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10 DOWNING STREET

THE PRIME MINISTER

4 August 1982

Dear Patrick,

Thank you for the interesting account in your letter of 30 July of the recent visit by the Select Committee on Defence to Washington, Tokyo and Hong Kong, and by some members of the Committee to Peking. I am most grateful. I am asking Francis Pym and John Nott to look at the points you make so that they are fully taken account of in the preparations for my visit to the Far East in September.

Yours

Rogers

Major Sir Patrick Wall, M.C., V.R.D., R.M.(Retd.), M.P.



HOUSE OF COMMONS
LONDON SW1A 0AA

30th July 1982

The Prime Minister
10 Downing Street
London SW1

Pat Prime Minister.

As you will know, the Select Committee on Defence recently visited Washington, Tokyo and Hongkong, after which some of us paid a four day visit to Peking.

In view of the fact that you will be visiting the Far East in September, I thought you might like to have a brief report on our own visit.

UNITED STATES OF AMERICA

We had discussions with the Senate Armed Services Committee, the State Department and the Department of Defence about the United States' relations with Japan.

The Senate complained that Japan was still spending under 1% of their GNP on defence although the Prime Minister had given an undertaking that, in due course, Japan would look after her own defence and be responsible for defence of sea communications for up to 1000 miles from Japan. The Senate believed this undertaking could not be implemented for a decade.

They believed that Japan was spending 47% of their defence budget on the Army and tending to neglect the Navy and the Air Force. The Japanese could not deal with the threat from the Backfire bomber and ships had little air defence. Reserve missiles and ammunition were practically non-existent.

They believed that the American/Japanese Treaty was outdated as it was very one sided, and Japan was not bound to help the United States in Korea or elsewhere.



The State Department were less critical than the Senate and pointed out that Japan was paying \$1 billion for US forces in Japan. However Japan's trade imbalance had risen from \$2 billion in 1979 to \$18 billion. They added that Japan imports less than Switzerland!

The Department of Defence said that Japan was spending 0.93% of their GNP on defence and that this would have to rise to at least 1.8% by 1990 if the Japanese were to have any capability for self defence.

The Japanese third defence plan 1982-1987 was now under consideration.

JAPAN

In Japan we talked to members of the Special Committee on Security of the House of Representatives, the Foreign Minister, the Minister of Justice, the Director General of the Japanese Defence Agency etc. The members interested in defence took the view that Japan could and should spend more.

The Government recognised that the Prime Minister's promise should be fulfilled but refused to say when. It appeared that this would take at least ten years.

The Japanese were getting worried about the increasing threat from the USSR, particularly from the SS20 and the Backfire bomber, and recognised that the Americans had to move units from their Seventh Fleet from the Pacific to the Indian Ocean.

Japan imports 99% of its oil, 70% from the Middle East and at present did nothing to protect these vital supplies.

They were concerned about the continued Soviet occupation of their four northern islands, and recognised the need for greater air defence and the improved ASW capabilities of their Navy.

The Americans had 51,000 troops in Japan and one was very sympathetic with their frustration about the slowness of the Japanese to provide for their own defence.

I would particularly like to refer to the outstanding quality of Mr J S Whitehead, the Chargé d'affaires (the Ambassador being on leave), who could not have been of greater assistance to us.



HONGKONG

We visited the Gurkha Battalions and the Scots Guards and found that facilities and accommodation were being improved.

Some of the British wives were not very happy in the rather strange environment of the Far East but the majority seemed well content. The three-fold increase in car tax and the increased cost of electricity were obviously affecting the lives of married servicemen as these costs were not yet reflected in their scale of allowances. As a result, many could not afford to turn on their air conditioning.

I personally was very concerned about the condition of the Vietnamese refugees who are now being moved to closed camps. The number of persons in the hutted camp we visited in Kowloon, was the same as when these huts were used for British prisoners of war in what were then termed "barbaric conditions". These refugees, some of whom have been in Hongkong for over three years, are now being moved to closed camps on an island where they will not be allowed to work or leave the island. I attach Answers to Questions I have asked on this subject.

CHINA

After the excesses of the Cultural Revolution, China moved towards democracy but this has endangered the control of the Communist Party, and the brakes have now been put on. We visited an Army Division which had been in its quarters for many years and had its own farms and workshops. Only senior officers' wives were allowed to accompany their husbands, and they were required to work seven hours a day in the workshops.

We also visited a show Commune where the Management Committee was elected. It was suggested that if this could be done on Commune level, it might also be done on the level of a national leadership. Parliament meets only once a year and is a rubber stamp.

The two issues on which Chinese officials were most voluble were their fear and dislike of the USSR and their annoyance with America over their supply of arms to Taiwan. I got the impression that the latter was, to some extent, synthetic and that the most they would do - and even this was unlikely - would be to ask for the withdrawal of the American Ambassador as they had for the Dutch when the Netherlands supplied two submarines for Taiwan.



Their relations with ASEAN were good. They regarded Pol Pot as having been mistaken but now reformed. They said that the disputed islands in the South China Sea undoubtedly belonged to China. Their relations with Japan were good.

China wished to become a leader of the Third World, hence their attitude to the Falkland Islands operations.

My overall impression was that if China modernises, the Party would be in danger of losing control and that the Party leaders would put their future first.

So far as British firms were concerned, many complained that after long negotiations, the Chinese said they had no money.

It is understood that British Aerospace will be supplying Sea Dart missiles to their new destroyer. BP and Shell also hoped to take part in off-shore oil development.

It was said that only companies who could afford to pay for up to five years' unproductive work would have ~~much~~ opportunity of succeeding in the Chinese market.

I hope that these remarks may be of some value.

what representations he has received upon (a) the infant mortality rates and (b) his steps for improving the situation.

Mr. Wiggin: Analysis of the deaths among babies of dependants in BAOR shows that the rate of deaths in the first seven and 28 days is very similar to that obtaining in the United Kingdom. The rate of deaths after the first month and up to the end of the first year is higher in BAOR than the national average in the United Kingdom but not higher than some regional and social class mortality rates.

Mr. Freud asked the Secretary of State for Defence if he will list the per capita juvenile crime rate for areas dealt with by each of the two standing civilian courts in West Germany of offences committed by dependants of personnel serving with the British Army of the Rhine; and what has been the annual rate of increase in the figures for each of the years since 1977.

Mr. Wiggin: The crime rate of dependants (aged between 10 and 16) of Army personnel serving in British Army of the Rhine and Berlin, based on convictions in the two Standing Civilian Courts is:

	Per 1,000
1978	3.5
1979	3.9
1980	3.8
1981	4.2
*1982	3.4

* Six months.

The separate figures for convictions in British Army of the Rhine and Berlin are not immediately available.

FOREIGN AND COMMONWEALTH AFFAIRS

Malaysia

Mr. Adley asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on his most recent contact with the Malaysian Government; and if he will indicate progress on the establishment of the proposed joint commission to review matters of concern to the Malaysian Government in their relations with Her Majesty's Government.

Mr. Rifkind: My right hon. Friend met the Malaysian Foreign Minister most recently in Belgrade earlier this month. They had a useful discussion ranging over a variety of matters of common interest and agreed to keep in close touch. As my right hon. Friend explained in his reply to my hon. Friend on 9 June, we have put informal proposals about a joint commission to the Malaysian Government and are still awaiting their response.

Swaziland

Mr. Proctor asked the Secretary of State for Foreign and Commonwealth Affairs whether he has received from the Government of the Kingdom of Swaziland requests for diplomatic support in the matter of the proposed transfer of the Ingvaruma region from the Republic of South Africa to Swaziland.

Mr. Onslow: No. The matter is not one in which Her Majesty's Government have any official standing.

Vietnamese Refugees

Sir Patrick Wall asked the Secretary of State for Foreign and Commonwealth Affairs in each of the past three years how many Vietnamese refugees have arrived in Hong Kong; how many of these have been given homes in other countries; and how many remain in camps in Hong Kong.

Mr. Rifkind: Arrivals from Vietnam in 1979, 1980 and 1981 were 68,748, 6,788 and 8,470 respectively. Resettlements from these years were 64,258, 6,085 and 7,041 respectively. In addition 5,735 in 1979, 4,385 in 1980 and 3,416 in 1981 arrived from China, where it is believed they had previously settled before coming to Hong Kong illegally. The number of refugees remaining in Hong Kong on 23 July was 11,837, of whom 487 were ex-China cases.

Sir Patrick Wall asked the Secretary of State for Foreign and Commonwealth Affairs if he will ask the United Nations High Commissioner for refugees to deal with the large number of Vietnamese refugees now under the care of the Hong Kong Government.

Mr. Rifkind: From the outset, the staff of the United Nations High Commissioner for Refugees (UNHCR) have worked in close co-operation with the Hong Kong Government to resettle Vietnamese refugees arriving in Hong Kong. Moreover, most refugees awaiting resettlement are accommodated in camps run by the UNHCR.

Sir Patrick Wall asked the Secretary of State for Foreign and Commonwealth Affairs how many Vietnamese refugees have been in Hong Kong camps for one year, two years and three years, respectively.

Mr. Rifkind: The numbers are as follows: 6,517 for one year, 4,785 for two years and 1,793 for three years.

Sir Patrick Wall asked the Secretary of State for Foreign and Commonwealth Affairs if he is satisfied that the proposals to the house Vietnamese refugees in closed camps in Hong Kong are in full accord with the declarations on human rights to which the United Kingdom is a party.

Mr. Rifkind: The Hong Kong Government took account of the relevant international human rights instruments when preparing their proposed legislation in this field. Consideration is being given as to whether it may be desirable, in order to avoid any doubt, for certain amendments to be made.

Lebanon (Red Cross Supplies)

Mr. Winnick asked the Secretary of State for Foreign and Commonwealth Affairs what progress is being made by Her Majesty's Government and other Governments in ensuring that Red Cross supplies are allowed into the Lebanon.

Mr. Hurd: The supply of humanitarian aid to Lebanon has improved since the period immediately following the Israeli invasion. On 18 July, the Israeli Government in response to an approach by the European Community Presidency, said that medicines and food supplies, though subject to control, would henceforth be allowed into West Beirut without hindrance. Trucks carrying blankets, medicines and basic food supplies were allowed to enter West Beirut on 22 July.

Mr. Newton [pursuant to his reply, 16 July 1982, Vol. 27, c. 489-90]: Since July 1979 there has been clear change of status in two of the Finer committee's recommendations which relate to the work of the Department. Recommendation 120 was implemented as part of the reform of the supplementary benefit scheme in November 1980 in that the qualifying period for the long-term scale rate was reduced from two years to one for all eligible beneficiaries including lone parents. Recommendation 127, that maternity grant should be paid without contribution conditions, was implemented from 4 July 1982.

In addition, recommendation 208, which was previously under consideration, has been agreed in principle. Local authority associations are devising a set of ground rules with a view to rationalising the charges for day care on a national basis.

DEFENCE

Falkland Islands (Compensation)

Mr. Wigley asked the Secretary of State for Defence what have been the total payments to civilians as a result of the Falklands war by way of compensation or other payment.

Mr. Pattie: It is too early to say what total payments over and above normal pay and allowances will be made to civilians employed by the Ministry of Defence as a result of the Falklands conflict.

Defence Equipment (Purchasers)

Mr. David Watkins asked the Secretary of State for Defence if he will publish a table additional to 2.7 in volume 2 of the 1982 Defence White Paper giving an analysis by region of the purchasers of British defence equipment which is not identified in the Customs and Excise tariff and which is listed in note 2 to table 2.7.

Mr. Pattie: No. All the information readily available from industry is already published in the Defence White Paper.

British Warships (Courtesy Visits)

Mr. David Watkins asked the Secretary of State for Defence how many courtesy visits have been made by British warships, including Royal Fleet Auxiliaries, to ports in Syria, Lebanon and Israel since 1977.

Mr. Wiggin: Since 1977, 13 courtesy visits have been paid to Israeli ports by British warships, some of which were escorted by Royal Fleet Auxiliaries. One visit was made to Syria in 1979. There have been no visits to the Lebanon during this period.

Damaged Vessels (Repair)

Mr. Colvin asked the Secretary of State for Defence if he will seek to ensure that repairs to British vessels of all types engaged in the Falklands conflict are carried out in British shipyards.

Mr. Pattie: Warships will be repaired in the Royal dockyards. Any Royal Fleet Auxiliaries which are not repaired in the Royal dockyards, including Gibraltar, will be repaired in British ship-repair yards. Ships taken up from Trade are being repaired in British yards.

Dartmoor Steering Group

Mr. Maxwell-Hyslop asked the Secretary of State for Defence if he will publish the report of the Dartmoor steering group.

Mr. Wiggin: I have today placed in the Library a copy of this report and also of the reply which I have sent to Sir Peter Stallard, chairman of the Dartmoor steering group. My right hon. Friend the Secretary of State for the Environment and I would like to take this opportunity of placing on record the Government's appreciation of the work of the steering group, which has provided an invaluable forum for the discussion of the many different, and sometimes controversial issues arising from the Services' use of Dartmoor.

Chilean Air Force

Mr. Denzil Davies asked the Secretary of State for Defence whether aircraft of the Chilean air force during the current calendar year have paid any visits to any Royal Air Force establishments in the United Kingdom.

Mr. Blaker: This year there have been three short visits, one in each of January, February and March, by C130 transport aircraft of the Chilean Air Force to RAF Lyneham. No other visits by Chilean aircraft have been made this year.

Mr. Denzil Davies asked the Secretary of State for Defence whether there is an agreement between the United Kingdom and the Chilean authorities for the stationing in the United Kingdom of Chilean military aircraft.

Mr. Blaker: No.

Chilean Air and Naval Personnel

Mr. Denzil Davies asked the Secretary of State for Defence whether there is an agreement between the United Kingdom and Chilean authorities for the training in the United Kingdom of Chilean air and naval personnel.

Mr. Wiggin: There is no training agreement as such. Chile is, however, one of the large number of countries which has sent students to attend military training courses in the United Kingdom.

Gruinard Island

Mr. Donald Stewart asked the Secretary of State for Defence what is his latest estimate of the period during which it will be unsafe for (a) animals and (b) humans to land on Gruinard Island.

Mr. Pattie: The likely duration of contamination, methods of decontamination, their potential effectiveness and their cost remain under intensive review. Following laboratory tests of a number of potential decontaminants, it is now planned to undertake field trials on Gruinard Island.

British Army of the Rhine

Mr. Freud asked the Secretary of State for Defence, pursuant to his reply to the hon. Member for the Isle of Ely, *Official Report*, 19 July, c. 58, what steps he is taking to improve the infant mortality rates of dependants of personnel serving with the British Army of the Rhine; and