

JOCK BRUCE-GARDYNE

'Our money back' could cost us dear

LAST Friday's Anglo-French get-together seems to have been long on charm and short on substance. Maybe that was inevitable. But is there not a whiff of the Falklands about the progress of our plans to cut the European Community's grain silos down to size?

For years before the Falklands invasion the Foreign Office tried to do a deal with the Argentines. But every time it was met by cries of derision and dissent. It was trying to dump a land of loyal Brits to placate a bunch of foreigners. The Argentines didn't give a damn about the Falklands; they were just a diversion from their little local political difficulties.

The Foreign Office knew better. It knew that the Argentines were pumped up to the point of imminent combustion. But it couldn't pass the message on, for fear lest that should appear to lend credence to the Buenos Aires claim upon the islands.

So it seems to be with "our money back". On this side of the English Channel it is too easily taken for granted that our inalienable right to pay a country member's subscription to the European Club was settled once for all at the Fontainebleau summit back in 1984. Once again, the Foreign Office knows better.

It knows that our partners, without exception, reckon that Fontainebleau was a rip-off. Yet the official British line is that there are really only two points in contention in the endless wranglings over cash in Brussels. One is money for the farmers, and the other is the size of the membership subscription.

The good guys (us, of course, the Dutch, the Belgians—maybe—and the European Commission—again, maybe) are determined to block any

increase in the sub unless and until the spendthrift farmers are really brought to book. The bad guys, led by the Germans, are—well, bad guys. "Our money back" does not come into it.

But of course it does. And the Germans, determined at all costs to make the rest of Europe prop up their allotment farmers, are equally determined to rub our noses in the expense of our budget rebate.

The Falklanders have cost us billions. "Our money back" could, paradoxically, cost us billions more. Particularly if our resulting failure to get to grips with the community's propensity to shed its load of surpluses on every global highway drives the Americans to retaliate. As it might.

Space salesman

AS BEFITS the son of a celebrated Polar explorer, Lord Shackleton has his eyes on the wide blue yonder.

He has done pioneering work on projects to maintain the 1,500 Falklanders in the style of life to which they are accustomed—at a cost per job to the British taxpayer which would make the Department of Industry gasp. If they haven't yet erected a statue to his Lordship in Port Stanley, it's high time they rectified the omission. Now he's gone into orbit.

"The development of space is... a great adventure and act of faith," he informed us last week. By the sounds of it, Comrade Yuri Romanenko would say: "Amen" to that—if he were in a position to say anything at all.

Alas! Lord Shackleton is up against more horrendous barriers than those encountered by his father's polar expeditions. For the Government has failed to "enunciate a space policy". The British National Space Centre had drawn up a "space

plan": Lord Shackleton and his colleagues from the House of Lords Science and Technology sub-committee were not even allowed to see this magic document.

To one who shared in the reflected glory of George Brown's National Plan in 1965, this was evidently a harrowing experience. For the "space plan" presumably contained, on the lines of George Brown's original, a checklist of planets to be visited, and the timescale. And they weren't allowed to see it.

"The case for space", Lord Shackleton and friends concluded, is that "it inspires enthusiasm and it carries prestige." Another distinguished political punter with the public purse from the post-war years, Oliver Lyttelton, once remarked that: "Prestige is another word for wasting money." Like Lord Shackleton, he knew what he was talking about.

O B S E S S I O N S

THE END OF THE WORLD IS NIGH

Just another four
countries to go and John
Todd achieves his
ambition – to visit all 308
countries in the world.
And then where will the
man who has been
everywhere go next?

At the age of 18 John Todd had barely been outside his native Northern Ireland, the exception being a schoolboy excursion to France and Germany. Twenty years later he's within reach of his ambition of becoming the first person to visit every country in the world.

Next month he sets off on a mail boat for Ascension Island, Tristan da Cunha and St Helena, a five-week journey which will bring his total to 304, leaving only the Falklands and the Indian Ocean islands of Diego Garcia, Midway and Wake to complete the set. He's taken 1,692 flights, travelled an estimated 1,140,000 miles and in 1986, his best year yet, entered 96 countries, 40 of them previously unvisited.

'I'm one of the four most travelled people in the world today,' says the modest Ulsterman who, within days of our interview, was to call up and apologise for a broken dinner engagement because he was off to the South

Pole. 'According to the Travelers' Century Club of Los Angeles I'm already the most travelled in Britain and Europe. They made me an award after I passed 250 but by then I'd already got 280.'

Those who do hit 280 places, and have chunky 92-page passports, encounter extraordinary problems in reaching the magic 308. Remote islands given over to military use require top-level permission to set foot on. Only one boat a year visits Tristan da Cunha, and the Antarctic is inconveniently divided into nine territories which can take years of separate entries on supply vessels to conquer. To complicate matters further, departure dates for these un-inhabited parts often clash, requiring your rate to slow down to one new territory a year.

The *Guinness Book of Records* lists an American schoolteacher, who died in 1977, as its record ►

REPORT BY STEVE TURNER

PICTURE BY STEVE LYNE



< holder. Yet the French Antarctic and North Korea eluded him. G Parke Thompson, a retired attorney from Akron, Ohio, the current Travelers' Century Club record holder, is missing four Antarctic territories.

John Todd, who's a combination of travel consultant, writer and film-maker, appears surprised to find himself a contender for the world title. Most of his travel has been a mixture of personal curiosity and business. 'It wasn't until 1982 that I found out that purely because of the travel I'd done for other purposes I was actually very high in the world standing,' he says. 'I suppose it was when I discovered this that I began to make a conscious effort to add countries.'

It all started when he was studying English at St Andrews University in Scotland. On his first summer vacation (in 1969) he worked in Manhattan and saved enough money to visit Japan the following year. While in Japan he advertised English lessons in a butcher's shop window and ended up teaching everyone from pre-school children to air traffic controllers. With that income he took off for Thailand, Burma and 14 other countries.

'I ended up right next to Vietnam and Cambodia and, as a curious 20-year-old, I thought it would be fascinating to see what Vietnam was like,' he says. 'The war was going on and it was difficult to get permission but I finally got a transit visa. That's where I learned some of the tricks of being able to go into a country for a short time. They're usually more relaxed if they think you're on your way to somewhere else.'

After completing postgraduate work at

Oxford in 1974, he took nine months off before starting work as a BBC trainee. In that time he made a visit to Australia - via all the Caribbean islands, Central America, Tahiti and New Zealand. He travelled through El Salvador and Nicaragua by bus, trekked through the jungles of Guyana and took the first Jamaican commercial flight to Cuba since the revolution.

The bulk of his mileage was built up 'on the cheap', taking buses, trains and boats wherever possible and staying with friends and acquaintances. 'You need time to travel more than you need money,' he says. 'With unlimited time you can travel very reasonably. Anyone can do it. You should travel while you're young and take the cheapest route. It'll often be the longest but you'll get to meet more people.'

Travelling so extensively exposes you to a comprehensive range of mishaps and disasters. He's been caught up in a typhoon in a boat off the coast of Japan, subjected to severe turbulence over Saudi Arabia, shaken by an earthquake in California, shot at in Belfast and has twice been robbed on European ferries.

But, in the end, isn't it all a bit like touching rounders posts? Does he ever actually get to see the places he visits? 'Inevitably if you've been to over 300 countries there will be 30 or 40 in which you've not spent much time,' he admits. 'But the main reason for this is not through participating in some crazy race but scheduling. If you take a plane or boat to a remote place you normally have the choice of returning within a couple of hours or staying for a month or even longer.'

When I visited Pitcairn my choice was two days or waiting for the next boat which would have been in six months' time.

What motivates him to cross borders continually, to visit places such as Funafuti, Yap, Sao Tome and Fernando Poo Island, territories which most of us didn't even know existed? He puts it down partly to his Celtic ancestry; the urge to move away and make good. Then there was the magic of childhood literature where bold servants of the Empire battled with harsh climates and restless natives. 'I wanted to come to terms with those romantic names,' he says. 'I would hear about people going up the Irrawaddy River and the Khyber Pass. I was attracted by strange sounding names and faraway places.'

If he bags his 308 then travelling will take on a different hue. 'After having been everywhere there'll be an opportunity to be very selective about where I return and where I choose to stay for longer periods,' he says.

If he has an open ticket and time to spare he'll most likely take off with his American wife Shelly and their small son to the Pacific islands. He talks about Micronesia, Tokelau, Lord Howe and Norfolk Islands with great affection. 'They're set in a time warp.'

It's difficult to imagine him remaining in his carpet slippers for too long but he argues that at heart he's a home-loving man, even more so since his marriage in 1984. 'Home is an oasis of calm,' he says. 'I try to keep my trips down to less than two weeks because if they're any longer it becomes really hard to adjust back to normality. I love it at home though. The more you travel, the more you love being at home.'

1988

Call to preserve ship from Falklands war

By Alan Hamilton

Less than six years after the event, moves are afoot to rescue one of the ships of the Falklands task force as a museum piece. The problem is which one, and where she should spend her retirement.

A group of warship enthusiasts, led by Sir Philip Goodhart, MP, have launched the Warship Preservation Trust with the aim of awakening public and government interest in saving a selection of present-day ships from the breaker's yard.

With almost no examples left of British naval power in two world wars, the trust has turned its attention to preserving a vessel from the Royal Navy's last major theatre of active service.

The choice, Sir Philip admitted, is limited. HMS Hermes has been sold to India, and HMS Invincible, still on active service, is probably too big to be run as a viable tourist attraction when she is finally retired.

The trust wants a more modest vessel, a frigate or destroyer that sailed to the South Atlantic, to be preserved, and it wants it in Portsmouth, from where the task force sailed and where the Mary Rose, HMS Victory, and the first ironclad battleship, HMS Warrior, dating from 1860, already form the nucleus of a naval heritage park.

Some recent warship restoration projects, including HMS

Warrior, have been supported by English Heritage and the National Heritage Memorial Fund, but both bodies, according to the trust, are becoming increasingly reluctant to fund such ventures.

Other vessels on which the trust has its eye, in the hope of preserving them, are two early nineteenth century frigates, the Gannet, currently lying at Chatham, and the Foudroyant, at Hartlepool; both need an estimated £3 million spent on them.

Sitting in Belfast Harbour is HMS Caroline, the last survivor of the Battle of Jutland, currently in good condition and occupied by the Royal Naval Reserve; the trust would like to see it moved to Portsmouth when it becomes vacant, but there is a strong lobby which wants it kept in Northern Ireland.

The trust would also like to see the preservation of HMS Dreadnought, Britain's first nuclear submarine, lying in decommissioned limbo at Rosyth in Scotland while the Navy works out how to break up a radioactive hull.

A voluntary group in Portsmouth wants to preserve HMS Bronington, the last wooden-hulled ship in the Royal Navy which was briefly commanded by the Prince of Wales and which is scheduled for retirement this year.

Argentina contacts plan fails

By Andrew McEwen
Diplomatic Correspondent

A year after Britain began exchanging secret indirect messages with Argentina, it has become clear the contacts are not achieving their aim.

Whitehall hoped that the two countries could leave the Falklands sovereignty issue on one side and begin a slow normalization of relations. But there is now disappointment at the Foreign Office and a growing realization the plan will not work.

The latest exchange of messages, via the US State Department, dispelled hopes that Buenos Aires might be ready to allow British companies to do business in Argentina.

Some progress has been made on the issue of avoiding military clashes in South Atlantic fishing zones. But it is clear that Argentina wants no further normalization unless Britain agrees to talks on an open agenda.

The Whitehall view is that this will remain politically unthinkable for the foreseeable future because an open agenda would implicitly include sovereignty.

Mr George Foulkes, a Labour foreign affairs spokesman, said yesterday: "They think they are in danger of giving the UK everything it wants on trade, moving towards normalization without Britain making any concessions."

He believes the Argentine Government would accept an arrangement similar to that reached with Spain over Gibraltar. Under the 1984 Brussels Agreement, British and Spanish ministers meet regularly.

● **BUENOS AIRES:** The former Lieutenant Alejandro Maguire, who pointed a pistol at journalists last month and threatened to shoot them for following the rebel colonel, Señor Aldo Rico, has been dismissed from the Army, officials said.

Alfonsin battles to keep the balance

Robert Graham reports on Argentina after the second
failed military rebellion in nine months

PRESIDENT Raul Alfonsin has hooked his credibility to a ringing sentence uttered in the aftermath of last week's military rebellion. "We have once again put the house in order," he said reassuringly.

But he needs to do a lot more reassuring, both at home and abroad, after the 36-hour rebellion that was crushed on January 18. It was the second such uprising in nine months and came as his popularity was being eroded by divisions within his Radical Party and by his Government's repeated failures to grapple with Argentina's stagnant, debt-ridden economy.

Today, Argentines are no longer nervously listening to their transistors and those that can keep abreast of inflation have resumed summer beach life. The leader of the rebellion, ex-Colonel Aldo Rico, who boasted that "a soldier does not negotiate, a soldier fights," has surrendered; and the army high command has detained those responsible, in the biggest purge of the officer corps for more than 25 years.

All the same, Mr Alfonsin cannot slip easily into a mid-summer snooze. Political cartoonists in Buenos Aires have been portraying him as a haunted sleeper - menaced by a clutch of political, military and economic spectres, including Col Rico, the Peronist opposition and the IMF.

Col Rico was a spectre on a return visit. As well as leading this month's rebellion, he also instigated the uprising last Easter and should have been behind bars. Instead he was able to escape from house arrest in a Buenos Aires country club to the garrison town of Monte Caseros, 380 miles north of the capital. From there he demanded a shake-up of the army high command and a vindication of the military's role during the "Dirty War" against the Left (1976-82).

These, he insisted, were purely military demands. But if he had been successful, Col Rico would have split the military establishment, taken all credibility from President Alfonsin and dealt a body blow to democracy.

This last is the most important aspect. Democracy has been consolidated - since the junta ceded power after the 1982 Falklands debacle - by the military accepting civilian authority. President Alfonsin solved the problem of getting democracy accepted by the higher ranks by forcing the generals to retire, or by arraigning the principal junta figures. What has been more complicated has been the handling of those who could not be so easily retired: the middle-rank and junior officers and NCOs who grew up under the Dirty War. Even if, like Col Rico, they took no direct part in the Dirty War itself, they were often embittered by their superiors' incompetent handling of the Falklands conflict.

These are men who have lost most in the new democratic order. Their privileges are reduced, and they have been cold-shouldered by much of the public. Their dissatisfaction has spawned a bitterness similar to that which nurtured the Organisation de

l'Armée Secrète (OAS) among the French in Algeria. Col Rico possesses many of the attributes of an OAS diehard, down to his "poor white" background (his father was a bar-owner in Buenos Aires suburb).

Col Rico and the commandos he led suffered from a particular problem. They were victims of Argentina's need to create heroes after the Falklands defeat - popularly seen as men of action able to take the initiative. Their self-importance was swollen by the outcome of the rebellion last Easter when Col Rico took over the main infantry barracks outside Buenos Aires, and his fellow officers refused to act against him.

Although President Alfonsín said no deal had been

Rico was a victim of Argentina's need for heroes after the Falklands defeat

made to end last year's rebellion, events quickly proved otherwise. A law was introduced acknowledging the principle of obeying superior orders as a defence in cases of human rights abuses committed under the juntas. This reduced the number of middle-ranking and junior officers liable to trial from 400 to some 60. In addition, a number of unpopular generals were retired, military pay was increased and the rebels themselves were treated lightly.

These concessions contributed to the outbreak of the second rebellion, but at the same time they weakened it. Mr Jose Ignacio Lopez, the presidential spokesman, gives several reasons for the failure of the second uprising:

- The concessions made last Easter satisfied the bulk of the armed forces.

- General Jose Dante Caridi, the army chief of staff, reposted a number of the key dissidents after the Easter rebellion, neutralising their effectiveness. He also promoted loyalists - for exam-

ple, Gen Juan Ramon Mabragana, who led the armoured thrust on Monte Caseros forcing Col Rico's surrender, was a colonel only nine months ago.

- Col Rico revealed weakness by establishing his base at Monte Caseros, rather than in the capital, and then allowing himself to be manoeuvred into firing first on his fellow soldiers.

A significant indicator of the rebellion's failure was the way the citizens of Monte Caseros applauded a liberating column of loyal troops. In a nation where soldiers have been seen as oppressors, the idea that they might be on the side of the people is startling. "This aspect of the rebellion, that there are loyal troops backing the democratic order, provides a means to build a bridge between the military and the rest of society," says Mr Marcelo Stübrin, a leading Radical deputy.

The Government was quick to capitalise on the failure of the rebellion, detaining 328 officers and NCOs (from an army total of 15,000). These formed a coherent ideological group within the army, not affecting the other two service arms. If the Government's pledge of stiff punishment holds good, the armed forces will be more homogenous.

The military influence in politics remains, however, an issue. Mr Alfonsín's critics are concerned about the attitudes of "loyal" officers. During the rebellion, President Alfonsín resisted pressure from within his party to negotiate and let Gen Caridi take charge, to show that it was solely a military affair. The Mothers of Plaza de Mayo, a human rights group, say that the resolution of the January crisis was phoney. They fear that Gen Caridi will seek, as a quid pro quo for his loyalty, an amnesty for all those involved in the Dirty War and a cancellation of the pending human rights cases.

Close associates of Mr Alfonsín insist such a concession would be politically impossible for him. Col Rico's

demand was for a shake-up of the army high command, including the army chief of staff. Gen Caridi was therefore acting primarily to save his own credibility and position; the president owes him no debt.

These criticisms aside, the resounding defeat of the rebellion has certainly helped Mr Alfonsín with his political problems. In the short term, political commentators believe the president has recovered much of the ground lost after last year's rebellion. The concessions made then led to a poor performance by the Radicals in last year's mid-term parliamentary elections, and gains by the opposition Peronists. In the debate surrounding this month's rebellion, the Peronists have not distinguished themselves, choosing to blame the Government for the uprising when they have done nothing but sit on the fence themselves.

The Peronists are divided on the extent to which they want to help President Alfonsín. The Peronist presidential hopeful, Mr Antonio Cafiero, is anxious to play a constructive role and is aware that forcing a political showdown would be counter-productive.

Mr Alfonsín can take only partial comfort from this opposition disarray. His term lasts until 1989, and the constitution prohibits a second, so he will soon become a lame-duck leader. His only way round this is to change the constitution, but his party is divided on the issue, as are the Peronists.

And the president is not only playing to a domestic audience: his Government's attempts to resolve the country's economic problems depend in large measure on the attitudes of Argentina's foreign creditors. Here, this month's rebellion has been little help to the country's image of stability - at a time when its external economic position is worse than at any time since the onset of the debt crisis.

The 1987 trade surplus slumped to below \$1bn (£580m) due to low prices for agricultural goods, which still account for 75 per cent of exports. Readily usable reserves are as low as \$500m. This year \$4.5bn is due to be paid out in debt service and on the most optimistic projections of the trade surplus, the country will need a minimum \$2bn in fresh money. The alternative is some form of debt moratorium, a route which has solved neither Brazil's nor Peru's problems.

Negotiations began this week in Washington with the International Monetary Fund on new financial aid, but the fund's demands are the same as when help was first sought in 1985: reduce inflation (now back up to 8 per cent a month) by cutting back the bloated public sector, raise utility tariffs and establish a more realistic exchange rate policy.

The blame lies less with the Government's policies than with their implementation, combined with the constant drain of funds caused by service of the \$54bn debt. The

unions, fighting to preserve real wages, have been recalcitrant in agreeing to a "social pact." Public spending has consistently overshot targets through the Government's inability to control the big, semi-autonomous state companies and the desire of both the Peronists and Radicals to foster patronage.

Mr Alfonsín apparently hopes to twist the arm of the international community on the grounds that a deteriorating economy imperils democracy. This weekend, in Madrid, he is due to sign a "solidarity agreement" with Spain, providing up to \$3bn over the next four years in financial aid, credits and investment.

This is a strange reversal of roles. Almost 40 years ago Peron came to the aid of an impoverished and isolated post-civil war Spain with a loan. Argentina was then 11th in the league of the world's wealthy countries. It is now almost 100th on the list.

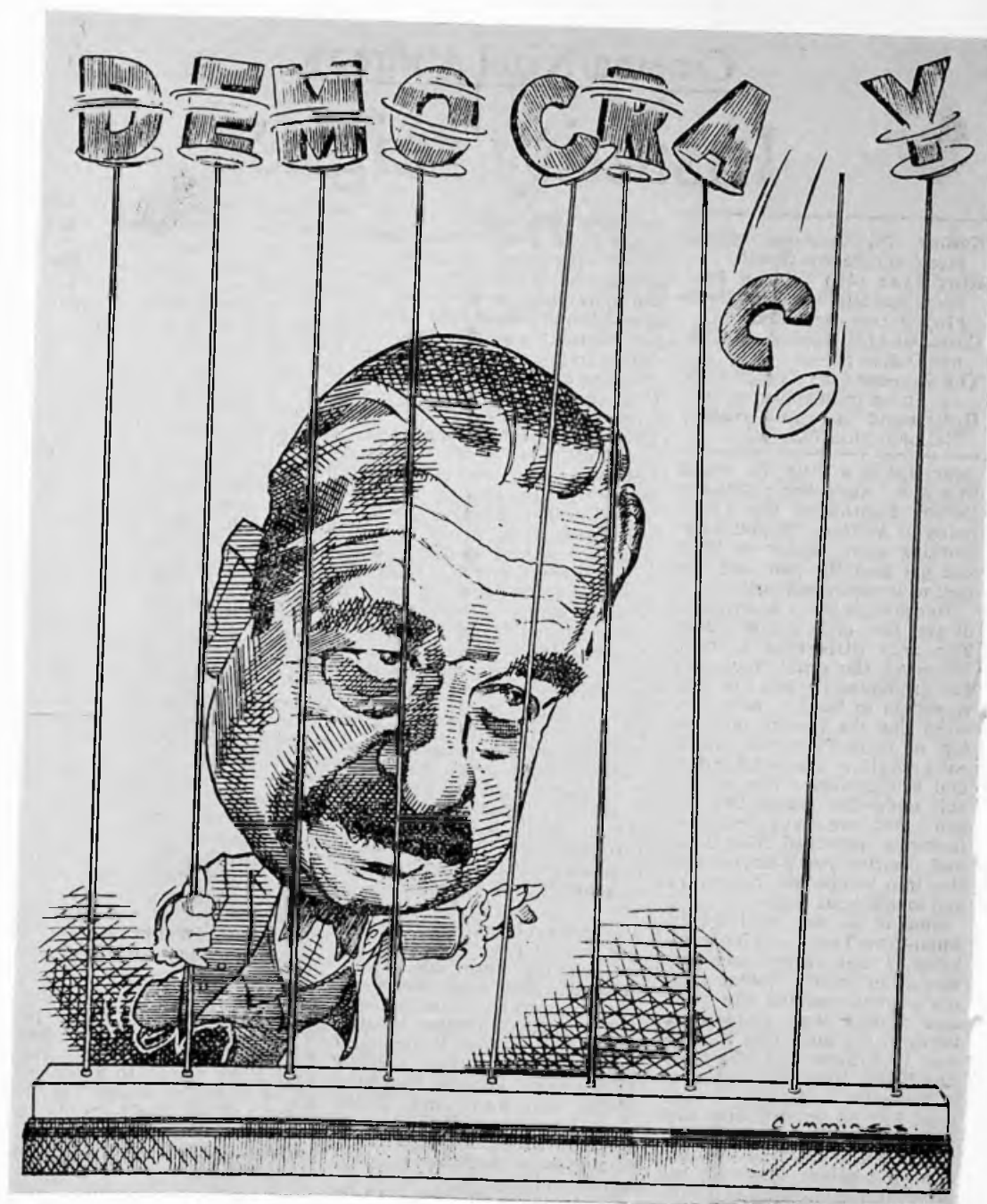
This comparison illustrates that, if Argentina's house is in order as President Alfonsín claims, he can only be referring to military matters. The economic house is still in disarray; the president's political position, though stronger, still suffers from inherent weaknesses; for the remainder of his term he will have to keep a wary eye on the military. None the less, Mr Alfonsín is right to find reassurance in the failure of the rebellion: though a bridge between civilians and the military cannot be built in such a short time, a start has been made.

Press Cuttings
from Broad Street Associates



29 JAN 1988

FINANCIAL TIMES



Plan to save Falklands warship as memorial

By John Petty, Shipping Correspondent

A PLAN to save one of the ships from the Falklands campaign as a memorial to the men who fought and died there, is one of the aims of the Warship Preservation Trust which was set up yesterday.

It also wants to explore the possibility of converting to museum-ships the light cruiser Caroline, which took part in the Battle of Jutland, and Britain's first Polaris submarine, Dreadnought.

The trust is being founded by Sir John Smith, Sir Philip Goodhart, MP, and Mr Tom Dulake following the ship preservation conference at the National Maritime Museum, Greenwich, last year.

Mr Dulake and Sir John were involved in rescuing Britain's first iron-clad warship, Warrior. Sir Philip, Conservative MP for Beckenham, has written books on historic warships.

Others backing the trust include Rear Adml Sir Morgan Morgan-Giles, who was instrumental in saving the cruiser Belfast, now in the Pool of London; Dr Neil Cossons, Director of the Science Museum and formerly in charge of the National Maritime Museum, and Lord Orr-Ewing, former Civil Lord of the Admiralty.

Sir Philip said that more than 40 warships were preserved and open to the public in the United States.

'Pension off Astiz' call flouted by navy chiefs

From Christopher Thomas, Buenos Aires

The Argentine Navy has ignored a recommendation by President Alfonsín that Lieutenant-Commander Alfredo Astiz, who has been linked to alleged atrocities during the "dirty war" of the late 1970s and early 1980s, should be forced to retire on half-pay.

Commander Astiz was promoted a month ago from the rank of lieutenant and is now assigned to a destroyer at a naval base 500 miles south of Buenos Aires.

As commander-in-chief of the armed forces, President Alfonsín had to clear Commander Astiz's promotion. He felt he had little choice: a military court had twice exonerated him over the murder in the 1970s of two French nuns and a Swedish teenager, all three of whom also had Argentine nationality.

Charges relating to other alleged atrocities were still pending against Commander Astiz, but a broad-based amnesty law — benefiting at least 400 officers — came into effect last year and cleared all legal cases against him. The amnesty introduced the concept of "due obedience", meaning that a lower-ranking officer could not be held culpable for actions carried out under orders.

Commander Astiz was in his top grade as a lieutenant and well overdue for promotion. In grudgingly giving approval just before Christmas, President Alfonsín simultaneously issued a strongly-worded recommendation that the Navy Promotions Board tell Commander Astiz, aged 35, that he was to retire immediately on a pension of 50 per cent of his salary.

The Navy is obviously foot-dragging. The next scheduled meeting of the Promotions Board is not for months and the admirals clearly do not want to take action against a man regarded within the military as something of a hero for his role in the "dirty war" in which at least 9,000 people disappeared.

Human rights activists regard Commander Astiz as a

symbol of an official white-wash in which hundreds of officers have gone unpunished. The Swedish Government, in line with its tough stand on human rights issues, continues to demand justice. The French Government has been more circumspect, and the question was hardly broached when President Mitterrand visited Argentina last year.

Commander Astiz, who is unmarried, is on holiday at the moment. He has been seen in some of the seedy strip joints of Buenos Aires, although the Navy prefers him to keep out of sight. He has been quoted as saying that the "dirty war" was necessary to stop a left-wing guerrilla campaign that was bringing the country to its knees.

It is widely rumoured that Commander Astiz is so exhausted and demoralized by his long trials that he would like to get out of the Navy. His superiors, however, see him as a symbol of the armed forces' demand for exoneration over the "dirty war", on the ground that they did the country a great service by eliminating subversives.

Tucumán (AP) — Lieutenant-Colonel Angel Daniel León, one of the leaders of last week's three-day military rebellion, surrendered yesterday without incident to army officers in this northern Argentine city, the authorities said. He was the last fugitive sought in connection with the abortive uprising.

Commander Astiz was in charge of the Argentine commando force on South Georgia at the time of the Falklands crisis in 1982. He surrendered to British troops in May of that year and was taken briefly to Britain for questioning.

The British Government said he could not be extradited under bilateral agreements with France or Sweden and that keeping him in Britain would "serve no useful purpose".

It has been alleged that Dagmar Hagelin, a Swede, aged 17, was shot in the back by Commander Astiz at the Naval Mechanical School in Buenos Aires, a notorious torture centre during the "dirty war". Like the French nuns, Léonie Duquet and Alice Domon, she was seized in the street by a military snatch squad. Miss Hagelin was apparently the victim of mistaken identity.

A senior Western diplomat said Commander Astiz's activities during the "dirty war", although allegedly barbarous, were no worse than those of hundreds of colleagues. "But he had the misfortune to get involved in high-profile cases, because the victims had dual nationality."



Commander Astiz: Military see him as 'dirty war' hero.

FISHING NEWS
28 January 1988

Falklands meeting in early March

AN international meeting — Falklands Fishing in the Nineties' — is being staged in early March in the Falklands to discuss the future of the Islands' fishing revenue and the way in which the 150 mile zone is managed.

There is talk of creating a single government department to manage fisheries and the role of Stanley Fisheries will also be reviewed. At present, the fisheries department is primarily involved in policing the waters and in scientific research, at a cost of about £4m. a year.

The March meeting promises to be the biggest ever international gathering of its kind in the Falkland Islands and will also look at the long term prospects of stocks. Companies operating vessels in the area have been invited to attend the private meeting.

Eight Falklands licences had been taken up at the beginning of this week and the 1988 fishing season got underway and more boats are believed to be making their way to the South Atlantic in time for the start of the *Loligo* squid season on February 1.

The Falkland Islands government announced last week the allocation of 74 finfish licences for the first season and admitted that the number was limited on the grounds of conservation. A 90mm mesh rule will also be operational for the first time in Falklands waters on finfish.

Poland has picked up the highest number of finfish licences with 29, Spain has 24, Korea 11, British companies have eight and Portugal and Japan have one each. The Poles are already finfishing, said the Falklands London office last week.

The Islands' new London representative, Lewis Clifton, told *Fishing News* that preference was given first to Falkland Islanders applying for licences, then to companies operating joint venture schemes with the Falklands based Stanley Fisheries, then to British companies and countries with historic fishing rights in the area, such as Poland.

The Falklands get about £15m. from licence fees but the yearly value of the squid fishery is estimated to be £400m.

Lift-off for the troops of tomorrow

**ADELA GOOCH on the strategy behind
Britain's new airborne, anti-tank brigade**

NATO commanders have long acknowledged that they cannot hope to halt an invasion of northern Germany by digging in on the West German border. Faced with the superior firepower of the Warsaw Pact countries — a greater threat than ever since the signing of the INF Treaty — they have been developing a new strategy to cope with a surprise attack.

As part of it, the Ministry of Defence this week announced the formation of a new brigade specifically designed to delay a Soviet attack until the main armoured reserve could be brought to bear. It will be the first British brigade to combine an anti-tank role with the flexibility of helicopter transport.

Trials have been under way since the mid-1970s, involving 6 Armoured Brigade, part of 3 Armoured Division, to investigate the possibility of moving a force of significant size with all its weaponry by helicopter.

In the past four years these tests became more intensive as the Army evaluated the amount of equipment each soldier could

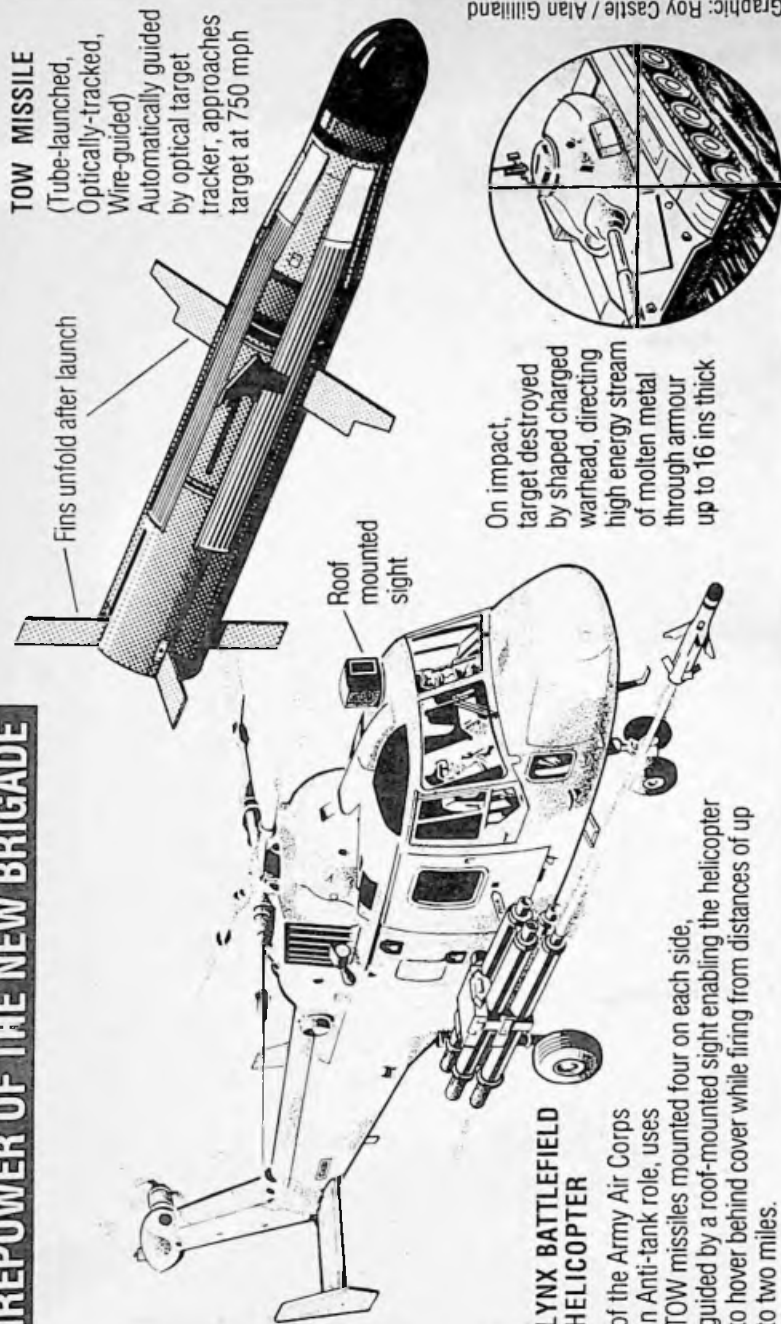
carry and the number of helicopters needed to transport the force. One soldier who took part said: "In the process of turning a land-based force to an air-mobile one, we were stripped of everything possible and left with just the key equipment: anti-tank guns, mortars and trailers."

But in military exercises these slimmed-down anti-tank teams proved extremely successful; especially when directing artillery fire. The Lynx helicopter used in the trials also turned in an excellent performance.

The positive result of the trials confirmed one of the lessons of the Falklands conflict: that the Army needed more helicopters, an area that Britain had neglected in comparison with the West German and United States forces, both of which have significant airlift capability.

The new force, to be organised from the 24 Infantry Brigade, based at Catterick, will resemble West Germany's Luftlande Brigade and the American Air Cavalry Regiments.

FIREPOWER OF THE NEW BRIGADE



It will be inaugurated in April and called the 24 Airborne Brigade, made up of the three battalions that at present comprise the 24 Infantry Brigade: the 1st The Prince of Wales Own Regiment of Yorkshire, the 3rd The Royal Regiment of Fusiliers and the 3rd battalion The Light Infantry — about 5,000 men in total.

It will not be until the end of the year, though, that the force becomes operational, partly because of a shortage of helicopters. It will need a total of 24 Lynxes, which will form part of the Army Air Corps. Sixteen were ordered last year and a further eight will be refurbished from the existing fleet.

The Lynxes will have a dual role: airlifting troops to wherever they are needed and then

leading the anti-tank attack. Each Lynx is armed with eight TOW missiles, an American system that was adapted for use on the Lynx to replace the older Scout. TOW missiles have a speed of 750 miles per hour, a maximum range of two miles, and can penetrate armour 16 inches thick.

Although the formation of the Airborne brigade has been greatly welcomed and will be filling a considerable gap in Britain's capabilities, doubts persist as to whether the provision for helicopters is large enough for it to be able to do its job effectively.

The Lynx can airlift only 10 men, so in the initial stages of an airborne operation back-up will be needed from the RAF squadrons that currently sup-

port 1 (BR) Corps, the main fighting formation of the British Army in West Germany.

Initially, Chinooks, which have a capacity for 44 fully-equipped soldiers, and the smaller Pumas, which carry 17, will be used. When the new EH101 helicopter enters service in about 10 years' time the Pumas will be phased out.

On land, the troops will rely on the Milan ground-launched missile system, which was developed jointly by France and West Germany and is built in Britain under licence. Details of how the force will operate have yet to be decided, but the current plan envisages the airlift of only two of the battalions, with the third travelling overland to join them.

Last week the Army lost a long campaign to be allowed to own all the helicopters it uses. The decision that the RAF should retain responsibility for the transport and support role was a severe disappointment. Many officers in the Army Air Corps felt it was the result of successful lobbying by the RAF and had been taken to avoid an inter-service row. The Falklands conflict in particular suggested that there had been a strong case for integrating all support helicopters under the army.

"The airborne brigade is a very welcome development, but there is a strong feeling that the helicopter control problem hasn't been solved," one defence expert said yesterday. The fear is that the brigade's performance may be marred as a result.

Daily Mail
27.1.88

Aspirin halves heart attacks

AN aspirin every other day almost halves the risk of a healthy person having a heart attack, according to a major study involving American doctors.

More than 22,000 of them volunteered for a study with such dramatic results that it was halted so they could be made immediately available to the rest of the medical profession.

Half the doctors, none of whom had suffered heart trouble, took a normal 325mg tablet of aspirin on alternate days. The other half were given placebos.

Among those who took aspirin there were five fatal heart attacks and 99 others. In the other group there were 18 fatal attacks and 171 others. The study had been intended to last until 1990.

From GEORGE GORDON
in New York

Another reason to halt it was so that the placebo group could switch to aspirin, saving lives.

Dr Charles Hennekens of Harvard, principal investigator in the research published today, said: 'The beneficial effects of aspirin were far greater than expected.'

It has been known for some time that aspirin can fend off further attacks from people already suffering heart trouble. But the new report suggests that it can reduce

ing and one of the risks is believed to be a greater chance of death from a stroke. Among the aspirin takers in the U.S. survey there were six fatal strokes against only two in the placebo group.

All the aspirin 'guinea pigs' were men. Women were not included because they are only 25 per cent as likely as men to have a heart attack and this would have required a much greater study group. But the survey chiefs say they have no reason to think women would respond differently to aspirin.

Dr Claude Lenfant, director of the U.S. national heart, lung and blood institute, echoed Dr MacMahon's warning that the report was not a sign for everyone to start taking aspirin. 'It should be used as a drug, not a panacea,' he said.

the risk to healthy people by 47 per cent.

A British survey to be published tomorrow, involving 5,000 doctors who took 500mg of aspirin daily for eight years, concludes that the drug made no difference to heart attack incidence.

However Dr Stephen MacMahon of Oxford University, where the survey was co-ordinated, said the numbers involved were too small to provide the same, conclusive evidence as the American report.

He added: 'These are encouraging results but are not a licence for everyone to start taking aspirin.'

Aspirin can cause stomach bleed-

The Times
27.1.88

Island hopper

Charles Kirke
(below), brings a
moth to light

A remarkable flightless moth, new to science, has been brought out of anonymity by the research of a bug-hunting army officer on a tour of duty in the Falklands. Major Charles Kirke of the Royal Artillery spent four months in the islands, where he collected



more than 2,000 rare specimens, including the prize exhibit provisionally named Chator's leaping moth - after the family on whose pasture he found the creature.

Major Kirke, now back in Britain, said the moth - grey, about one centimetre in length - is an example of adaptation to the South Atlantic winds, which blow at up to 30 knots for long periods.

"In summer there are three windless days a fortnight," he said. "If you are a fly or a moth, once you are blown offshore there is nowhere to land for hundreds of miles.

"All the insects there are

either powerful fliers, or able to rest on the ground until the occasional still day."

The leaping moth's answer is to hide in the tussocky Falkland grasslands, sometimes using its degenerated wings for "flight-assisted jumping".

Dr Gaden Robinson, head of microlepidoptera at the National History Museum in London, who encouraged Kirke to take butterfly net, traps and a pooter (a device for sucking up bugs) with him, is delighted with the haul, which also includes as yet unclassified flies.

Robinson suspects that, in some distant age, fully-winged ancestors of Chator's leaping moth - "rather like a clothes moth" - blew into the Falklands from Patagonia, where related animals live.

John A. Hill

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Argentina breaks bar on official UK visits

By Jimmy Burns

ARGENTINA has sent a senior government official to Britain for the first time since the Falklands War in 1982 in what it regards as a small but potentially important gesture of goodwill.

Until recently the Argentine position was that no Cabinet member should visit Britain officially in the absence of diplomatic relations and of fully-fledged negotiations on the future of the Falkland Islands.

However, it emerged yesterday that Argentina - with the apparent tacit approval of the UK - has got round the diplomatic impasse by having Mr Rodolfo Rodriguez, an Under Secretary of Health with the rank of junior minister, to lead a one man Argentine delegation to the world ministerial summit on Aids prevention hosted by the UK this week.

Although ostensibly in London to talk on health matters, preferably with countries other than the UK, Mr Rodriguez has been told he can extend contacts beyond the summit.

However, as of yesterday no official contact with the Foreign Office had been arranged.

Mr Rodriguez said yesterday it was the express wish of his government that he should come to London to reassure local opinion about the stability of Argentine democracy in the aftermath of the attempted military rebellion and about Buenos Aires's continuing commitment to negotiate a settlement over the Falklands.

• Lt Col Aldo Rico, who led the rebel revolt quashed last week by the Argentine Army, refused to testify before a civilian judge in his cell at Magdalena military prison yesterday, AP reports from Buenos Aires. He has already testified before a military judge.

Col Rico is held on charges of aggravated rebellion, and if convicted faces a 25 year prison term. He and 328 officers and non-commissioned officers were arrested over the revolt.

Lt. Col. Hector Alvarez Igarzabal, head of the infantry regiment that allowed Col Rico to stage his rebellion, also refused to testify at Magdalena yesterday.

Col Rico and the rebels had been demanding an amnesty for all officers accused of human rights abuses during the 1976-83 military government.

Army and economy pose problems for Alfonsín

From Christopher Thomas, Buenos Aires

President Alfonsín of Argentina has entered his final two years in office with two pressing problems — the economy and a disgruntled military that appears determined to stop the erosion of its authority and prestige.

General José Caridi, the Army Chief of Staff, has suddenly found himself in a much stronger position to deal with the Government after decisively crushing last week's attempted revolt by groups of middle-ranking officers.

His priorities are to negotiate an increased military budget and to press for an amnesty for past military actions.

General Caridi said pointedly in an interview with the daily *Clarín* this week that "many of the Army's claims do coincide with the issues taken up by the rebels". The uprising was put down because it "went against discipline".

His message was clear: the High Command expects the

Government to make concessions. One view frequently expressed here is that General Caridi has enhanced his authority so greatly that he could ultimately undermine President Alfonsín's leadership if the two sides continue to clash.

General Caridi is adopting a cautious public tone, telling *Clarín* that "the wish for an amnesty cannot be thought of as a claim". He noted that rebellious groups within the Army had been "disbanded".

President Alfonsín, who is Commander-in-Chief of the Armed Forces, has also gained strength in the aftermath of the brief rebellion. His authority was severely damaged when he made significant concessions after the first uprising; this time the trouble was quelled unconditionally.

The Peronists have blamed the crisis on the Government's muddled attempts to define a role for the armed forces within a democratic system. Most observers think

the party stand a good chance of capturing the presidency late next year, mainly because of deep public disenchantment over the economy.

Argentina's territorial claim over the Falkland Islands has virtually disappeared as an immediate issue on the political agenda, although it remains a passionate long-term cause.

The issue of inflation and its eroding effect on wages dominates political debate. Argentina faces problems that barely existed 50 years ago — hunger, poverty and illiteracy — although they are far less severe than in most of Latin America.

The inflation rate last year was 175 per cent. Local banks this week are offering 11 per cent a month interest on deposits, but savings are minimal. The country is in a constant turmoil of strikes over the falling value of wages.

One of President Alfonsín's biggest accomplishments in the past four years has been to

restore confidence in the rule of law.


There are still dangerous undercurrents, however, and rogue groups from the ultra right, mostly vestiges of military rule, continue to bomb, kill and kidnap.

They have planted at least 25 bombs in recent months at the offices of political parties and at the homes of judges and military men loyal to the



Señor Alfonsín: Economic and military challenges.

Press Cuttings

from Broad Street Associates THE  TIMES

27 JAN 1988

Government. The clear aim is to foster a climate of instability and make the fledgling administration seem weak.

A coup in the foreseeable future is generally regarded as virtually impossible. An opinion poll in the daily *La Nación* showed that 65 per cent were against a military takeover and 13 per cent in favour.

President Alfonsín's future political ambitions are unclear. He has proposed the establishment of a quasi-parliamentary system with a Prime Minister, but he insisted recently that he did not want to be the first Prime Minister.

He appeared to give his blessing for the 1989 presidential nomination to Señor Eduardo Angéloz, the Governor of Córdoba province.

On the Perónist side, Señor Antonio Cafiero, the Governor of Buenos Aires province — a position long regarded as a stepping stone to the presidency — is the leading contender.

Press Cuttings

from Broad Street Associates **The Daily Telegraph** 27 JAN 1988

The luck of Major Aldo Rico

SIR—I can give firm information which refutes the claim that the Argentine officer Aldo Rico was "active behind British lines long after Port Stanley had surrendered" (article, Jan. 19).

The list of Argentine prisoners of war compiled in 1982 shows that: "Rico, Aldo, Maj., service no. 12785" was repatriated on the hospital ship *Bamia Paraiso* and arrived in Argentina on the first voyage made by that ship after the surrender, reaching Argentina on June 19, only five days after the surrender at Port Stanley.

Moreover, Major Rico was extremely fortunate to get home so soon. Nearly all officers of the rank of captain and above were retained in the Falklands for a month after the general return of prisoners and did not reach Argentina until July 14.

MARTIN MIDDLEBROOK
Boston, Lincs

Aids is own-goal by human race says Princess

Reports by David Fletcher
Health Services Correspondent

THE PRINCESS ROYAL told the World Aids Conference yesterday that the disease is "a classic own-goal scored by the human race against itself." Setting aside her prepared speech, she described Aids as a self-inflicted wound which only served to remind mankind of its own fallibility.

Condoms gift for Royal visitor

THE PRINCESS Royal was handed a pack of condoms as she toured displays of publicity campaigns at the conference.

Dr Gloria Ornelas, director of the National Information Centre in Mexico, rushed up and thrust an information package containing the condoms into her hands.

"You cannot come to an Aids conference without receiving one of those," said Dr Hilary Pickles, the Princess's guide and principal medical officer of the DHSS.

The startled Princess soon passed the gift on to an aide.

Dr Ornelas afterwards giggled with colleagues and then said that the pack contained matches and a keyholder which both held hidden condoms.

The information package, full of leaflets, was standard issue in Mexico, she added.

On her tour of the exhibition, the Princess saw the variety of national Aids publicity campaigns.

The Australians, for example, have "Condoman," who advises with typical Aussie brashness: "Use Frenchies."

Ugandan posters warn: "Beware of the sweetness and splendour of sex. It can prove hazardous to your health and life."

But the Princess was moved swiftly past the more lurid posters from Denmark and Holland.

She will hear about the threat to children in Uganda when she visits the Mulago Hospital in Kampala next month. Research there into causes of the disease in children is financed by the Save the Children Fund.

The Princess was opening the three-day conference in London before the largest-ever gathering of world health ministers, from 150 countries.

She said: "The real tragedy is the innocent victims, people who have been infected unknowingly, perhaps as a result of blood transfusion and a few who may have been infected knowingly by sufferers seeking revenge."

She also spoke of the impact of the epidemic on children.

"This has affected me deeply," she said.

"In the course of my work with the Save the Children Fund, I have seen evidence of this in many parts of the world, including the United Kingdom.

"I know that this is but one aspect of a much wider problem, but it is a graphic illustration of the importance of the issues to be addressed by this summit in examining how to persuade all sections of our populations that Aids could present risks not only to them but also to whom they hold most dear.

"Ultimately of course we all earnestly hope for success in the worldwide search for a vaccine against infection, and, indeed, a cure for Aids itself.

"But in the absence of either, we all need to lend our support to measures for prevention, and in particular public education, as the only weapons available to us to tackle this scourge."

The Princess said: "It could be said that the Aids pandemic is a classic own-goal scored by the human race against itself.

"There is a saying that prevention is better than cure. When there is no cure, prevention is the only answer."

● The Terrence Higgins Trust said last night it was "very surprised" by some of the comments made by the Princess Royal. It added: "Aids cannot be described as a self-inflicted own goal. Aids is the result of a virus and is no one's fault."

Daily Telegraph
27.1.88

Full disease will affect a million people by 1991

BETWEEN five and ten million people are now estimated to be infected with Aids throughout the world, Dr Jonathan Mann, director of the Aids programme at the World Health Organisation, told the conference.

He said that 75,392 cases of the disease had so far been reported from 130 countries, a six-fold increase in three years.

It was now realised that the virus had been spreading silently, unrecognised and unnoticed around the world in the later 1970s.

By 1981, when Aids was first recognised, cases had already occurred on several continents and between five and ten million people were now thought to be infected.

The long delay between infection and development of the full disease meant that all cases appearing this year and next would be in people infected several years ago.

"If we adopt the conservative estimate that five million people are infected, a cumulative total of one million Aids cases would be expected by 1991," Dr Mann said.

Study showed that in the first five years after infection between 10 and 30 per cent of infected people developed the disease, and 40 per cent would develop it seven to eight years after infection.

It was not known whether all those infected would ultimately develop the disease. Only the passage of time would clarify the final outcome.

Dr Mann said the pattern of Aids varied in different parts of the world but methods of transmission of the virus were identical everywhere — through blood, sex and from mother to unborn child.

In Western Europe, America and Australia, the main groups affected were homosexual and intravenous drug users. The virus was mostly transmitted through homosexual sex and heterosexual transmission was responsible for only a minority of cases.

But in Central Africa and parts of the Caribbean, sexual transmission was mostly heterosexual. In some areas up to 25 per cent of men and women aged 20-40 were infected and up to 15 per cent of pregnant women carried the virus.

In Asia, the Middle East and Eastern Europe, the virus did



Dr Jonathan Mann

not appear until the mid-1980s and infection levels were low.

"As safe blood and blood products and safe injections and other skin-piercing practices become the rule worldwide, most HIV transmission will be sexual and perinatal."

In addition, regardless of which sexual group was most affected with HIV in a given area today, sexual transmission might ultimately reach all groups who engaged in risk behaviour.

On present rates of infection Aids would raise the mortality rate of adults by one third in some Central African countries and the projected gains in infant health would be tragically cancelled.

"Let us remember that we are still in the early stages of a global epidemic whose first decade gives us every rational reason for concern about the future of global Aids," Dr Mann said.

He called for better education about Aids, a spirit of social tolerance and a political commitment to promote changed patterns of behaviour.

He also appealed for avoidance of discrimination against those infected because they needed help to stop risky behaviour.

"There is no public health rationale to justify isolation, quarantine, or other discriminatory measures based solely on a person's HIV infection status or practice of risk behaviours."

AIDS CONFERENCE



The Princess Royal opens the Aids conference, attended by the world's largest gathering of health ministers.

Britain allocates further £5m towards international battle

AN EXTRA £5 million towards the cost of fighting Aids was announced by the Government yesterday.

Addressing the conference, Mr Moore, Health Secretary, called for the world to pool its resources to fight a threat which knew no national boundaries.

He announced an extra £4.5 million from the Overseas Aid Programme to help finance an international programme to combat Aids by the World Health Organisation, and a £500,000 grant to Britain's National Aids Trust, the umbrella organisation which co-ordinates the work of voluntary groups.

The money is in addition to £20 million spent on last year's public education campaign and £14.5 million on research to find a vaccine.

"Aids presents a growing threat to public health throughout the world and the very large number of health ministers who are here is a measure of the seriousness of that threat," Mr Moore said.

A sense of urgency in tackling Aids was essential because the number of cases was continuing to double every 10 or 11

months, both in Britain and elsewhere.

"With no vaccine available at present to prevent HIV infection and no cure for Aids, and with neither likely for a number of years, public education represents our best chance of reducing the dreadful toll of this disease.

"I believe that to be true in the case of the population as a whole as well as those groups, such as those who inject drugs, whose behaviour puts them at particular risk."

He said the problems raised by Aids were compounded by the fact that the main way in which it was transmitted involved very sensitive areas of personal behaviour.

"Effective action to contain and then defeat the disease is dependent on governments squarely addressing uncomfortable issues, not shying away from them.

"It will need the exercise of political leadership and the harnessing of general political wealth, but we owe it to our people to find that political will since the consequences of not doing so would be dire."

Sir Donald Acheson, Chief Medical Officer, told the conference that rapid, profound and

widespread changes would have to take place in human behaviour if the spread of the virus was to be stopped.

"To bring about such changes is, as must be abundantly clear, far beyond the capacity or skill of the medical profession alone, or of scientists, or of their allies in the field of health care.

"Medical scientists will accomplish nothing without the help and guidance of not only politicians and religious leaders but society as a whole."

The most important way in which the virus was passed was through penetrative sexual intercourse with an infected person.

"It is necessary therefore to talk in simple practical terms, understandable to all, about aspects of human behaviour so intimate that five years ago they were barely spoken about in many parts of the world except in whispers."

The dissemination of correct information about Aids was the key to changing behaviour but it had to be suitably expressed for a variety of groups.

Aids sufferers are currently dying at the rate of one a day in Britain. There have been 697 deaths and 40,000 people are estimated to be infected.

The lessons to be learned from America

AMERICA has half-a-million Aids cases, three times as many HIV infected people, with one person in four passing the virus through heterosexual contact, according to US delegates at the conference.

Six years ago America was in Britain's position now, with slightly more than 1,000 cases, said Mr Steven Rabin, US Government Aids advertising project director.

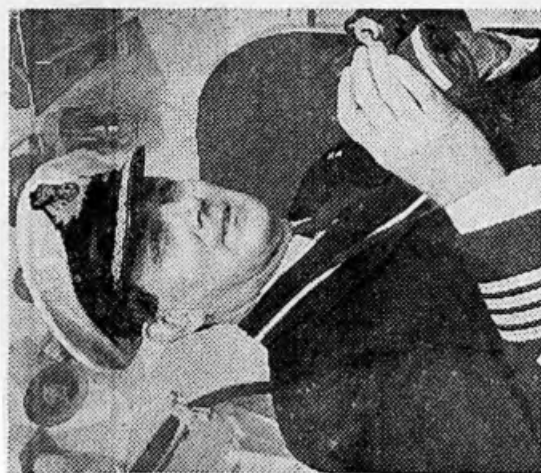
"Our mistake was that we did not understand how serious Aids was. We did not have the advantage of so much scientific information.

"Had we known that in detail in 1982, our campaign might have been taken seriously."

Paula Van Ness, director of the American national Aids information programme, thought Britain was learning from the American experience.

"What is important in Britain is that it is clear that the Government is committed to doing something, and being aggressive on the education issue," she said.

"What would be lovely in five years' time would be for them to say that they had over-reacted."

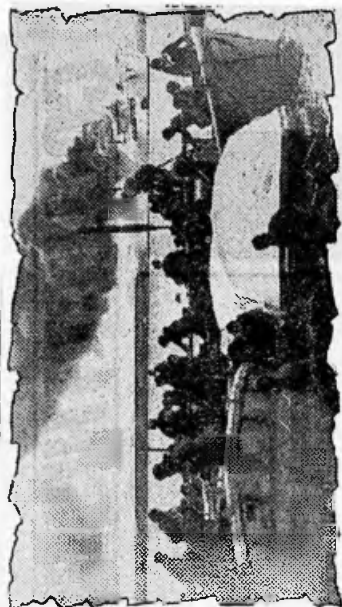


In command ... Captain Roberts

Sir Galahad's old captain stands on the bridge again

NEARLY six years after the landing ship Sir Galahad exploded in flames at Bluff Cove in the Falklands, her spanking new successor was on trials in the North Sea yesterday.

And standing proudly on the bridge was Sir Galahad's Falklands master, Captain Philip Roberts.



Horror day in 1982 ... the old Sir Galahad

The 47-year-old captain, who won the DSO for gallantry on that day of horror in 1982 when Argentinian jets blasted his command, said: 'It was a wonderful feeling stepping on the new bridge for the first time.'

'The design is completely different from the old ship, but, of course, the memories of the past are triggered off very easily.'

'I will never forget the 50 men who paid the highest price on that day. They were damned good chaps, but I know that my new crew of 52 are ready to serve me with the same dedication.'

The new ship, which at 8,500 tons is twice the size of the old one, can carry Chinook helicopters and 340 assault troops.

Daily Telegraph
27.1.88

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Moreover, Major Rico was extremely fortunate to get home so soon. Nearly all officers of the rank of captain and above were retained in the Falklands for a month after the general return of prisoners and did not reach Argentina until July 14.

MARTIN MIDDLEBROOK
Boston, Lincs

Alfonsín dream capital aims to make wasteland boom

From Christopher Thomas
Viedma, Argentina

Viedma is near the bottom of the world, in a vast and tortured land that burns by summer and freezes in winter. Nothing much grows. The population is sparse and only the sheep prosper. Argentina's new capital is to be built here.

Señor Eduardo Martínez, roused from a long siesta, surveyed the 300 sheep and 200 cattle that are his life. The poor farm he runs, *Ya Verán*, is in the centre of the dreamed-of new city. It may be the sight of the new parliament, or even the new presidential palace.

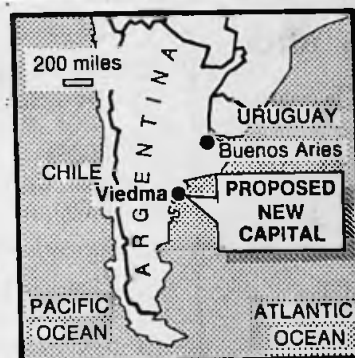
But Señor Martínez has other thoughts on his mind. "It would be nice if factories came here. I suppose it would mean good pay. I work hard for very little money. I would like a nice factory job," he mused.

Most of Viedma's 35,000 citizens agree that moving the capital from Buenos Aires would bring boom times to this neat little town on the picturesque River Negro.

The only private-sector work is in a meat plant, a small textile factory, and a processing concern. The town survives only because of the provincial government, which has its offices here and is by far the biggest employer.

"But the pay is terrible," declared Señor Victor Hugo, who drives a taxi part-time to supplement his salary at the provincial government of 600 australes (about £60) a month. "If they bring the capital here it will bring work. There is nothing here, nothing, nothing, nothing."

About four miles out of town he stopped his taxi and swept his arm out to the horizon. "The pampas. Nothing else is out there. This is



where the new city will be, right here. Behind us, over there, is the river. They will build seven new bridges over it. I have seen the plans."

People here have a touching faith that President Alfonsín's scheme to move the capital will actually come to something. Congress has, in fact, mandated the move but so far not a

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blade of grass has been touched. The federal Government still insists that late 1990 is the target date for moving out of Buenos Aires.

The idea is to end the historical economic domination imposed by Buenos Aires, a city notable for its pervasive lethargy and petty officialdom, and break the country out of its inertia by opening up the mineral-rich wastes of Patagonia. Although twice the size of France, the area contains only 4 per cent of the population of 30 million.

For two centuries the "interior", a word which tends to be used to describe almost the entire country beyond the capital, has deeply resented the unequal relationship with Buenos Aires. There have even been several inconclusive wars between the city and other regions. Both principal political parties now favour decentralization.

Most of the 10 million *porteños*,

as the inhabitants of Buenos Aires are known, think the idea of spending \$4.5 billion (£2.5 billion) to move to Viedma is preposterous. The little town is sneered at as a treeless outpost on the edge of nowhere, swept by a remorseless wind. Most *porteños* also seem to think it is in the middle of the polar regions and always covered by snow. In fact it snows rarely. Mostly winters are just bitter.

Few believe the move will ever happen, despite the vote in Congress and President Alfonsín's immense enthusiasm. Undeterred, the Government has been outlining its plans to potential sources of international loans and insists that short of some unspecified domestic crisis, it will go ahead.

Buenos Aires was an economic powerhouse last century, mostly through beef exports, when Argentina seemed ready to challenge the

United States as the world's emerging economic giant.

A third of the population now lives there. All railway lines go there. Economically, politically, culturally and intellectually, it has maintained a smothering domination over the rest of the country.

President Alfonsín and others say the country has developed in a lopsided way. He cites the creation of Brasília, which replaced Rio de Janeiro as the Brazilian capital in 1960, as an example of the advantages of shifting the focus towards the "interior".

Housing and land prices in Viedma doubled as soon as Congress voted to move the capital. Subsistence farmers became excited by the unfamiliar, sweet whiff of money. But prices now have faded a little while everybody waits for the first bulldozer to prove that it really is not a fairy tale.

Argentine judiciaries at odds on rebel trials

By Robert Graham in Buenos Aires

THE GOVERNMENT of President Raul Alfonsín is seeking to head off a damaging conflict between civilian and military justice in Argentina over the investigation and trial of officers and NCOs involved in last week's abortive military rebellion.

Senior officials have argued that the rebellion should be dealt with by military justice. But at least one magistrate has begun his own separate case and another has refused to let a group of officers, from an anti-aircraft unit which rebelled at San Luis in western Argentina, be transferred from his jurisdiction to a military investigator.

It is unclear how civilians involved in the rebellion will be treated. Six took part in the takeover of the control tower at Buenos Aires airport.

The Government believes that the various acts of rebellion, headed by ex-colonel Aldo Rico, come within the code of military justice. So far 328 officers and NCOs (out of 5,000 officers and 1,500 NCOs in the army) have been detained.

Falklanders net big rises

By Patrick Watts in Port Stanley

THE FALKLANDS government, enjoying a boom in fishing revenue, has agreed to give its workers pay increases of between 18 and 25 per cent.

The cash to pay for the increases has come from revenue of about £20 million which the government will earn this year from the licensing of trawlers operating in the recently-declared 150-mile conservation and management zone.

The General Employees' Union had claimed 30 per cent increases, but settled for less after weeks of negotiations.

A government official said that "as our revenue will

increase by 200 per cent this year, we really couldn't refuse their request" for a substantial pay rise.

However, the largest private employer, the Falkland Islands Company, which owns 43 per cent of all farm land, pulled out of the annual triangular negotiations, saying it could not match the increases being offered by the government.

Unless a compromise deal is reached, many company staff may leave the islands.

The government pay announcement comes shortly after a big reduction in Falklands income tax. Rates are now more in line with those in Britain.

Argentine team faces

BY ROBERT GRAHAM IN BUENOS AIRES

tough IMF talks

ARGENTINA'S serious economic problems, temporarily eclipsed by last week's abortive military rebellion, have returned to the limelight.

Tough negotiations are due to begin this week in Washington between an Argentine delegation headed by Mr Jose Luis Machinea, governor of the central bank, and officials of the International Monetary Fund on the country's need for at least \$2bn in fresh funds to cover 1988.

Unless a formula can be found to provide this, Argentina will be unable to pay the \$4.5bn due this year to service its \$54bn foreign debt. Ten days ago Argentina was obliged to make a temporary arrangement with the World Bank, which advanced funds earmarked for structural adjustments in the economy to keep payments current to the IMF and the commercial banks.

The arrangement was the result of a hurried visit by Mr

Machinea and Mr Juan Sourrouille, the Finance Minister, to Washington, and lasts only until February.

The sole source of immediate comfort to the government of President Raul Alfonsin is the promise of an investment and finance treaty with Spain. This was offered by Mr Felipe Gonzalez, the Spanish Prime Minister, in the wake of the military uprising as a gesture of solidarity. Spain is promising up to \$3bn in credits, aid and debt relief over the next four years.

The deal is similar to one agreed last December between Argentina and Italy for \$5bn, and is expected to be initialled this week when President Alfonsin visits Spain.

The Argentine Government has been pressing its friends abroad on the need for practical economic support to consolidate democracy. But the IMF is still seeking to impose strict technical criteria.

The IMF is worried about the

Argentine Government's frequent failure to meet targets. The budget deficit last year, instead of being brought down to below 4 per cent of GDP, rose to more than 7 per cent. The Treasury, instead of curbing advances to the public sector, let them rise by 14 per cent.

The IMF is arguing that fiscal pressure must be increased, utility tariffs raised, public spending cut and the gap between the official and parallel exchange rates narrowed. Currently there is a 40 per cent difference between the official and parallel rates for the austral against the dollar.

The Government has countered by arguing that international prices of grains and foodstuffs fell last year, halving the trade surplus.

More fundamentally, ministers maintain that the heavy burden of debt service, coupled with the difficult political situ-

ation of the Government, has forced stop-go economic policies. Mr Rodolfo Terrango, the Public Works Minister, told the IMF bluntly that foreign debt was suffocating the economy. Growth last year was under 2 per cent and the trend is likely to be recessionary at least for the first half of 1988.

Politically, it is going to be difficult for the Government to sell another tough IMF package after more than three years of such adjustments.

However, the IMF will need some convincing. It is still withholding disbursement of a \$225m tranche and some \$500m due from the commercial banks as part of last year's \$1.9bn loan package has not been handed over.

- Shell, the Anglo-Dutch oil and petrochemical group, is setting up a \$110m joint venture in Argentina with Industrias Petroquimicas Argentinas for the manufacture of polypropyl-



Alfonsín: offer from Spain

ene, writes Steven Butler.

The project is to build a plant, planned to open in 1990, with an annual capacity of 100,000 tonnes a year in Ensenada, in the province of Buenos Aires.

Press Cuttings

from Broad Street Associates *The Daily Telegraph*

A terminal development

IN 1991 STANSTED will blossom from a modest international airport capable of handling a mere two million passengers a year to an ultra-modern terminal equipped to handle eight million passengers, expanding to service the 15 million maximum for which the Government has already granted outline planning approval.

Development of the £300 million complex dates back to April 1986 and is "the nearest thing ever to a greenfield site," according to Stansted development director Tony Westbrook, who was project manager for Terminal Four at Heathrow.

Stansted, shortly to be rail-linked door-to-door with the Broadgate development around London's Liverpool Street station, described as Europe's biggest building site, and the Channel tunnel project are just three examples of construction activity on big sites where the best of the industry is on show.

Tony Westbrook describes his function as seeing through the development of an airport with the facilities the British Airport Authority needs at a price they can afford in the time that they want ... which means all airport facilities up and running in time for a 1991 summer service. As he says: "It's in nobody's interest to set up a site which doesn't get off to a good start."

As with both the construction of Terminal Four and the new North Terminal at Gatwick, BAA has set out a code of practice for labour relations and procedure, including safety on the site, and appointed a head contractor — Laing Management Contracting, responsible for the Falklands airport construction.

Laing's Stansted project developer, Paul Weller, has day-to-day responsibility for policing the code of practice agreed with the six unions on site. There are currently 800 employees, rising to 1,200 by the middle of the year and peaking at 1,600. The complexity of this task is perhaps best evidenced by pointing out that it involves in excess of 300 different packages of work and up to 40 contractors on the site.

A direct BR rail link

The tree-like structural steel framework of the new terminal has been designed to contain all passenger activity at one floor level, serviced from below ground using an area which contains all the engineering plant, baggage handling systems and other services. These include short term car parking for over 2,000, the coach station and new BR direct rail link — which gives a half hourly, 40 minute service to London.

Extensive use of computers — including detailed moving of 5.5 million cubic metres of earth and its redistribution on site —



This shining example...

The new terminal, to be topped out on Wednesday by Paul Channon, left, Secretary of State for Transport, will, it is claimed by the airport authorities, be a "shining example of what can be achieved in combining innovative terminal and operational facilities with a careful regard for the environment."

is one example of the construction thinking involved. To cope with the large flat roof, a drainage system which syphons water away to avoid the use of gullies, much used in Scandinavia and Germany, has been installed. Another innovation is a fully automated baggage handling system which is destination-coded, while passenger luggage trolleys will operate between arrival platforms and satellite embarkation links.

Harsh direct artificial lighting has been avoided so that at night, it is claimed, the building will "gently glow." Six listed buildings hit by site clearance have been taken down and re-erected in different parts of the county. In the final phase the development will be landscaped, with about 10 per cent of the area being grassed and 250,000 trees and shrubs planted.

The hectic timetable of a young mother on the move

THE Duchess of York has had a full timetable since becoming pregnant eight to ten weeks ago. And she has many more engagements lined up over the next two months.

This is how she kept busy in recent weeks: **November 3:** Cocktail party at Natural History Museum. **Nov. 4:** Joined sporting personalities at Savoy charity event. **Nov. 5:** Launched the book *One Day For Life* at Clarendon. **Nov. 9:** Dinner at Mansion House in aid of Liver Research Unit Trust. **Nov. 10:** Commonwealth High Commissioners' Annual Dinner. **Nov. 17:** Meeting of Action Research for the Crippled Child. **Nov. 18:** Royal

Concert, Royal Albert Hall. **Nov. 19:** Museum of Army Flying, Middle Wallop, Hampshire. **Nov. 20:** Met children on British Airways Dreamflight to Disneyworld — at Heathrow.

December 3: Eighth Westland group Apprentice and Student Dinner at Yeovil. **Dec. 12:** Pheasant shoot, Sandringham. **Dec. 14:** Awarded helicopter 'wings' by Prince Andrew R.A.F. Benson, Oxfordshire. **Dec. 16:** Children of Courage Awards, Westminster Abbey.

January 14: Flew to Klosters

for skiing holiday as rumours about the pregnancy hit Fleet Street. **Jan. 16:** Left Klosters for St Moritz to escape publicity. **Jan. 17:** Flew back to

Sandringham to talk with the Queen. **Jan. 19:** Childhood Exhibition in aid of Friends of Youth Clubs UK, Sotheby's. **Jan. 21:** Flew to New York for

the Phantom of the Opera's gala performance. Visited New London, Connecticut. **Jan. 22:** Attacked by IRA supporter as she arrived at Manhattan's Waldorf-Astoria Hotel.

The mother-to-be's forthcoming engagements include: **January 29:** Charity premiere of film *White Mischief*, Odeon, Marble Arch. **February 3-5:** Visit Meribel, France, for international meeting as patron of the Combined Services Winter Sports Association.

February 27-March 6: Travel to Los Angeles for celebration of British Arts. **March 23:** Annual reunion of the Falkland Families Association, Chelsea Barracks.

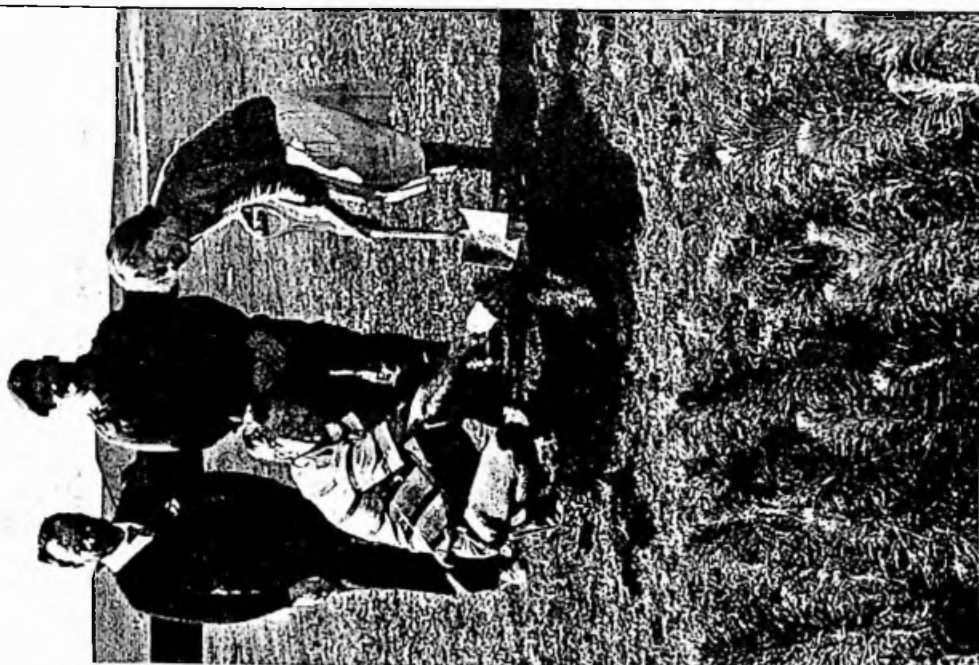
25 January 1988

Trees rarer than girls

Mrs Maggie Drew, the wife of the Station Commander of RAF Mount Pleasant, Gp Capt Harry Drew, recently dug in the first tree to be planted on the station.

As many readers will know, trees are rarer than girls on the Falklands, so efforts have been made by PSA to improve the living environment. The nearly constant high winds on the island tend to nip the infant growth of any trees in the bud, thus the freshly planted firs have been protected by "cots" of fencing to give them the best chance for healthy growth.

The photograph shows Mrs Maggie Drew with OC Admin Wg, Wg Cdr Harris and Messrs Geoff Robson and Derek Tope of PSA.



Crushing experience!



Squadron - showed off their giant machines used for airfield damage repair.

Among them was a mighty weight normally used for compacting fill in craters - but which also does an equally effective job of crushing unwanted Land Rovers! Mr Stewart had a grandstand view as the sappers showed off the quick way to dispose of worn out transport.

Armed Forces Minister Mr Ian Stewart witnessed first hand the power of the Royal Engineers when he visited the Falkland Islands.

During his day long tour of Mount Pleasant, the Falkland Islands Field Squadron - better known in Tidworth as 8 Field

Daily Telegraph
23.1.88

A mythical 'war hero'?

SIR—I read with interest Andrew Graham-Yooll's article (Jan. 19) concerning Lt Colonel Aldo Rico and Argentina.

One particular piece intrigued me. Aldo Rico — "Falklands war hero" — was "active behind British lines long after Port Stanley had surrendered". I wonder if Mr Graham-Yooll could detail Aldo Rico's heroics, and more specifically where he was, when, and what he was doing after the surrender on June 12, 1982?

I arrived in Port Stanley hours after the surrender. For the first two days there were Argentinians everywhere. Lines, as such, had ceased to exist as the fighting was over. Once the decision had been made to evacuate the Argentinians to the airfield, prior to repatriation (after the half-hearted attempt to burn down the Globe Hotel) I was only ever aware of a few dejected staff officers ambling about. Very quickly — possibly within 14

days — all Argentinians had been repatriated.

I was not aware, and I am sure that none of the staff of HQ British Forces Falkland Islands was aware, that, in the period June-October 1982, there was an Argentinian Lt Colonel "active behind our lines".

Is it that we were all misled at the time, and that General Menendez's surrender was not as unconditional as was promised, or is Mr Graham-Yooll starting a myth? If the latter is true, I submit to you that, in a paper such as yours, there should be substance behind the words.

P.A. NICHOLAS
Portsmouth

Paul Simons on
an unwelcome
spread around
the world

Unchic weed

IF YOU'RE setting off on holiday to some far off and exotic place, and have qualms about the havoc that the Great British tourist can inflict, here's something else for your guilty conscience. Our own aggressive little weeds are invading some of the most isolated places on Earth. From the islands of Hawaii, Canaries and Tristan da Cunha, to the heights of Utah and the Himalayas, our garden nightmares are making themselves at home.

Even one of the world's most remote areas — the Tristan da Cunha islands — is now host to no less than 22 of European aliens, amongst them the fat Hen (*Chenopodium album*). It is the curse of farmers and gardeners. It is also a thoroughly boring plant, with exceptionally dull little green flowers. But it now grows on mountains over 3,000 metres above sea level in Utah and 3,650 metres in the Himalayas.

The annual meadowgrass *Poa annua*, a favourite species of European lawns, has been found at about 3,800 metres height in Argentina. It is now a successful invader of the Canary Islands, where it has scaled the dizzying heights of 3,700 metres — a feat only achieved by one native Canary Island flowering species.

Tourist islands like the Canaries, surrounded by miles of ocean, are particularly vulnerable. The islands tend to have fragile habitats, harbouring simple plant communities which can't adapt fast enough to a sudden influx of aliens. Jim Dickson at Glasgow University has meticulously studied the area with help from Christobal Rodriguez and Antonio Machado. The old volcanic caldera of Las Canadas, 6,500 feet above sea level in Tenerife, harbours a community of plant species found nowhere else in the world.

These are mostly rugged shrubs and grasses, coping with thin soil, strong ultraviolet radiation and large swings in daily temperature — qualities that could well be useful for plant breeders designing crops for many arid areas of the world. And to give some idea of how special these plants are, the calder is estimated to be half a million years old. In that time only 25-30 species have successfully evolved to suit the inhospitable terrain.

The site is now a protected conservation area, the Teide, National Park, and its scenery attracts about a million visitors a year from low-lying areas of Tenerife and other Canary Islands, where foreign plants grow as weeds and garden plants. And this is the nub of the problem. The tourists one way or another have inadvertently brought some of the weeds up with them from their hotels to the national park, probably sucked along in the slipstream of their coaches.

Not that the problem is new. Fat Hen probably owes much of its worldwide spread to prehistoric farmers, who may have cultivated it for food. Later, goat herders and their flocks may have inadvertently brought some 27 species to the caldera. Goat farming mostly died out before the 1950s, but the boom in tourism in the last 25 years has introduced new alien invaders. These have been grown by hotels and bars in their flower beds, often a useful beachhead for weeds invading the surrounding areas. The soil used in the flower beds is probably contaminated with weed seeds, and possibly the packets of flower seeds as well.

Most inexcusable is the only hotel, El Parador de Turismo, allowed inside the National Park. Their flowerbeds support 17 species of weeds, many of which have spread into the rest of the Park. If not in bed with hotel flowers, the weeds are mostly lurking at roadsides or by buildings offering shelter and fertile soils.

The danger is that the world becomes cloaked in the same aggressive vegetation. The unique communities of plants that have evolved in isolated regions will get pushed out — and living on an island there is nowhere else for them to go but into extinction. The Berne Convention on conserving natural habitats recognised the problem "to control strictly the introduction of non-native species." But that's far easier said than done.

In 1983 the alien plants growing in Teide National Park in the Canaries were literally rooted out, by hand. Prickly lettuce, bladder campion, bromes, wild oats, and their ilk were burned, although a couple of species were so well established that they were beyond control. But even so, this is only a stop-gap measure.

Instead, Jim Dickson has drawn up a list of recommended measures: he suggests no foreign plants should be grown in or near a conservation park; nearby roadsides and tourist areas must be frequently monitored for well-known aggressors; elimination of aliens from infested areas before they get a firm foothold; strict prohibition of alien seeds and fruits into the conservation area. It's not such a tall order as it sounds given some common sense — after all, who wants a world full of Fat Hen? (*Botanical Journal of the Linnean Society*, vol 95, pp 155-179).

Press Cuttings

from Broad Street Associates

FINANCIAL TIMES

22 JAN 1988

Armed forces purge

President Raul Alfonsin of Argentina began a purge of the lower ranks of the armed forces after last weekend's abortive rebellion. **Page 4**

Alfonsin begins big purge of armed forces

BY ROBERT GRAHAM IN BUENOS AIRES

PRESIDENT Raul Alfonsin of Argentina has begun a purge of the middle and lower ranks of the armed forces in the wake of last weekend's abortive rebellion. In the past three days more than 330 officers and NCOs have been arrested.

This is the biggest purge since 1962 when the armed forces were shaken up after bitter inter-service fighting. The arrests also go beyond those directly involved in the rebellion led by ex-Lieutenant Colonel Aldo Rico.

"We want to take advantage of this opportunity to clean up the armed forces, getting rid of all those plotters and conspirators who have been trying to destabilise the country," said Mr Jose Ignacio Lopez, the presidential spokesman. The clean-up extended to right-wing civilians with close links to military hardliners like Rico.

The initial figure for personnel arrested after Monday's surrender of ex-Lt Col Rico and his supporters was 60 officers and 222 NCOs. Of these, 169 came from the garrison of Monte Caseros, 380 miles north of the capital, where Rico holed up on Saturday, defying the Government and calling for a shake-up in the command of the armed forces.

INVESTOR response to Argentina's first debt capitalisation round has been better than expected, government officials said, Our Buenos Aires Correspondent reports.

Bids for 15 projects, two more than forecast, were submitted by 14 companies, to a total value of \$224.6m. Officials had forecast project offers would be worth perhaps \$100m.

The remainder of the initial arrests covered three other garrison units plus members of the army and air force intelligence who briefly seized control on Monday of Buenos Aires' domestic airport.

However, there are now understood to be at least 93 officers and 230 NCOs in detention. Some 140 of these, including Rico, are being held in a military barracks at La Magdalena, 50 miles south of the capital, which is being converted rapidly into a maximum security prison.

In the past nine months reforms within the armed forces have helped consolidate the command structure, in particular that of Gen Dante Cardini, Army Chief of Staff.

Press Cuttings

from Broad Street Associates **The Daily Telegraph** 22 JAN 1982

Argentine purge

President Alfonsín may order a purge of the Argentine army to rid it of rebel sympathisers following last weekend's revolt — the second military rebellion in less than a year, a government source said yesterday. — Reuter

Argentina finds its army bully is far from tamed yet

AS SEVERAL hundred "country club conspirators" were taken to jail in Buenos Aires, the battle for the political honours of the crisis is well under way.

The government argues that Aldo Rico's second rebellion was a necessary crisis, that it flushed out localised but festering discontent and that the results justify the government's much criticised military policy. The house is now in order, it says.

The government's critics, the loudest of whom are the Peronist opposition, argue that the crisis was much more serious than an internal military problem, that a coup was in the making and that the indecisive military policy was responsible. Far from acting with statesmanlike resolution the government was in such confusion over the weekend that, as one acerbic Peronist put it, "It took them until Sunday to be sure that the vice president wasn't part of the plot."

Influential figures in the ruling Radical Party admit that although the bulk of the armed forces did not support the coup plot, they sympathise with Colonel Rico's ambition to force the government to ac-

knowledge as a just cause the army's "dirty war" in the 1970s against a left-wing insurgency, and to declare an amnesty for those officers accused of human rights abuse.

Over the weekend, the government itself was not certain that it had a loyal majority in the armed forces but, aware that Colonel Rico's supporters were canvassing support for a coup, decided to force the confrontation by returning him to close detention. "But when troops went to detain him," explained the Radical deputy, Frederico Storani, "he escaped and we didn't know whether he had been allowed to escape deliberately."

President Raúl Alfonsín had reacted to the Easter rebellion by calling for civilians to mobilise in defence of democracy. He had little choice, because he had no troops he could count on. He then granted Colonel Rico's demands by introducing the judicial escape route of "due obedience", absolving officers below the rank of general from guilt in the "dirty war", on the grounds that they were obeying orders.

From Isabel Hilton
in Buenos Aires

There was no certainty this time that he could count on mass support and he gambled that the "due obedience" law had defused army discontent. "We made contingency plans for popular mobilisation in case the army didn't obey and we decided to send General Caridi [the Chief of Staff] to deal with the rebels because we calculated that, since the rebels were demanding his head, he was unlikely to make concessions. We left it up to him to choose the units he could rely on," said Mr Storani. "But we had no guarantee that it would work."

How close did the rebels come to success? Argentine history is littered with military episodes resolved, after an initial stand-off, without a shot being fired. For Colonel Rico to have won, he needed the support of certain key units. With declared support in those units, he would have been in a position to negotiate with the government, which, as Mr Storani

pointed out, would have so weakened the authority of President Alfonsín that his mandate would have been in question. The rebels may then have calculated that the existing divisions within the Radical Party would have yielded people disposed to assume control in collaboration with the rebels in a "constitutional coup".

"They made three miscalculations," said Mr Storani. "They overestimated their political and military support and they overestimated the unpopularity of the president." Of the three key units, only one came out in their favour.

But behind the government's relief is a recognition that the support of the loyal forces is itself qualified. "Nobody pretends," said one senior Radical, "that the difference between the rebels and the loyalists is anything substantial. It's the difference between the worst and the not so bad."

In spite of a new draft defence law that prohibits the army from having any role in politics, the vast majority of Argentina's serving officers continue to believe that their last and most savage intervention, the "dirty war", was entirely justified. Even the officer who received Colonel Rico's surrender told journalists that he himself supported the demands for a total amnesty, a remark he later qualified after a stiff reproof from the Ministry of Defence.

President Alfonsín has said that he would cut off his hand before signing such an amnesty, but his two most likely successors, the Peronist Antonio Cafiero and the right-wing Radical Eduardo Angelos, are more equivocal.

For Argentines weary of the ever-present military threat, there was something especially grotesque in the sight of their nation held in thrall, once again, by an army officer who, for all his bombast, finally collapsed like a deflated balloon. It was an uncomfortable reminder that if the army this time did not opt to govern, there was still little sign that it was prepared to abandon the real power it holds in Argentine society. "We can't change the mentality of our army," said a Ministry of Defence official. "It will take 20 years of democracy to do that."



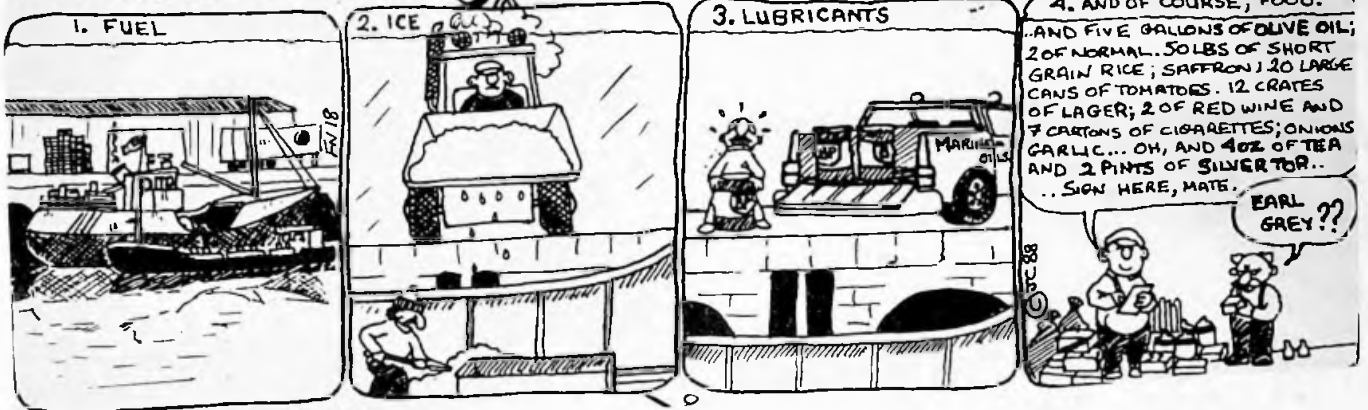
Together again

Serving together for the first time in 23 years are four sergeants who have met again in the Falkland Islands. Left to right are Sgts Mike Hayne, Pete Weatherill, Tom Herbert and Brian Nelson, who first met back in September 1964 when they joined up and became part of 301 entry, Administrative Apprentices, Hereford. When they left in August the following year their careers took them their separate ways.

Three are serving at RAF Mount Pleasant — Mike as engineer wing adjutant, Pete as trade training co-ordinator and Brian as chief clerk. Tom is personal assistant to the Commander British Forces Falkland Islands. They are pictured during a visit to the 3rd Battalion, The Royal Green Jackets. Tom Herbert said: "It was quite a surprise to meet up again after all these years, especially so far from home. We had plenty to talk about."

FLYDRAGGER

WHITSAND BEACH (FORMERLY 'PLAYA DE ARENA BLANCA'): THE PREPARATIONS ARE UNDER WAY.



28/1

FLYDRAGGER

FURTHER UP THE QUAY, MILLBAY,.. THE TOURISTS ARE BACK!



TRAVEL: WHAT A SILLY-BILLY YOU ARE!..

5/2

FLYDRAGGER

A 'FLAG OF CONVENIENCE' VESSEL IS ABOUT TO SAIL!



Time of change follows

THE Falkland Islands will never be the same as they were before Argentinian forces invaded them on 2 April 1982.

Two military occupations – Argentinian and the subsequent British presence – have left their mark, dragging the islands into the modern world.

The islands' economic future looks good. Indeed, like Guernsey, the Falklands are suffering from a chronic shortage of manpower to cater for the new industries which are starting and support the ancillary services.

Building is booming, consultants abound and the islanders' biggest worry is on what to spend the huge income which is now flowing from the sale of fishing licences.

Tim Earl, who travelled to the islands with the Bailiff, Sir Charles Frossard, early in December, reports.

TO UNDERSTAND the changes it is necessary to look firstly at the situation prior to Argentina's attempt to annex them.

Port Stanley, the islands' capital on East Falkland, is at the back of beyond. And the 'camp' – the islanders' term for the outback – is beyond the back of beyond.

Eight thousand miles from the UK, 400 miles from the nearest part of Tierra del Fuego, communications were difficult before 1982 with radio links to the outside world via Argentina, an irregular boat service to Montevideo, Uruguay, and just four supply ships to the UK a year.

The islands' sole industry was sheep farming – the ranchers who ran the huge flocks from tiny settlements, were the lords who ruled the islands. The soft, fine Falklands wool was exported raw to the UK.

Tourism was attempted by a few islanders who

took in visitors interested in the wildlife.

And the sole hotel – the Upland Goose, named after a prolific bird which eats more grass than a sheep – was used by business people visiting Port Stanley, and, it is said, every Fleet Street editor at least once.

The islands had been British since the 1830s but links with Argentina were good and investment from that country saw the building of Stanley Airport in 1972.

The transfer of sovereignty was discussed by Britain and Argentina, sometimes under the auspices of the United Nations, between 1977 and 1981 but the Falklands legislature called for a freeze on the discussions.

There can be no doubt that the islanders are British and want no rule by their South American neighbours.

Something went horribly



Sheep farming is the islands' biggest industry – Falklands wool is fine and very warm. Although motorcycles are used on some settlements this flock of 2,500 sheep are rounded up to be shorn at Port Howard by shepherds on horseback.

wrong towards the end of 1981 and early in 1982.

President Galtieri misread the diplomatic signs from Britain and moved up to 10,000 men into the islands on 2 April – the precise figure is not known.

The British Task Force entered the exclusion zone on 1 May and six weeks later Port Stanley was liberated.

Nearly 300 British servicemen and three civilians were killed – far more of the young Argentinian conscripts had perished in a war many did not understand and in which they endured terrible living and fighting conditions.

Some islanders say that the signs given to Argentina were intended to encourage an increase in tension between the two countries.

This tension would eventually give the political will to build a huge airport on the islands – an airport

which would be of great strategic significance when the Antarctic treaty is renegotiated in the early 1990s.

The Falklands could become the European and American gateway to the vast resources in this shared continent, offering safe, sheltered harbours and modern air links.

The general reason given for the war was that President Galtieri was facing an increasingly hostile population in Argentina and invaded the Falklands to whip up patriotism and to take people's minds off their domestic troubles.

Whatever the reason for the war, the airport has now been built and the natural harbours are all around the islands.

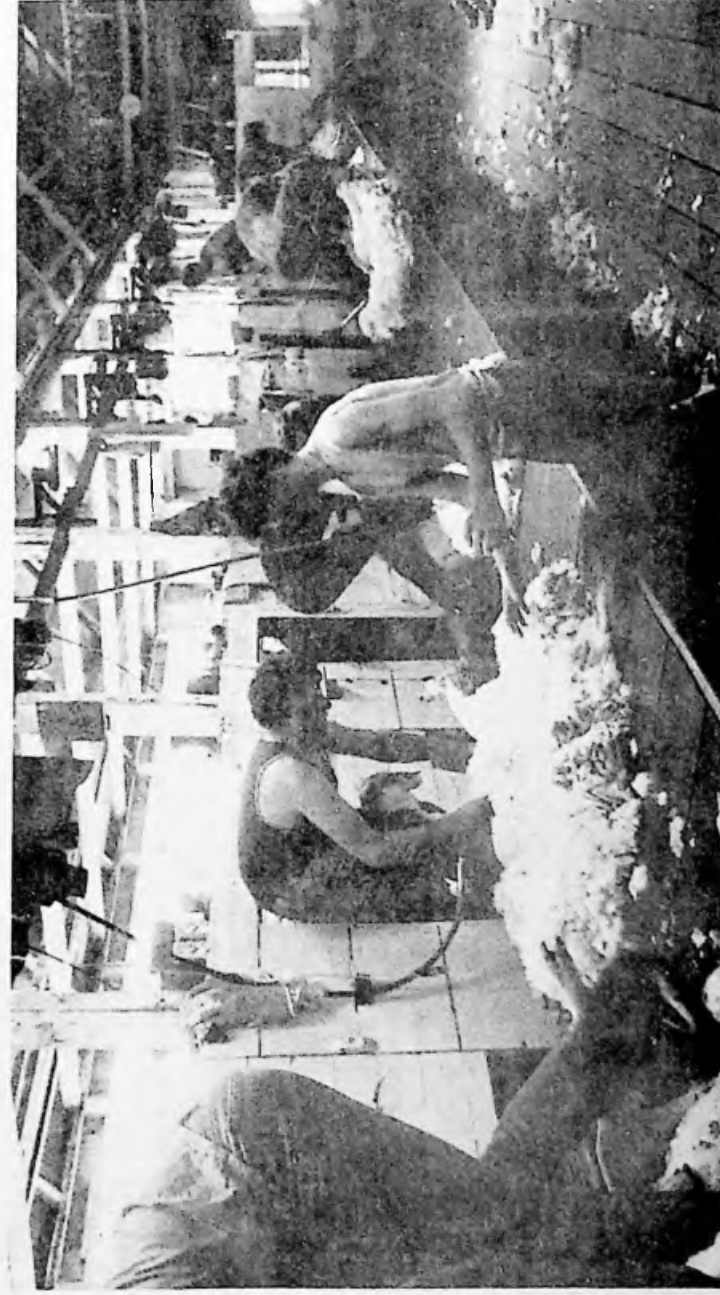
Building Mount Pleasant Airport was a magnificent engineering feat. With the capability of taking the world's largest jets it was

Islanders fa coping wi



Richard Coates of Falkland Island Tourism looks at the War Museum in the Port Howard Social Club.

Mutton or lamb make a meal – 365 days a year!



A shearing shed at Port Howard.

built at a cost of about £360m. in just 19 months.

It was opened by Prince Andrew on 12 May 1985 and has been serving the defence of the islands since.

MPA, as it is known in the clipped military jargon, also acts as a link via Ascension Island for islanders and visitors with the UK – there are no flights to or from South America.

This is seen as the biggest block to the advancement of the islands' tourist industry.

Tourism

Tourism must revolve around the 'natural' activities of the Falklands – wildlife, walking, fishing, riding and photography – activities to be followed during the southern hemisphere summer months of November to April.

But these qualities have a limited appeal and it is vital for the islands to break into the North American market.

Access is available to people from the USA via Britain, but has to be sold as an 'add-on' to a European holiday. Mid-winter is not the best time to see Europe.

So to get access from South America, cutting out the European leg, is vital to the industry.

It might also lower the fare from UK to the Falklands – access at the moment is on an RAF Tristar from Brize Norton at about £1,800 return full-fare with some group concessions at about £1,200.

Since the war the UK Government have declared a 150 miles fisheries conservation zone around the islands which will see huge amounts of money flowing into the Falklands' coffers.

A total of 200 licences will be sold to fishing boats which can earn up to £1m. each year catching squid for the Spanish, Japanese and other markets.

These licences will earn about £10m. for the Falklands giving a great boost to their economy. Indeed,

occupations of Falklands



The houses in Port Stanley look ramshackle from the outside. Inside they are warm and comfortably furnished.

ce new life th tourists



A 'chook' - the soldiers' name for a Chinook helicopter - working at Mount Pleasant Airport. The hangar in the background is used to service the Tristar jets which serve the Falklands from RAF Brize Norton, Oxfordshire.

one of the island's top officials says privately that they have a problem in deciding how to spend the new income.

A fish cooling factory has been suggested together with ship repair yards. This latter will go against years of tradition in which the local insurance agent would condemn ships which limped into port for repairs, and then make a fortune selling the hulk for scrap!

The new industries will also produce a decline in the influence of the sheep farmers from the camp.

But they are not standing still and letting this happen. Many are gearing up for the increased tourism which is building each year despite the difficulties and cost.

People like Jene and Robin Pitaluga, of Salvador, East Falklands, who have converted their sheep shearers' barrack room into a most comfortable lodge.

It accommodates 10 people and Jene cooks traditional Falklands dishes, which have been handed down for generations, in a

kitchen/dining-room complex five yards away.

They have a lot going for them. Warm, friendly, hospitable people, the Pitalugas are keen to show their way of life to visitors.

Robin and his son Nick take tourists out to penguin colonies two hours drive away. Two hours straight across open moorland in a long-base, four-wheel-drive County Land Rover.

At the end of the safari visitors are greeted with extraordinary scenery, birds and seals. And as they gaze Robin and Nick produce a mouth-watering barbeque from '365'.

That is the name given by the locals to mutton and lamb - because it is eaten 365 days a year!

The opening of Mount Pleasant Airport has brought other changes to the islanders.

Since the end of the war there has been a considerable military presence in Port Stanley, but this has now gone as the soldiers are based at MPA.

The aftermath of war - urgent rebuilding and signs of future prosperity



An Argentinian landing strip - used once only. The pilot of the jet aircraft, which crashed on a hill outside Port Howard, parachuted to safety. Souvenir hunters comb the wreckage in vain, however: no artefacts from the war may be taken from the islands.



Ancient and modern ways of cutting the islanders' only source of fuel: At Salvador settlement the Pitaluga family have a tractor-driven digger to do the job - it still takes five days to cut a year's fuel for one family.



Robin Lee cuts peat by hand at Port Howard.



Port Howard settlement. Although it is the unofficial 'capital' of West Falklands, only 40 people live there. A single track provides a link to the nearest settlement five hours' drive away across country.

Argentine joy at mutiny's defeat

Nation salutes loyalist troops

From Christopher Thomas, Buenos Aires

President Alfonsín of Argentina is riding on a wave of national jubilation at his military, moral and political victory over a band of mutinous army officers.

Since the three-day insurrection was crushed on Monday, troops loyal to the Government have basked in a rare outburst of approval from Communists, Peronists, ultra-rightists, civil groups, the entire labour movement and civilians who have taken to the streets in celebration.

Not since the Falklands were invaded in April, 1982, has the military had such approval from a civilian population that, overall, still loathes and distrusts them.

"This is the first time in my life that I've been happy to see soldiers in the street," an elderly woman observed as she served troops with tea in the small north-eastern garrison town of Monte Caseros, where the centre of the rebellion was situated.

President Alfonsín's authority has been reinforced by the triumphant outcome of the second attempted insurrection in nine months by

the cashiered Lieutenant-Colonel Aldo Rico. "Democracy in Argentina is now assured," the President has been emphasizing all week.

From his confinement in the top-security Magdalena military prison in Buenos Aires, where he awaits trial, Colonel Rico is far from contrite.

"The Argentine people want a lion in the barracks, not politicians," he said shortly before surrendering to loyalist troops. "The Chief of Staff is good for nothing."

He is quoted as telling prison guards that he gave up in order to prevent the deaths of officers who "in the end belong to the same Army".

Colonel Rico, aged 44, with his dark glasses and beret cocked arrogantly to one side, is the epitome of the jingoistic young officers who are fiercely contemptuous of the "old guard" military high command that lost the Falklands War. He is himself a Falklands hero and holds Argentina's Medal of Military Merit.

He insists that the killing of 9,000 civilians during the "dirty war" campaign against

a left-wing insurgency in the late 1970s and early 1980s was justified and that the military should not have to atone for it.

Although the Army is clearly frustrated, demoralized and bitter at being "persecuted" for past actions, events this week have demonstrated forcibly that there is no foreseeable danger of a military coup. President Alfonsín looks reasonably assured of becoming Argentina's first civilian President in 60 years to hand power to an elected successor when his six-year term expires late next year.

Colonel Rico's rebellion sparked mutinies in five army garrisons, all of which surrendered with little bloodshed. Sixty officers and 222 NCOs have been detained at various points. Some officers are still on the run.

The real significance of these events lies in the willingness of army loyalists to shoot fellow-soldiers. When Colonel Rico asked to be given until dusk to surrender, a loyalist commander sent a succinct message: "Tell him to surrender now or we're going to smash him."

It was the first time in a

generation that the armed forces had shot at each other and the harshness with which the rebellion was put down contrasted sharply with the refusal of troops to carry out orders to crush Colonel Rico's last mutiny, which ended after President Alfonsín met him briefly behind closed doors and worked out surrender terms under which the Government would ease up on the trials of military officers accused of past atrocities.

The rebel colonel faces a 25-year sentence. The Military Code of Justice provides for the death penalty, but it is unlikely to be used.

Pardon hint: General Juan Ramon Mabragana, field commander of loyalist forces in the weekend uprising said yesterday he was opposed to an immediate amnesty for the 282 rebels but held out the possibility of a pardon after they had been tried (Reuter reports). "It would be a juridical error to grant an amnesty for those who have not been tried and convicted," General Mabragana told a news conference.

Leading article, page 13

Press Cuttings

from Broad Street Associates

FINANCIAL TIMES

21 JAN 1988

ARGENTINA launched a debt capitalisation scheme. Central bank president Jose Luis Machi-
nea returns to the US next week to resume interest-pay-
ment negotiations. Page 3

Argentine debt swap scheme launched

BY OUR BUENOS AIRES CORRESPONDENT

THE ARGENTINE Government yesterday launched a long-awaited debt capitalisation scheme as officials said the president of the central bank, Mr Jose Luis Machinea, would return to the US next week to continue negotiations on new funds to meet foreign debt interest payments shortly falling due.

Officials said the central bank opened an initial tender for \$50m in bids, to convert the debt via 13 projects put forward by private sector companies in the oil, petrochemical and textile industries.

The tender is the first instalment of a \$300m phase of the debt swap programme for the year ending in June. A total of \$1.9bn in debt is to be put up for offer under the scheme during the next five years in annual instalments of \$400m starting next July.

The bid call was originally scheduled for January 11, but was postponed as economic officials flew to Washington for debt crisis talks with the IMF, the World Bank and the US amid mounting concern over Argentina's ability to meet interest payments coming due this quarter.

Mr Machinea and other officials have since claimed that the Government is making prog-

ress towards securing new funds to avoid a default on interest payments still pending from last year or falling due before March.

Estimates suggest Argentina is \$490m in arrears from the end of last year, although it has been able to roll this over under a standard 90-day grace period from banks up to the end of this quarter.

But private sector analysts warn that freely available official reserves now stand at little more than \$500m, and more than \$400m is due for payment of interest and capitalisation of Argentine state bonds issued by the military regime. Those payments are due on February 15, bankers say, and cannot be avoided even though they will effectively soak up the available reserves.

Government officials are optimistic that approaching talks in Washington with the IMF and banking creditors will secure sufficient funds, not least because of the impact a debt interest default would have on the capitalisation scheme. The Government, which originally wanted creditors to match a dollar in new investment for each dollar of debt capitalised, has since conceded a more "attractive ratio" of 70-30, bankers say.

ALFONSIN WINS AGAIN

It may have been predictable that Lt.-Col. Aldo Rico would lose his rebellion against the Argentine government of President Alfonsin. But his failure to attract national support to his banner, remains none the less significant.

The more serious military uprising nine months ago raised a series of awkward questions for the Alfonsin government. Smouldering resentment in an army which had been badly defeated in the Falklands War and discredited in the eyes of the people was ignited by the prospect of legal action against a number of its officers. While the challenge to Argentine democracy was defeated, there remained doubts over whether this was really the end of the affair. This month's latest eruption and the manner in which it was crushed suggest that it might well be seen as the beginning of the end.

While it is fashionable (and right) to decry the army's abuse of human rights during the 1970s, it should also be pointed out that, in the eyes of many civilians, it served a purpose. By taking on the subversive left, the army removed a threat to their wellbeing. It forfeited goodwill by going much too far — replacing one kind of threat with another. But the mixed feelings among bewildered Argentines, who viewed left and right with equal distaste, created a climate of uncertainty which allowed unscrupulous exploitation.

The two focal points for military discontent have been the legal action taken against some of its officers and the loss of army privileges and influence. Some have argued that it has not yet lost enough. While conscription has been reduced and the budget for buying new weapons severely trimmed, the military remains a separate section of society with a voice of its own and the capacity to exert pressure. Still, its power has been in decline and it would

be surprising if there were not some officers who resented this.

That this challenge to President Alfonsin's authority did not develop into a full-scale army coup against him, reflects the achievement of the five-year-old democratic government. Had the administration been discredited or corrupt, had it been surrounded by civilian critics, disillusioned and dismayed by inefficiency, the military might have found a receptive audience in the country. As it is, President Alfonsin, for all his imperfections, remains the best kind of president Argentina has.

This is not to say that the latest uprising does not contain a number of lessons for his government. It has underlined the need for the military to be given a more rewarding role in Argentine society. The lack of a convincing threat to Argentine security from its neighbours in South America and the return of civilian rule to Buenos Aires have left officers with too much time to brood. The greater use of Argentine troops on United Nations peace-keeping operations is one role which might be developed.

Britain has an obvious interest in all this because of its tangled relationship over the Falklands. Continuing signs of army restiveness must keep alive concern over the South Atlantic. But they would also seem to justify British caution in its approach to Buenos Aires. Can one really enter into serious negotiations over sovereignty with a country whose stability remains so much in question?

President Alfonsin has won through again — and without too much difficulty. But the renewed challenge to his authority suggests that he still has much to do before he can be said to have his country firmly under control.

TELLEX

THE BROADCAST REPORTING SERVICE

REPORT

FALKLAND ISLAND FISHING

For : BROAD STREET ASSOCIATES

KATE WALLACE

Prog: JOHN DUNN

Service : BBC R.2

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JOHN DUNN:

Now it is surely a luxury to suffer from too much success, but success can bring with it some very knotty problems, as the Falkland Islands are finding out at the moment. Their fishing industry's booming, in fact the waters round the islands are now officially said to be the world's finest fishing grounds. But how much of the success is staying with the Falkland Islanders? Well, quite a bit, thanks to their recent licensing system. But there are those who think it could be an awful lot more. That's going to be the first talking point.

- break for music -

The Falklands fishing boom began in 1979 and it was a huge bonanza. The fleets of the world converged there and carried home huge tonnages of fish. Not that we noticed it too much because in the early '80s we had rather a few other things to think about down in the South Atlantic. Well the islanders then realised that they were losing a lot of potential revenue so in 1985 a fishing zone was declared and last year they started to issue licences.

Well now they feel that the 15 million or so that that.. comes in annually from those licences could be much more and there are those who feel the Falklands fishing industry could be worth something like £400 million a year if it was properly used, so last Monday there was the first of a series of public meetings held in Port Stanley for the islanders to discuss their future. John Ezard of The Guardian came back from the Falklands a couple of weeks ago where he was obviously talking about this, and he's on the phone. So they obviously, John, consider that the licensing scheme has been a success there.

JOHN EZARD:

Well it's been the most enormous success yes, over the... over the last 15 months or so. It's... the income from the fishing zone has multiplied their annual revenue six times, it's put it up to £30 million and it's given them a sort of potential profit of £15 million a year one way or another. The zone has gone without any incidents at all with Argentina, it's been most efficiently run by people who are employed by the island government so it's a triumph for the islanders and they've done it themselves.

J.D:

Now the big prize which the fishing fleets are all after or many of them are after, is the squid I understand. Now has that always been there?

J.E:

It arrived there in 1979, and that's... that ... that is shown by rather minor figures at the time - the harbour dues for one of the deep water harbours near Port Stanley. They suddenly shot up from a few hundred pounds a year into tens of thousands and then hundreds of thousands, but neither Britain nor Argentina realised that at all, and it was only when, after the war when these great fleets of 600 ships would suddenly appear in the waters round the Falklands every April to May, that the wealth of the squid which were, if you like, sort of underwater invaders around the Falklands, really came home.

J.D:

So what would the islanders have to do to capitalise further on this good fortune?

J.E:

Well it's estimated within the world fishing industry that the catch of squid and to some extent other fish, white fish from Falklands waters, is now running at 400 million to 500 million a year. That is larger than Britain's total catch from

the North Sea according to figures, and it's even larger than New Zealand's fishing industry. It's an absolutely huge amount. What they would have to do to capitalise on it beyond the 15-million that they're likely to get a year is - a), to run their own trawler fleet, because you make money out of squid by catching it, processing it, and selling it to the Far Eastern countries which prize it as a delicacy. The second thing they would have to do would be to put on shore factories and facilities for freezing and processing it into the kind of food that the Japanese, Koreans, Taiwanese and Poles and Spanish like. That is very expensive.

J.D:

So obviously they want to have a.. or they would need to have a huge injection of capital.

J.E:

Well they've got the.. the capital is there, if you remember that they get an estimated £15 million a year from fishing licences. The catch is that according to an official report which is.. they're now studying, they would have to spend £10 million of that 15 million every year for the next five years to put as investment into the on shore facilities and the fleet. That leaves them not very much over at a time when they've got other development costs, and it runs the risk which terrifies them, of damaging their agriculture which has kept them going through good times and bad.

J.D:

Wouldn't they also need more people though? If you start introducing an industry like that and a fishing fleet, they haven't got the people to man them have they?

J.E:

Absolutely not, no, that's another very big factor. The report says that if they go all out to develop the fishing industry, their population would need to increase from its present nineteen hundred and thirty, one thousand nine hundred and thirty or

so, to as many as 3½ thousand people by the end of the decade. That, in terms of fairly small country population - although the islands are very large, the size of Wales - that is a huge impact to take over 10 years, there's just no parallel for it in the.. anybody's experience in Britain.

J.D:

I'm sure that in the experience of many of the islanders it would ruin what they went down there for in the first place.

J.E:

Well it's a very large country, it can take a great deal, it could take many more thousands than its got. But Port Stanley is a small town. You would need housing and services for those people. Another.. a great fear is that skilled immigrants coming in would very rapidly earn more than the islanders, and would in a quite short time be able to outvote them as has happened in Fiji, and might vote for a policy quite contrary to what the present islanders, long standing islanders, want.

J.D:

Do you know what happened at the meeting on Monday evening? Have you had any reports back?

J.E:

Yes, it takes a very long time for reports to circulate properly in the Falklands. This is probably the most important document they've had since the British talks with Argentina over sovereignty in the late 1970s. But it's been there for something like three weeks. At the public meeting in Port Stanley it emerged that people hadn't seen copies of it very widely and that they were above all curious about what was in it. But at the same time there was anxiety about the risk of going for broke on fishing and damaging agriculture.

J.D:

But it is a very difficult decision when you think about it. I mean if the squid only arrived in 1979 they might set

the whole thing up and spend all that money and they could simply disappear!

J.E:

Absolutely, and you would then have... you would then have useless factories which would just rust away at the same time as you'd... as you'd stripped your agriculture of resources. That's the nightmare scenario. Now the squid have been there for nearly ten years. Squid have been around New Zealand very profitably now for nearly twenty years, so as a commercial risk in British terms, it's a risk worth taking. But if you're an island which has been very poor in the past, and very, very careful about its housekeeping, you think twice before taking that sort of risk with the very limited capital you've got.

J.D:

Absolutely. John, thank you very much indeed. On the line there that was John Ezard of The Guardian.

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300 to go on trial after Rico rebellion

BUENOS AIRES (Reuter) — About 300 military men will be court-martialled for their part in a two-day rebellion led by Lieutenant-Colonel Aldo Rico, Argentine military sources said yesterday. The army command announced that 60 officers and 222 enlisted men were arrested after Colonel Rico's surrender on Monday. The military sources said the rebels — those with Colonel Rico and supporters in several army units round the country — totalled at least 300.

Colonel Rico, a hero of the Falklands War, surrendered to troops loyal to the government virtually without a fight. "I thought there would be resistance," said loyalist forces commander Juan Mabragana.

Army Chief of Staff, General Dante Caridi, had threatened to use "blood and fire if necessary" to end the rebellion, which was centred in the small north-eastern town of Monte Caseros.

Colonel Rico's surprisingly quick and unconditional surrender raised speculation that he had negotiated with General Caridi.

Last April, loyalist forces showed reluctance to attack Colonel Rico and about 600 officers in a rebellion at the Campo de Mayo army base outside Buenos Aires. But this time they advanced on the rebels quickly.

Defence Minister Horacio Jaunarena said the abortive second rebellion was the conclusion of events begun last Easter. General Caridi said his position at the head of the army had been "absolutely consolidated".

Embassy plea

MR Oscar Castrogiovanni, an Argentine nationalist who is suspected of taking part in Colonel Aldo Rico's rebellion, yesterday took refuge inside the Paraguayan embassy here, writes *Jeremy Morgan in Buenos Aires*. He was understood to have asked for political asylum from General Alfredo Stroessner's dictatorship in Paraguay even though charges had not yet been brought against him in Argentina.

Rico rebellion civilian takes refuge in embassy

BY OUR BUENOS AIRES CORRESPONDENT

A CIVILIAN who is thought to have joined ex-Lieutenant Colonel Aldo Rico's unsuccessful insurrection was yesterday reported to be inside the Paraguayan embassy in Buenos Aires seeking political asylum.

Mr Oscar Castrogiovanni, who is known by the pseudonym Castroke, was seen last Friday throwing pamphlets and cheering Lt Col Rico when the renegade army officer began his defiance of the Argentinian high command.

Eyewitnesses say they also saw him on Monday at the Buenos Aires municipal airport when it was taken over for four hours by rebel air force officers and civilian sympathisers. Eight civilians face legal proceedings over the incident, but

the Foreign Ministry said yesterday there was no warrant for Mr Castrogiovanni's arrest.

The Paraguayan ambassador, Mr Miguel Angel Bestard, was in contact with senior ministry officials to establish Mr Castrogiovanni's legal status. Mr Castrogiovanni, known for his fascist sympathies, came to note in 1984 when he took over a radio station to read out a nationalist statement marking the anniversary of the Argentine invasion of the Falklands.

He was also present when nationalist protesters broke up a press conference held by three British parliamentarians at Buenos Aires' Plaza Hotel in 1984 during a visit to open contacts with Argentine political leaders.

20 JAN 1988

Taiwanese ship seized

Argentine coastguards seized a Taiwanese trawler, alleging that it was fishing illegally in territorial waters.

Press Cuttings

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FINANCIAL TIMES

20 JAN 1988

Argentina holds 282

Argentine defence officials said 282 members of the army, including 60 officers, were detained following the revolt led by Col Aldo Rico. **Page 4;**
Editorial comment, Page 22

Tim Coone reports on the political balance after the mutiny Officer corps remains unrepentant

THE SUPPRESSION of Argentina's second army rebellion in nine months and the arrest of its leader, ex-Lt Col Aldo Rico, is an undoubted victory for President Raul Alfonsin's Government.

But it still leaves open the question of whether this is the end of the road for seditious elements within Argentina's armed forces, or simply a tactical defeat, leaving the problem simmering and ready to resurface at the first opportunity.

The willingness of the loyalist forces, under army chief-of-staff Gen Dante Caridi, to open fire on their comrades-in-arms in last weekend's rebellion, does demonstrate that the army high command has succeeded in establishing its authority over a number of key army units despite the considerable support for Mr Rico at middle and junior levels of the 7000-strong officer corps.

This in itself may be sufficient for the time being, to break the will of the rebellious mavericks, and serve as a warning that further outbreaks of unrest in the barracks will be treated with equal severity.

Politicians close to President Alfonsin were jubilant yesterday about the rapid suppression of the rebellion and were at pains to stress the contrast with last Easter's rebellion, also led by Mr Rico, when the chain of command broke down in the army and necessitated the personal intervention of President Alfonsin to end the mutiny.

However, there is a wider problem within the armed forces, which extends to both the navy and the air force and



Gen Dante Caridi:
consolidating power

shows no immediate sign of being resolved. A large proportion of the officer corps feels and expresses no regret that the armed forces were responsible for the disappearance of over 9,000 people during the period of military rule from 1976-83, including journalists, lawyers, trade union leaders and politicians.

It was an attempt to eliminate various left-wing guerilla movements active in the early 1970s; the army's success at doing so was used as a justification for their strategy, regardless of the implications for human rights in Argentina and the stability and diversity of its newly-won democratic system.

It should not be overlooked that since assuming the hotseat at the head of the army, Gen Caridi himself, has made numerous public remarks, in

the wake of last Easter's rebellion, which indicate that he also believes the strategy was correct, albeit in more moderate form.

One of the principal consequences of the Easter rebellion was that the ruling Radical Party drove a piece of legislation through the Congress last June, absolving all middle and junior ranks of the armed forces from responsibility for crimes committed during military rule, on the grounds that they were following the orders of their superiors.

This was one of Mr Rico's demands during the mutiny. Gen Caridi subsequently said that the so-called "Due Obedience" law was "a step in the right direction" but that further measures would be necessary if the resentment in the armed forces was to be overcome.

This was seen as an implicit demand for a general amnesty extending up to senior officers as well, most of whom are now in retirement. Up to 50 such officers are still to face charges for human rights abuses, and should the trials take place, many officers on active service may yet view them as an attack upon the military establishment as a whole.

In the navy, the future of Captain Alfredo Astiz has yet to be resolved. The Admiralty want him to remain on active service, while the Government is deeply embarrassed and wants him retired. He has earned international infamy for his alleged involvement in the disappearance of two French nuns and a Swedish woman

In spite of jubilation at the foiling of Rico's rebellion, rumbling discontent among officers against trials for their part in the "dirty war" goes on

during the "dirty war" in the 1970s.

Such simmering disputes are precisely the fertile grounds on which Mr Rico has sown his seditious seeds. To view him as simply an isolated phenomenon is to overlook the deeper problems which continue to threaten Argentina's democracy.

Gen Caridi may have strengthened his authority within the armed forces by suppressing the recent rebellion, but he has also increased his power to demand a wider amnesty, and consolidate that position.

For the time being, the clearly authoritarian Aldo Rico has been thwarted in his bid for power within the armed forces, but the demands which may now come from Gen Caridi may still cause concern for the balance of power between the civilian and military authorities in Argentina.

Argentina detains 282 rebels

BY OUR BUENOS AIRES CORRESPONDENT

ARGENTINA'S Ministry of Defence yesterday said that 282 members of the army, including 60 officers, had been detained following the revolt led by ex-Lt Col Aldo Rico.

One of the officers alleged to have sparked a parallel insurrection at Tucuman city, 800 miles northwest of the capital, Col Angel Leon, was still at large after fleeing as the insurrection ended on Monday.

Court sources said legal proceedings were also being initiated against eight civilians accused of helping a group of rebel air force officers to seize the Buenos Aires municipal airport for four hours at the

height of the crisis.

Col Rico was moved to the army's main prison at Magdalena, 70 miles south of the capital, military officials said.

Five former commanders-in-chief convicted of human rights crimes in late 1985 are serving out their sentences at that prison.

Speaking to the nation on Monday night, President Raul Alfonsin said the laws of democracy would be "applied vigorously" in judging those responsible for the rebellion, although doubts persisted over exactly what charges would be brought against them.

Mr Alfonsin later told report-

ers: "We have shown that together we are able to ensure democracy and the future of all Argentines."

Recalling his remark after the Easter uprising led by Col Rico in April last year, President Alfonsin said: "The house is in order".

Local public opinion yesterday appeared to be almost unanimous in predicting that the democratic government would emerge strengthened from the suppression of the rebellion.

In editorials local newspapers emphasised the lack of civilian support for the rebels, although there was some implicit criticism of the government's fail-

ure to adopt a more clear-sighted policy regarding the armed forces.

Some observers warned that the Government was evidently aware that tough action against the conspirators could provoke another backlash from hardline military officers.

Mr Claude Cheysson, the European Community official responsible for North-South relations, yesterday sent a warm message of support to Mr Dante Caputo, the Argentine Foreign Minister.

"The courage and the determination of the president and his government have allowed a new victory for democracy," he said.

Affair of arms in Argentina

THE most encouraging feature of the brief military rebellion in Argentina was that loyal troops moved against the rebels. Nothing could have been more perilous to Argentine democracy than orders from the army high command being disobeyed in sympathy with the rebels.

This was the fear during the rebellion last Easter led by Colonel Aldo Rico, the man behind the latest venture; and it was never fully dispelled then, since President Raul Alfonsin made concessions to avoid bloodshed and any real test of the troops' loyalty.

Military mavericks

However, there was no such ambiguity this time. When challenged by force, the renegade colonel quickly surrendered. The various military protests elsewhere in the country evaporated with even greater speed when confronted by determined loyal troops.

No Argentine can feel comfortable that the country harbours a group of disgruntled military mavericks. But the

armed forces as a whole have been seen to uphold constitutional order in the face of unacceptable demands. Col Rico sought the removal of the senior commander and a vindication of the military's role in the "dirty war" against the left during the period 1976-82.

It is significant that the rebel soldiers chose to make their stand conveniently close to the Brazil-Uruguay border, far from the capital. Vainglorious rather than courageous, they lacked supporters in the country and had none outside.

In the wake of the rebellion, the armed forces have an opportunity to integrate more fully into civilian society. The military cannot easily be forgiven for the abuses of human rights during the "dirty war" or for the Falklands debacle; but the armed forces now have to demonstrate that they no longer claim a special right to intervene in politics.

Col Rico and other malcontents may well be the focus of further discontent. The authorities must not make concessions in disciplining the rebels.

Argentina hails end of rebellion as triumph for democracy

Rico faces mutiny charges after 300 are rounded up

Buenos Aires (AP, Reuter) — Lieutenant-Colonel Aldo Rico, whose Army revolt at Monte Caseros was crushed by troops loyal to President Alfonsín, will face military charges of rebellion.

Colonel Rico was taken to the headquarters of the Second Army Corps at Rosario, 195 miles north of Buenos Aires, where judges are preparing the charges. Under military law, he could face the death sentence.

The cashiered Falklands

War veteran, who fled from house arrest in Buenos Aires while awaiting trial for a similar mutiny last April, was then transferred to the military prison at Magdalena, 50 miles south of Buenos Aires.

The jail contains several members of the previous military government, including former President Jorge Videla, who are serving sentences for human rights abuses.

Almost 300 people were detained in connection with

the two-day rebellion that left five people injured.

But the Army was still searching for three close aides of Colonel Rico who escaped when the rebels surrendered: former Major Ernesto Barreiro, who led an insurrection at Córdoba last April; Lieutenant-Colonel Angel León, who headed the revolt in the northern city of Tucumán; and Lieutenant-Colonel Enrique Venturino, the purported political leader of Colonel Rico's operation.

Five other army garrison revolts in support of Colonel Rico were all put down without a shot being fired.

President Alfonsín said that the crushing of the mutiny had helped to strengthen Argentina's young democracy. He said the way the country had acted "proved the nation to be far stronger than the self-styled enlightened minorities".

He told the nation: "We have demonstrated that all of us, together, are capable of assuring democracy and the future of the Argentines."

The Defence Minister, Señor Horacio Jaunarena, described the country as "absolutely normal", with all military commands "responding to their natural leaders".

In yesterday morning's newspapers the Argentine press hailed the crushing of the rebellion.

La Nación and *Clarín* ran headlines quoting President Alfonsín saying: "Democracy has been consolidated". In an editorial, *La Nación* blamed the revolt on the Government being too concerned with planning for the future while turning its back on more pressing problems.

Borrowing from the President's phrase when he announced the surrender, "The house is in order," *La Nación* said: "Instead of dedicating itself to repairing the house . . . the Government preferred to imagine how the new house would be when it did not even have the means to buy it."



President Alfonsín being congratulated by Major Santiago Sorondo, head of the security forces, outside Government House after the end of the second Army uprising in a year.

Press Cuttings

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20 JAN 1988

THE ~~WORLD~~ TIMES



Moment of surrender: A rebel soldier, with his hands behind his head, is escorted along a road leading to Monte Caseros by a detachment of loyal troops as the mutiny is crushed.

Alfonsín fails to tackle central problems of the military

By Walter Little

The military revolts in Argentina over the weekend have led many to fear that the country may be heading once again towards disorder. Some even worry that the Government may be at risk.

The Army ruled for 20 of the past 50 years and has been a very influential power for the other 30. However, these fears are misplaced. On previous occasions the military enjoyed at least some public support and civilians were deeply divided in their attitudes. Neither of these conditions obtains today.

The main problem for President Alfonsín was not the uprisings themselves, but the possibility that

supposed loyalists in the armed services might have refused to fire on fellow officers. This would have created a crisis but it has been averted.

The revolts were much less challenging than those which occurred last April and seem to represent a last-ditch stand by middle-ranking officers who ran the "Dirty War" in the 1970s. Their complaints are only partly about the risk of being tried and jailed. They also have a deep contempt for their High Command, which they see as having acquiesced in the dismantling of the military's institutional privileges.

The fact is, however, that many

of these remain intact. The nuclear programme and arms industries have been put into civilian hands, conscription cut back, and spending on weapons curtailed. But the Government has yet to come to grips with its avowed aim of democratizing the military and integrating them into society.

In particular, the attempt to "professionalize" them is stalled and plans to change the way they are educated have yet to be implemented. The rebels' complaints then, are as much to do with feared loss of prestige and of their caste-like solidarity, as anything else.

President Alfonsín has a reputation outside Argentina as an anti-militarist, but it is a different matter at home. Recent polls show that most voters see him as weak and indecisive.

It is significant that even before he was elected he rejected the principle that unjust commands were not to be obeyed in favour of punishment of the Junta members only. This has now been formalized in the "Due Obedience" law, which effectively pardons the majority of officers guilty of crimes.

This is not enough for the few diehards who are not content with being let off, but who believe society should applaud them for having fought a victorious campaign against Marxist subversion.

Privately, many Argentines — though they have no sympathy with the military — are grateful to them. Businessmen threatened with kidnapping, trade unionists under threat from the left and party activists eclipsed by the resort to violence can all rest easier now that the armed left has been vanquished. But they can hardly come out and say so in public. Their ambivalence is reflected in the polls which show that they want the military to stay out of politics but give a low priority to the human rights issue.

In the longer term, the question for President Alfonsín — and his

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successor — is how to give the military a role. In the past, tension with Chile and Brazil and the threat to the established order from the left and from Péronism gave them a job of sorts to do.

President Alfonsín now has close relations with the Brazilians, has resolved the Beagle Channel dispute with Chile and support for democracy has defused the international crisis. The only role left for the military seems to be the Falklands, and this does not bode well for Argentina's future relations with Britain.

The author is lecturer in Latin American politics at Liverpool University.

Firstland to join USM

BY HEATHER FARMBROUGH

Firstland, independent oil and gas exploration company, is seeking an introduction to the USM. The shares are currently quoted under rule 353.3.

The company's main production interests are in the US, principally in Mississippi. Proven reserves amount to 3.1m barrels of oil and gas, which have been valued at \$11m or 66p a share.

Firstland's exploration inter-

ests include acreage in Australia, the Falklands and the gulf of Mexico. It reported a loss before tax of £209,000 for the year to June 30 on revenues of £1.4m, compared with a pre-tax loss of £1.6m in 1986.

The company is currently capitalised at £8.8m and will not be raising new shares. The directors hold around 40 per cent of the equity. The sponsors are CGS Securities.

USM promotion for Firstland Oil

By Michael Tate

The Stock Exchange's tidying-up of the oil minnows continues with the switch this week of Firstland Oil & Gas from its Rule 535 listing to the USM. It plans to use its shares to buy production in North America, thus increasing assets and cash flow at no additional cost.

Firstland sprang to fame in 1984 when it won the first oil licences in the Falklands — still no action there — and it has since acquired two other explorers, Panola Oil and

Sigma Resources, both of which, like Firstland, concentrate on the US.

Its key interests at present are two field projects in Mississippi, which comprise the bulk of the group's £11 million of proven reserves. Its only United Kingdom interest is a 23.4 per cent stake in Fishermen's Petroleum.

Firstland trimmed its losses from £1.57 million to £209,000 in the year to end-June last year.

20 JAN 1988

Efforts to protect Falklands bird life

SIR—Your article "Officer's helicopter trip killed Falklands wildlife" (Jan. 9) quite rightly draws attention to the impact the increase in visitors, both military and civilian, can have upon the flourishing Falklands wildlife. The incident described illustrates dramatically the damage that may be done in moments, not by malice but by sheer thoughtlessness.

However, it occurred five years ago, and, as your correspondent explained in his original despatch, the lessons were swiftly learnt. The result is a quite remarkable effort to ensure that the wildlife does not suffer as the Falklands develop economically and act as host to an increasing number of visitors. The military authorities, with the assistance of local conservation advisers, are making every effort to promote amongst all military personnel the importance and sensitivity of the Falklands wildlife, whilst infringements of the rules are dealt with severely.

The Falkland Islands Trust, the local conservation body, have erected hides with the assistance of the development corporation in order to protect the breeding sites of the birds most vulnerable to disturbance. The Falkland Islands Foundation, the trust's United Kingdom-based sister organisation, is undertaking a visitor information programme in collaboration with the Falkland Islands tourism office and development corporation, so that inadvertant damage does not result. All this, and much more besides, is done with the active support of the Falkland Islands government. The message is coming across clearly that the natural heritage of the Falklands is an international asset to be carefully conserved.

This attitude is shared throughout the islands and displays itself in virtually every activity taking place there.

J. R. WILSON
Secretary, Falkland Islands
Foundation, London NW1

Argentine colonel faces 25 years' jail as revolt collapses

THE ARGENTINE army yesterday began court martial proceedings against Lieutenant-Colonel Aldo Rico for his role in leading a five-day military revolt which sparked mutinies in five garrisons.

The colonel's second rebellion in less than a year ended on Monday evening with his surrender to forces loyal to President Raúl Alfonsín. He now faces a 25-year prison sentence. The army said 282 mutineers had been arrested, including 60 officers and 222 NCOs.

The renegade commando and a group of about 100 supporters, who had taken over the barracks at Monte Caseros, a town of some 20,000 inhabitants on the bank of the Uruguay river near the border with Brazil, had tried to make their surrender conditional. When this was rejected by the loyalist commander, who assured the rebels that force would be used if necessary, the so-called "country club" rebellion collapsed.

It was the end of a tense day for Argentina, with rebellions in support of Colonel Rico in five provincial army commands throughout the country, and an attempted takeover of the capital's second airport.

Colonel Rico's rebellion fell to pieces despite his assurances that he would fight to the bitter end. "I have Spanish blood," he had told reporters, "and that blood never surrenders." The rebels had mined three bridges and the approach roads to Monte Caseros, to impede the already slow approach of a column of loyalist tanks and armoured cars under the command of General Juan Magragna. Loyalist troops surrounded the town and waited, in torrential rain, for developments. Three of the loyalist troops were injured when a truck detonated a mine planted by the rebels.

From Isabel Hilton
in Buenos Aires

The surrender at Monte Caseros, at 5 pm on Monday, was followed by the other units. At Tucumán, where the 19th Regiment had rebelled under Lieutenant-Colonel Angel León, the surrender was briefly postponed when rumours reached the rebels that the forces sent to put down their revolt were in sympathy with the rebellion. Colonel León finally surrendered without bloodshed to the Fifth Infantry Brigade, but managed to escape when a scuffle broke out between the Brigade's commander and rebel officers. The rebellions in San Luis, San Juan, Las Lajas and the southern province of Santa Cruz collapsed without incident.

In Buenos Aires, the occupation by rebel air force commandos of the downtown airport of Aeroparque also ended peacefully. The commandos said their rebellion was also in support of a retired air force lieutenant-colonel, Fernando Estrella, who was arrested a year ago for failing to answer a court summons for human rights violations. Also seen at the airport was a civilian ultra-right activist, Carlos Castrogiovanni, who appeared to be in league with the rebel officers.

The presence of Mr Castrogiovanni suggests that the rebellions, ostensibly a continuation of the Easter uprising last year, which started when army officers refused to attend court on human rights charges, had a more threatening political element. Mr Castrogiovanni represents a group, analysts believe, who were hoping to push the rebel officers into a fully-fledged coup, but this in itself seems to have been an element in their defeat.

Army officers who were sympathetic to Colonel Rico in his fight for absolution for the junior officers on human rights charges were unwilling to venture a coup which would have found little civilian support.

The collapse of the rebellion was hailed by the government yesterday as a triumph for the policies pursued by President Alfonsín since last Easter. In the wake of the Easter uprising, he both purged and pacified the army, changing the high command and attempting to win their loyalty by bringing to an end the prosecutions of active service officers for atrocities committed during the "dirty war".

In contrast to last Easter, President Alfonsín was able this time to avoid personal negotiations with rebel troops, and relied on the convincing threats of force made by his Chief of Staff, General Dante Caridi.

The bulk of the armed forces remained loyal to the government. The strength of the rebel officers is estimated to be no more than 300 throughout the country, and their takeover of a series of barracks was facilitated by the absence of many senior officers on the traditional Argentine summer holiday. But there has been a marked absence of the popular outcry that accompanied the events of last Easter, perhaps a sign that the crowds that rallied then to President Alfonsín's defence, and who were told that there had been no secret deal with the rebels, felt disillusioned when the so-called *Punto Final* law was introduced. Argentina has breathed a sigh of relief, but questions have already been whispered as to whether some further concessions to the powerful armed forces might be in the pipeline.

Nationalists held for cashing in on Argentine revolt

By Andrew McLeod in Buenos Aires

A "LARGE NUMBER" of civilians reported arrested in Argentina are said to have been "part of a group of ultra-nationalists" who took advantage of the rebellion by cashiered Lt-Col Aldo Rico and tried to seize the Metropolitan airport in Buenos Aires.

An Interior Ministry source told the Noticias Argentinas news agency the civilians said the airport take-over attempt was not part of Rico's plan.

Rico, whose revolt against the army hierarchy was crushed by loyalist forces on Monday, could face the death penalty under the Argentine armed forces code.

Senator Antonio Berhongaray, Radical chairman of the Senate defence committee, said yesterday the death penalty could also be applied to others involved in the revolt, which was quelled by troops loyal to chief of staff Jose Caridi.

Rico was being held yesterday at the Magdalena maximum security prison in Buenos Aires province, along with former military junta leaders serving sentences for human rights violations during the military regime's "dirty war" against Left-wing subversion.

Three other rebel leaders were still being sought by security forces, while 60 officers and 222 non-commissioned officers were under arrest, sources close to the joint chiefs of staff said.

The sources said one of the missing rebel officers, Lt-Col Daniel Leon, had escaped while negotiating a surrender at the 19th Infantry Regt in the northern province of Tucuman.

The two other missing rebels are also lieutenant-colonels. They were named as Enrique Venturino and Luis Polo.

Buenos Aires provincial police reported the arrest of Rico's spokesman, the martial arts professor Juan Carlos Slaiman Ali. He was being questioned by a judge about possession of firearms.

After rebellions were quelled in army garrisons in the provinces of Corrientes, San Juan, San Luis, Tucuman, Neuquen and Santa Cruz, military sources said three loyalist soldiers were wounded when they drove over a mine planted near Monte Caseros, where Rico was holding out with his supporters.

Yesterday the Argentine writer Ernesto Sabato, a friend of President Alfonsin, said the president had told him: "The laws in defence of democracy will be rigorously applied against Rico and the other rebels."

Sabato is a fierce critic of the government's "due obedience" law, under which many officers accused of human rights violations escaped prosecution.

President Alfonsin, who kept a low profile throughout the crisis, was buoyant when he appeared on television on Monday night. He asked Argentines to "look on the positive side".

He said: "We've consolidated our democracy." The Argentine people, media and armed forces had been exemplary in their behaviour.

The armed forces "had a difficult task of taking up arms against their comrades".

Alfonsin faces questions on revolt

From Jeremy Morgan
in Buenos Aires

Relief at defeating Colonel Aldo Rico's rebellion threatens to swamp questions about how the Argentine's latest army upheaval was allowed to happen.

President Raul Alfonsin promised yesterday that "the laws of democracy will be vigorously applied" against Colonel Rico and his rebels. He gave no indication of what charges would be brought against them.

A statement issued by the army said that 272 of its men, 50 of them officers, joined the revolt. It did not say how many of them took part in the Easter uprising led by the renegade colonel last year.

The background of those who played a major part in this week's insurrection suggests that opposition to human rights remains a great issue for military hardliners, who see the armed forces as a law unto themselves.

Colonel Luis Polo, who is said to have led an uprising in Tucuman, a city in the north of Argentina several hundred miles from Colonel Rico's station at Monte Caseros, also figured in the Easter rebellion.

Colonel Polo was the commander of the 14th Infantry Brigade, where Major Ernesto Barreiro, who re-emerged as Colonel Rico's spokesman last week, took refuge after refusing to testify to a civilian court on human rights charges last April, sparking the uprising



President Alfonsin is greeted by his security chief, Major Sorando

that thrust Colonel Rico into the limelight.

Colonel Polo's alleged accomplice at Tucuman, Colonel Angel Leon, who is described as a close associate of Colonel Rico, was yesterday still missing after he disappeared as the revolt collapsed on Monday.

Another leader of the upheaval is a retired air force commodore, Mr Fernando Estrella, who has also been accused in connection with human rights crimes under the former military regime.

Mr Estrella, who is said to have led the rebels' brief takeover of the Buenos Aires municipal airport as the crisis deepened, was reportedly put under arrest by the air force chief after refusing to answer a court summons last year. He was mentioned in connection

with the disappearance of two priests in a western province in 1976.

Not only military men took part in the revolt. A prominent rightwinger, Mr Oscar Castroge, was seen both at the airport and the country club where Colonel Rico briefly defied the high command last Friday.

Mr Castroge came to notice twice in 1984, once when he took over a wireless station at pistol point to read out a rambling declaration on the Argentine's claim to the Falkland Islands on the anniversary of the regime's invasion, and later that year at a near riot at a hotel where three British parliamentarians were staying during a visit in which they tried to open talks.

General Juan Ramon

Mabragana, a senior officer who helped put down the revolt, said it proved that the army was willing to subordinate itself to the elected government.

But the Defence Minister, Mr Horacio Jaunarena, conceded that the Government knew Colonel Rico had some support within the officer corps but had still been surprised at the extent of indiscipline.

The success that the head of the army, General Jose Caridi, had in calling out tanks and troops to quell the insurrection has prompted suggestions that the army is well down the road to democratic ways.

But less optimistic observers here warn that the officer corps may have acted because it had as much to fear from Colonel Rico as civilian society did.

When Karl got back he switched off. Then the violence and drinking started. Alex

Kirsta reports on what happens when the marines open up

The waking nightmare of a Falklands vet

LIKE many hundreds of his fellow marines, Karl Kirby arrived home from the Falklands war in 1982 to a hero's welcome and a proud family eager to share his experiences. But, as he recounts in tonight's television film, the role of hero was the very last part he was capable of taking on.

"I switched off. I couldn't tell anyone in my family what I'd been through. I began drinking heavily. Once I spent £2,000 in three weeks on alcohol." Anger and alcohol were just the beginning. There followed harrowing nightmares, flashbacks of the carnage, hallucinations about those who died — all this against a background of black depression, a growing sense of alienation. Over the next five years the inability to communicate or allow others to get close caused him to alternate between long periods of withdrawal and bouts of violence towards his new wife. "When I tried to leave, he disconnected the phone and dismantled the car," she says.

His marriage almost in tatters and by now contemplating suicide, Karl embarked on group therapy with other navy members at the Royal Navy Hospital in Gosport. The crucial test was whether he could admit to having a problem in the first place. As with alcoholics, for many veterans the biggest obstacle to getting well is a refusal to recognise the existence of trauma, a defence that persists, at best, into the first few days or weeks of therapy, at worst can linger for good. Predictably, denial is an intrinsic factor in the development of PTSD (post-traumatic stress disorder) a condition endemic among many war veterans as

well as victims of terrorism, natural disasters, accidents, severe illness and violent crime. The key symptoms, which are often delayed, include repeatedly reliving traumatic events through nightmares, intrusive thoughts and images.

Phobias and anxiety attacks are common as are withdrawal and depressive states, compulsive self-destructive behaviour usually exacerbated by conflicting feelings of anger, guilt, shame and fear as well as a tendency to avoid discussing these feelings as a safeguard against further trauma. The longer the condition remains unacknowledged the more self-perpetuating becomes the cycle of aggressive and avoidance behaviour, often reinforced through abuse of drugs, alcohol, gambling, promiscuity.

According to the psychologist, Roderick Orner, formerly with the Norwegian navy, now a leading researcher into PTSD, those most in need of help are not coming forward because by now they have become too withdrawn or hardened by their condition. Owing to lack of medical awareness of PTSD, many have become dependent on sleeping pills and anti-depressants prescribed to control misdiagnosed "neurotic" illness.

"Veterans with PTSD are not sick. What they need desperately is the opportunity to open up, preferably with other veterans who are the only ones that can understand and offer the right support," says Roderick Orner, who is setting up telephone counselling services in Cardiff and Lincoln.

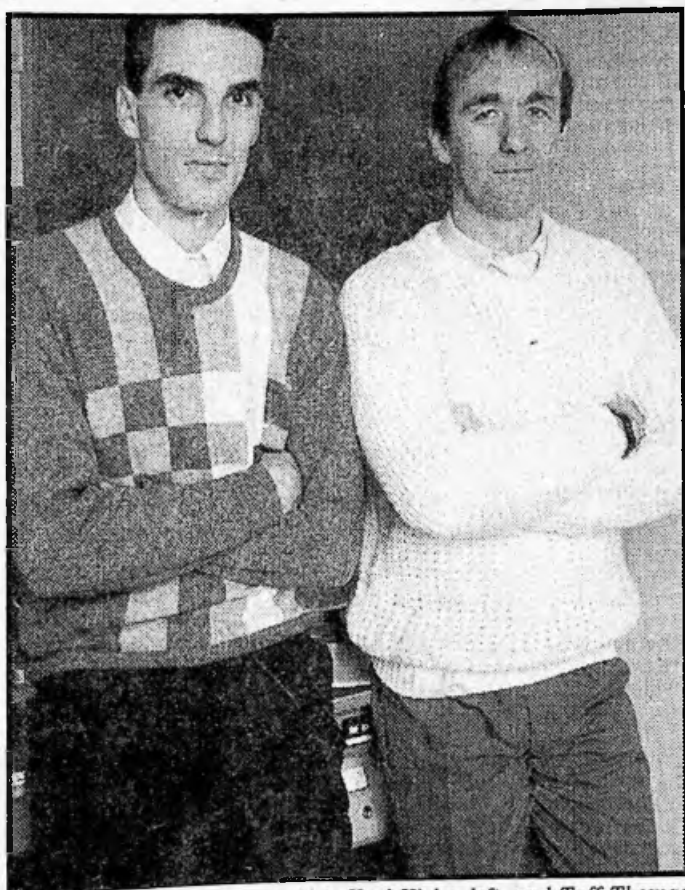
Surgeon Commander Morgan O'Connell, a consultant psychi-

atrist at the Royal Navy Hospital who served in the Falklands, observed similar symptoms in himself on his return. "My wife felt I'd become cynical and hard. I was drinking more than normally. There seemed to be a distinct barrier between those of us who went down south and those left at home. We went to great pains not to talk about our experiences, yet there was a pressing need to do so."

Early recognition of the problem of PTSD within the navy and its destructive influence upon men's private and working lives led him to establish a programme on the lines of those initiated in America to help Vietnam war veterans. Out of 200 men found to be affected more than 50 have so far undergone therapy, encouraged to re-experience the original trauma in a non-threatening context. Referrals come through at about one a week, more after Remembrance Sunday or any TV programmes about war.

It takes a military background, says O'Donnell, to appreciate the emotional conflicts arising from active war duty, by definition a "closed group" experience. This explains why their partners are often the last people with whom men can share their feelings. "An experience like war, when it can't be shared becomes like a secret society or a mistress which drives a couple apart," says one officer.

The four-week course does not guarantee an end to that conflict; ideally, therapy opens up a route to self-awareness, reducing isolation and domestic discord. Because the long haul to recovery may continue for



Vets Karl Kirby, left, and Taff Thomas

some time thereafter, back-up telephone counselling is available during and after the programme. To facilitate therapy, wives are encouraged to form their own group and attend some of the men's sessions. "For the first time in six years some women finally discover their husband's real feelings, and men learn the extent of their partner's suffering, during the war and since, due to

their own inability to communicate openly. A veil seems suddenly to lift from their eyes."

A paradox that emerges from traumatic group experiences is the phenomenon of "survivor's guilt" — difficult for many wives to comprehend. Veterans are racked by anguish over lives that were lost. Some cannot forgive themselves for atrocities they were forced to commit in order to survive.

Trauma therapy can prove more rigorous than other forms. Dependency on the therapist must be avoided if the men are to become fit enough to face the same situation again. "Yet you're torn. The caring, non-military side doesn't want them to suffer again," says O'Donnell.

As in bereavement counselling, the resolution of grief involves addressing all aspects of loss, literal and symbolic. "That for some men losing a ship may be almost as devastating as losing a colleague is something few civilians understand," says O'Donnell.

Perhaps more than innocent civilian casualties, servicemen feel impelled to extract some nugget of meaning from war experiences, particularly if they are successfully to continue meeting the demands of their role within the forces. The dilemma is clear cut: failure to properly integrate past experiences into one's present life, says O'Donnell, must inevitably impair a man's ability to rejoin the service community and function efficiently as part of a group. A collection of poignantly graphic collages, diaries, poems and other moving accounts undertaken as therapy, testifies to the powerful catharsis that occurs in the struggle to make some sense of the fundamentally senseless. "The breakthrough is not only being able to cry, to express oneself, but to discover it wasn't all for nothing, something valuable can be learned and gained."

The discovery that the navy's experiences can help others has proved a strong incentive to broaden the base of the group: Townsend Thoresen staff suf-

fering as a result of carrying out clear-up work after the Zeebrugge disaster are now also in therapy at Gosport. This underlines the urgent need for additional, easily accessible treatment centres to help all PTSD sufferers, especially in the early stages of distress before they can erect too many emotional defences.

The prevailing ignorance especially among doctors, of the existence of PTSD is particularly alarming, especially in the wake of events at Zeebrugge, King's Cross, Hungerford and Enniskillen. "No one can go through any such major crisis without being changed in some way permanently," says the psychologist, Dr James Thompson, who has counselled survivors of the King's Cross fire. "To avoid long-term damage you need to get in fast, recognise the problem exists and make help readily available. Otherwise, by the time symptoms emerge, even mimicking a heart attack or stroke, they may be so delayed no one makes any connection with the earlier trauma."

For further information: Royal Naval Hospital, Haslar, Gosport, Hampshire PO12 2AA. Tel: (0705) 584255; Department of Clinical Psychology, St John's Hospital, Lincoln LN4 2HN. Tel: (0522) 27401, Ext. 300/1; King's Cross Helpline. Tel: 01-837 6183/833 4065.

Roderick Orner is holding a Survival Seminar for professional workers in the field at the Tavistock Clinic, 120 Belsize Lane, London NW3 on January 29, 3-6 pm. Cost: £5.

The Royal Navy Hospital's therapy programme is featured in Antenna tonight on BBC2, at 8.10 pm.

Robert Graham on the background to Argentina's latest mutiny

Rebel who overreached himself

IT WAS all a matter of "honour, loyalty and valour." This trinity of values, claimed Col Aldo Rico, the rebel Argentine commando officer, inspired a revolt which for a brief period threatened to split the armed forces and cause serious bloodshed.

In the event it was a high risk gamble that ended in failure. The largest part of the Argentine armed forces remained loyal to Alfonsín.

Col Rico was holed up for just 30 hours with a group of around 200 supporters in the north-eastern town of Monte Caseros, close to the Uruguay-Brazil frontier before his surrender. He had placed himself in an impossible position surrounded as he was by an overwhelmingly superior number of troops loyal to the Argentine High Command, under General Dante Caridi.

The renegade colonel appeared to have been counting on his prestige as one of the heroes of the disastrous 1982 Falklands conflict to rally fellow officers throughout the country and force his superior officers to climb down.

His determination to call the bluff of the High Command and force a confrontation underlines the high stakes involved. He escaped from his Buenos Aires house arrest last Friday when armed troops went to collect and return him to jail to face mutiny charges.

The charges dated from his rebellion last Easter at Buenos



Col Rico: seeking a shakeup

Aires barracks when the issue was whether or not his fellow officers should face charges of human rights abuses under the 1976-82 military juntas.

Col Rico's view was that middle-ranking officers like him, who had gallantly served their country, should not be charged when other senior officers went unscathed.

His attack was primarily directed against the generals appointed in 1983 by President Raul Alfonsín to run the armed forces because they were relatively untainted by direct command in the Falklands debacle

or by direct involvement in the "dirty war" against the left under the juntas.

Col Rico and his followers complained that under the new "democratic" system, orders were being handed down by officers without prestige and by a High Command that was deeply compromised through bungling the invasion and repossession of the Falklands.

Part and parcel of this complaint was that middle-ranking officers should not be singled out to stand trial for human rights abuses, since they had been obeying orders from superiors; and furthermore that the "dirty war" was a justifiable enterprise undertaken by the Argentine military as a whole to save the country from left-wing subversion.

Last Easter's rebellion ended when President Alfonsín agreed to make unspecified concessions on human rights issues which resulted in the "due-obedience" law absolving all middle-ranking and junior officers from responsibility for crimes committed during 1976-82.

However, the softening of the Government's line on human rights trials did nothing to pacify a small, determined group of officers like Col Rico, whose aim was a complete shake-up of the armed forces command.

The Argentine armed forces, like other Latin military establishments, follow the ethos of a very strict chain of command whose promotions are carefully

regulated by seniority. Col Rico's Easter rebellion had already broken this chain of command and his latest exploit threatened to undo it even more.

Thus, in the eyes of the High Command led by Gen Caridi, the rebellion had to be crushed – and without concessions. Concessions would have rendered its position untenable, and undermined the credibility of the Alfonsín Government, already criticised for having given too much ground last Easter.

This meant that forces loyal to the Government had to be willing to use force if necessary.

The bulk of the armed forces yesterday backed the government of President Alfonsín.

The fact that Col Rico chose a remote garrison town, conveniently close to an apparently safe border, suggested he had been less sure of his support than at Easter.

Smallscale revolts in a number of military bases in other parts of Argentina were quickly defeated while an offer of conditional surrender by Col Rico was turned down by Buenos Aires, which pledged to crush the rebellion on its own terms.

Outmanoeuvred and surrounded by a government force backed by tanks the 44-year-old rebel colonel had overreached himself and had little choice but to give up.

Observer, Page 16

Buenos Aires bank chief says debt deal near

SENIOR Argentine economic officials returned from Washington over the weekend claiming they were close to resolving debt financing problems, Our Buenos Aires Correspondent reports. Mr Jose Luis Machinea, the central bank president, said the World Bank was prepared to extend two credits totalling \$500m.

Officials also hinted that the International Monetary Fund was moving towards releasing the delayed \$215m tranche due under Argentin-

a's \$1.425bn standby loan programme.

Mr Machinea said President Raul Alfonsin's tax bill, recently passed by Congress, and cuts in state spending meant the budget deficit would be "compatible" with refinancing needs.

Officials conceded full agreement had not yet been reached with creditors and said Mr Juan Sourrouille, the Economy Minister, would return to Washington for further talks in 10 days.

Argentine army back in control as rebel gives up

BY ROBERT GRAHAM AND TIM COONE

ARGENTINA'S second military rebellion in nine months was brought to an end last night with the surrender of the leader of the rebels, ex-Lt Col Aldo Rico.

The former marine commando surrendered to troops loyal to President Raul Alfonsin after sporadic fighting in the garrison town of Monte Caseros, 380 miles northeast of the capital and close to the Brazil-Uruguay border.

Col Rico, 43, who had also been the ringleader in the more widespread army rebellion last Easter, had earlier rejected demands that he surrender unconditionally and defied about 2,000 troops under General Dante Caridi, Argentina's army chief of staff.

The Argentine army's determination to use force to crush the rebellion appeared to be the decisive factor in the conflict. A number of casualties were

reported in a clash at a village near Monte Caseros, but the extent of resistance by Col Rico and about 100 of his supporters was unclear last night.

The latest revolt involved the first fighting between parts of the Argentine military since 1962 when a shoot-out was provoked by inter-service rivalries during the civilian presidency of Mr Arturo Frondizi.

Gen Caridi took personal charge of yesterday's operations, underlining the determination of the armed forces to stamp out insubordination.

Col Rico led last year's rebellion at a military school in the Argentine capital by middle ranking officers protesting against human rights trials and the structure of the armed forces' senior command. In contrast with that rising, the latest revolt showed much diminished support for the rebels and con-

tinuous broadcasts on live television yesterday showed citizens hurling insults at the rebel troops.

The clear willingness of the army command to use force to suppress the revolt was being seen within Argentina as being a matter of honour to end insurrection.

There was support for the rebels in at least four places outside Monte Caseros - Tucuman, Neuquen, Rio Turbio and San Luis. However, army reports said last night that all opposition in these areas had ceased.

Earlier yesterday the control tower at Buenos Aires civil airport was taken over for about four hours by about 30 army and air force personnel. Armed police units were used to regain control of the airport but no

**Continued on Back Page
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officer cadet when he was suspended from his third year of studies for disobedience to a senior cadet.

He returned a year later to finish his course and emerged as a lieutenant in 1964. Despite the early blot on his career, he was none the less considered an outstanding officer for his "judgment and initiative and his natural physical strength." He became a rifle marksman, a parachutist, and in 1968 took a commando course, which equipped him to lead a unit of Commandos in the 1982 Falklands War.

In 1976 he entered the Superior War College in Buenos Aires, a staff training school for officers who go on to become senior commanders. After two years of study, a report on his progress commented: "He is an officer of adequate professional and general knowledge and with rapid mental reaction. (But) he possesses a strong and individual

Rico's rebellion

■The 43-year old leader of the latest Argentine army rebellion, ex-Lt Colonel Aldo Rico, who surrendered last night, has been a controversial figure throughout his military career. His history of insubordination began at the age of 18 as an

Rebel Col Rico surrenders in siege town

By Andrew McLeod in Buenos Aires

ARGENTINE army rebels led by cashiered Lt-Col Aldo Rico surrendered late last night as loyal troops under the command of the Chief of Staff Jose Caridi moved on the northern town of Monte Caseros which had been held for three days.

Gen Humberto Ferrucci, Fifth Army Corps commander, said: "Rico turned himself over to the loyalist troops...and placed his arms before Col Colotti, commander of the Third Infantry Brigade."

Provincial officials said that the town was now completely under the control of loyalist tanks, personnel carriers and infantry.

Earlier the presidential spokesman, Jose Ignacio Lopez, said that Rico had asked for a six-hour truce. Caridi refused.

Two soldiers are reported to have been wounded in fierce mortar and small arms fire as Caridi's troops moved in on the garrison in driving rain.

The military crisis had spread to other provinces yesterday.

In Buenos Aires, a small group of air force men briefly seized control of the air traffic control tower at the Metropolitan airport before being overcome by personnel from the air force and border guards. There were no casualties.

In the northern province of Tucuman, a mutiny by the 19th Infantry Regiment was reported to have been put down without bloodshed by the 5th Infantry Brigade. So too was an uprising at the 22nd Infantry Regiment in San Juan.

The 161st Artillery Regiment in San Luis was also quelled without a shot being fired.

The revolt also spread to Patagonia on Sunday night, but a pro-Rico rebellion by the 21st Mountain Infantry Regiment in the Neuquen Province town of Las Lagas was peacefully subdued.

Rico, who headed last year's Easter week army crisis, sparked the new uprising after fleeing house arrest. He was cashiered last week for insubordination.

Under pressure from the rebels last year, President Alfonsin accepted the resignation of the then Chief of Staff, Hector Rios-Erenu, replacing him with Caridi.

In an attempt to appease the rebels who were angered by Caridi's appointment, he then named rebel sympathiser Gen Fausto Gonzalez as deputy Chief of Staff. But Caridi sacked Gonzalez three months later.

This move and an alleged failure by Caridi to comply with other promises made to the Easter week rebels led to this week's crisis.



Aldo Rico yesterday

Argentine army's Rambo has history of rebellion

From William Heath
of Associated Press

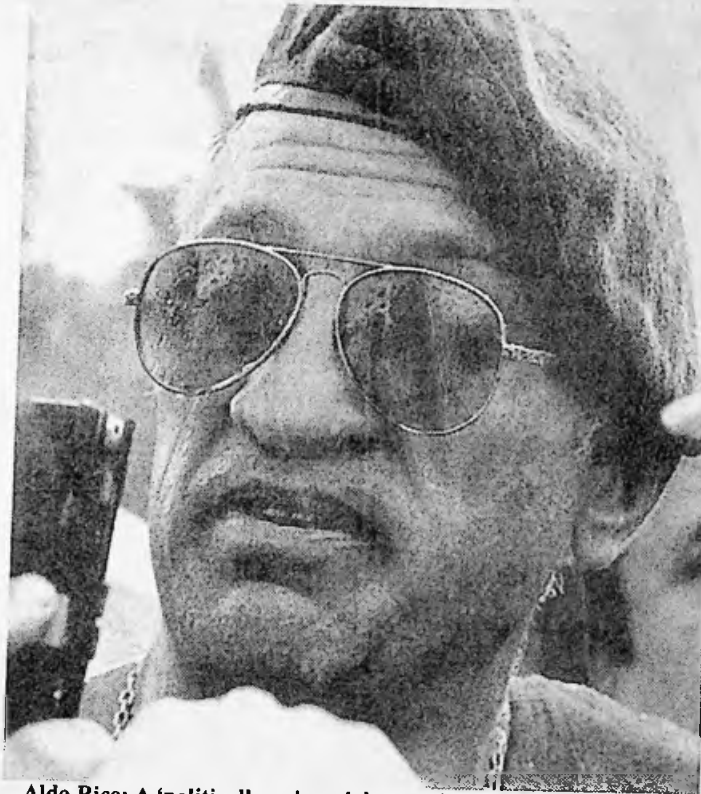
BUENOS AIRES — Aldo Rico, the Falklands veteran whose mutinies have required intervention by the Argentine military twice in nine months, has a history of indiscipline.

Little known before he led a three-day revolt last April at an infantry school outside Buenos Aires, the 43-year-old lieutenant-colonel has become Argentina's best-known, if not best-loved, soldier. The balding, pug-nosed officer, usually dressed in camouflage fatigues, has been nicknamed by one magazine here the Argentine "Rambo". He received two decorations for bravery during the war in the Falklands, where he led a commando company whose mission was to infiltrate British lines.

Colonel Rico particularly resents what he regards as a vindictive campaign against those in the military suspected of the brutal repression of alleged subversives in the late 1970s. Whether those responsible for the atrocities should be prosecuted has become an extremely divisive issue.

A presidential investigative commission, established after the return to civilian rule in 1983, found that at least 9,000 people were abducted, tortured and summarily executed by security forces in what became known as the "Dirty War". Human rights organisations put the number of victims as high as 30,000.

Although popular with a small group of officers, Colonel Rico is generally reviled by civilians. An estimated 400,000 citizens rallied last April in front of Government House to repudiate his first revolt, for which he faces charges of rebellion, punishable by 25 years imprisonment.



Aldo Rico: A 'politically naive, violent and unpredictable' soldier.

The son of a middle-class Buenos Aires family of Italian descent, Colonel Rico graduated in 1963 from the Army Academy where he had his first brush with military discipline. He was expelled during his third year for fighting with a superior, but was later reinstated and obliged to repeat the year. His enthusiasm for boxing earned him a flattened nose and the nickname "Nato" (pug-nose) among friends. He is also a karate expert.

He was later reprimanded for abandoning a history course at the War College. He told superiors he felt slighted by a professor's response to a classroom question. When promoted, a note

was added to his file describing him as possessing "a strong individualistic character that makes his integration difficult. He should moderate the vehemence of his expressions". In 1974 he was assigned to a paratroop division, but was reassigned due to differences of opinion with superiors. He became an instructor with a commando company.

Acquaintances describe the colonel, who claims his revolts have not been directed against the constitutional government, as a politically naive officer who is totally dedicated to his profession but suffers from a violent and unpredictable temperament.

Leading article, page 18

Argentina's rebel colonel surrenders

BUENOS AIRES — The army mutineer, Aldo Rico, yesterday surrendered to loyalist forces surrounding his stronghold in the northern Argentine town of Monte Caseros, the official news agency Telam reported.

The commander of the Fifth Army Corps, Humberto Ferrucci, told Telam in the city of Bahía Blanca that "ex-Lieutenant-Colonel Rico has handed himself over to the legal forces". He said the colonel laid down his arms and gave himself up to the commander of the Third Infantry Brigade at the rebel base in Monte Caseros, 390 miles north of Buenos Aires. Provincial officials said Monte Caseros was totally controlled by loyalists.

President Raúl Alfonsín's government had earlier turned down an offer of conditional surrender from the rebel leader. Artillery and small arms fire broke out between loyalist forces and rebel troops near Monte Caseros, an army statement said. It did not report any casualties in the fighting at the hamlet of Labougle, 12 miles from Monte Caseros, where Colonel Rico was entrenched with about 100 supporters. The

statement said three rebel officers were detained.

It is the first time Argentine troops have fired on each other since fighting between rival army factions in 1962. About 1,900 civilians have been evacuated from the area.

Two loyalist soldiers were seriously injured when a rebel-placed mine exploded under their lorry. A road bridge on the outskirts of Monte Caseros was destroyed in an effort to halt the advance of loyalist forces encircling the area.

Mr Alfonsín held an emergency cabinet meeting to discuss the uprising, which found pockets of support elsewhere in the country. The President applauded the "decisive action of the military command" to crush the rebellion, his press spokesman said. "The President is in charge of the operations to defend the constitution." He cancelled a trip to a meeting of

the Five Continents Peace Initiative in Sweden.

Colonel Rico, who last April rocked the government by leading a four-day revolt, said he wanted to force the retirement of senior army officers he blamed for the defeat in the Falklands and for failing to protect officers accused of human rights violations in the "dirty war" conducted by the military against leftists in the 1970s. The colonel escaped from house arrest last week.

In Buenos Aires, paramilitary police ousted a group of air force officers who had seized the country's main domestic airport in support of Colonel Rico. Army rebels in the provincial city of San Luis laid down their arms in unconditional surrender yesterday, while loyalist troops ended a two-day uprising at a barracks in the western town of Tucumán. The army said about 50 soldiers, including



Lieutenant-Colonel Angel Daniel León, a participant in last year's revolt, gave themselves up. Two smaller rebellions were put down on Sunday.

Colonel Rico, dressed in combat fatigues and toting a sub-machine gun, said on Sunday he and his supporters — many of them veterans of the Falklands War — were fighting for "honour, valour and loyalty".

Military veto on democracy

THE reputation of the Argentine armed forces, in the decade prior to the re-establishment of democracy in 1983, rested chiefly on their propensity for oppressing and torturing their fellow citizens. Their only sortie onto the battlefield in modern times, in the Falklands War, ended in humiliating defeat for the army and navy, with only the small air force upholding the much-vaunted "honour" of the *militares*.

This ignominious record appears to have done nothing to dent the self-esteem of the Argentine officer class, nor its belief that the armed forces should remain the final arbiter in Argentine political life. President Alfonsín was faced with yet another abortive rebellion inspired by Colonel Aldo Rico, a Falklands veteran who opposes the prosecution of alleged military torturers and disagrees with the President's choice of army commander. It is indicative of the self-importance of both the man and the institution that his revolt, the revival of a failed rebellion in April last year, should have been called "Operation Dignity".

The operation always appeared doomed to undignified failure, if only because the senior officer corps and all but a handful of adventurists remained "loyal" and ready to shoot it out with the rebels. Colonel Rico, the volatile front man for a substantial body of "ultra" army officers, appears on this occasion to have played a precipitate hand. Cooler heads are said to have earmarked February for a showdown with the civilian government over demands for a total amnesty for all military personnel involved in the "dirty war". In any event, Argentina is

not currently in the sort of turmoil which usually presages a military takeover. But although the Rico revolt was put down fairly swiftly, the danger of an eventual military takeover will remain as long as the military retains its unofficial power of veto.

President Alfonsín has been criticised for failing to grab the military bull by the horns. He has overcome successive military revolts with relative ease, usually by compromising with the armed forces hierarchy, but has yet to come to terms with the long-term threat from the military. Whatever his personal credentials as a human rights activist, he has shown himself to be more accommodating towards the armed forces than towards those who have demanded justice for the victims of the "dirty war".

The Argentine political class in general has shown little stomach for a showdown with the military. President Alfonsín and the Radicals have tended to tackle each crisis as it has arisen, while the newly resurgent Peronists, sensitive to charges of philandering with the military during the "dirty war", have stayed as far as possible out of the argument. As a consequence, General Dante Caridi, the army commander whose dismissal Colonel Rico had demanded, has received little political backing for carrying out his own internal purge of the military. As long as the military retains its unofficial veto over political life, the armed forces will continue to be the career of choice for bright and ambitious young Argentines, and Argentine democracy, while not in imminent danger, will still face the prospect of future extinction at the whim of the officer class.

Rebel colonel surrenders in Argentina

From A Correspondent, Buenos Aires

The leader of Argentina's army rebellion, Lieutenant-Colonel Aldo Rico, holed up with dissenting officers in the northern town of Monte Caseros, last night surrendered after being surrounded by a huge force of government infantry and tanks.

His band of more than 250 men, which was thought to include about 100 disgruntled officers, was vastly outnumbered by the force sent to the besieged rebel stronghold by the Army's Chief of Staff, General José Caridi, on the orders of President Alfonsín.

Colonel Rico was arrested immediately after surrendering. A conditional offer of surrender by the colonel earlier in the day had been rejected by General Caridi.

"Rico is detained," the presidential press spokesman, Señor José López, said on national television, adding that many other prisoners had been taken.

According to the 5th Army Corps Commander, General Humberto Ferrucci, Colonel Rico gave himself up to the commander of the 3rd Infantry Brigade.

Cheering civilians lined the main street of the riverside town as a column of tanks and armoured personnel carriers rolled through. They had feared that the small, dusty town would be turned into a battleground between loyalist forces and Colonel Rico's rebels. This had seemed likely earlier in the day, when it became known that General Caridi had put fighter-bombers at two bases in the country on alert, ready to hit at the rebel soldiers.

The Government had already announced that it was delaying a full-scale offensive because it wanted to avoid inflicting injuries on the civilian population or damaging private property. One problem was that the rebels' base in Monte Caseros was in the middle of a housing complex.

Most fighting during the

four-day military crisis was in the form of skirmishes, according to the presidential spokesman. He could not say how many casualties there had been, although earlier reports spoke of two soldiers injured when their truck hit a rebel landmine on the approaches to Monte Caseros. In preparation for an attack, the rebels had mined access roads and three bridges crossing the Paraná river.

The most serious incident yesterday was at the capital's Aeroparque airport, when 30 air force rebels seized control for four hours until troops recaptured the terminal buildings and arrested some officers. All flights in and out of Aeroparque were cancelled for the day.

The rebels also spread the mutiny to provincial military camps in Tucumán, Santa Cruz and San Juan but they were soon quashed. The tide last night turned decisively against Colonel Rico, with his lightly-defended forces heavily outnumbered by well-armed government troops.

President Alfonsín last night applauded the "decisive action of the military command" in crushing the rebellion. The uprising prompted him to hold an emergency Cabinet meeting and to cancel a trip to Sweden this week for a Group of Six summit meeting.

Before the surrender, both the United States and Spain made statements of support for President Alfonsín, undergoing a second insurrection by Colonel Rico. In a similar protest last April the colonel appeared to have considerable support. This time he said he wanted to force the retirement of a number of senior army officers he blamed for Argentina's defeat in the Falklands War, and for failing to protect officers accused of human rights violations in the "dirty war" conducted by the military against left-wingers during the 1970s.

You can't buy off the colonel

There were, and perhaps still are, two ways in which President Raul Alfonsín could deal with the revolting military officers who have been the bane of Argentina for half a century and once again threaten the country's fragile democracy. One is to trim government policy to every nuance of their moods in the hope of keeping them sweet. If the colonels and other middle-rankers who are the true guardians of the tradition of defying the government (Peron was also a colonel when he first came to fame) don't like the generals, appease them by purging the general staff, as Mr Alfonsín did after the last serious rebellion nine months ago. If they don't fancy being tried for the arbitrary arrests, mass torture and murders they carried out during the "dirty war" against those who resisted military dictatorship, forget the Nuremberg trials and excuse them as they were only obeying orders. And if such wholesale immunity is not enough, actually promote such paragons as naval Lieutenant Astiz.

The trouble with that approach is that there is no such thing as enough. The alternative can only be to concede nothing, on the assumption that no matter what is done to try to please these arrogant elitists who swore to serve the state but constantly plot to master it, they will never be satis-

fied. The choice is similar to that between resisting and surrendering to blackmailers. One might as well defy them from the outset. This is what the same President did last Easter, when Colonel Aldo Rico took control of a camp outside Buenos Aires and Mr Alfonsín, having called out the people in their hundreds of thousands to support him, flew to the camp and made him back down. What promises were made by either side are not recorded, although the President's subsequent leniency offers a clue; but it is impossible to believe that Rico has not now broken his word.

The colonel was under comfortable house-arrest from then until last weekend, when he rebelled in the name of "honour, valour and loyalty." By a less than amazing coincidence he got his heroic inspiration on the eve of his court-martial for last Easter's mutiny and fled to the boondocks with a handful of troops misguided enough to have transferred their loyalty to him. Thus was one man's unjustifiable grievance and fear of condemnation transformed by an outsize ego into a threat of civil war. By fleeing he forfeited his commission, but this did not deter a few more rebellious soldiers from defying the government in other parts of the country, including the short-lived seizure of one of the airports of Buenos Aires itself.

Mr Alfonsín seemed last night to be having little difficulty in finding military units to counter the latest outbreak of adventurism in an embarrassingly long list, even though loyal troops were required to fire upon their erstwhile comrades. This is evidence that democracy enjoys support among the military and that the cautious President commands goodwill among those uniformed defenders of Argentina who do not presume to attack their country and its precarious institutions. The President can truthfully be said to have tested appeasement to destruction in his handling of the military. Nonetheless there have been several serious cases of defiance of civilian rule by men with a belief that they alone know what is best for the country, even though they only make it look silly or sinister or both. Once the threat from ex-Colonel Rico and his cronies has been dealt with, Mr Alfonsín has little to lose by refusing to entertain any more demands from military malcontents.

Rico's rebel troops are forced to surrender

From Jeremy Morgan and agencies in Buenos Aires
THE Argentinian rebel leader, Lieut-Colonel Aldo Rico, surrendered to loyalist forces surrounding his stronghold in the northern town of Monte Caseros yesterday, the official Argentine news agency, Telam, reported.

Fifth Army Corps Commander Humberto Ferrucci told Telam in the city of Bahia Blanca that "ex-Lieutenant-Colonel Rico has handed himself over to the legal forces."

He said Colonel Rico laid down his arms and gave himself up to the commander of the Third Infantry Brigade at the rebel base in Monte Caseros, 390 miles north of Buenos Aires.

Earlier, Colonel Rico asked to surrender as loyalist troops began a two-pronged assault. But the army refused his terms and fighting continued at the rebel garrison.

Leader comment, page 12

An estimated 2,000 troops were trying to put down the three-day-old uprising by about 100 rebel troops commanded by cashiered Col Rico, who also led an uprising last April.

Colonel Rico had asked to be allowed to surrender in six hours but this was not accepted by the Army Chief of Staff, General Jose Caridi, a spokesman said. It was not immediately known whether Colonel Rico had attached any other terms to his surrender.

However, with another rebel unit surrendering without a shot at Tucuman, a city 800 miles north-west of the capital, observers suggested even then that Colonel Rico's position was "increasingly untenable".

One idea was that he had asked for the six-hour delay in order to give himself time to escape over the border into Uruguay or Brazil.

Meanwhile, questions were increasingly raised as to why Colonel Rico was not tried for his part in the Easter uprising, and then allowed to escape from the country club where he first defied the High Command last Friday.

One not unsympathetic diplomat warned that it would be a disaster if the colonel managed to get away again.

Rico's rebels surrender

continued from page one

In the fighting yesterday, the Government's most visible success came when machinegun-wielding plainclothes policemen raced in a convoy of cars with sirens screaming and headlamps blazing to the municipal airport only miles from the centre of the capital to dislodge a group of rebels belonging to the air force.

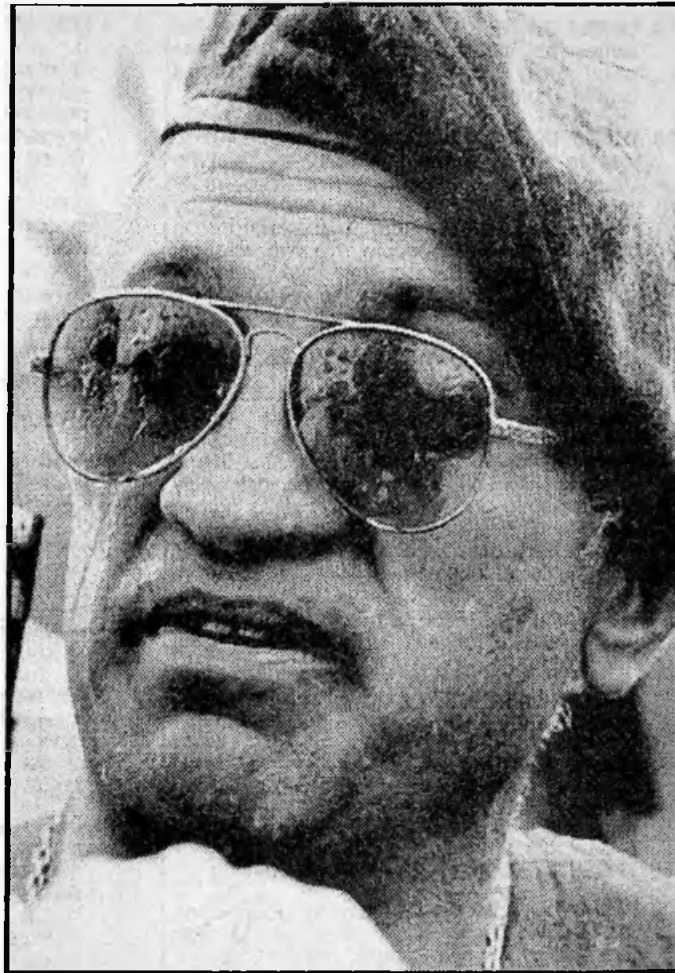
After a short flurry of gunfire, the four-hour occupation of the busy airport, a key link in Argentina's internal transport network, was over. But when General Caridi sent a column of tanks to move into Monte Caseros, they were quickly halted when the rebels fired mortar and machineguns and

blew up a bridge three miles from the town.

The tanks were forced to withdraw amid doubt over whether this had not been the beginning of the awaited attack but a skirmish.

President Raul Alfonsin and his Cabinet met in a late-morning emergency session to review the apparently worsening conditions in army camps across Argentina. The spokesman said reports that President Alfonsin was considering declaring a state of siege were premature.

President Alfonsin also cancelled his trip to Sweden where he was to meet with other leaders of the Group of Six, which backs nuclear disarmament.



Colonel Aldo Rico in Monte Caseros: Revolt is over



Press Cuttings

from Broad Street Associates *The Daily Telegraph* 19

Colonel behind the country club mutiny

THE mutiny of a Falklands war hero seemed to be the nightmare Argentina had feared most since the end of military dictatorship in 1983. But how serious was the threat to President Raoul Alfonsín's civilian administration?

The man behind the uprising, Lieutenant-Colonel Aldo Rico, led an earlier rebellion in Easter last year, which was ended by the personal intervention of Alfonsín. His quarrel, as he maintained then, is not with the country's democratic institutions, but with the army hierarchy. Senior officers, he feels, have not done enough to vindicate the force's role in the former regime's so-called "dirty war" against Left-wing subversion — in which an estimated 30,000 people died.

He argues that his superiors are really responsible for the failings of the 1976-1983 dictatorship and that intermediate officers should not be blamed for obeying orders. It is this that made his action a mutiny and not a coup attempt.

Rico had been careful not to challenge Alfonsín directly. He said it was his chief of staff, General José Caridi, who had reneged on promises made to rebels who surrendered last year after their meeting with Alfonsín. Officers involved in that crisis, said Rico, had been carefully weeded out from important posts or put on the retirement list despite a promise that they would not be punished.

Caridi was a popular choice for chief of staff, but last year the Government sought to appease the rebels by appointing General Fausto Gonzalez as his deputy. Three months later, however, Gonzalez was forced to step down. This followed repeated confrontations between him and Caridi over Gonzalez's insistence that Rico be restored to his rank — which he had lost as a result of his role in the Easter crisis.

Late last year, as discontent continued to simmer within the army, Rico was restored to his rank. Last Saturday he took advantage of his attenuated legal situation — he was transferred from the Camp de Mayo army base to house arrest in a

ANDREW GRAHAM-YOOLL on the soldier who revolted not against Argentina's president but against the Army command



Alfonsín: he gave in to Rico during the last mutiny

Buenos Aires country club — to launch another bid for power within the army. He openly challenged Caridi by stating that he no longer recognised the current hierarchy and that he was confident he would win his struggle. Alfonsín, however, gave his full support to Caridi and ordered the armed forces to crush the revolt.

Rico — who was active behind British lines long after Port Stanley had surrendered, and indeed demanded a court martial for his less persistent superiors — is the kind of hyper-active officer who should never have been given an urban barracks posting. Campo de Mayo, where he rebelled last Easter, was too near to the centre of Buenos Aires and impressionable generals at the high command. He should have been posted as ambassador to Libya long ago, to keep him occupied.

Rico is a product of a period. His problem is that of Alfonsín: how do you disarm an army that has come out of an internal victory — in the dirty war — and

an international defeat in the south Atlantic? When the army was forced to hand over to civilian rule in 1983, it had been defeated by economic problems, and by the British Army; but not by political events at home.

Hence, Rico and his contemporaries feel that they have been betrayed by the middle

Alfonsín has to govern the country he has, not the one the foreign press would have him rule

class that supported military rule while the economy boomed; while the military thrashed the guerrillas; and while the Falklands prospect seemed possible. Most of all, Rico feels betrayed by his superiors.

In giving in to Rico's last mu-

tiny, Alfonsín may have stored up trouble for himself. He has also come under fire more recently for agreeing to promote Captain Astiz (the notorious "Blond Angel" of the dirty war) rather than bound him out of the navy and into exile. But Alfonsín can govern only the country he has, not the one the foreign press would like him to rule.

The Argentine courts, respectable judges with a concern for careers and the community, and Alfonsín's advisers recommended an end to the "persecution" of the military for the crimes committed during the dictatorship. Alfonsín agreed to this before the Easter mutiny. Rico organised his rebellion at the right time, and brought upon himself world attention.

But Alfonsín's achievements must be set against this. He has made peace with Chile; he brought peace to his country, which had been torn apart by factional fighting; he brought the military under control, albeit with the help of the British. But most of all he put on trial the former military rulers of the country and for nine painful months paraded their crimes before the overthrown juntas and the population.

This was more severe punishment to a former Government than any sentence, however severe. The trials were without precedent, in Latin America or in Europe, this century. Historians will be at pains to find a parallel.

Colonel Aldo Rico, known as the "Painted Face" (Caras Pintadas), because of the dark camouflage he uses, may continue to cause upheaval in his own army. In the way of folklore, he will also generate interest in a pathetic cause. And he will cause more deaths. But his demand for his superiors' resignation never looked like translating into an end to Argentina's fragile democracy.

□ Andrew Graham-Yooll, editor of *South magazine*, London, was *The Daily Telegraph* correspondent in Buenos Aires between 1971 and 1976.

Additional reporting by Andrew McLeod



Rico: his quarrel was with his chief of staff, Caridi

JOHN EZARD in the Falkland Islands on the problems of prosperity

A catch in the net profits from the sea

IN THE North Atlantic, we tend to think of squid as Jules Verne monsters. They can, though rarely, achieve a 65-ft tentacle span. But in the South Atlantic, the illex and loligo varieties are succulent creatures an inch or so long — and incredibly lucrative.

If we eat these midget cephalopods at all, it is most likely to be as lemon-soused kalamari well hidden by batter in Greek restaurants. Most of us don't like them very much. Yet a change in their unpredictable migrating habits — undetected by Britain or Argentina during the 1982 conflict — has brought a new phase in the extraordinary historical saga of the Falkland Islands.

Far Eastern countries and parts of the Mediterranean prize squid as an extreme delicacy. And to meet this appetite, an estimated £400 million-worth squid harvest is currently being taken out of waters round the Falklands every year. World fishing industry estimates hover between upgrading this figure to £600 million and reducing it slightly to allow for conservationist rationing in the 150-mile British zone declared in 1985.

The arithmetic, however you shuffle it, is staggering. By contrast, Britain's entire North Sea catch of all fish in 1986 was worth only £361 million. The Falklands squid haul was five times that of New Zealand, a

territory of three million people with a comparably new fishing zone; its catch in squid alone equals New Zealand's total catch of all fish.

The first solid clues that squid were starting to shoal round the Falklands emerged in 1979. Now the region is routinely described by industry professionals as the world's finest fishing ground. Already Spain, Poland and Chile have quietly broken ranks with Argentina to fish there under licence.

Notionally, if the 2,000 Falkland islanders — whose local government runs the 150-mile zone — could control all of this suddenly immense wealth, they could pay their annual defence costs, refund the British Exchequer within around 15 years for all or nearly all spending incurred since the Task Force sailed and still have a handsome sum left over to secure their own economic future indefinitely.

From what I know of them, after living among them as a journalist for a total of almost six months during the six years since 1982, this might well be how they would choose to spend the money. But they don't control it — and neither do we. They get £15 million a year of the £400 million in licence and joint venture fees. Virtually all the rest goes abroad. The revived (thanks to the Falklands) remnants of Britain's once 500-strong deep-

sea fishing fleet, massacred by the 1970s Cod War, will send 250 Hull trawlermen to the South Atlantic in the new squid season due to start in 12 days time. But the big investment, and consequently the big jobs gain, is in Japan, South Korea, Poland, Spain and Taiwan. Talk of an EEC fleet has come to nothing.

Against this huge financial backdrop, a public meeting was held in Port Stanley last night. It was the first in a series of soundings during which the islanders will be asked by their development corporation and later by their government how deeply they want to sink their future in the profits of the squid bonanza.

The "genuine choice", it is being stressed, is up to them and their elected councillors. No one publicly is mentioning the privately discussed alternative: that, if they don't respond clearly, the decision will be taken for them by the Governor, Mr Gordon Jewkes, and the largely British expatriate administration. For the choice has to be made. So many other decisions hang on it. It is the most important peacetime choice facing the islands — and facing Britain in the South Atlantic — since sheep were chosen as the staple industry more than a century ago.

New Zealand, also a sheep-dependent economy, faced a similar choice after declaring its 200-mile fishing zone in 1978.

Today, through ownership or joint ventures, it is estimated to control nearly half its zone's fishing profits.

For the Falklands, three key options are stressed in a new long-term economic development study commissioned from Peter Prynn, a leading UK environmental consultant. Mr Prynn, who was at last night's meeting, points out that potential fishing revenue "has transformed the islands overnight from a barely viable economy to one strong enough to determine (their) own social and economic priorities from a position of strength."

- Option One is to go for full-throated reinvestment of fishing revenue in shore-based fisheries facilities and a trawler fleet, yielding a high initial return of 20 per cent a year. To install and run these, population would need to rise to about 3,000 by 1992 and 3,500 by 1997, with high housing demand.

- Option Two is slower, aiming at mixed investment in fishing, in onshore developments such as tourism, and in agriculture. Initial return would be ten per cent a year. Population would rise to 2,800 in five years, 3,300 in ten.

- Option Three is super-cautious. Fishing revenue would simply be invested overseas in a fund totalling £100 million by the end of the decade. The eight per cent yearly return would be spent on infrastruc-

Press Cuttings

from Broad Street Associates

THE GUARDIAN *Lo*

ture particularly in Camp, the Falklands countryside, or saved for a rainy day. Population would rise to 2,500 by 1992 and 2,700 by 1997.

New Zealand, needing to create jobs, went bald-headed for the equivalent of Option One. At first local members of the Falklands development corporation were keen to do likewise, though they have full employment. But, on reflection, two fears for the future discouraged them: becoming like a Gulf oil state or turning into another Fiji.

Authoritarian Gulf states can force their migrant labour to conform culturally. The issue of giving them votes and citizenship never arises. The Falklands, keen to become more rather than less of a democracy, would have neither advantage in absorbing Option One's 1,600 immigrants. Fiji, in turmoil last year because immigrants now outvote earlier inhabitants, is a precedent on many lips.

But above all there is a dread of emptying the Camp, the emotional Falklands heartland, as farmworkers flock to fishing-linked wages. A drift of labour to the capital, Port Stanley, has already begun; since the war Camp has lost 14 per cent of its population. Squid have now shoaled in the Falklands for eight years and in New Zealand for at least 18. But they could migrate elsewhere at any time, leaving — under Option One —

instantly redundant processing factories and a maimed agriculture.

"This is the real shadow over the Falklands," the Labour peer Lord Shackleton said towards the end of his visit last week. He had just heard an unprecedented plea from the Sheep-owners' Association, representing the once proud, profitable and monopolistic Falkland Islands Company and other traditional private farmers, for a government subsidy to rescue them from four years of losses and looming wage inflation. The same day Mr Prynn flew in to begin his consultations.

So far it looks as though the islanders will accept, rather sadly, his advice to choose a wary mixture of Options Two and Three. That will leave one or two adventurous locals trying to get fishing licences for themselves; and the two main Hull firms in the field, Marr's and Boyd Line, inching towards their objective of "gradual but relentless replacement of the foreign fleet by UK vessels." But, with only eight of the 143 most lucrative licences in Falklands hands and only 13 for UK-registered vessels, there is a very long way to go.

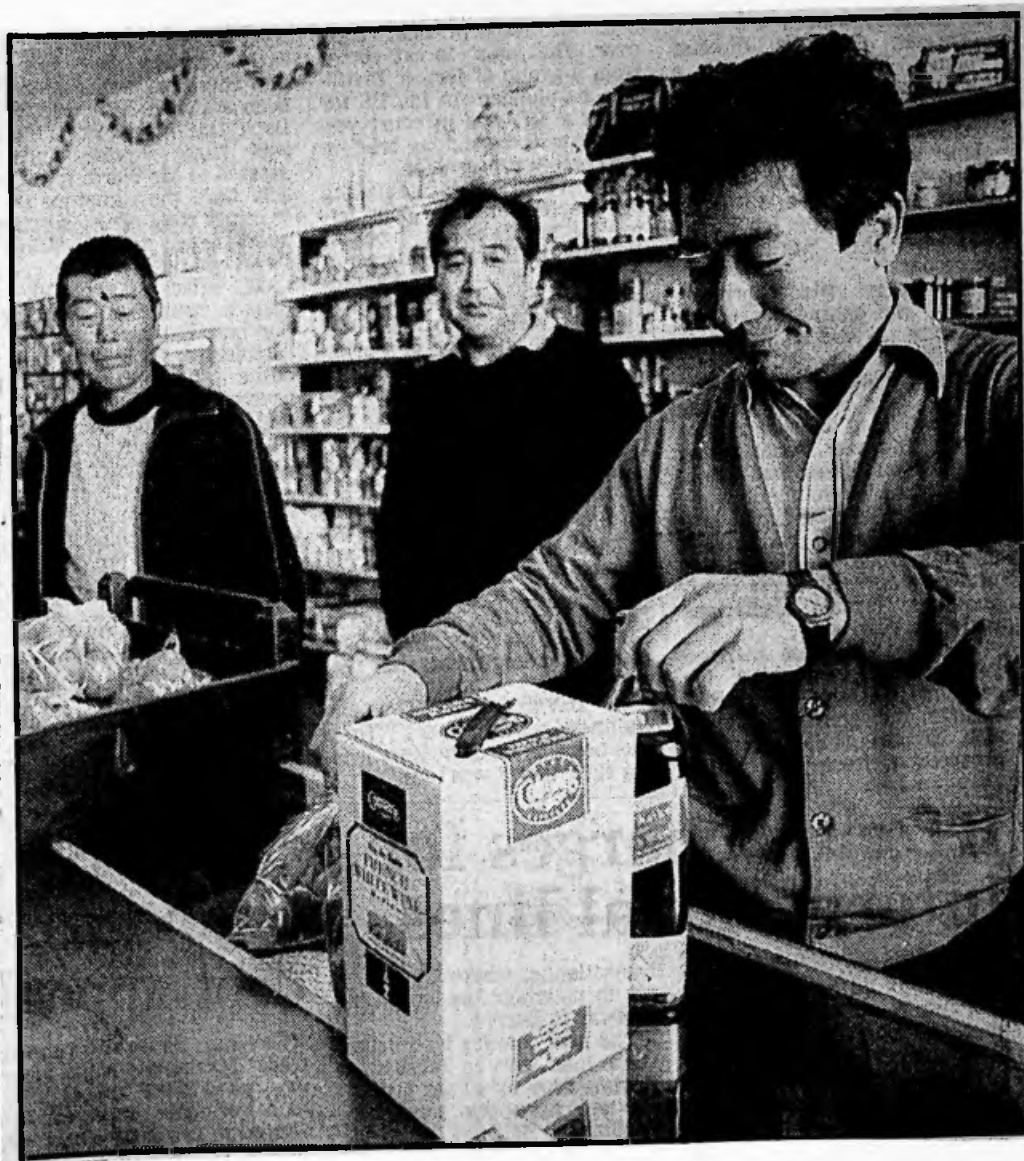
The pressures and problems of running the fishing zone have concentrated a greater workload, but also more power, in the hands of officials. Grossly damaging personal conflicts have arisen. Councillors,

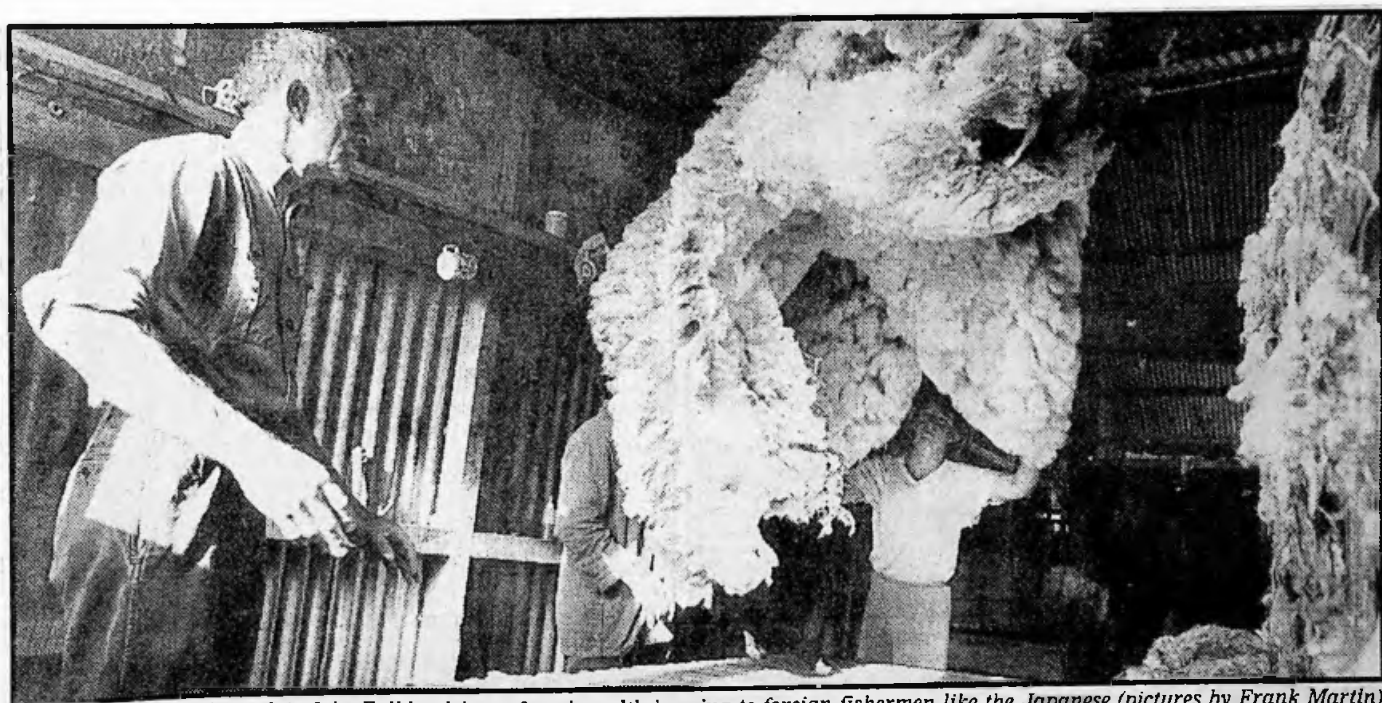
juggling their duties with other full-time jobs on farms and in offices, have found themselves passing urgent legislation they barely have time to understand let alone vet.

All these are "problems of success, problems of a rising market of opportunity", as Shackleton reassuringly said. Yet they have spawned one of the few distinctively political movements ever launched on the islands, the Desire, The Right Party. This seeks a mandate for stricter electoral control over both officials and fishing revenue.

At the movement's inaugural committee meeting in a private house, one of its founder-sponsors Nancy Poole, wife of a Port Stanley mechanic, said: "We feel as if we're guests at our own birthday party." Earlier the same day Nick Hadden, chairman of the grassroots Falkland Islands Committee, begged for tolerance locally and from Britain.

"After so many years of being treated like colonial subjects, we're suddenly being asked to run before we can walk," he said. "We'll do it — but give us time." Till now the pressures on the Falklands agenda have been mostly political. But the question now is whether the urgent commercial agenda, plus the vagaries of cephalopod migration, will allow the time Mr Hadden and his fellow citizens need to make their choice properly.





Golden fleece . . . but a lot of the Falklands' new-found wealth is going to foreign fishermen like the Japanese (pictures by Frank Martin)

Mutiny crushed as colonel surrenders

REBEL Argentinian colonel Aldo Rico surrendered to government forces last night.

He gave up with his 250 men after desperately trying to fight off a powerful column of troops and tanks.

News of the capitulation was broken by Argentine President Raul Alfonsin in a phone call to President Mitterrand in Paris. 'You are the first to be told,' he said.

As the loyalist forces

CLARE DOUGLAS
in Buenos Aires

approached Rico's stronghold near the northern town of Monte Caseros, the rebels fired mortars at tanks and blew up a bridge.

Last night, no casualty figures were available, but a government spokesman said the fighting seems to have been limited to skirmishes.

Earlier, rebel paratroopers seized the air

traffic control tower at Buenos Aires airport, but were ousted after four hours.

Last night, in Tucuman — 850 miles northwest of Buenos Aires — loyalist troops prepared to attack an infantry regiment which backed Rico's revolt.

Rico, who led a mutiny in April and escaped house arrest last week, was demanding a 'political solution' for officers awaiting trial for human rights violations a decade ago.



Colonel Aldo Rico: Led uprising

TELLEX

THE BROADCAST REPORTING SERVICE

REPORT

FALKLAND ISLAND WOOL

For : BROAD STREET ASSOCIATES

STEPHEN PERRETT

Prog: FARMING TODAY

Service :

RADIO 4

Serial 010880/GN

Date: 18.1.88

Time: 0611

Duration:

14minutes

0611

TIM FINNEY:

Hello again. Now that people realise that the Falkland Islands are no longer just off the North coast of Scotland, you'd think perhaps that more interest might be taken in what, until recently, that is until fish took over, until then what was the island's biggest moneyspinner. From a part of the world where sheep outnumber people by 700 to one; that product is wool, two million kilos a year bringing in perhaps £5 million.

Three ships a year bring the wool from the Falkland Islands. Much of that wool ends up in Bradford from where brokers sell it on to the rest of the world. Colin Smith works in Knaresborough, and he buys wool from some of the independent farmers in the Falklands. In other words, those people who aren't part of the Falkland Islands Company, or Coalite, as it's better known here. Colin Smith is a Falklandophile, if I can invent such a word. He told me how he'd developed his affection for the place.

COLIN SMITH:

Oh, initially it was the wool itself. Having seen wool from all parts of the world, particularly from Chile, Argentina, Australia, New Zealand, you get to see wool which is rather special, maybe snow-white colour, very soft to handle, something rather unique about it, and Falkland wool had a lot of attributes, the sort of wool that you could really put on a plate and eat with a knife and fork.

T.F:

Now Jack Field is a Bradford woolbroker who, at one stage, was buying wool from about 80% of the independent farmers on the Falklands. He subsequently opted out of that trade concentrating elsewhere in the South Atlantic. Since the Falkland Islands clip is such a minute part of world trade, I asked Mr Field if it was just sentiment that kept the trade going.

JACK FIELD:

No, there's always been a place in the world markets for Falkland wool, probably even now more so than ever. No, it's nothing to do with sentiment it has...it is a product that

in a sense sells itself. It is a good product. It's a good white colour, it's vegetable free more or less, vegetable free, it's good spinning properties, it's sound, it's strong, in fact everything about it is very good.

J.F:

Now wool, of course, is the main money earner for farmers in the Falklands, so it's important they keep up with what industry wants. Broker, Colin Smith, thinks they're trying hard.

C.S:

We are sending back to the Falkland farmers all the time information about their wool clips so that they know exactly what manufacturers think of it and also, so they can compare their own wool production to other people's. This has generated great interest in the farms in producing better quality sheep with more wool on the sheeps' back, and I'm very encouraged to see the great interest that Falkland farmers take in their product; a much keener interest than you would find amongst any British farmer or amongst most farmers in the other parts of the world.

T.F:

How are the Falklanders managing to improve their...the type of sheep they're using?

C.S:

Twofold; one is by importing pedigree stock from Australia and New Zealand, the other is by...

T.F:

Surely a gentle stock, though that is, isn't it for the harsh climate of the Falklands?

C.S:

Yes and no, I think people overestimate the...how harsh the Falkland climate is. It certainly is harsh, but I mean they have terribly harsh conditions in Australia, they have droughts; in New Zealand, in Mount Cook, they have Merinos at high

altitudes; by no means are, are Merino sheep complete softies. They're quite capable of surviving in very harsh conditions. They are bringing in parwis* which is a three-quarter bred Merino and is very successful in the islands. There is one islander who's brought in Merinos and I wish him every good luck in what will be quite a venture.

T.F:

But transport is one hurdle for the Falkland Islands. David Bell is the boss at woolbrokers, Jacomb Hoare* in Bradford. Does he believe that the cost of freight is a problem for farmers?

DAVID BELL:

I think it is. I think all the costs involved are enormous. From a similar viewpoint, we're moving wool from about 500 kilometres to the West of the Falkland Islands for nearly half the cost that they are paying at the moment, and with boats every month, every two weeks in fact.

T.F:

So, why is there no way out of it for them?

D.B:

That is a question to put to the British Government, because they have millions of boats going out there which are coming back empty, and I think are going into Brazil or other ports to actually load up, if anything.

T.F:

So what extent then is that hampering the Falklands wool business?

D.B:

Well I think it would mean that the farmers should be able to, instead of having to pay somewhere around 20 pence in general terms for their...for transport of their wools and getting them to UK, they should be able to halve that, so that should be money in their pocket instead of money in Coalite's, or anybody else's

pocket.

T.F:

And the prices the farmers receive for their wool? Well, in an unlikely street in Bradford, there's a company called Falkland Wool Sales, part of the Falkland Islands company which, as I've already said, is part of the Coalite Group, the biggest landowners in the Falkland Islands.

Peter Marriot runs the wool sale side, buying from his own farms, and from 10 or so independents. Last week, he was talking about the following prices.

PETER MARRIOT:

To give a guide, we are trying to sell Falkland wool today at something between 310, 320 pence, down to about 200 pence for the out sorts.

T.F:

You say selling, did you mean you're offering to buy it?

P.M:

We're both offering to buy, and trying to sell at the same time.

T.F:

Farmers are responding to that sort of price, are they?

P.M:

Farmers have been responding to that price, and there was a lull before Christmas when all factories closed down. The market has only opened up today, so we're now waiting for a new price level, which will be higher than it was. The farmers who didn't sell early this season have done the right thing.

T.F:

What sort of return is that giving farmers? Are they making a good living at those prices, do you think?

P.M:

I don't think any farmer anywhere will admit that, but what

I do think is over the last couple of years, they're doing quite well out of it. What we're trying to do, is we're never happy. What we're trying to do is, next season, is to do more.

T.F:

And to do more, Peter Marriot has to get out and sell the stuff. Falkland Wool Sales started life in its present form in 1981, and straight away he was out on the road.

P.M:

And I thought the best way to get the highest return for the farmer was to sell it as something special, and so we went out, for instance, to the Far East, to Italy, to France, to Germany, Holland, Canada, as many areas as we could think of, and what we were looking for was the high class manufacturer, believing that at the end of the day, we'd get a higher return back to the farmer.

T.F:

You were looking for the Falklands label to be written quite large on products?

P.M:

I wanted people to say, not this a suit, and it looks as though it contains Falkland wool. I wanted people to say, I want a Falkland suit, or a Falkland sweater.

T.F:

And as an end product, does that guarantee a premium price to the chap who's actually selling it to the shopper?

P.M:

Yes it does. It does in Japan, and it does in Italy, and it does in France. They sell a garment, which is called a Falkland garment, which makes a higher price than say, other type of wool.

T.F:

What sort of price would a suit in Japan, a good suit, a top suit in Japan made of Falklands wool?

P.M:

Last time I was there in Tokyo, the Falkland suit was in the shops, in the high class store at between 8 and, I think it was over £1200.

T.F:

And how much wool goes into one of those suits, roughly?

P.M:

Very little.

T.F:

So somebody's doing quite nicely on the way.

P.M:

An awful lot of costs involved in between, but the costs are not getting into Falkland Wool Sales, that's for sure. No, but it's true, I mean, in Japan there is a Falkland suit, and it has the green label on. And it's in English, which is rather interesting, because when this label was produced, we volunteered to have it transposed into Japanese, and they said no.

T.F:

But efforts to plug the Falkland Islands brand name in this country have not been very successful, as Colin Smith explains.

C.S:

They have only gone moderately well, surprisingly. A lot of manufacturers like to promote their own image, and their own brand name. Sirdar, doesn't want to be known as Falkland, he wants to be known as Sirdar. Emu wants to be known as Emu, and therefore it tends to be rather a smaller manufacturer without his own brand name image. So, you can't really expect the large scale manufacturer to use Falkland with a Falkland label. He will use it within his own very highest grade materials, but hang the name Sirdar with Falkland hidden underneath.

T.F:

Now that's not to say that some aren't persevering. Calder

Moore*, for example, in Huddersfield, sell a range of Falklands wool clothes to shops all over the country, but they just don't have the cash to get their message across in a big way. Until that happens, it certainly seems to me Falkland Island clothing will remain the sort of thing you find just by chance.

Now back to those farmers in the Falkland Islands. Land reform since 1982 has meant large managed farms have been split up and sold, in most cases, to local people. As a man who buys a lot of their sold product, Colin Smith ought to know how well those farmers are fairing.

C.S:

The new farms, established with 3 to 5,000 sheep, with 3,000 sheep, they're struggling in a hard year, when wool prices are low, for example in 1986. But even then, farmers with 4 and 5,000 sheep were doing reasonably well. In high priced wool years, all the farms are prospering well, but not just because of wool prices, but also because of the effort that is being put on in the farms in increasing wool production, and reinvesting into the farms, and increasing wool income from that respect too. And you must remember these new farmers are repaying loans and mortgages in addition to providing their own living, and reinvesting, so once those lands and mortgages have gone, that will come out as clear profit.

T.F:

And how does he view the immediate and future prospects for Falkland wool prices?

C.S:

At the moment, I would say things are looking fairly bright. The supply situation is good. The majority of the world's wool clip's sold in the first half of the season, so there's only a limited supply for the rest of this season. Manufacturers are very busy and very active with deliveries and production.

Everything looks fairly rosy, except, and you have to qualify it, with the stock market crash and the consequential turmoil and reverberations of that, there is a feeling, a lack of confidence perhaps for the longer term future. Maybe that is misplaced, and maybe the fundamental supply-demand situation will mean we're going to continue with a good wool season. Certainly 1988 is going to be a good wool year for the farmers. What they would like to hear is what is 1989 going to be? I would hope it will be a good year as well, but there is this nagging feeling of the impact of the stock market crash.

T.F:

And that's Colin Smith, a man who specialises in buying and selling Falkland Islands wool from his home near Knaresborough.

* Denotes phonetic spelling

Argentine rebels poised for battle

From Jeremy Morgan
and agencies
in Buenos Aires

Argentine government troops under the direct command of the army chief, General Jose Caridi, early this morning encircled a northern town taken over by rebels led by the renegade officer, Colonel Aldo Rico, official sources here said.

More than 2,000 men from three brigades were poised to put down the insurrection at Monte Caseros, a small border town 500 miles from here.

Both sides in Argentina's worst military crisis since the Easter rebellion last year, also led by Col Rico, seemed set for a showdown. But observers warned that the rebels' decision to take up strategic positions inside the town meant that the safety of civilians had become a major consideration in any attempt by Gen Caridi to quell the rebellion.

Responding to reports that Gen Caridi had flown in from Buenos Aires, Col Rico remained as defiant as ever. "My troops are well armed and will not surrender," he stated, despite reports that he was badly outnumbered, with perhaps 100 supporters.

Earlier yesterday, Col Rico's forces fanned out through Monte Caseros, preparing for a showdown with loyalist forces.

Reports said Col Rico and his rebels were moving out of the base to take up strategic positions and were digging in with machine gun posts, mortar and cannon in the town.

Monte Caseros is on the border with Brazil and Uruguay — and it was suggested that Col Rico might eventually try to take refuge under General Alfredo Stroessner's rightwing dictatorship in Paraguay.

Gen Caridi had earlier ordered his forces to converge on the rebel stronghold from all directions.

Col Rico told a television interviewer that tanks were coming to his support. There

were also reports of army unrest in the south.

The military high command claimed the situation throughout the armed forces was quiet. In an official statement, the army stressed it would not avoid armed confrontation with the rebels, if necessary.

Col Rico, who was declared a fugitive from justice and cashiered from the army after he disappeared from a country club in Buenos Aires on Friday had "put himself outside the law by resorting to violence," the statement said.

In Monte Caseros yesterday the rebel colonel predicted there would be shooting, and that the crisis might cause the downfall of President Raul Alfonsin.

The colonel insisted, however, that it was not his intention to topple the president. He wants the retirement of Gen Caridi and other senior officers he considers incompetent.

Col Rico, a Falklands war hero, last April headed the four-day Easter rebellion by mid-ranking officers against the army high command. They blamed "Old Guard" generals for Argentina's defeat in the Falklands and for failing to protect junior officers from prosecution for human rights abuses during the military's "dirty war" against leftwing guerrillas in the 1970s.



Col Rico: 'could topple President Alfonsin'

* * *
Argentine troops moved to surround an army garrison taken over by fugitive commando officer Aldo Rico in the northern city of Monte Caseros. Rico, a Falklands War hero who was cashiered for insubordination last week and declared a fugitive from justice, said the uprising could bring down President Raul Alfonsin's government, but military officials denied reports that other garrisons had joined the revolt.
* * *

Submarine's log destroyed 'on orders'

By Richard Norton-Taylor

The control room log of HMS Conqueror, the submarine which sank the Argentine cruiser Belgrano during the Falklands conflict, was destroyed on official orders, a Labour MP said yesterday.

Mr Alan Williams, MP for Carmarthen, said yesterday the missing log was brought back to Britain when the submarine returned from the South Atlantic in July 1982.

The information, he said, came from a civil servant who was present when the log was shredded and incinerated.

The log would have given details of the Conqueror's

movements as it trailed the Belgrano outside the total exclusion zone before it torpedoed the cruiser on May 2, 1982.

Mr Williams said that it might well also have revealed serious doubts among the submarine's crew about what they had been told to do.

The fact that the log was missing was first disclosed in 1984. The Director of Public Prosecutions asked two senior Scotland Yard officers to go to the West Indian island of St Lucia, where Mr Narendra Sethia, a member of the crew who wrote a diary of the Conqueror's voyage, was living.

In October 1985, Sir Patrick

Mayhew, the then Solicitor General, said that inquiries had failed to show that anyone had committed a criminal offence over the missing log.

In an introduction to a new book on the Falklands conflict, *The Unnecessary War*, Mr Clive Ponting says the log was lost "in circumstances that have never been explained", and crucial diplomatic telegrams over the weekend of the sinking have been concealed.

Mr Ponting is the former Ministry of Defence official acquitted of secrets charges after passing information about events surrounding the sinking of the Belgrano.

Fugitive colonel besieged

By Our Foreign Staff

Rebel Argentine troops led by the former Falklands War veteran Lieutenant-Colonel Aldo Rico took up positions in an isolated northern town yesterday ready for a final showdown with loyalist brigades dispatched by Buenos Aires.

The Government ordered three brigades of armoured vehicles to advance to Monte Caseros, where Colonel Rico set up his makeshift HQ.

Last night the first loyalist troops were deployed around the Fourth Infantry Regiment base, where the rebels, their



faces blackened with camouflage paint, had taken up battle positions in heavily armoured machine-gun nests.

But the whereabouts of the rebel colonel were a mystery. Colonel Rico, in full combat uniform, was seen driving out of the army base to an unknown destination.

People in Monte Caseros were mingling warily with the rebel soldiers who are ready to turn their quiet riverside town into a battlefield.

About 100 people gathered in front of the base, where they

Continued on page 5, col 6

Fugitive colonel besieged at Army base

Continued from page 1

shouted insults at the rebels and urged them to lay down their arms. "Why don't you wash your faces," one woman shouted. "We want to live under democracy, not under animals."

Señor Eliseo Zapata, a railway worker said his son had been on duty since the rebel officers took command. "My son could get shot at in there and all because the base was taken over by this man (Rico) who isn't even a member of the army any more," he said, adding that the mutineers had barred him from making any contact with his son.

Loyalist troops were only making slow progress towards the town because the rebels were believed to have placed dynamite charges on several key bridges in the area.

Army officials told a local radio station that the rebels had positioned a 105 mm cannon in a strategic entrance to the city to further stall advancing loyalist troops.

General José Caridi, the Army's chief of staff, left the capital yesterday for Monte Caseros to begin directing operations. The Army said it had cut all telephone lines to the city.

The Government has been trying to re-arrest Colonel Rico since he disappeared as tanks closed in on a suburban country club in Buenos Aires on Friday, where he was under house arrest.

After days of conflicting rumours, it finally became clear that he had moved to the

north-east of the country after finding a military unit to support him.

Colonel Rico had said that tanks from a nearby regiment were coming to his support. But the commander of the Second Army Corps, General Juan Mabragana, said: "There is no news of mutinies in any other Army units."

There had been reports of unrest in 20th Regiment at Las Lajas and in the 35th regiment in Santa Cruz in the south of the country. But the trouble had been quashed, senior officers at the bases concerned said.

Colonel Rico, in an interview with the international television news agency Visnews, said the crisis could cause the fall of President Alfonsín's Government.

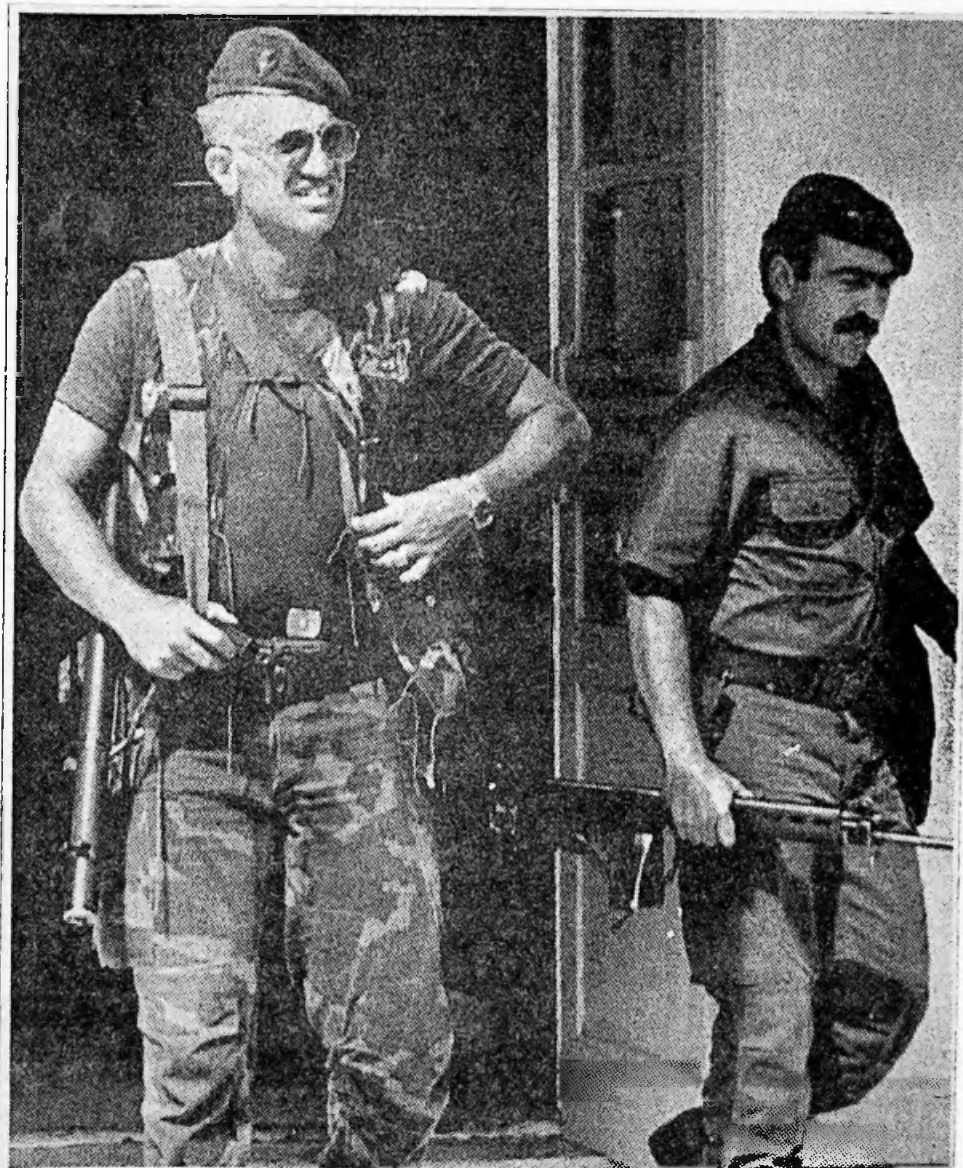
The bespectacled lieutenant-colonel, who was cashiered for insubordination last week and declared a fugitive from justice, predicted that there would be shooting.

"This is not a question of arms, it is a question of will," he said when asked if his small detachment of troops would be able to win. "We are fighting for honour, valour and loyalty".

The unrest so far has failed to generate a popular outburst of support for President Alfonsín's Government.

During that rebellion, some 400,000 people crowded into Plaza de Mayo to show their support for the democracy that was restored to Argentina in 1983.

18 JAN 1988



Lieutenant-Colonel Rico (left) leaving his makeshift HQ in Monte Caseros yesterday.

Rebel faces troops

Argentine soldiers loyal to President Raul Alfonsin moved against rebel Col Aldo Rico after he had taken control of a northern military base. **Page 2**

Argentine rebels consolidate at NE town

By our Buenos Aires
correspondent

GENERAL Jose Caridi, commander-in-chief of the Argentine army, last night ordered three regiments to march against Col Aldo Rico, as the rebel officer was reported to be consolidating his unit's positions in and near a military base in the north-east of the country.

The units were instructed to retake an infantry base outside Monte Caseros, a town in Corrientes province 500 miles north of Buenos Aires and near the point where Argentina, Uruguay and Brazil meet.

With government forces closing down telecommunications in the region confusion surrounded developments at Monte Caseros.

Unconfirmed reports said that several bridges had been blown up.

The Government's forces were led by Gen Juan Mabrana, commander of the second army corps, who set up a headquarters at the Curuzu Cuatia military base about 50 miles from the rebels.

Reports said that Col Rico led his men out of the base to take up machine-gun and mortar positions in and around the town.

It had been suggested he might flee again over the border to Brazil or Uruguay, but the rebels' action prompted fears they were preparing to confront the forces of Gen Caridi.

Both the authorities and the rebels stressed that Col Rico's latest insurrection was not a threat to constitutional order but a purely internal military matter.

The Times
18.1.88

World Aids meeting

Health ministers from more than 130 countries will meet in London next week for a world conference on Aids, organized by the Government and the World Health Organization.

The aim of the three-day meeting is to find how public education can help stop the disease spreading.

The WHO believes that between five and 10 million people are infected with the human immunodeficiency virus, with about 150,000 already suffering from Aids.

Sir Donald Acheson, the Government's chief medical officer, will tell the ministers of Britain's prevention strategies. The British publicity campaign has been praised in other countries, despite criticism at home.

Argentina moves in to sue Westland

By Michael Smith,
Industrial Editor

The Argentinian government is taking legal action against UK helicopter manufacturer, Westland in a dispute arising from the Falklands war.

Argentina is suing Westland over a contract worth around £3 million to buy two anti-submarine Lynx helicopters which the British Government blocked on the outbreak of hostilities in the Falklands in 1982.

The legal claim was only submitted by the Alfonsín government in June 1987, five years after the ending of hostilities, although delivery of the helicopters was halted during the military regime of General Galtieri.

Westland has been advised that the Argentinian claim, which has not yet been quantified, was "without foundation."

The legal wrangle has been disclosed for the first time in Westland's 1987 report and accounts to shareholders, published yesterday.

But Westland has accepted that certain unspecified items of equipment, which the Argentinians purchased separately to be fitted into the two Lynx, should be returned to Buenos Aires. Westland has contacted Argentina's legal representatives asking for instructions but has received no reply.

One of the Lynx helicopters was fully built and on the brink of delivery to Argentina in 1982 when Mrs Thatcher's Government ordered the contract to be stopped and the other was partially built.

Several other leading British companies, including Rolls-Royce, provided parts and equipment as sub-contractors for the Lynx contract but they are not mentioned in the Argentinian claim.

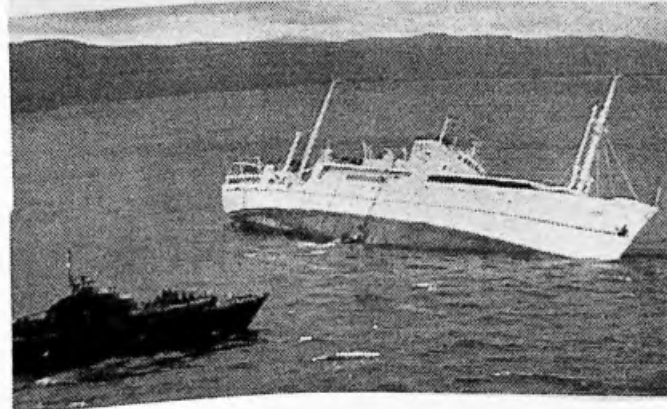
FISHING NEWS
15.1.88

FLYDRAGGER

ALBERT IS ON BOARD 'WHITSAND BEACH' A 'BANNER OF SUITABLENESS' VESSEL, AND GETTING TO MEET THE CREW.



FOREIGN NEWS



Mission's last moments

By James Bone
Foreign Staff

CREW members of the Logos, the British missionary ship which foundered on rocks off the southern tip of South America, are due to return to Britain this weekend.

The 141 people aboard, including 25 Britons, were forced to abandon the "international vessel of goodwill" on Jan 5 after it ran aground in the Beagle Channel, shortly after Argentinian pilots had left it.

All the missionaries were taken off unharmed by the Chilean navy in a rescue mission (pictured above).

Mr Graham Wells, director of the Logos mission, whose three-year-old daughter, Aimee, was also aboard (top left), said: "God's ways are higher than our ways."

"I believe he is going to do something astounding through this, perhaps even give us a second, even better, Logos."

The Singapore-flagged 2,500-

ton ship was left listing in the treacherous channel (bottom left) and has been declared beyond commercial salvage.

It is owned by Educational Book Exhibits of Bromley, Kent, a charity operated by the German-based evangelical group, Operation Mobilisation.

The ship had just begun a six-month tour of Argentinian ports, carrying 200 tons of educational and religious books and medical supplies.

Many churches in Britain supported the ship, which in the past 17 years has visited 402 ports in 107 countries.

Most of the crew are now in Punta Arenas, Chile.

The Logos's bosun, Mr Kevin Copeland, from Northern Ireland, was on the bridge when it ran aground.

He did not believe at first that they would have to abandon ship. Water was not reported entering the vessel until four hours after the accident.

But then the decks began to tilt sharply, he said, and "I knew it was time for the lifeboats."

Evening Standard
14.1.88

IN BRIEF

Raiders left travel firm blazing

DETECTIVES were today investigating a fire at a firm of West London travel agents.

Burglars are believed to have struck at Twickers World, in Church Road, Twickenham, last night just before the blaze broke out.

Firemen reported seeing someone inside the building but no one was found. There were also signs of a break-in. Much of the building's first-floor offices were destroyed.

Battle stress teams set up by the Army

By Our Defence Staff

THE ARMY has set up teams of psychiatric experts to accompany troops into battle and provide immediate care for victims of stress.

Teams will also accompany troops on peacetime exercises.

Twelve field psychiatric units have been deployed, the majority with the Rhine Army, a spokesman for the Ministry of Defence said yesterday.

The move was prompted by the findings of an MoD study commissioned in 1979, which also took into account the experiences of Servicemen in the Falklands war.

Military psychiatrists believe that prompt treatment is crucial in preventing psychiatric problems in the long term.

Disorders which can include insomnia, severe anxiety and flashbacks, often do not become manifest until many years after a Serviceman has been in combat.

'Falklands bonds' threat to Argentina

From Jeremy Morgan
in Buenos Aires

GOVERNMENT bonds issued by the military regime six years ago threaten to push Argentina into default on foreign debt interest payments within weeks, say well-informed financial sources here.

Concern about looming payments on the bonds prompted the sudden visit this week to Washington by Argentina's Economy Minister, Mr Juan Sourrouille, to seek an emergency loan, the sources claim.

The military regime printed \$3 billion-worth of the so-called "Bonex" bonds in 1982, amid a mounting economic emergency before, during and after the Falklands War.

Payment of capital and interest on the "Bonex", which were issued in the name of the Argentine state but denominated in dollars, falls due on February 15. The payments will total at least \$400 million, say bankers who warn this would almost wipe out available reserves now estimated at only \$500 million.

Argentina would be unable to cover interest on its \$52 billion foreign debt unless it quickly secures additional finance abroad, they add.

Overseas banks and the International Monetary Fund, which has a mission in Buenos Aires reviewing the Government's performance under Argentina's \$1.425 billion standby accord, are delaying payments on further loans.

Bankers believe it is highly unlikely the IMF will release a \$215 million standby tranche before the "Bonex" come due. And without the IMF tranche, banks will not lend from the \$700 million still outstanding under last year's \$1.92 billion debt refinancing agreement.

Argentina's minimum immediate needs are put at \$500 million and Mr Sourrouille appears to have three options: a short-term "bridge" loan organised by the US Treasury; a special IMF credit; or a deal with the Bank for International Settlements in Basle.

The Government prefers a loan backed by the US, which lined up two similar credits last year, sources said amid unconfirmed reports that Mr Sourrouille met the US Treasury Secretary, James Baker, yesterday.

New Peronist leader

The Peronist party, Argentina's largest, chose Buenos Aires province governor Antonio Cafiero as its president. Page 4

Peronists pin hopes for unity on new leader

BY OUR BUENOS AIRES CORRESPONDENT

PERONISM, still Argentina's largest political force despite its unprecedented electoral defeat four years ago, finally believes it has found a new leader.

After years of indecisive and sometimes dangerous wrangling, the Peronists have plumped for the logical choice, Mr Antonio Cafiero, the governor of Buenos Aires province.

The appointment of Mr Cafiero as head of the Peronist National Council and party president has prompted hopes that Argentina's main opposition movement has come out of a long wilderness when it was without an undisputed leader.

The Peronists have been drifting in all directions since their founder, General Juan Domingo Peron, died during his third term as Argentina's elected president in 1974. Mr Cafiero's elevation has confirmed suggestions that he will be the Peronists' probable candidate for president at elections in 1989.

But before he can challenge President Raul Alfonsin's ruling

A team led by Mr Juan Sourrouille, Argentina's Economy Minister, arrived in Washington yesterday apparently hoping to win help from the US on debt payments, writes our Buenos Aires Correspondent.

According to an official source, exploratory talks with Mr James Baker, US Treasury Secretary, and Mr Alan Greenspan, head of the Federal Reserve, would focus on a reduction in interest rates and the possibility of the US Treasury organising a \$500m bridge loan.

Radical Party, Mr Cafiero will have to assert his authority.

As one of several economy ministers under the Peronist government which ruled Argentina amid mounting political violence for less than three years until it was toppled by the military in 1976, Mr Cafiero tried to introduce a gradual shift to free market policies.

Daily Telegraph
(Peterborough Column)
13.1.88

Diplomatic moves

A NEW development in Argentina's continuing fight for supremacy of the Falkland Islands is signalled by the recall of the country's representative in Britain, Juan Eduardo Fleming.

Fleming, who since the rift in diplomatic relations holds counsellor status, has been quietly ordered to return home and is expected to leave Britain by March 14.

The move comes amid speculation that Fleming's tactics in the delicate task of pressing his country's viewpoint — Argentina officially restated her claim to the Falklands just this month — have not pleased President Raul Alfonsin.

The criticism centres on Fleming's closeness to the right wing of the Conservative party, and the feeling within the Argentine Foreign Office that his assessments of the chances for reopening negotiations with Britain on the supremacy of the Falklands were so "positive" and "unrealistic" as to amount to a threat to Argentine national security.

The diplomat expected to replace him, Raul Ricardez, is, unlike Fleming, a trusted member of Alfonsin's Radical party. "Fleming's replacement will not court conflict, but he will not be so subservient, or have an inferiority complex towards the British establishment," Argentine journalist Guillermo Makin tells me.

Daily Mail
12.1.88

Freedom of Stanley for Shackleton

The return flight of the Arctic 'Phoenix'

A PLANE buried in ice for 16 years has been flown again.

The Hercules C-130 transport plane crashed in the Antarctic.

Just 3ft of its tail was visible above the ice and snow, and it was considered unrecoverable and stripped for parts.

But experts later compared recovery costs of around £6 million with the £17 million price of a new plane and decided to dig it out.

Because Antarctica is the world's driest and coldest place, there was little corrosion or decay, and after being fitted with overhauled engines and propellers together with skis the plane flew for five hours.

The pilot, Commander Jack Rector of the Antarctic Development Squadron, said the Hercules would probably now be named Phoenix.

Freedom of Stanley for Shackleton

LORD SHACKLETON has had the "freedom of Stanley" conferred upon him during a public reception held in his honour in the Falkland Islands.

The 76-year-old son of Ernest Shackleton, the Antarctic explorer, described the award as "a very distinctive honour, uniquely precious".

The former leader of the House of Lords is a revered figure in the Falklands, having first been commissioned by the British government in 1976 to produce an extensive economic and development survey of an ailing population.

Then in May 1982 while the Falklands conflict still raged, he was asked by Mrs Thatcher to update his earlier report.

His many recommendations included proposals such as split-

**By Patrick Watts
in Port Stanley**

ting up the large farms owned by absentee landlords.

He also called for the introduction of a 200-mile fishing zone around the islands.

There are now nearly 50 new land owners, while Britain, after considerable pressure from Falklands councillors, finally declared a 150-mile fishing zone in 1987.

The resulting revenue, estimated at £20 million this year from licence fees, is leading the islands towards economic independence.

Lord Shackleton, who was given a life peerage in 1958, becomes only the second person to receive the freedom of Stanley. In 1983 the honour was bestowed on Mrs Thatcher during her unexpected visit.

Lord Shackleton said he was "satisfied" with the development progress being made within the islands following his 1976 and 1982 reports.

These subsequently resulted in a gift of £31 million from Britain to finance his recommendations.

His current extensive tour has taken him to every part of the islands to see for himself the nature of the massive development programme.

He has been particularly impressed with the number of new tourist lodges on unique wildlife areas throughout the islands.

And he was obviously delighted to witness the arrival in Stanley of the Falklands first own trawler which, appropriately enough, has been named after him.

JOHN EZARD reports from Port Stanley on the Labour peer

who turned the economic fortunes of the Falklands — for some

The islands honour a favourite son

IN AN affectionate and grateful, yet slightly shadowed ceremony here last night Lord Shackleton, economic shepherd of the Falklands, was awarded the Freedom of Port Stanley. The award was as rare as it was deeply felt.

It recognised that the Labour peer and ex-cabinet minister has left his stamp on these more temperate islands as fully as his explorer father did on the Antarctic 1,000 miles further south. "It is a very distinctive honour, uniquely precious. In its way there is none higher in the world", he said in his acceptance speech. Its only other holder is Mrs Thatcher.

By contrast Shackleton is Port Stanley's peacetime hero. His first visit 12 years ago was to an almost terminally run-down, exploited colony. He first laid down an officially disregarded economic and land reform strategy which — as was acknowledged in Britain after the 1982 Argentine invasion — would have saved a town of 1,000 people from becoming a cockpit of war. Last night's town hall ceremony was an accolade to the South Atlantic's most welcome guest for almost five years.

Shackleton, walking-stick in hand but still intellectually incisive at 76, is here to inspect a vision coming true. He is scrutinising the early flowers of his second, post-conflict report. Most remarkable of them is a 150-mile fishing zone which has multiplied the GNP six-fold and is now yielding a £15 million annual profit.

The zone has, almost at a stroke, made it realistic both to talk about a mini Gulf State-style future and to dare to discuss whether to offer the

British exchequer several millions pounds a year as a small but colonially unprecedented return for all its defence spending.

But part of the shadow came in an incident on Saturday, 34 hours before the ceremony, on a road 25 miles from the town hall. John Pollard — a development official whose post was created thanks to the 1982 Shackleton report — was driving relatives to the military airport when he saw the left front wheel of his Land Rover spinning ahead of the vehicle. The wheel nuts had come off. The vehicle crashed on to its wheel axle and ploughed 100 yards along the verge of a dangerous slope before he could halt it. No-one was hurt. Mr Pollard likes to "think the best of people": and certainly wheel nuts do sometimes vibrate loose on Stanley roads.

Nevertheless the episode is being viewed as symptomatic by less charitable souls. It follows a pattern of vandalism which over the last few months has enraged and frightened the victims and their colleagues. Wheel nuts have been slackened, tyres slashed or deflated and holes scratched or gouged in vehicles left parked by fisheries officials and, to a lesser extent, by development corporation staff.

Both groups are mainly skilled expatriates on visiting contracts. In a place which was almost crime-free before the conflict, this is seen as a new phase in a post-1982 pattern of sometimes explosive envy felt by a lower-paid, left-out, often poorly housed Falklands underclass.

"There is the quite misplaced feeling that a lot of smart Ales

with big cars have come drifting into town and started telling everyone else what to do", said Captain John Jackson, chief fisheries inspector. "It is just sheer gut resentment. And then it has to be recognised that a lot of people do not like change".

The Falklands capital has begun to change dizzyingly in the 11 months since the first fishing season opened. More new Land Rovers are on the roads. Far Eastern fishermen on shore leave walk the streets. Agency offices for foreign fishing firms and their development corporation-linked joint venture companies are springing up. The famous Upland Goose Hotel is now part-owned by a joint Swedish and British consortium, Witte-Boyd.

Yet side by side with these are private houses unpainted and rotting since the conflict almost six years ago. This point is recognised — amid much talk of a "transformed" economy and dynamic vistas of opportunity — in a new, post-Shackleton long term economic study which has just begun to circulate.

The report calculates that, if profits from fishing licences for the zone were simply shared out, every Falklands citizen would get £6,000 a year tax free: £24,000 for a family of four. Instead, some of last year's fishing licence revenue was used to raise old-age pensions and cut taxes, leaving the average £6,000-a-year wage earner about £400 better off. A £2.6 million contract for 20 houses has also been announced.

By contrast with this prudent local housekeeping, a Falklands stevedore can pick up £100 a

day from casual work on a foreign trawler. These fleets are catching more than £400 million worth of squid a year — over twice the total annual British garrison costs. The biggest money is at sea and in associated ancillary onshore services.

With this in mind councillors on the Falklands executive committee boldly decided last year that up to 10 per cent of fishing licences for next month's season should go to islanders. Each licence has been called "a licence to print money" because of the bizarre ways of the worldwide fishing industry. The holder is entitled to agreed venture capital of tens of thousands of pounds from the overseas fishing firm which uses — and also pays for — the licence.

The Falklands Development Corporation, with a 51 per cent stake in each joint venture company, also gains from this bonanza. For the new fishing season, only eight licences out of 143 in the richest part of the zone were granted to Falkland islanders. This was just over half the target set by the executive committee. They went to John Cheek and Stuart Wallace, two senior professional workers.

The pair had spent their own money travelling in the Far East to learn about the industry. After acquiring business partners there and in New Zealand, they plan to reinvest their new venture capital in fishery-linked projects on the islands. Both favour licences for other islanders. But the new season's other local applicant, Dave Eynon, a man with maritime experience, was rejected and is bitter. "If we are not allowed to

participate, not only do we become second-class citizens — but what the hell are we doing here?" he said.

When asked in the House of Commons, Foreign Office ministers assure MPs that fishing licence allocations are "purely a matter for the Falkland Islands government". But Foreign Office officials are known to have deployed fierce backstairs pressure on allocations. They indirectly forced councillors to revoke a decision to refuse licences to one overseas company whose conduct was locally considered less than reputable. And they have lobbied hard for an increase in licences for two British companies said to have complained to Downing Street about their disappointment over their allotted share.

Asked about this, the Falklands acting governor Brian Cummings, who is government chief executive, would say only that it was policy that allocations should "take account" of British government foreign policy. This general clause had been passed without comment in a nine-point policy document approved by councillors. Mr Cummings added, "there is no doubt that the zone gives us the most tremendous opportunity to take decisions locally and to be truly independent in that sense". A councillor said, "no-one spotted how that clause could be abused".

The weekend brought the most symbolic blow of this transitional phase in island life. It was indicated that despite his strong wishes, Harold Rowlands, the government treasurer who balanced the budget through the worst years of neglect, is virtually certain to

be replaced by an expatriate when he retires later in 1988. The admired Mr Rowlands, who formally bestowed the Freedom of Stanley on Mrs Thatcher in 1982, is the only island-born head of department. His departure will leave his fellow-citizens with less voice in their civil service than they had before Argentina invaded.

It is fertile ground in which to launch a new political movement and this happened at the weekend when the "Desire the Right" (a quote from the Falklands crest) party, the first political party founded here for over 20 years, began distributing its first manifesto.

The declaration, signed by two large-scale farmers and 14 other people of varying prominence, aims at electing councillors who will "exert their powers more forcefully": at strengthening control over fishing and at economic expansion to minimise "drain on UK resources". Shackleton, hopping between islands by light aircraft, has heard much of this concern and is bothered about it. But the main theme of his return to the South Atlantic is, justifiably, upbeat.

He has stood on the bridge of the £1 million Lord Shackleton, named after him as the flagship of a hoped-for Falklands trawler fleet. It is about to begin fishing round South Georgia, where his father is buried, then return next month to partake in the riches of the zone. He has formally opened an already successful wildlife tourist lodge on Sea Lion Island and called at another at Port Howard; seen his land reform programme almost complete its Falklandisation of farm ownership; and visited an audacious

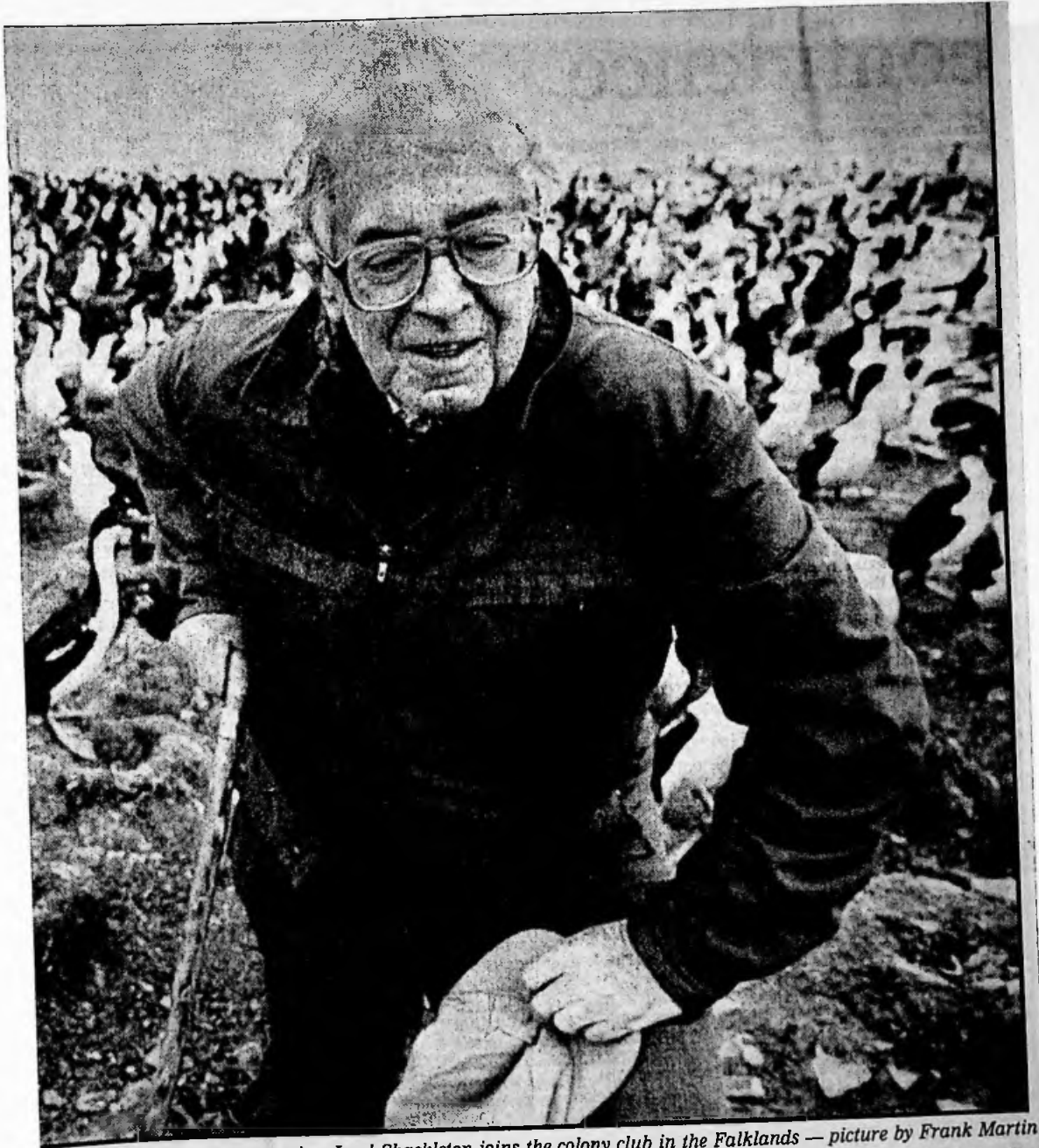
tree nursery where the farmer Tim Miller showed off his latest 7,000 saplings in a region with traditionally few trees. "The greening of the Falklands," Shackleton murmured.

Typically it was not he but an islander who realised that he had arrived here on the 66th anniversary of his father's death. He remembers how, when he was six, his elder brother and sister put him up to make a family speech on Sir Ernest Shackleton's arrival back in 1917 from his great three-year Antarctic expedition. It was, "Ray wants a bicycle, Cecily wants a bicycle and I want a tricycle".

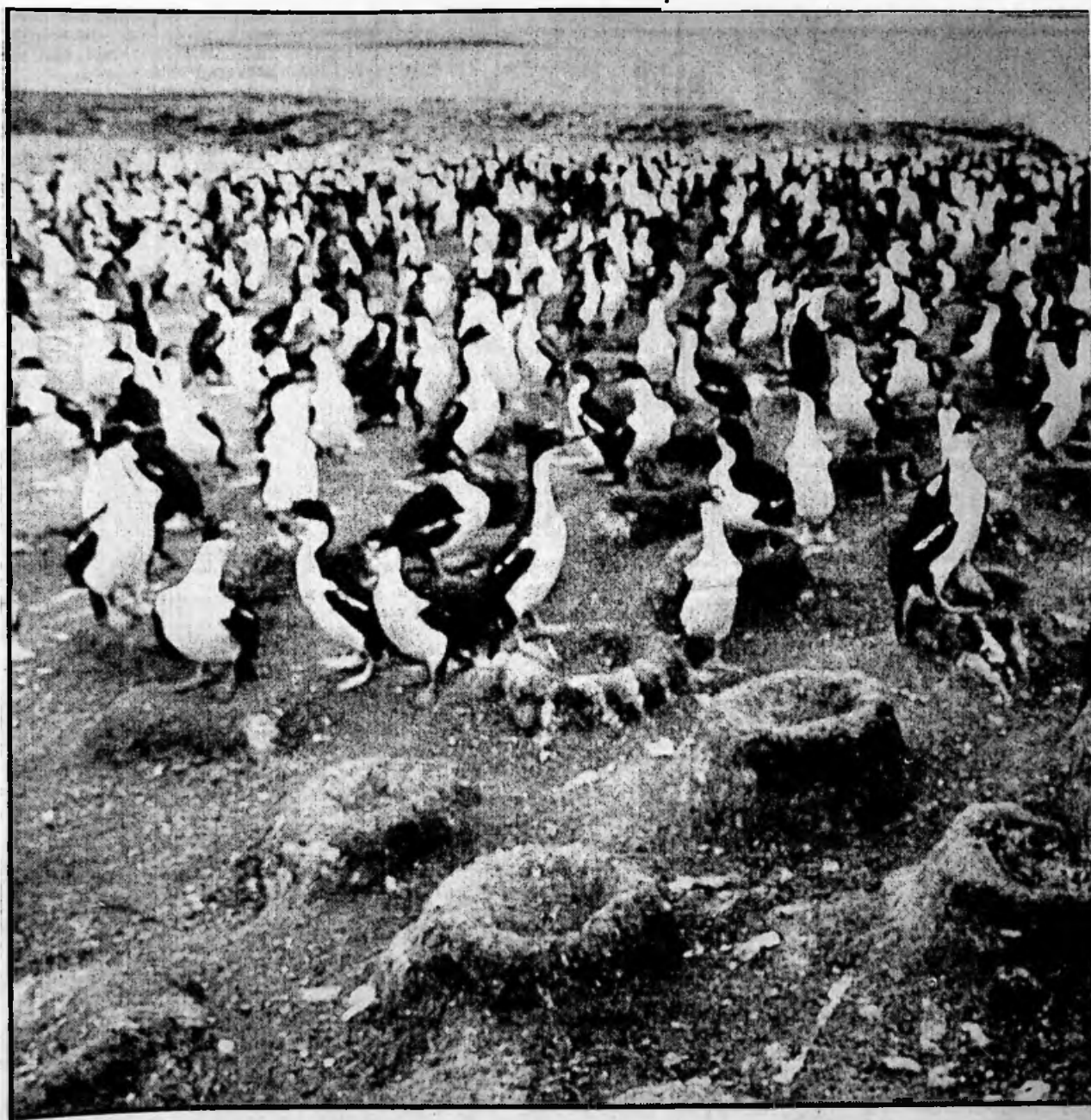
At prep school he heard his father's remark about having sensed a "fourth" companion in his team's climactic three-man crossing of the South Georgia glaciers. Eddie Shackleton grew up to be Arctic explorer and mountaineer in his own right, to be Herbert Morrison's parliamentary private secretary in Attlee's government and to be once called "the highest of Harold Wilson's high-fliers".

But perhaps not until he first visited his father's grave during his 1976 Falklands inquiry did he feel fully an individual on his own terms. The rural closeness and against-odds endeavour of human relations on the Falklands gradually captivated him.

Sir Ernest Shackleton wrote after his expedition, "we had pierced the veneer of outside things. We had reached the naked soul of man". His son, a religious sceptic, said, "I was brought up in a debunking age, so I wouldn't use such language. But I do feel a tinge of that about the Falklands".



Kneedeep in penguins: Lord Shackleton joins the colony club in the Falklands — picture by Frank Martin





Officer's helicopter trip killed Falkland wildlife

By Patrick Watts in Port Stanley

THE RARE and varied wildlife in and around the Falklands' tiny Sea Lion island, seen as a paradise by naturalists and ornithologists world-wide, could be finding the changing pattern experienced since the 1982 conflict a mixed blessing.

In the seven years preceding the hostilities with Argentina, just 11 visitors made the 10-mile journey to the island off the East Falklands. Since 1982 the yearly average has been 2,000 visitors.

But while they have brought much-needed cash for Mr Terry Clifton, his wife Doreen, and their two daughters, there are also problems of possible damage to the wildlife from both the visitors and the hundreds of trawlers which fish off the coast.

The Cliftons receive £11.50 for each visitor who lands on their island, which, although measuring just five miles by one, boasts five species of penguin, including the rare and majestic king penguin, a multitude of sea lions (hence the island's name) plus a considerable colony of elephant seals.

One of the most rare birds of prey in the world, the straited cara-cara, also breeds plentifully alongside the king cormorants.

A small, comfortable lodge, with five double bedrooms, and financed by the Falklands

Development Corporation, was recently constructed and now supports the solitary farmhouse where the Cliftons live.

British military officers on accompanied tours to the region "get away from it all" by flying by helicopter to the island. Also there are "day-trippers" from the military base and small groups of tourists.

However, while the influx of visitors is welcomed by the Cliftons, the need to preserve their "gold-mine" is also uppermost in their minds. "Many of the British troops have no idea how special the wildlife is," said Mr Clifton.

He recalled how an officer landed his helicopter bang in the middle of a penguin rookery. "I chased him out and then he asked if we had any penguins nesting. I pointed to the side of a cliff not far away, thinking that he intended walking there.

"Before I could stop him, he jumped back in his helicopter and the whirling rotors soon swept nest, mother and chicks into the sea below.

"Needless to say I reported the stupidity of the officer to the highest authorities and he was apparently sent back to UK in disgrace," continued Mr Clifton.

Now all aircraft flying over the island must maintain a minimum height of 500 feet and those landing can approach from one direction only.



Falkland squid licences reduced

THE Falkland Island Government has allocated 180 squid licences for 1988 representing a reduction of 35 from 1987. A total of 500 applications were made.

Only 40 licences have been issued for *Loligo* squid and 143 for *Illex*.

Conservation

The number of licences issued for the first season is significantly down from 1987 due to the necessity of adopting strong conservation measures, says FIG. This is of particular importance in the southern area where the fishing effort for the *Loligo* species has been considerably reduced.

Eleven countries have been allocated licences with Japan getting the lion's share (63). Others include Poland (29), Taiwan (25), Spain (22), Korea (21), UK (13), Italy (3), Portugal (3), Greece (2), Netherlands (1), and Chile (1).

Licence allocations: northern area		
COMPANY	COUNTRY (FLAG STATE)	LICENCES
SWB Fishing Ltd	UK/Falklands	1
Stanmarr	UK/Falklands	1
Sea Mount	UK/Falklands	2
Berkeley Sound Fishing Company	UK	1
Anamer	Spain	6
Gryf	Poland	8
Odra	Poland	10
Dalmor	Poland	5
Coalite Taiyo	Poland	8
Consortium Stanmarr	Japan	17
SWB Fishing Ltd	Japan	25
Fortuna	Japan	3
SNA	Japan	2
Stanksj	Japan	5
Stancross	Japan	3
Stanmarr	Taiwan	3
Starfish	Taiwan	15
Fortuna	Taiwan	5
SNZ	Taiwan	2
Stankor	Rep. of Korea	6
Kosac	Rep. of Korea	13
Stancross	Rep. of Korea	2
TOTAL		143

Licence allocations: southern area		
SWB Fishing	UK/Falklands	1
Stanmarr	UK/Falklands	1
Hughes Group	UK	2
IFI	UK	1
Fishing Explorer Ltd	UK	1
Sea Mount	UK/Falklands	2
Anamer	Spain	15
Aspe	Spain	1
Federpesca	Italy	3
Stancel	Netherlands	1
Stancel	Portugal	3
Kastorjv	Greece	2
Pesquera Interpesca	Chile	1
Gryf	Poland	2
Odra	Poland	2
Dalmor	Poland	2
TOTAL		40

TRISTAR SETS A RECORD

TWO TRISTAR AIRCREWS from Brize Norton made a successful bid to save the life of a soldier suffering from kidney failure — and at the same time set up a new record for the fastest flying time between Britain and the Falklands.

They responded to an emergency call from the islands on Christmas Eve afternoon which stressed that the rifleman from the Royal Green Jackets had just 24 hours to live.

The TriStar K1 of 216 Squadron took off from Brize at 1941 hrs carrying a three man medical team and a dialysis unit from PMRAF Hospital, Halton. On the outward journey, which involved refuelling at Ascension, the aircraft was flown by aircrew led by Sqn Ldr Tony Hoyle. The second leg of the 8,000 mile journey was undertaken by the second aircrew captained by Sqn Ldr Al Walker. Flying time was 14 hours 52 minutes.

Sqn Ldr Walker said: "We got the call at 3pm and were told that the soldier had 24 hours to live so we had to get our skates on! I think we were the best Christmas present he could have had." The soldier was treated at Stanley Hospital where he was said to be "stable".

● The fastest non-stop flight between Britain and the Falklands was achieved by the RAF when an aircrew from Brize Norton went on a record-busting sortie just before Christmas.

It took a VC10 C.Mk 1 from 10 Squadron just 15 hours, 45

BY SUSAN WHITE

minutes and 40 seconds to fly from Brize to Mount Pleasant with two mid-air refuellings from a VC10 K3 tanker from 101 Squadron. The return trip with just one refuelling took 14 hours, 58 minutes and 30 seconds.

The successful sortie was organised by the Brize Operations Wing and a spokesman for them and the aircrew involved said everyone on the station was "delighted" with the outcome. He added that it is only the second time that VC10 refuelling had been done in an "out of area" exercise.

The VC10 aircrew comprising 12 men, set up the record while on an operational proving flight to establish the non-stop concept supported by in-flight refuelling by RAF tanker aircraft, but they also brought season's greetings to Service personnel at Mount Pleasant in the shape of 3,000 pounds of Christmas mail.

RAF NEWS

8-12 January 1988

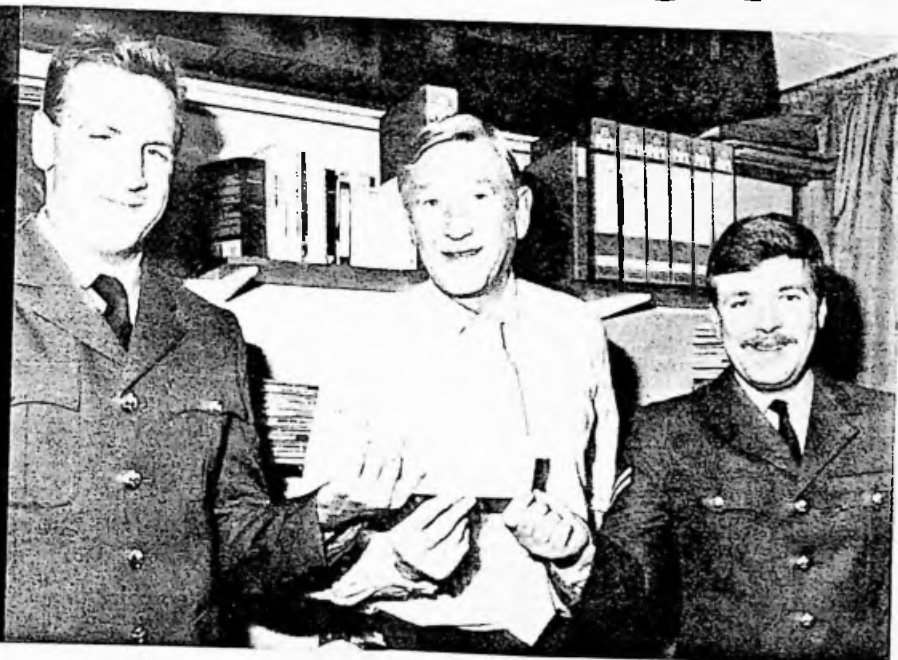
Falkland fundraisers hand over cash

Personnel stationed on remote West Falklands mountain tops have raised £2,000 for TTN Sandy Gall's appeal for the Abdul Bashir Afghanistans children.

Mr Gall received a cheque from two Corporals, Malcolm Howland and John Forgie, who played a prominent part in the fund-raising (see pic right).

The work began in September when cook Cpl John Ellis read of the appeal, and went on a sponsored swim to raise money. Cpl Howard from Mount Alice and Cpl Forgie from Bryon Heights then took over the organisation and more events followed. Other units in different parts of the Falklands chipped in.

Cpl Forgie is now based at Boulmer and Cpl Howland, at Wyton.



Home thoughts from abroad

INCREASINGLY, Margaret Thatcher is an elder statesman playing on a world stage. This week she has taken her uncompromising opposition to sanctions against South Africa to two of the most influential black African states and has, just possibly, signalled her availability for a more active role in the resolution of South Africa's racial problems in the future. Even the anger with which she has been greeted in Nigeria can be claimed as a tribute to international status.

Whatever his motives, Mikhail Gorbachev did agree to touch down at Brize Norton on his way to the United States and the Soviet press has, subsequently, been flattering about the one-time Iron Lady. In Washington, as our US editor reported yesterday, any presidential aspirant worth his salt finds it helpful to indicate that he and the British Prime Minister hold astonishingly similar views about everything from Aids to arms control. *The Washington Post* — whose London correspondent describes the Falklands conflict as "a real war" in contrast to America's "puny victory" in Grenada — has just annointed the Prime Minister "Woman of the Year".

Statesmen, like prophets, are often, however, without honour in their own countries. Mrs Thatcher's uncompromising and divisive style has generated deep distaste as well as awed admiration at home. Moreover, there has been in the past a tendency for British politicians under domestic pressure to seek solace abroad. Thus Harold Wilson attempted, unsuccessfully, to resolve America's difficulties in Vietnam partly because it was a blessed diversion from Britain's seem-

ingly intractable economic and industrial relations problems. Edward Heath was able to build on his reputation in Europe long after his star in Britain had waned. Few sympathetic Europeans understood a system which simply cast such a man aside. In similar vein, the Chinese and the Russians could not comprehend why Watergate was allowed to drag down a president of Richard Nixon's international stature.

But worthwhile influence abroad can come only from demonstrated authority at home. Foreign admiration can provide no lasting substitute for domestic predominance. To the extent that Mrs Thatcher's international standing is secure, it is because she is in clear charge and not running away from little local difficulties.

On occasion, however, perfectly competent statesmen find themselves without honour abroad. Ronald Reagan has acquired, particularly in Europe, the image of a dozy, almost senile, old man addicted to Hollywood nostalgia. Last weekend, for example, *The Observer* carried an end-of-year report from Simon Hoggart in Washington which was billed as "a diary of the President's goofs in 1987". The year had apparently been "a bizarre interlude in American history" with a president who could no longer tell dreams from reality. Some of Mr Hoggart's 22 "goofs" of 1987 actually dated back half a century. They included several rather good, self-deprecating jokes and a number of calculated snubs and deliberate diplomatic evasions. Fashionable foreign disapprobation can be as misleading as the plaudits of the international press.

MR CECIL Parkinson won a considerable reputation during the Falklands war as an effective public relations operative. That, without doubt, is one reason why Mrs T wanted him back, whatever stern moralists like John Wakeham may have been telling her. But Mr Parkinson's main contribution to the government's PR since his return has been an unexpected one: he has successfully persuaded his colleagues to button their lips about Arthur Scargill for the duration of the current Presidential election in the NUM.

The new Energy Secretary has advised all of them, from the Prime Minister downwards, that each Tory attack on King Arthur is worth a sackful of votes to him. Hence the eery silence which has fallen on Whitehall.

Younger to push Hawk in India

By David Buchan, Defence
Correspondent

British Aerospace's attempt to persuade India to buy the Hawk trainer rather than the Franco-German Alphajet will be given high level backing this week from Mr George Younger, the UK Defence Secretary, who arrives in India today for a five day visit.

BAe rates its chances of winning the sizeable Indian jet trainer contract as "quite reasonable", after recent sales of the Hawk to the US navy and the Swiss air force.

Another point which may favour the Hawk is that India carries out licensed manufacture of the Adour engine. The Adour powers both the Hawk and the Jaguar fighter which is made under licence by Hindustan Aeronautics at Bangalore, where Mr Younger will visit next week.

Equipment for India's large armed services is drawn from a variety of sources - Soviet, Western and, increasingly, indigenous Indian manufacture. The Soviet Union has just leased India a nuclear-powered submarine, and has sold India one of its latest fighters, the MiG-29.

But India has remained a steady market for British arms. The Jaguar deal is worth around £1bn, while latterly Britain has benefited from New Delhi's interest in expanding its naval aviation with the purchase of Sea Harriers, Sea Eagle missiles, and HMS Hermes, the assault carrier used in the Falklands war.

DAILY MAIL

7. 1. 88

Shipwrecked missionaries 'abandoned by Argentines'

By NEVILLE RIGBY

TWENTY-FIVE Britons were recovering last night from a dramatic sea rescue after two Argentine naval vessels left them to run aground in treacherous waters.

The survivors, who included three children, a pregnant woman and a two-month-old baby, told how they prayed for their lives when the Argentine pilots abandoned them off the Chilean coast.

The group were part of an international crew of 135 on board a British-owned missionary ship which was taking books and vehicles to Argentina when it ran on to rocks in a fierce gale. The ship, built in 1949, was holed in three places.

A Chilean naval ship answered their distress call after the Argentinian boats abandoned the operation, lifting the crew to safety before the ship, the MV Logos, went down.

Last night the survivors, who are recovering on the island of Puerto Williams, said: 'We felt the presence of God helping us. We spent the hours praying and singing together. Everyone was very calm.'

They paid tribute to the

ship's engineer Dave Thomas from Gillingham, Kent, who risked his life diving into the flooded engine room in a bid to save the ship.

Missionary Mark Knight, 27, from Chorleywood, Hertfordshire, said: 'Dave went down into the engine room to close off a sea valve and tried to open another to help right the ship.'

Among those rescued were the ship's director, Graham Wells, his wife Linda, who is four months pregnant, and their three-year-old daughter, Amy.

Mr Wells, who comes from Birmingham, telephoned friends in Britain last night to confirm that everyone was safe.

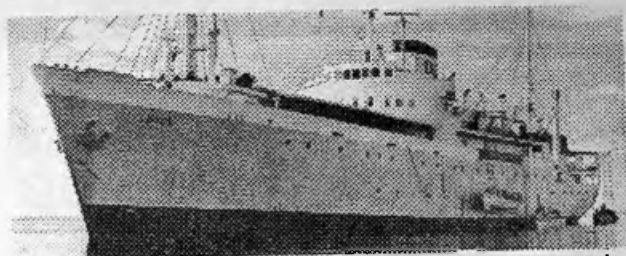
He said their only problem had been communicating with their rescuers who didn't speak English. The safe escape of the rest of the crew — made up of missionaries from 15 countries — was put down to the rigorous safety training schedule imposed by skipper Jonathan Stewart, 45, from Grantham, Lincolnshire.

Captain Stewart ensured

that the emergency drill practised frequently on board included everyone — even the two-month-old baby who was born during the ship's stay in Chile.

Meanwhile the survivors, who were only able to grab a few personal belongings before taking to life rafts, were being cared for by islanders.

Their ship, a former Danish cargo vessel, visited 402 ports in 107 countries during its 17 years of missionary work.



MV Logos... ran on to rocks



Safe: Ship's director Graham Wells and his family

Alfonsin and the military

FOUR years after the discredited Argentine junta ceded power to civilians, the military still has an uncomfortably large amount of power to blackmail the government of President Raul Alfonsin. Unfortunately, sections of the armed forces seem more than willing to use this power for their own selfish ends.

This has been all too apparent in the recent concessions made by President Alfonsin. Very much against his will and amid considerable dismay within Argentina, he has released from detention the leader of last year's "Easter Rebellion" and he has been obliged to promote Alfredo Astiz, one of the naval officers most openly associated with human rights abuses during the "Dirty War" conducted by the junta against the Argentine Left in the late 1970s.

Serious challenge

Last Easter President Alfonsin's authority was seriously challenged by a rebellion among junior and middle ranking officers, who mutinied in protest over the way they were being made to appear before the courts on charges of human rights abuses committed under military rule. The officers ignored the orders of their superiors and the uprising only ended when President Alfonsin went in person to deal with the rebels and agreed to curtail the scope and nature of the trials.

By giving in again when faced with threats for the release of the rebellion's ring-leader and for the promotion of Astiz, it is easy to blame President Alfonsin for weakness. One concession has led to another, and there could be more to come, leaving the government more in hock to the hardliners in the armed forces.

President Alfonsin does not deserve such blame. He has been the architect behind the restoration of democracy in Argentina and has proved a model of fairness in attempting to heal the wounds caused by years of military rule. He has

avoided any vindictiveness and has done his best to uphold the rule of law, which has had an exemplary effect throughout Latin America.

Spanish example

Friction between the civilian and the military was inevitable from the start, given the armed forces' unrepentant view that they had saved the motherland from communism as a result of the "Dirty War". Indeed, rather than focus on the limited occasions when sectors of the armed forces have flexed their muscles to voice discontent, it is perhaps more important to highlight the way the majority, albeit disgruntled, has accepted that the country should be run by civilians. Nor should events in Argentina be seen in isolation.

In Spain, the most remarkable example of a successful transition from a military dictatorship to civilian rule, the armed forces proved far more troublesome than in Argentina over a period of six years. There were at least two minor attempts at coups and one major one as late as 1981. All sorts of concessions were made to pacify the military, including a Constitution that gave the armed forces an unnecessarily large role. Yet all these concessions had the broader objective of smoothing the process of transition and have been vindicated. In less dramatic circumstances where the military have ceded power such as Brazil or Peru, there have been rumblings of discontent and considerable behind-the-scenes pressures exerted that have brought concessions.

President Alfonsin has to contend with many more problems than post-Franco Spain and Argentina does not have the impartial institution of monarchy to act as a bridge to the armed forces. For this reason it is vital that he retain public support across the parties, because in the end he can only stand up against the military if the country is behind him.

**Nancy Banks-Smith watches the men
who Mrs Thatcher got with her brolly**

An eyeful for Maggie

"Why can't a woman be more like a man?"

— My Fair Lady

MRS THATCHER will not have seen *Panorama* (BBC1), an analysis of her character and career, as she had already left for Africa. I do not altogether envy the job of the man who has to prepare a précis for her. Some emphasis, perhaps, on Lord Hailsham's feeling that she reminded him of Queen Elizabeth I, rather less on his remark that you never knew with Queen Elizabeth I when you were going to get a poke in the eye with a brolly.

According to Sir John Nott, who was evidently having a ball like Cinderella, Mrs Thatcher "thinks all men are feeble and gentlemen more feeble than others." The witnesses were exclusively male with a good sprinkling of gentlemen, knights and lords who had retired with their blushing honours and bruises thick upon them. They had been colleagues, hardly chums.

Call Sir John Nott: "She likes an argument and some of my colleagues used to bury their heads in the table. The number of times she would have gone over the top without the restraint of her colleagues is too numerous to mention." Over the top has a military connotation and that is true, too.

"I think it's doubtful if any male prime minister would have seen that Falklands thing through to the end but she was going to win and she was going to win at any cost."

Call Lord Havers: "She uses that dye thing that makes words stand out, page after page. You think 'My God, I've really got to be on top of this.' If she thinks a minister is no longer up to it, he's out." Lord Havers wasn't and he is.



Hailsham
and Havers



Call Sir Frank Cooper (you may find him in the lavatory). Sir Frank was at the first dreadful dinner with Mrs Thatcher when, as Robert Harris put it, 27 senior civil servants were on the menu. Sir Frank said: "I've been preserving a discreet silence and got up at a very late hour to go to the loo which I'd been desperately wanting to do for some time and one of my colleagues was heard to remark — 'I hope Frank's gone to get the SAS to get us out of here.'" Twenty-four of those 27 civil servants have since retired, having desperately wanted to do so for some time.

President Reagan, under the impression he was recalling a heart-warming anecdote, described a summit in London at which an unspecified head of state took off like a rocket in a

bottle. "He teed off, he was really out of line, he said she was undemocratic in the conduct of the meeting. I said, 'Margaret, he was really out of line' and she said, 'Oh, women know when men are being childish.'"

The head of state is head of state no more, unlike Mrs Thatcher who has been Prime Minister longer than any this century. "It's becoming a slightly authoritarian government. I'd be sacked if I made such a disloyal, treacherous remark as a minister. Her achievement is immense. The achievement which would mark it out as more than exceptional is if she knows when to leave." One can only say, "Nice try, Nott." "What would she do?" said Norman Tebbit. "I can't imagine her making marmalade for the WI."

I hopw Mrs Thatcher is grateful for this little giftie, to see herself as others see her. Personally, I have always found it a nasty shock.

Open Air Special (BBC1) with Marmaduke Hussey and Michael Checkland seemed about to dwindle into the *Dukie* and *I Show* (is it possible that I heard the director-general refer to the chairman as *Dukie*?) when Frances McKie rang from Orkney and damn the expense. I see Frances McKie as the Queen of Scots with a particularly sharp brolly. "Has the independence of the BBC been compromised and damaged by the series of injunctions successfully imposed on it by the present Government?"

Mr Hussey rose like a mighty salmon threshing his tail. "It is very serious indeed the way this Government is continually resorting to the courts and can ultimately be a very serious threat to the liberty of the Press." Frances McKie made a few more passes with her brolly and Mr Hussey leapt some more. If she has dismissed politics, she should certainly try television interviewing or, of course, harpooning.

The first *Horizon* (BBC2) of a new series was about a possible treatment for Parkinson's Disease. It is to transplant the dopamine-secreting cells from an aborted baby's brain into the brain of the patient. The first such transplant is taking place in Sweden. The possibility is there of making extreme old age vital and active at the expense of those who have never lived at all. The dead baby, or fetal tissue (which phrase you use rather depends how you feel about all this) was not aborted for this purpose though, as *Horizon* said, "one problem that arises is the shortage of material."

Doctors discussed the dilemma with serious concern. The fetus, an ET figure with a huge drooping head and raised opalescent paws streaked with scarlet veins, alone said nothing at all.

Argentiniens calling for reconciliation

From Jeremy Morgan
in Buenos Aires

The government of the Argentine has marked Britain's occupation of the Falkland Islands 155 years ago by calling on London to adopt a "constructive and realistic attitude" permitting negotiation to be resumed on the disputed islands.

In a statement issued to coincide with the British arrival in the islands in 1833, the foreign ministry reiterated Argentina's claim to the Falkland Islands and its willingness to recover them through peaceful negotiation.

The timing of the statement suggested it was motivated chiefly by concern that Argentine nationalists might accuse the government of letting yesterday's sensitive anniversary go unrecorded.

Pointing to the Argentine's support at the United Nations and elsewhere, the ministry said the Argentine's determination was based not only on international law but the "existence and possibility of rational and just solutions."

But Senator Luis Leon, a Falklands hardliner in the ruling Radical Party, criticised the government for limiting itself to insipid declarations aimed at winning votes in the international forum.

Reports confirmed that Mr Lucio Garcia del Solar, a senior

ministry official, was continuing discreet and indirect contact with Britain by way of the American government. The informal "exchange of ideas," has focused on ways to avoid armed incidents in the south Atlantic.

Meanwhile, Argentine critics of the authorities' leniency towards rightwing rebels in the armed forces have expressed growing concern following the release of the head of a barracks uprising last Easter, Colonel Aldo Rico.

As well as condemning the military judges who last week ordered his release, there are misgivings over the action of the Government of President Raul Alfonsin in agreeing to restore Colonel Rico to the ranks.

Overturning an order dismissing him from the army as the four-day insurrection ended eight months ago, the Defence Ministry said it was aimed at allowing a military tribunal to court martial Colonel Rico in line with a recent Supreme Court ruling.

Critics pointed out that Colonel Rico's supporters in the army officer corps have demanded his return.

The Supreme Court ruled in favour of a military trial at the middle of last month, saying that Colonel Rico should be tried for the military offence of mutiny.



Tory 'bias brigade' on Panorama alert

TONIGHT'S Panorama programme on Mrs Thatcher's record stay at No 10 threatens to cause a new rift between the Conservatives and the BBC.

The media-monitoring team at Tory Central Office will scrutinise the show, Thatcher's 3,000 Days, for Left-wing bias.

And they may even contact BBC director-general Michael Checkland during the broadcast if it is considered blatantly unbalanced.

Tory fears were aroused yesterday

By ROGER TAVENER
and PETER HOOLEY

when leaked extracts revealed fierce criticism of Mrs Thatcher by ex-colleagues. Sir John Nott, Defence Secretary at the time of the Falklands War, was quoted as saying she is capable of going "over the top" and needed people around her to restrain her.

And former Lord Chancellor Lord Havers, dismissed last autumn after ill-health, is asked if the Premier is ruthless. He apparently says: "If you are going to talk about disposing of Ministers, to use a neutral word, yes, she is."

But BBC chiefs are confident the programme will not upset her. A senior source said: "The material does include some criticism of Mrs Thatcher, and some high praise."

"We are totally satisfied the programme is balanced and impartial and not at all anti-Thatcher."

"All the proper procedures have been followed and executives all the way up to director general Mr Checkland are happy with it."

Criticism

Among those giving opinions on Mrs Thatcher are Norman Tebbit, John Biffen, Ronald Reagan, Helmut Schmidt and Lord Hailsham.

Central Office is worried that Left-wingers at the BBC, who came under fire for bias over issues like the Libyan bombing, have struck back with a strong attack on Mrs Thatcher. A Tory official said: "From what we have read of the programme, there seems to be a great deal of criticism."

"We will be watching carefully and will take whatever appropriate action is thought necessary."

Central Office recently won a pledge from the BBC that the Tories would be allowed to include a spokesman or a statement for broadcast during programmes.



Checkland: 'Happy'

Argentina again asserts claim to Falklands

By Our Foreign Staff

Argentina renewed its claim to sovereignty over the Falkland Islands at the weekend to mark the 155th anniversary yesterday of what it called the "illegitimate British occupation".

A Foreign Ministry communiqué asserted "firm will" to recover the islands "through peaceful negotiations" and said Buenos Aires was convinced a solution could be found.

A British Government spokesman yesterday reiterated Britain's refusal to discuss the sovereignty of the islands.

Press Cuttings

from Broad Street Associates

- 4 JAN 1988



THE INDEPENDENT

Falkland arrest

Port Stanley (Reuter) — An 18-year-old British serviceman stationed in the Falkland Islands has been arrested in connection with a fire in the capital's Christ Church cathedral.



Falklands claim renewed

BUENOS AIRES (Reuter) — Argentina has renewed its claim to the Falkland Islands and said it hopes Britain will agree to talks on their future.

A foreign ministry communiqué marking yesterday's 155th anniversary of the "illegitimate British occupation of the Malvinas Islands" said: "The Argentine people and government ratify the sovereign rights of our country over said islands . . . and their firm will to recover them through peaceful negotiations."

It said Argentina was convinced a solution could be found

to the dispute, including guarantees that the interests of the islanders would be respected, it said.

The communiqué added that the international community had urged Argentina and Britain "through negotiations to reach a solution on all problems pending between them, including all aspects linked with the future of the islands."

The Argentine government was confident Britain would adopt a constructive and realistic attitude permitting a renewal of negotiations, it said.

TELLEX REPORT

THE BROADCAST REPORTING SERVICE

Daily Mail
4.1.88

Falkland arrest

AN 18-year-old member of the Royal Signal Corps, stationed in the Falklands, faces charges after a fire at Christ Church Cathedral, Port Stanley.

END 1000 PM 01 JAN 1988

Ref	ISSUE SERVICE AGREEMENT	ISSUE REPORT
Page	DESCRIPTION	Service
Date	4.1.88	Time



TELLEX

THE BROADCAST REPORTING SERVICE

REPORT

NEW JOBS FOR HULL FISHERMEN:

For : BROAD STREET ASSOCIATES

STEVEN PERRETT

Prog : MORNINGTIDE

Service : BBC HUMBERSIDE

Serial: 017040/PD

Date: 4.1.88

Time: 0600

Duration: 4 minutes



47 Gray's Inn Road London WC1X 8PR Telephone: 01-405 7151 TELEX 27688

MICK LANDRICK:

There's a lot of opportunity for the ship. The total allowable catch for the Falklands area I understand is something in the region of 750,000 tonnes per annum that the stock can take, whereas in the northern North East Arctic I should say, the total amount to catch for the British fleet is only 7,500 tonnes, so I mean there's such a big resource..... and all the time the ship performs okay, there's unlimited really.

C.M.:

For most of the crew of about 35, the South Atlantic will be a totally new experience and they'll have to face the bitterly cold Antarctic weather, but will it cause them any problems? Second Mate, Ken Walsham:

KEN WALSHAM:

I don't think so, the most difficult problems I've had is on the Western Isles of Britain, in the North Sea as we call it, where the conditions are very very rough in the winter time, and in the Northern Hemisphere you get it rough I would say two thirds of the time, but I can't see no difference it being in the Falklands, if it's the same in the north, it should be the same in the south.

C.M.:

The Lord Shackleton's owned by Whit-Boyd, and the company's joint Managing Director, Alan Johnson, is justifiably proud to see her reach the eve of the new fishing venture.

ALAN JOHNSON:

It's the first time that any British company has genuinely gone in for squid fishing. I feel that commercially there's a good future and certainly by the middle of 1988 we ought to have a fair idea of the financial viability of the project and if things go as planned, then we can envisage ordering perhaps another two or three vessels to be fishing in 1989.

C.M.:

That's obviously bearing in mind that this particular vessel is crewed almost completely by Hull men, is good news for Hull fishermen?

CHARLIE PARTRIDGE:

Well 19 Humberside fishermen are due to fly out of Britain tonight for, if not a new life, at least a very changed one, they're joining colleagues in the South Atlantic on the vessel, Lord Shackleton, which arrived at Port Stanley in the Falkland Islands, on 31st December, refitted and ready for her new role as a squid fishing ship. Owned by Whit-Boyd, she's the first British vessel to take up such a function, although it's predicted that there will be many more in the future. Clare Morrow reports:

CLARE MORROW:

When the former Boyd Line trawler, Arctic ... (word unclear, because of siren).... was re-launched as the Lord Shackleton, just over two months ago, there were cheers on Hull's fish dock, amid hopes that she signalled fresh opportunities for redundant Humberside fishermen. Today that hope becomes reality for 19 local men who are to fly from RAF Brize Norton to Port Stanley tonight, at the start of the ship's first squid fishing venture. She was renamed after the man who produced an important report on the Falklands economical development, a plan which opened up the way for the revival.

At the re-launch he welcomed plans for fishing in the South Atlantic and was optimistic for the future of Hull's fishing industry.

LORD SHACKLETON:

I hope so, I mean it's tragic in a way that the deep water fishing has gone and one hopes to see it coming back again.

C.M.:

The Lord Shackleton's new skipper, Mick Landrick, is confident of success.

A.J.:

It is good news for Hull fishermen. We've always found our fishermen to be good, reliable people and we certainly hope that we'll be able to provide employment for more of them in the future.

C.M.:

In the meantime though, the new crew members will meet up with their colleagues in Port Stanley tomorrow. On Wednesday they'll be treated to a reception with the island's top dignitaries, and then it will be down to the serious business of preparing the ship for next Monday, her first trip out on the squid fishing run.

C.P.:

Best of luck to them as well, it's quite a way to go to start a new life and a new way of work though, but let's hope that many many more people from this area get employment down in the South Atlantic.

Tonight Lord Shackleton sees a dream nearly realized

Netting a fortune

Last year the Falklands discovered it was about to be rich. For 154 years, life in Britain's windy sheep-farming colony revolved around three meals of mutton a day. Six astonishing months in 1987 showed that the islands could make a fortune from fishing: quite a shock in a country that had never even had a fish-monger.

Lord Shackleton, a former Conservative minister who became a perceptive Falklands adviser to both Labour and Conservative governments, will find a transformed atmosphere when he arrives there tonight.

He could be forgiven for saying: "I told you so". It was Shackleton, son of the intrepid explorer, who recommended in two celebrated reports, in 1976 and 1982, the step which has caused the boom: the declaration of a fishing zone. Successive governments refused to listen until 1987. Now he is going back to see what happened when his ideas were at least partly implemented.

The gross national product of the Falklands last year was triple that of 1986, entirely because of the fishing zone. Foreign fishermen were brought under control and obliged to pay licence fees.

Enormous projects are under way to create a Falklands/British squid-fishing industry and at the same time provide foreign fishermen with a host of services. Prospects are so bright that the Falkland Islands Development Corporation has just commissioned a macro-economic report on what to do with the money. The tiny population has to decide whether it wants full exploitation of the fishing industry and



Lord Shackleton: slightly in love with the Falklands

rapid immigration, or slower growth coupled with a huge "rainy day fund" of foreign investments.

The sleepy, change-resistant attitudes that caused so many negative British comments during the 1982 war are disappearing. Nearly 80 per cent of the men have at least one job, and many have two.

And many former farm labourers have become farm owners, thanks to the purchase and re-distribution of big farms. Shackleton proposed the compulsory purchase of the Falkland Islands Company, the largest land-owner, and still regrets that it was not done. But overall he is greatly encouraged.

In his cluttered London office, embellished by framed photographs of his father's ship *Endurance*, caught (and later crushed) in Antarctic ice floes in 1915, Lord Shackleton says of officialdom's slow conversion to the cause: "The Government were anxious not to stick their necks out. I do think they should have acted sooner." He thinks the For-

eign Office was unduly concerned about the international repercussions.

Lord Shackleton, a genial silver-haired man of 76 who likes to wear the Arctic Club tie (polar bears on a navy background), admits to being just a bit in love with the Falklands. Yet there will be times this week when his thoughts will drift 800 miles away to the east. He would love to go to South Georgia, where his father is buried; he calls it the most beautiful place in the world.

Sir Ernest Shackleton landed there in 1916 after an incredible voyage in a small boat to fetch help to rescue the stranded crew of the *Endurance*. Ernest died there during another voyage in 1922. Its other claim to fame is that Argentinian "scrap metal merchants" made it the flashpoint for the 1982 Falklands war.

Whitehall is against applying the fishing zone idea to South Georgia, saying it would yield little revenue, because the fish there are less valuable than those in Falklands waters. Britain has decided to rely on a 23-nation body called CCAMLR (Convention on the Conservation of Antarctic Marine Living Resources) to prevent over-fishing, but Lord Shackleton is not impressed: "I don't see CCAMLR succeeding," he said.

He also considers South Georgia as potentially more important than the Falklands, partly as a British presence to deter threats to the Antarctic Treaty. "I want the British down there — we can have a stabilizing influence," he said.

Andrew McEwen

①

After the collapse of the oil price, offshore support industries had to diversify to survive. James Buxton reports

Aberdeen seeks its prosperity abroad

MR JIMMY MILNE recalls bitterly the period more than a year ago when Aberdeen's 15 years of expansion were brought to an end in a matter of months by the oil price collapse.

Now, however, the 46-year-old Mr Milne, who runs the Balmoral Group, a private company specialising in polymer buoyancy products, enthuses about export contracts as he dashes up the ladder to the Portakabin where he has his office.

"We're selling anchor pennant buoys to South Korea, subsurface buoys for the Gulf of Mexico - great brutes, we put them on a 747 - and buoys for a pipeline in Turkey. We've got an order from the Falklands.

"Exports will make up half our turnover of £5m or £6m this year, against 10 per cent three years ago. No ifs and buts about it - the North Sea downturn has driven us to expand our exports."

Aberdeen's offshore industry is showing a fresh attention to exports - long overdue, some critics say - as it begins to recover from the shock it suffered when, early in 1986, the oil price collapsed and oil companies drastically cut their spending.

An upturn began in last May, as the oil price stabilised at about \$18 a barrel, and oil companies took advantage of the very low going rates to resume drilling. Whereas early last year there were nearly a dozen drilling rigs lying idle off Aberdeen, a few days ago there was only one.

Sentiment has been encouraged by a number of discoveries and by some recent oil company decisions to develop new fields - including a £2bn programme by British Petroleum to develop the Miller and Bruce fields. But those projects will take several years to produce orders.

Mr Charles Wood, who follows the offshore industry for the Scottish Development Agency in Aberdeen, said: "The volume of activity has gone up in the past six months. But not surprisingly, the prices paid for services have not picked up as smartly.

"There's no suggestion that boom times are here again. The situation for companies in the offshore industry is still fluid -

it's still evolving."

Since he spoke, the sharp drop in the oil price on the spot market has reminded Aberdeen how volatile oil prices still are.

Mr Ian Wood, chairman and managing director of the John Wood Group, the largest locally owned offshore services concern in Aberdeen, says: "Recovery means a recovery of confidence. It does not mean a recovery to the levels of 1985."

The collapse of the oil price is reckoned to have cut oil-related employment in Grampian Region - of which Aberdeen is the capital - by about 11,000, from 52,000 to 41,000. The job losses temporarily pushed Aberdeen's own unemployment rate up to almost 10 per cent, although it is now back at about 7 per cent and the city still has greater prosperity than any other in Scotland.

The shake-out affected companies across the board - from the supply boats to the companies providing divers and underwater services. Businessmen in Aberdeen say it purged away the overcapacity built up in the years of plenty.

The John Wood Group saw its sales drop from £90m in 1985 to about £70m in 1986, and it had to reduce its staff from 2,400 to 2,000, and its 25 operating companies down to 10.

Very few companies failed completely. One recent example is Webco, a family-owned com-

pany making anti-corrosion coatings, which recently went into receivership, partly as a result of an acquisition outside the oil industry.

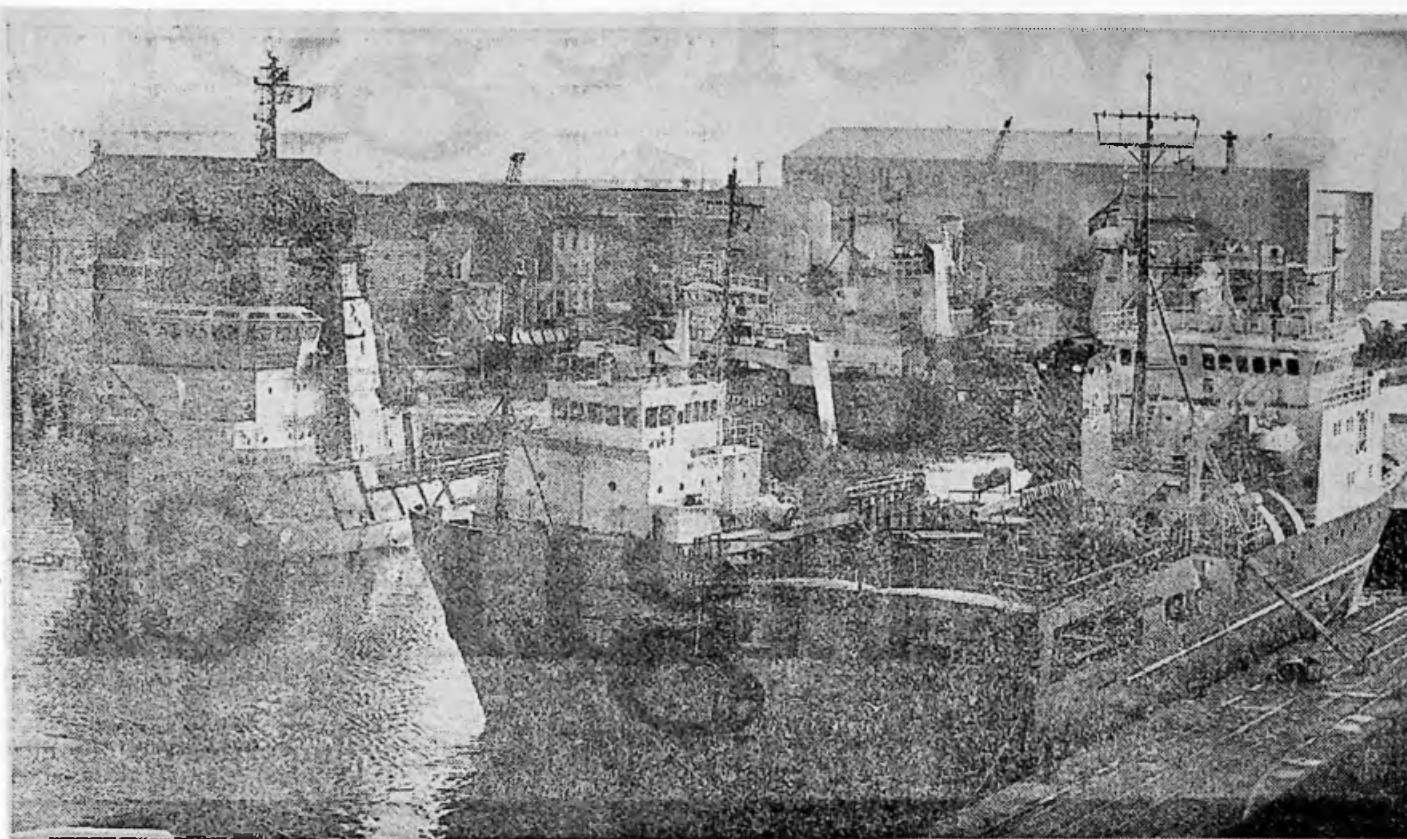
"What's been left from the failures has been picked up by others," says Mr Harry Tocher, an assistant general manager with the Bank of Scotland in Aberdeen. Several other companies have merged.

Some leading Aberdonians believe the rationalisation has not gone far enough. Mr Keith Mair, the local director of Investors in Industry (3i), says: "I've told my customers to think of mergers."

One of the weaknesses of the UK services industry, he says, "is that it hasn't merged and concentrated as much as it should." The US oil services industry has seen some very big mergers in the past two years but in Scotland the predominating family-ownership structure has kept companies independent. Mr Tocher believes this winter might be hard for some companies.

Helicopter operating companies have recently rationalised through the takeover of British Caledonian Helicopters by Bristol.

Observers believe, however, that there are still too many companies in the troubled underwater engineering sector, where a rescue presided over by Sir Ian



The North Sea support fleet at Aberdeen in better days. Recovery has not meant return to boom conditions

MacGregor, the former National Coal Board chairman, was recently launched for British Underwater Engineering. The supply-boat industry still has serious overcapacity.

Mr Wood sees the downturn in the North Sea, combined with what he calls the "utter disarray" of companies in the US oilfield services industry, as a chance for Britain, and in particular Scotland, to lay claim to part of the world offshore supply market.

That, he says, could be worth £75bn a year by the mid-1990s of which a third could be open to companies from outside countries. "Britain ought to be able to get 10 per cent of that one third - i.e. £2.5bn worth - not just in hardware but in sub-sea know-how and down-hole technology," he says.

Over the past two years the Wood Group has acquired in the US all three of the world's independent manufacturers and operators of wireline equipment - electronic devices for monitoring or logging oil and gas wells. The sector is dominated by big companies such as the US-French group Schlumberger, but the independents enjoy market opportunities in countries such as India and the Soviet Union.

The Scottish Development Agency is trying to help Scottish companies to develop overseas markets: it helped the Balmoral Group set up an office in Hous-

ton to tap the US market. It is promoting Scottish-based offshore companies in Latin America (particularly Brazil) and the Soviet Union, where last May it held a conference and exhibition on Scottish gas technology.

One Aberdeen company that has recently won Soviet orders is Gas Services, selling equipment for recycling the costly helium gas breathed by divers.

Gas Services is part of Pressure Products, a British company founded by Mr Don Rodocker, an American. The 1986 recession found the company cash-rich and its financial resources were further boosted by the sale of half of a 50 per cent interest to the US group Air Products. All that money is being invested in diversification.

Mr Martin Briant-Evans, an executive with the company says: "Companies in north-east Scotland - including US-owned ones - are far superior to concerns in the US in many areas of offshore technology. I believe we should create an infrastructure here in north-east Scotland that can be exported all over the world."

Virtually all Pressure Products' turnover in 1987, which amounts to about £2.5m, came from overseas markets. In 1988 it expects a big jump in turnover as its new subsidiaries step up sales. It is "the kind of company that gives you hope," says Mr Mair of 3i.

Celebration at No 10 as record is broken

Thatcher calls for a clean-up Britain crusade

By Nicholas Wood, Political Correspondent

Mrs Margaret Thatcher put herself at the head of a crusade to clean up the country, both morally and spiritually, yesterday as she became the longest-serving Prime Minister this century.

In an interview of remarkable candour marking her record eight years and 244 days in power, she pronounced the cure of the British disease as her greatest achievement.

But in the medium and longer term she was increasingly turning her attentions towards less tangible goals, while maintaining her commitments to sound money and defence and pressing ahead with her mission to extend opportunity and personal responsibility.

Her remarks came as she prepared for today's dawn flight to Africa for a week-long tour of Kenya and Nigeria, and as former colleagues and associates give their assessments of her epoch-making rule.

Lord Hailsham, a former Lord Chancellor, says in a BBC *Panorama* programme to be screened tonight that she most reminds him of Queen Elizabeth I.

But in the same programme, Sir John Nott, her Defence Secretary during the Falklands War, speaks of her habit of "going over the top" and says that the wets, now almost all banished from her Cabinet, provided very necessary restraint. Her administration is becoming "centralist and slightly authoritarian", but he has no doubt that she will be remembered as one of the greatest Prime Ministers this century.

In her interview, Mrs

Thatcher said cruelty towards children was the "biggest blot on civilized life" in Britain today and that she yearned for the return of traditional values of fairness, integrity, honesty and courtesy.

She was particularly worried about young people, who were "crying out" for a code of behaviour by which they could live their lives.

The Prime Minister also underlined her concern about the physical fabric of the country, linking eyesores such as litter and graffiti to a lack of moral sense and saying she wanted to "beautify Britain".

And in characteristically homespun words that under-

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lined her intention to stay in office long after Asquith's reputation for political longevity has been eclipsed, she made clear she saw it as her Government's business to bring a new sense of civic responsibility to daily life.

The Prime Minister told Mr Chris Moncrieff, the Press Association's Chief Political Correspondent, that she would like 1988 to be the year the tide of child abuse cases turned.

"One of the worst things we have to grapple with is cruelty to children. Here we have a more prosperous Britain than ever before, yet there is still a need for the NSPCC.

"There are still terrible cases connected with children. When it was founded, they must have hoped that over 100 years later there would be

Continued on page 18, col 1

Crusade for new British morality

Continued from page 1

no need for it. But the need is actually greater than ever. I think it is the biggest blot on civilized life.

"Apart from that it would be a greater respect for and observance of the law which is, of course, a prerequisite to a civilized society and a civilized life, and also a fundamental manifestation of human rights and respect one for another."

Looking towards the year 2000, an impatient Mrs Thatcher, insisting she still had new peaks to scale and speaking of her passion for transforming new ideas into practical policies, again seized on a reformation of the national character as a central priority.

"There are other things as you come up to the millennium. The things for which Britain used to be known were a fundamental sense of fairness, integrity, honesty and courtesy for your neighbour and for people who came to visit us. That really influences the whole environment in which we live.

"In sports, it would be very nice if once again we could recover our reputation, and in soccer we could become once again the soccer gentlemen of Europe.

"You look at the state of litter in Britain. People go to beauty spots and they don't always observe them. You see graffiti on walls. It is horrid. You cannot blame governments for this.

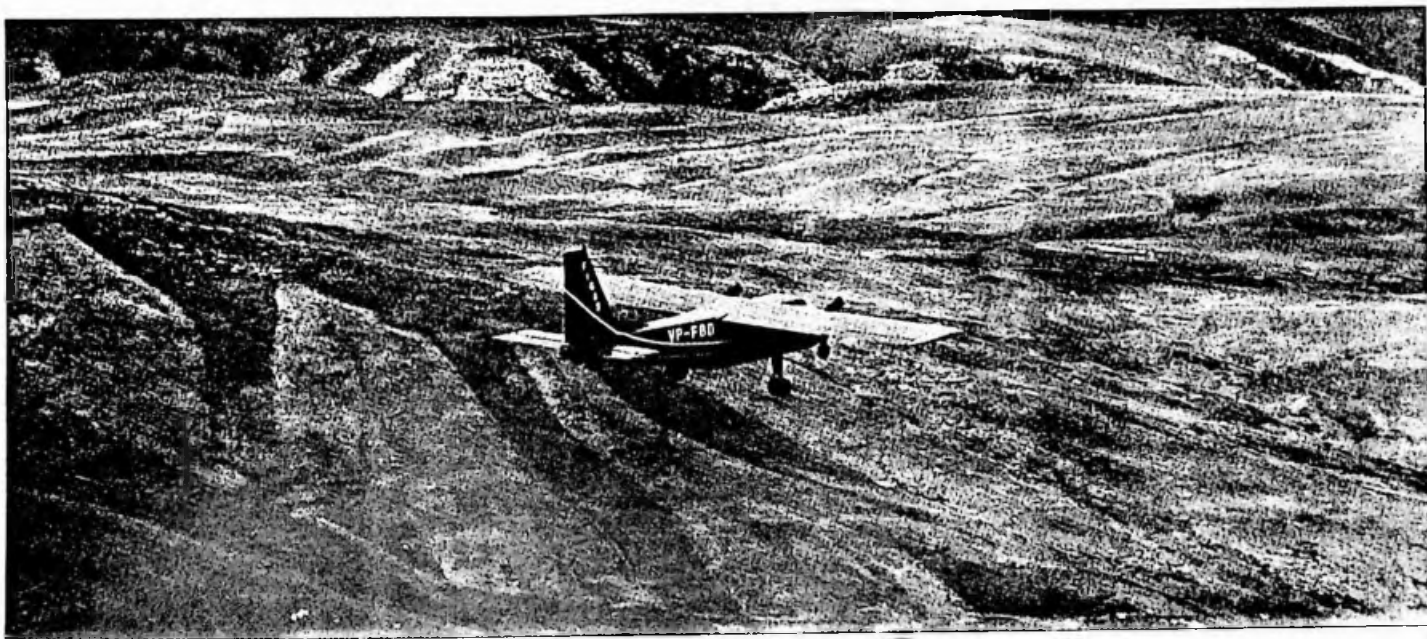
"The real reason is that people don't think of others. When they throw their litter down it is total discourtesy and lack of thought for and consideration of others."

"Some young people used to say to me, 'There are not any rules any more.' They are crying out for a set of rules and standards by which to live."

Asked about realized ambition, she singled out a more prosperous and confident Britain as her greatest success.

"They used, when I first came in, to talk about us in terms of the British disease. Now they talk about us and say, 'Look, Britain has got the cure. Come to Britain to see how Britain has done it.' That is an enormous turn-round. And it has brought hope to others as well."

The Prime Minister confessed that she was irked by the time it took to tackle urgent problems because of the delay in translating new ideas into policies



Figas at forty

The Falkland Islands Government Air Service (Figas) has operated in far from ideal conditions and weathered the ravages of war to provide a virtually unbroken airlink for the last 40 years. The Falklands conflict saw the destruction of Figas's aircraft and hangar facilities, not to mention the imprisonment of the service's general manager, Gerald Cheek, but since 1982 the service has expanded its route network and added aircraft to meet the challenge of the years ahead.

Figas was conceived in 1948 by the then Governor of the Falkland Islands, Sir Miles Clifford, after he had witnessed the flying doctor service in Australia. In a sense, Figas's role as a flying ambulance has continued until today, broadening to become an air-taxi service and, more recently, to include tourist charters.

Figas started operations with an Auster 4 landplane, but the existence of only four airstrips on the Islands between 1953 and 1979 led to the use of de Havilland Canada Beaver seaplanes to serve the coastal settlements. By the late 1970s 15 prepared airstrips had become operational, and Figas received its first Pilatus Britten-Norman Islander.

Following the Falklands war in 1982, Figas resumed operations with two Islanders and a secondhand Beaver seaplane supplied through the rehabilitation fund. Problems with maintaining and operating the Beaver finally led the Falkland Islands Government to purchase a third Islander in 1985. The post-war period has seen a massive expansion in the number of Falklands airstrips. There are now 41; every inhab-

The Falkland Islands Government Air Service celebrates its fortieth anniversary this year. **Eric Beech** reviews today's operations.

ited island can be served, and the move to strip-based operations has speeded up turn-round times.

Figas's primary role is to perform casualty evacuation and to fly the doctor around to conduct his or her weekly out-patients' clinic. The service is well used, especially during shearing, when up to a third of shearers cut themselves at some stage. The transport of Government offi-

cials and councillors is Figas's next priority. Islanders book the remaining places, often using the 2m or HF radio sets which abound in the Islands.

Gerald Cheek, who is also the Falkland Islands Director of Civil Aviation, says that Figas has been "a social service from the early days". The service receives approximately 50 per cent in subsidies from the Falkland Islands Government. Figas's total operating costs for the financial year 1986-87, for example, amounted to £527,000, of which £270,000 was received in revenue.

Figas's route network varies with the requirements of the passengers. Bookings are usually processed the night before, and the optimum route between airstrips is then worked out. On the morning of the flight the day's schedule and passenger list are transmitted via the Falkland Islands Broadcasting Service. The islanders responsible for the strips then know who to expect and when.

Each strip has a windsock and a runway orientation card. These allow whoever is responsible for the strip to liaise with the Figas pilot via VHF radio regarding runway selection and conditions. The strips themselves frequently have to be cleared of sheep, using a Land Rover.

The progress of the flight can be monitored by tuning into the HF radio. Each airstrip is equipped with a large fire extinguisher on a trolley, although *Flight* gained the impression that few people knew how to use it.

Overall, the expansion of the airstrips seems to have been a success, although safe operations are largely due to the

Above and below A Figas Pilatus Britten-Norman Islander's amid typical Falkland Islands landscape



FLIGHT INTERNATIONAL, 2/9 January 1988



Left Air traffic control at Sea Lion Island. Once the sheep have been cleared from the runway the "tower" can be manned. The Falkland Islanders responsible for each airstrip have a runway orientation card, and use hand held VHF radios. **Right** An Islander undergoes routine maintenance in Figas's new hangar at Stanley Airport

skill of the Figas pilots. The first Falkland Islander to become a Figas pilot did so in 1957. Since then, at least one of the three pilots has been a local. Although all the current pilots, Ian McPhee, Mike Goodwin, and Paul Robertson, were trained in the United Kingdom, the conditions they encounter in the Falklands demand skills which are more akin to bush flying.

Figas pilots quickly become adjusted to the unpredictability of the weather. The strong winds which buffet the Islands for most of the year call for steady nerves, but it is the sudden deterioration in visibility which frequently causes the biggest problems. Pilots are often forced virtually to circumnavigate an island, rather than fly over it. Such diversions regularly add to the flight times, making the schedule very erratic.

The route structure has largely governed the choice of aircraft for Figas operations. The Islander offered rugged reliability, and its piston engines made it ideal for the stop-start operations which the Falkland routes dictate. The de Havilland Canada Twin Otter was considered, but would have been too heavy to operate from some of the Falkland airstrips. Even with the Islander, payload has to be restricted when operating out of three or four strips during wet conditions.

Overall, Figas has achieved a 75 per cent serviceability rate with the Islanders. However, following the crash of an Islander on take-off from Brookfield Farm, East Falkland, on June 24 last year, Figas was left without a serviceable aircraft until August. Fortunately, no one was seriously hurt in the crash.

The whole incident was the subject of an interim report which has been passed to the Civil Commissioner. In the meantime, a replacement Islander has been flown out, the crashed aircraft having been assessed as a write-off.

When it became clear that Figas's aircraft would be

Figas milestones

1948 Figas conceived by Sir Miles Clifford.

1953 De Havilland Canada Beaver seaplane increases the number of settlements covered by Figas.

1955 Second Beaver purchased.

1957 Figas recruits first local pilot, Vic Spencer.

1979 First Pilatus Britten Norman Islander supplied by the Overseas Development Agency.

1982 Falklands War results in destruction of Figas aircraft and facilities.

1983 Two Islanders and a Beaver supplied from the rehabilitation fund.

1985 Third Islander purchased.

1987 Number of airstrips reaches 41.

unserviceable for much of the winter, an alternative service was provided by Bristol Helicopters' Sikorsky S-61Ns. (These helicopters are normally on contract to the Ministry of Defence, and operate out of Mount Pleasant Airport, transporting troops and equipment around the various military installations on the Falkland Islands.) The only privately-owned aircraft on the Islands, a Cessna 172M belonging to Bill Luxton, a sheep farmer from Chartres on West Falkland, was also placed at Figas's disposal for the carriage

of essential post and light freight.

Clearly, Figas suffers from being at the end of a very long spares-supply link. Similarly, although the service's eight engineers and technicians can carry out routine maintenance and structural repairs to the Islanders, no facilities exist for the major overhaul of engine components or avionics. The rear-spar replacement is probably the most complicated repair that can be tackled. Most of the engineers are locals who have received their training in the United Kingdom.

Figas's operations are based at Stanley Airport, the Islands' original permanent runway facility. The service has its hangar and maintenance facilities there, and utilises a refurbished control tower. At dusk, semi-permanent obstructions are towed across the runway to deny its use to anyone attempting a second invasion of the Islands.

The airport is three or four miles from the town of Stanley, where Figas has its office. Dominating the small room is a large map of the Falkland Islands, with pins marking each airstrip. Flight operations are planned using coloured thread to link the next day's airstrips in the most economical pattern. Occasionally, the HF or 2m radios will crackle into life with either a Figas pilot relaying a situation report or a Falkland Islander calling in to book a flight.

Since 1982 Figas has shown its resilience and adaptability. After living alongside military operations at Stanley Airport in the immediate post-war years, Figas is once again its sole user. Today, flights to nearly every inhabited island are possible, and some aspects of the Islands' development, such as tourism, would not have been possible without the expansion in services.

Figas's first 40 years have been characterised by steady growth and the diversification of its roles. Above all, for the Falkland Islanders, "service" has been Figas's watchword. ■

Below Figas serves the "camp", all the land outside Port Stanley



Express & Star
January 1st
1988.

Fishermen are heading for the Falklands

More than 200 British trawlermen are likely to find work in the South Atlantic in 1988.

It promises to be a second boom year in the 150-mile fishing zone around the Falkland Islands.

The rich stocks of squid and other fish in the area also mean a glimmer of hope for Britain's own devastated deep-sea fishing industry and several British companies have plans to operate there.

But the islands' growing industry presents headaches as well as opportunities.

While the 1,900 islanders welcomed revenues of nearly £21 million from fishing licences in 1987, they also fear the £200 million-plus industry could disrupt the islands' life in the long term.

The establishment in early 1987 of the Falklands Interim Conservation and Management Zone — the same area as

the British military protection zone — trebled the expected £7 million budget of the Falkland Islands Government, leading to pension increases and tax cuts.

The Islands Government and Stanley Fisheries, a wholly-owned subsidiary of the Falkland Islands Development Corporation, collected about £20.5 million from 220 licence holders. Policing the zone cost £4 million.

Government Chief Executive Brian Cummings said 1988's revenues, even after licences have been cut to 183 for conservation reasons, would be much more than in 1987.

But the islanders now realise they do not know enough about fishing stocks, especially squid, and are wary of committing themselves to investing in roads, housing and a deep-water harbour at Port Stanley.

Research ships change over

THE fishery research ship *G.A. Reay*, which has been on fishery patrol duties around the Falkland Islands, has returned to her home port of Hull after being replaced by the latest addition to the port's research vessel fleet, the *Lancella*.

Owner J. Marr (Shipping) Ltd. said that for the charter to the Falkland Islands government the *Lancella* would, like the *G.A. Reay*, be renamed *Falkland Right*.

The *G.A. Reay* proved an excellent ship for the Falklands but in a number of respects the *Lancella* will be

even better, especially if the government wishes to carry out a fishery research role in addition to the routine patrol activities," said director Jim Hind.

"We had intended to carry out resource assessment work, at our own expense if necessary, at the end of the *G.A. Reay*'s mission and we have our own fishing gear out in the Falklands. But, with a more advanced electronic fish finding and echo sounding installation among her specialised and wide-ranging facilities, the *Lancella* will be much more effective in the assessment role".

FALKLANDS

EEC FISHING vessels and those linked to joint ventures with the Falkland Islands are to put in a much bigger effort on the South Atlantic grounds this year.

The Falkland Islands government says 44 EEC and Falklands joint venture ships have been licensed to fish squid during the coming season.

Two licences have been issued to the Hughes Food Group of Hull, England, which has just entered deep-sea fishing and has been looking around for ships to buy.

Caley Fisheries (Falklands) Ltd of London has

— more EEC ships

switched to operating with EEC ships in Falklands waters instead of with the Taiwanese.

The company, part of Associated Fisheries, is involved in a joint venture with three Portuguese and one Dutch freezer trawler for the 1988 Falklands fishery. They will operate with all-species licences to the south of the islands.

FALKLANDS SQUID LICENCES CUT — need for 'caution'

THERE has been a big cut in the number of squid licences granted by the Falkland Islands government. Just 183 squid licences have been issued for the 1988 season compared with 215 last year. A total of 500 applications were made.

The ships will arrive on the Falklands grounds from 11 countries (number of licences in brackets) — Poland (29), Spain (22), Japan (63), Taiwan (25), Korea (21), UK (13), Italy (3), The Netherlands (1), Portugal (3), Greece (2), Chile (1).

A total of 143 licences have been granted for catching *Illex* squid in the northern zone and 40 for *Loligo* squid in the southern zone.

"The number of licences issued for the first season is significantly down from 1987 due to the necessity of adopting strong conservation measures. This is of particular importance in the southern area where the fishing effort for the *Loligo* species has been considerably reduced," said the Falkland Islands government.

Returns

A spokesman said that the islands' 150-mile fishing zone is only just under one year old and that the catch returns examined so far after just two seasons indicated that caution is required.

The spokesman said that any appraisal of the stocks in the Falklands zone would be likely to be published by the Food and Agriculture Organisation in Rome, or the UK government, rather than the Falklands government.

Conservation requirements have led to many applications for licences being rejected and only two of the 183 licences allocated in mid-November were not taken up. They were re-allocated.

The sale of the British Ministry of Defence docking system to the Falkland Islands government is progressing and it is understood that a deal has basically

The refitted factory trawler *Lord Shackleton* pictured from the air by FotoFlite of Ashford, Kent, England, as she makes her way south to the Falklands fishing grounds to start the 1988 season.

ment on the contract is outstanding and the floating dock will provide the fleet with docking facilities for the first time, although fish is still expected to be transhipped.

The cost of licences to operate off the Falklands have risen steeply. Alan Johnson, a director of vessel operators Witte Boyd, which is involved in joint venture operations with the Falkland Islands, said that the licence for the refitted factory trawler *Lord Shackleton* had cost £170,000 for six months.

"This represents an horrendous increase over last year's licence fees," said Mr. Johnson, and is twice the amount projected when the vessel's operations off the Falklands were first discussed.

A spokesman for Marr (Falklands) Ltd. has complained that its joint venture ship the *Vestral* is having to pay a licence fee — making the Falklands the only managed fishery in the world where the home fleet has to pay to fish.

"A further announcement about the award of finfish licences will be made shortly," according to the Falklands government.



Licence allocations: northern area

COMPANY	COUNTRY (FLAG STATE)	LICENCES
SWB Fishing Ltd	UK/Falklands	1
Stanmarr	UK/Falklands	1
Sea Mount	UK/Falklands	2
Berkeley Sound Fishing Company	UK	1
Anamer	Spain	6
Gryf	Poland	8
Odra	Poland	10
Dalmor	Poland	5
Coalite Taiyo	Japan	8
Consortium Stanmarr	Japan	17
SWB Fishing Ltd	Japan	25
Fortuna	Japan	3
SNA	Japan	2
Stanksj	Japan	5
Stancross	Japan	3
Stanmarr	Taiwan	3
Starfish	Taiwan	15
Fortuna	Taiwan	5
SNZ	Taiwan	2
Stankor	Rep. of Korea	6
Kosac	Rep. of Korea	13
Stancross	Rep. of Korea	2
TOTAL		143

Licence allocations: southern area

SWB Fishing	UK/Falklands	1
Stanmarr	UK/Falklands	1
Hughes Group	UK	2
IFI	UK	1
Fishing Explorer Ltd	UK	1
Sea Mount	UK/Falklands	2
Anamer	Spain	15
Aspe	Spain	1
Federpesca	Italy	3
Stancal	Netherlands	1
Stancal	Portugal	3
Kastorjv	Greece	2
Pesquera Interpesca	Chile	1
Gryf	Poland	2
Odra	Poland	2
Dalmor	Poland	2
TOTAL		40

Ranching and Conservation in the Falklands, Part II Human Response to Abundant Wildlife

Several abundant species versus a few tenacious humans

Wayne Bernhardson

(In the Winter 1987 issue, Wayne Bernhardson discussed the history of land use in the Falkland Islands. Part II brings us a deeper look at the relationships between human settlers and Islands fauna).

Only sparsely populated by humans, the Falkland Islands and their surrounding seas swarm with wildlife. Seabirds, marine mammals and abundant fish stocks reflect the high productivity of cool South Atlantic waters, in contrast to the low productivity of the interior grasslands which nourish most of the Islands' 600,000 sheep. The 1,919 human inhabitants appreciate wildlife but live from livestock, and there are occasional conflicts between the two. In the past, both birds and marine mammals have suffered persecution for interfering with pastoral activities; although such conflicts have diminished, they have not disappeared.

The aggressive southern sea lion (*Otaria byronia* or *Otaria flavescens*), which as recently as twenty years ago was killed for its oil, breeds on the beaches of many outlying islands, including functioning sheep ranches such as Sea Lion Island, Carcass Island, and Sedge Island. Both in the past and even in the present, some ranchers have viewed the animals as a nuisance or even a hazard. In 1919, Jack Davis of Stanley, who cut tussock grass on offshore islands for the town's horses,

complained that the heavy animals (bulls can weigh well over 1,200 pounds) destroyed the tussock in their routes through it. Local Government granted Davis permission to kill thirty "hair seal," as the animals were known locally, on condition that the skulls be sent to the British Museum.

Two years later, Arthur Cobb of Bleaker Island wrote the Colonial Secretary that the lions "destroy immense quantities of tussac [sic] by lying on it and making it unfit to eat. If the Colony or anyone was benefited by the countless swarms of hair seals, it would be a question of who was benefited most, but they are not." Later that same year a group of ranchers from West Falkland Island petitioned the Colonial Secretary for permission either to drive off or kill off sea lions because the lions "come up into the tussac [sic] and roll about and destroy it besides defiling it with their excretions, which also saturate the ground: the odour of the sea lions is such that horses will not eat grass on which they can perceive it . . .". Imploring that tussock was the only winter forage for their horses and dairy cattle, they obtained permission with the proviso that efforts should be made to drive off rather than to kill the animals. Jason Hansen once found that sea lions had demolished a shanty he had constructed on Elephant Jason Island, which he

ranching from his Carcass Island home. Possibly such constant remonstrances against the lions encouraged local government to promote industry based on sea lion oil; when George Scott of New Island asked permission to drive off lions in 1922, J.E. Hamilton, later to be the first Government Naturalist in the Islands, wrote that "Emphasis might be laid on the desirability of *driving off* rather than killing, in view of the possibility of [a] sea-lion oil factory being started."

The oil, which was used as a base for paints, proved a commercial failure, however. Scotsman John Hamilton of Weddell Island, in the southwestern sector of the archipelago, found that "the male seals were so low in condition, that it seemed a useless destruction of life to continue any longer." But the issue refused to go away, and in 1929 Hansen complained that "their numbers and situation make it impossible to either put up buildings or fences" on Low Island. R.C. Pole-Evans, manager of the large and generally progressive Port Howard farm on West Falkland Island, wrote of interference by lions with tussock plantations and D.R. Watson of Stanley echoed his comments for East Island, in Choiseul Sound off East Falkland. Pole-Evans emphasized his intention to avoid unnecessary killing but at about the same time the Falkland Islands



W. Bernhardson

Southern sea lion in tussock, Sea Lion Island.

Company, the major economic power in the Islands, asked for permission to kill lions on tussock islands. Toward the end of the 1920s, ranchers apparently recruited the newly formed Falkland Islands Sealing Company to clear some areas of reported sea lion concentrations.

Though not actively persecuted today, the southern sea lion remains a pariah species in the eyes of many Islanders. One does not hear of its damaging the tussock, but on those human-inhabited islands where the lions breed, they can be hazard to both man and beast. Far more aggressive than their northern hemisphere counterparts, they will threaten or attack humans who approach too closely; in dense tussock such potential encounters require real vigilance on the part of a hiker, although the outcome is more likely to be fright than injury. Bull sea lions will occasionally take pups of the larger but more timid southern elephant seal and may take lambs or rarely adult sheep. But above all, Islanders condemn the sea lion for taking penguins, which constitute the most visible symbol of Falklands wildlife. Several Islanders, including some who considered themselves strong conservationists, told me that sea lions should be controlled in the interest of the penguins, even though, as naturalist Ian Strange has pointed out, lions may not number more than 30,000, while penguins number mil-

lions and show no sign of decreasing, at least under pressure from sea lions. The negative attitude toward lions is not universal, however, and one off-shore island rancher considers them an integral part of his island's ecosystem.

Islanders betray no such malice toward the southern elephant seal, although these massive animals can cause problems which farmers in other parts of the world can hardly imagine. Elephant seals breed on the northern and southern sandy beaches of Sea

Lion Island, little more than half a mile apart. On occasion, lumbering bull elephants cross from one side to the other, flattening fences and almost anything else en route. When my wife and I camped there several nights in our dome tent, we seriously worried whether we might find ourselves in the path of one of these behemoths, though we finally decided the shaking of the earth would give us sufficient advance notice of any approach.

With its thick hide and four inches of blubber to insulate it from the frigid waters of the South Atlantic, the elephant is immune even to shocks from the solar-powered electric fences which rancher Terry Clifton has erected across some parts of Sea Lion Island. Juvenile and female seals are small enough to be pushed away from the fences, but in some instances Clifton has had to resort to a whip on the sensitive proboscis of the massive bulls to preserve his fences and the native tussock grassland on which the productivity of his farm depends. Riding fence thus acquires a unique aspect on Sea Lion Island and similar sites, such as Sedge Island, whose owner works it only occasionally from Stanley and cannot pay it the close attention that Terry Clifton can.

Despite these inconveniences, the elephant seal has a positive image among Falkland Islanders, possibly because its large, expressive eyes dominate a countenance to which humans can easily relate. Because of



King cormorant nesting rookery at Sea Lion Island.

their tameness and approachability, the animals are a favorite photographic subject for both locals and visitors; although bulls in breeding season can become aggressive, they are very slow on land and will generally ignore anything less than outright harassment.

For most Kelpers, as locally born Islanders are known, penguins are a beloved symbol of the Islands. In 1933, A.G. Bennett, using a survey of nesting sites, calculated the Falklands' penguin population at nine million, more than 90 per cent of them rockhoppers, and approximately 300,000 each of gentoos and magellanics. Kings and macaronis were and are still present only in very small numbers. Macaroni penguins are at the northern edge of their range in the Falklands. Few in number, macaronis nest with the "rockies."

Volunteer Beach at Osmond Smith's Johnson's Harbour ranch now contains a substantial and growing rookery of some 300 king penguins, once common in the Islands before sealers in the 19th century killed them in large numbers for their oil, used to

Geese are also a hazard to the planes and helicopters at the military garrison.

top off casks of seal oil. Under a local conservation ordinance of the 1960s, Smith has designated the area a sanctuary for preservation of wild animals and birds. Volunteer Beach also contains large numbers of magellanic and gentoo penguins, as well as elephant seals. Although visitors are welcome on foot if they obtain prior permission, Smith strictly controls vehicular access.

Volunteer Beach is part of Inside Volunteer camp, a local term adapted from the Spanish *campo*, meaning "field". The camp is an area of about 7,000 acres within Smith's ranch. It is also Smith's principal lambing ground, since protection for all wildlife within the sanctuary does not exclude pastoral use. In the interest of wildlife, Smith has resisted commercialization of the tourist industry, despite considerable pressure from the newly formed Falkland Islands Development



W. Bernhardtson

Nesting king penguins (foreground) and gentoo penguins (background), Falkland Islands. The kings, which breed locally in small but increasing numbers, have become something of a status symbol for those ranches which can boast of their presence. The commoner gentoo, among which kings often nest, remains a source of fresh eggs, though local collection has declined recently.

Corporation. Even beyond Volunteer Point, Johnson's Harbour ranch abounds in coastal wildlife despite the virtual absence of prime tussock habitat.

King penguins are uncommon elsewhere in the Falklands but on Sea Lion Island, where the Development Corporation has built a ten-bed hotel, Terry Clifton has attempted to encourage their increase by roping off a section in which a recently arrived breeding pair nests among a much larger rookery of gentoos. Osmond Smith's Volunteer Beach rookery of king penguins grew from almost equally modest beginnings less than two decades ago, but on Sea Lion Island, which has had more than 2,000 human visitors in a single calendar year, disturbance of such a prime attraction could cause its disappearance, if it continues without some protection. Small rookeries of kings also exist at more isolated sites throughout the Islands.

Rockhopper penguins, which nest on rugged exposed sites along the coasts, and gentoos, which prefer flatter open sites somewhat more inland, rarely come into conflict with any pastoral land usage. Abandoned gentoo breeding sites, created by

regular annual shifts of their rookeries, are recolonized by prime pasture grasses within a short period. Both bird species, however, have been and still are subject to pressure from a human population which occasionally consumes wild bird eggs. It is interesting to note that diminution of rockhopper rookeries near Stanley, the island's capital and only town, took place during the Great Depression when displaced laborers from ranches flocked there in search of work and welfare.

In the 1930s, Government Naturalist J.E. Hamilton reported having been told frequently that gentoo rookeries were diminishing in size. He attributed this to permitted removal of their eggs as late as December 31st. In the austral spring, the gentoo begins laying in mid-October; according to Hamilton, sustained egg collection, which required the birds to continue laying and incubating, was "a serious drain on the bird's sexual resources" which would shorten its breeding life; late hatching would also endanger the ability of chicks to endure the arriving winter. He recommended that egg collection be prohibited after October 31st.

Magellanic penguins, the only species that breeds in significant numbers near Stanley today, have been and still are more controversial among ranchers than any other species. Unlike the other penguins, the "jackass" (so named for its braying call) lays its eggs and raises its young in burrows in coastal sites. Tussock once covered many of these sites but, especially on the two main islands, large "bogs" of the plant no longer exist and the bird more commonly breeds on the open coastal greens which also provide some of the best sheep grazing in the Islands. Many ranchers and some ecologists are convinced that the penguin contributes to soil erosion in coastal areas; one rancher candidly told me that if he could get a tractor over difficult terrain to one site where magellanic penguins were particularly abundant, he would not hesitate to plow them under, even though the erosional consequences of such action would suggest a cure worse than the disease.

Historically, complaints by ranchers against the magellanic penguin paralleled those against the southern sea lion. In the early 1920s, Arthur Cobb of Bleaker Island asked Government permission to "kill jackass penguins that destroy tussac [sic] paddocks by pulling up young plants & undermine the ground in the paddocks and elsewhere by burrowing, and thus make the ground unsafe for stock, besides ruining many acres of good grass land & decreasing the carrying capacity of this farm." About the same time, George Dean of Pebble Island protested that "apart from the danger, to a man on horseback, caused by the holes they burrow, they are breaking up a belt of camp on the north coast of this island to a depth of two or three hundred yards and in extent ten miles or more." Dean claimed their numbers were so high that an unrestricted license to kill would have only slight impact. The colonial government usually approved such requests, with the provision that the penguins be tried out for oil, or in one case that the skins be prepared to be sent to England for commercial evaluation; however, the government also discouraged the occasional unsolicited inquiry about the commercial use of penguin products.

Few of today's ranchers hold any such extreme attitude toward the magellanic penguin, which most view

as innocuous or, in some cases, positively beneficial in manuring coastal areas, though not so beneficial as the gentoo. In a hierarchy of local penguins, the favorites would probably be the stately king and the amusing rockhopper with its mate the macaroni, followed by the useful gentoo and the lowly jackass. At Port Howard on West Falkland Island, however, one conservation-minded farmworker painted her dustbin (a 55-gallon drum which holds ashes from the ubiquitous peat-burning stove) in a pop-art motif with a slogan and an illustration of a magellanic penguin. Islanders in fact view all penguins with affection, but often temper their affection with pragmatic concerns. Uniquely, the king appears to be a status symbol for those ranches which can boast of their presence.

In the past, local officials sometimes proposed commercial export of penguin eggs, but no such enterprise ever materialized. Local collection under permit continues and, although there may be wastage, the relatively small human population of the Islands must have no more than a

*Above all, Islanders
condemn the sea lion for
taking penguins.*

localized impact on the birds. There are no major rookeries or colonies today near Stanley, the major human population center, though eggs collected on outlying islands are often brought or shipped into Stanley by friends and relatives of town dwellers. Collective egging has disappeared as a major social event and egg consumption has clearly diminished, although on outlying islands penguin eggs remain an item of seasonal consumption and may even be pickled for later use.

Predatory birds are a different matter from penguins. Ranchers accuse several, including the striated caracara or johnny rook, the crested caracara, and the turkey vulture of depredations on lambs and cast sheep, animals which have fallen and, due to the terrain and their heavy fleeces, cannot right themselves. All three predators, along with the kelp gull, the great skua, and the giant

petrel are considered serious pests. Even Terry Clifton, who does not shoot predators, believes they cause damage among lambs. It is likely that these birds usually take on animals already weakened by cold, disease, or maternal neglect, in the case of ewes with multiple lambs. I observed turkey vultures on Bleaker Island attack a cast ewe, but she was already so weak that she could not have survived much longer. On Saunders Island, by contrast, I righted a recently cast wether, a neutered ram, which predatory birds were reluctant to approach so long as he was still vigorous in his attempts to right himself.

Historically, the crested caracara, or carancho, has been the most maligned of predatory birds; in the early 1920s the manager of the Government Experimental Farm at Port Louis on East Falkland complained of losing lambs, a ewe, and even an adult ram to caranchos, which had plucked out their eyes and tongues: "Mr R Greenshields told me that in some years they have been so bad that geese could not rear any goslings." If true, this would have been a mixed curse, since most ranchers considered wild geese co-equal pests with predators. Under pressure from ranchers, the Falkland Islands government introduced bounties for the beaks of predators. Bounties rose during the 1920s, although they were never so great as to give much incentive to hunters.

Ranchers still criticize these three predators, often in vituperative terms, but tolerance is not unknown. The carancho, having been frequently shot at, is relatively shy. The johnny rook, though its range is limited to offshore islands in the southern and western sectors of the archipelago, approaches people boldly and, in its curiosity, will carry off small objects such as lens caps and matches. The turkey vulture nests on cliffs near Osmond Smith's Inside Volunteer camp's lambing ground and also frequents the stunted Monterey cypresses which serve as windbreaks at West Point and Keppel Islands, both owned by ranchers whose appreciation of wild-life equals their commitment to raising sheep.

Even more controversial than the role of predators in the Falklands is that of grazing geese. Some ranchers have claimed that four to five geese consume pasture equivalent to one



W. Bernhardson

Striated caracara (Johnny Rook), Falkland Islands. This remarkably tame predator is often blamed for killing or fatally disabling lambs, ewes, and even rams by plucking out their eyes and tongues.

sheep unit and, if true, this would be serious competition on grasslands of such low natural productivity. When sheep numbers declined alarmingly in probable response to overgrazing at the turn of the century, managers and owners of large sheep stations blamed the abundant and conspicuous upland goose (*Chloëphaga picta*) and successfully lobbied for a bounty on goose beaks. This bounty still exists at 10p (about 18¢ U.S.) per beak, barely enough to cover the cost of shot, but as of 1980 and with little change since, only three of twenty large farms did not pay bounty on goose beaks. Those paying bounties accounted for an average annual total of more than 16,000 geese shot, far smaller than the 74,000 annual average killed in the first decade of this century.

Geese are not shot for control alone; for many Islanders, especially on ranches and settlements outside Stanley, they offer variety in a diet

which otherwise consists almost exclusively of mutton. Even in remote settlements, ranchers have deep freezes in which they preserve birds for consumption throughout the year. Even such a conservation-minded individual as Terry Clifton has resisted naming his ranch a formal wildlife sanctuary, as this would mean he could not continue to shoot geese for household consumption. Geese also serve as dog meat, and their wing feathers are ideal as brushes to clean ash and dust from the hearth around the peat stove. One man in Stanley has recently begun a small trade in oven-ready geese for sale to town residents.

Because geese are more widely distributed than penguins, their eggs are consumed by rural residents who cannot obtain penguin eggs; the upland goose lays four to five eggs in a nest among the low shrubs which characterize much of the Islands' interior vegetation. Although such nests

are more difficult to detect than are concentrated penguin colonies, Islanders are expert in locating them by observing the behavior of the gander who "lays off" the nest of his mate but will not leave the immediate area. Many Islanders destroy eggs which have matured beyond consumability, but even a newly hatched gosling is not out of danger. Flightless for a month, it is easily overtaken even by children, who will wring its neck and consume the legs as a seasonal delicacy.

Despite often vituperative local attitudes against the goose, control efforts have probably had only local impacts on its population. Ornithologist Robin Woods has commented that because the Falkland Islands' human beings live in widely scattered groups, the geese have been saved from extinction: plenty of prime habitat remains and the animals can fly to breeding areas on remote offshore islands.

However, a thirty-mile two-lane highway linking the new Mount Pleasant Airport with Stanley may make hunting easier for town dwellers. Geese are also a hazard to the plane and helicopters at the large (by local standards) military garrison located at the new airport as well as to ten-passenger planes of the local government air service which uses grass airstrips at each farm settlement.

On the other hand, geese are also on the increase: when Stanley Common, a recreational and peat cutting area outside Stanley, was declared a nature reserve in 1973, shooting was prohibited. Geese quickly returned to the area and even began to frequent the town proper, strolling on greens, parks and lawns.

Thus, even though by one estimate as many as four million geese may have been killed over the past century, control activities have probably had little long-term impact; if anything, they may have forced geese to breeding sites in more remote corners and smaller offshore islands. At one West Falkland ranch I visited, the manager was proud of having eliminated upland geese, but when I walked ten miles to a coastal green on the farm boundary to observe wildlife, there were prodigious numbers of them.

When Europeans first settled the Falkland Islands in the 18th century, they found an unexpected cornuco-

pia of exotic wildlife without which early colonists, unable in this marginal climate to grow the crops to which they were accustomed, might never have survived. Once grazing mammals, first cattle and then sheep, were introduced to the Islands' extensive grasslands, they came to constitute a more dependable source of food and a more sustainable basis for commerce, but also contributed to destruction of the coastal tussock grass which comprised the most productive habitat for both livestock and wildlife. Unregulated exploitation of wildlife, in the form of egging, oiling,

and sealing, resulted in the decline of some species without actually destroying them. Although the Falklands have low species diversity - that is, just a few different kinds of animals - there are huge numbers of each kind, making them very difficult to wipe out.

Consciousness of the Falklands' uniqueness and the importance of their wildlife is growing in the Islands today, but wildlife is still at some risk. Ranching practices pose some cause for concern, but the Islands' few human inhabitants seem unlikely to have any overwhelming impact, un-

less the pressure for commercial development in the Islands, allied with the flourishing fishing industry, reduces the food supplies on which that wildlife depends. Should the Islands' human population triple, as one development scenario envisions, pressure on wildlife could increase, but even such an increase seems less likely to upset the ecological balance than will the booming fishing industry. (For a map of the Falkland Islands and Further Reading, please refer to the Winter 1987 issue).

THE LAST GREAT MARITIME COMMONS

Over the past decade, the wildlife of the Falkland Islands has faced pressure unprecedented in the history of the Islands' human occupation, pressure unrelated to the traditional agrarian economy. During this period, Asian and European countries have increasingly exploited the relatively shallow waters of the continental shelf around the Falklands, one of the last great maritime commons, for their expansive factory fleets. Squid, with its almost unlimited Asian market, is the most valuable species, but hake and whiting are also important.

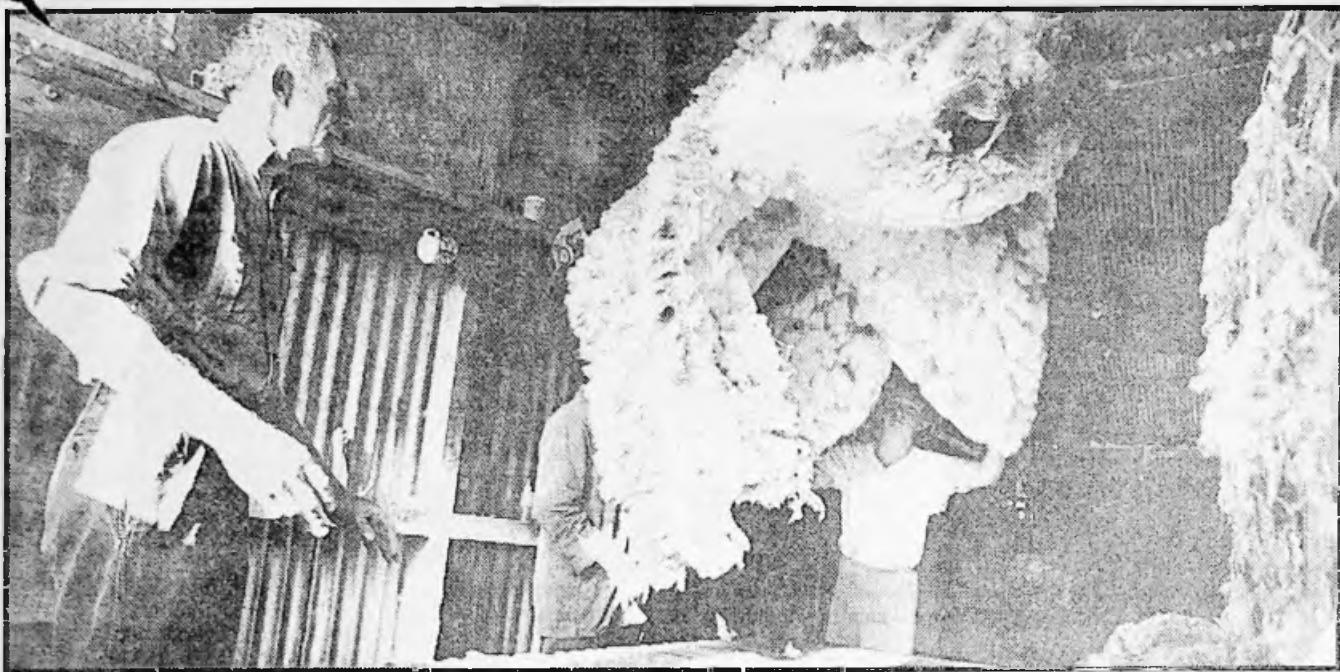
Until late 1986, Great Britain enforced only a three-mile limit of territorial waters, despite a naval exclusion zone enforced against Argentina since the war between the two countries in 1982. This meant that any country except Argentina could, by asking permission of naval authorities, fish beyond the three-mile limit. In late 1986, however, the British unilaterally declared an interim fish-ing conservation zone of 150 nautical

miles from a central point in Falkland Sound, the strait which separates East and West Falkland Islands, to monitor and limit fishing activity. Britain left responsibility of licensing and financing enforcement of the zone to locally elected officials, with the assistance of British consultants; patrol vessels were chartered from the United Kingdom and a plane purchased for aerial patrols. Although some feared that Argentina would pose enforcement difficulties, especially after its coast guard sank a Taiwanese trawler in an area of overlapping claims in mid-1986, the 1987 season passed without incident.

For political reasons, all Eastern European countries except Poland declined to apply for licenses, but Japan, Korea, Taiwan and Spain, along with Poland, obtained the bulk of the 243 licenses. Squid, the highest value product on which the Asian fleets concentrate, is also the principal food source for much of the Islands' prolific bird life, particularly the penguins. Never

significantly exploited prior to the late 1970s, a declining squid population could have a detrimental impact on seabirds, including albatrosses and cormorants. In the past, ironically, the human hunting of whales and seals, which ate squid, may have had the effect of increasing the food supply available to these birds.

In the aftermath of the 1982 conflict, there has been intense pressure to develop the fishery and other potential local resources. Since the fishing boom began in 1986, revenue obtained from visiting trawlers and squid jiggers has tripled the budget of local government, from £7.3 million to £21.9 million. To maintain or increase this budget will require cautious exploitation of maritime resources whose sustainable potential is not well understood. Balancing the need of the Falkland Islands for revenue and development with that of their wildlife for survival will be a major challenge for inexperienced local government, even with the best available consultants.



Golden fleece... but a lot of the Falklands' new-found wealth is going to foreign fishermen like the Japanese (pictures by Frank Martin)

FRANK EZARD in the Falkland Islands on the problems of prosperity

A catch in the net profits from the sea

IN THE North Atlantic, we tend to think of squid as Jules Verne monsters. They can, though rarely, achieve a 65-ft tentacle span. But in the South Atlantic, the illex and loligo varieties are succulent creatures an inch or so long — and incredibly lucrative.

But these midge cephalopods at all, it is most likely to be as lemon-soused kalamari hidden by batter in Greek restaurants. Most of us don't like them very much. Yet a change in their unpredictable migrating habits — undetected by Britain or Argentina during the 1982 conflict — has brought a new phase in the extraordinary historical saga of the Falkland Islands.

Far Eastern countries and parts of the Mediterranean prize squid as an extreme delicacy. And to meet this appetite, an estimated £400 million-worth squid harvest is currently being taken out of waters round the Falklands every year. World fishing industry estimates hover between upgrading this figure to £600 million and reducing it slightly to allow for conservationist rationing in the 150-mile British zone declared in 1985.

The arithmetic, however you shuffle it, is staggering. By contrast, Britain's entire North Sea catch of all fish in 1986 was worth only £361 million. The Falklands squid haul was five times that of New Zealand, a

territory of three million people with a comparably new fishing zone; its catch in squid alone equals New Zealand's total catch of all fish.

The first solid clues that squid were starting to shoal round the Falklands emerged in 1979. Now the region is routinely described by industry professionals as the world's finest fishing ground. Already Spain, Poland and Chile have quietly broken ranks with Argentina to fish there under licence.

Notionally, if the 2,000 Falkland islanders — whose local government runs the 150-mile zone — could control all of this suddenly immense wealth, they could pay their annual defence costs, refund the British Exchequer within around 15 years for all or nearly all spending incurred since the Task Force sailed and still have a handsome sum left over to secure their own economic future indefinitely.

From what I know of them, after living among them as a journalist for a total of almost six months during the six years since 1982, this might well be how they would choose to spend the money. But they don't control it — and neither do we. They get £15 million a year of the £400 million in licence and joint venture fees. Virtually all the rest goes abroad. The revived (thanks to the Falklands) remnants of Britain's once 500-strong deep-

sea fishing fleet, massacred by the 1970s Cod War, will send 250 Hull trawlermen to the South Atlantic in the new squid season due to start in 12 days time. But the big investment, and consequently the big jobs gain, is in Japan, South Korea, Poland, Spain and Taiwan. Talk of an EEC fleet has come to nothing.

Against this huge financial backdrop, a public meeting was held in Port Stanley last night. It was the first in a series of soundings during which the islanders will be asked by their development corporation and later by their government how deeply they want to sink their future in the profits of the squid bonanza.

The "genuine choice", it is being stressed, is up to them and their elected councillors. No one publicly is mentioning the privately discussed alternative: that, if they don't respond clearly, the decision will be taken for them by the Governor, Mr Gordon Jewkes, and the largely British expatriate administration. For the choice has to be made. So many other decisions hang on it. It is the most important peacetime choice facing the islands — and facing Britain in the South Atlantic — since sheep were chosen as the staple industry more than a century ago.

New Zealand, also a sheep-dependent economy, faced a similar choice after declaring its 200-mile fishing zone in 1978.

Today, through ownership or joint ventures, it is estimated to control nearly half its zone's fishing profits.

For the Falklands, three key options are stressed in a new long-term economic development study commissioned from Peter Prynn, a leading UK environmental consultant. Mr Prynn, who was at last night's meeting, points out that potential fishing revenue "has transformed the islands overnight from a barely viable economy to one strong enough to determine (their) own social and economic priorities from a position of strength."

● Option One is to go for full-throated reinvestment of fishing revenue in shore-based fisheries facilities and a trawler fleet, yielding a high initial return of 20 per cent a year. To install and run these, population would need to rise to about 3,000 by 1992 and 3,500 by 1997, with high housing demand.

● Option Two is slower, aiming at mixed investment in fishing, in onshore developments such as tourism, and in agriculture. Initial return would be ten per cent a year. Population would rise to 2,800 in five years, 3,300 in ten.

● Option Three is super-cautious. Fishing revenue would simply be invested overseas in a fund totalling £100 million by the end of the decade. The eight per cent yearly return would be spent on infrastruc-

ture particularly in Camp, the Falklands countryside, or saved for a rainy day. Population would rise to 2,500 by 1992 and 2,700 by 1997.

New Zealand, needing to create jobs, went bald-headed for the equivalent of Option One. At first local members of the Falklands development corporation were keen to do likewise, though they have full employment. But, on reflection, two fears for the future discouraged them: becoming like a Gulf oil state or turning into another Fiji.

Authoritarian Gulf states can force their migrant labour to conform culturally. The issue of giving them votes and citizenship never arises. The Falklands, keen to become more rather than less of a democracy, would have neither advantage in absorbing Option One's 1,600 immigrants. Fiji, in turmoil last year because immigrants now outvote earlier inhabitants, is a precedent on many lips.

But above all there is a dread of emptying the Camp, the emotional Falklands heartland, as farmworkers flock to fishing-linked wages. A drift of labour to the capital, Port Stanley, has already begun; since the war Camp has lost 14 per cent of its population. Squid have now shoaled in the Falklands for eight years and in New Zealand for at least 18. But they could migrate elsewhere at any time, leaving — under Option One —

instantly redundant processing factories and a maimed agriculture.

"This is the real shadow over the Falklands," the Labour peer Lord Shackleton said towards the end of his visit last week. He had just heard an unprecedented plea from the Sheep-owners' Association, representing the once proud, profitable and monopolistic Falkland Islands Company and other traditional private farmers, for a government subsidy to rescue them from four years of losses and looming wage inflation. The same day Mr Prynn flew in to begin his consultations.

So far it looks as though the islanders will accept, rather sadly, his advice to choose a wary mixture of Options Two and Three. That will leave one or two adventurous locals trying to get fishing licences for themselves; and the two main Hull firms in the field, Marr's and Boyd Line, inching towards their objective of "gradual but relentless replacement of the foreign fleet by UK vessels." But, with only eight of the 143 most lucrative licences in Falklands hands and only 13 for UK-registered vessels, there is a very long way to go.

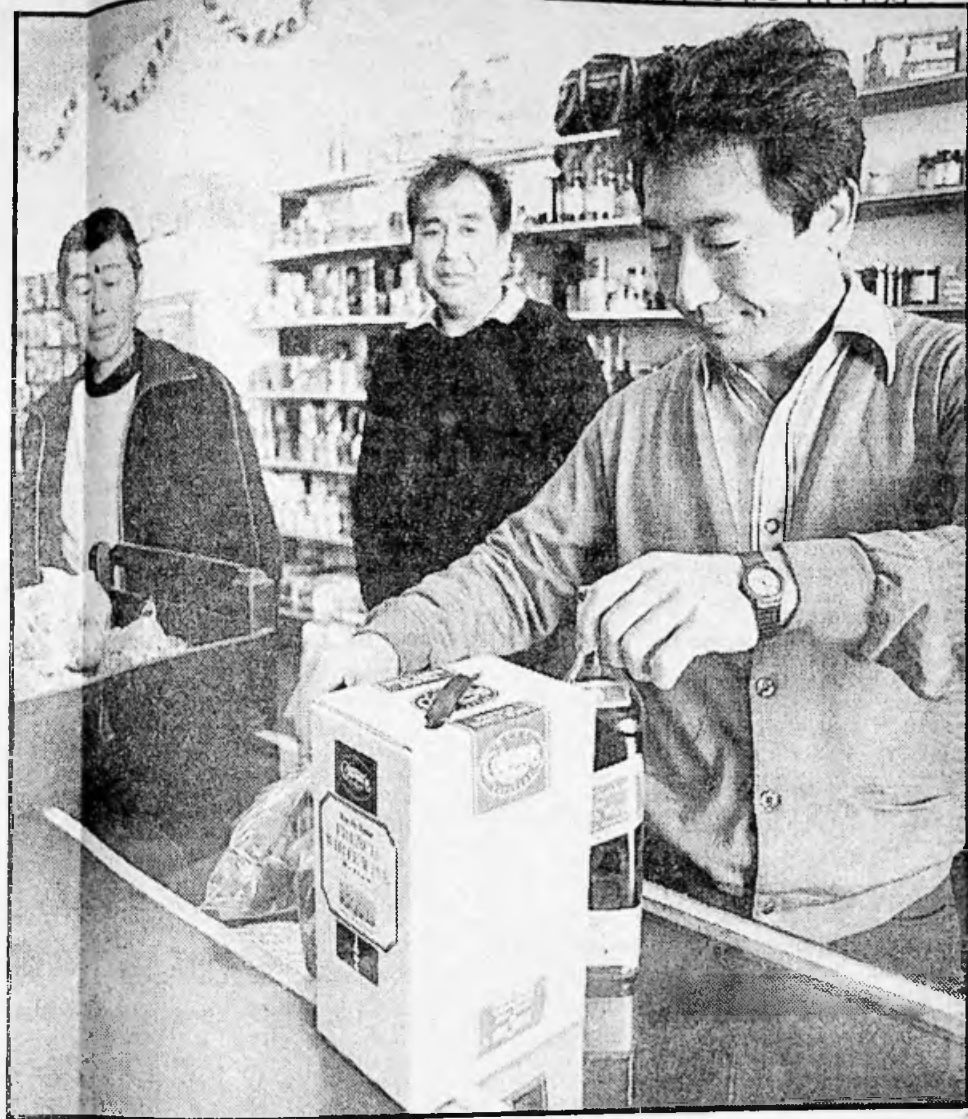
The pressures and problems of running the fishing zone have concentrated a greater workload, but also more power, in the hands of officials. Grossly damaging personal conflicts have arisen. Councillors,

juggling their duties with other full-time jobs on farms and in offices, have found themselves passing urgent legislation they barely have time to understand let alone vet.

All these are "problems of success, problems of a rising market of opportunity", as Shackleton reassuringly said. Yet they have spawned one of the few distinctively political movements ever launched on the islands, the Desire The Right Party. This seeks a mandate for stricter electoral control over both officials and fishing revenue.

At the movement's inaugural committee meeting in a private house, one of its founder-sponsors Nancy Poole, wife of a Port Stanley mechanic, said: "We feel as if we're guests at our own birthday party." Earlier the same day Nick Hadden, chairman of the grassroots Falkland Islands Committee, begged for tolerance locally and from Britain.

"After so many years of being treated like colonial subjects, we're suddenly being asked to run before we can walk," he said. "We'll do it — but give us time." Till now the pressures on the Falklands agenda have been mostly political. But the question now is whether the urgent commercial agenda, plus the vagaries of cephalopod migration, will allow the time Mr Hadden and his fellow citizens need to make their choice properly.



Argentina close to IMF deal

BY ALEXANDER NICOLL, EUROMARKETS EDITOR

ARGENTINA expects to clinch an agreement with the International Monetary Fund within the next few days to ease its financial crisis. The deal will trigger the release of money from the IMF, commercial banks and foreign governments.

Mr Jose Luis Machinea, president of Argentina's central bank, was in Washington at the weekend for final negotiations which he said would lead to an announcement of an IMF accord today or tomorrow.

The package being finalised would include a new bridging loan of more than \$500m from governments, he said. This would be similar to that orchestrated last October by the US Treasury.

Argentina, critically short of foreign exchange reserves, has been building up arrears on interest payments to commercial banks since the beginning of the year and faces today a deadline for payment of \$350m

(£201m) of principal and interest on dollar-denominated bonds.

Agreement with the IMF would involve the release of a \$225m tranche of a previously arranged IMF standby loan. This in turn would trigger the disbursement of a \$541m portion of a \$1.95bn loan from commercial banks.

After reaching agreement with the IMF, Mr Machinea said, Argentina aimed to become up to date on interest payments to banks by the end of March. It would also soon begin discussing with banks and other creditors its financing needs for 1988.

As part of its agreement with the IMF, Argentina would agree to keep its 1988 fiscal deficit below 3 per cent of gross domestic product, compared with more than 7 per cent last year.

The country's trade surplus target would be \$2.2bn com-

pared with \$500m in 1987, implying a reduction in the current account payments deficit from more than \$4bn to \$3bn.

An IMF accord would ease the acute concern of bankers about Argentina, which less than a year ago was being seen as virtually a model among major Third World debtor countries as banks struggled to raise a loan for Mexico and faced an interest payments moratorium by Brazil.

Mexico's economic performance has sufficiently emboldened it to attempt the bonds-for-loans offer now under way and Brazil has signalled a new conciliatory attitude towards its creditors, publicly admitting the costs of its moratorium.

Argentina's situation has deteriorated so badly, however, that bankers have been nervous that it might formally halt interest payments. Mr Machinea stressed that the Government was considering no such step.

Junior move over Falklands

SIGNS THAT Argentina has despaired of discussing the sovereignty of the Falkland Islands while Mrs Thatcher is in power can be detected in the appointment of a junior diplomat as its main representative in Britain.

Santos Goñi, in his early thirties, is currently being briefed before starting in London on March 14 as head of the Argentine interest section at the Brazilian Embassy, the country's foster home here since the Falklands war.

News of the unexpected withdrawal of his predecessor, Juan Eduardo Fleming, came amid speculation that President Alfonsín distrusted his optimistic assessments of Mrs Thatcher's attitude to the Falklands.

Unlike Fleming, Goñi is a trusted member of Alfonsín's Radical party and a close friend of foreign minister Dante Caputo. His deputy will be an attractive, I am told, but inexperienced diplomat, Señorita Salomone.

Goñi's appointment represents a downgrading of the mission, according to Argentine journalist Guillermo Makin.

"The Argentine Government has come to the conclusion that there is no point in pursuing the sovereignty question while Mrs Thatcher is in power, so it will maintain a low-key presence until she goes," he tells me.

"Although Britain is very keen to normalise diplomatic relations, partly because no British firm can enter into contracts with Argentina, Buenos Aires has refused to resume diplomatic relations until Britain is willing to consider discussing sovereignty."

Tourists lured by guided 'yomps'

by Norman Kirkham Diplomatic Correspondent

MORE THAN 100 tourists are boarding RAF TriStars at Brize Norton this year for package holidays with a difference. Accompanied by soldiers, airmen, military supplies and Services' mail, they are whisked away for an 8,000-mile journey to the windswept Falklands.

RAF stewards serve up MoD meals during a 16-hour flight via Ascension Island. And when the holidaymakers finally arrive at Mount Pleasant airport, explosives experts warn them against straying into minefields or picking up shrapnel.

At prices up to £2,800 for a 17-day stay, the islands' fledgling tourist trade is rapidly turning the former landscape of war into a haunt for birdwatchers, nature lovers and military enthusiasts.

Apart from the air packages, expedition cruise ships carrying Americans to and from Antarctica, the Pacific and the South American coastline are calling this year to sample the sparse attractions of Port Stanley.

The "toytown" capital of corrugated iron roofs painted red, brown and green, where most of the 1,900 islanders live, no longer boasts the cinema which at the time of the war showed films such as *The Empire Strikes Back*.

Instead there is just the town hall where dances are held occasionally, a couple of restaurants, several souvenir shops and, of course, the two small hotels remembered by British squaddies—the Upland Goose and the Malvinas House. On the gorse-covered slopes of the "camp" around the port, there are two dozen minefields ringed with barbed wire and marked with skull and crossbones danger signs. Sappers also stay in the area watching for the odd shell case, grenade or mine which might have drifted into the beach sand or swamp peat.

In the words of seven British tour operators now selling holidays to the Falklands, the

visitors would have to make a determined effort to "imperil their stay."

This has not prevented several foolhardy visitors clambering through barbed wire to take pictures of penguin colonies though none of the happy snappers has yet been blown up.

For wildlife lovers the Falklands can offer five species of penguin (which tend to walk up to say "hello" or fall over backwards watching aircraft), the black-browed albatross, which has a seven-foot wingspan, the caracara bird as large as an eagle, and sea lions and sea elephants.

Students of warfare can buy tours of East and West Falklands to see "bomb alley" at San Carlos, the Goose Green battlefield, Pebble Island where the SAS attacked Argentine planes and the waters of Bluff Cove and Fitzroy, scene of the Sir Galahad troop ship disaster.

There is even a 12-mile "yomp" across the slopes of Mount Harriet and Tumbledown with Land Rovers to carry the less energetic.

The visitors will probably see little of the military presence because the troops and airmen keep a low profile these days. Fewer than 3,000 in number, they are mainly based at Mount Pleasant where a squadron of Phantom fighter-bombers and Hercules military transports stand alongside the TriStar runway.

However, a major airlift of troops to test Britain's ability to reinforce the garrison at a time of tension with Argentina is planned for early next month.

The possibilities for the unlikely holiday destination have so far persuaded the Falkland Islands Development Corporation to invest £500,000 and six lodges have been built or improved to augment hotels or guest houses.

A Falklands tourist office has been set up in Britain; it seeks to double the present 70 holiday beds on the islands by next year.

Sunday Telegraph
14.2.88

Vote fails to halt whale cull

by David Brown
Agriculture Correspondent

BRITAIN has won the first round in a diplomatic battle to stop Japan catching 300 minke whales in the Antarctic for "scientific purposes"—but the victory may be a hollow one.

It emerged last night that a majority of countries with whaling interests had voted against the Japanese in a postal ballot inspired by British delegates to the International Whaling Commission.

But it became clear that the Government does not intend to impose sanctions against Japan to reinforce its conservation demands.

Today is the deadline for votes from 33 countries which belong to the commission and British officials are confident that they have scored a substantial moral victory by winning more than the 17 votes needed.

This will be too late for many, if not all, the minke whales which are to be killed in what the Japanese have called a "feasibility study" to assess the population. Two whalers, accompanied by the veteran factory ship *Nisshin Maru No 3*, are already catching the whales.

When the "survey" has been completed the whales will be sold to Japanese restaurants and shops as a delicacy to satisfy the huge demand. The money will help to "offset the cost of the survey."

The hunt has incensed conservationists who see it as a commercial exercise. The commission wants a moratorium on commercial whaling, to prevent many species becoming extinct.

Although stocks of minke are among the healthiest of all whales, the United States has taken powers to impose a ban on imports of Japanese fish products if Japan continues to defy international pressure.

Mr John Gummer, junior Agriculture Minister responsible for fishing, yesterday rejected accusations that Britain's action is too little too late.

Two years with Lord Carrington

From Vice-Admiral Sir John Hayes, KCB, OBE (retd).

ANYONE who has worked closely with Lord Carrington may be prompted to suppose that your columnist Geoffrey Wheatcroft, by his derisory remarks, has some past grudge he wishes to avenge.

I write from mild experience for in 1962 as a newly promoted Rear Admiral I found myself as Naval Secretary to Lord Carrington, the last First Lord of the Admiralty before the Mountbatten amalgamation into the MoD. For nearly two years I lived through the door from his office, at the end of his bell, and shepherded him around the world and to naval visits in this country. I never had a more tolerant, humorous and humane boss, who cared equally for the rating's well-being as he did for the whole navy. And right then we needed some capable hands on the tiller.

Mr Wheatcroft is, for example, scathing about the Vassall spy case in our Moscow Embassy, another scandal in the wake of the Profumo affair. Lord Carrington didn't put Vassall there but had to face the consequent music. I had many letters from Chief and Petty Officers in the Fleet who had met him saying, "Don't you let the First Lord resign. It's not his fault."

To whatever degree the Falklands Invasion was or was not his fault through lack of foresight, his immediate and honourable resignation as Foreign Secretary, to his Prime Minister's regret, was inimitable in his character; but let me make this final point.

The Supreme Commander of the Land Forces in Europe and the navies of Nato is always American. The latter's deputy is a British Vice-Admiral. Twice of late the 14 Nato members of their standing military committee have elected a British Admiral as their Chairman. Naturally, therefore, the civilian Secretary-General has come from other Nato nations in Europe—Belgium, Holland and, next, Germany.

That Lord Carrington was accepted two years ago to this post must rank among the highest compliments to a British politician; and there will be those who agree with me that his contribution to the defence of our realm from Brussels will have been of far more permanent value than he could ever have made in the Downing Street Cabinet.

JOHN HAYES,
Arabella House,
By Tain, Ross and Cromarty.

From Lord Nugent

MR Wheatcroft refers to Lord Carrington and implies that he

was responsible for the Crichton Down affair.

As Lord Carrington resigned after it but was requested by the Prime Minister, Mr Churchill, to continue in office because he was not responsible—the correspondence was published in the national Press—I am writing this note to request that Mr Wheatcroft should take the opportunity next Sunday to correct his error.

NUGENT OF GUILDFORD,
House of Lords.

Sloping arms again

OLD SOLDIERS and other connoisseurs of military ceremonial should not miss guard mounting at Buckingham Palace on the morning of February 28.

The SA80 rifle, recently adopted throughout the Army as its standard infantry weapon, is in future to be used on ceremonial parades too.

It will fall to the 1st Bn Irish Guards to inaugurate the revised drill with this well-balanced but awkwardly short rifle—although the Royal Marines have already given it a few days' trial.

One change is that the "shoulder" of its now obsolete predecessor, the SLR, will be replaced by the "slope" of the old Lee-Enfield: back to Dad's Army, as it were.

A Sunday has been chosen for the SA80 première.

As the drill sergeant used to tell us at Pirbright 45 years ago: "If the King could see you now, he'd abdicate."

Army 'stealing walkers' rights'

The Army has acted "like a common criminal" by blocking off footpaths through its training grounds near Lydd, Kent, Lord Melchett, vice-chairman of the Ramblers' Association, said yesterday.

He claimed that the Army—which has extended the safety perimeters around its live-firing ranges to prevent members of the public being hit by bullets—had broken its word and the law by blocking public paths "stealing the public's right to go for a peaceful walk in the countryside."

Falklands exercise angers Argentina

ARGENTINA has reacted strongly to the British announcement on Thursday of plans to hold military manoeuvres in the Falkland Islands in March. In an official statement, the Argentine government accused Britain of resorting to force to avoid a settlement of the Falklands dispute, Isabel Hilton writes.

The announcement of the manoeuvres, the first exercise in rapid reinforcement of the islands' garrison, caused consternation in South American diplomatic circles. The foreign minister of one of Argentina's neighbouring states said the British announcement was extremely disturbing, coming as it did at a moment when exchanges between Britain and Argentina on avoiding con-

flict in the South Atlantic were judged to be going well. The two countries have been exchanging notes through the United States with the long-term aim of reaching an agreement governing fishing in the South Atlantic.

Argentina's protest hinted that the British military exercises could affect the progress of these diplomatic exchanges. The exercises will heighten tension in the area at a time when third parties are trying to resolve the conflict, the statement said, and Mrs Thatcher would bear responsibility for any "consequences" the exercises might have. A British foreign office spokesman yesterday insisted that the manoeuvres were "normal" and did not reflect any increase in tension with Argentina.

Falkland moves irk Argentina

BY TIM COONE IN BUENOS AIRES AND ROBERT GRAHAM IN LONDON

ARGENTINA has responded with dismay to Britain's announcement of military manoeuvres on the Falkland Islands next month to test the army's ability rapidly to reinforce its garrison.

The Argentine foreign ministry said the move showed that the British Government, instead of seeking a peaceful solution was opting for a demonstration of force at a time when initiatives were underway, via friendly countries, to reduce tension.

The Government of President Raul Alfonsin has repeatedly renounced military force as a means of implementing Argentina's claim to the islands, and insists it will pursue diplomatic means to resolve the dispute.

Over the past year the US has mediated to bring about an agreement to avoid incidents between fisheries patrol vessels of Argentina and the UK following the establishment of a 150-mile fishing zone around the Falklands by the UK in October 1986.

The Argentine military now pose only minimal threat to the Falklands after having had their budget cut drastically in the past four years and being further weakened by power struggles which have produced two rebellions since last Easter.

The manoeuvres coincide with a visit by Mr Tim Eggar, the junior foreign office minister to Brazil and Uruguay. Diplomats said the military exercise was likely to embarrass Mr Eggar's hosts.

Press Cuttings

from Broad Street Associates **THE TIMES** 13 FEB 1988

Falklands rebuff

Britain yesterday denied Argentine accusations that military exercises on the Falkland Islands next month were provocative and would increase tension (Nicholas Beeston writes).

A Ministry of Defence spokesman said that manoeuvres from March 7-31 were intended to demonstrate Britain's ability to reinforce rapidly its garrison there. "We need to practise reinforcement and we are doing so," he said.

A communiqué from Buenos Aires on Thursday said: "Rather than choosing peaceful solutions to the Malvinas (Falklands) question and relations with Argentina ... (Britain) opts for a show of strength."

Argentina angry over 'Falklands show of strength'

By Robin Gedye, Foreign Staff

BRITAIN yesterday rejected Argentina's claims that an air and sea exercise next month to test British ability to reinforce the Falklands garrison was designed to heighten tension. The aim of the exercise is to practise rapid reinforcement in case of an emergency.

An Argentine official said: "Instead of choosing the way of peaceful solutions to the Malvinas (Falklands) issue, Britain is resorting to shows of strength."

The Ministry of Defence says the manoeuvres, between March 7 and 31, will involve RAF Phantom fighters and a "significant" number of troops, including light infantry, Royal Engineers and Royal Artillery, who will be airlifted to the islands with "quantities" of equipment.

The MoD says this is the first full-scale exercise since the Falklands garrison was reduced following the building of a new airport at Mount Pleasant, enabling the islands to be reinforced more rapidly by air.

A Foreign Office spokesman said the exercises were a normal military manoeuvre, planned for some time, and did not reflect any increase in tension in the area.

Nearly six years after British soldiers ended the 10-week occupation by Argentine troops, Buenos Aires has still not declared an end to hostilities, although tentative contacts via third countries such as Sweden and Brazil have been tried.

During a visit to the islands last December, Mr Timothy Eggar, Junior Foreign Office Minister, said: "We are seeking to normalise relations, but we will not discuss sovereignty. Nobody should think there will be a quick result."

Islanders continue to rely on a supply link that involves two 18-hour flights by RAF TriStar wide-bodied aircraft a week and a cargo ship with heavy goods from Britain four times a year.

It is understood Britain has been exploring the possibility of some form of rudimentary trading links between the islands and Chile.

Simon Winchester spent the Falklands war in an Argentine gaol on Tierra del Fuego. Finding himself in the Strait of Magellan the other day, he took a brief return trip to see his gaolers

A journey back to beyond

THE FIRST billboard was little more than a hundred feet inside the Argentine frontier, and it creaked back and forth in the ceaseless Patagonian gales. It was evidently new, had a background of bright blue, and was emblazoned with words in brilliant white: *Las Malvinas son Argentinas*. (A passing enthusiast for the idea had added an exclamation mark.) Thus does the unforgiving and unforgetting Republic of Argentina welcome those who cross her borders by land, down at the tip of her dominions.

I had decided on this reason, anyway. Five years ago, when the Falklands war was getting under way, three of us had been arrested at an airport in Tierra del Fuego. We were taken to a place called Ushuaia, known only for the notation in the record books as The World's Most Southerly Town. It was a sort of shanty-city, set down on the Beagle Channel, hemmed in by mountains and icy seas, alive with penguins and seals and curious ruminants known as guanacos. From a look at the shops the townspeople seemed to make their living from the sale of duty-free Cadbury's chocolate and various brands of whiskies.

There was a naval base from where the Belgrano had once made forays, until her fateful rendezvous with HMS Conqueror, and Tam Dalyell. There was a *frigorífico*, where sheep are killed and frozen for market. And there had once been a stockade, in which felonious servicemen served time, far away from the attentions of the outer world.

The local judge had decided, with what I now suppose to have been commendable prudence, to let us serve time in gaol too, while the Malvinas war shook itself out. Technically, he said, we were spies. There was evidence that we had made notes, or taken pictures, or committed to memory, details of Argentine military preparations — not, in the end, that such preparations had been worth very much. So, to our great chagrin we were locked into a cell for the next eleven weeks.

We became briefly notorious back home. Hundreds of people wrote to us, telling us to keep up our spirits. Then when the troops came down from Mount Tumbledown and the white flags had been raised in Stanley, we were released, on bail of 100 million pesos — which sounds a lot, but at Argentine inflation rates was actually an insultingly trifling sum — and then flew home.

For those in Fleet Street and beyond who wanted the War Story tied up neatly so that everyone could take the summer holidays, we were in a sense the final ribbons and bows for the package that came to be called The Falklands, 1982.

A few weeks ago came a chance to go to Chilean Patagonia. The thought that it might be interesting, amusing even, to cross the frontier into Argentina and to go back to Ushuaia nagged at the back of my mind. At first I entertained the naive notion of sauntering in to see the judge, mentioning how convenient it might be for Anglo-Argentine relations to quash

the whole ludicrous episode, to burn the file, then shake hands and make up.

But then I heard that the judge had died and so had his successor, and now Argentina was sufficiently turbulent again to suggest that such an approach might well not be welcomed at all by whoever now sat in the judicial chair. So when I arrived in Punta Arenas, the southernmost town in Chile and the obvious jumping-off place for Tierra del Fuego, I had amended my ambitions to no more than a quick sortie, smartly in and equally smartly out, to see how the old town had changed in the five years I had been away.

The Foreign Office was none too keen. I had telephoned the embassy in Buenos Aires — it now operates under the Swiss flag, but from the same building as before — and Our Man who acts as ambassador there said it would be a "frightful nuisance" if I were to be re-arrested. Anyway, he asked, I surely hadn't been given a visa? But yes, I replied — I had asked for one at the Argentine Embassy in Singapore, the girl there had wanted to telex back for authorisation but when I explained I needed the visa by lunchtime she had agreed and issued it on the spot. "Well, I never," breathed Our Man. "Don't give much for her career."

Our Honorary Consul in Matheson (a retired banker who now looks after those few yachtsmen who, every year or two, collide with Cape Horn and fetch up in Chile *sans* passports, *sans* clothes, *sans* everything) was equally unimpressed by the plan. "You'd better leave me your passport number," he said. "Though heaven knows what we'll have to do if you do get nabbed. Why not just stay put? It's much more beautiful here."

But in the end I met a taxi driver with an immense Chevrolet, who had a fare to take over the frontier, and I engineered a deal to go with him. (His fare was an odd bird indeed: a young Greco-Chilean called Senor Nicolaides who had been asked to provide the lighting for a Tina Turner concert up in Bahia Blanca, and was catching a northbound plane from the Argentine meat-and-oil town of Rio Gallegos. Why such expertise was only to be found among the Greek community in southern Chile was something I, with execrable Spanish, was unable to unravel.)

The border crossing post at Monte Aymond must be the loneliest, the windiest and coldest on the face of the earth. Neither the road to Murmansk nor the Ussuri River in December could beat the bone-breaking chill, the icy whistling loneliness of the frontier here. The post is a few dusty miles up from the shores of the Strait of Magellan, a coastline littered with the bones of wrecked ships. The land is almost flat, treeless, unpeopled and unstocked, and the double mesh fence runs east and west, dividing the neighbour-nations with the precision of a cheese-wire. The two frontier posts sit half a mile apart, each out of sight of the other. The Chileans, all civilians, were friendly in their dismissal. "Good luck," they cried. "Nice visit!"

The blue and white flag of Ar-

gentina streamed out from above the next hut. Here all the staff were soldiers, all bearing pistols. "Remove your hat!" one screamed. Once that small courtesy had been paid, the men became perfectly agreeable. "No problem for English," said the sergeant at immigration. "No argument any more." (This was how the Singaporean visa officer had put it, too.) "No more war." He stamped my passport, and waved me through.

The taxi driver, Franco, shivered. Once we were back in the

What they think ?

You lie back
and let them
do it again ?

Chevrolet he said they made him feel uncomfortable. "And they must make you feel bad, too," he said, and pointed at the *Las Malvinas son Argentinas* billboard. I grinned, and he laughed derisively. "They all nuts here. What they think? You lie back and let them do it again?"

The graffiti and the billboards were considerably more numerous in the town of Rio Gallegos. Great blued-in maps of the islands, cartoons of cowardly Tommies running before bayonet-wielding Heroes of the Republic, slogans telling the Brits to get out, take cover, go home before the next time, the next occasion when the Argentines would prove victorious. But at the airport, from where Sr Nicolaides was to fly north, and I was to catch the flight south, there seemed precious

little evidence of war-making. A few air force planes were parked in the revetements, a few piles of sandbags stood like butts on a Scottish moor in August. And that was all.

The place was jammed with milling crowds of would-be passengers, all delayed, all irritated, nearly all smoking. A few sucked at yerba mate pipes, the mate itself rammed into old, grubby-looking gourds. Everything looked much shabbier than I recalled from five years ago, much more down at heel than Chile was today. The people looked demoralised, downcast, impoverished. Soldiers barked orders at them. Unhappy-looking crowds formed into lines. Aircraft coughed into life and ferried them away. Lifter and dust swirled in little eddies of wind.

My plane almost didn't make it onto the Ushuaia strip. A huge gust of air gripped it like an immense hand and tore it away from the runway. But the pilots on the Patagonian run are well used to such gales, and before long I was in a taxi bound for town — in the company of a Japanese girl who had been working in Bolivia, and had made the grotesque error of dyeing her hair orange. We bumped across the causeway I had once gazed at from the cell window; we passed the stranded hulk of a tug, stuck just as fast in the harbour entrance now as it had been then; and I was dropped at the Cabo de Hornos Hotel, the only place in town that had a room.

For in Ushuaia these days every guesthouse and every estancia for miles around is filled from November to March. There are flocks of Japanese in thick sweaters, groups of Germans in riding gear, Americans

on three-day passes from cruise ships, even a few young British backpackers "down to see what all the fuss was about."

The visitors go on excursions to see the sheep farms and the salmon hatcheries, the penguin colonies and the lakes. "It's all quite deliberate Argentine government policy, you know," said Renee Cotton, the Uruguayan wife of a criminal lawyer from Los Angeles who had come to Ushuaia after visiting her family farm near Fray Bentos. "They're luring people down here from all over the world, purely to add legitimacy to their claim for jurisdiction over the whole territory." (The Uruguayans, like the Chilenos, lose little love over the Argentines.)

By "whole territory" Mrs Cotton said she meant what Argentines mean by the sonorous phrase with which they define their southerly jurisdiction — "*Patagonia, Territorio Antartico y los Islas en Atlantico del Sur*" — the southern part of South America, the Argentine fragments of the Antarctic continent, and those islands — the Falklands, South Georgia, South Shetland and South Orkney — to which Argentina lays claim. "In other words, the more people they get down here, the better their legal claim to the Falklands. That's what they think."

Not only tourists are being lured to Ushuaia. The town must have nearly doubled in size since 1982. Wooden slums have sprung up to the north and west of the old centre, housing thousands of immigrant workers brought in to make television sets and washing machines at a host of assembly plants set up under generous new tax-free

arrangements. "All make-work schemes," scoffed Mrs Cotton. "There's no earthly reason why anyone would want to buy a TV set assembled from German parts in Tierra del Fuego. The freight costs don't make it any cheaper, either. No, it's just another way of swelling the population, making the world take Argentina's claims seriously."

After dinner I strolled down to the gaol. It was quite unchanged, a sombre installation of brick and dark slats of wood and heavily barred windows. I stood for a while on the hillside

I waited, heart
thumping, for
the phone
to ring again

looking down towards the dining room, hoping for a glimpse of an old cellmate. I saw a few shadowy figures moving slowly across the room, but none was recognisable. A couple of guards emerged from the side door, off to a nearby bar, but they weren't familiar either. Only the setting, and the rattling of the wind, was unmistakable.

That night, down at the Cabe de Hornos Hotel, I had a brief fright. The telephone rang, just after 4.30am. I woke in a sweat, deciding not to answer. The police had records of everyone staying, of course: perhaps they had found mine, and were planning come and get me. I dressed quickly, pushed the wardrobe in front of the door to block it, took my passport and some money and stood by an open window. Only a ten-foot drop to

the street, I thought, and then the Chilean border was only ten miles away — perhaps I could make it. I waited, heart thumping, for the phone to ring again, for the sound of heavy boots in the corridor.

But there was nothing. I lay on the bed, waiting, waiting. I must have drifted off to sleep — when I opened my eyes it was eight o'clock. I moved the wardrobe back and hurried down to breakfast. There were no police, no soldiers. I mentioned the telephone call, as lightly as I could, to the desk clerk. He looked sheepish and gestured at the switchboard. "Wrong button. I push wrong button. *Disculpe*. . . sorry."

And that was all, except for the final moments before I left Ushuaia airport itself. The departure hall here was jammed solid with sailors waiting for flights home for summer leave. No one seemed in the slightest way interested in a solitary Englishman, no matter his past connection with the town. I felt quite relaxed, sure I would make my flight — until suddenly, emerging from a back door, came a large man in uniform, a man with an unmistakably memorable black beard that covered half his face. It was the man who had had us arrested, five years before.

I froze, then slipped behind a pillar, keeping the man in view as he walked slowly through the crowded hall. He looked closely into the faces of the men he passed. He muttered a few words to a sentry with an American rifle. It was as if those five years hadn't passed at all.

And then, just as suddenly as he'd emerged, he was out of the hall again and striding towards a police car, and the Aerolineas

Argentinas stewardess was calling the flight and gesturing to me to hurry up. Ten minutes later the Boeing shuddered up into the gales, the mountains and lakes to the north of Ushuaia fell away into the clouds, and Tierra del Fuego was behind us. "Strange place," said a German tourist, an engineer from Munich whom I had met the day before. "I have been reading this book, *The Uttermost Part Of The Earth*. A good title. Just what it is. A very strange place indeed."

Franco the taxi driver was waiting for me at Rio Gallegos airport. He had dispatched his Greek passenger off to Bahia Blanca. Tina Turner would, no doubt, be well illuminated at her concert the following week. Franco now had a hitch-hiker, he said apologetically. Did I mind?

He introduced Rita. She was a rotund, cheery-looking woman with a six-pack of beer dangling from one hand and a cigarette permanently dangling from her lower lip. She leered at us. "She's Chilena," explained Franco. "She's okay." Fine, I said. No problems. *Vamos*!

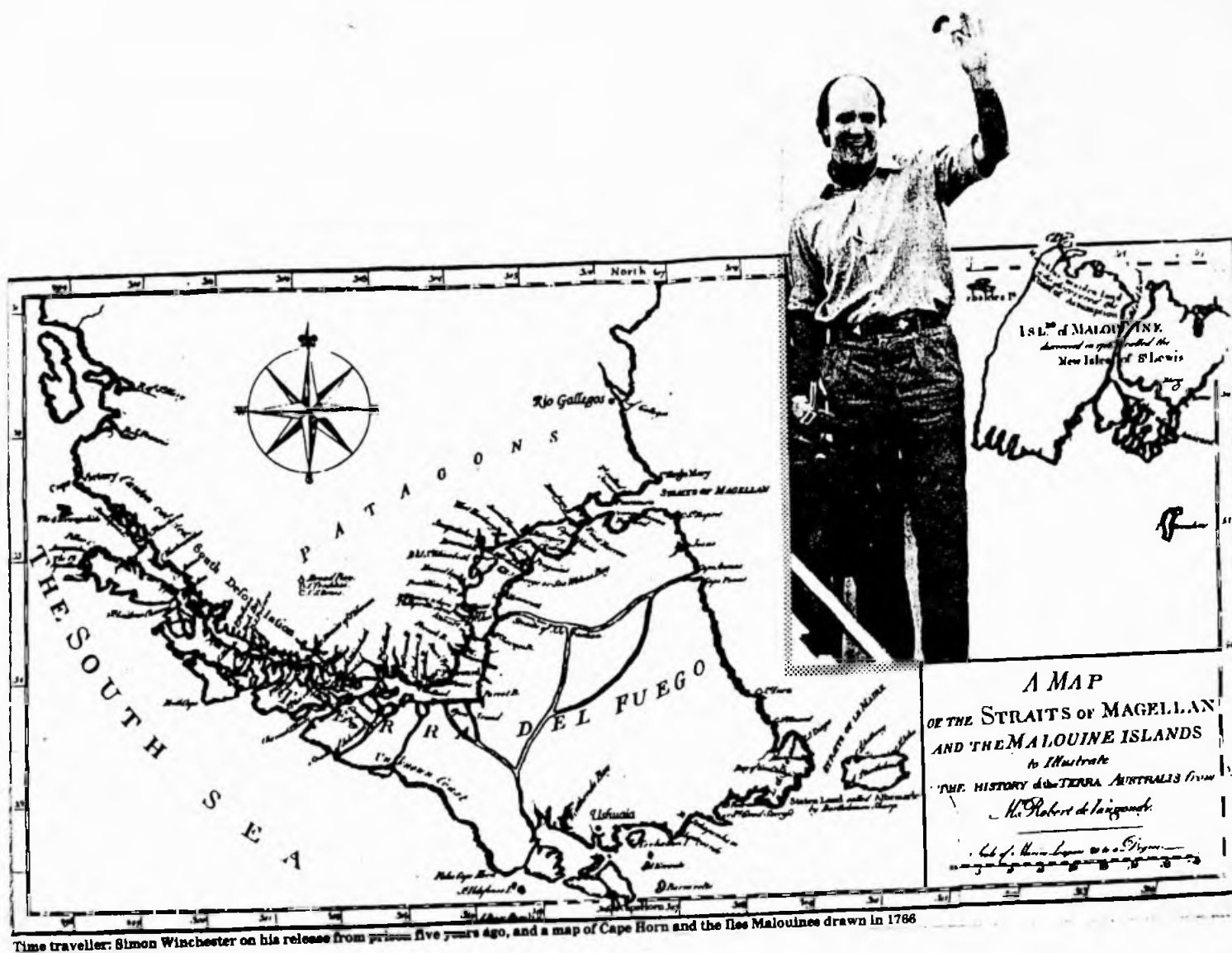
"You bet," said Franco, with a broad grin. "Let's get the hell out of this bloody country!" Rita let out a bibulous cheer and Franco cracked open a beer, and the car shot off and rocked down the gravel road in the wind, bound for the frontier and the relative tranquillity of Chile. As we passed the blue billboard with the *Las Malvinas son Argentinas*, Franco got out of the car and hurled a stone at the sign. Then he spat on the gravel. "They're loco. Plain loco! What they think? They think you British let them have the islands back? They all loco back there!"

Press Cuttings

from Broad Street Associates **THE GUARDIAN**

(4)

13 FEB 1988



Time traveller: Simon Winchester on his release from prison five years ago, and a map of Cape Horn and the Iles Malouines drawn in 1786

News in brief

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Britain denies Falklands aggression

Britain said yesterday that its planned military manoeuvres around the Falkland Islands next month are not meant to show aggression towards Argentina, with whom it fought over the islands in 1982.

Earlier in the week, Argentina denounced Britain's plans to conduct military exercises around the South Atlantic islands between March 7 and 31 as a "show of strength" which would heighten tension.

A Foreign Office spokesman said the exercises, which aim to practice rapid reinforcement of the islands using Phantom fighters and large numbers of troops, were a "normal military manoeuvre".

Argentina buys British

John Hooper
Trade Correspondent

FERRANTI, the high technology group which supplied much of the advanced equipment used by British forces in the Falklands war, yesterday announced that its US subsidiary had won a £13 million order from Argentina.

It is by far the biggest contract awarded to a British-owned firm by the Argentinians since the end of hostilities — higher than that of Britain's total direct exports to Argentina last year.

The deal is for an energy management system for Argentina's largest electricity com-

pany, Agua y Electrica Argentina (AYE). It will be developed by Ferranti International Controls Corporation (FICC).

The UK parent company's defence technology played a crucial role in the 1982 conflict. Its Action Data Automated Weapons System, was installed on at least nine Royal Naval vessels operating in the South Atlantic, including HMS Invincible and the ill-fated Sheffield and Coventry. Ironically, two Argentinian warships also carried this system.

The Chief Executive of the Department of Trade and Industry's Latin American Trade Advisory Group, Mr Michael Valdes-Scott, was encouraged by the news, but added: "I

would not be sincere in expecting any great change in policy." Britain reopened its market to Argentinian goods in 1985. Although Buenos Aires did not formally follow suit, officials granted import licences for British goods for seven months.

This "wink and nod" policy came to an abrupt end in November 1986 after a 150-mile fishing zone was declared around the Falklands. Last year, Britain sent a mere £10 million worth of goods to Argentina — mostly essential spares, which qualify for exemption.

Many of those spares went to Agua y Electrica. Several of its power stations were British-built.

Marr manager in Falklands

A RESIDENT manager has been appointed to head the growing business interests of Marr (Falklands), the jointly owned company representing the Marr fishing and shipping companies in the South Atlantic.

Captain John Kultschar, who has commanded Marr scientific vessels and was J. Marr (Shipping) cargo superintendent in the Islands for last year's squid fishing season, has taken up his duties in Port Stanley where houses are being built for the group's growing shore-based staff.

Marr (Falklands) general manager Andrew How said: "Apart from overseeing the current operations we feel we need a senior executive on the ground in readiness for the longer term development

of a multi-purpose fishing fleet.

"Such a fleet, which would be able to fish the year round, would provide a big employment boost here and in the Falklands and is, we believe, the sort of enterprise the British and Falkland Islands' governments will wish to encourage."

The most immediate task for Captain Kultschar, who is an experienced reefer master, will be liaison with Marr's Japanese and Taiwanese joint venture partners in the forthcoming squid season and the operation of the trawler *Hill Cove*, recently purchased by Stanmarr, the company jointly owned by the Falkland Islands' government and Marr (Falklands).

Captain Kultschar's most recent Marr command was



New Falklands role... Captain John Kultschar.

the fishery re-search ship *Lancella*, bought by the Hull company from the West German government last year, which is now on fishery patrol duties in the Falklands.

Before leaving for the Falklands Captain Kultschar completed a course and was awarded a certificate of approval and competency in liferaft survey, as liferaft servicing is one of a number of agency services the J. Marr group is providing in the Islands.

Scots company in Falklands

SCOTTISH company Seaboard Offshore is diversifying into the fishing industry with a £1m. investment in a joint venture off the Falkland Islands.

The joint venture company is Seamount Ltd. in which Seaboard Offshore has a 49 per cent share. Seaboard's partner is Stanley Fisheries.

Seaboard will manage Seamount's operation on behalf of the joint venture. A manager is currently being recruited and he will report to Seaboard's operations director, Andrew Lewis, a member of an Aberdeen family with long connections with the fishing industry.

Two stern trawlers are currently undergoing major refurbishment at Tyne Dock Engineering's yard, in north-east England. They are the former Thomas Hamling freezer, *St. Jason*, and a

former West German factory trawler, *Wien*.

The naval architects are Shiptech Ltd. Hull, who were responsible for the earlier conversion of Seaboard's five standby safety ships. The vessels are being re-engined and fitted with new electronics, fish finding equipment, processing deck and horizontal freezers.

Re-named *Mount Kent* and *Mount Challenger* after two Falkland mountains, the Aberdeen-registered trawlers are each 245ft. long and of more than 1,300 tons. They are due to leave on the 8,000 mile voyage to the Falklands in February and will begin fishing in March.

The joint venture means jobs for almost 80 British

crew members, mainly from Humberside. Each vessel will carry a foreign adviser experienced in South Atlantic fishing.

The Falkland Islands conservation and management zone is one of the most prolific fishing zones in the world. Seamount has been awarded licences for all species and all seasons. The trawlers will catch mainly squid, hake and blue whiting for continental Europe markets, principally in Spain. *Mount Kent* and *Mount Challenger* can each freeze 50 tons of fish a day.

"The Falklands Government has one of the most comprehensive policies in the world for the management of fishing and we are most

impressed by the arrangements for the conservation of stocks," said Seaboard managing director, Kenneth MacKenzie.

"In our dealings in the Falklands we have found everyone most helpful and encouraging during the nine months of discussions which went into the formation of the joint venture."

Seaboard, with its headquarters at Geanies House, near Tain, Ross-shire, and an operations office in Aberdeen, is the first Scottish company to participate in a fishing venture off the Falklands.

The company is a leading operator of standby vessels for the offshore industry in the North Sea, where it currently employs about 80 people.

"Participation in the joint venture is an important diversification for Seaboard," said Kenneth Mackenzie.

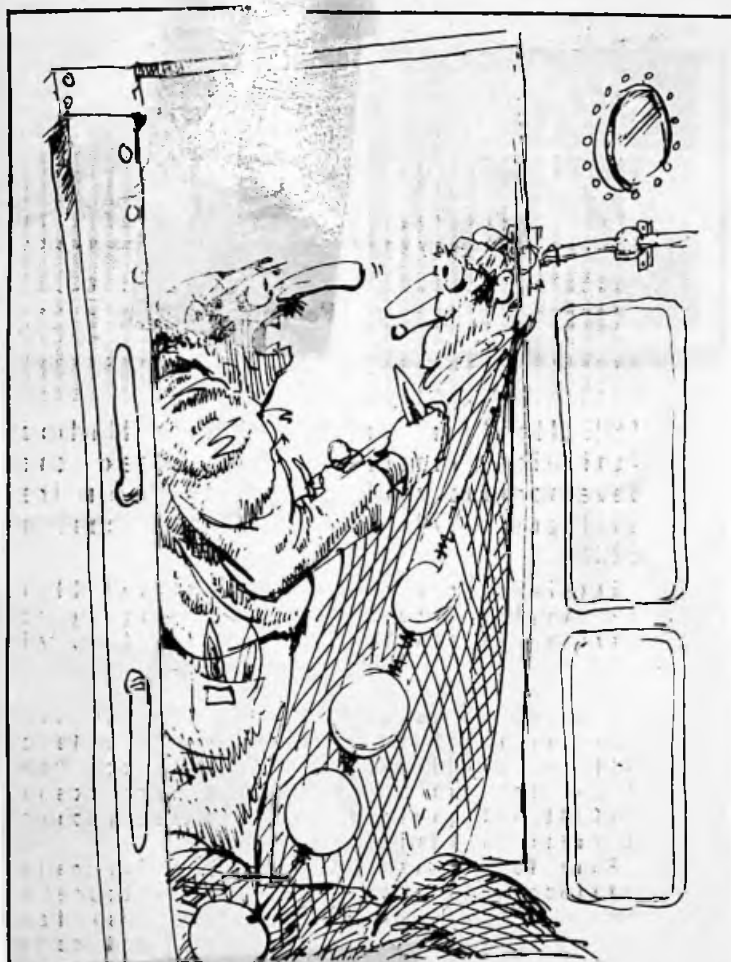
"Having seen other opportunities in the Falklands, we have, with our joint venture partner, identified a number of additional projects there in which Seaboard will participate."

Stanley Fisheries is a wholly owned subsidiary of the Falkland Islands Development Corporation, a statutory body. Stanley Fisheries was set up to enable the Falklands to gain economic benefit from the exploitation of the zone from direct investment in commercial fisheries projects and through re-investment of profits in other projects in the Islands.



Former Thomas Hamling freezer *St. Jason* is currently undergoing a major re-fit for her new Falklands role.

SPG1 February 12, 1988



'Theres mair holes in this net than in the Common Fisheries Policy.'

This cartoon is the first of a regular feature specially drawn for *Fishing News* by a Scottish former skipper. It replaces the 'Flydragger' strip, which is discontinued.

Falklands exercise

A major airlift of troops to the Falklands, to test Britain's ability to reinforce the garrison at a time of tension with Argentina, will take place early next month, it was announced yesterday.

At least 1,000 Light Infantry troops are expected to be transported on Tristar wide-bodied jets to the new strategic airport at Mount Pleasant to demonstrate to the Argentines Britain's rapid deployment capability.

Other units involved in the exercise will include the Royal Artillery and the Royal Engineers. A number of Phantoms and Nimrod maritime patrol aircraft will be sent to the South Atlantic for the exercise, which will run from March 7 to 31.

Press Cuttings

from Broad Street Associates

FINANCIAL TIMES

12 FEB 1988

ARGENTINA has announced reductions in import duties on a range of steel and petrochemical products to try to reduce costs in local industry. **Page 4**

Argentina cuts import duties to aid industry

BY TIM COONE IN BUENOS AIRES

SIGNIFICANT reductions in Argentine import duties on a wide range of steel and petrochemical products were announced by the Trade Ministry in a move aimed at reducing costs in local industry.

Duties are being reduced to a maximum of 25 per cent of the products' imported value, down from a previous level of protection which averaged 53 per cent of imported value.

In addition, non-tariff trade barriers governing the same products are being lifted. This will mean they can automatically be imported where previously they were subject to clumsy and bureaucratic procedures before receiving government approval.

Under the procedure a request for an import licence had to be submitted to the relevant manufacturers' association to establish whether the product could be manufactured in Argentina.

The historically high levels of protectionism practised by successive administrations over the past four decades has resulted in under-investment, obsolescence and inefficiency in many industrial sectors. This in

turn has raised the cost of products to domestic consumers and led to uncompetitiveness in export markets.

One of the government's medium-term economic objectives is to expand industrial exports as a basis for export-led growth and economic recovery. By initially focusing trade barrier reductions on the steel and petrochemical sectors, the government hopes to reduce costs in downstream manufacturing industry, in the hope that this will be passed on in lower product prices.

Mr Eduardo de la Fuente, president of the Argentine Industrial Union (UIA), the principal organisation representing private industry, said: "We are not against Argentina being put on a competitive footing with the rest of the world."

But he wanted any reduction in protectionism to be "carried out within a broader policy of development, which takes into account the high financial costs and inefficiency of public services which our manufacturers at present have to face."

Such a policy did not yet exist and anti-dumping controls were inadequate, he added.

Penguin News brings word of fresh p-p-pickings in the Falklands

News reached these shores earlier this week of expanding opportunities in media outlets for the public relations industry in the South Atlantic.

The *Penguin News* has brought in fresh capital to help with future growth — possibly even increasing circulation to reach the UK. Currently, the 16-page monthly has a circulation of 450, but the aim is to at least double that.

Seamount Ltd, the joint venture formed by Seaboard Offshore Ltd and Stanley

Fisheries Ltd are now part-owners. Said Kenneth Mackenzie, Seaboard managing director: 'Seamount's operations are primarily in fishing off the Falklands, but our own experience of printing and publishing in Scotland made *Penguin News* a nat-

ural development of our interests in the islands.'

Graham Bound, who founded the paper in 1979 added: 'The new funds will enable the paper to grow while continuing to report the news objectively.'

PR man for Seaboard, Aberdeen-based Dick Mutch of Charles Barker Mearns Gill, said: 'There is a growing interest in the Falklands: many firms are getting involved down there, and I suppose the public relations industry will want to send appropriate information in.'

General sacked

Buenos Aires (Reuter) — The Argentine Army said that it had dismissed a general favoured by mutinous officers involved in two anti-government rebellions.

A spokesman for the Defence Ministry said that General Heriberto Auel, the chief of operations of the Joint Chiefs of Staff, had been relieved of his post. Ministry sources said that the army chief, General Dante Cardidi, ordered the removal because General Auel refused to explain why the rebels mentioned him as a candidate for the job of Army commander-in-chief.

Press Cuttings

11 FEB 1988

from Broad Street Associates **THE GUARDIAN**

□ There has been no shortage of applicants to take over one of the world's remoter editorial chairs — and, incidentally, one of its smaller circulation figures. Something approaching three dozen people have thrust themselves forward for the post of editor of the Penguin News, which describes itself as "the voice of the Falklands". It was founded in Port Stanley in 1979, has just produced its 109th duplicated issue, running to 18 pages and selling for 45p, and enjoys a circulation of about 450. **Kenneth MacKenzie**, managing director of the Aberdeen-based Seaboard Offshore Ltd, the company which has become part-owner of the little penguin, expects to make an appointment within a week.



SAS seeks Argentine airline stake

BUENOS AIRES (Reuters): The Argentine government and Scandinavian Airlines System have signed a letter of intent whereby the European company could buy up to a 40 per cent share in the state-owned Aerolineas Argentinas.

SAS president Jan Carlzon said his airline decided to look into the possible creation of a joint venture with Aerolineas Argentinas because of the deregulation of in-

ternational air services.

If the deal goes through a final agreement will be signed in May, with the value of Aerolineas Argentinas shares set by the World Bank or a private firm acceptable to both parties.

The letter of intent also states that the Argentine government will retain a 51 per cent share in Aerolineas Argentinas, putting up the remaining 9 per cent for sale to the airline's employees.

RAF is to continue helicopter rescues

Helicopter search and rescue services will continue to be provided by the Royal Air Force and Royal Navy wherever there is a military need, Mr Ian Stewart, Minister of State for the Armed Forces, announced during a debate on the RAF.

But the Department of Transport is to carry out a study of the needs for a civilian service to supplement the service provision.

Mr Stewart also announced that the support helicopter force for the armed services would remain under the RAF, rather than the Army.

An exercise to practise the United Kingdom's capability for rapid reinforcement of the Falkland Islands in case of emergency was to be held next month.

Mr Stewart said that there had been considerable interest in the proposal put to the Ministry of Defence by Bristow

DEFENCE

Modernization of UK air defence command and control systems and ground-based radar was well advanced. The bulk of the equipment had been built and installed.

Some was in service and the remainder would be introduced within four years. The UK was already capable of effective monitoring of the UK Air Defence Region of about 500,000 square miles.

An airborne early warning system for the 1990s would be provided by seven Boeing E3 aircraft which would make possible continuous patrols and identify the early approach of enemy aircraft.

That would be increasingly important as the Warsaw Pact developed its capacity for low level operations.

The first squadron of the Tornado air defence variant, the new interceptor aircraft, became operational at the beginning of November and a second squadron would become operational later this year.

There had been difficulties with the aircraft's Foxhunter air-intercept radar. Radar to an agreed interim standard had been fitted.

Since 1979 the Government had spent an extra £8 billion on the RAF after inflation.

Nine squadrons in Germany and the UK had been equipped with the Tornado GRI for the strike-attack role.

Two more squadrons would be formed for reconnaissance, one based in Germany to replace the current Jaguar squadron, and another, later, in the UK. A mid-life improvement package was planned for the

Tornado GRI for the early 1990s.

The replacement of the Harrier GR3 with the GR5 had been delayed by the loss in October of a GR5 test pilot and the subsequent ditching of his aircraft.

It was clearly right that after that accident the factors which caused it should be carefully considered, any recommendations implemented and all systems of the aircraft fully tested.

Test flying was expected to resume shortly and would include tests on the Ferranti inertial navigation system which had not yet been cleared for RAF flying.

In the absence of further problems, conversion training would begin later this year. 62 GR5s had been ordered and should be delivered within two to three years.

Daily Telegraph
10.2.88

PETERBOROUGH

Tallyho!

THE BATTLE for the sanctity of the Gentlemen's Bar at the RAF Club in Piccadilly is not, I learn, yet lost.

As I reported last month, a group of male club members, known as the Lunchtime Squadron and led by the doughty Sqn Ldr Bill "Bomber" Harris, decided to mount a campaign to resist a move by the club's committee to open the bar to women. They were seeking 30 signatures of members opposed to the plan — enough to call an emergency meeting of the club.

Harris tells me that 35 members have now requested the meeting, which will be held in the club's ballroom at 6pm on February 22. "Anyone who wants to help us protect this last bastion of civilisation should come along," says Harris. "We could be within an ace of victory."

Undeterred by the pointed removal of her by-election memorabilia from SDP headquarters, Rosie Barnes continues to haunt the newly merged Liberal and Social Democrats. Several Liberal MPs have just been startled to receive an invitation to celebrate the first anniversary of her Greenwich victory. To add insult to astonishment, the MPs are instructed to mail their £15 cheques for the event to The Campaign For Social Democracy, stronghold of their arch-rival David Owen.

Carry on Blashers

THE EXPLORER Col John Blashford-Snell has, I discover, just survived one of the more

precarious moments of his long and eventful career — a recall to general duties from his enviable job running the Operation Raleigh adventure scheme.

Blashford-Snell had been due to return to his regiment, the Royal Engineers, in the middle of next year to spend his last two years before retiring in 1991 engaged in what he describes as "real soldiering." His success with Operation Raleigh has, however, caused a change of mind somewhere high in the command structure and last week he was given orders to continue leading the scheme up to, and possibly beyond, his retirement.

The explorer, whose exploits include driving the length of the Americas, boating down the Zaire River and blowing up a Kent goldfish pond in the quest for a giant pike, tells me of his "utter delight" at the news. "We have a lot to do and it looks as though I'll now have the time," he says.



"Quick! I'm on TV explaining why I voted against televising the Commons."

Myth taken

A NEW national myth is being woven around us. Its central figure is of course Mrs Thatcher. Like her friend President Reagan, she has come into resonance with a national mythology. But while he draws on the fantasies of Hollywood and the myth of the American hero, she has in some half-conscious way become associated with our national war-goddess. Through the Falklands war, she came to be seen as embodying the spirit of Britannia.

Marina Warner has provided a fascinating account of this process in her book, *Monuments and Maidens* (Picador). But if we are not to be carried along willy nilly with the cult of Margaret Thatcher, we need to remain aware of the influence of this myth. Otherwise it will work on us subconsciously.

For Mrs Thatcher has inherited a long-established mythology of female British power. We dimly remember that the British flourish under queens. Queen Boadicea led the British against the Roman invaders. England blossomed under Queen Elizabeth I. Under Queen Victoria, Britain was the greatest imperial and industrial power in the world. And now we live under women to a degree that no nation has known before, with both a female prime minister and a queen. We are in another Elizabethan age, and Mrs Thatcher is trying to make Britain great again.

Her moral crusade, rooted in her Methodist upbringing in Grantham, strikes a chord in the more puritanical realms of the British soul. So does her headmistressly manner. But her vision of the future has a much deeper attraction. She sees nothing less than a new flowering of Britain through the spirit of free enterprise; and her self-appointed mission is to break the fetters that socialism has imposed on the free British spirit. She must destroy in order that others can create. She is empowered by the warrior spirit of Britannia to do what no man could do.

Probably all of us have seen her in cartoons as Britannia carrying her trident. In the light of this half-remembered image, it seems fitting that she gets what she so deeply desires: the vast destructive power of Trident. While others disarm, she will grow stronger.

Is all this inevitable? Does Britannia really represent the national spirit and is Mrs Thatcher leading us towards our true destiny? She and her image-makers would like us to believe so. But who is Britannia?

She was first invented by the Romans as a representation of the captive British people, later promoted to the rank of a provincial tutelary goddess, and appeared complete with shield and spear on a Roman coin around 134 AD. After the Roman frontier was extended northwards to the Clyde she became more erect, and held up a martial standard. Then she vanished with her Roman patrons.

More than a thousand years later she was officially revived by King Charles II. There she is on all our banknotes, whether we are aware of her or not, guarding a bank of money, armed with a spear. She has taken a variety of forms over the years, including a gruesome aspect in the early nineteenth century, devouring a child and surmounted by a skull. On coins she acquired her trident from the sea-god Neptune only at the end of the eighteenth century, and the helmet of the goddess Athena in the nineteenth. Her jingoistic cult reached its highest development in late Victorian England. Her primary associations are with money and military power.

Perhaps there is a deep need for a national mythology. But, fortunately, there is more to the spirit of Britain than Britannia. We should remember that Queen Elizabeth I was identified with Gloriana, the Faerie Queene of a magical and enchanted Britain. In the middle ages, England was famous for her devotion to Mary, to whom so many of our great medieval churches and cathedrals are dedicated.

Many other saints were honoured too and still are, not least St George. And then there are our great male mythic figures, from King Arthur onwards. We have a deep and rich heritage, should we care to bring it to mind. But if we forget it, then there is no alternative to the cult of a monetaristic Britannia, complete with her nuclear Trident.

Rupert Sheldrake

Falklands duty may be extended

The Chief of the Defence Staff, Adml Sir John Fieldhouse, speaking during a routine visit to the Falklands, has warned Servicemen that the present four-month tours of duty in the islands might be extended to provide more continuity.

Sir John said he was delighted that there were still good relations between the military and civilian populations.

Press Cuttings

- 8 FEB 1988

from Broad Street Associates **The Daily Telegraph**

'Threat' remains

Admiral Sir John Fieldhouse, Chief of Defence Staff, said on a visit to the Falklands that he perceived no change in the "level of threat" from Argentina as a result of the recent attempted mutiny in the Argentine forces. — AP

How (not) to woo Europe

All wise men agree that the key to Britain's future lies in Europe. Sir Nicholas Henderson, Dr David Owen, Mr Peter Jenkins of this newspaper — to name but three — have urged upon us the need to improve and strengthen our relations with Western Europe, and above all with France and West Germany, using every means at our disposal. Of course the wise men are right.

But the question is why, given that a major part of this country's diplomatic efforts has been devoted precisely to this cause, do the headlines so often suggest the opposite? And the headlines I mean are not in *The Independent* or the *Financial Times* but in *Le Monde* and the *Frankfurter Allgemeine Zeitung*. Even when the British headlines are largely positive, as after the recent Franco-British summit, the continental ones are generally not. "*Entente cordiale offsets Bonn deal*," trumpeted the *Sunday Telegraph*; but *Le Monde* saw only "*maigre résultats*". Why must British officials so constantly protest that relations with France or West Germany are "better than they seem"?

Plainly, the answers to this riddle do not all lie in Britain. There are mores in French and German eyes: inherited prejudices, comfortable scapegoating and a failure to see that Mrs Thatcher's position on reform of the Common Agricultural Policy (CAP) really is in the best long-term interest of the European Community. But what about the beams in our own? There are, it seems to me, three illusions that persistently hamper British efforts to transform the quality of our political, economic and security ties with Western Europe in general, and France and West Germany in particular.

The first illusion is that we have a Special Relationship with the United States. Let it be plainly stated: *the United Kingdom does not have a Special Relationship with the United States*. A year spent in Washington has only reinforced my conviction that this is so. Of course the English, and for that matter the Scots, the Welsh and the Irish, have a very special relationship (lower case) with the American people. The cultural and social ties are patently unique: look at the staff list of any major American university; open any issue of the *New York Review of Books*; step into an episcopalian church in Georgetown and hear Anglican

Timothy Garton Ash examines three illusions which haunt and hamper Britain's foreign policy

Matins delivered exactly as in Knightsbridge or Woking, saving only the prayer for "Ronald, Our President" instead of "Elizabeth, Our Queen"! But it does not at all follow that (except in times of extreme peril) there is a Special Relationship between the two states — such as now exists between the French Republic and the Federal Republic of Germany. And there's the rub.

It is a real question whether the Anglo-American Special Relationship ever existed, after 1945. (One splendid cartoon in the "Vicky" exhibition at the National Portrait Gallery shows Kennedy wooing De

Gaulle and Adenauer, drawn as the ugly sisters, while Cinderella Macmillan sighs "... but in the story I have a Special Relationship with Prince Charming.") Certainly it does not exist today. Oh yes, there was the diplomatic and military intelligence help during the Falklands War: step forward, Sir Cap Weinberger. Yes, there were little *douceurs* like keeping whisky off the list of potential trade reprisals against the EC. Yes, there are the nuclear and intelligence ties. But can anyone seriously maintain that these are of fundamental importance to the long-term national interests of Britain, or that, *mutatis mutandis*, the United States would not offer comparable inducements to West Germany?

The United States has a Special Relationship with the whole of Western Europe. It is called the Western Alliance. In Washington everyone talks about "the Europeans": no distinction is made between us and the rest. If distinctions are made, then West Germany, because of its economic might and its front-line position, is rightly considered the most important ally. I have heard this explicitly stated by senior Americans at many American-German meetings. Sir John Nott, who should know from the inside, wrote last year that "in reality, West Germany, in economic, political and military terms, has been more important to the US than Great Britain".

So whom do we think we are kidding? As Helmut Schmidt has acidly remarked, the Special Relationship is so special that only



Vicky's cartoon from December 1962: the Special Relationship continues to be invoked

one side understands it. There is precious little "special" to be lost through any putative closer European ties; and anyway we are unlikely to lose what little "special" there is. All the evidence is that in present circumstances Washington would welcome closer Franco-British or Anglo-German ties, as indeed it has welcomed the symbolic gesture of the Franco-German joint brigade — while *Pravda* denounced it.

The second illusion is that there is a role of "European leadership" just waiting to be seized — if only Mrs Thatcher would. Generally those who harbour this illusion are less likely to believe in the Special Relationship, and vice versa, but the two are not mutually exclusive: for both are ultimately rooted in the same mild overestimation of Britain's importance in the world. Now there plainly was a time, in the early 1950s, when the role of "European leadership" was on offer to Britain. Adenauer and the Americans urged it upon Churchill. But that boat was missed. Today, a quarter-century after the Elysée treaty between Vicky's ugly sisters, virtually all politically informed Germans, Frenchmen and, what is more, most informed Americans, would agree that the leadership task, in the European Community at least, falls in the first place to the French and Germans.

This can change, particularly if security policy becomes a major field of European integration — for here Britain is more important than past habits and her GNP would otherwise suggest. But it is an illu-

sion to believe that it will change fast: that Anglo-German or Franco-British relations can rapidly acquire the political weight, bureaucratic intimacy and, not least, sheer mutual advantage of the Franco-German marriage; or that a Franco-German-British "triangle" of European leadership can be achieved merely by the lady changing her tune. Given Mrs Thatcher's unique longevity and standing among Western leaders, the flabbiness of Chancellor Kohl (with coalition cacophony behind him), and French "cohabitation" now followed by elections, the moment is propitious for British initiatives. But there is a vast amount of ground still to be made up; of old habits, vested interests and ill will to be overcome. At least once in recent years (for example over European co-operation in 1985) Britain has taken a major initiative only to find it virtually hijacked by the Franco-German consortium. We have then been miffed. But we must expect a deal more of that — of virtue not getting its just reward — before Britain finally takes the place she should in the counsels of Europe.

The third illusion is that rhetoric and symbolic politics basically do not matter. Kohl may waffle on about "European Union"; he and Mitterrand may go holding hands over the graves of Verdun, or getting up fancy joint brigades; we just roll up our sleeves and get on with the real business in hand. Facts is what we want, hard facts (quoit Mrs Gradgrind) — that is the British way. Well, for a start, it is not. Few nations are more given to, or better at, rhetoric and symbolism: witness the pomp and circumstance of our relations with the Commonwealth or the United States.

Walter Bagehot distinguished between the "dignified" and the "efficient" parts of our constitutional life, but he never suggested that the "dignified" part was unimportant. So also with our international relations. Anyone who knows anything about European history must be genuinely stirred by the sight of, say, French and German soldiers parading together: now to the "Marseillaise", now to the "Deutschlandlied". That matters. If our European ties are to be thickened, then the symbolic politics will be very important indeed. (There is a major job for royalty here.) For it is through these symbolic politics, as much as through "real business", that elite attitudes and popular images will be slowly transformed on both sides of the Channel.

Of course the three illusions are somewhat different in kind, and presented here in almost parodic brevity. On external evidence, Mrs Thatcher would appear to have a large dose of the first, a dash of the second and a *soupcou* of the third. Yet it would be quite wrong to suggest that the beams are in her eye alone. Many in Whitehall, Westminster and the media — why, even some *Independent* readers — will harbour at least traces of one or another. Together, these illusions haunt and hinder the whole political nation.

Army to march in style with 'Rolls-Royce' boot

By Michael Evans
Defence Correspondent

A new army boot which will add millions of pounds to the hard-pressed Ministry of Defence equipment budget was described yesterday as the "Rolls-Royce" of footwear. According to sources, it is guaranteed to resolve the longest-running cause for complaint by the squaddie in the history of the British Army.

The new superboot has been included in the ministry's current long-term estimates, but the extra £4 million that will have to be found next year from the defence budget has still to be approved.

The army boot, which has enjoyed a chequered history unmatched by any other piece of kit, is now being given

priority treatment after years of complaints and sore feet. The new boot will be double the price and will come with a special sock guaranteed to keep out the wet. One senior army officer closely associated with the saga described the latest model as "at the top end of technology", made with advanced supple leather which has benefited from a new tanning process. "It's a Rolls-Royce boot," he said.

The new boot is being tested by a handful of lucky soldiers around the country and in West Germany. "They all say they're miraculous," said the officer.

But for every £1 increase in the cost of the boot, an extra £250,000 is added to the Army's clothing vote. The new Mark II boot, with its "moisture vapour permeable" sock (allowing the

foot to breathe), will cost £30 a pair (at least £100 on the open market), compared with the present £15 a pair.

Every soldier is supposed to have two pairs of boots but because of the cost problems, a compromise has been agreed. The new boots will be kept strictly for combat duties. For marching around the barracks, the soldiers will wear the existing "Boot Combat High".

Soldiers' complaints about boots have been a tradition. The old "ammunition boot" with leather sole and studs was replaced by a more flexible model with a "durably moulded sole" and separate ankle support (puttees) to provide better waterproofing. But this was cumbersome and unpopular. So in the early 1980s the Ministry of Defence's Stores

and Clothing Research and Development Establishment came up with the Boot Combat High, an all-in-one version, giving proper support to the ankle.

However, trials were cut short when the Falklands War broke out in 1982. The new boots were rushed down to the South Atlantic and within weeks there were more complaints. The soles came away and mechanics discovered that the boots were not petrol-resistant.

A redesigned Improved Boot Combat High was developed and tested. This is the version which the soldiers will use for everyday barracks wear. The new Mark II, with a composite sole, high-quality leather and stitching and padding, will be distributed when the stocks of old boots run out.

Argentina blocked over loan from IMF

BY TIM COONE IN BUENOS AIRES

THE ARGENTINIAN team negotiating with the International Monetary Fund returned to Buenos Aires at the weekend, still without agreement on the release of the third \$225m (£125m) tranche of a standby loan.

The team, headed by Mr Jose Luis Machinea, president of Argentina's Central Bank, has been in Washington for the past week discussing monetary and fiscal targets for 1988 with IMF officials.

Urgent meetings were taking place over the weekend between the negotiating team and Mr Juan Sourouille, Economy Minister, and Mr Mario Brodersohn, Finance Secretary, to see how further adjustments could be made.

The proposals which Mr Machinea took to Washington last week included a reduction in the fiscal deficit to 2.2 per cent of GDP, down from over 6 per cent in 1987, but which has apparently not satisfied or convinced IMF officials.

Two areas reportedly continuing to create conflict are the education and defence budgets, both of which are sensitive

political areas in Argentina, and in which the IMF is apparently demanding further cuts.

Defence spending this year has been targeted at 2.5 per cent of GDP, a fraction up on 1987, but substantially down on the 7.7 per cent of GDP at which it stood in 1985.

On Friday, military chiefs of staff again emphasised to President Raul Alfonsin the need for more funds.

The standstill in the IMF negotiations comes just one week before the Government is scheduled to pay out some \$350m in principal and interest payments on its dollar-denominated Bonex bonds, and for which the government was hoping to have in hand the IMF standby tranche and a further \$541mn from its commercial creditor banks, disbursement of which is conditional on the IMF agreeing to release its funds.

If the Government is obliged to pay the Bonex bonds out of reserves, it is expected that any further scheduled debt service payments to creditors will be suspended until agreement is reached with the IMF, due to the critical state of Argentina's foreign exchange reserves.

Stamford Mercury
5 February 1988

Jeff joins Red Arrows

Falklands veteran Jeff Glover has joined the world's top aerobatics team, the Red Arrows.

The 33-year-old squadron leader, who was based at RAF Wittering until last year, started his three-year assignment this week.

He was the only Briton to be taken prisoner by the Argentinians after his Harrier was shot down over the South Atlantic in May 1982.

In recent months, Jeff has been the officer commanding of the Advance Squadron Examining Wing of the Central Flying School at RAF Scampton.

The Red Arrows team is led by Squadron Leader Tim Miller, who used to live at Barrowden.

Another local pilot, Flt Lieut Dom Riley, whose grandparents live in Roman Bank, Stamford, joined the squad last month.

Fishing News 5 February 1988

'NO' TO BIGGER- MESH SIZE — SFF chief

WILLIE Hay, president of the Scottish Fishermen's Federation, has confirmed the Federation's strong stance against any further increases in minimum mesh size.

Referring to the recent approach to the ministry by the Federation of British Port Wholesale Fish Merchants, calling for an increase in the minimum to 125mm. (*Fishing News*, January 29), Mr. Hay told *Fishing News* that it is "beyond belief that we have a

lobby of English processors, supported by some Scottish processors, calling for an across the board increase of this size."

This had taken place without any discussion or consultation with the catchers whatsoever, and after the catchers had recently undertaken lengthy discussions with the EEC to finalise the present arrangements, which will result in an increase to 90mm. from January next year.

Mr. Hay said the merchants had given no thought

to the different types of fishing carried on in different areas. "Are we going to have 125mm. meshes in the North Sea, the Irish Sea, the Baltic, the Bay of Biscay, everywhere, and for all species?"

"I'm sure there'll be a lot of fishermen in England and Ireland who'll have a struggle to catch any fish at all with a mesh this size. It's only last year that there was a call for a reduction of the minimum to 70mm. for North Sea sole."

He said that it had been put to him in Brussels that a line should be drawn across

the middle of the North Sea and an 85/90mm. mesh used north of the line and 125mm. south of it.

"I would be quite happy for the mesh to be kept to 85/90mm. north of a line like that, but as soon as these things get into the hands of Brussels and the bureaucrats it means dead trouble for the industry," he warned.

"The Federation has made its position absolutely clear on minimum mesh sizes and there is no way we are going to support the call for an increase being made by the merchants."

Alfonsin picks presidential candidate

ARGENTINE President Raul Alfonsin has chosen a veteran conservative politician to be the presidential candidate of his ruling Radical Party in next year's elections, **Reuter reports from Buenos Aires.**

President Alfonsin offered the candidacy to Mr Eduardo Angeloz, 57-year-old governor of Cordoba province, during a meeting between the two at Alfonsin's residence on Wednesday night.

"In the face of this proposal from Alfonsin, I responded categorically yes, that I accepted the challenge," Mr Angeloz told

a local radio programme.

Radical leaders had tipped Mr Angeloz as the likely candidate after he won re-election as Cordoba governor in elections last year despite a nationwide tide of support for the labour-based Peronist opposition party.

"He is the natural choice. The president has chosen the only figure in sight who would make a viable candidate," said Mr Cesar Jaroslavsky, leader of the Radical bloc in Congress.

President Alfonsin is constitutionally barred from seeking re-election.

The burly, bespectacled Ange-

loz leads the party's centre-right "Cordoba Line", a faction concentrated in that province in the geographic heart of the country.

He has often clashed with left-wing Radical leaders by calling for fewer restrictions on foreign investment. He has sought to attract big-name multinationals to his province through tax breaks and generous credit terms.

He irked many party leaders by pushing for approval of Japanese carmaker Honda's request to set up a factory in

Cordoba in 1985, a request which the Buenos Aires government finally approved last year.

He was elected governor on Alfonsin's coattails in 1983 when the country's voters went to the polls for the first time after nearly eight years of tough military rule.

His Peronist opponent in 1989 will probably be Buenos Aires province Governor Antonio Cafiero, a charismatic former economy minister who worked with three-time president and party founder Juan Peron.

Press Cuttings

- 5 FEB 1988

from Broad Street Associates **THE GUARDIAN**

Alfonsin's choice

PRESIDENT Raul Alfonsin of Argentina has chosen a veteran conservative politician to be the presidential candidate of his ruling Radical Party in next year's elections. He offered the candidacy to Mr Eduardo Angeloz. — Reuter.

IT WAS THE night of a thousand stars on Ascension Island and high up on one of the volcanic hills a bright lights disco was in full swing but down below on a quiet South Atlantic beach something far more important was going on . . . the giant green turtles were reproducing under safe cover of darkness.

It seemed incongruous that while the Bee Gees latest fun hit thumped out quite clearly, the turtles were making their essential exhausting egg-laying trip from ocean to land, heaving themselves from the waves to their soft sand sanctuary.

OC Personnel Management Flight, Flt Lt Kathy Hesling, and I peered through the gloom in wonder and pondered if we might get some photos as the mega turtles crawled back out to the water.

Ascension is very much a place of contrasts. Take these as examples — it is a delight for anyone in the RAF who has a passion for nature and the gentler side of life, but it is also the busy and vital staging post for RAF and Army personnel going to and from the Falklands. Most of the island is like a giant volcanic ashtray but amongst the cinder cones stands Green Mountain with its bananas, wild strawberries, eucalyptus and trees.

Brilliant sunshine

Off-duty hours in the brilliant sunshine are an absolute pleasure but RAF Ascension Island's 160 personnel never forget the station's all-important role: support for the RAF TriStars and Hercules which land at Wideawake Airfield. Work is constant to ensure that TriStar trips South on Tuesdays and Fridays and those homeward-bound on Wednesdays and Saturdays run smoothly.

On those days the airhead at Ascension is, as one would expect, a place of intense activity and RAF News was able to see the station at full stretch and also during the build-up for the next arrival of the "big white gosome bird".

The station's badge motto pretty well sums up its reason for being there: "support across the sea". Ascension, a tiny island only seven miles by five is important because of its position just south of the Equator, almost exactly at the halfway point on the 8,000 mile journey from UK to the Falklands.

The OC Wg Cdr Dick Parsley, is actually known as the "CB" because his full title is "Commander British Forces Ascension Island". His staff mostly do six month unaccompanied tours which can be a strain for them, but others come to the end of their tour and want to extend.

Wg Cdr Parsley said: "To combat any problems of separation, leisure, sporting, and social activities have to be very much in evidence so that people don't have time to mope and I have to say that the community spirit here is very good."

It is unusual for a Wing Commander Navigator to get his own command and the CB said of his job: "I thoroughly enjoy the task. Ascension is the right size to get to know everyone and get them motivated. It's not as claustrophobic as you might imagine, and we try and contribute to the Ascension community as a whole."

He added: "Everybody on Ascension is here for a purpose. Nobody is carried on the island and we have to tell people this who want to come and visit."

The Wing Commander has the usual three squadrons, Ops, Engineering and Admin, to carry out the work and RAF News dropped in at all three to find out about the work and how people felt about being on Ascension.

First of all though we dropped in to the Forces Post Office on a TriStar day shortly after the initial excitement had died down. TriStar days are red letter days for Ascension personnel and "bluey" writing is, not surprisingly, avidly done as a way of life.

We were told by the staff at the Post Office that over Christmas they dealt with over 40 bags of airmail which is double the normal amount.

Another particularly busy place turned out to be the Mechanical Transport section. MT Controller, Cpl Bob McLeod, said that something like 100,000 miles a year were done by the station's 12 Land-Rovers and 13 Sherpa vans and because of the tough volcanic terrain, regular servicing was a must. Tyres wear out in a matter of weeks.

After spotting a sign which said: "Do not walk on the Klinka" we kept to the paths and dropped in on the "sharp" end of the operation. In the Movements Flight office WO Jim MacKintosh said there were not a lot of hours left in the week for the 44 man team. Responsible for the handling of all TriStar aircraft which go through Ascension plus their contents kept them on their toes, and they were also the people who dealt with flight bookings for military personnel and civil organisations on the island. That very morning they had to swing into extra action when the TriStar had to carry extra fuel which meant some low priority cargo had to be removed and put on one side for the next flight.

Job satisfaction

At Ascension's Engineering Flight we talked to WO Peter Barden who has a staff of 24 to do this vital work. The Transit Aircraft Servicing Section make sure that oil and other lubricants are on tap for the long-haul aircraft and the General Engineering Section are responsible for servicing the support equipment.

In Ops control there was a chance to speak to Sgt Clive Shew who, after the normal six month tour had gone back home and then volunteered to come back for a further tour.

"I came back because I enjoy the work, there is job satisfaction, and it's a nice place to be stationed. There is a really good working atmosphere which is hard to beat," he said.

OC of the station's Supply Flight, Flt Lt Alison Macmaster agreed with that view. The Flt Lt was one of only three women officers on Ascension when we visited and would shortly become the only one. Her view of the island posting? "The work is very pleasant and morale

here is very good." Her Flight's work is of utmost importance — with the supply of aviation fuel at the top of the list.

At In-flight Catering Sgt Mark Naylor said that his small team sorts out some 2,500 TriStar meals a month and the number fluctuates for the Hercules runs.

RAF personnel on the island live in "basha" accommodation at "Travellers Hill", and their three messes have a low-roofed pagoda-style to them which seems to fit in perfectly with the Ascension landscape. Outside the Officers' Mess, "loggia" terraces covered in bougainvillea provide a perfect viewing point for the ocean.

Meals at each of the messes are varied and of good quality, and we homed in on the Sergeants and Junior Ranks Messes where Flt Sgt Fred Green, who is responsible for food in both, said that fresh food comes in twice a week and a 30 day menu cycle is operated so that choice is wide. "Naturally food is one of the most important morale boosters when a group of people are living on an island. It's a real make or break thing and we do have a captive audience so things have got to be right," he said.

High activity level

Servicemen and women at Ascension burn off any excess calories by taking advantage of the station's gym with its squash courts and taking part in inter-unit competitions. Strong currents make swimming at most of the islands' beaches unsafe but there are a few such as the inappropriately-named Comfortless Cove, where staff can enjoy the warm water, and the station also boasts a swimming pool edged by palm trees.

Walking is a popular off-duty pastime and Ascension's Physical Training Instructor, Sgt Les Hammond, who is a mine of energy himself, was keen to tell us about the island's "Letterbox Walks". There are 14 of them which take hikers up and around cinder peaks which afford tremendous views across the island. Once at the summit a "letterbox" can be found which contains a stamp and ink pad which enables walkers to record their achievement in a special booklet.

Les told the News: "Normally a station of this size would not have these great facilities but as everyone here is "captive" they tend to turn to the gym as a focal point. Activity level here is far higher per person than at a normal unit." He added that as so many people get out and about walking they have a 15 man hill rescue team ready to go into action. "The biggest problem we have here is the strong sun. Most people are not aware that the temperature can change rapidly and that it can get them into trouble."

At the station's Medical Centre SMO, Flt Lt David Farmer was holding his daily surgery. He estimates his daily patient quota to be six and the main medical problems he deals with are — yes, you've guessed — sports injuries.

As RAF News boarded the TriStar for home, service personnel (and, no doubt, the doctor) were preparing for the quarterly "Dewpond Run" which normally has around 200 participants who chase up Green Mountain and have to dip their hands in the "dewpond" to complete the course. It's THE event on the island and is only surpassed by the TriStars arriving. We wished good luck to one and all!

ASCENSION HAS heavy cannons all over the place, reminders of Napoleon and the early 19th century, but this one is really weighing on the minds of the Movements Flight.

It was found in the compound at the back of the Movements HQ and the new OC, Flt Lt Alan Ashtforth-Smith, is determined to find out more about it before it is cleaned up and mounted outside the Ascension air terminal building at Wideawake.

"No-one seems to know how long it's been outside here or where it came from and we would dearly like to discover its history before we clean it up ready for display. If anyone knows anything about it can they please contact me at Movements Flight, British Forces Ascension Island, BFPO 677," he said.

It was in 1815, when Napoleon was imprisoned on St Helena, that the British claimed the island in the name of George the Third as there were fears the French might use it as a base from which to attempt to rescue him. The island is full of history and its main town — Georgetown — has several buildings dating from the time of early British military occupation.

RESCUE ROUNDUP . . .

RESCUE 1

IT TOOK RAF wing power and expertise to rescue a member of the British Antarctic Survey when he fell from a snow skidoo and suffered serious fractures to the right side of his face.

Mr Peter Rowe, 25, was suc-

cessfully picked up by a Falkland Islands-based Hercules from 1312 Flight which had flown 600 miles from Mount Pleasant on a mercy mission which was tactically difficult.

When the emergency call came in the Hercules crew had to carefully consider whether the aircraft would be able to land on a primitive dirt airstrip on St Georges Island Antarctica — but it was finally decided to make the difficult rescue bid.

Captain of the Hercules, Renny Manclark said: "Before

1200 mile trip."

The Hercules took off from Mount Pleasant at breakfast-time on January 8 with a medical team aboard consisting of Capt. Julian Smith RAMC and Cpl Nick Brough as Flying Officer Attendant. The aircraft landed back on the Falklands some five hours later. Mr Rowe was case-vacced home aboard an RAF TriStar the following day accompanied by two medical escorts, Cpl Brought and SAC Patrick Stevenson.

On arrival in the UK, Mr Rowe, who had been with the British Antarctic Survey for a year before the accident, was transported to the RAF hospital at Ely where he was met by Wg Cdr Tim Negus a facial bone specialist.

Chief of the Mount Pleasant Medical Centre, Falkland Islands, Wg Cdr John Jones, said that Mr Rowe would probably have to undergo surgery but it was thought he would not be disfigured by his injuries.

we took off we had to do tactical procedure checks to make sure we could land on the runway as it was only 3,970 feet long — but there were no problems when we got there. It was a successful

RESCUE 2

A SOLDIER, badly injured when he plummeted 200 feet down a rocky crag on the Atlantic island of South Georgia was airlifted to safety by a Search and Rescue helicopter from 78 Squadron based in the Falklands.

As the 800 mile distance from the Falklands to South Georgia was so great, the Sea King crew flew out from Mount Pleasant and landed on the Royal Fleet Auxiliary ship Blue Rover which sailed the helicopter within flying range of the remote island.

The crew arrived on the island in the early morning of January 14 where they tackled the job of picking up Rifleman Barry Grover, 23, of 3 Royal Green Jackets who, it is understood had suffered fractures to his skull and parts of his spine and also deep cuts to his face and lacerations to the body after falling hundreds of feet while on King Edward Point.

The Sea King then re-joined Blue Rover in the South Atlantic

and was shipped back within flying distance of the Falklands. It then flew the injured soldier to hospital in Stanley for emergency treatment and probable acromed to the UK.

Sea King winchman Sgt Mike Holman said of the job: "We understand Barry had fallen 50 feet onto his head and then a further 150-200 feet before coming to rest. The guy was very very lucky to be alive."



Daily Telegraph
Peterbrough Column
5.2.88

Holiday reminder

THAT specialist niche in the travel market, the visiting of old battlefields, is widening.

Among new itineraries announced this week is Disaster In The Far East. ("The title does not in any way refer to the state of the tour," promises the firm.) These romps might be thought to be the province of the ghoulish eccentric but the organisers, Battlefield Tours, tell me that, apart from the obvious interest to historians,

relatives of old soldiers are frequent visitors, the most popular tour of all being that of 1914-18 War battlefields.

"There will be 33 on the first tour in March to the Far East, none of them veterans of the campaign. There's a nine-year-old girl and an 80-year-old lady who wants to see her brother's grave in Singapore," says general manager Lt-Col Mike Martin, an ex-Royal Hampshire. All the staff of the firm, founded by Major Tonie Holt and his wife Valmai 12 years ago, are ex-Army and Navy.

The stomachs of future clients need to be strong: Burma and Building the Death Railway is the title of the next tour.

Party rates

THERE HAS been a happy ending to the dilemma that confronted David Steel at his favourite Westminster restaurant, L'Amico, during the party's recent policy document crisis.

Leaving after a particularly fraught late dinner, Steel was discreetly handed an unpaid bill for a meal enjoyed in friendlier times with his former colleague David Owen. Putting it quickly away, Steel promised to do something about it. Several weeks later, when the manager had still not received payment, he received a surprise letter from David Owen, who had heard about the bill, and generously settled it for both of them.

Embarrassing encounters are now on the menu at L'Amico. It has become the chief meeting place for Steel and his aides, but Dr Owen and his followers refuse to desert the restaurant — a former favourite haunt of the Gang of Four and famed in political history as the birthplace of the SDP.

Daily Telegraph
5.2.88

Bid to buy records of Scott trip

By John Shaw

POLAR EXPERTS in Cambridge are raising funds to buy specialist records of Capt Scott's tragic final expedition to the South Pole.

They were compiled by Sir Charles Wright, meteorologist in the party which discovered Scott's tent and broke the news that he and his companions had died, while returning from the Pole.

His records, covering the whole of Scott's second expedition to the Antarctic from 1910-13, were passed to his daughter Miss Patricia Wright who runs an art gallery near Vancouver, British Columbia, Canada.

She deposited them at the Institute and has now offered to sell the papers to it, but the £15,000 required must be raised by the summer. Two years ago it spent £75,000 acquiring the Bowers Papers.

Mr Robert Headland, the curator, said: "We are getting them at a very good price. This is a friendly deal rather than a commercial one. These papers are very important for the purpose of research."

About £4,000 has been raised so far and the Institute also has a promise of a national grant if it can raise a further £4,000. The Institute was founded as a memorial to Scott and his companions in 1920 but it is now part of the University.

Falklands warning

Buenos Aires (Reuter) -- Argentina gave a warning yesterday that new Falklands fishing permits granted by Britain could increase tension around the South Atlantic islands.

The Foreign Ministry said here that new permits "conspire against initiatives to achieve calm in the zone". The statement follows local reports that Britain has granted rights within the 150-mile conservation zone installed in October 1986. Britain's arbitrary actions were in contradiction with Argentina's open position to talks on the future of the disputed islands, it said.

Argentine reserves 'dwindling'

By Tim Coone in Buenos Aires

ARGENTINA'S foreign exchange reserves have reached a "critical" point, said a senior central bank official.

He said yesterday that Argentina had held up debt interest payments to a number of important creditors to conserve readily available reserves unofficially estimated at less than \$500m or worth approximately one month of imports.

Bankers in New York confirmed that Argentina had delayed interest payments due since December to at least two US banks.

On February 15 the central bank has to honour payments on the 1982 series of its widely-circulating dollar-denominated bonds, or Bonex. There are \$1.875bn worth of these bonds in circulation in Argentina and abroad and the partial amortisation, together with a six-monthly interest payment, will consume around \$350m of reserves. The central bank official said "the Bonex will be paid without a doubt".

It is expected that Mr Juan Sourouille, the Argentine Economy Minister, will join Mr Jose Machinea, the central bank president, in Washington this week to help in difficult negotiations with the International Monetary Fund.

The third of six tranches of a SDR1.1bn standby loan has been held up by the IMF because of the Argentine Government's failure to meet macro-economic targets during the last quarter of 1987, particularly regarding fiscal deficit and exchange rate policy.

Payment of the third tranche of the standby loan, worth \$225m, will also release some \$541m in finance from Argentina's private creditor banks, as part of a \$1.95bn refinancing.

Government officials remain optimistic that the negotiations in Washington will succeed but there is concern over external financing needs for the rest of the year.

Falklands heroes boast 'trapped soccer hooligan'

By Quentin Cowdry

A FOOTBALL HOOLIGAN boasted on American television that the notorious West Ham gang dubbed the "Inter-City Firm" were keeping up a British tradition of fighting wars and would be heroes in the Falklands, a court was told yesterday.

Sergeant who beat recruits is jailed

AN ARMY sergeant was jailed for four months yesterday after being found guilty of 10 charges involving bullying new recruits.

Sgt Brian Thomas, 29, of the Royal Regiment of Wales, was also dismissed the service.

He had originally faced 18 charges.

During the six-day court martial at Tern Hill Army barracks, Shropshire, the other charges were dismissed, including one that he had used recruits as a "human xylophone".

He was also cleared yesterday of urinating on a young recruit but was found guilty of beating recruits on the buttocks with a baseball bat and putting shampoo and shaving foam into the mouth of one.

He was also convicted of striking recruits with a broom handle, his hand and his fist, and of striking two recruits with a baseball bat while their heads were in rubbish bins.

The offences happened between January and May 1986, when Thomas was a training corporal at the Prince of Wales's Division depot at Lichfield, Staffs.

The formal finding of the court martial was that he should serve 120 days' imprisonment, be reduced to the ranks and dismissed the service. The findings are subject to confirmation.

The gang unleashed a seven-year reign of terror in and around soccer grounds across the country, said Mr Vivian Robinson, QC, prosecuting.

In sorties planned up to six months earlier, they launched attacks on police and rival fans using knives, bars and bottles.

Before going on the rampage they distributed their own match programmes and afterwards left visiting cards. One said: "Surprise, surprise. You've seen the programme—now see the stars."

Police arrested the leaders after a four-month undercover operation, Mr Robinson told Snaresbrook Crown Court.

In the home of Cass Pennant, 29, they found a video of an interview with the American network CBS, which was investigating British hooliganism.

Speaking on the video, which was shown to the court, Pennant said he felt "like Rambo" when he went to matches.

"If we were doing all this in the Falklands they would love it. It's part of our heritage. The British have always been fighting wars."

He said "the firm" had exported its violence by travelling to watch the England team play abroad. "We just ain't fighting British policemen—we're fighting paramilitary police."

Pennant is one of 11 men charged with conspiring to fight and make affrays between Jan 1, 1980, and Jan 21, 1987. All plead not guilty.

"The firm" earned its nickname by travelling to matches on Inter-City trains in search of bloody confrontations with their "enemies", said Mr Robinson.

A typical example of their handiwork came in October 1986, when seven of the defendants masterminded a near riot outside the Chelsea ground.

The trial was adjourned until today.

The accused are: Ted Bugby, 37, Rockwell Road, Dagenham; Harvey Catling, 24, Sakins Croft, Harlow, Essex; Danny Daly, 25, Arbour Square, Stepney; Peter Dickey, 22, Jocelyns, Harlow; Paul Dorsett, 29, Kildare Road, Canning Town, London; Bill Gardner, 34, Reeve Road, Reigate, Surrey; Derek Legg, 23, Fullers Mead, Harlow; Cass Pennant, 29, Amhurst Road, Hackney; Kevin Shroder, 27, Holgate, Basildon; Martin Sturges, 22, Jocelyns, Harlow; Andrew Swallow, 27, Teviot Street, Limehouse.

Grand Met to sell 700 pubs

GRAND Metropolitan is to weed out its less successful pubs and expects to raise £150m by selling 700 of its 4,500 tenanted houses.

Those to be sold handle only 5 p.c. of the beer sold in its tied estate and will probably be offered in three geographical lots—in East Anglia, the South-West and the Midlands.

It opened speculation that Wolverhampton & Dudley or Courage could be among those in the market in the Midlands, with Devenish or Buckley's tempted in the South-West, and any number of possible buyers in fast-growing East Anglia.

"Talks with several brewing and leisure companies are at an

advanced stage," said Allen Sheppard, chairman and chief executive.

"The 1990s will be tough, competitive years and to be a winner, a brewer will need excellent pubs and strong brands, as well as being cost-efficient," he said.

Grand Met brewing intends to be leaner and fitter to make bigger profits for future investment and acquisitions.

The move comes as the Monopolies and Mergers Commission pursues an inquiry which is expected to result in proposals to loosen the "tie" so that big brewers will face more competition from free-trade pubs.



Crew members on the after deck of the North Sea Ferries vessel *Norland* in Hull, where the company's sailings have been halved by the seamen's strike in support of the 161 men sacked by the Isle of Man Steam Packet Company

Falklands heroes boast 'trapped soccer hooligan'

By Quentin Cowdry

A FOOTBALL HOOLIGAN boasted on American television that the notorious West Ham gang dubbed the "Inter-City Firm" were keeping up a British tradition of fighting wars and would be heroes in the Falklands, a court was told yesterday.

The gang unleashed a seven-year reign of terror in and around soccer grounds across the country, said Mr Vivian Robinson, QC, prosecuting.

In sorties planned up to six months earlier, they launched attacks on police and rival fans using knives, bars and bottles.

Before going on the rampage they distributed their own match programmes and afterwards left visiting cards. One said: "Surprise, surprise. You've seen the programme—now see the stars."

Police arrested the leaders after a four-month undercover operation, Mr Robinson told Snaresbrook Crown Court.

In the home of Cass Pennant, 29, they found a video of an interview with the American network CBS, which was investigating British hooliganism.

Speaking on the video, which was shown to the court, Pennant said he felt "like Rambo" when he went to matches.

"If we were doing all this in the Falklands they would love it. It's part of our heritage. The British have always been fighting wars."

He said "the firm" had exported its violence by travelling to watch the England team play abroad. "We just ain't fighting British policemen—we're fighting paramilitary police."

Pennant is one of 11 men charged with conspiring to fight and make affrays between Jan 1, 1980, and Jan 21, 1987. All plead not guilty.

"The firm" earned its nickname by travelling to matches on Inter-City trains in search of bloody confrontations with their "enemies", said Mr Robinson.

A typical example of their handiwork came in October 1986, when seven of the defendants masterminded a near riot outside the Chelsea ground.

The trial was adjourned until today.

Caps without the Sir

■The award of an honorary knighthood to Caspar Weinberger, the former US Defence Secretary, is clearly in appreciation of his help to Britain in the Falklands War.

Weinberger was generally regarded as a hawk in matters military, though in conversation he can be an exceptionally mild man. He is an Anglophile who made frequent visits to London, sometimes in a purely private capacity.

On the Falklands his help came in providing the logistical support without which the British recapture of the Islands would never have been possible. There was no way in which British forces could have reached the South Atlantic so quickly without the use of US basing facilities in Ascension.

Weinberger never claimed credit in public, and indeed was not given much in Britain at the time where the exercise was presented as largely a British triumph. He has been rewarded now.

Weinberger

astonished by knighthood honour

By Michael Evans
Defence Correspondent

The former US Defence Secretary, Mr Caspar Weinberger, said he was "astonished and delighted" yesterday after the announcement that the Queen is to present him with an honorary knighthood for his "services to British interests".

The rare honour for Mr Weinberger, who retired in November after seven years in his post, was in recognition of his "outstanding and invaluable contribution to the defence co-operation of Britain and the US", the Foreign Office said.

The award was the personal recommendation of Sir Geoffrey Howe, the Foreign Secretary. Mr Weinberger, aged 70, will visit Britain on February 22 to receive the Honorary Knight Grand Cross in the Civil Division of the Most

Excellent Order of the British Empire (GBE). This is the most senior of the five degrees in the order.

The Foreign Office statement described Mr Weinberger as a staunch friend to Britain "who will be remembered most of all for his unfailing support and assistance during the Falklands War". Mr Weinberger told *The Times* yesterday: "It's a great honour. I'm very pleased, surprised and delighted. I was astonished when I was first told by the ambassador in Washington (Sir Antony Acland).

"I was very glad to be of help during the Falklands War. It could never have been won without the enormous skills and effectiveness of the British forces, but we were able to help with logistical support."

Mr Weinberger resigned last year after

increasing concern over the poor health of his wife, Jane, who now spends most of her time in a wheelchair. He hopes to bring her to London next month for the award ceremony at Buckingham Palace.

Mr Weinberger will not be able to call himself "Sir" because, as a foreigner, he is entitled only to an honorary knighthood. It is believed to be the first time that a former member of an American administration has been given such an honour.

● Labour MPs bitterly criticized the award last night. Mr Denzil Davies, the party's defence spokesman, said: "I thought we had already paid for that (the Falklands debt) when we allowed the Americans to bomb Libya from Britain."

Mr George Foulkes, the shadow Foreign Secretary, said the award "carried sycophancy to extreme lengths".



Mr Weinberger: Unfailing supporter during Falklands.



Knighthood honour for Weinberger amazes MPs

By Andrew Marr
Political Correspondent

THE ANNOUNCEMENT that Caspar Weinberger, the former US Defence Secretary, is to be given an honorary knighthood for helping Britain during the Falklands war, was received with amazement at Westminster.

Conservative and Labour MPs were equally surprised that Mr Weinberger, who retired last November, should receive so public a tribute from Margaret Thatcher.

Denzil Davies, Labour's defence spokesman, said: "I thought the Falklands debt had been repaid when we allowed the Americans to bomb Libya from British bases."

Edward Leigh, Tory MP for Gainsborough and Horncastle, described the knighthood as "extraordinary". He said: "Everybody knows that without private American help it wouldn't have been possible to have won the Falklands war... but I'm surprised it's been publicly acknowledged."

Mr Weinberger is to become an Honorary Knight Grand Cross in the Civil Division of the Order of the British Empire. Confronted with the information, George Foulkes, a Labour front bench spokesman, said: "I don't believe it. Knighting him? Are you kidding me? You are, aren't you? This just seems the most unbelievable, outrageous news."

Mr Weinberger, 70, will be in Britain on 22 and 23 February to receive the award from the Queen.

A Foreign Office spokesman said: "He has been a staunch friend to Britain and will be remembered most of all for his unflinching support and assistance during the Falklands War."

Press Cuttings

from Broad Street Associates *The Daily Telegraph*

Weinberger to be honorary 'Sir' Caspar

By Simon Heffer, Political Staff

MR CASPAR Weinberger, America's former Defence Secretary, has been awarded an honorary knighthood by the Queen for "services to British interests".

He is to become an Honorary Knight Grand Cross of the Order of the British Empire (GBE), the Foreign Office said yesterday.

As he is not a British subject, he will be unable to use the designation "Sir".

Other recipients of honorary knighthoods in recent years have included the violinist Sir Yehudi Menuhin—who took British citizenship subsequent

to the grant of the award—and Mr Bob Geldof.

Mr Weinberger, 70, will receive the insignia of the Order from the Queen when he visits London on Feb 22.

The GBE is the highest of the three knighthoods within the Order of the British Empire.

A Foreign Office spokesman said the honorary knighthood—probably granted following a recommendation from the Prime Minister—reflected the consistent support Mr Weinberger had given to British interests up until he left the Pentagon last November.

"Throughout his seven years as Defence Secretary, Mr Wein-



Mr Caspar Weinberger

berger has been a staunch friend to Britain and will be remembered most for his unfailing support and assistance during the Falklands War," said the spokesman.

Labour MPs last night criticised the award.

Mr Denzil Davies, Labour's Defence spokesman, said: "Clearly it is payment for the debts in the Falklands, although I thought we had already paid for that when we allowed the Americans to bomb Libya from Britain."

Mr Weinberger said last night that he was unaware that there was such an award, but he was "very delighted and totally surprised and tremendously honoured".

He said he was "glad to help" during the Falklands War. "I had a very small role in providing some small logistical support."

Peterborough—P15

Press Cuttings

from Broad Street Associates **THE ~~AND~~ TIMES**

1 FEB 1988

Aid pact

Madrid — Spain and Argentina are to sign an agreement providing economic aid and political support for a democratic Argentina.

Press Cuttings

from Broad Street Associates

FINANCIAL TIMES

1 FEB 1988

SPAIN and Argentina sign a treaty today which will result in \$3bn (£1.7bn) Spanish investment in Argentina over the next four years. Page 2

Spain invests \$3bn in relations with Argentina

BY TOM BURNS IN MADRID

PRESIDENT Raul Alfonsin of Argentina and Prime Minister Felipe Gonzalez of Spain will today sign a treaty of friendship and co-operation in Madrid which will lead to \$3bn's worth of Spanish investments in Argentina over the next four years.

The treaty is the first of its kind between Spain and a Latin American nation and it serves to inject political and economic content into the rhetoric that often surrounds the *hispanidad* concept of privileged relations between the mother country

and its one-time colonies.

For the embattled President Alfonsin, whose trip to Spain was threatened up to the 11th hour by military tensions at home, the treaty and the warm welcome in Madrid over the weekend from Mr Gonzalez and King Juan Carlos came as a satisfying morale and political boost.

A close personal friend of the Spanish premier and a frequent visitor to Madrid, President Alfonsin is arguably the most popular foreign head of state in Spain.

FALKLANDS PLAN FUTURE

THE FUTURE of the Falklands fisheries inside the 150-mile zone is to be the subject of the seminar *Falklands Fishing in the Nineties* to be held at Port Stanley early in March.

Invitations to attend have been sent to vessel operators and others with a stake in the fishery to discuss the future with scientists.

The seminar will be a very international affair, with representatives invited from the Far East to Poland.

A report on the fishery is expected to be issued after the seminar, which will include papers from the area's major operators.

The Falkland Islands government has now issued 74 finfish licences for the coming season and has

introduced a 90 mm minimum mesh size, plus extensive closures of fishing areas to finfish vessels in an effort to avoid squid by-catches.

"Despite a significant interest in the finfishery, the Falkland Islands government has limited the number of finfish licences issued throughout the season on grounds of conservation," it stated late last month.

Some 12-month licences have been provided and the following finfish licences have been granted:

Adapla (Portugal) 1; Anamer (Spain) 20; Aspe (Spain) 4; Baomar (UK) Ltd (UK) 1; Detect Enterprises (UK) 1; Elida Shipping (UK) (Korea) 7; KDSFA (Korea) 4; Odra (Poland) 8; Gryf (Poland) 14; Dalmor (Poland) 7; Seamount (UK) 2; Solander (Japan) 1; SFP Atlantic Fisheries (UK) 1; Hughes Food Group (UK) 2; SWB (UK) 1.

By January 25 eight fishing vessels had collected their licences, seven reefers

were in Berkely Sound and a tanker had arrived, too. The *loligo* squid season opened on February 1.

The Falklands fleet now has a base as the government has paid £2.6 million for the Flexible Intermediate Port and Storage System, which it took over on January 14.

It cost the UK government £29 million to build and provides the Falklands fleet with berthing facilities for vessels of up to 5.5 metre draft, plus warehouse space which can be converted for cold storage. Also, a small engineering workshop may be established there.

— operators meeting scientists

Cliff-hanging start for Antarctic ship

She hit an uncharted underwater cliff while operating in one metre thick ice and suffered minor leaks which have since been repaired.

The report stated that the 140 metre long *Akademik Fedorov* "hit a 120 metre high underwater cliff which was not marked on the charts" while trying to break ice in the Sea of Cosmonauts.

An airlift was organised from the vessel to Molodezhnaya during a two-day halt. Freight was carried by helicopters from the ship to the observatory there.

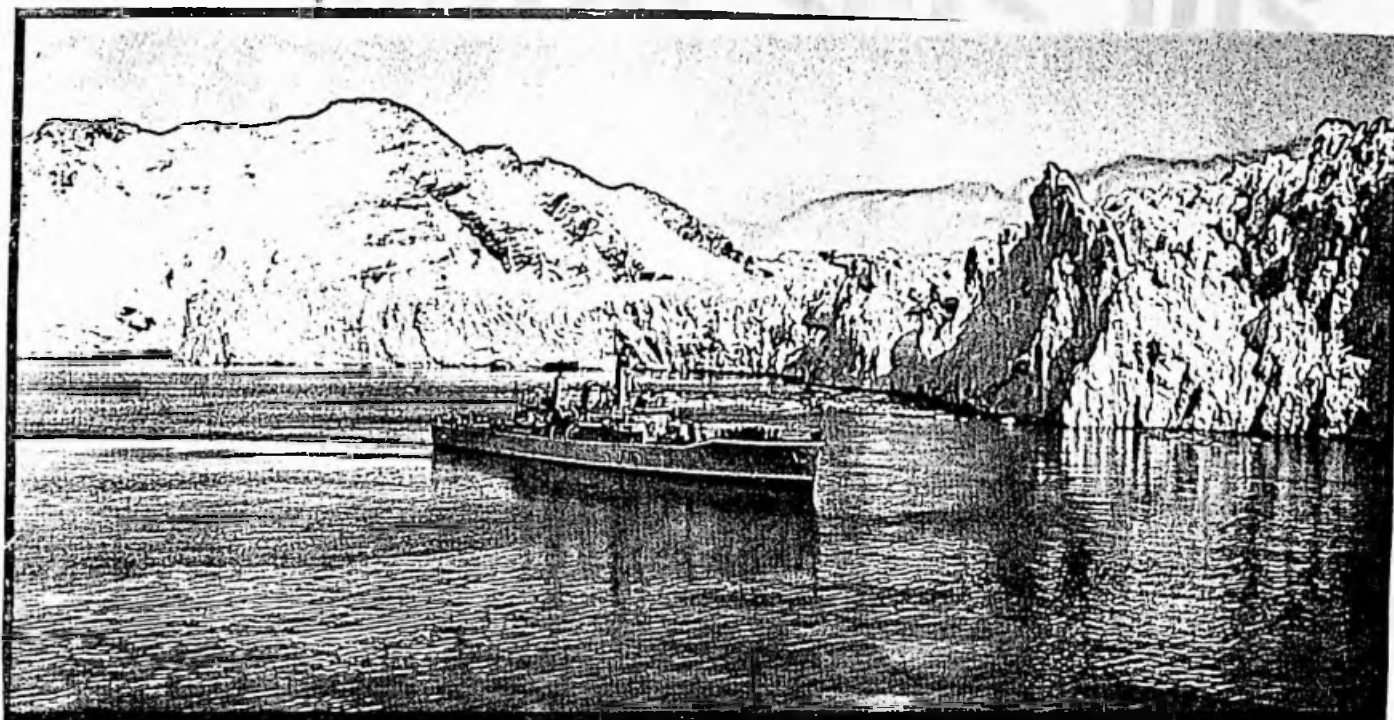
In addition, a runway was built on ice near the vessel and an Il-14 transport plane was unloaded from the *Akademik Fedorov* on to the ice. The plane flew from there to Molodezhnaya.

The *Akademik Fedorov* managed to cut through thick ice and reach the Molodezhnaya observatory to unload machinery, scientific equipment, fuel and food for the 33rd Soviet Antarctic expedition which began there on Dec. 16.

Berg Watch

DOWN South and watching out for the bergy bits: On recent deployment HMS Diomedé operates near the Nordenskjöld glacier in East Cumberland Bay, South Georgia.

In warm weather chunks of ice often fall from the face of the glacier to become icebergs, growlers — and bergy bits. (See feature in Page 9).



FALKLANDS LEAVE TERMS CLARIFIED

A STATEMENT in the November issue of Navy News may have caused some misunderstanding with respect to leave after service in the Falklands.

To refresh your memories, the article "advertised" (in a lighthearted vein) a draft to the Falklands in travel agent terms and stated that one month's leave was granted on return.

To clarify the situation, ratings serving for, say, five months in the Falklands get a

minimum of 24 days leave on return to the UK, which is arrived at by totalling your 36 day annual leave allowance, ten days public holidays and twelve days seagoers leave, which totals 58 days leave.

This is then multiplied by 5/12 (i.e. the proportion of the year spent in the Falklands) to give 24 days leave.

This, plus a probable weekend before your next draft, gives 27 days, or, rounded up, a month.

Herald for Gulf area

HMS HERALD'S two penguin funnel badges which have travelled 120,000 miles on her four South Atlantic guardship deployments have now been put ashore as the Herald takes up duty in warmer climes.

Following 'enhancement' work at Devonport, for her role change from survey ship, she is due to relieve HMS Abdiel as MCM command and support ship in the Gulf area.

One of the penguins goes to the Hydrographic School, HMS Drake, and the other to the ship's affiliated Sea Cadet unit, TS Duke of York, at Malvern.

HMS Dulverton is also sailing to join the MCM force in the Gulf area.

Changes in
ODA senior
management

Admiral sets his heart on RN Round the World victory

ADMIRAL Sir John Woodward, Commander in Chief Naval Home Command, is aiming for victory in the 1989 Whitbread Round the World Yacht Race. Spearheading the Royal Navy's entry, the Admiral and his team will be making use of the most modern technology in order to improve on the Service's best position in the race so far, second in 1973.

The Duke of Edinburgh has given his full support to the project which is looking for a commercial partner to provide three-and-a-half to four million pounds to fund the entry.

Admiral Woodward has teamed up with former racing

driver Guy Edwards whose experience in fixing sponsorship deals, including the highly successful link-up between Silk Cut and Jaguar, will be invaluable in helping the Navy find a suitable partner.

The race has been organised by the Royal Naval Sailing Association on behalf of Whit-

bread since its inception in 1973. Competition next year will be intense, with more countries than ever before applying to enter the race, including two US Navy yachts.

A new route has been set which will take the yachts from Southampton via Punta del Este in Uruguay, Perth and Auckland, then back to Punta del Este before going on to Fort Lauderdale and heading for home.

The Navy's entry will be an 80 ft. maxi-racer, the first of its

NN **Sailing**

type that the Navy has ever owned. Cdr. Alastair Johnstone, the man who organised Australian Adventure '88, is the project manager, and the skipper will be CPO John Gilbert, an ocean-going veteran.

The crew is yet to be decided, so anyone who is interested should write to Sandy Johnstone, Project Co-ordinator, Whitbread Round the World Race, HMS Dolphin, Gosport, Hants.

Changes in ODA senior management

COI photo



John Vereker: moving up and on.

Mr John Vereker, 43, Under Secretary and Principal Finance Officer at the Overseas Development Administration, is to transfer to the Department of Education and Science on promotion to Deputy Secretary. He will take up his new appointment, made with the approval of the Prime Minister, on 18 April.

Mr Vereker, who joined the ODA in 1967, subsequently served as a technical assistant at the World Bank in Washington. From 1980 to 1983 he was an Assistant Secretary in the Prime Minister's Office. He returned to the ODA as Under Secretary responsible for Asia, Latin America, the Caribbean, and the South Atlantic and Pacific regions, and two years ago moved to his present post when Mr Robert Ainscow was appointed ODA Deputy Secretary.

Mr Barrie Ireton, 44, head of the ODA's Aid Policy Department, will succeed Mr Vereker on promotion to Under Secretary.

Mr Richard Samuel, 54, Under Secretary in charge of the ODA geographical division dealing with Asia, the Pacific and Latin America, has been chosen as the UK Executive Director at the Inter-American Development Bank in Washington for a three-year period starting on 1 July.

Mr Samuel will be succeeded by Mr Richard Manning, 44, currently head of the ODA's Southern Asia Department, on promotion to Under Secretary.



Minister for Overseas Development Christopher Patten has appointed Mr Robert Key (pictured here) as his Parliamentary Private Secretary. Mr Key has been MP for Salisbury since June 1983.

A former chairman of the Council for Education in the Commonwealth and a member of the Select Committee on Education, Science and Arts, Mr Key is currently on the committee of the All-Party Parliamentary Group on Population and Development and vice-chairman of the All-Party Parliamentary Group on AIDS. He is also on the Executive Committee of the British Group of the Inter-Parliamentary Union.

Exercised over the Falklands

THE DIPLOMATIC furor provoked by the announcement of British military manoeuvres in the Falklands next month cannot be dismissed as formal posturing by Argentina.

Clearly Argentina has sought to wring the maximum propaganda advantage from Britain testing its capacity for rapid reinforcement of the Falklands' garrison. But the timing of these exercises has been so insensitive that damage could be done to the patient diplomatic efforts made in the wake of the Falklands' conflict to convince Latin America of Britain's desire to promote good relations with the region. The exercises come on the heels of an abortive military uprising in Argentina whose principal instigators were extreme nationalist officers who fought in the Falklands. As such they stir up the debate about the role of the military in Argentina's fragile democracy, encouraging those who want to rearm and reassert sovereignty over the islands.

Of course the Ministry of Defence planned these exercises some time ago, operating according to purely British military considerations: namely that Britain is pledged to defend the disputed islands and a credible defensive policy must involve testing rapid reinforcement over the vast distance separating the UK and the South Atlantic. The aim of the exercise, so Britain has explained to its Latin American friends, is not belligerent; rather a natural precaution given that there is a notional state of belligerency with Argentina.

Poor timing

However, the combination of poor timing and crossed signals seems to have led to Britain's logic being poorly understood and little appreciated in Latin America. Like it or not, the message from the exercises is that Britain is not interested in dialogue with Argentina and cares little about the fate of Argentine democracy. As a result of the ensuing rumpus, Britain has been obliged to call off a ministerial visit to Brazil, the

most important commercial partner in the region, and to Uruguay whose goodwill is essential, in the absence of agreement with Argentina, for the future development of the Falklands' fishing potential. Britain is also going to be put in the dock at the Organisation of American States and seems to have irritated some elements in the US Administration.

Mrs Thatcher can ride out such disapproval. However, this is unlikely to be a one-off affair since it is an inherent consequence of her commitment to assert British sovereignty over this distant outpost of empire. Britain cannot afford a large garrison, nor can it permanently allow the Falklands to divert its resources from Nato, particularly in a future where the US might play a lesser role in Europe. Thus the present garrison of under 1,800 is only credible, if at all, with a genuine capacity for rapid reinforcement, and the political will to do so.

New dimension

Sustaining such a commitment to the Falklands over the longer term raises all sorts of doubts. Mrs Thatcher is unlikely to change her mind or face real pressure to do so. Yet when Britain publicly emphasises the defensive needs of the kelpers, the Argentines, forever ones to look for ulterior motives, too easily conclude that London's overtures to restore normal relations are worthless.

This is a recipe for permanent suspicion between Buenos Aires and London. Such a climate cannot help to establish a long-term basis for developing the South Atlantic's very considerable fishing resources.

The most important task now is for the British Government, albeit belatedly, to explain that the run down in the Falklands garrison is part of a de-militarisation process. For the Argentine Government meanwhile to stoke up the issue further will only inflame nationalist sentiment at home and give an undesirable chance for the military to reassert themselves.

Trawlers take up challenge of south Atlantic



Kenneth MacKenzie of Seaboard Offshore and the trawler Mount Kent (Photograph: Ted Ditchburn)

Rich catch of jobs in Falklands

By Derek Harris, Industrial Editor

More and more trawler operators are making a dash for the Falkland Islands, creating work for British shipyards and jobs for fishermen in the process.

One deep-water trawler, the *Hill Cove*, which was modernized and converted on Humberside, left last week for the Falklands. It will join the *Lord Shackleton* — the first modernized trawler to go out to the south Atlantic from Britain.

Two more trawlers are being refurbished on the Tyne as part of a Falklands joint fishing venture involving the

Scottish company Seaboard Offshore, of Tain.

Hughes Food Group of Lincolnshire, one of Britain's half dozen deep-water trawler operators, may also send trawlers to the Falklands, where the island's government is looking to develop fully an independent fishing industry.

The *Hill Cove* has been refurbished for £750,000 by Humber Ship Repairers, of Immingham, South Humberside. It has provided work for 200 people over several months and sailed with a crew of about 50 fishermen.

It will be operated by

Stanmarr, of Port Stanley which is owned jointly by Falklands-based Stanley Fisheries and Marr (Falklands) of Hull.

Mr Andrew How, Marr's general manager, said: "We see *Hill Cove* as the forerunner of a fleet of specifically designed, multi-purpose fishing vessels to be based permanently in the Falklands."

Stanley Fisheries is also Seaboard's partner in a venture in which the Scottish company is investing more than £1 million. Two trawlers are being refurbished at Tyne Dock Engineering, renamed

Mount Kent and *Mount Challenger* after Falklands mountains. The work is expected to be finished next month. The vessels will provide jobs for about 80 British crew.

Subsequently, Seaboard is likely to increase its Falklands operation, according to Mr Kenneth MacKenzie, the managing director.

The *Lord Shackleton*, which has been in the south Atlantic since October, is part of a venture involving Stanley Fisheries, Boyd Line of Hull and Witte (UK), part of the Swedish group of the same name.

Brazil agrees deal on debt

BY ALEXANDER NICOLL

BRAZIL and its leading creditor banks have taken an important step on their rapid path towards reconciliation by agreeing on key elements of a new loan and debt restructuring accord.

As part of an agreement reached in New York late on Saturday night, Brazil will make a \$700m (£394.8m) interest payment to banks this week, a much larger amount than had been expected.

The two sides have set \$5.8bn as the commercial banks' share of Brazil's financing needs for 1987, 1988 and the first half of 1989. They have also agreed that Brazil will pay interest at $\frac{1}{8}$ percentage points above money market rates on the new loan and on rescheduled debt, following the precedent set by Mexico last year.

The preliminary accord, which must be followed by further weeks of talks on the remainder of the terms, was announced by Mr Fernando Milliet, Brazil's central bank president, and Mr William Rhodes, the Citibank executive who chairs the committee of the biggest creditor banks.

Mr Rhodes said the negotiations so far and the interest payment indicated "significant progress in restoring Brazil's traditionally good relations with its commercial bank creditors."

Brazil's relations with creditors have improved markedly since the appointment last month of Mr Mailson da Nobrega as Finance Minister. He has since publicly acknowledged the costs to Brazil of the interest payments halt which it declared a year ago last week.

Though the country has still not formally ended the moratorium, its \$700m payment will bring it up to date on 1988 interest. Some \$3bn of interest still due for 1987 is due to be paid later this year under the terms of an interim agreement reached with banks in November.

The change of attitude by the developing world's largest debtor has been taken as a welcome sign that the five-and-a-half-year-old debt crisis was not deteriorating out of control as many had feared. However, bankers are also aware that whatever agreement Brazil finally reaches with creditors will need backing at home.

Mr Nobrega, a career civil servant, is already running into disputes with fellow ministers about where public spending cuts will fall.

Mr Nobrega said of the loan agreement: "This accord marks the end of a period of great uncertainty." Bankers hope to reach agreement on a full "term sheet" for a new loan and debt rescheduling within the next three weeks. This will include a "menu of options" along the model of financing alternatives set by Argentina and other debtors last year.

The elements of the menu remain to be negotiated but a key point for debate will be whether banks will have the option to make their new financing contribution by agreeing to capitalise interest - adding it on to existing loan principal.

The \$5.8bn new loan amount is subject to reduction depending on the precise terms of the rescheduling agreement. But restoration of lost short-term credit lines should bring the amount to over \$6bn.

Banks will want the final terms, however, to be conditional on Brazil also reaching an agreement with the International Monetary Fund on an economic programme and standby credit.

Mr Milliet said Brazil would make further payments of 1988 interest as progress in the bank negotiations continued.

The Brazilian announcement came as Mexican government Officials assessed bids from commercial banks on its innovative bonds-for-loans offer which closed on Friday. Mexico is due to announce the results this week.

Despite policy problems,

Tory support holds up

Paradox of the juggler's popularity

Peter Kellner on why Mrs Thatcher remains successful

Interest in public opinion tends to wane after a general election. The voters have done their job; they will not be needed to decide who governs us for another four or five years. Meanwhile, what does it matter what the public thinks today about politicians and their policies?

Small shifts — even large shifts — in poll ratings now will have no influence on the fate of the parties in 1991. This time last year, polls roared round the political circus, rousing some of the crowd and frightening others. They are now back in their cage, where they amuse some passers-by but are ignored by most.

Yet polls continue to be done, and voters continue to vote (in council by-elections), and something odd is happening out there. Today's figures might not have much bearing on the next general election, but the forces underlying them probably will. What is odd is how well the Government is doing.

On election day, the Conservatives won 43 per cent of the vote in mainland Britain. Taking an average of the polls, they have remained in the range 46-49 per cent throughout the eight months since. Apart from two Marplan polls, which have been out of line with the others, the Tories have held a secure lead over Labour of around 10 points.

It is normal, eight months after an election, for public enthusiasm for the recently elected government to fade. To retain a consistently higher share of support is unprecedented, not least for Mrs Thatcher herself.

We need not rely on the opinion polls for this observation. David Cowling, ITN's political analyst, has been collecting the figures from each Thursday's collection of local council by-elections. Between last June and the end of last month, the Conservatives defended 70 seats and lost only nine. They gained no fewer than 26. During the same period after June 1983, the Tories lost almost a third of the seats they were defending — 24 out of 79 — and gained just 13.

Why is Tory support proving so resilient? David Owen and his erstwhile partners in the Liberal/SDP Alliance have clearly played their part. Together, the scattered remnants of the Alliance can muster around 14 per cent support, nine points down from last June. Yet it was far from inevitable that the Conservatives would gain much from this source. The Alliance's support also fell sharply in the autumn of 1983 — on that occasion entirely to Labour's benefit.

Moreover, the rows that have raged over government policies since last summer seem to have done the Tories far more harm than good when the public is asked about specific issues. The evidence comes from polls conducted by Gallup for *The Daily Telegraph*, Mori for *The Sunday Times* and National Opinion Polls (NOP) for the *Local Government Chronicle*.

Press Cuttings

from Broad Street Associates

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THE INDEPENDENT

Consider the health service. This has always been the Tories' weakest issue — weaker even than unemployment, in terms of the comparative standings of the parties. In December, Gallup found that Labour had only an eight point lead over the Conservatives as the best party for tackling unemployment, but a 28 point lead as the best party for the health service.

For some years the Tories have had to conduct a defensive campaign on the health service. That means, in practice, diverting voters' attention to other issues. They were successful until just before Christmas. In November, Gallup found that just 6 per cent named health as the biggest problem facing Britain. The figures since then have risen as explosively as the anger of the nursing unions: December, 22 per cent, January 39 per cent, February 46 per cent.

What is more, Gallup finds that two

out of three people say they would be willing to pay at least £1 a week more in taxes if the extra money was earmarked for the NHS. The public mood seems to be far closer to Labour's view than the Government's about financing the NHS.

The poll tax has provoked as big a row and a comparable public backlash. A Mori poll on election day found that 43 per cent supported the idea of "replacing the system of domestic rates with a fixed charge paid by people in each household over 18"; 39 per cent opposed it. By the end of December, when Mori repeated its question, the public had turned against the poll tax in a big way: only 23 per cent now supported it, while 65 per cent were against.

A more recent NOP poll in the 50 most marginal Conservative seats also found a large majority against the poll

tax. It also found that most of those who liked the idea were only "slightly" in favour, while most opponents were "strongly" against it. Even so, NOP found that Tory support had risen by four points since last June in these marginal constituencies.

Opposition to government policy has also grown over the biggest of all its privatisation plans. Mori's election day poll found that selling off the electricity industry was supported by only 33 per cent even then, and opposed by 56 per cent. Mori's latest (end of December) figures show that it is even less popular: 26 per cent supported the plan, while 65 per cent opposed it.

Those figures predate last week's White Paper on privatisation. But then, they also predate this spring's increase in electricity prices. If these are widely seen

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THE INDEPENDENT

as a device to prepare the industry for privatisation, opposition to the move could grow further.

Meanwhile, what are we to make of the Government's popularity at the very time three of its main policies are so disliked? Last summer I reported new research by a team at Essex University that suggested the state of the economy counted for even more than hardened cynics had previously believed.

In particular, the Essex team reckoned that the 1982 Falklands War played no part in the Tories' 1983 election victory: it was economic recovery that swayed voters, not year-old memories of the Task Force.

The same analysis seems to apply today. The economy grew rapidly last year, unemployment fell and inflation stayed low. Both Mori and Gallup are finding that there are now more optimists than pessimists among the public about the economy. Only one person in five expects their living standards to fall this year, compared with one in three in 1984 and 1985. So far, it seems that last autumn's stock market slump has had little or no effect on the attitudes of the general public or (according to retail companies such as Dixons) on their spending plans.

If that explanation for the buoyancy of Conservative support is correct, it suggests that we can forget about the arguments over NHS spending or the poll tax or privatisation if we are trying to plot the Government's likely fortunes over the next four years. All we need to watch for is the state of the economy as the next election approaches.

Are matters really that simple? The Essex thesis was discussed in last autumn's issue of *Contemporary Record*. This is the quarterly journal of the Institute of Contemporary British History; after only one year of publication, it has established itself as vital reading for anyone with a serious interest in politics.

Lawrence Freedman, of King's College, London, argued that the "Falklands factor" might not have taken quite the form it was credited with at the time, but it was still powerful. Professor Freedman ponders: "What would have happened if the military campaign had ended in disaster or if there had simply been no military option available to the Government in April 1982?"

Like all might-have-beens, nobody can settle the matter either way. Conservative governments have had military disasters before, such as Suez, and recovered: Mrs Thatcher might well have fallen victim to a botched Falklands war; whether Michael Foot (or Roy Jenkins) could have won a post-Falklands election is quite another matter.

Likewise with today's controversies over the poll tax, health and privatisation. To say that they are not denting Tory support now does not mean that they will never do so. If any of them goes disastrously wrong in practice — if local services disintegrate, if NHS defects become a daily experience for millions, if the national grid seizes up — then economic growth might not be enough to save the Tories.

There is an alternative prospect. Economic growth might falter; the dole queues might start lengthening again. Then unpopular social policies would compound economic failure as reasons to reject the Tories.

For the time being, the Tories' popularity is clearly linked to continuing growth, and the belief that prosperity for most will obliterate worries about other policies. It implies a narrow approach to politics and a cynical view of the electoral mandate. But dependence on the right economic indicators has helped the Tories to two successive landslide victories. It is likely to take either a recession or a quite spectacular policy failure to deprive them of a third.

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④

29 FEB 1988

THE INDEPENDENT



Lloyds provides no extra for Third World debt

BY DAVID LASCELLES, BANKING EDITOR

Lloyds Bank, the last of the four clearing banks to report its 1987 results, incurred a pre-tax loss of £248m, compared to a profit of £700m the year before, because of the impact of Third World lending.

However, the result was slightly better than expected

because Lloyds did not make any further additions to its provisions for bad Third World loans in the second half. In the first half it set aside £1.1bn, the largest provision made by any of the clearers.

Lloyds will also be increasing its total dividend by 10 per cent to 13.2p a share. Sir Jeremy Morse, the chairman, commented that 1987 was a year of "mixed fortunes" which had seen a shift towards the more profitable retail business away from the less profitable corporate side. But there had been losses in the capital markets business, as well as the heavy burden of provisions.

Lloyds' total exposure to 35 countries in financial difficulty is £3.93bn, headed by Brazil with £1.1bn, Mexico with £763m and Argentina with £405m. The provision is equivalent to 34 per cent of the exposure, which is at the higher end of the range set by UK banks, and was "fully adequate", Sir

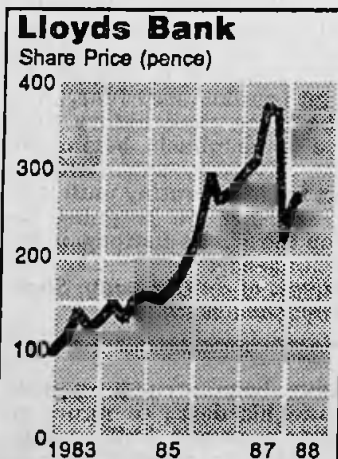
Jeremy said. The total includes all Lloyds' short-term lending.

Lloyds' operating profit, before tax and exceptional provisions, was £818m, up 17 per cent from £700m in 1986.

The major contributor was domestic banking where profits were £693m, up 27 per cent on the year. Other geographic regions were Europe, the Middle East and Africa (£50m), North America (£10m), Latin America (£4m loss), Australasia and the Far East (£69m).

Among the principal subsidiaries, Lloyds Bowmaker, the finance house, raised profits to £88m. Black Horse Agencies, the group's estate agency company, made £8m, up from £5m last year. But Lloyds Merchant Bank, the newly-formed investment banking arm, lost £28m as a result of losses in the securities trading business which was discontinued halfway through the year.

The results also showed continued strong growth in fee



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Tony Andrews

Sir Jeremy Morse (left), chairman, with Brian Pitman, the chief executive: £1.1bn provision largest made by the clearers

income. This rose to £942m against £797m in 1986. Much of the growth came from bank charges and commissions in the UK, and estate agency and insurance broking fees.

The Lloyds group's total balance sheet footings fell to £44.9m (£47.8m) at the end of 1986. This was due partly to the declining value of dollar denominated assets, caused by the fall of the dollar, and partly to a deliberate policy of shedding low-yielding assets. The

reduction means that Lloyds has returned to fourth place among the clearers in balance sheet terms, falling behind the Midland Bank.

The group's loss also weakened the balance sheet. The ratio of equity to assets fell from 5.8 per cent at the end of 1986, to 5.3 per cent. However, this was up from 4.4 per cent at last year's interim stage, and Sir Jeremy said there were no plans to make a rights issue.

See Lex

Britain claims routine manoeuvres will help to lower tension

Washington joins protest at Falklands exercises

Michael Simmons

THE US Administration has joined the countries of Latin America in protesting at the British Government's determination to press ahead with military exercises in the Falkland Islands next month.

An emergency session of the Organisation of American States to discuss the issue has been called for Monday and Argentina is preparing to raise the matter at the UN. On Thursday evening, Latin America's Group of Eight called on Britain to cancel the exercises and resume bilateral negotiations with Argentina.

But Britain told the UN yesterday that the exercises were routine, a way to help reduce the islands' garrison and a contribution to lowering tension. Mr Crispin Tickell, Britain's

chief delegate, set out its views in a brief response to Argentina.

US concern focuses particularly on the timing of the exercises. Administration officials have told Mrs Thatcher informally that it would be wrong to raise tension in the area at this time and that the exercises would do nothing for President Raul Alfonsin and his efforts, backed by the US and Britain, to advance democracy in Argentina.

But Mrs Thatcher insists that the exercises, which will involve the biggest movement of troops in and around the islands since the 1982 war, should go ahead as planned.

Code-named Fire Focus, they have been several months in the planning stage and are intended to test British capability for rapidly reinforcing the islands.

It is understood that several

hundred troops, possibly 1,000 or more, will be involved, with several contingents being airlifted in from Britain and a fleet of RAF Phantom aircraft taking part.

The cost is not being disclosed, but it will clearly add considerably to the costs of running the Falklands garrison, already thought to be about £400 million a year, more than 50 per cent higher than Government targets.

The decision to hold the exercises has already led to an acute embarrassment in relations with Brazil. The junior Foreign Minister, Mr Tim Eggar, who was to have made an official visit there, starting next week, has now been told he will no longer be welcome.

The Foreign Office has told the Brazilian ambassador in London, Senhor Celso de Souza e Silva, who also represents Argentinian interests in Britain,

that the gesture was "unjustified and inappropriate."

But the Brazilian move has apparently been endorsed by Uruguay, which Mr Eggar was to have visited after Brazil. Both Brazil and Uruguay are members of the Group of Eight.

In London, both the Ministry of Defence and the Foreign Office stick to the line that far from increasing tension in the South Atlantic, the exercises would reduce tension.

Officials claim they are "not particularly surprised" by the protests that have been made so far and say that there is no question of cancelling the exercises.

One official said last night that "normal relations" were still being sought with Argentina, but added: "We still haven't heard any renunciation of hostilities from the Argentinians. The exercises have simply got to go ahead."

Court clears Astiz over 'dirty war' abduction

By Cristina Bonasegna in Buenos Aires

ARGENTINA'S Supreme Court has absolved Captain Alfredo Astiz of the abduction and subsequent disappearance of a Swedish teenager, Dagmar Hagelin, in 1977. An appeal by her father has been rejected by three judges to one.

The judges upheld a civilian court, which acquitted the naval captain in December 1986 because the statute of limitations had expired, but said that he had a case to answer.

The Supreme Court still has to rule in another appeal against Astiz, regarding the disappearance of two French nuns.

Witnesses said Astiz assaulted Miss Hagelin and took her away in the boot of a taxi in a case of mistaken identity on Jan 27, 1977.

Astiz, who surrendered on South Georgia at the start of the Falklands war with Britain, was promoted captain last December with the recommendation by President Raul Alfonsin to the navy command that he should be withdrawn from active service.

The naval leadership, said to be unwilling to follow the presidential instruction, will discuss the issue later this year.

Meanwhile, Astiz, is now serving on the destroyer, *Heroína*.

The thorny issue of his retirement is regarded as a possible source of conflict between the civilian government and the armed forces.

His supporters say he was only following orders during the former regime's "dirty war" against subversion.

Sources in Buenos Aires believe Astiz will not ask to be



Astiz: promoted

retired, although there are official hopes that he will.

He has been strongly condemned in civilian quarters. Only last month, when Astiz was spending a short holiday at the seaside resort of Monte Hermoso, near the Puerto Belgrano navy base, the local council declared him *persona non grata*.

Manoeuvres 'go ahead'

● Michael Kallenbach at the United Nations writes: Britain yesterday told the UN that next month's military exercises in the Falklands would go ahead, despite Argentina's anger.

Sir Crispin Tickell, British ambassador, said Britain had stressed in 1982 that periodic exercises would continue.

Reports that Argentina would call a meeting of the UN Security Council to discuss the manoeuvres were unconfirmed.

Scot takes on Falklands one-man task

UK Press Gazette
26.2.88



Rory MacLeod



Penguin News cover

by Hamish McKay

A YOUNG Scottish journalist is set to be a one-man "task force" to the Falkland Islands.

Twenty-six year-old Rory MacLeod has been appointed editor of *Penguin News*, the Falkland Islands' monthly newspaper, and in late March will take the 18-hour flight from RAF Brize Norton for one of the more unusual newspaper challenges in the world.

For MacLeod will not only be the editor of the newspaper. He will also be its only reporter, sub-editor, and advertising and circulation manager. And he will also run a general printing operation on a new hi-tech plant being shipped out from the UK.

MacLeod's overseas posting follows the decision by Seaboard Offshore, a Scottish firm which has a fleet of safety vessels serving the North Sea oil and gas industry, to stage a Falklands invasion of its own.

The company is spending £1 million on a project to begin fishing off the Falklands in March. It is also anxious to develop other interests in the South Atlantic, and the first of these is a part ownership of *Penguin News*.

Fantasy

Seaboard Offshore's managing director is Kenneth Mackenzie, a former managing director of Inverness printers John G. Eccles, and his family interests include the Highland Printing and Publishing Group. Glas-

gow-born MacLeod's newspaper career has all been spent with D. C. Thomson in its Dundee and Perth offices — latterly as a reporter for the *Dundee Courier* in Perth. He joined the Royal Marines on leaving school — "a boyhood fantasy which just didn't work out" — and studied for two years at Dundee University before deciding on newspapers for a career.

Before heading for the South Atlantic he will spend two weeks studying printing plants in Glasgow, Ayr and Inverness to become acquainted with the technological expertise he will need in his new job.

MacLeod will take-over from Belinda Caminada who has been editing *Penguin News* since 1979.

The Falklands Islands Development Corporation has provided a three-bedroom house for him in Port Stanley, and the printing plant will be housed nearby in a portable structure.

The 45p monthly newspaper began life as a weekly, and MacLeod will initially aim for a fortnightly publication with the ultimate intention of making it a weekly.

And he will immediately aim to double the current circulation of 450 — producing 16 pages on an A3 or A4 format.

Another priority is boosting advertising revenue — a recent edition had only one advertisement.

Said MacLeod: "*Penguin News* calls itself the Voice of The Falklands and I plan to make it just that. I will tap the resources of the Islanders as much as possible.

"It is a great challenge and I am really looking forward to it."

Protest over Falklands manoeuvres

FOREIGN ministers of Latin America's Group of Eight yesterday strongly protested against planned British manoeuvres around the Falkland Islands and asked London to call them off, **Reuter reports from Cartagena.**

In a joint statement they also asked Britain to resume negotiations with Argentina over sovereignty of the archipelago.

The statement by ministers from Mexico, Panama, Colombia, Venezuela, Brazil, Argentina, Uruguay and Peru was the strongest so far against the war games, set for March 7-31, to test rapid reinforcement of the islands.

"The foreign ministers express their deep preoccupation over the United Kingdom decision to hold military exercises in the Islas Malvinas (Falklands)," the statement said.

"They exhort the British government to give up holding the projected manoeuvres and to resume bilateral negotiations with Argentina."

Britain has refused to discuss sovereignty over the islands it has held since 1833, apart from Argentina's brief 1982 occupation.

The ministers, meeting in Colombia, said they would take a joint stand at a session of the Organisation of American States next Monday.

Falklands row grows as Brazil turns sour

THE DIPLOMATIC row over British plans to hold military exercises in the Falkland Islands next month continues to spread in spite of Foreign Office efforts to damp down the flames.

On top of announcements that the Organisation of American States is to hold a special session on 1 March to debate the issue, and that Argentina hopes to raise it at the United Nations, Britain's relations with Latin America suffered a further setback on Tuesday. The Brazilian government asked the Foreign Office to postpone a visit to Brazil by the Foreign Office Minister, Tim Eggar, which was scheduled to begin on 4 March.

The visit would "create embarrassment, given Brazil's well-known position on the subject", said a spokesman for the Brazilian government, because it would have coincided with Britain's rapid reinforcement exercises. The Foreign Office responded with "concern and surprise". The Brazilian ambassador in London was summoned to Mr Eggar's office on Wednesday to be told of the annoyance at the "unjustified and inappropriate" postponement. No alternative date has been offered for the trip.

The timing of the military exercises is deeply unfortunate from the diplomatic point of view. Not only has it torpedoed Mr Eggar's visit but it is also expected to affect adversely Britain's exchanges with Argentina, mediated by the US State Department, over reducing tensions that arose from

By Isabel Hilton
Latin America Editor

the British declaration of the Falkland Islands fisheries protection zone in 1985.

A spokesman for the Ministry of Defence, where the timing of the exercises was decided, said: "There was no particular reason for the timing," but added that it was not for the Ministry of Defence to consider the diplomatic consequences of military exercises. Another spokesman said that the exercise would have taken months, if not years, to plan and that the British government had declared its intention to practise reinforcement of the Falklands in the 1982 Defence White Paper.

There have already been a number of flights to Mount Pleasant airbase intended to test the capability to rush troops to the islands. But Fire Focus will be the first to include what the ministry calls "significant" numbers of troops — about 1,000.

Sources at the ministry say that various South American governments had been informed in advance of the intention to hold the exercise. One source said that the public reaction of these governments was "playing to their own publics".

The Foreign Office had anticipated adverse diplomatic reaction to the exercises, but the degree of indignation in Latin America has been greater than had been hoped.

Second Hull ship for Falklands

HILL COVE pictured in the Humber on her way to fishing trials in the North Sea before leaving for Port Stanley.



HUMBERSIDE saw its second deep water trawler leave for the Falkland Islands this week.

Work undertaken on the vessel *Hill Cove*, a British built refrigerated stern trawler, has created 200 jobs on Humberside's ship repair docks.

The vessel, formerly *Junella* built in 1975, has had a £750,000 modernisation, conversion and refit carried out by Humber Shiprepairers of Immingham. It will also provide work for a crew pool of about 50 Hull fishermen, some of whom have already worked in the islands on Japanese squid jiggers.

Hill Cove will be skippered by Trevor Doyle, one of Hull's top deepsea fishermen.

The vessel is said to be one of the most advanced factory trawlers in the world, equipped to process, glaze, wrap and carton up to 40 tonnes of catch per day. She will trawl for squid (*Loligo* and *Illex*), hake, hoki and blue whiting.

The major changes have been on the factory deck which is divided into wet

New VMK machines have been installed to handle the larger variety of blue whiting found in the South Atlantic.

Hill Cove was the last freezer trawler to join the UK deepwater fleet before the Icelandic cod wars and EEC fishing quotas of the 1970s virtually wiped out the industry.

Hill Cove is expected to reach Port Stanley in March.

Andrew How, general manager of Marr (Falklands) Ltd., said: "*Hill Cove* is a Falklands ship specifically equipped to conduct a year-round operation on the particular species found in the Falklands. We will supply an international market, but not Japan."

"We see her as the forerunner of a fleet of specifically designed multi-purpose fishing vessels to be based permanently in the Falklands Island."

Fishing News
26 February 1988

64 now fishing

A TOTAL of 64 vessels have now taken up licences to fish in the first Falklands season of 1988.

They include 30 Spanish, 21 Poles, three British, three Italians, three Portuguese, two Greek, one Dutch and one Chilean vessel. The UK boats fishing are *Lord Shackleton*, *Pict* and *Fishing Explorer*.

A lot more vessels are said to be en route for the islands. The *Loligo* squid season is in its third week and catch rates are reported to be quite good.

There have also been reasonable catches of hoki but Spanish boats are not finding much hake and may switch to hoki. said Falklands representative in London, Lewis Clifton, before departing for the island on Monday.

The new patrol ship *Falklands Right* successfully completed her shake down trip last week and in Berkeley Sound the patrol vessel *Warrah* continues to monitor boats on a daily basis.

Eleven reefers are transshipping and three fuel tankers are supplying the fishing fleets. A total of 22 transshipment licences have now been issued to 19 vessels.



The Cygnus built *Serolis* goes through her paces in Falkmouth harbour.

Antarctic cyclone

THE Cygnus Marine Cyclone 26 *Serolis* is destined for the Antarctic Ocean, as a new workboat for the British Antarctic Survey.

Replacing an open Cheverton craft, the Cyclone will provide a more rapid and comfortable platform on which to carry out the arduous duties of scientific sample fishing, survey, and personnel and stores transport.

She has been considerably "beefed up" for working in

the ice, and both forecabin and wheelhouse are fully insulated against the cold.

Power is provided by a Volvo Penta AQAD 41/290 Monoprop, derated to give a maximum 16 knots, and the cooling water system is completely drainable. Recirculating engine water keeps the intakes free of ice.

The parameters for the craft have only allowed about 1in. each side and on top to allow her to fit into the existing boat shed.

More to history than guilty feelings

SIR—In Kim Longinotto's letter on the strategic air offensive against Nazi Germany (Feb. 20) we hear the authentic squeak of the "moral indignation" school of history which finds it so much easier, and emotionally satisfying, to denounce the "guilty" rather than to confront the complex realities with which political and military leaders had to cope.

It is of course a necessary ingredient in stimulating this moral indignation that it be directed against the acts of your own country and its allies rather than those of its enemies. In this instance, the area bombing of German cities from 1942 onwards rather than the area bombing of Rotterdam and of many British cities in 1940-41, or (to refer to another favourite, if more recent emotional trigger mentioned by your correspondent) the sinking of the cruiser *Belgrano* rather than the Falklands occupation.

Does your correspondent not comprehend that at the time the British War Cabinet opted to create a great bomber force such a force offered the *only* instrument for striking directly at Nazi Germany? Until well into 1943 Bomber Command did not enjoy electronic navigational aids to enable it to find a target smaller than a city?

Does she seriously suggest that at a time when Soviet Russia was locked in battle with some 200 invading German divisions, the British War Cabinet should have grounded Bomber Command? And does she think the *Belgrano* was out on a fishing trip? Does she not know that by turning the helm a cruiser may reverse course at small delay? She really must try to think as well as emote.

CORRELLI BARNETT
Cambridge

Press Cuttings

from Broad Street Associates

FINANCIAL TIMES

26 FEB 1988

Falklands appeal

Foreign ministers of Latin America's Group of Eight called for planned British manoeuvres around the Falkland Islands to be cancelled. **Page 4**

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from Broad Street Associates

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26 FEB 1988

ARGENTINE Government's latest letter of intent with the IMF was released in Buenos Aires, heralding a new wave of austerity. Page 4

Argentina faces austerity wave

BY TIM COONE IN BUENOS AIRES

THE ARGENTINE government's latest letter of intent with the IMF was released in Buenos Aires yesterday. This heralded a new wave of austerity which conforms closely with the traditional orthodox IMF adjustment package involving tax and tariff rises, giving high real interest rates and further falls in real incomes during 1988.

The measures aim "to strengthen economic growth by reducing inflation, by improving the external account and at the same time to continue confronting structural problems of the economy."

Specific targets are to reduce the fiscal deficit to 2.7 per cent of GDP in 1988 (down from 7 per cent last year), to reduce the current account deficit from \$4.3bn in 1987 to \$3.1bn in 1988 and to reduce the monthly inflation rate to 4 per cent "by the end of the year."

On the basis of this letter, it is expected that the IMF will now release the third \$225m tranche of a \$1.4bn standby loan agreed last year, but which has been delayed for over two months due to Argentina's failure to comply with earlier letters of intent.

Release of the tranche will also unblock \$541m in loans from the commercial creditor banks and enable Argentina to gradually catch up with overdue interest payments owed to its bank creditors.

However, the letter points out "substantial additional finance will be required in 1988 to cover the projected deficit in the balance of payments," and adds that the delay in reaching agreement will cause further delays in making good overdue interest payments although "up until June, 1988, these will not exceed \$1.3bn."

Other important points of the agreement are:

- The government will maintain a growth target of 4 per cent in GDP for 1988;

- Public sector enterprises will be self-financed this year, in return for the Treasury taking charge of their debt service payments which amount to \$1.1bn annually;

- Tariffs for public utilities will be index-linked to the inflation rate;

- Public sector wages will not be index-linked to inflation. Controls are likely to be imposed on private sector wage increases;

- Exchange rates will be adjusted "to maintain an appropriate level of competitiveness to meet the balance of payments objectives";

- Tax increases on petrol, gas and telephone services will be equivalent to 1.6 per cent of GDP.

IFC to help finance Argentina oil venture

By Peter Montagnon, World
Trade Editor

THE International Finance Corporation (IFC), an affiliate of the World Bank which promotes private-sector investment in developing countries, is to participate in finance for the \$250m (£138m) Hidra offshore oil project in Argentina.

It said it is to provide a \$80m loan for the project, which will bring on stream an initial production of 27,000 barrels a day, equivalent to more than 5 per cent of the country's petroleum production. The Hidra field is Argentina's first commercial offshore oil development.

IFC said yesterday its loan will include a contribution of \$20m from four commercial banks - Credit du Nord, BIAO Afribank, Societe Generale and Bergen Bank. Separately, a syndicate of banks led by Citibank is providing \$125m under the on-lending arrangements agreed as part of Argentina's 1985 rescheduling arrangement.

Financing for the development is being made up with a series of export credits, including a \$40m credit line from Coface of France.

The field was discovered in 1982 by Total Austral, operator of a joint venture comprising Bidas Austral, Deminex Argentina and Total Austral.

Tim Coone on the motives behind Argentina's proposed SAS link

Why Aerolineas wants a co-pilot

A PLAQUE in the entrance hall to the headquarters of Aerolineas Argentinas evokes with fervent phrases the memory of the father figure of Argentine nationalism, General Juan Peron, who founded the airline in 1950.

It was put there in the name of the workforce, and it is the same workforce which will now play a pivotal role in the success or failure of this month's bid by Scandinavian Airline Systems (SAS) to buy up to 40 per cent of the debt-saddled state-owned national carrier.

The trade unions representing the company's 10,300-strong workforce have so far remained surprisingly quiet on its proposed partial denationalisation. Their wait-and-see attitude has encouraged Mr Rodolfo Terragno, the Minister of Public Works and Transport, who revealed the SAS approach after a month of secret negotiations.

"If there are any legal obstacles to the sale I am confident we will be able to overcome them," he says. "I have met leaders of the Peronist opposition and they have expressed that in principle they are in favour of the deal."

In their letter of intent, the two airlines have agreed to draw up a feasibility study, with a deadline of May 15, to investigate the practicality of SAS first taking a 20 per cent stake in the Argentine company - later expandable to 40 per cent - and handing over a further 9 per cent to the workforce. The deal is by no means consummated, although both Aerolineas and SAS appear optimistic.

Mr Horacio Domingorena, president of Aerolineas, said: "We must be prudent and optimistic. This step is a strategic decision. SAS is looking to expand and consolidate and we are doing exactly the same. The association can bring the benefits of economies of scale and a

more global service to both companies."

Mr Hugo Casadella, Aerolineas' managing director, said: "The consequences of deregulation in the US are increased competition, a reduction of fares, and an increase in the number of passengers carried and tighter profit margins."

"As deregulation spreads, the trend to fewer and bigger airline companies is inevitable."

The price tag for the deal has still to be worked out, although with assets estimated in the region of \$800m and goodwill, through its network of routes and ticketing outlets, which Mr Terragno describes as "very important," 40 per cent of Aerolineas can be expected to cost SAS well in excess of \$300m.

But what are the advantages for SAS? Aerolineas has a

union representative of the airline's 1,800 maintenance staff said: "The unions are not going to be against privatisation if it means the company can grow and will show greater profitability."

"But Aerolineas has always been a state-owned airline and, as such, has provided security of employment. Nobody knows yet if SAS's involvement signifies people being fired."

Mr Casadella is ambiguous on the issue. "It is not a subject we have tackled yet, but the most important person to consider is the passenger, and business has to be conducted in relation to the passenger," he said.

Another factor which could spur political opposition is the rationalisation of national routes. Besides its 29 international routes, Aerolineas also flies to most cities in Argentina and for political and social reasons has subsidised a number of these routes to stimulate development in some of the country's farther-flung corners.

The routes to Patagonia in the south are the most heavily subsidised and make up 15 per cent of the company's domestic turnover. Mr Casadella said: "We will have to negotiate these non-profitable routes with the Government." If routes are reduced or fares increased to make them profitable, opposition is inevitable.

Any political attempt to sink the agreement is likely to be manifested through Congress. A law from 1974, under the last Peronist government, prohibits the privatisation of the leading state companies unless approved by specific laws passed through Congress.

If job cuts are likely, and routes are to be cut, the Peronists would oppose a bill to privatise Aerolineas, and the Government does not have a majority to assure its passage. The most delicate stages of the negotiations, therefore, lie in the months ahead.

THE TWO AIRLINES COMPARED

AEROLINEAS (AA)	SAS
Fleets	
6 747-200s	11 DC10-30s
1 747-SP	87 DC9s
2 707s	9 767s
8 727s	9 Fokker F27s
12 737s	On order -
4 Fokker	7 DC9s and
F28s	options on 15 767s
Performance figures*	
Employees	
10,323	19,597
Passengers carried	
1,998,000	6,325,000
Load factor (%)	
63	64

*First half 1987

SAS offers the advantage of being a comparable size to Aerolineas, is technically very advanced and is a highly profitable company."

The failure of SAS's attempt to buy into British Caledonian last year alerted Argentine privatisation planners to the possibility of offering Aerolineas instead.

According to Mr Horacio Losoviz, Director of State Enterprises: "We took the initiative and approached SAS. We had already come to the conclusion that Aerolineas needs a partner, and SAS has good management expertise, a complementary network of routes and many possibilities of growth in parallel business such as tourism, hotels, duty-free stores and airline catering."

\$1.07bn debt and a poor record of labour relations. Thirty days were lost in 1986 to strikes by pilots or staff and only slightly fewer last year. With an average turnover of \$1.7m a day, losses to strike action must have been in the order of \$50m a year.

None the less, Mr Domingorena pointed out that the company made an operating profit in 1987 of \$30m and that it has been the millstone of debt that has held the company down, rather than the unions.

Under the agreement with SAS, the entire debt will be absorbed by the Government, allowing the new joint venture to start with a clean slate and on a firm financial footing.

The prospect of job cuts resulting from the privatisation is the principal concern of the unions. Mr Victor Connor, a

Press Cuttings

from Broad Street Associates

THE GUARDIAN

25 FEB 1988

Falklands warning

Argentina may go to the UN Security Council over planned British military manoeuvres round the Falklands, the Foreign Minister, Mr Dante Caputo said yesterday. He described the exercises planned for next month as a "real provocation." — Reuter.

Falklands death

An inquiry is to be held into the death in the Falklands of Carl Rimmer, 28, of the Royal Corps of Signals, from Dawlish, Devon. He apparently fell from a radio mast on which he was working.

Brazil snubs UK in row over Falklands

BY ROBERT GRAHAM, LATIN AMERICA EDITOR

THE BRAZILIAN Government has delivered a major diplomatic snub to the British Government by making it known the visit next month of Mr Tim Eggar, the junior Foreign Office minister with responsibility for Latin America, would be unwelcome.

The visit, due to have been officially announced yesterday, would have coincided with British military manoeuvres in the Falkland Islands which have been condemned by Argentina. It would have been Mr Eggar's first visit to the region and he has also been obliged to call off visiting neighbouring Uruguay.

Brazil's gesture underlines the escalation of the diplomatic row over the manoeuvres in the South Atlantic, designed to test Britain's ability to reinforce its Falklands garrison. The row risks undoing all the careful fence-mending made by British diplomats since 1982.

Brazil is Britain's largest trading partner in the region and has been pragmatic in its reactions to Argentina's continuing claims to the islands and the British military presence in the South Atlantic. Although

British diplomats informed the Brazilian and Uruguayan governments in advance about the manoeuvres, both have been highly critical of the timing.

The British Government says the exercises are necessary because Britain has reduced the Falklands' garrison, reportedly to below 1,800 men, and that the price for this smaller garrison, are occasional manoeuvres to test reinforcement capability.

Brazil and other Latin American governments, especially Peru, argue that the manoeuvres are tactless and show little goodwill by Britain to seek a peaceful solution to the disputed islands. They further stress that Argentine democracy is in a delicate phase in the wake of January's abortive military uprising. The uprising was spearheaded by former veterans of the 1982 Falklands war.

Argentina is calling for a special session of the UN Security Council to condemn the manoeuvres. Already a special session of the Organisation of American States has been called.

Daily Mail
24.2.88

TELEX THE BROADCAST REPORTING SERVICE REPORT

Britain defies Falkland protest

By JOHN DICKIE
Diplomatic Correspondent
MRS THATCHER stood firm last night against South American anger over the planned British exercise in the Falklands.

An emergency session of the 32-nation Organisation of American States has been called for next Tuesday at Argentina's request.

The Brazilian government has protested to the Foreign Office and statements

condemning the timing of the exercise have been issued by Peru, Colombia and Venezuela.

America has been embarrassed by being caught in a row between her OAS partners and her main European ally.

But Downing Street has insisted the exercise is necessary to test British forces' ability to reinforce the Falklands garrison, which was pruned after

completion of the airport at Mount Pleasant.

About 1,000 troops are to be flown in by TriStar jets for three weeks of manoeuvres in March.

They include infantry, engineers and artillery, supported by Phantom jet fighters and Nimrod reconnaissance aircraft.

The Foreign Office stressed that since Argentina had not formally announced an end to hostilities, six years after the

Falklands invasion, it was natural to stage military manoeuvres.

It added that other exercises to test the garrison's alertness had not sparked any protest.

Advance notice had been given to America, Brazil and Uruguay. It had also been intended to tell the Argentines, but the message sent via the Swiss did not reach them before the official statement, the Foreign Office said.

RUSH

FOR BROAD STREET ASSOCIATES

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Page NEWS

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THE BROADCAST REPORTING SERVICE

REPORT

STEVE ALLEN:

Argentina is accusing Britain of being pirates for exploiting fishing resources around the Falklands. An Argentine official says Britain is destroying fishing stocks around the islands by granting licences to other countries to fish.

RUSH

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Press Cuttings

from Broad Street Associates **THE GUARDIAN** 24 FEB 1988

Falklands opposition

Ecuador said yesterday that it opposes Britain's proposed military exercises round the Falkland Islands next month and supports Argentina's claims to the archipelago. A Foreign Ministry statement said the British manoeuvres would hurt "the atmosphere necessary for a peaceful solution." — Reuter.

Press Cuttings

from Broad Street Associates **THE GUARDIAN**

24 FEB 1988

Falklands soldier dies

A British soldier has died in the Falkland islands after falling from the top of a radio mast, a Ministry of Defence spokesman said yesterday. Corporal Carl Rimmer, aged 28, from Dawlish, Devon, was with the Royal Signals regiment. An official inquiry has been ordered.

Parliamentary paper tigers purr for press

Sketch



Andrew
Rawnsley

.....
MRS Thatcher does not read newspapers. "Mr Speaker, I haven't read any newspapers," she answered a query from a Labour backbencher during questions to the Prime Minister.

An obvious explanation for this sprang to mind. Having enlisted the judiciary and the taxpayer to prevent anything interesting getting into the newspapers, the Prime Minister can no longer see the point.

Obvious, but wrong.

"I am far too busy," Mrs Thatcher expanded, adding: "And I am not responsible for what appears in the newspapers."

The Prime Minister is almost certainly unique among MPs in this respect. Or, at least, unique among those who can read.

Members of Parliament, on the whole, are assiduous devourers of newsprint. Many employ harems of blonde American graduates — for appearance's sake they are called research assistants — for the express purpose of monitoring the newspapers. Most blonde graduates do little else but cut out interesting items in the newspapers for their MPs. The little else we will pass over.

The most interesting sort of newspaper item for most MPs is one about him or herself.

In the unreal world of Westminster the newspapers remind MPs that they exist. They remind them what they said the day before so as not to contradict themselves. More importantly, the newspapers remind

Press Cuttings

from Broad Street Associates **THE GUARDIAN**

24 FEB 1988

MPs what their party leader said the day before so that: if a Tory MP they can fulsomely reinforce it; if a Labour MP fulsomely disagree with it; and if a Liberal MP, attempt to remember who their leader is.

The newspapers are an MP's lifeline. Some MPs have come to rely on the papers to such an extent that they hardly exist outside their newspaper cuttings. A few even become them.

Consider Tam Dalyell, the Labour MP for Linlithgow. The real Mr Dalyell is a charming man of many interests and pursuits. He likes playing tennis, enjoys a swim, is expert on many areas of science, has served the National Trust and lives in a castle in Scotland.

But the newspaper Dalyell is a lonely obsessive, still fighting the Falklands war, flying his tortois against the Prime Minister and launching little ambushes at her ministers long after everybody else has found more topical battles.

The newspaper Dalyell, a samizdat with a low circulation among fellow members of the Thatcher resistance, was on sale at questions to the defence ministers.

For once, it did at least have a grabbing headline, concerning the Belgrano: WATERGATE.

The words, according to Mr Dalyell, were a reference by Michael Heseltine to the sinking of the Argentine battleship.

"Who did he have in mind," he inquired of the ministers, "for the role of Richard Nixon?"

The ministers, who are no more privy to the internal workings of their old boss (Michael Heseltine) than anybody else, laughed it off.

It did, however, give the opportunity for an intervention by Geoffrey Dickens, an MP who has more completely than any other member become his newspaper alter ego. Mr Dickens appears almost exclusively in the Sun. He speaks in huge headlines, is obsessed with sex, and is completely unreliable as a guide to the real world.

"CAN THE MINISTER EXPLAIN," he shouted, "WHY THE OPPOSITION PERSIST IN TRYING TO DISCREDIT THE ROYAL NAVY INSTEAD OF BEING PROUD OF IT!!!"

Mr Dickens sat down, well satisfied. Mind you, he may be alarmed this morning to find himself in the Guardian.

Minister closes Belgrano case

Defence

Maev Kennedy

THE armed forces minister, Mr Ian Stewart, yesterday refused further investigation into the missing log of Conqueror, the submarine which sank the Argentine cruiser Belgrano, saying there was no case to answer.

He was questioned by Mr Alan Williams (Lab. Carmarthen) about claims that an MoD official, not named yesterday in the Commons but identified as Mr Paul Newbegin, has said he was present when the log was destroyed. The log is said to have been shredded and incinerated, not lost as the MoD claims. Mr Stewart said during Defence questions that the official denied he had access to the log.

Mr Williams suggested the log had been destroyed because it would have revealed the commander's incredulity at the order to sink the Belgrano and

his attempts to query it over a period of six hours.

Mr Stewart said he misunderstood the nature of a log, which documented matters such as the submarine's course, depth and speed.

The Defence Secretary, Mr George Younger, defended the progress of the Trident programme, saying that manufacture of warheads began last month at Aldermaston. He told Mrs Alice Mahon (Lab. Halifax) there were no implications for the programme from the failure of a recent test firing at Cape Canaveral. The purpose of a test was to check if a missile was working properly: it had shown that the missile in question was not and so could be called a 100 per cent success.

Mr Stewart commented that the recent study, *A Handbook of Nuclear Weapons Accidents*, by Bradford University was based on false assumptions, and its conclusions were false: there had never been an accident with a British weapon involving release of radiation or contamination of personnel.

Falklands call

Washington (AP) — The Organisation of American States has called a special session at Argentina's request to consider plans by Britain to conduct military manoeuvres in the Falkland Islands.

Nato must decide soon

Chemical arms ban priority

The priorities for arms negotiations should be a worldwide ban on chemical weapons and a start in the reduction of conventional weapons, Mr George Younger, Secretary of State for Defence, said at question time. Nato as a whole would have to decide in the next few months whether it agreed.

Miss Clare Short (Birmingham, Ladywood, Lab) had said that West Germany was anxious to negotiate away battlefield nuclear weapons because Germans were worried that a nuclear war might be fought on their soil.

Instead of pressing for reductions in the weapons, the British Government was leading the pack for rearmament. Nato was said to be preparing to decide on that at the next meeting in Denmark. Could the House discuss it first?

Mr Younger told her that the German Government entirely supported the nuclear strategy of the Nato Alliance.

There was no doubt that the attitude of the present British Government, which had been leading the pack towards reductions in nuclear weapons, had been overwhelmingly successful.

DEFENCE



Mrs Ruddock: Why is the Government opposed?

Mrs Joan Ruddock (Lewisham, Deptford, Lab) asked why the British Government was opposed to the denuclearization of Europe, which the people of Europe wanted?

Mr Younger said that this was the first government ever to achieve a reduction in nuclear

weapons. The German Government would agree that the priorities were as he had laid them out.

Mr Denzil Davies, Opposition spokesman on defence, said that there was a consensus in West Germany for talks on the reduction and elimination of battlefield nuclear weapons, parallel with talks on conventional reductions. Why was the Government so afraid of such a reasonable solution?

Mr Younger said that the Opposition was putting words in the mouth of the German Government.

● No case has been made for the reopening of the inquiry into the disappearance of the logbook from HMS Conqueror, Mr Ian Stewart, Minister of State for the Armed Forces, said.

Responding to recent allegations that the logbook was deliberately destroyed after the submarine had sunk the Argentine cruiser General Belgrano during the Falklands War, Mr Stewart said that the official concerned had categorically denied the allegations.

"He was not in 1982, nor has he ever been, in a post which would have given him access to naval logbooks."

Falklands protest

Quito (Reuter) — Andean Foreign Ministers have condemned Britain's proposed military exercises near the Falkland Islands.

Speaking before leaving for a meeting in the southern city of Cuenca to discuss political and economic integration in the Andean region, they said that they supported Argentina's sovereignty claims to the archipelago and opposed Britain's decision, which would harm Latin American efforts towards harmony.

SPECIALLY RELATED HONOUR

The honorary knighthood which Mr Caspar Weinberger, the former United States Secretary for Defence, received from the Queen yesterday was given because he has been a good friend of Britain. This is a very good reason for giving an honour to a non-subject of the Queen. It ought to be done more often.

Many of the recipients would almost certainly be Americans. Yet in Britain the special relationship is something which the worldly-wise will often say does not exist. They argue that, when it is not an illusion, fostered by successive British prime ministers in order to depict themselves as more important internationally than they really are, it is merely the stuff of after-dinner speeches and the English-Speaking Union.

The existence of the special relationship has always been more denied and mocked in Britain than asserted. Lord Stockton, Lord Wilson, Lord Callaghan and Mrs Thatcher have all been derided, and accused of sycophancy, for valuing their relations with Presidents Kennedy, Johnson, Carter and Reagan respectively.

These prime ministers have all suffered, at least as much as they have gained, from their closeness to a president. This is because the ranks of the politically active — the people who can damage prime ministers between elections — contain anti-Americans in numbers disproportionate to the country as a whole.

One of the reasons Mr Weinberger received yesterday's accolade was his help to Britain in the Falklands War. Why should he have done so? Keeping the Falklands British was not an important American strategic interest.

The Administration of which he was a member contained many "hemispherists" — believers in not offending an anti-communist regime such as Argentina's, within the United States' own hemisphere, rather than in some sentimental attachment to a country such as Britain which was outside that hemisphere. They included the otherwise sagacious Mrs Kirkpatrick, the then US Ambassador to the

United Nations. If Britain had not won back the islands by force it is hard to say which faction within the United States Administration would have determined President Reagan's policy.

Britons sceptical of the special relationship might retort, if the outcome was that much in doubt, what price the special relationship? But, some 40 years after the special relationship was forged in the Second World War, the existence of the "hemispherists'" view is less remarkable than the survival of Mr Weinberger's.

His attitude cannot be explained away by some vague folk memory. Weinberger is not an English name. It is explained by Britain and the United States sharing common values. The English-Speaking Union stuff is broadly right.

Common values between countries do not, however, automatically mean common national interests or policies. Britain and the United States have sometimes differed about what policies would further the values.

At the end of the Second World War the United States did not believe that the values were furthered by the continuance of British imperialism. By the 1960s an America which by then knew more about global responsibilities was pleading with Britain to remain east of Suez.

But voices in each of the two countries have equally often been raised in the interests of the other. In the American War of Independence itself British policy was opposed by Burke — English Conservatism's founding philosopher. In the Second World War the wisest in America sought an end to isolationism from Europe, and eventually gained the upper hand in both political parties.

Sooner or later, the demands on the American economy will mean fewer US forces in Western Europe, including Britain. America will expect the British to be among those doing more for their own defence. Some people will hope that this will mean an end to the special relationship. Wiser people hope that it will strengthen it.

Big gas find made off Argentina

BY TIM COONE IN BUENOS AIRES

AN OFFSHORE natural gas discovery in Argentina has boosted the country's probable reserves by about 25 per cent and may have international repercussions because of the new gasfield's geological links with the Falkland Islands.

The find, fewer than 500km (311 miles) from the disputed islands, was announced on Monday evening by Dr Jorge Lapena, Argentina's Energy Secretary.

He said it was the most important hydrocarbon discovery in Argentina this decade and the country's first commercial offshore find.

An international consortium comprising Total, the French company (37.5 per cent), Deminex, of West Germany (37.5 per cent) and Bidas, of Argentina (25 per cent) has been exploring the Austral basin off Tierra del Fuego since 1978.

So far it has invested \$220m (£187m) in exploration.

The find comprises 11 separate fields of commercial value. Of these, two known as Hydra and Ara are to be developed over the next two years with further investment of \$430m.

Sub-contracting tenders for production platforms and onshore processing facilities are to be called for soon. Production is expected to begin at the end of next year.



The first two fields are located between 7km (4.4 miles) and 13km (8.1 miles) off the north-east coast of Tierra del Fuego at water depths of between 20 metres (66ft) and 40 metres (132ft).

Development costs of the entire discovery are estimated at about \$1.5bn.

Proven reserves in Hydra and Ara fields are 7m cu metres of crude oil and 15bn cu metres of gas respectively.

There are probable reserves in the remaining nine fields of a further 98bn cu metres of gas - with a 90 per cent statistical probability, says a Total execu-

tive.

This could be raised to a potential 285bn cu metres by further exploration work.

Argentina consumes about 20m cu metres of natural gas a year. Its proven gas reserves were 681bn cu metres at the end of 1985, of which the Austral basin accounted for 14 per cent.

The head of the exploration department of Yacimientos Petroliferos Fiscales (YPF), the state oil company, said: "There is geological continuity between the Austral basin and the Malvinas [Falkland Islands]."

However, he said there was

no data yet to prove that major deposits exist there.

None the less, the find will inevitably renew interest in the possibility of finding commercial oil and gas deposits in the Falklands and could become a further cause of tension between Argentina and the UK.

Dr Lapena said Argentina was self-sufficient in oil and gas supplies. The new discovery would boost the Government's so-called Houston Plan.

This plan was launched in 1985 to attract foreign oil companies to the country, to explore for oil and gas on risk contracts.

In the first three licensing rounds a total of 11 contracts have so far been put in force. Another 22 are awaiting government approval.

Dr Lapena said "this will permit the consolidation of our self-sufficiency plans and produce exportable surpluses."

The most likely importers of Argentine natural gas are Chile, Uruguay and Brazil. Talks have been underway for some time to build a gas pipeline to supply Uruguay and Brazil.

Argentina imports 6m cu metres of natural gas a day from Bolivia under a contract which expires in 1992.

The fourth licensing round under the Houston Plan is due to be called in May.

Press Cuttings

from Broad Street Associates

FINANCIAL TIMES

24 FEB 1988

ARGENTINA'S probable natural gas reserves have been boosted by about 25 per cent after a major find a few miles off the north-east coast of Tierra del Fuego. Page 30

Argentina secures \$550m bridging loan from US

THE US confirmed yesterday it would lend Argentina \$550m in bridging support during the country's negotiations with the International Monetary Fund for balance of payments help, writes Anthony Harris in Washington.

Argentina indicated last week that the US would step in to help it stave off a foreign exchange crisis while it negoti-

ates the final conditions for release of money from the IMF and commercial banks.

The US Treasury said the bridging loan showed US support for Argentina's efforts to achieve sustainable growth and a viable balance of payments.

Tim Coone adds from Buenos Aires: Talks on setting a new minimum wage in Argen-

tina remained deadlocked yesterday, with unions, industry and the government failing to agree on either a new floor for wages, or a mechanism for regularly revising it.

A tripartite commission set up to fix the new minimum wage has been unable to find common ground between the General Confederation of Workers (CGT), which wants a 200

per cent increase on the present level of Aus 350 per month (\$60), and the government which is trying to keep the floor to Aus 450.

The CGT also opposes a proposal from industrialists to revise the minimum wage only every six months, arguing that it will be eroded rapidly in the coming months as inflation accelerates.

Region to debate UK Falklands exercises

Washington (AFP) — The Permanent Council of the Organization of American States (OAS) announced last night it would meet in emergency session on March 1 to consider Britain's plans to conduct military manoeuvres in the Falklands next month.

The meeting comes at the request of Argentina. The Argentine delegate to the OAS, Señor Gaston de Pratt Gay, told the Washington-based organization that the meeting was needed because the military exercises were seen by his country as a provocation likely to raise tensions in the South Atlantic.

Press Cuttings

from Broad Street Associates

THE GUARDIAN

23 FEB 1988

Falklands complaint

Argentina yesterday asked for a meeting of the Organisation of American States over Britain's planned military exercises in the disputed Falkland Islands, the Foreign Ministry said. — Reuter.



Words: Mervyn
Wynne Jones

Pictures:
Mike Weston

Sappers of 8 Field
Squadron's airfield
damage repair troops
with the tools of their
trade

SOLDIER MAGAZINE 22.2.88

How a sapper solved a Falklands water shortage

DIVINE RIGHT!

WHAT do you do when a wind-powered water pump grinds to a halt in the middle of a minefield? Simple, you find another source of water and build a new pump. How do you find the water? No problem! You call in Capt Larry Inge of 8 Field Squadron RE, a registered water dowser

with more than 20 years' experience to his credit.

Confounding the sceptics, Capt Inge and his copper welding rods soon located an artesian source outside Fox Bay West, a remote community occupied by Argentine soldiers in 1982.

His sapper colleagues were

called in to bore a well and the islanders again had water on tap – well away from the hidden hazards of the minefield.

"It just goes to show," said squadron OC Maj Bryan Cooke, "what a talented bunch we are!"

Capt Inge added: "Water dowsing is an acknowledged skill in the Royal Engineers and this seemed like the ideal time to put it to the test."

8 Field Squadron – part of Tidworth based 22 Engineer Regiment – were just about to leave at the time of SOLDIER's visit to the Falklands and their diverse and specialised role has been taken over by Maidstone based 50 Field Squadron (Construction).

The Falkland Islands Field Squadron turns round – in common with most other garrison personnel – every four months and units are generally

● Turn to next page



Water dowser Capt Larry Inge soon had the taps running in remote Fox Bay West after visiting the area with his copper diving rods

Falklands work-out for sapper tradesmen

● From Page 25

a formed field squadron from the UK with additional specially posted sapper elements and trickle posted personnel such as REME tradesmen.

Their military role is to provide an airfield damage repair capability to the South Atlantic force, to maintain and, if necessary, operate the fuel installations and to provide all the normal combat engineering back-up. In peacetime they are kept busy with repair, maintenance and construction tasks across the islands.

Among 8 Field Squadron's more unusual assignments was the recovery of a BV206 whose driver had taken it swimming without putting the plug in. Not surprisingly it had sunk.

Capt Chris Tetley, 2IC, said: "The good thing about this place is the great variety of tasks we can tackle and see through to the end."

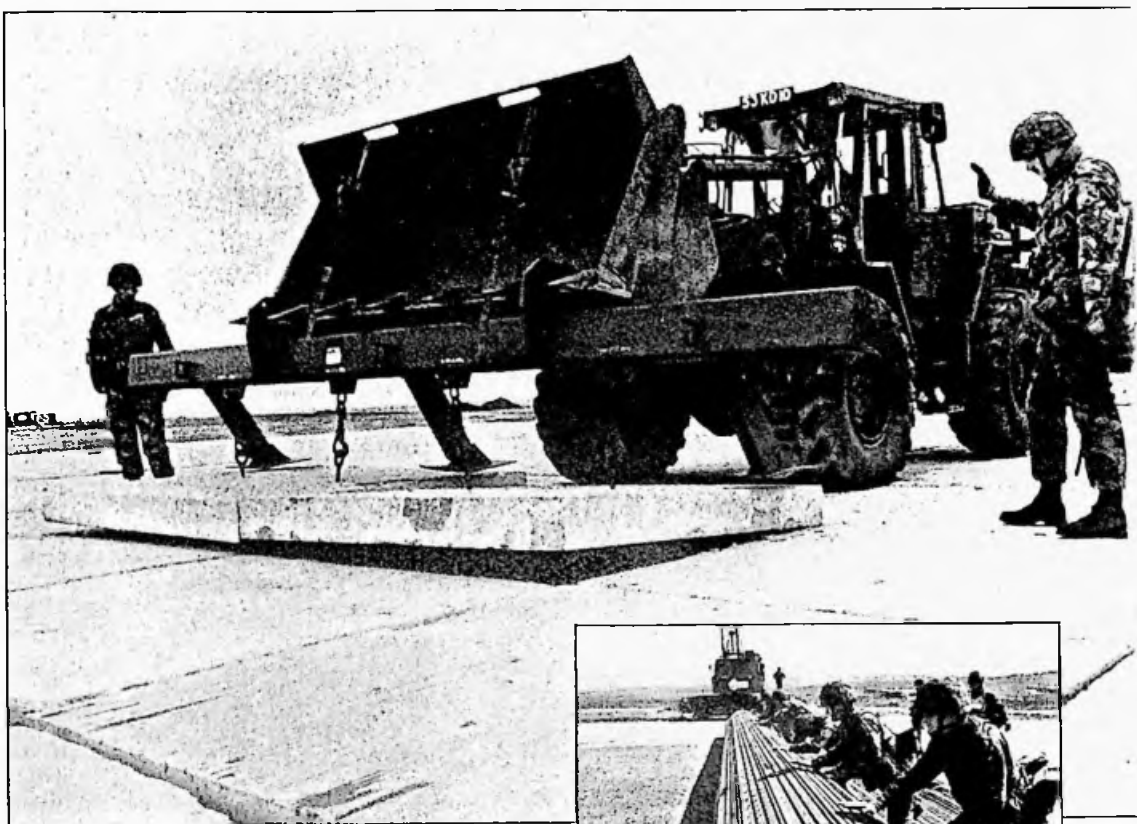
The squadron also has a support troop with plant and transport sections, an engineer workshop, a combat support boat section and a fitter section. There is also a large REME workshop.

SSgt Stephen Major, military plant foreman, said: "The lads have learnt a lot here that they would not have done elsewhere. Tradesmen have had an intensive four months putting into practise what they have been taught."

Sgt Shaughan Walrond, MT section, added: "Drivers have to keep a keen eye on any potential mechanical faults because road conditions are so bad that vehicles do tend to take a hammering."

Tradesmen such as welders, blacksmiths, sheet metal workers, painters and carpenters are found in the engineer workshops where signwriter Spr Mark "Blast" Furniss explained: "The work is interesting and the good thing about this posting is all the wildlife to be seen."

Sharing the skies with some



Above - Concrete blocks are used for strategic repairs on runways used by heavy aircraft such as TriStars. Right - Matting, on the other hand, is rolled over a dummy crater filled with hardcore in a tactical repair for emergency work on runways used by lighter aircraft



Shifting mines pose an explosive problem

MINES have a nasty habit of moving from place to place. Inland they can be washed out by rainfall and river and on the shoreline they are moved by tide and storm.

Charged with keeping an eagle eye on all such hazards are Capt George Coutts (RE) and his Stanley based Explosives Ordnance Disposal team who are among the few remaining troops at the Islands' capital after last year's move to RAF Mount Pleasant.

"Mines are moved round by the elements," said Capt Coutts, "and after a big storm in particular we find them

strewn along the beaches. We have to keep tabs on them week by week."

There are still 157 minefields on the Islands, 115 in the Stanley area alone. Those in the Stanley area are checked on a weekly basis and the rest at intervals of between a fortnight and two months.

Air and ground delivered ordnance from the 1982 conflict is still found everywhere and the sapper EOD team - together with their RAOC and RAF colleagues in Mount Pleasant - responded to hundreds of calls last year involving upwards of 30,000 items

of the more unusual South Atlantic birds are the regular RAF flights in and out of the Falkland Islands. A safe landing place is assured by the field squadron's airfield damage repair (ADR) troops.

Sent to Waterbeach for pre-Falklands ADR training by 12 Engineer Brigade specialists, the Falkland Islands Field Squadron have different techniques for different eventualities.

A crater in a runway designed to bear the stresses of a landing by an RAF TriStar is tackled in a completely different way to one in a runway that must quickly be repaired to enable a Phantom interceptor or Hercules to land.

"It all adds up," said OC Maj Cooke, "to a thoroughly interesting four months for the squadron."



Maj Bryan Cooke, the squadron OC, a skate board enthusiast



Racing through the surf, a Green Jackets patrol makes a dramatic exit from a combat support boat as it reaches shore on an island near Mare Harbour



ranging from bullets to missiles.

The task ahead of them is daunting. There are thought to be between 15,000 and 17,000 mines still lying beneath the peaty Falklands turf.

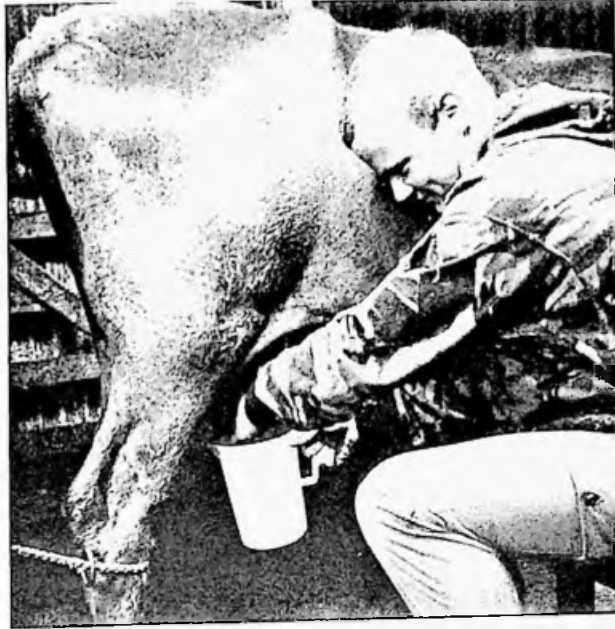
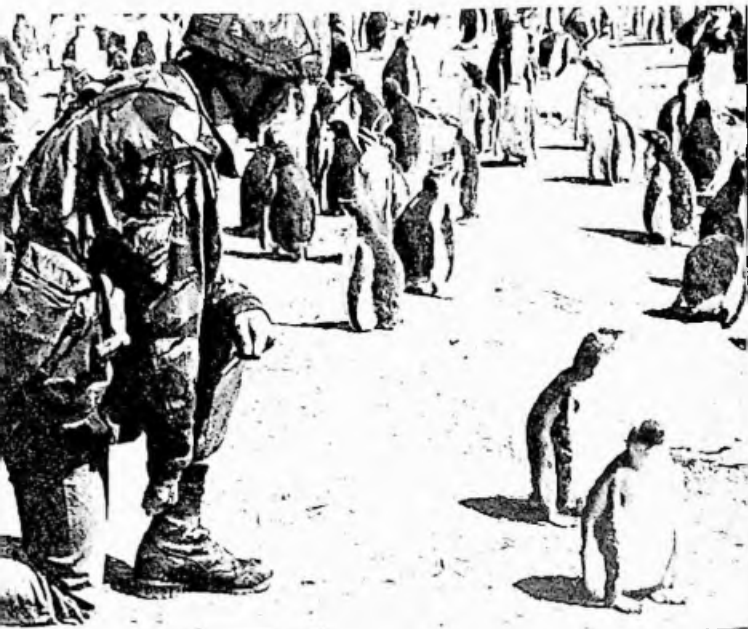
Thousands are of the virtually undetectable plastic variety which have already maimed a number of EOD personnel since the conflict.

Until a safe method is devised for detecting and destroying them, these mines will remain hidden. While the boffins experiment, the EOD men ensure that this most deadly legacy of war claims no more victims.

Right - Spr Chris Wood changes a tyre on a "bog frog", a specially converted Land Rover ideal for cross country work in the Falkland Islands

Below - Men of 8 Field Squadron lay on a welcome for the advance party of 50 Field Squadron, their successors, when they arrive at Mount Pleasant. The sapper dressed as an Easter bunny reminds them that they have a full tour ahead of them!





CAMP OF AD

An island patrol is full of country surprises

FALKLAND Islands infantrymen can look forward to a warm welcome at most of the communities they pass through on patrol.

Frequently remote and often sparsely populated, these settlements rarely see other visitors.

Some homesteads shun contact with the outside world but others regard the soldiers as a vital link with the Falklands community at large.

Patrols often deliver mail and provisions and help out with odd jobs around the farm when passing through. Many individuals return to the settlements to help islanders round up and mark their flocks of sheep.

All of which came as something of a revelation to the men of the 3rd Battalion, The Royal Green Jackets who, by and large, are drawn from cities such as London, Liverpool, Newcastle and Birmingham.



"There's more to this than meets the eye!" LCpl Robert Balkin tries his hand at shearing at Dunnose Head. Advising him is Mr Clive Wilkinson

Settling into the routine of patrolling, training and guard duties, the riflemen of 3RGJ soon found themselves looking forward to their stints out in the "camp" - that area roughly half the size of Wales beyond the environs of Stanley.

LCpl Robert Balkin said: "Most of us are city lads so it's good to be out in the country.

We enjoy being out on patrol because it is just you and your section and it gives us a chance to meet the locals who are really hospitable."

Some islanders open their doors and let Servicemen use their farms as R and R centres. One such couple are Clive and Rosemary Wilkinson who have seen more than 700 soldiers,

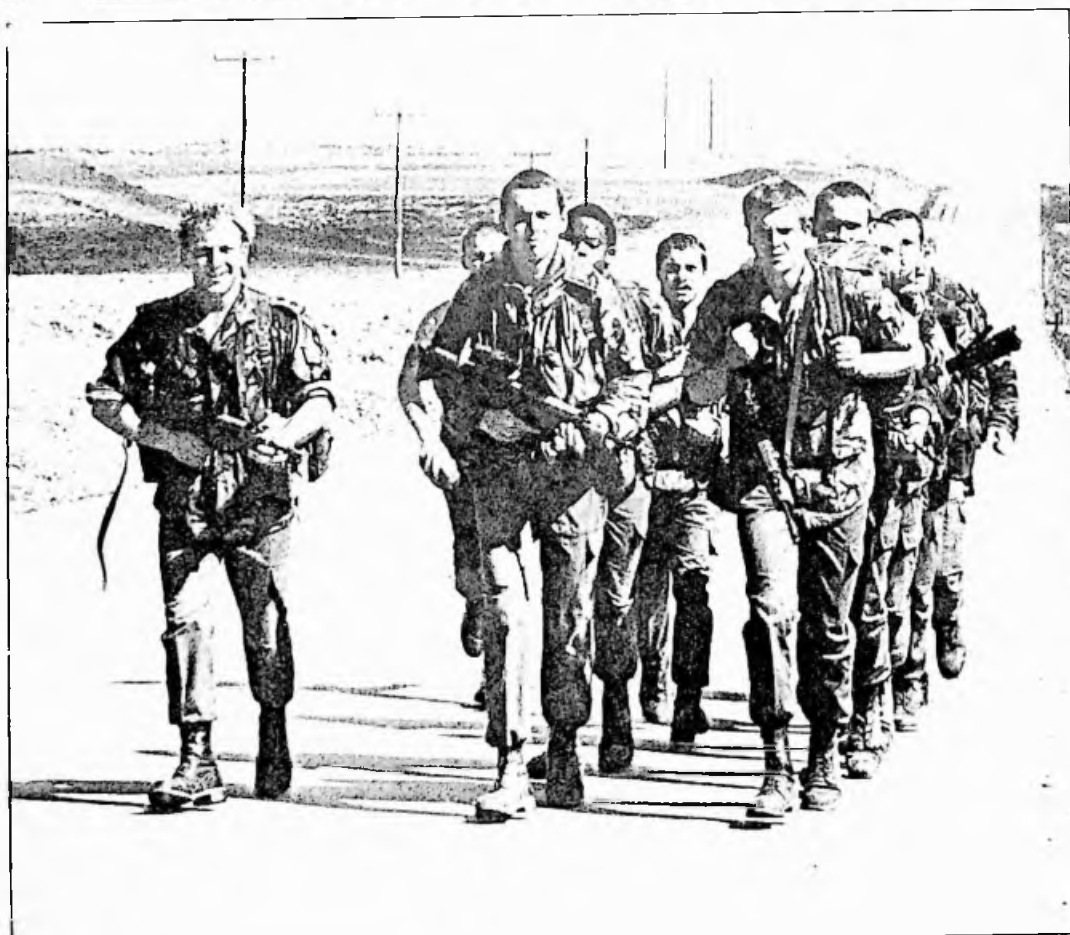
sailors and airmen pass through their house at Dunnose Head, West Falkland, in the past four years.

"We enjoy the quiet life but it is good to see the lads too. It gives them a chance to get away from Mount Pleasant and it also gives us a social life as well," said Rosemary who, with husband Clive, used to live on

Falkland Islander Clive Wilkinson passes on some tips on the local terrain to a Green Jackets patrol passing through his settlement at Dunnoose Head. Far left - A penguin picture is a must for the scrap book. Left - Rfn Philip Vipond gets to grips with farm life. Right - Cpl Bob Norris (standing) with Rfn Joe Moore, Rfn David Evans and Rfn Tony Padgett, members of a Green Jackets airfield patrol, with one of their charges.



VENTURE



Training goes on - even in the Falklands. Men of 3 RGJ put a brave face on it during a Combat Fitness Test on the tarred road between RAF Mount Pleasant and Mare Harbour

Dartmoor before settling in the Falklands in 1979.

Cpl Nigel Griffiths said: "The blokes love going on patrol. More often than not they are glad to see us and we are always glad to see them."

Settlement patrols give the infantry a chance to enjoy the wildlife and get the mandatory "one for the album" penguin

shot, but first and foremost they serve a military purpose.

Not only do they provide an islands-wide presence and an intelligence gathering medium but they also give participants a chance to brush up on their field craft and recce skills.

Day to day life depends very much on the platoon commander whose job it is to inject

interest and variety into the rota of patrol and guard duties around both Mare Harbour - supply point for the garrison - and Mount Pleasant airfield, as well as the periods of military and adventurous training and those spells on settlement patrol.

Water sports are available, weather permitting, on Gull



Sgt Bill Mycock, 3 RGJ feeds Bounce the lamb under the watchful eye of Dorothy Wilkinson

Island Pond between Mount Pleasant and Mare Harbour, and most Servicemen get the chance to try their hand at canoeing, orienteering and hill walking at Shag Cove adventurous training centre.

Battlefield tours are also popular, serving to illustrate the task facing the liberators during the 1982 war and the skills they found necessary to achieve their objectives.

Sgt Maj Sean McEvoy explained: "Walking the battlefields gives the lads something to think about. A tour in the Falklands is not always popular but people sometimes forget that a lot of men lost their lives here in 1982. We must never forget what happened then and the debt we owe those who were killed during the conflict."

Fire focus or peace building

WHAT could be more logical than a logistical exercise to show that the Falklands garrison can be swiftly reinforced in a future "state of tension"? Given expenditure of over £3 billion on recovering the islands and then guarding them (and building an airport plus associated seaport for £400 million), it would be a false economy not to ensure that everything worked properly. So much for the military and financial justification for "exercise Fire Focus" on March 7, when extra troops and aircraft will join the resident forces for three weeks of joint manoeuvres.

Unfortunately foreign political and diplomatic views are rather different, not only in Buenos Aires but also in Washington, which has not been keen to mediate between two such disparate but important allies of the United States when one of them is not interested. There being, presumably, no point in trying to talk Britain out of its plans, a special US envoy attempted to calm Argentine feelings but without success. For Argentina and its many friends in Latin America the forthcoming rehearsal of a state of tension has come closer to causing one than any event since the war of 1982.

Ironically Argentine officers, whose vicious dictatorship was broken by the Falklands defeat and whose residual hostility to democracy has since become notorious, see Fire Focus as a new lever against President Alfonsín, whom they attack for being too diplomatic in protesting against this latest British "provocation." The saving grace of the war — that in ousting the occupiers Britain also toppled a nasty regime — has been shown to be a not altogether unadulterated blessing. But who actually cares if a bunch of inept and discredited commanders with authoritarian tendencies get upset about a British exercise in the Falklands?

President Alfonsín does, for one, and so should all those who want his embattled regime to survive, among whom must be counted (we assume) the British Government. A British anti-invasion exercise can only have one "enemy" in mind. If Argentines, and not just the military but also their precarious president, find this upsetting, is it so hard to see why? But so long as British policy remains rigid, as it has been since Mrs Thatcher threw away the chance of a fresh start with a democratic Argentine government, every British action on the islands will raise the temperature.

Even now a conciliatory approach, as called for by a UN majority of 114 to five last autumn, would render such counter-productive exercises superfluous, together with most of the permanent garrison of perhaps 2,000. The deep freeze between Britain and Argentina has now lasted as long as it took the western Allies formally to end hostilities with Germany after 1945. If it was possible to move towards normality within six years of Hitler's war, why is there no sign of such an accommodation after Galtieri's? It is going to have to happen one day; it would be good for business as well as peace and common sense if reconciliation began now.

Argentina hopes that US will lift arms embargo

By Cristina Bonasegna in Buenos Aires

PRESIDENT RAUL ALFONSIN hopes to defuse tension among Argentina's unruly armed forces by winning agreement from Washington to lift a United States arms embargo imposed during the Falklands conflict.

By revamping the obsolete services, the administration expects to divert military energy from mutinies to professional activities.

A month after stifling a rebellion by middle-ranking officers, led by former Lt-Col Aldo Rico, and the second in less than a year, Señor Alfonsin is still faced with military unrest.

Punishment of the rebels, lack of resources and the need to acquire new military equipment are all involved.

The Defence Minister, Señor Horacio Jaunarena, told Congress last week that he was confident a request for US military aid to be resumed, which he presented in Washington four months ago, would have a "favourable" response.

Señor Jaunarena was being questioned in the Lower House concerning uprisings at 14 army units, and an air force insurrection last month.

The Right-wing rebels, who were challenging the authority of their superiors, surrendered to troops loyal to the army chief, Gen Dante Caridi, after three tense days.

Weekend press reports suggested that the US Under-Secretary for Latin American Affairs, Mr Robert Gelbard, told President Alfonsin last week that arms sales would be resumed.

According to a government spokesman, spare parts for tanks, helicopters and aircraft, are most urgently needed and would arrive first.

There is also a need to improve the aircraft carrier 25 de Mayo, which was in the South Atlantic war.

Also, 12 American-build Skyhawks, bought from Tel Aviv after the 1982 conflict, remain blocked in Israel through pressure by Washington.

Tension between the military and civilian government has been mounting since President Alfonsin took over from a military regime five years ago, ordering trials for human rights violations under the 1976-1983 military government, and halving the national defence budget.

Military concern over the trials sparked an Easter uprising last year, but has been reduced since the passing of the "Due Obedience Law" in June. Under the law, about 400 middle and lower-ranking officers were cleared of charges since they could claim they were following orders.

Fewer than 50 top-ranking officers still face trial for crimes during the "dirty war", when at least 9,000 people disappeared, while five of the regime's junta leaders are serving sentences.

There is a total of 6,000 officers serving in the three services. But while the government expects to appease the military by keeping them busy, observers forecast more military conflicts this year.

Lack of resources, however, remains as big a problem as ever. While the military are demanding a 50 per cent salary increase, international creditors are pressing Argentina to slash its fiscal deficit.

The Left, meanwhile, is more concerned about the recent announcement by two Army captains that they were going underground to fight "the Marxist enemy at home".

A Defence Ministry spokesman said new purchases would involve a relocation of funds rather than a larger budget. The government planned to reduce the number of troops and sell military assets.

The armed forces own several loss-making companies which are not related to military activities, such as a steel producing plant.

Señor Rosendo Fraga, a conservative expert on military affairs, says Gen Caridi's tough action against rebellious officers could provoke uprisings of many officers who are increasingly isolated from their superiors.

Gen Caridi has so far ousted 10 officers for sympathising with the rebels. Military courts, meanwhile, are investigating almost 400 officers and NCOs for their role during the January uprising, 145 of whom still remain under arrest.

"In punishing the mutiny so harshly, he (Caridi) is creating new tension within the Armed Forces," Señor Fraga said.

Troops claim denied

● Patrick Watts in Port Stanley writes: Claims by Argentina that Britain plans to land at least 35 aircraft and up to 8,000 troops on the Falklands during next month's reinforcement exercise, have been dismissed by a British official.

A Ministry of Defence spokesman on the islands said Exercise Fire Focus, which will cost approximately £3 million, mainly in airlift costs, would involve "considerably less" than 8,000 men, and "nothing like" 35 aircraft.

Military officials, questioned about the cost, said occasional re-inforcement exercises were much cheaper than maintaining a large force on the islands.

Press Cuttings

from Broad Street Associates

FINANCIAL TIMES

22 FEB 1986

Missing millions

US banknotes worth \$8m (£4.5m) disappeared in Rio de Janeiro on their way to the Argentine central bank in Buenos Aires. **Page 4**

SOLDIER MAGAZINE 22.2.88

SOLDIER to Soldier

'Argies' go home early

A SOLDIER team visiting the Falkland Islands soon found themselves adapting to the garrison's use of *FIspeak* – a language peculiar to South Atlantic Servicemen.

Most Army personnel spend a four month tour in the Falklands and are only too aware of their status as either an FNG (Falklands New Guy) or an FOG (yes, you've guessed – Falklands Old Guy).

Ask anyone how much longer he has to go and he may answer "21 days and a greasy", which roughly translated means "21 days and one last breakfast".

Anyone on temporary attachment or serving less than a full tour acknowledges that he is lucky enough to be serving an "argie".

FOGs on the last leg of their South Atlantic tour start keeping their eyes open for "gozomes" – going home gifts for family and friends.

A MINJO (Man in Need of a Jolly Outing) ought not, when he does manage to escape the corridors of MPA (Mount Pleasant Airport), forget his "bimble box" (packed meal) and a "slab" (case) or two of "reds" (cans of Tartan beer), "greens" (lager) or "blues" (Wadsworth 6X beer).

Liquid refreshment can still be enjoyed, of course, in camp while listening to the dulcet tones of FIBS – the Falkland Islands Broadcasting Service!

No one needs reminding that the Falklands are far from home. The arrival of each "Timmy" (TriStar) and "Fat Albert" (Hercules) with its precious cargo of "blueys" (Forces aerogrammes) is eagerly awaited.

Argentina loses \$8m in bank notes

BY OUR BUENOS AIRES CORRESPONDENT

NEW US bank notes worth \$8m and destined for Argentina's Central Bank disappeared in Rio de Janeiro when they were changing flights this month, according to reports published in Buenos Aires yesterday.

The money seems to have been part of a shipment of \$52m from the US Federal Reserve, ordered by the bank to cover interest and principal payments due last Monday on Argentina's 1982 series of Bonex, its dollar-denominated bonds.

The shipment left New York on February 4 in 13 large sacks, but only nine arrived in Buenos Aires. Four of the sacks, once in Rio, seem to have been put in a small van which was later discovered in an airport warehouse with only two inside.

According to the reports, Brink's, the security company, was responsible for the transfer of the money between flights.

The company was quoted as saying, "the loss is being investigated by Brink's in the US and Brazil, by the airline and by the Argentine and Brazilian police". The Brazilian airline Varig brought the shipment from New York.

The Central Bank said in Buenos Aires said that the loss is covered by insurance.

"The stolen banknotes will be difficult to place (on the market) because they are all new and their numbers are recorded", it stated, adding that they are all notes of \$100 or less, however, which could make them easier to pass into circulation.

Daily Mail
22.2.88

Nigel Dempster Column

Signs of affection

WHO else but the Duchess of York would venture where no royal has been since the Falklands War... into a gathering of London's Anglo-Argentine Society?

So tight was security that not even other ranks of the society knew she was slipping in to collect a long-awaited wedding present — six sheets of Argentine parchment bearing the signatures of all those in the country who wanted to wish her and Prince Andrew all the best on their wedding day in July 1986.

'It's a pity it took so long to get here,' admits George Gibson, the society's secretary. 'But we had to get someone to bring it rather than post it.' With her mother Susan living in Argentina with her second husband, Hector Barrantes, Sarah was eager for news.

Bob's Falklands war effort

ARMY and police marksmen were mobilised on the west coast of Scotland last night in a desperate hunt for three Argentinian saboteurs.

The Navy is on full alert.

Target of the hit squad is believed to be the nuclear submarine, Conqueror, currently undergoing secret trials north of Arisaig.

The Defence Ministry refuses to confirm whether the saboteurs may already have struck.

But evidence is coming to light of an extraordinary

Argentinian plot to avenge the General Belgrano, the pride of Argentina's navy, sunk by Conqueror with the loss of 368 lives in the Falklands War.

Well... that, at least, is the essence of TV presenter and adventure writer Bob Langley's plot in his new thriller **AVENGE THE BELGRANO** (Michael Joseph, £10.95).

Starting on the huge estate of an Argentinian cattle baron, it ends in the snow-bound Cairngorms, a brisk action tale in the Alastair Maclean mould.

But Langley's own story is rather more remarkable.

"Just before the Falklands War the BBC happened to send me out to do a travelogue from Argentina down to Antarctica," he told me.

"When we got out there we found this tremendous political storm blowing up. We re-slanted the series to reflect Argentina's Falklands ambition, which delighted the BBC. For when the Argentinians invaded, the BBC had this entire series, Langley South, in the can. They were able to sell it to 22 countries."

GOOD

By extraordinary good fortune, Langley had filmed Pebble Island. The film was used to brief the SAS assault on the Argentinian airstrip there.

And throughout the occupation of Port Stanley, islanders secretly played a video of Langley South in their homes.

Says Langley: "One woman wrote to tell us how they would gather in her living

room, draw the curtains and play the tape again and again. It was a form of defiance against the Argentinian troops roaming the streets outside. It helped them feel they were hitting back.

"Strangest, though, was the feeling we had before the invasion that Argentina was being lured into it.

"I have since met a person I'd rather not identify who told me he informed British Intelligence three weeks before the invasion that it was coming.

"What you have to remember is that at the UN prior to the conflict, just about every country voted against us on the Falklands Resolution. Two days after the invasion they were behind us. We were suddenly the injured party."

Argentina and Britain still lay claim, to the Antarctic Peninsula south of the Falklands. At the moment, the Antarctic Treaty prevents its exploitation except for scientific purposes. This treaty, signed by both Britain and Argentina comes up for review in three years.

"Who is to say what Argentina might do then?" says Langley.

The Americans, he declares, believe it may have as much oil as Saudi Arabia.

"They were deeply concerned that Galtieri's Argentina had been breaking the rules of the treaty by maintaining military bases on the peninsula and had even been bringing in pregnant women to have their babies on Antarctic soil."

Langley is amused by the Anglo-Argentinians. "They

live and talk like the English aristocracy of old.

"Way out in the pampa on a huge estancia I met one cattle baron who calmly told me he made a point of 'breaking in' all the girls in the community. He said it rejuvenated him."

HOBO

As a lad fresh from working-class Newcastle, Langley bummed across North America for three years like a Thirties hobo, jumping freight trains, following the fruit and tobacco harvests.

He has trekked the Himalayas up to Hillary and Tensing's base camp at 17,500ft.

"Mystical, exquisite world,"

he says. "Though I was ripped off in a Tibetan monastery. I was charged a quid to see a yeti scalp. I'm convinced it was the top of a coconut."

EAST OF EVEREST (£2.95), just out in Sphere paperback springs from his trek, an exciting East-West slam-bang set in Tibet.

Not his least claim to fame is as founding presenter of Pebble Mill at One, a live show. Sometimes very live. Joan Collins once poured a bottle of Cinzano into his lap.

Langley lives in the Lake District with his wife Pat and walks the hills talking his next book into a mini-recorder.

"People who see me think I'm mad." Happy, I'd say.



Langley: Helping the SAS

Falkland sailor's fight to be British

A FALKLANDS war veteran could be kicked out of Britain because the Home Office will not give him a passport.

Philip Collins has lived here since his adoptive parents brought him from New Zealand when he was a baby.

But despite serving on the bombed HMS Antrim during the Falklands campaign, the 24-year-old fireman has been told he cannot have a passport. And the red tape wran-

By PETER DOBBIE
Chief Political Correspondent

gle has brought anguish to Philip and his family.

He was adopted hours after his birth and brought to Britain a year later. But when he joined the Navy at the age of 16, the Home Office refused to issue him a British passport.

Foreign

Officials said he could not identify his natural parents and that meant he could not qualify.

Philip went to the Falk-

lands despite officially being a 'foreign' sailor. Americans and Australians serving with the Navy were told they could not fight.

He was one of the first to land during the recapture of the Islands, being part of the fleet which attacked South Georgia. Last night at his home in Grays, Essex, Philip, now married, said: 'It seems you can fight for your country, but you cannot get a British passport.'

Grays and Thurrock MP Timothy Janman said: 'This is a disgraceful way to treat someone who has fought for their country. I will take it up with the Home Secretary.'



BANNED: Philip Collins

Fishing fleet bound for Falklands

By John Petty

Shipping Correspondent

SIX SHIPS, some of which took part in the Falklands campaign, are to be bought back from foreign owners to form a Falklands Government fishing fleet managed by British companies.

The second in the series will leave Hull tomorrow and four more are expected to follow. The total cost, including refits in British shipyards, will be around £11 million.

Conversion of the Hill Cove, the refrigerated stern trawler leaving this weekend, provided work for 200 men at Humber-side Shiprepairers and will now offer jobs to a pool of 50 Hull fishermen, some of whom have already worked around the Falklands in Japanese-owned squid-jiggers.

She was originally named the Junella and was the last freezer trawler to join the British deep-water fleet before the Icelandic "cod war" and Common Market fishing quotas virtually wiped out the industry.

Later she was requisitioned and sent to the Falklands as HMS Junella for minesweeping and special operations with the SAS.

Back in the Falklands she will trawl for squid, hoki, hake and blue whiting for international markets. The ship is equipped to process and pack up to 40 tonnes of fish a day.

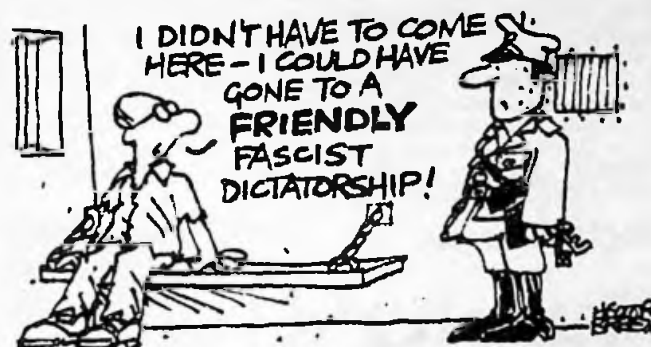
Britain had a large, modern deep-water trawling fleet before joining the Common Market. The fishing industry was virtually overlooked in negotiations and obtained such poor terms that the bulk of the big trawlers were left without work and sold to foreign firms.

UN asked to debate Falklands

Buenos Aires (AFP) — Argentina will seek an urgent meeting of the UN Security Council to consider the situation in the Falkland Islands, Adolfo Gass, a senator of the ruling Radical Party, announced.

The move follows Britain's decision to begin military manoeuvres in the area on 7 March. The announcement came after a meeting between President Raúl Alfonsín and the Foreign Minister, Dante Caputo.

Yomping with Mr Winchester through a tale of spite



MY, SIMON Winchester (Guardian February 13) can tell a tale. I can fully appreciate that 11 weeks in an Argentine gaol proved a wholly unpleasant experience, but for the Guardian to allow his personal spite and prejudice to masquerade as journalism is quite unforgivable.

I have recently returned from three months in Argentina where I also visited Ushuaia and Rio Gallegos. Contrary to Mr Winchester's observations I found Tierra del Fuego a quite beautiful island and a hike through the National Park, Lapataia (described by a fellow traveller as "the best excursion" he had taken in South America) left the impression that guanacos resembled graceful Patagonian deer rather than "curious ruminants." I could continue at length about our differing perceptions of the area.

What is utterly unpardonable, however is the impression he seeks to create of "unforgiving and unforgetting" Argentines in stark contrast with a "friendly" "civilian" Chileans, so much so that one is

lead to believe that it is in fact Chile who is struggling to retain her democracy and Argentina that persists in the vile and bloody torture of her own long suffering citizens. To describe his fear of arrest — "the sound of heavy boots in the corridor" — is to mock the paralysing and well-documented fear many Argentine and Chilean citizens must have felt at the time of their disappearance.

His arrest was not so preposterous: he was a British journalist in a highly sensitive military area not 400 miles from the war zone. The British Government imposed blanket censorship on the nation 7,000 miles away from the Falklands. Over-reaction is notorious during war.

Not all Argentines are "demoralised, downcast, impoverished" Mr Winchester, though perhaps you perceive this a fitting condition for any nation so bold as to cock a snook ("Las Malvinas son Argentinas" billboards) at British Imperialism?

Trisha Boland,
24 Beckenham Court,
Beckenham, Kent.

Argentine defence policy under bitter criticism

BY TIM COONE IN BUENOS AIRES

ARGENTINE President Raul Alfonsin's defence policy came under attack yesterday in an overnight public debate between politicians of the ruling Radical Party and the opposition.

Mr Horacio Jaunarena, the Defence Minister, and Mr Enrique Nosiglia, the Interior Minister, faced hostile questions for almost eight hours in the lower house of the Congress, during which Mr Jaunarena came under harsh criticism for taking too conciliatory a stance to hardliners in the armed forces.

He was forced to admit that officers accused of human rights abuses but pardoned under the so-called Due Obedience Law last year, continued to serve as military instructors within the armed forces.

Other points that emerged in the debate were:

- General Caridi the chief of staff of the army, has visited the imprisoned heads of the former juntas in prison on several occasions, supposedly "to review living conditions and inspect some repairs".

- Documents were produced showing that the assassination of the head of the air force was planned during the military rebellion last month.

- There was no specific plot to kill President Alfonsin, but this was inferred as a possible consequence in the event of the assassination of the air force chief.

- The Government is still uncertain if attempted homicide charges are to be brought against the rebel leaders, in addition to mutiny charges.

Hermes reports higher than expected deficit

HERMES, the West German export credit guarantee office, has reported a higher-than-expected deficit for 1987 of about DM1.5bn (£500m) -- nearly DM500m up on the previous year. **David Goodhart reports.**

An Economics Ministry assistant secretary, admitted: "This is rather higher than we had been looking for".

There were two main reasons for the overshoot. First, a large number of rescheduled claims were not paid. Second, the agency was hit by higher out-

lays on projects in developing countries which had been interrupted because of shortage of hard currency.

There was no noticeable sectoral pattern to the problem but the countries involved were Nigeria, Poland, Brazil, Argentina and Libya.

The official stressed that the DM1.5bn deficit was a simple aggregation of premiums received minus payments made. It took no account of the eventual recoverability of claims against debtors.

Argentina condemns UK military manoeuvres

BY TIM COONE IN BUENOS AIRES

ARGENTINA is likely to request an emergency debate in the UN Security Council on the forthcoming UK military manoeuvres in the Falkland Islands, following a condemnatory resolution unanimously approved by the Argentine Congress last week.

The resolution which was passed in the Lower House of the Congress on Thursday, but only published yesterday, sharply condemns the manoeuvres. It claims they are of a "scale that makes evident the continuation of an aggressive policy (by the UK), which is opposed to the search for negotiated solutions, and inspired in the use of force as a means of

gaining political and military advantages over the Argentine Republic".

The resolution calls upon President Raul Alfonsin to make requests for emergency debates in the UN Security Council, and in the Permanent Council of the Organisation of American States (OAS), to obtain an international condemnation of the manoeuvres which are scheduled for March 7-31.

The manoeuvres were announced two weeks ago and are intended to test the airlift capability of the UK armed forces to reinforce the 2,000 strong army garrison stationed there, in case of an emergency.



ON THIS DAY

FEBRUARY 19 1948

Forty years ago some South American countries were loud in their claims to territory in the Antarctic

ARGENTINA AND ANTARCTIC

WARSHIPS DEPART FOR EXERCISES

CHILEAN BASE IN GRAHAMLAND

From Our Own Correspondent
BUENOS AIRES, Feb 18

A task force of the Argentine ocean navy under the command of Vice-Admiral Juan M. Carranza, comprising two cruisers — the Veinticinco de Mayo and the Almirante Brown — six destroyers, and various auxiliary vessels, sailed today from the Bay of Ushuaia, in Tierra del Fuego, bound for manoeuvres in the Antarctic regions near the South Shetlands and Grahamland, where Argentina and Chile are jointly disputing British sovereignty with all possible ostentation and defiance.

The Argentine flagship Veinticinco de Mayo broadcast a message to the Argentine people from Ushuaia last night explaining the significance of the manoeuvres and their national importance, and proclaiming Argentine sovereignty in the Antarctic. The announcer added that further broadcasts on the same subject would soon be made by an Argentine naval detachment on Deception Island.

The Chilean President, Dr Gonzalez Videla, arrived yesterday in the naval transport President Pintos at the Chilean Antarctic base on Greenwich Island, in the British-owed South Shetlands. The base was renamed by the Chilean expedition last year Puerto Soberania in Soberania Bay (called Discovery Bay by the British). Dr Gonzalez Videla is to inaugurate officially the military post, called Bernardo O'Higgins after the hero of Chilean independence, and is to review the garrison of Puerto Soberania. The Presidential ship was met off Greenwich Island by a warship and seaplane with a base in Discovery Bay. It is announced that the President proposes to visit to-day Grahamland, renamed by the Chileans Tierra de O'Higgins, where he will inaugurate a second Chilean Antarctic military base on the "Gonzalez Videla coast".

"CHILEAN SOIL"

Soon after his arrival at Puerto Soberania, the Chilean President broadcast a message to the Chilean people saying: "Under the strange solitude and silence of these polar islands we feel the intimate and patriotic satisfaction of treading Chilean soil occupied by our gallant soldiers, sailors and airmen." The President went on to say that the glorious Chilean traditions had been preserved with valour and self-sacrifice in the inhospitable Antarctic which belonged to the American continent. Chile was defending the destiny of the Americas in the peaceful task of discovering wealth hidden from explorers and geographers, especially scientists.

The Chilean President implicitly invoked against Britain the inter-American defence pacts, referring to "worn out imperialisms which threatened to rob Chile and the rest of the Americas of their lands by aggression and armed violence," adding that the Americas were now armed and united against aggression from a Power outside the American continent. The President left no doubt that he was referring to Great Britain when he mentioned the "extra-continental power which, frightened by Europe in convulsions, sought to trample on the principles of the United Nations and the international law of the Americas." Such disturbers of the peace and safety of peoples should think twice before contemplating aggression against all the Americas.

Destined for the Pole



Sir Ranulph Fiennes, the explorer (right), left Heathrow for Canada yesterday with Dr Mike Stroud (left) and Mr Oliver Shephard to start an attempt to reach the North Pole in record time using sledges made of lightweight plastic (Photograph: Peter Trievnor).

US concern on Falklands

The US is trying to halt rising tension in the South Atlantic over Britain's proposed military manoeuvres around the disputed Falkland islands, diplomatic sources said yesterday.

They said a surprise visit to Argentina by the under-secretary of state for Latin American affairs, Mr Robert Gelbard, indicated US concern about the tension over the archipelago. Mr Gelbard yesterday met President Raul Alfonsin, the Foreign Minister, Mr Dante Caputo, and the US ambassador to Argentina. — Reuter.

Falklands death verdict quashed

Gareth Parry

AN INQUEST verdict that an army helicopter pilot died "as a result of enemy action" during the Falklands war was quashed by the High Court yesterday after the judges heard how the aircraft was shot down in error by a Royal Navy destroyer.

Lord Justice Glidewell, sitting with Mr Justice French, said that since the inquest in December 1982, new evidence had come to light revealing that Lance Corporal Simon Cockton's Gazelle helicopter was brought down in June 1982 by a Sea Dart missile from HMS Cardiff, whose crew mistook it for an Argentinian aircraft. Three other crew members died.

The judge said: "The circumstances are sad in the extreme." The true situation did not come to light until a board of inquiry was set up by the Ministry of Defence. It concluded last year that no one was to blame for the accident. The evidence it heard was not available to the in-

quest. No friendly aircraft movements were forecast and there was no IFF (identification friend or foe) broadcast from the helicopter because the IFF equipment had been switched off so as not to interfere with other weapons systems.

The unopposed application for the verdict to be set aside was made yesterday by the dead pilot's mother, Mrs Winifred Cockton, of Aylesbury, Buckinghamshire.

In August 1986 when Mrs Cockton was told that an inquiry would be held she said that she was "relieved and delighted". She had claimed there had been a "disgraceful" cover-up over her only son's death. Mrs Cockton blamed her husband's heart attack on his son's death.

● An inquest will be opened in Milton Keynes, Buckinghamshire, tomorrow on Private Graham Circuit, aged 19, of the Parachute Regiment who died after being hit by a colleague's bullet in a target practice exercise in Belize last week. His body has been flown home.

To cover the Falklands, the Tandy was love at first sight

Word punching power

John Ezard

FOUR months into grudging but permanent marriage to a VDU, it is just possible to remember the early rapture of a Tandy. I can date the onset of it, as one can with all first loves: February 1983 in the postwar Falklands.

In those days a 60-second Marisat (Naval satellite) telephone call 8,000 miles to London cost over £5. A journalist's traditional method of filing copy was shouting words down a telephone. But the cost from Port Stanley made that prohibitive. A single 1,000-word story (of which the Guardian wanted many) can take an hour or more to dictate on a bad line.

So you spent hours punching words on a primitive, heavy-keyed telex machine with no correction facility. If you hit too many wrong keys or trod on the tape, as you or others often did while it spilled out, you had to repunch the lot. It was sheer navvying, and slow to transmit. But you saved nearly £4 a minute.

During a particularly heavy

session that February day, an islander astonished me. "Last month a Time Magazine journalist down here sat in an armchair and wrote a 3,000-word cover story on a word processor," he said, "Then the guy squirted it electronically down the 'phone to his office in 15 minutes flat."

As the poet Keats put it, one's eyes lit up with a "wild surmise." Back in London, colleagues were starting to think along the same lines. The first experimental Tandy reached Guardian head office a year later. It seduced almost everybody who touched it. One says Tandy, meaning the 100 model, or later the 102 with built-in modem, but also the whole tribe of light, two-inch high, A4-sized plastic 32K laptops we tested: the Epson, NEC, Liberator and the Olivetti M10 I bought for home use because of its adjustable flip-up screen. Nowadays one would add the Toshiba, Sinclair's brilliant but under-marketed Z88 and the Whatsit with the built-in printer.

We stuck with the Tandy, rating it the best developed, mar-

keted, and serviced of the tribe. And it transformed our working lives for the better. It enabled us to write a story on a train, bus or plane or on the back of a swaying Indian elephant if need be. Used as a desk-top, it proved as robust as a heavy-duty typewriter, took up four times less space and was three times quieter. It lived on four AA batteries a fortnight. Above all, we could correct or rewrite invisibly and produce immaculate typescripts with word counts.

Weighing five pounds, it fitted into a briefcase strapped behind a bicycle or into airline hand baggage. An external modem and printer weighed more but were manageable. Filing to the Guardian telex room via Telecom Gold instead of by voice over the telephone or from an overseas telex machine, you could save the Tandy's £500 purchase price in a single foreign assignment. I have used one on three subsequent trips to the Falklands. Even at a limited 300 baud (bits per second) rate, it has become commonplace to transmit 2,000 words in 15 minutes.

Outside the office, direct input has given us another asset. We can now file instantly into the Guardian's Atex computer (when its telephone line is working). But here comes the bad news.

The inside of the office is now dominated by the giant rectangular toadstool profiles of scores of VDUs. They were promoted to us as 'Rolls-Royce Tandys'. In reaction speed, they are, but they have turned a lively village of an office into a Jacques Tati milieu without the laughs. The VDUs and keyboards, and the bigger desks they dictate, are so obtrusive that it is hard to hear the person next to you talking at a normal voice level.

Their command and response system is brutishly illogical and illiterate for a paper which tries to be literate. Should one need to know how to translate the response DDB NOT INITED (database not initiated)?

We shall eventually beat the beast because we are human and all we are up against is tatty plastic wrapped round electronic impulses. But there won't be any rapture about it.

Authoritarian solutions are lying in wait, Tim Coone reports

Argentine federalism under stress

THE IMMINENT financial collapse of a bank is not an edifying sight.

Agitated customers wave withdrawal slips and unhonoured bank titles, telephones are left unanswered by harassed secretaries, and embarrassed officials scurry past throngs of strident journalists demanding information. These were all part of the scene of barely-controlled panic outside the president's office of the Banco de la Provincia de Tucuman last week.

The latest provincial banking crisis, in Argentina's smallest but most densely populated province, is symbolic of the crisis of federalism in Argentina. The effort to give a large measure of political and economic autonomy to the country's 22 provinces has been severely restrained by the nation's limited resources and an overall economic policy decided in Buenos Aires and co-ordinated with the IMF.

The Banco de la Provincia de Tucuman, a financial pillar of Argentina's sugar industry and the provincial government of Tucuman, is deeply in the red. But whereas on other occasions the Central Bank or the Treasury has thrown a financial lifeline to hard-pressed provincial banks, this one is being left to its own resources.

It is no coincidence that rediscounts requested from the Central Bank have been refused just at the time that Mr Jose Luis Machinea, the Central Bank president, has run into difficulties in Washington with the IMF over budgetary targets for 1988.

The financing of the provinces is a perennial grouse of the IMF in its standby loan talks with Argentina. The release of almost \$1.2bn in loans from the IMF, commercial



banks and the World Bank, now hinges on IMF approval of the budget - just as Argentina's foreign exchange reserves are hitting an all-time low. "The Central Bank is doing to Tucuman what the IMF is doing to the Central Bank" said Mr Horacio Povina, the president of the Tucuman Industrial Association.

Support for a federalist system of government stems from over a century of bitter antagonism between Buenos Aires and the 22 provinces. Average per capita incomes continue to be significantly higher in the capital than in most of the provinces.

In an effort to redress these economic imbalances, provincial banks were established earlier this century to give financial muscle to the local governments and provide development loans to local entrepreneurs and farmers. Inevitably these have tended to be high-risk loans, with the emphasis on crops and industries with

regional comparative advantages - sugar in Tucuman, grapes and wine in Mendoza, cattle and grain in the humid Pampa provinces.

Regional specialisation has made the economic fortunes of the provinces subject to the vicissitude of climate and the international market place, not to mention the economic policies determined in Buenos Aires. The latter have often been designed to transfer resources from the agricultural sector to industry, usually at the expense of the provinces.

The problem is that a financial crisis facing one sector such as the sugar industry affects not only the producers, but also the provincial bank through uncollectable loans, the local government through reduced taxes, and eventually the entire province.

In recent years several local governments, through their provincial banks, have taken to issuing local treasury letters as a means of raising finance, and even printing their own money, euphemistically called "debt-cancellation bonds."

Tucuman's problem is that it is now short of cash to redeem the letters and bonds as they come to maturity, and is appealing to the Central Bank for assistance. Mr Fernando Cortes, the Minister of Economy for Tucuman, said that he has requested rediscounts from the Central Bank of Aus250m (\$50m) to redeem local bonds and treasury letters, and pay local government employee wages for last month. He came away empty-handed. "Balance your books first," was the reply.

How this will be done is unclear. Over 50 per cent of the local economy depends upon the sugar industry, which is in crisis. The provincial bank

already has on its books Aus378m in defaulted loans to sugar producers.

A local government fiscal deficit running at Aus40m per month is shortly to be halved by slapping a local sales tax of 5 per cent on all goods and by cutting labour costs. But the province already has an unemployment rate of 15 per cent according to Mr Cortes. Shedding some of the 56,000 public employees would accentuate the social and political problems of the province.

Last September's elections saw the re-emergence of General Antonio Bussi, a former military governor of the province and one of 50 former military leaders still to face trial on human rights abuses. He obtained almost 20 per cent of the vote for governor at the head of the Bandera Blanca party, though after a disputed electoral college vote, a Peronist eventually won.

Mr Jorge Rouges, a Tucuman lawyer specialising in constitutional affairs, said that "most of the provincial representatives, when they go to the Congress in Buenos Aires, follow party lines which are set and dominated by politicians from the Capital. This has weakened the federal voice".

The implication is clear enough. Authoritarian models of government are still lying in wait to be dusted off and used as an answer to Argentina's problems if the democratic ones fail to produce tangible results. They would receive support from a significant portion of the population. It is an uncomfortable thought as the government prepares to unleash yet another wave of austerity on the nation and the provinces as the quid pro quo for a package of IMF support.

Falklands death verdict quashed

An inquest verdict that Army helicopter pilot L/Cpl Simon Cockton died "as a result of enemy action" while serving in the Falklands campaign was quashed by the High Court in London yesterday.

Lord Justice Glidewell, sitting with Mr Justice French, said that since the Hampshire inquest in 1982, new evidence had come to light that L/Cpl Cockton's Gazelle helicopter was shot down by a Sea Dart missile from the destroyer Cardiff in mistake for an Argentinian aircraft.

Press Cuttings
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THE INDEPENDENT

Falklands inquest quashed

An inquest verdict that an Army helicopter pilot, Lance Corporal Simon Cockton, died "as a result of enemy action" in the Falklands war was quashed by the High Court.

Lord Justice Glidewell said that since the Hampshire inquest in December 1982, new evidence had come to light revealing that L/Cpl Cockton's helicopter was shot down by mistake by the Royal Navy.

Press Cuttings
from Broad Street Associates

 THE INDEPENDENT

US acts to prevent crisis over British Falkland exercise

A SENIOR US official met President Raúl Alfonsín in Buenos Aires yesterday, in a hastily-arranged meeting to discuss the consequences of Britain's decision to hold military manoeuvres in the Falkland Islands next month.

Robert Gelbard, the Deputy Assistant Secretary of State for Latin American Affairs, visited Argentina last week, but made an unscheduled return visit on Tuesday night for talks with the Argentine Foreign Minister, Dante Caputo, and President Alfonsín.

US State Department sources said that Mr Gelbard wished to express US concern about the recent Argentine military crisis, and support for President Alfonsín's government. He was also anxious to solicit Argentine support for a modified US resolution criticising Cuba's human rights record, to be presented at the UN Human Rights Committee in Geneva. Last year, Argentina incurred US displeasure by voting against the US resolution.

But after his visit to Argentina last week, reports of further mili-

By Isabel Hilton
Latin America Editor

tary dissatisfaction with the Alfonsín government reached Mr Gelbard, in the wake of the British announcement of the planned reinforcement exercises. Contacts between Pentagon officials and the Argentine military revealed that the Argentine armed forces were frustrated by their government's failure to respond, other than by diplomatic protest, to the British plans. The armed forces had suggested other options, such as counter-maneuvres by Argentina, or observation of the British exercises.

The British exercises have caused a diplomatic flurry in Latin America, and irritation in the US State Department, where officials make no secret of their annoyance with what they see as Mrs Thatcher's intransigence over the Falklands. The United States has been anxious to reduce tensions in the South Atlantic and restore its relationship with Argentina, severely damaged by US

support for Britain in the war.

Their frustration with Britain is exacerbated by specific differences of policy and interest between the two countries. Some US officials, for instance, wish to help Argentina to re-equip its armed forces, arguing that a contented army is less likely to rock the democratic boat. Britain opposes arms sales to Argentina because of the Falklands.

But, as one senior official US put it recently: "At official level you can get quite a long way towards a different policy, but it only needs one phone call from Maggie to Ronnie to undo the whole thing."

The Foreign Office insists that the planned exercises are a routine part of the Falklands defence strategy, which depends on a rapid reinforcement capability. But the exercises, and especially their timing, are diplomatically damaging, in view of military problems in Argentina and the US-sponsored exchanges between Britain and Argentina on the reduction of tension arising from the Falklands' fishing regime.

Purge of army rebels gathers pace

BY OUR BUENOS AIRES CORRESPONDENT

THE much-awaited purge of rebellious officers in the Argentinian army gathered pace yesterday with the announcement that five lieutenant-colonels, two majors and a captain, are to be forcibly retired and two other captains cashiered for their involvement in last month's mutiny.

The ruling came from the Army Promotions Board, and is expected to be ratified by General Dante Caridi, army chief of staff, when he returns from holiday next month. The board is expected to make rulings on 51 other officers in the

coming weeks.

The measure reflects mounting confusion as to whether the rebels should be tried by civilian or military courts.

Uncertainty has been compounded by written testimony from President Raul Alfonsin to a civilian judge investigating the rebellion, that some of the rebels intended to assassinate both himself and the head of the Air Force, Brigadier Ernesto Crespo.

By not cashiering the senior officers and stripping them of their rank - a more serious punishment than forced

retirement - the military courts will still be able to have jurisdiction over them, to try them on charges of mutiny, which is the wish of the government.

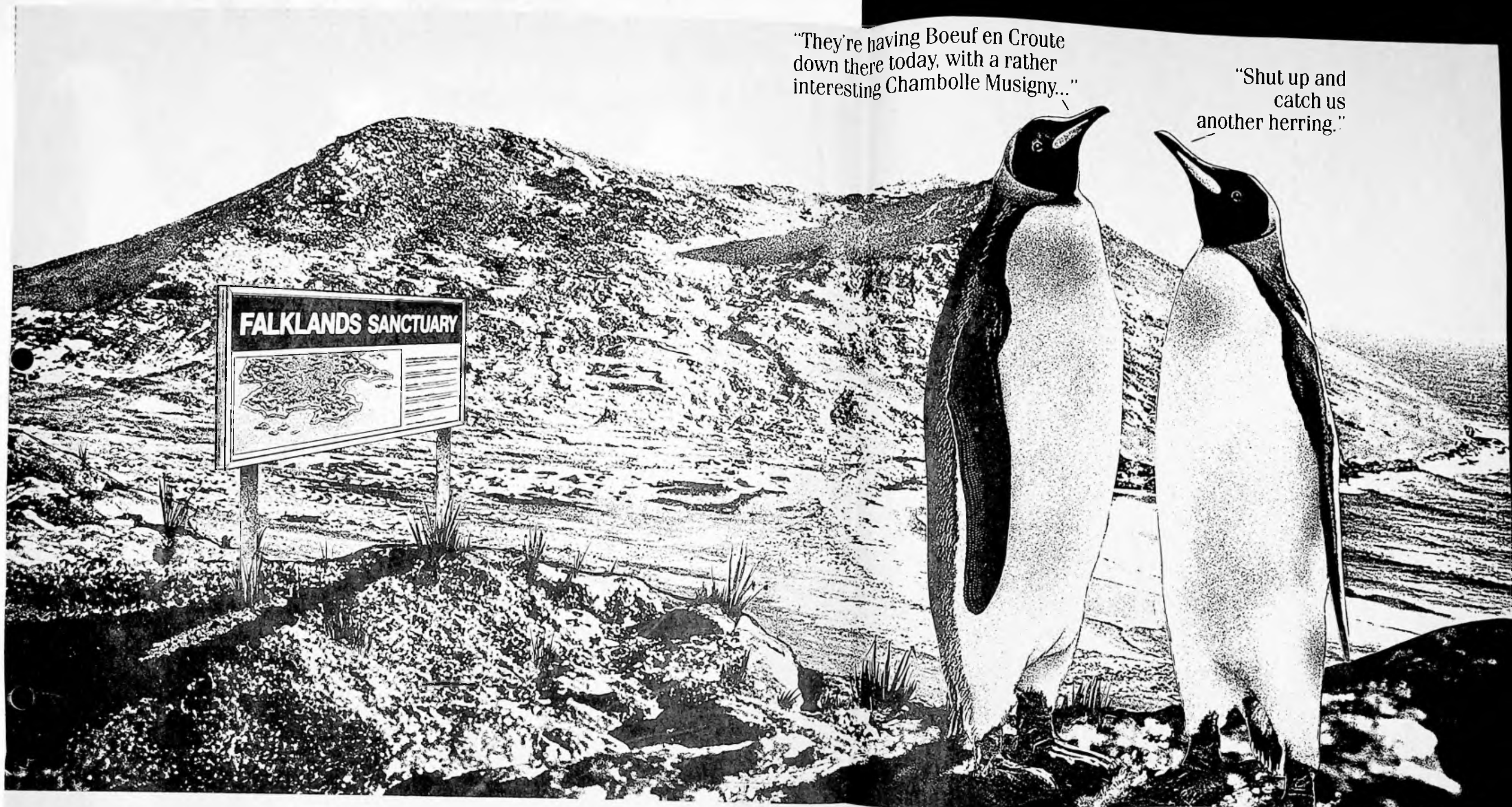
If the civilian courts were to try the rebels, they would face the more serious charge of rebellion under a law passed in 1984, and which in effect amounts to a charge of sedition against the state.

The government wants the military rather than civilian courts to impose harsh penalties on the rebels, as a means of showing to the public at large that the army is capable of

cleaning itself up and to avoid further antagonism between the civilian justice system and the armed forces.

President Alfonsin has introduced an element of contradiction into the debate by testifying that some of the rebels were intent on an assassination attempt, taking the affair beyond the realms of mere mutiny and hence beyond jurisdiction of the military courts.

According to army figures, a total of 144 officers and 285 non-commissioned officers face charges for last month's rebellion.



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A modern soldier on parade

By Adela Gooch
Defence Staff

BRITAIN'S new soldier went on parade yesterday in a uniform costing £800. The equipment consists of:—

1: **Helmet**—the old steel one, so loose it could fall off while running, is replaced by one made from ballistic nylon which gives 48 per cent more protection and covers 25 per cent more of the head.

2: **Rucksack**—Personal Load Carrying Equipment as it is known, is now made of textured nylon instead of cotton which used to soak up water. It is lighter, more comfortable and has a greater capacity.

3: **Clothes**—jacket and trousers are made of a strong waterproof cotton with a special coating to stop infra-red radiation that can be picked up by enemy sensors.

4: **Webbing**—since the 17th Century, the infantry has been constantly looking for ways to lighten a foot soldier's load.

The current issue pattern webbing, first introduced in 1958, readily absorbs water and gains up to 15lb when wet.

It will be replaced by ergonomically-designed "percival load carriage equipment" made of a nylon fabric that does not shrink, stretch or freeze.

5: **Clip-on bayonet**—it comes with bottle opener and also doubles as wire cutters.

6: **Socks**—the moisture vapour permeable footwear is said to be more comfortable.

7: **Boots**—the traditional boots and puttees, so prone to leaking which causes trench foot—suffered by many troops in the Falklands—give way to the "superboot", a lighter, softer padded boot which resists water.

It is still undergoing trials, but reports suggest it is a considerable improvement.

The new boot is expensive—about £25 a pair compared to

the present £15. An extra £4 million will have to be found from the Defence budget if the superboot is to enter general issue.

The uniform, which went on show at Chelsea Barracks, was developed after two years of trials in Brunei, Ascension Island, the Antarctic and Australia.

If plans go ahead, Britain's 95,000 Regular and Territorial infantrymen should be wearing it by the end of next year.

Lt-Col Brian Preston, who has led the trials, said: "A soldier has to crawl through ditches, lie up in the rain, mountaineer at times, have oil and petrol spilled over his clothing and

endure extremes of heat and cold. He suffers maximum clothing abuse."

The nylon helmet is extremely popular with soldiers, according to Lt-Col Preston.

"They wear it out of preference, quite a contrast with the old one that they often had to be reminded about."

"I hope that they will feel that way about all the new kit," he added.

The soldier's old-fashioned sleeping bag of duck down and feather is replaced by a modern fibre-filled bag with a waterproof outer "bivvy" and which compresses into a small space.



18 February 1988 Daily Telegraph

Argentina heads off crisis

Falklands death verdict quashed

An inquest verdict that Army helicopter pilot L/Cpl Simon Cockton died "as a result of enemy action" while serving in the Falklands campaign was quashed by the High Court in London yesterday.

Lord Justice Glidewell, sitting with Mr Justice French, said that since the Hampshire inquest in 1982, new evidence had come to light that L/Cpl Cockton's Gazelle helicopter was shot down by a Sea Dart missile from the destroyer Cardiff in mistake for an Argentinian aircraft.

The inquest, which was held at the Hampshire County Council offices in Southampton, was the first of a series of inquests into the deaths of British soldiers in the Falklands. It was the first time that a verdict of "enemy action" had been returned. The inquest was held at the Hampshire County Council offices in Southampton, which was the first time that a verdict of "enemy action" had been returned.

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17 FEB 1988

US loan to Argentina heads off crisis

By Tim Coone in Buenos Aires
and Alexander Nicoll in London

A \$550m bridging loan arranged by the US government will help Argentina head off a foreign exchange crisis as the country negotiates the final details of conditions for release of money from the International Monetary Fund and commercial banks.

It is understood that the Washington talks with the IMF were making progress but that Mr Michel Camdessus, the Fund's managing director, had yet to give his final recommendation for the executive board to approve release of a \$225m tranche of a standby loan.

Announcement of the bridging loan was made in Buenos Aires by the Central Bank president, Mr Jose Luis Machinea, as it became clear that release of the tranche had still not been approved by the IMF despite assurances that agreement had been reached from Mr Juan Sourouille, the Economy Minister, following his return from Washington at the weekend.

Mr Machinea said the bridging loan will be repaid with the funds coming from the standby tranche, once it is disbursed, together with \$150m from the IMF compensatory financing facility for loss in export earnings due to declining terms of trade, and a further \$170m agricultural development loan from the World Bank.

A new letter of intent defining monetary and fiscal policy targets during the coming months is to be drafted in the remainder of the week, in the hope that IMF approval will be forthcoming by the end of the month permitting disbursement of the blocked funds.

A further \$541m in fresh money from Argentina's commercial creditor banks, part of a \$1.95bn loan signed last year, is conditional on IMF acceptance of the letter. Disbursement of the funds is now two months behind schedule which has caused Argentina to delay interest payments to a number of commercial banks since last December, as its foreign exchange reserves have dwindled.

Bankers said that despite the shortage of reserves, Argentina had paid the \$350m of principal and interest on dollar-denominated Bonex bonds when they fell due on Monday.

The IMF has apparently been insisting on further cuts in Argentina's fiscal deficit, which the government was initially unwilling to undertake.

Mr Machinea said at the weekend that Argentina would agree to keep its 1988 fiscal deficit below 3 per cent of gross domestic product compared with over 7 per cent last year.

A divine gift from the sappers

By Adela Gooch
Defence Staff

A ROYAL ENGINEER saved a Falklands settlement from drought with his skills as a water diviner.

His colleagues were ready to concede defeat when a wind-powered water pump broke down in the middle of an Argentine minefield.

But Capt Larry Inge, of 8 Field Squadron, 22 ER, stepped in and mentioned that he had some experience with the divining rod.

"We'd been there for four days and by that stage even the sceptics were willing to give it a try," he said.

The dowser's traditional tool, a V-shaped hazel twig, was not readily available so Capt Inge set out from the small settlement at Fox Bay West clutching two ordinary copper welding rods bent at the ends to make handles.

"It wasn't difficult to know where to look," he explained. "There was a hill with some marshy ground at the bottom so I knew there had to be water around."

Sure enough the rods began to twitch and when his sapper colleagues drilled they discovered an artesian well and quickly restored the settlement's water supply.

Although the Army does not officially recognise water diviners, the Engineers have a long unofficial tradition of using them, according to Col Kenneth Merrylees.

The 90-year-old ex-sapper, who was head of bomb disposal in the 1939-45 War, was also famed for his dowser's gift.

"Many people are against it but when it works after everything else has failed they tend to come around."

He recalled that in India, British Army diviners were known to have located about 60 wells.

An old strategy revived for Latin America's largest debtors

BY ALEXANDER NICOLL, EUROMARKETS EDITOR

LATIN AMERICA'S debt problems have again reached a watershed almost a year after Brazil's interest payments moratorium set them lurching along what seemed to many an inexorable road towards widespread default and debt forgiveness.

In one of the shifts of mood which have frequently occurred during the 5½-year debt crisis, there has emerged a new air of co-operation which is revitalising what had appeared an exhausted strategy: to restore debtors to creditworthiness through economic adjustment and debt refinancing.

Whether the new spirit has any substance will be rapidly tested by a rare confluence of key points in dealings with the three largest Latin debtors:

Brazil, Mexico and Argentina.

Brazil has heartened its creditors by recanting – though not yet formally ending – its moratorium. Mr Mailson da Nobrega, the Finance Minister, has admitted that the absence of normal relations with creditors is costly and a "major obstacle to economic stabilisation and growth."

Venezuela last week became the first country which has rescheduled its debts during the crisis to receive voluntary lending, through a \$100m Eurobond issue.

These are the signs of progress seized upon by bankers, and last week by Mr Paul Volcker, the former Federal Reserve chairman. "We have a window of opportunity to get

the programme back on a more reasonable basis despite the sense of erosion in the past year," Mr Volcker told a London conference.

Despite its change of tack, Brazil as the largest debtor remains the central determinant. Everything hangs on whether the country can strike a new rescheduling and loan agreement with leading creditor banks.

The two sides are discussing an agreement under which Brazil's needs for 1987 (presently covered by an interim accord), 1988 and part of 1989 will be addressed. A figure of \$5bn has been bandied around as the financing gap.

Within the agreement would be a long-term rescheduling of

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FINANCIAL TIMES

16 FEB 1988

Brazil's debts at an interest rate probably close to the $13\frac{1}{8}$ percentage points over money market rates obtained by Mexico.

The most important element, however, will be new money. Bankers object to Brazil's desire to obtain loans representing a proportion of interest due, saying they want their loans to be seen as their portion of the financing gap. But there is no doubt that Brazil will take as a basis the interim agreement under which two-thirds of overdue 1987 interest was refinanced with short-term loans.

The process could be further undermined even within the negotiating committees. Brazilian officials will know that one bank sitting across the table

— Morgan Guaranty — is acting as Mexico's agent in its bonds-for-loans offer, which could be interpreted as promoting debt forgiveness. Morgan, stressing the market-based and voluntary nature of the Mexican deal, says it remains committed to existing debt strategy.

Many senior bankers believe Mexico's scheme, which comes to fruition at an auction on February 26, has all but ruled out the possibility of "involuntary" loans to Mexico in future. This is because Mexico is seen as using its last bank loan to finance a scheme which invites banks to take losses.

Lack of cohesion among banks was picked on last week by Mr Volcker as the greatest

threat to progress. He spoke of a "creditors' panic" as banks take greater provisions.

There is no doubt that banks have been increasingly electing to take whatever they can get simply to rid themselves of the problem.

In this context, the results of Mexico's auction will also be a key influence on the mood of the debt crisis. A poor response from banks will be seen as a rebuff to innovative solutions to the debt problem.

Meanwhile, Argentina's woes underline the chronic nature of the problem. Less than a year ago it had an International Monetary Fund agreement and new loans, but now it is almost shorn of reserves.

TELLEX

THE BROADCAST REPORTING SERVICE

REPORT

ALMA COOPER:

A trawler from Hull is setting out for the Falklands this week carrying greetings from Civic Leaders in the City to the residents of Port Stanley. The Hill Cove last visited the Falklands as part of the Navy's task force during the war, but now she's returning as a factory ship. The trawler is crewed almost entirely by men from Hessle Road and skipper Trevor Doyle says he's sure their origins with the past will bring them all good luck.

TREVOR DOYLE:

I would like to have said it's by choice, but it isn't, it's by good fortune really because I'm quite excited about that, the 24 of them are off Hessle Road itself, within what one square mile, 24 people from Hessle Road and I think all the Hessle Road people should be proud that they have got all these Hessle Road lads to go and with them we'll make a success.

**

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For : BROAD STREET ASSOCIATES

STEVEN PERRETT

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Time: 1700

Duration: 1minute.



47 Gray's Inn Road, London WC1X 8PR Telephone: 01-405 7151 TELEX 27688

"Overseas Development" February 1988

New Falklands hospital



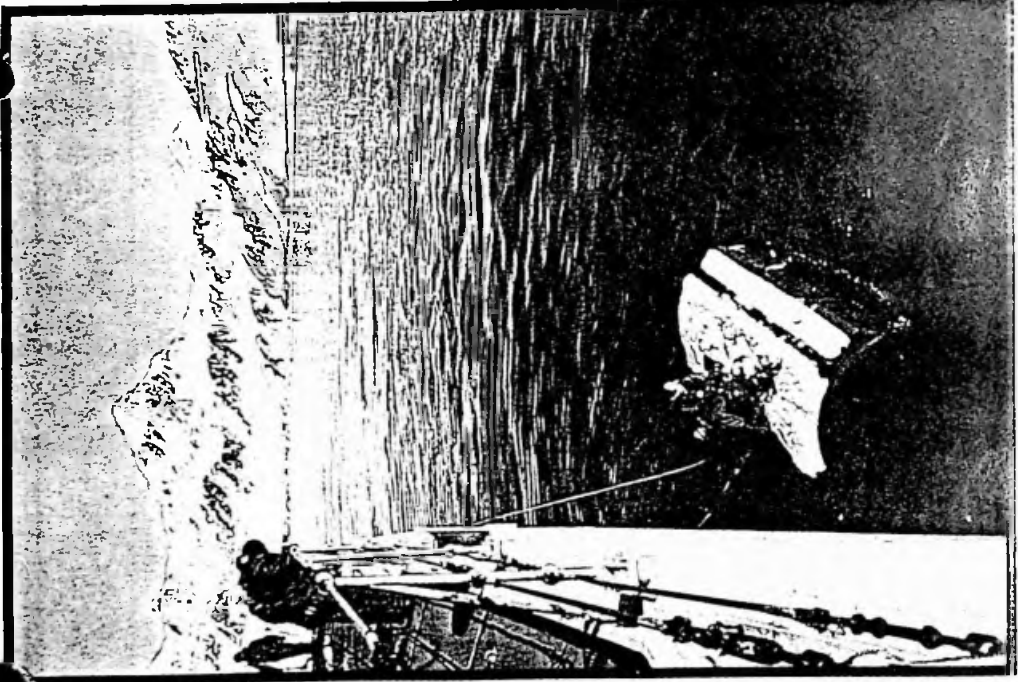
The new King Edward Memorial Hospital in Stanley, Falkland Islands (pictured above), was opened on 8 December by Timothy Eggar MP, Parliamentary Under-Secretary for Foreign and Commonwealth Affairs.

Replacing the hospital destroyed by fire in 1984, it has 24 general beds and intensive care and maternity units with two beds each. It also includes a health centre and administrative facilities converted from existing buildings, staff accommodation and, in addition, sheltered housing for the elderly.

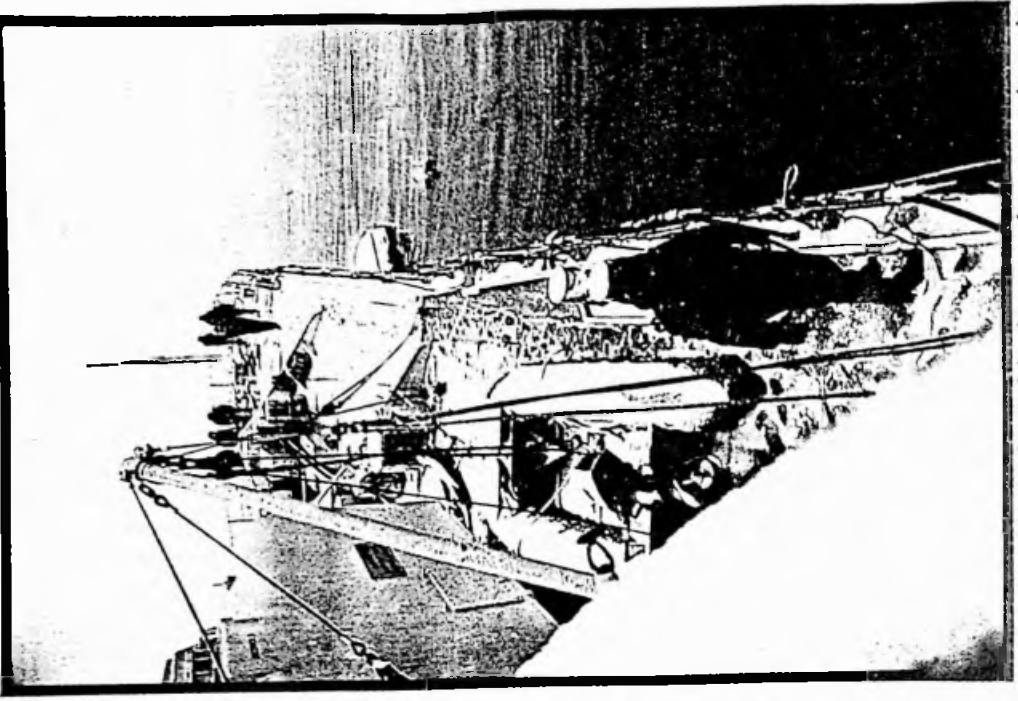
Fairclough-Miller Joint Venture were the contractors for the project. Building Design Partnership were the consultants. The building was funded mainly by the Overseas Development Administration and the Ministry of Defence.



Returning from a run ashore with the Cockwell family at Fox Bay East Settlement, these unlucky passengers in the ship's sea boat were caught in a Force 7 gale. The wind in the sheltered Fox Bay anchorage had whipped up from a Force 2 in only 20 minutes.



Shifting buoys in Grytviken Harbour. The buoy jumpers, AB(M) Hoppy Hopkinson and AB(M) Jock Hitchmough, shackled on the ship's cable while she is temporarily secured to the buoy by the picking up rope.



Temperatures in the South Atlantic can go from one extreme to another in the space of a few hours. One day, early morning fog and a fresh fall of snow on the deck, above, had given way to sunbathing weather and clear visibility by the afternoon, below.

Falklands blow hot and cold for Diomedé

HMS Diomedé completed her duty in the South Atlantic by handing over to HMS Apollo, before sailing for home. She had left the UK last July, arriving in the Falklands in August. She spent the first weeks of her patrol providing radar coverage for the North West of the islands.

Her 12-week duty allowed time for visits to some of the settlements, including one to Saunders Island, where six inhabitants farm some 3,000 sheep and supplement their income by fishing. At some settlements the ship's company helped with jobs such

as building water storage tanks, digging drains and repairing boat engines.

Everyone admired the prolific wildlife of the islands and one of the highlights of the deployment was considered to be the trip to South Georgia.

Local birds are extremely tame, and on one occasion a kestrel took a small sea bird on the wing, wedged it in the guard rails of the ship's fore-cle, and spent 20 minutes there enjoying its lunch!



Lieut.-Cdr. Simon Eddings, Sub-Lieut. Stephen Garrett, and Lieut. Neil Thompson join some of the inhabitants of Saunders Island Settlement in the North West Falklands. The tiny island has six inhabitants farming some 3,000 sheep.

**Pictures by:
Cdr. Tony Hogg**

Three of the ship's company, all survivors of HMS Sheffield which was sunk during the Falklands War, attended a plaque-laying ceremony on Sea Lion Island in memory of those who died in the ship.

Lieut.-Cdr. Nick Bates, (POWEM(R) G. Bateson and (POWEM(O) C. Evans are all now serving in HMS Diomedé, and the ship was entrusted with the plaque by the Falkland Families Association, before she left home.

Maj.-Gen. Neil Carlier, Commander British Forces Falkland Islands, laid the plaque in position on the island which is the closest point on land to the site of the Sheffield's fate.

CPOMEA Geoff Gallimore provided some amusement on the return voyage by agreeing to have his 16-year-old beard shaved off to raise money for the Special Care Baby Unit at St Mary's Hospital in Portsmouth.

Over £400 was collected for the Unit, but it gave Geoff's wife a bit of a shock when she went to welcome him home, as she had never before seen him without a beard!

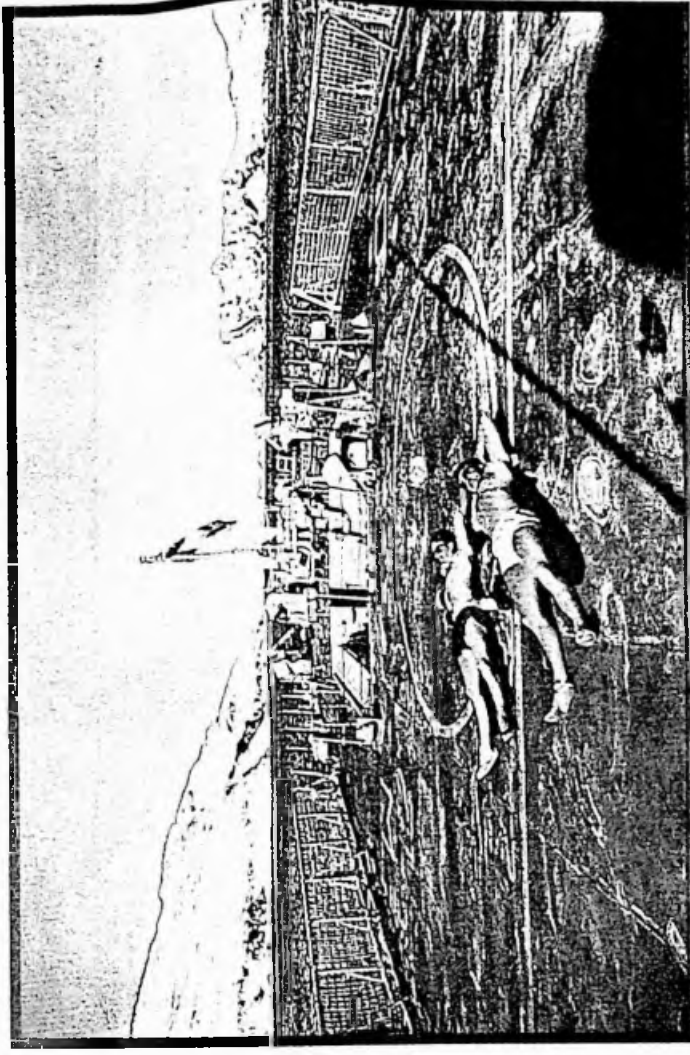
Another war remembered

HAVING relieved HMS Diomedé on Falklands patrol, one of the first events for men from HMS Apollo was a parade to remember their predecessors killed during the sea battle fought off the Falkland Islands in 1914.

With the ship anchored in Stanley Harbour the parade was inspected by and later marched past the Governor as well as by the Commander British Forces Falkland Islands, Maj.-Mr. Gordon Jewkes.

A service of remembrance was held in Stanley Cathedral with a second, Apollo, Cdr. Laurie short service at the 1914 Hopkins.

Wreaths were laid by the Governor as well as by the Commander British Forces Falkland Islands, Maj.-Gen. Neil Carlier, and the commanding officer of the Apollo, Cdr. Laurie Hopkins.



Topping up the tan after a morning's work in the snow, see top picture.



HMS Diomedé in rough seas, prepares to make her approach to RFA Blue Rover to refuel while on Falklands patrol.

Fishery ship spots giant iceberg

DETAILED observation by a British research ship of some of the biggest icebergs ever recorded in the South Atlantic could provide useful information for scientists concerned about a "hole" in the ozone layer over the Antarctic and possible consequent melting of the ice-cap.

The Hull-based research vessel *Seisella*, currently on charter to the Falkland Islands government as the fishery patrol vessel *Falkland Desire*, sighted the bergs when on passage from Port Stanley to Montevideo.

This ship is owned by J. Marr Ltd. of Hull and the largest berg was 1½ miles long and visible on radar from more than 50 miles.



A giant "weathered" iceberg, one of the largest recorded in the area, encountered by the Hull-based fishery patrol vessel *Falkland Desire* on passage to and from Montevideo and Port Stanley.