It's a verbal trick, you see. All writing is a bag of tricks. But it's quite bad that line", he reconsidered after repeating it. "It's the worst line I ever wrote."

I reminded him of his observation that each writer is his own least intelligent disciple. "Did I write that? It's quite good, even though I wrote it. But it's true."

Of few is it truer that the style is the man. Borges is full of contradictions. In his work, as in his conversation, he is a metaphysical prankster. Every nation, he argues, chooses as its spokesman someone different from itself, as a kind of counterpoint. "Goethe is hardly German. Cervantes is hardly Spanish. Shakespeare is hardly English – the English go in for understatement." What about Argentina?, I ask. There is a definite twinkle in his eye. "Ah, we are a young nation. We have only just landed."

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Arms race 'at most dangerous point'

The survival of the human race could not be left to a shouting match between Washington and Moscow with Mrs Thatcher shrieking on the sidelines, Mr Denis Healey, retiring deputy leader of the party, and spokesman on foreign and commonwealth affairs, said when he opened the defence debate.

In a strong attack on Mrs Margaret Thatcher's defence posture, Mr Healey was cheered as he told the conference: "The whole basis on which she is torpedoing the (disarmament) talks is a tissue of lies and she tries to distract attention from her dishonesty by a shrill barrage of anti-Soviet demagoguery, which makes President Reagan look like a fellow traveller".

He invited the conference to approve unanimously, as the national executive committee had, a passage on peace and disarmament in the NEC statement "Campaigning for a fairer Britain". It duly did so.

That set out key issues in Labour's campaign on disarmament and defence: sifting of cruise missiles should be stopped; the decision to purchase Trident should be cancelled; Britain's Polaris submarines should be included in current arms negotiations; that the party must fight for a freeze on the testing, production and deployment of nuclear weapons; Tory plans to increase defence spending must be opposed; and they must work for a nuclear-free Europe and for the dismantling of foreign nuclear bases in Britain.

'Survival handed over to computers'

"There is no issue in our campaign on which unity and unanimity is more necessary than defence and disarmament, because the arms race is at by far the most dangerous point it has reached since the Second World War".

Even the fiercest hawks in the Reagan administration admitted that Russia and the United States were broadly equivalent in nuclear power all over the world. Yet both had enough nuclear weapons to destroy the world 10 times over and both sides were planning new weapons which would make war more likely and disarmament more difficult.

One of the disturbing things about the new weapons was that they acted so quickly that there was only a split second left to the other side to decide where and how to react.

"The super powers are handing over the decision of whether humanity survives to computers run by military men".

One lesson to be drawn from the shooting down of the Korean airliner was that computers could not be relied upon, otherwise the airliner would not have been more

'Risk of repeating Falklands blunder'

than 300 miles off course, and a second lesson was that the military could not be trusted with those decisions, as the Soviet pilot had not recognized that the aircraft was a civil airliner until after he shot it down.

Communications inside the American and Soviet systems were defective and neither Washington nor Moscow knew what was happening until the aircraft had been shot down.

All the present conflicts in the world risked drawing in the super powers but there was no system by which they could consult each other.

The priorities in the document represented a major step forward for peace and ending the arms race.

They could start by opposing

Tory plans to increase defence spending in the Falklands as a dangerous waste of money. He was right.

The Conservatives were committed to spending £1,000m mainly on a military, naval and air base in the Falklands, which everybody with a knowledge of history knew would be handed over before it was completed.

The Government risked repeating the blunder which had produced the unnecessary Falklands war by

'Thatcher torpedoing disarmament talks'

telling Guatemala that they planned to take British troops out of Belize to save £1m or so. Could folly go any further?

All the points in the document had been part of the election manifesto, Labour had lost the election and because of that the party, the country and the world was paying a heavy price.

"Mrs Thatcher is now publicly torpedoing all hope of agreement in the arms talks by refusing to include our own Polaris system in

LABOUR CONFERENCE REPORT

them. She tries to justify torpedoing the talks by making a number of statements she must know to be false. I do not accuse her of lying. She simply suffers from what psychologists call selective amnesia."

One was her claim that Polaris was in place before intermediate missiles. The Russians had hundreds by 1963 and Polaris was introduced in 1968.

She constantly said that Polaris was a strategic weapon outside Nato. The best evidence for the falsity of that statement came from the American Secretary of State for Defence that Polaris was part of Nato, and not part of the West's strategic force. All British defence ministers had also said that up to the present.

Mrs Thatcher said that Russia had made no concessions in the arms talks but that also was false. Mr Andropov's first offer months ago had been to cut Russian land-based missiles by 162, the same as existing British and French missiles.

'Liberals decided not to have a policy'

The Liberals had decided not to have a policy until Dr David Owen had agreed it. Dr Owen, who during the election was shared, now said that it should be embraced whatever happened. He was the leading quick-change artiste in British politics. His latest role was as Mrs Thatcher in a trouser suit.

"We have in this document the defence and disarmament policy the whole world is hungering for. We had it in the manifesto. Why did we not win the election on it?"

The polls had told them that all their propositions had majority support among the electorate.

"You may not all agree, but I cannot help feeling that we added to those policies on which we are totally united and for which we had public support, longer-term commitments on which the party was divided, some of which were profoundly unpopular with our working-class supporters, some of which separated us from many at home and abroad who shared all our immediate objectives and worse still, some of those proposals were too easily represented as indicating that the Labour Party is against Nato, although we supported Nato by five to one at conference only last year, and that we were against defending our own country.

"Both lies, but we cannot afford to give any hint that we might be moving in that direction again".

Cabinet to rule on spending cuts

By Frances Williams, Economics Correspondent

THE TIMES 6 10 83

The full Cabinet will meet in two weeks time to settle the outstanding differences between the Treasury and individual departments over spending plans for next year.

Mr Peter Rees, the Chief Secretary to the Treasury, is in the throes of a hectic round of meetings with ministers in an attempt to secure agreement on cuts before the Conservative Party Conference opens next week.

He and his officials will draw up a progress report for consideration by the Cabinet on October 20.

Mr Rees, who is battling to reduce departmental bids by £2,500m to keep spending down to the planned total of 126,400m, has already made some headway with a number of smaller departments. He will be hoping to reach final agreement with them by the end of the week.

But the big spending ministries - defence, environment, and health and social security - have fiercely resisted the cuts he is seeking.

Mr Rees has already seen the ministers involved at least twice in an unsuccessful effort to secure greater agreement.

The Treasury has been anxious to take its fight to the full Cabinet rather than to a small group of ministers - dubbed the 'star chamber' - which it feared from experience in 1980 and 1981 would be too soft on spending ministers.

Some of the issues involved have important policy implications which only the Cabinet can sensibly decide. The Treasury wants an agreement not to extend the pledge to Nato to expand defence spending by 3 per cent a year in real terms.

Is it also seeking to break the link between certain social security benefits, including unemployment benefit, and inflation. And it wants big cuts in the £450m urban aid programme which channels support to poor inner city areas.

Hongkong dollar slides despite Youde appeal

Hongkong, (AFP, Rentes) - Sir Edward Youde, the Governor of Hongkong, yesterday, called for "an atmosphere of calm and deliberation" in the Sino-British talks on the future of the colony.

He said this would be "to the benefit of all" in a double pronged warning directed at the anxious Hongkong people and the Peking negotiators who have recently accused Britain of being too "rigid" and seeking to maintain "colonial domination" over the territory.

"Patience, calm and resolution" were the qualities that would be required for all, Sir Edward said, adding that the talks could reach quick results.

The Governor was speaking in his annual address to the Legislative Council after weeks of financial problems and a fall in the value of the Hongkong dollar due to political uncertainty on the future of the territory.

The Hongkong dollar declined abruptly yesterday after Sir Edward's speech, which disappointed foreign exchange dealers. They described it as too passive and saying too little.

The local currency stood at 8.83 to the US dollar when he began speaking, dropped to 8.74 at one point and then edged back to 8.65 as he concluded the 70-minute address. It had started the day at 8.30. The colony's four stock exchanges had closed by the time the Governor began speaking. The market index gained 27.62 points to close at 717.68 after six days of steep decline.

Avoided comments on the



Sir Edward: Call for atmosphere of calm

slump of the local currency because of the effect on "a sensitive market" but emphasized that "the erratic fluctuations" of the Hongkong dollar did not reflect "the political and economical realities of the situation" nor the "strengths of Hongkong's economy and society".

The Hongkong dollar has lost more than 30 per cent of its value in less than a year.

The Governor and a Legislative Council delegation were due to leave here later for a three-day visit to London for talks with Mrs Thatcher and Sir Geoffrey Howe, the Foreign Secretary.

The Sino-British talks on the future of Hongkong will resume their fifth round in Peking on October 22.

● **China's "Consulate":** Peking is continuing steadily to increase the strength of the New China news agency (NCNA) in Hongkong, which is now unoffi-

cially Peking's "consulate" (Richard Hughes writes).

The full strength of the staff has never been disclosed but it now has at least eight vice-directors and its staff is at least as big as those of the United States and Japanese consulates.

A new vice-director is Mr Chen Bojian, who is officially designated Deputy Director-General of the NCNA. He has served in Peking with the NCNA for several years, and is expected to take over the duties of information and propaganda at the Hongkong "consulate".

The Chinese "Consul-General" in Hongkong is now Mr Xu Jiatun, former Governor of Jiangsu province, a member of the central committee of the Chinese Communist Party and a deputy of the National People's Congress.

● **PEKING:** China has again sharply attacked Mrs Thatcher for her recent remarks on Hongkong (David Bonavia writes).

The official news agency accused her of trying to "apply nineteenth century policies in the twentieth century." It referred to her recent interview with American correspondents in London, in which she said Hongkong would have been independent long ago were it not for the existence of the lease on the new territories.

Hongkong does not belong in the same category as so-called colonies, and sovereignty there must be returned to China since there is no question of any independence for it," the agency said in a commentary.

Argentine central bank president freed

The Argentine central bank president, Señor Julio Gonzalez del Solar, was freed yesterday without being charged, according to sources in the Economy Ministry in Buenos Aires.

Señor Gonzalez del Solar was arrested on Monday on the orders of an Argentine judge who held that a \$220m resche-

duling agreement for the Argentine national airlines, Aerolineas Argentinas, was contrary to the law and infringed national sovereignty.

The agreement was intended to serve as a model for other reschedulings of state agencies: the arrest of the central bank president alarmed bankers and

led to confusion over the country's debt problems. Argentina's total debts are estimated at \$40bn.

President Reynaldo Bignone said on television that Argentina would honour all its external commitments and that a default would have severe consequences for the economy.

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Argentina hit by general strike

By MARY SPECK
in Buenos Aires

ARGENTINA's trade unions staged a 24-hour general strike yesterday to demand immediate pay increases to protect wages from the country's triple-digit inflation rate.

Labour leaders are demanding 17 per cent. monthly wage increases as well as an immediate increase in half-yearly bonuses. Over the past 12 months, Argentina has had an inflation rate of 375 per cent.

The two sectors of the General Labour Confederation were joined in the strike by all of Argentina's other major unions, including workers in transport, education, power and telecommunications. Train and bus services were halted.

Leaders of the Azopardo sections of the confederation said that if the Government did not agree to union demands they would stage a 48-hour general strike within the next 10 days. A presidential election is due on Oct. 30.

BANKER HELD

Night in jail

The president of the Central Bank, arrested on Monday as he returned to Buenos Aires from a Washington meeting of the International Monetary Fund, spent the night in jail, held by a judge demanding an investigation into alleged illegalities in foreign debt negotiations.

The Argentine government was forced to freeze almost all imports over the weekend to prevent a further drain on foreign exchange.—UPI.

Anti-aircraft claims 'were exaggerated' in Falkland fighting

By Air Cdre G. S. COOPER Air Correspondent

MORE than 30 Argentine fighters, claimed to have been destroyed by British surface weapons in the Falklands war, were not in fact shot down, according to a new book.

The White Paper on the lessons of the campaign said 52 Argentine aircraft were confirmed as being shot down by missiles and gunfire from ships and ground units.

AIR WAR SOUTH ATLANTIC to be published next week claims the Task Force surface-to-air and gun systems brought down only 20 Argentine aircraft.

The book's claim is based on information from official and unofficial British and Argentine sources.

Claims by the Sea Harrier pilots are not disputed. There were 20 confirmed kills in the air and three more planes were probably destroyed. Nineteen were destroyed by the Harriers during 23 Sidewinder missile engagements.

Forces on the ground over-claimed destruction of 31 Skyhawks and Mirages, and one Macchi 339, according to Jeffrey Ethell, a Spanish-speaking American writer who discussed the fighting in detail with Argentine pilots at their bases, and Alfred Price, whose

books on the Battle of Britain and electronic warfare have earned him a sound reputation as an aviation historian.

The largest discrepancy in the claims appears in those for the British Aerospace Rapier air defence missile. The White Paper confirmed 14 Rapier kills and 6 probables, whereas the authors say Rapier shot down only one aircraft.

They do, however, attribute 4 kills to multiple weapons, which include Rapier.

Wrecks not counted

Over-claiming by surface weapon crews is not new, say the authors. During the 1939-45 war, coastal anti-aircraft batteries appeared to be shooting down many more enemy aircraft than inland batteries, which had to point to wrecked aircraft on the ground to confirm their claims.

In the Falklands, between May 21 and 27, 1982, missile and gun crews defending forces in San Carlos Water had 31 enemy fighter kills confirmed. The authors understand no official count of wrecks had been made, and believe the true figure for Argentine fighter-bomber losses in this action was six.

Each Argentine Naval and Air Force unit provided lists of

the aircrew it lost during the conflict. In every case where the bodies of Argentine airmen were found and identified by British forces on the Falklands, their names had been given to the authors.

This, say the authors, points to their lists being complete or nearly complete.

Heat of battle

The authors' case is that history has shown that the accurate confirmation of victory claims, especially by surface-to-air weapons, is extremely difficult. In the heat of action it will frequently happen that men will report seeing aircraft appear to crash when in fact they did not.

A British Aerospace spokesman said the company had no reason to doubt the official figures published by the Ministry of Defence.

Claims by British surface weapons

	White Paper	Air War S. Atlantic
Sea Dart	8	5
Sea Wolf	5	3
Sea Cat	8	1
Rapier	14	1
Blowpipe	9	2
Stinger	1	1
Guns		
(inc small arms)	7	3
Multiple weapons		
(inc Rapier)	—	4
	52	20

Air War South Atlantic, by Jeffrey Ethell and Alfred Price, to be published by Sidgwick and Jackson on Oct. 13, £9.95.

SPAIN MAY BUILD ARGENTINE SHIP

By Our Madrid Correspondent

Spain is to examine the feasibility of building an aircraft carrier for the Argentine Navy, it was reported in Madrid yesterday.

The possibility of constructing the £445 million warship was discussed during a recent official visit to Argentina by the head of the Spanish Navy, Adml Saturnino Suances de la Hidalga.

General strike paralyses Argentina on brink of foreign debt disaster

From Andrew Thompson, Buenos Aires

Argentina was brought to a standstill yesterday by the 24-hour general strike called by the two union confederations. Coming hard on the heels of the arrest of Señor Julio González del Solar, the president of the Central Bank, and during a foreign payments crisis, the strike has increased concern at a growing power vacuum just over three weeks before the October 30 general election.

The trade unions had been threatening to call a strike since the middle of last month, but with the top leaders closely associated with the Peronist Party's electoral campaign, they did not want to rock the boat so soon before the polls.

Their hand was finally forced by a spectacular spread of unofficial and partial strikes late last month. Worried that they would lose the initiative, the union leaders pressed for the promised monthly wage increase of 12 per cent to be increased to 17 per cent, and for two earlier bonuses paid by the Government to be consolidated into the basic wage rate.

They also wanted wage increases in the last three months of the year to outstrip inflation by three percentage points.

Despite last minute efforts to avert the strike, the Govern-

ment was unable to meet the demands.

Transport in the main cities, the key to the success of the strike, ground to a halt at midnight on Monday. First indications yesterday were that the strike was 90 per cent effective, with only a few retail outlets open. Traffic in Buenos Aires was comparable with that on holidays or Sundays.

The Government, meanwhile, has a big political and foreign debt crisis on its hands. Señor González del Solar was arrested on the orders of Judge Federico Pinto Kramer, from a federal court in the provincial city of Río Gallegos, in Patagonia.

The judge held that Argentine law was broken by an agreement to reschedule the \$220m (about £147m) debts of Aerolíneas Argentinas, the state airline, which was signed in New York by the Central Bank president and other officials.

The Aerolíneas agreement was intended as "pilot" for the renegotiation of the debts of 31 other state companies, totalling approximately \$7,500m.

The judge has frozen all these negotiations, which are vital to the overall rescheduling of the estimated \$40,000m foreign debt. As a result, creditor banks

have issued a new deadline of October 17 for Argentina to resolve its financial chaos. The Central Bank has put a stop to almost all foreign currency remittances, and the country is on the brink of defaulting.

Judge Pinto Kramer is known to have the support of the nationalist sector of the Air Force. Ranged against him are the Army and Navy leadership. Admiral Ruben Franco, the Navy commander, made his position clear by saying that cessation of payments could be catastrophic. A meeting of the military junta is due tomorrow, and there is likely to be a heated dispute over the crisis.

The opponents of Judge Pinto Kramer accuse him of taking an openly political stance. His objections to the extraneous jurisdiction clause in the debt renegotiation contracts is considered a mistaken interpretation of Argentine law.

Under this clause the borrower accepts the jurisdiction of New York state courts in any dispute over non-payment. Nationalist sectors say this affects national sovereignty. Their opponents point out that Argentina has accepted this clause in the past, and imposed it on other countries to which it has lent money.

'No invasion of Belize'

General Mejia (right) denied that Guatemala might have any intention of invading Belize. "There is no need if there are negotiations", he said. The prevailing view here is that Guatemala is too stretched by its war against the guerrillas to make a decisive move. But if British troops withdrew that would be a different matter. The claim to Belize is as fundamental as Argentina's claims to the Falklands.



Sinking feelings

Tam "Belgrano" Dalryll, the MP for West Lothian who has vigorously campaigned against the sinking of the Argentine warship since the Falklands campaign, heads the list of keep-fit fanatics at the Labour Party conference. In a manner reminiscent of his erstwhile colleague John Stonehouse, Dalryll, 51, enjoys plunging into the sea at Brighton, though he stays well in sight of the beach on account of the strong ebb tide. Some observers suspect however that he remains inshore for fear of submarines lurking within the local Sussex exclusion zone and plotting his course.

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The Daily Telegraph, Wednesday, October 5, 1983

7

SOUTH PACIFIC SHIPPING AID

By Our Shipping
Correspondent

The Common Market's investment bank is to make loans at an interest rate of 1 per cent. for the first nine years and 2 per cent. afterwards to help develop container shipping in the South Pacific.

The money is going to Fiji, Tonga, Papua New Guinea, Tuvalu, Western Samoa and Kiribati. It will be used as extra capital for Pacific Forum Line, the regional shipping company in which New Zealand, the Cook Islands and Nauru are the other shareholders.

Call to 'black' Falklands airport project

By Ivo Dawney, Labour Staff

THE TRANSPORT union will today urge its members to "black" the transportation of all building materials, equipment and personnel for the £215m Falkland Islands' airport project.

The action, called by Mr George Henderson, the Transport and General Workers' Union construction group secretary, is in protest at the terms and conditions being offered to construction workers.

So far, over 9,000 building workers have applied for work on the scheme, which at any one time will employ no more than 1,400 and will take 30 months to complete.

Details of contracts offered have not been released, but it is understood that they include annual salaries of between £10,000 and £12,000 paid tax free, a termination bonus, 36 days' annual holiday and food and accommodation paid by the company.

The men will be required to work 60-hour, six-day weeks and, on occasion, perform seven-day weeks when required for no extra payment.

Mr Henderson last night said these terms were "grossly inadequate" and not nearly comparable to rates paid on other overseas contracts.

THE GUARDIAN Wednesday October 5 1983

US eyes on Belize vacuum

By Greg Chamberlain

The Reagan Administration is likely to quickly fill any vacuum caused by a withdrawal of Britain's 1,800-strong garrison in Belize — a possibility raised by the apparent squabble between the Foreign Office and the Ministry of Defence in London about how long the force should stay.

The US would gain a new base from which to monitor leftwing guerrilla operations in Central America, but it would probably mean the end of Belize's days as almost the last area of peace in the region. Already, the former British colony is grappling with the problem of thousands of refugees.

Its Prime Minister, Mr

George Price, faced with possible invasion by neighbouring Guatemala over a territorial claim, has long urged Washington to provide military guarantees if Britain pulls out. He readily accepted US offers of military aid made when Belize became independent two years ago. Although weapons and equipment are still supplied by Britain, officers of the country's fledgling 1,000-strong army and small navy are being trained at the big US military college in Panama.

There are 22 accredited US diplomats in Belize, including three military attaches, compared with only five before independence. Because of constant public anxiety about the Guatemalan threat, the arrival of

any US troops is likely to be warmly welcomed.

But some local journalists have accused the US Ambassador, Mr Malcolm Barnebey, of meddling in the country's affairs and have suggested that the US had a hand in a split which has neutralised the country's biggest trade union, the left-led United General Workers' Union.

US pressure has certainly so far blocked efforts by the leftwing of the ruling People's United Party (PUP), to open trade and diplomatic links with Cuba.

More than 700 Gurkhas arrived in Belize yesterday for a six-month tour of duty. They replace the Second Battalion of the Parachute Regiment,

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EXCLUSIVE

Britain in secret moves on Falklands 'sell-out'

By JOHN ELLISON in London
and ROSS MARK in Washington

BRITISH officials are secretly preparing the groundwork for a deal with Argentina over the Falklands.

A new initiative is planned as soon as a civilian regime takes over from the military junta in Buenos Aires.

Any attempt to solve the Falklands conflict, which cost Britain 258 dead, will cause a rumpus in the Tory Party and bring allegations of "a sell-out."

Mrs Thatcher has still to give approval to the plan but her Govern-

OPINION: PAGE 8

ment is under intense pressure from Washington.

White House officials would not confirm last night that she was directly taxed over the Falklands issue when she was in Washington last week.

But a senior Presidential aide said: "We have made our concern about the situation very plain to her advisers."

Washington is insisting that the very existence of Argentina's first democratic Government in seven years, expected to take power in the

Falkland 'sell-out'

From Page One

New Year, could depend on a British deal.

Mrs Thatcher's "Fortress Falklands" policy is costing up to £1,000 million a year, and some of her Ministers are urging that any chance of solving the deadlock should be seized.

The cost could prove to be a political albatross at the next General Election, when euphoria over the South Atlantic victory might have worn thin.

There are also fears in both London and Washington that such a massive military commitment in the Southern Atlantic will place an unbearable strain on Britain's

defence budget and undermine the commitment to NATO.

There is no question of dealing with the present military junta, but the Foreign Office is actively supporting the idea of talks with new civilian rulers.

Friendship

Officials believe negotiations could be based on the Lisbon Declaration, a formula agreed between Britain and Spain as a framework for talks on the future status of Gibraltar.

If this was applied to the Falklands, each side would make a commitment to resolve the problem "in a spirit of friendship," which would mean Argentina ending the present "state of war."

Whitehall believe that a new civilian Government in Buenos Aires might be more ready to agree to a rational settlement than the military, which is still smarting from defeat.

No deal over the Falklands

WHenever the Foreign Office pokes its nose into affairs there is trouble. For Britain.

Now there is talk of "doing a deal" with Argentina over the Falklands. Of course it would be with a "democratic" Argentina. But how long would that "democracy" last? A week? A month? A year?

The Foreign Office helped to create the Falklands crisis in the first place. Its whingeing, weak-kneed attitude encouraged the Argentines to attack.

The superb skill and courage of our Servicemen rescued the Falklanders. And reversed a monstrous failure of will.

Whatever arrangements are made in the South Atlantic (and a communications arrangement with friendly Chile is an attractive alternative to any deal with Argentina) the Foreign Office must be watched carefully.

This Department has a flawed record. The FO has too often been the OF: the Office for Foreigners.

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DAILY TELEGRAPH
3 10 83

BRITAIN 'PLANS TO WITHDRAW FROM BELIZE'

By JOHN MILLER *Diplomatic Staff*

BRTAIN appears set to phase out next year its 1,800-man garrison in Belize, the former British colony in Central America claimed by neighbouring Guatemala.

The decision to withdraw from Belize was relayed to President Reagan by Mrs Thatcher in Washington last week when they discussed problems in Central America.

Reports from Washington said Mr Reagan was told Britain wanted to withdraw the garrison as it was an "anomaly" and in any case British forces had become overstretched because of the Falklands war.

The anomaly arises because Belize is a fully independent country and the British presence is due solely to threats of aggression by Guatemala which claims sovereignty over the whole of the territory.

Jets and tanks

The British force numbers between 1,400 and 1,800 servicemen and is backed by Harrier jumpjets, Puma helicopters, scorpion tanks and Rapier missiles.

Any British withdrawal would give rise to some concern in Washington because of the Reagan Administration's fears of Left-wing subversion, especially from Cuba, in the combustible Central American region.

Mr Reagan was reported to have told Mr George Price,

Prime Minister of Belize, earlier this year that he would urge Mrs Thatcher to maintain the garrison, and thus the stability.

British officials in London were declining to name the date of the withdrawal, and it may be that it has not yet been fixed. They pointed out that London said at the time of Belize independence in September 1981 that the troops would remain "for an appropriate period."

Territorial dispute

One Washington report said that Mrs Thatcher had assured Mr Reagan that there would be no withdrawal before the end of this year.

Britain and Guatemala have argued for a century over territorial rights to Belize, formerly British Honduras, with the dispute revolving originally over a road.

Last year Guatemala said several times that it would employ "peaceful means" to settle the dispute. Talks in January broke down after the Belizeans rejected Guatemala's proposal that they should cede the southern part of the country.

Study claims that garrison will cost far more than estimated

Nott 'horrified' at Falklands defence policy

By Richard Norton-Taylor

Maintaining a large garrison on the Falklands was a nonsense, Sir John Nott, the former Defence Secretary, said at the weekend.

He told the *Guardian*: "What I deplore so much is that we simply cannot afford yet another peripheral defence commitment." Though he contemplated the prospect with horror, he could not see a way out of it.

Britain's military presence in the area should ideally be limited to a minimal base on South Georgia which might be useful in view of potential economic interests in Antarctica.

Sir John also questioned Britain's enthusiasm for helping the US in its role as a world policeman. When in Cabinet he opposed sending any British troops to Lebanon.

But it is Sir John's view on the Falklands which will attract most attention because of his participation in the Falklands war cabinet and the criticism he faced by his decision when in office to cut down the navy's surface fleet.

His remarks also come at a time when the Government's official estimates of the cost of maintaining the Falklands garrison are being challenged by Bradford University's school of peace studies as being far too low.



Sir John Nott: "We cannot afford such a commitment"

Dr Paul Rogers, a senior lecturer at Bradford, says that the figure of about £250 million a year used by the Government is based purely on marginal costs — that is the extra cost, notably for fuel, of keeping troops and equipment in the South Atlantic, as opposed to their normal bases in Europe.

The true cost of running the garrison, he says, is close to £1,000 million a year. This does not include the cost of about £1,100 million a year over the next three years of replacing ships lost in the war and new capital equipment, such as radar and an airfield, invested in the islands.

Dr Rogers argues that the full cost of the forces deployed in the Falklands — including about a quarter of the navy's total destroyer and frigate fleet — must be taken into account since these forces cannot be used, if only by reason of distance, for other purposes such as the defence of Britain or Britain's commitment to Nato.

Sir John said it was not politically realistic for any government to negotiate with Argentina in the foreseeable future over the issue of sovereignty.

But he added that he had always taken the view, and he had done so during the conflict, that the only realistic solution had to be faced within the framework of an international arrangement protecting the interests of the islanders and at the same time recognising that there was an Argentine interest.

Sir John drew a distinction between an objective analysis and critique of Britain's present commitment in the South Atlantic and what was politically possible for the Government to do in the short term.

It is known that he had doubts about the plan to build a large airfield on the Falklands, though he recognises now that an airport equipped to take wide-bodied jets could lead to a reduction to the garrison there.

Thatcher tells US: We quit Belize

by Stephen Fay, Washington

BRITAIN is to withdraw its 1,800-strong garrison in Belize, in spite of the desire of President Reagan's administration that Mrs Margaret Thatcher should commit troops to the Central American former colony until the area is stable. In neighbouring Guatemala, governments have been claiming sovereignty over Belize since the middle of the last century.

The British decision to quit has caused considerable concern to the Reagan administration, for whom the turmoil in Central America, and the spread of left-wing insurgencies, have become a major preoccupation. State Department officials fear that once the British military presence has been

withdrawn from Belize, this small country of 150,000 people in a land area of 8,800 square

miles, could become yet another battleground in the struggle for control of Central America.

I understand that the timing of the British departure has not been fixed, but the prime minister would be impatient if the garrison was still in Belize much longer than a year from now. The only comfort Mrs Thatcher offered the President when they met at the White House on Thursday is that the withdrawal will not take place before Christmas, as the Americans feared it might.

The decision to retreat from Central America has been taken because British forces have become overstretched since the



Where the troops are

Falklands war. The commitment in Belize, made when the territory became independent in 1981, involves not only troops, but four Harrier jump jets, and eight pilots, and four Puma helicopters.

The Ministry of Defence

believes these pilots could be more usefully deployed elsewhere. This view has been reinforced by a fervent desire not to have British troops drawn into the Central American quagmire.

Mrs Thatcher assured presi-

Guatemala has recently scaled down its original demands and Britain hopes the dispute can be resolved within a year or so, but there are no illusions about the difficulty of reaching a binding agreement.

Some soldiers and RAF men who have served in Belize are less enthusiastic about withdrawal than the British government. It is useful for training, British officers have found many of the local people sympathetic, and Belize is warmer than northern Germany and less vicious than Northern Ireland.

dent Reagan that the British government does not wish to behave irresponsibly, but that British policy will not be governed by an open-ended commitment to support United States policy in Central America with troops on the ground.

In London, the foreign and commonwealth office said yesterday that Mrs Thatcher naturally would have discussed Belize and Guatemala while in Washington. A spokesman said there had been no change concerning the British garri-

son's commitment to remain in Belize for "an appropriate period." The spokesman was unable to define "appropriate".

British timber-cutters, looking for mahogany, first landed in Belize, site of an ancient Maya civilisation, in 1638. For nearly 200 years it administered as the colony of British Honduras. The British garrison acts as a back-up for the small, lightly armed local forces.

Guatemala's claim has little or no legal basis, and has never been recognised by any other government. On several occasions in recent years though, there have been aggressive mobilisations on the frontier, and semi-official threats of invasion. More recently officials representing the right-wing Guatemalan government has been expressing fears that Belize could become a Cuban bridge-head.

UK looks for U.S. support over Belize

By Stewart Fleming in Washington

THE BRITISH Government is seeking U.S. support for a political settlement of Guatemala's claims on Belize, the Central American enclave where a British garrison is still posted even though the country is now independent.

In her meetings with President Ronald Reagan in Washington last week, Mrs Margaret Thatcher, the British Prime Minister, is understood to have emphasised that the UK does not want to keep the garrison there indefinitely although she did not put any timetable forward.

Guatemala has territorial claims on Belize and it is feared that it might be tempted to step up pressure following a British withdrawal. The issue is a delicate one for President Reagan in view of the hostilities in Central America and the problems the Administration is having in following the policies it favours in its efforts to try and restore regional stability.

A Foreign and Commonwealth Office spokesman in London confirmed last night that Mrs Thatcher had discussed the Belize garrison with President Reagan. The spokesman said, however, that there was no change in the position established after Belize became independent in 1981. As the British Government said then, the garrison would remain for "an appropriate period." The spokesman declined to specify how long such a period might be.

Argentina stops foreign currency for trips abroad

BY PETER BAINS IN BUENOS AIRES

ARGENTINA's central bank has stopped selling foreign currency to citizens travelling abroad, and has tightened regulations for all other foreign payments.

The measures, announced at the weekend, are seen as an emergency move to safeguard dwindling foreign currency reserves. They have led to widespread fears that domestic industry will be starved of essential imports less than a month before the general election.

The Economy Ministry said that all operations involving remittance of foreign currency abroad, whether to pay for imports or for other reasons, must be re-submitted for authorisation.

The Union Industrial Argentina, the main industrial chamber, gave warning that the foreign debt crisis could quickly lead to major raw material shortages and a collapse in the tenuous recovery in manufacturing output registered in recent months.

The latest measures were preceded by growing caution among

the banks. None has been opening new letters of credit to finance imports for the last week.

There are also growing fears that the Government would be unable to resume renegotiation of public-sector company foreign debts, worth approximately \$7.5bn, before the October 17 deadline set by the creditor banks.

Negotiations on these debts, a vital part of the rescheduling of the country's total \$39bn (£26bn) debt, were frozen last week as a result of a court order.

Federal Judge Federico Pinto Kramer, who objects to the terms of the agreement to reschedule the \$220m debt of Aerolineas Argentinas, the state airline, has forced the authorities to stop talks.

The Aerolineas contract was to have been a model for renegotiation of the debts of 31 other state concerns.

The Government has appealed against the judge's decision, but legal experts do not expect a quick resolution. If Judge Pinto Kramer turns down the

appeal the authorities will try to take the matter to higher courts.

Before the deadline expires Argentina must repay \$300m to the syndicate of banks which put up a \$1.1bn bridging loan at the beginning of this year. It is unable to do this without disbursement by creditor banks of the first tranche of the \$1.5bn medium-term credit, worth \$500m, signed last month, or disbursement of the third tranche of the IMF stand-by credit, worth \$300m.

Both these disbursements are being held up. The \$500m payment has been made conditional on renegotiation of the public-sector company debts, now held up in the courts. The third tranche of the IMF facility is also delayed as fund officials investigate Argentina's third-quarter economic performance.

The severity of the debt crisis was underlined by figures which showed that Argentina's total currency reserves had fallen by \$678m in the past seven weeks. Overdue and unpaid interest on foreign debt is now estimated at \$1.1bn.

FINANCIAL TIMES 3 10 83

TIMES
3 10 83

US fears over defence of Belize

By Henry Stanhope
Diplomatic Correspondent

Fresh doubts over the future of Britain's garrison in Belize have been raised following last week's Washington talks between Mrs Margaret Thatcher and President Reagan.

The Prime Minister is reported to have worried the United States Administration by threatening to pull out the 1,800 troops and four Harrier strike aircraft within a year.

The Foreign Office last night agreed that the two heads of government would naturally have discussed the former British colony "in the context of Central America and recent events in Guatemala". But there was no change in the

British commitment to maintain the garrison for "an appropriate period".

Further clarification of the British position is likely to be sought by Mr Richard Stone, President Reagan's Special Envoy to Central America who will see Sir Geoffrey Howe the Foreign Secretary, in Whitehall this week at the start of a tour to explain American policy in the region.

Britain maintains the Belize garrison because of a continuing threat to the tiny Republic from neighbouring Guatemala which has laid claim to all or part of it for more than a century.

Attempts to reach a political settlement have failed and the latest official negotiations broke down early this year as soon as they started.

There is little doubt that the Government would like to withdraw, particularly now that the need to maintain a 4,000-strong garrison in the Falkland Islands is straining defence resources.

Argentine quits over amnesty

Buenos Aires—Señor Luis Carlos Cabral, Argentina's Attorney General, has resigned in protest at the military Government's amnesty law (Andrew Thompson writes).

The law, which grants immunity from prosecution to those involved in political crimes over the last 10 years, has been rejected by the political parties and questioned by many judges, opposition leaders and human rights groups.

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Steel joins protest at Thatcher speech

By Our Foreign Staff

Mr David Steel, the Liberal leader, last night joined Mr Denis Healey, the shadow Foreign Secretary, in condemning Mrs Margaret Thatcher's blistering attack on Soviet tyranny in a speech in Washington on Thursday.

Speaking in The Hague at a meeting of European Liberals, Mr Steel bluntly denounced Mrs Thatcher's "ridiculous posturings" in Washington.

While one should not be blind to the true nature of the Soviet regime, he said, "a stream of Cold War rhetoric is a positive hindrance at this crucial stage in the Geneva disarmament talks".

He told his European fellow Liberals that Mrs Thatcher's approach was "Destructive rather than constructive. Her apparent fervour for a new generation of American and British nuclear missiles regardless - with no acceptance that Britain herself might play some part in the disarmament process - is a mean and dismal contribution."

"By inciting President Reagan's prejudices, by seeking discord and disharmony, she undermines the cautious optimism felt by other Europeans for a satisfactory outcome to the Geneva talks", he concluded.

Earlier, Mr Healey described Mrs Thatcher in London as "an ignorant and opinionated demagogue" whose speech he found "deeply disturbing and indeed dangerous".

He accused the Prime Minister of deliberately seeking to "torpedo" the Geneva talks in

order to assure the deployment of cruise missiles in Britain.

Mr Matthew Paris, Conservative MP for West Derbyshire, was the first to criticize Mrs Thatcher's speech from the Conservative side last night. He told his constituents that he had heard her speech with disquiet.

"We are used to the intemperate rhetoric of the Kremlin and discount it. The world is less used to hearing aggressive language from Britain and will not discount it. There is a danger that both sides will talk themselves into believing that conflict is inevitable," he added.

Meanwhile, Mrs Thatcher ended her North American tour with a brief stop-over in New York yesterday during which she had talks with Mrs Indira Gandhi, the Indian Prime Minister, and Señor Javier Pérez de Cuéllar, the United Nations Secretary-General.

Mrs Gandhi took the opportunity to brief Mrs Thatcher on the informal discussions among the 20 heads of state and government during a two-day session at the United Nations, which was chaired by her.

Mrs Thatcher's talks with Señor Pérez de Cuéllar focused on Lebanon, Afghanistan and Namibia issues.

The Secretary-General also raised the Falklands issue and reminded the Prime Minister that he had a mandate from the UN General Assembly to bring the two sides to the negotiating table.

UN summit, page 5
Leading article, page 9

Falklands troops hit by shell

An inquiry started yesterday in the Falkland Islands into the woundings of four soldiers, two seriously, by a shell during joint infantry and artillery exercises.

Ministry of Defence officials in Port Stanley said last night it was not known whether the shell fell short or the soldiers were ahead of their correct position.

The two seriously injured men are Sergeant Stephen Kelly, of the 1st Battalion, King's Own Border Regiment, who suffered blast injuries to the thigh and shrapnel wounds in the hand, and Private Anthony Brown, of the 2nd Battalion, Light Infantry, who broke a leg and suffered shrapnel wounds.

Jobs to go at Crown Agents

The Crown Agents are planning to shed at least a quarter of their 1,200 permanent staff in an attempt to survive a financial crisis which is threatening their future.

Civil Service unions have been told that 300 to 400 jobs must go after the sudden loss in July of the agents' long-standing role as investment managers to the Sultan of Brunei.

The agents, who were established 150 years ago, provide a range of procurement, engineering and contractual services for foreign governments. Managing the Sultan of Brunei's £3,000m investment portfolio was their single most profitable activity.

Last year they had a deficit after tax and interest payments of £640,000.

Argentina's creditors are hit by court order

From Andrew Thompson, Buenos Aires

A court order imposing a "freeze" on the renegotiation of Argentina's public sector foreign debt has brought the country into deadlock with foreign creditor banks, led to serious disagreements within the military junta and forced the authorities to deny rumours of the resignation of Señor Jorge Wehbe, the Economy Minister.

The order was issued by Señor Federico Pinto Kramer, a federal judge from the province of Santa Cruz. The judge objects to the terms of an agreement to reschedule the \$220m (£147m) foreign debt of Aerolíneas Argentinas, the state airline, which was signed earlier this month.

The agreement was intended as a model for the renegotiation of remaining public sector foreign debt, which totals approximately \$7.5 billion a large portion of the country's total debts of \$40 billion. Judge Pinto Kramer's decision effectively freezes any further renegotiations.

As a result, foreign creditor banks have decided to postpone payment of \$500m, the first tranche of a \$1.5 billion medium-term, credit signed in August. Also delayed is payment of the third tranche of the International Monetary Fund's stand-by credit, worth approximately \$300m.

The banks have set October 17 as the new deadline for Argentina to sort out its internal legal problems. In the interim, Argentina is close to a technical default.

Judge Pinto Kramer's initiative is supported by the Air Force and criticized by the Army and Navy High Command, who complain that it is putting the country's international payments at risk.

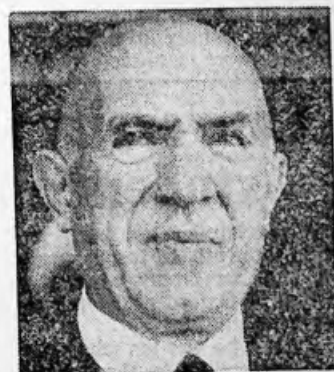
The Government is expected to appeal against the order, but has been forced to honour it in the meantime. As a result the Central Bank has had to stop authorizing foreign payments.

The judge's initiative sabotaged the whole debt renegotiating strategy carried out by Señor Wehbe and Señor Julio Gonzalez del Solar, the Central Bank President.

● **Jail demand:** An Argentine federal prosecutor has requested that Admiral Emilio Massera, a former Navy commander and junta member, be sentenced to five years in jail.

Admiral Massera was arrested earlier this year and charged with involvement in the "disappearance" of a businessman in 1977. The prosecutor asked a federal judge to jail him for "withholding evidence" and failing to report a crime.

Human rights groups accuse the retired admiral, who was one of the leaders of the 1976 military coup, of responsibility for the torture and deaths of political opponents.



Señor Wehbe: Economic strategy sabotaged.

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Move on Falklands ships

By a Staff Reporter

The Government yesterday said it would give serious consideration to demands by the National Union of Seamen for an end to the chartering of foreign ships for supplying the Falklands garrison.

The announcement followed a meeting between the NUS and Lord Trefgarne, junior minister for the armed forces, about the future role of the British merchant service in the Falklands.

Mr Jim Slater, the NUS general secretary, welcomed

the Government's attitude. "The fact that they will give it serious consideration does indicate that there could be an opening for more British seamen who are unemployed to get work," he said.

The NUS is concerned that an increasing number of foreign vessels, particularly Dutch and Danish, are being used as supply ships at a time when around 19 per cent of the British fleet is laid up and more than 1,600 seamen on the merchant navy shipping register are without work.

MAIL ON SUNDAY 2 10 83

Islands pay battle

A BITTER pay row is threatening the annual sheep shearing in the Falklands.

The island's General Employees' Union may strike to force farm owners to restore an automatic annual rise linked to the cost of living.

The rise was slashed by half last year, just before the Argentine invasion.

The farm owners, many of

FALKLANDS

whom live in Britain, say there is not enough profit in sheep farming to pay the cost-of-living rise in full.

● The Defence Ministry has recently ordered a multi-million pound floating jetty to improve docking and storage facilities in Port Stanley.

OBSERVER 2 10 83

Falklands port

A MULTI-million pound 'instant port' contract for the Falklands has been awarded to ITM (Offshore) by the Ministry of Defence. Six large flat-topped barges will be moored in the shallow Port Stanley harbour, providing a new jetty to handle the heavy cargo expected as work begins on the new airfield. Additional accom-

modation and storage will also be created. All the construction will be done in Britain, principally in Belfast and Tyne and Wear, with some assembly work on site at Port Stanley. The MoD claims that the cost of the project will be recouped within three years by freeing charter storage ships and easing cargo transfers.

DAILY TELEGRAPH 1 10 83

SHELL DROPPED SHORT IN FALKLANDS

The Ministry of Defence yesterday confirmed that the four soldiers injured on Thursday on a Falklands firing range were the victims of a shell-blast. According to latest reports from Port Stanley a 105mm shell dropped short of its target.

Sgt Stephen Kelly, of the Kings' Own Border Regt, was "very seriously injured."

Pte Anthony Brown, from Washington, Tyne and Wear, sustained a broken leg and multiple shrapnel wounds. Two other members of the 2nd Light Infantry, Pte Hugh Collombe, from Hereford, and Cpl Kevin Bulmer, from Weeton, Lancashire, sustained minor injuries.

UK squeezes aid to Brazil

from HUGH O'SHAUGHNESSY in Washington

BRITAIN is resisting intense US pressure and withholding financial aid from the hard-pressed Brazilian Government in a bid to acquire landing rights for aircraft flying to the Falklands, according to senior bankers in Washington.

Alarmed by Brazil's deteriorating financial position and the prospect of a severe shock to the world banking system if the country cannot, or will not, pay its international debts, US officials have for months been pressing Western governments and international bodies like the World Bank to lend big sums to Brazil.

Their efforts were crowned with success last Monday when it was announced here that the Brazilians were to receive \$1bn (£730 million) in one of the largest financial rescue operations ever put together for one country.

The British Government was virtually alone among NATO Western governments in not contributing new funds to this rescue.

Mrs Thatcher has several times this year privately

expressed her determination to make Brazil pay the price of having borrowed too freely abroad.

According to banking sources, Britain is seeking a commitment from Brazil that it will grant landing rights for British aircraft flying to and from the Falklands before the British Government will change its mind and loosen its purse strings.

Until the new airport at Stanley comes into operation in 1985 aircraft on the leg between Ascension Island and Port Stanley have to be refuelled twice in the air because of the lack of any refuelling stop on the South American mainland.

Under urgent prompting from Argentina, Brazil has consistently refused to give Britain landing rights, except in cases of extreme emergency when lives and aircraft are in danger. Earlier this year Brazil promised the Buenos Aires regime that it would enforce the conditions more strictly.

The British refusal to lend more money to Brazil is in contrast to its decision earlier this year to help in a financial bailing out operation for Argentina.

Debts freeze call, page 17

FINANCIAL TIMES

1 10 83

Diplomacy

From Mr J. Dodwell

Sir,—Why is it that Malcolm Rutherford (September 22) again argues that Britain should cede sovereignty over the Falklands? Has he not considered the possibility of Argentina giving up its spurious claim to land which it has never peopled? Has he so little regard for the principle of self-determination or does he believe that principles have no role in international politics?

His comments about the Foreign Office's earlier attempts at negotiation betray Mr Rutherford's lack of understanding about those negotiations. Over the last ten years before the outbreak of war, the concessions were all one-sided from Britain. Does he not consider that for negotiations to be successfully concluded requires some give from Argentina—which has been signally unforthcoming?

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