

Falling inflation figures boost Government hopes

In the best month for three years of the fight against inflation, July figures have caused an upsurge of optimism. Interest rates are down

Interest rates down again

By David Blake
The Government got two big boosts to its economic self-confidence yesterday as inflation figures for July turned in the best monthly performance for three years and interest rates fell again.
Another half a per cent was topped off the Bank of England's minimum lending rate which fell to 7 per cent, its lowest level since it was introduced in 1971. A further fall in bank base rates, which determine the cost of borrowing to the public, is now likely and there will be increasing pressure on the building societies to cut mortgage rates.
The fall in interest rates will also work through into the general level of the retail price index, where July saw the first increase since the beginning of the year, and will be several good months.
The all-items index, which includes seasonal foods, rose by only 0.1 per cent for the first time in a year, the annual inflation rate actually fell from 10.1 per cent in June to 9.7 per cent in July, that is, the first one very small step in the fight against inflation, but ministers were optimistic that their efforts to convince the public that the corner has been turned.
The importance of this is not merely political, though there is no doubt that Mr Hattersley,

The Queen takes a rest after 8,000 miles on the road

The Queen is today on board the royal yacht bound for Balmoral and a well earned rest. After visiting the Nimrod oil rig under construction in Loch Carron, she will have her first long break from public duties since she started her silver jubilee tours with the departure for Western Samoa in February, nearly 200 days ago.
There has been speculation about the imminent end of jubilee engagements and the toll it has taken of the Queen's stamina. Yet on the day that the Sunday Mirror was reporting that the Sovereign was "fagged out" by the "almost killing pace", she celebrated a day off on Lady Island, climbing 3000 cliffs and then taking a three-mile walk.
That is not, of course, to say that the Queen has not been in the 100 days of her United Kingdom tour alone she has travelled some 8,000 miles and kept 800 jubilee engagements. The programme included 23 formal luncheons and a baker's dozen of dinners, yet the Queen has managed to keep her weight at her normal 110 eight stones, and to economize by wearing several outfits ordered from her couturier, Sir Norman Hartnell, last year.
Those who accompanied the Queen attest that she is a practical, resilient woman. She knows well how to conserve her energies and how to recover her strength with healthy exercise after the rigours of public engagements.
Buckingham Palace has been far too busy to try to keep statistics of the jubilee jollifications. Nobody knows how many hands the Queen has shaken in the past few months, but nobody doubts that, despite the usual royal practice of only shaking hands with people who are met by invitation, it was

As the Queen sails to Balmoral for a break, Robin Young looks at how she has coped with the strains of the jubilee.
more than the 5,000 or so that were foreseen. At any rate, she needed an average of four pairs of white gloves to do to cope with the job.
More than 50,000 letters and good will telegrams have arrived at Buckingham Palace. The Queen's staff have been particularly impressed by the number of poems that well-wishers have sent. Several thousand have been received.
There have been thousands of presents too, now laid out in one of the larger rooms in Buckingham Palace. The Queen has not had time to examine most of them yet: nor will she have until November, because after Balmoral she has only a few days in London before departing for Canada and the Caribbean.
Among the odder gifts the Queen received were a skull from Papua New Guinea and a child's teddy bear, thrust into her hands by a small boy outside Portsmouth's Guildhall. There have also been thousands of home-made things, such as dolls, knitting, pieces of bedwork, woodwork and sewing, to set beside the formal presentations such as the silver coffee pot from the Prime Minister and the Cabinet, and the specially commissioned Queen's horses and dogs which were the gift of the Royal Household.
Exhausted as she may have been occasionally by the tour, the Queen cannot fall also to have been exhilarated.



Crowds larger than those on VE Day or the Coronation thronged London's streets for the procession to the jubilee celebrations. Six hundreds of thousands greeted Queen on her progress up the Thames. Millions cheered her during the six regional tours.
As the Queen sat at the jubilee lunch at Guildhall, she was accompanied by her ladies-in-waiting.
"When I was 21 I pledged my life to the service of our people and I asked for God's help to make my service fruitful. Although that vow was made in my salad days when I was green in judgment, I do not regret nor retract one word of it."
The memories of those who have accompanied her in the unflinching round of her engagements are of thunderous cheers, waving flags, beaming faces, and the Queen's own unflinching smile.
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Pilot throws hijacker out of his Airbus

Brindisi, Aug. 12.—The pilot of an Air France Airbus tonight threw a hijacker out of his airliner and left him standing on the tarmac here to be arrested by waiting police.
The hijacker leaped the airliner with 242 people on board on a flight from Paris to Cairo, had demanded to be flown to Libya.
But his attempt ended when the captain of the Airbus pushed him out and slammed the door. Armed Italian police who had surrounded the Airbus, immediately arrested the hijacker.
He was driven to Brindisi police headquarters, where he was relieved of a knife, an axe and several metal boxes containing unidentified material, but which police said was certainly not any kind of explosives.
Police later identified the hijacker as Tarek al-Sajed, a 19-year-old student from Cairo.
The hijacker seized the aircraft by forcing a large metal box he said contained explosives shortly after it took off from Nice after a brief stop-over.
He tried to make the pilot

Libyan war wounded treated in London

By Stewart Tandler
Libyan soldiers wounded during the recent fighting with Egyptian forces have flown to Britain and are receiving private treatment at a number of London hospitals. The British Embassy in Tripoli issued visas for 30 soldiers and a party arrived on August 4.
Five of the men are staying at the Harley Street Clinic. Yesterday, a spokesman for the clinic said the men were suffering from a variety of wounds.
A number of men have been operated on and it is believed that the Libyans sent their men to Britain because the country's hospital facilities do not include enough surgeons and X-ray staff.
Charges at the clinic range from £56 to £100 a day for nursing, accommodation and X-ray staff.
Another three men were admitted to the Italian Hospital in London, but one of them has since died.
The Home Office said yesterday that the Libyans had entered Britain in the normal way, having fulfilled the necessary requirements for entering the country to receive medical treatment.
Call for inquiry: Mr Greville Janner, Labour MP for Leicester West, called on Dr Owen, Secretary of State for Foreign and Commonwealth Affairs, to launch a full inquiry into the circumstances (the Press Association reports).
He said he was disturbed at reports that the soldiers had been smuggled into Britain under the guise of embassy officials or airport workers. "If this is purely a humanitarian gesture," he said, "it cannot complain. But if we are providing facilities for the Libyan Army, then it is quite another matter, and would be disgraceful."

Marine dies as IRA strives for credibility

From Christopher Walker Belfast
The Provisional IRA yesterday launched gun and bomb attacks against British troops in an apparent effort to regain credibility after its failure to disrupt the royal jubilee visit.
Less than 24 hours after the Queen left Northern Ireland, a young Royal Marine was killed and three soldiers were injured on the Turf Lodge estate, one of the most fiercely republican districts in Belfast.
Shortly after midnight a snorter bullet grazed the arm of an Army driver. An hour later Marine Neil Bewley, aged 27, from Telford, Salop, was killed by an IRA sniper while on patrol in the Turf Lodge area. Thirty minutes later two soldiers and dogs which were on operation on the estate were injured when a bomb was thrown at them. Both men were later in a serious condition. One lost a foot.
Throughout the day the atmosphere in the bleak, slogan-scattered streets which make up Turf Lodge remained tense, with a number of confrontations between troops and republican sympathizers. The local branch of the Provisional IRA held a meeting in the evening of four local women and a girl aged 12 allegedly injured in southern Belfast.
The severity of the Army's tactics in the estate, including arrests and the blocking of roads, was criticised by local residents and by the Peace Movement. A spokesman for the movement said that the heavy screening by troops had set back those trying to bring peace to Turf Lodge. In reply the Army said that five guns had been recovered during searches.
The Army said the violence was the frustrated reaction of the Provisional IRA's failure to fulfil its promise of trouble during the royal visit. Its reaction to the lawlessness and murder which had erupted had been no different from previous incidents.
Marine Bewley was the second soldier killed by the IRA since the start of the week and the eleventh to die in Ulster this year. Last night there was also concern about a British Army

Age makes way: The Windsor Castle sailing yesterday on her last voyage to South Africa, and in California, the space shuttle orbiter off for its first free flight (report, page 4).

Sticky going at London talks on Rhodesia

By David Spawford
Diplomatic Correspondent
Dr David Owen, the Foreign Secretary, and Mr Cyrus Vance, the American Secretary of State, both declared that their discussions yesterday on Rhodesia had been very good.
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Police stand by for race march violence

By Robert Parker
One of the largest police operations of its kind is being organized in Lewisham south London, today for a counter-race march by the National Front and an opposing march by the Lewisham Campaign Against Racism and Fascism, an all-party group.
At least 2,000 police will be in the borough, more than were at the Notting Hill Carnival last year, and in reserve the police will have about 200 shields and helmets.
Hospitals in the area have been told to prepare for many injured people. Lewisham council has moved old and disabled people away from potential trouble spots, and public houses on the routes have been closed or boarded up.
Last night Mr Roger Goddard, Mayor of Lewisham, who has been trying to get the marches banned, said the price the National Front is paying for the National Front's right to hold a march was too high.
"The bill already must number in the thousands of pounds and if there is the damage and the violence I fear there will be, the cost will be much higher," he said.
"Who is going to pick up the bill? It will of course be the ratepayers, who do not want this march or the disruption, violence and intimidation it will no doubt bring.
Emergency teams of council workers will be on hand, switchboards are to be fully manned, and four observation posts have been set up.
Mr Goddard explained that councillors and officials would man the observation posts. "If the thing does explode, then we want to be able to give eyewitness accounts to any public inquiry like the one after Red Lion Square."
Highest estimates from both sides indicate that 10,000 people

Mr Carter may sign canal treaties in Panama City

Washington, Aug. 12.—President Carter announced today that the United States would try to arrange up to \$255m (about £157m) in loans and grants to Panama to help with an agreement to give that country control of the Panama Canal by the year 2000.
Mr Sal Linowitz, the United States negotiator of the agreement, said it was possible that President Carter would sign Panama City to sign two treaties. These were based on the agreement reached in principle on Wednesday after 13 years of talks on the future of the canal.
One projected treaty would deal with Panamanian control of the canal and the other would guarantee the neutrality of the canal.
Linowitz said that a neutrality treaty would be sent to the Organization of American States for approval.
President Carter is preparing for a hard struggle over ratification by the Senate, appealed by the American public for decisions on the future of the Panama Canal.
He also disclosed plans for a possible new sea-level canal through Panama.—Reuter.

Strike threat by hotel staff in Spain

From Harry Debelius Madrid, Aug. 12
Hundreds of thousands of holidaymakers on the Costa del Sol and the Costa Brava may have to make their own beds, carry their own bags, and serve themselves at mealtimes this year if the Costa hotel employees' strike threatens to spread.
It was learnt here today that hotel workers are planning to walk out in various parts of Spain unless their demands are met.
Their salaries range from £123 to £240 a month, depending on category and experience. They are demanding an additional 14%—equivalent to a 39 per cent wage rise for the lowest paid, and a 20 per cent rise for the highest paid.
The work stoppage is already interfering with service in Coruna in the northwest, and in Saragossa. In Cadix, in the south-west, the hotel employees say they will walk out tomorrow unless they win satisfaction, and on the Costa del Sol they plan to walk out on Sunday.
The Costa del Sol is one of the favourite haunts of British holidaymakers. The strike threat comes just as the tourist business was picking up again.

England seize five quick Test wickets

Five Australian wickets fell for 67 runs in the last 85 minutes on the second day of the fourth Test match at Headingley on Wednesday. The English scoring only four. England had earlier taken their total to 436. Boycott, the last man out, scored 191, having batted for 10 hours, 20 minutes. He had taken part in a partnership of 123 for the sixth wicket with Knott. Page 10

Air control assistants call off work-to-rule

Air traffic control assistants at West Drayton, Middlesex, have called off their work-to-rule by "computer lock-out" until midnight on Tuesday after Mr Len Murray, general secretary of the Amicus union, said that a pay rise delayed by Government policy would be allowed. A national strike ballot will go ahead. Page 2

Lucas toolmakers' strike continues

Shop stewards for 1,200 Lucas toolmakers, whose strike is causing widespread lay-offs at British Leyland car plants, voted to continue the stoppage. Earlier, a meeting at the Advisory, Conciliation and Arbitration Service failed to produce a settlement Page 15

Bridge champions

Sweden are the new European open bridge champions, a title they have not held since 1924. The Italian came second, losing their third important bridge title in 15 months. In the women's series, the British team finished second. Page 14

20,000 made homeless

The blunt end of a bulldozer has been used to demolish the police station near Cape Town in the destruction of a small shanty town, leaving 20,000 homeless. The police station was the most of them have gone. Page 4

Grouse at £5.50

Some of the first grouse of the season were sent 450 miles by aircraft and motor cycle from Perthshire to the Savoy Hotel in London, where diners later paid £5.50 a portion. Agony and ecstasy, Page 12

Falcon theft fines

Four men were fined illegally possessing a falcon that they had nest in Scotland. Page 3

Alaska oil price set

Producers of Alaskan oil, including British Petroleum, look set to achieve a healthy return on investment as a result of price levels agreed by the United States Federal Energy Administration. Page 15

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SPANISH SPEAKERS WANTED

Seville, or similar, oranges are required to fill an important post at Chivers: Chivers Olde English marmalade jars. Applicants should be thick-skinned, large and juicy and be capable of making a big contribution to maintaining the standard of Britain's most delicious marmalade.

Send your résumé to: *The Director of Oranges, Chivers, Bourneville, Birmingham B30 2NA.*

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