

HOUSE OF COMMONS
LONDON SW1A 0AA

19th October 1982

TRIP TO SOUTH AMERICA

I gather that our Ambassadors will be reporting direct on the details of my trip to Latin America, so I shall confine myself to more general comments laced with specific points where they seem important.

British Embassies

I daresay this is not a very fashionable view but I am bound to say that I was very impressed by the dedication and professionalism of all Ambassadors we met. I would say that Adrian Buxton (Ecuador) was the most competent administratively, Stanley Duncan (La Paz) was the most dedicated and John Robson (Bogotá) the most intelligent.

The only suggestion I would make (no criticism of the diplomats I met, but really a matter of F.C.O. policy) is that we should, perhaps, try to train more Latin/American specialists. All three Ambassadors are very much Englishmen abroad (not a bad thing in itself, of course) struggling with the language and customs. Only Adrian Buxton has spent any real time in Latin America.

I know that we have Chinese specialists and I appreciate that whether we are to have L.A. specialists depends greatly on the importance H.M.G. judges we should attach to our relations with these countries. Spanish is an easy language but there is no doubt in my mind that a specialist would be able to insinuate himself very much more quickly and effectively into a position of confidence with the very narrowly based political establishments in most L.A. countries.

Falklands Factor

My overall judgement of the attitude of politicians in the three countries which I visited is that they will undoubtedly continue to give Argentina's Territorial claim vociferous support. In a sense they are repaying in rhetoric what they failed to deliver on the day. This is particularly true of President Bentancur (who was not, of course, responsible for Colombian policy at the time).

Nevertheless, without exception they are quite relaxed about it in private; they deplore the Argentine aggression and are all anxious to continue to conduct their bi-lateral relations with us on a "business as usual" basis.

The real danger for H.M.G. is that, through their rhetoric, they may box themselves into a corner where they are demanding of us (by resolutions in the U.N. and the O.A.S.) actions which we simply cannot fulfill. In the medium term this could lead to a much

deeper souring of relations than exists now. I tried to make this point as strongly as I could both in private meetings and on the media and suggested that if they really wanted to help they should use their influence with Argentina to persuade them to renounce the use of force, to re-establish diplomatic and commercial relations and then allow the dust to settle. I am not sure I had much success. I thought I had made the point effectively, for example, with the acting Foreign Minister in Ecuador but this did not prevent his Minister (who was in New York) demanding that we open negotiations on sovereignty now in his speech at the United Nations two days later.

What should we do? Firstly, I think we should hammer home the point with all our friends in Latin America (and to their Ambassadors here) that the war has, in fact, made a very difficult situation more difficult. We should ask them to use their influence with Argentina along the lines I tried to suggest above.

The corollary to this is that we have to face the fact that an indefinite commitment to the Falklands will be extremely costly, a running sore on our relations with an increasingly important part of the world and, ultimately, a constant danger to peace and stability in that area. It will, of course, be politically impossible to even admit to the thought for some time yet but there is really no alternative to working towards an Argentinian dimension that will prove acceptable to the Islanders. any other policy will be a financial haemorrhage and a political dead-end.

The British Council

The Council can play an important role during the "dust settling" period. It should be possible in most major Latin-American cities for the Council to run an English Language Teaching programme at a very handsome profit. The E.L.T. side of of the Council's work in Ecuador which commenced in 1979 will show an operating profit of £30,000/£40,000 this year (depending on exchange rate). In Bogotá they have just started to operate and are poised for a major expansion - if they can obtain the necessary authority to secure and extend their premises. I gather that one Council-run operation in Brazil has about 3,000 students.

I have some knowledge of E.L.T. My family have owned a Language School in Madrid, Spain for about 20 years. The demand for the product is almost limitless and, curiously, Latins prefer to be taught by the British as opposed to the Americans. Operations of this kind have the advantage that they attract the bourgeoisie and ruling classes (the Council in Quito had arranged classes for the President of the Republic).

In my view the Council should be asked to embark upon an aggressive expansion programme in Latin America aimed at setting up a major English Language Teaching centre in every city of importance where there is a market. This should be regarded as a commercial operation. The profits could then be used to set up a library and to encourage Cultural, Educational and Technical contacts (for example the Mayor

of Bogotá is about to embark on a major re-examination of the transport system in the capital; a top British transport economist on loan to the Town Hall would be much appreciated and might well produce orders for British equipment thereafter). I daresay the Council will already have a pretty shrewd idea of what the commercial prospects in Latin America are and I have the impression that they are increasingly losing their distaste for making money and would rise to the challenge.

"Gran Bretaña Hoy"

I showed the dummy copy to all our Ambassadors and it was well received. It may make a contribution towards promoting understanding of and respect for the U.K. I have a few small suggestions for improvement which I would happily pass on to the editors.

Simon Bolivar Bi-Centenary Celebrations

Bolivar is a whole industry in Latin America. I scarcely attended any meeting where his name was not mentioned. We have a particularly good Bolivarian pedigree (British Legion "the saviours of America"; G.B. the only non-American country invited by Bolivar to the Panama Conference in 1826; Bolivar's life actually saved by a British Officer etc. etc.).

We must give very detailed thought to British participation in the bi-centenary celebrations.

Ecuador

Ambassador Buxton had arranged a very full programme of visits to politicians, the Press and the TV.

At all my meetings and interviews I stressed 3 main points.

- a) The offer made by Peter Rees to set up a study under the auspices of H.M.G. to examine the possibilities for selling Ecuadorian goods in GB. They have yet to take this up.
- b) The importance of using their influence on Argentina.
- c) The British Aid Programmes operating in Ecuador as briefed by the Ambassador.

Most politicians I met were very concerned about the North/South dialogue and, as they see it, the failure of Cancun to produce anything concrete. Some have fallen victims of the crudest propaganda and I was obliged to remonstrate gently with the President of the Supreme Court who seemed to believe that the sole purpose of our relationship with the 3rd World was to sustain the British Arms Industry. I drew attention to the bi-lateral Aid programme, our record on the UN target for trade and the E.E.C. contribution to the World Bank etc. - Britain being the largest contributor; this was accepted - but I was, nonetheless, surprised at the extent to which they feel that the industrialised world is not doing enough for them.

There was some concern about the re-scheduling of the Ecuadorian debt. I was unable, of course, to give any assurances but tried to make friendly noises.

One newspaper proprietor was enthusiastic about "Gran Bretaña Hoy". He is about to bring out a weekly colour Supplement and offered to print regular features about the UK if provided with material. No doubt the Ambassador will follow up.

We paid what we expected to be a courtesy call on the Chairman of the Foreign Affairs Committee to find the Committee in full session and myself asked to participate. We had a lively and friendly canter round the course; Falklands , North/South dialogue, Bilateral relations etc. This was, I think, televised and both the Ambassador and I thought it went rather well.

One locally employed Ecuadorian Mr. Jaime Bejarano seems to me to be an outstandingly useful member of the Embassy staff. He is a journalist clearly well known and liked by the Press and obviously devoted to the British. I gather he was given an MBE some time ago and that it is not possible to do more for someone of his rank in the service. A pity.

I am glad to report that the Ecuadorian Government clearly understand the importance even of Junior Whips! In contrast to Peter Rees, throughout my visit I was provided with an armed escort of 10 policemen! - two outriders with sirens who pushed everyone in our way straight into the gutter and eight heavies in two motor cars. At the end of my visit I had a team photograph taken with them for which I wore my Lords and Commons Cricket Club tie.

Bolivia

It was not possible to make many political contacts as the out-going Military Government were about to retire to their barracks (pro-tem?) and President - elect Siles and most of his closest advisors did not arrive in Bolivia until the day before his swearing in on the grounds that it was not thought entirely safe for him to do so!

The first part of my visit involved a trip to Southern Bolivia to open a hospital built at the village of Yamparaez by the Anglo-Bolivian Cardinal Maurer Project (ODA funded).

I daresay that there are many aid projects where not all the money is well spent. Certainly in Bolivia any aid channelled through Government stands a good chance of ending up in a Swiss Bank Account!. This project is under the auspices of the Cardinal Primate of Bolivia. H.M.G. provide the materials (cement, bricks, paint etc.) and the peasants actually build the hospital themselves. The cost of this particular hospital was \$50,000! the hospitals are backed by very small Health centres in the outlying areas. They have had a very considerable impact on the infant mortality rate in the area and on the overall standard of Health care. Above all they have gained the confidence of the Indian Campesino who scarcely speaks Spanish and was inclined to use witch-doctors.

The opening ceremony was attended by about 3,000 Indians - some of whom had walked for 5 days to be there. I was carried shoulder

high through the village to shouts of "Viva Gran Bretaña!" "Viva el Presidente de la Republica de Gran Bretaña!". The Cardinal and I then took the salute as representatives of the 32 municipalities who will benefit from this new hospital marched past. After the speeches and opening ceremony the former Secretary of the All-Party Alcohol Abuse Committee was obliged to drink a potion which seemed to be made of neat alcohol, spittle and cocaine. The Band of Hope has made little dent in Southern Bolivia!

In spite of the comic-opera aspects of the whole thing it was a very moving experience. The poverty is beyond belief and the gratitude of the people very profound. H.M.G. has done something of lasting good, made a deep impact on the people there and at very little cost. I have sent a full report to Neil Marten on this project.

The Cardinal ensured that the whole event was reported in the greatest detail with pictures and my speech in full in the main National Newspaper which he controls!

The Presidential Inauguration

The Ceremonial side was a laugh-a-minute. Every event started at least an hour late. Most of the retiring generals made Al Capone look like a member of the Salvation Army. A light-bulb exploded during the oath-taking in the Parliament and several deputies ducked - well they might, for the in-coming Vice-President is burned all over his body following an attempt on his life two

years ago when he was the only survivor after his plane was sabotaged.

The ceremonies lasted 2 days ending with a Te-Deum in La Paz Cathedral presided over by our friend and ally Cardinal Maurer.

I think we managed to keep a straight bat and, more importantly, a straight face throughout.

The Political Situation

Bolivia is in desperate trouble. She is utterly bankrupt. Unemployment is near 50%. Inflation about 500%. Every shoe-shine boy knows the daily \$ price. There was no bread, butter or meat in La Paz. The poverty is indescribable.

Are there any grounds for optimism? The answer must be very little. Nevertheless Siles was elected President with All-Party support. He is not a Communist though he has two in his Cabinet. He also has a Christian Democrat and did, I believe, invite the two right wing parties (Paz Estenssoro and General Banzer) to serve with him - they refused but are saying they will not obstruct his Government in Parliament where they have a majority.

There is much hope in Bolivia and much pride at the fact that they have returned to Democracy without loss of blood. A very prominent businessman told me that the Bolivian C.B.I. had been having constructive private talks with Siles' people for the past

three months. The young Vice President Jaime Paz Zamora (who must be a coming man - Siles is 71 and sick) met Nicholas Ridley some years ago and I believe they got on well. Our Ambassador knows him quite well - indeed was embraced by him when we presented President Siles with the Queen's Message!

The fact is that this is the first time in Bolivian History when the Executive (ie the President) has not had a majority in the Parliament; it might just be that this will force politicians to work together.

Some believe, however, that the right only supported Siles in order that it should be he who introduces the austerity measures the IMF will demand. They will bide their time and push him out when they chose. Even if the right are sincere the Army remains in the background. The day we left Bolivia the papers carried a ½ page advertisement by the retiring Air Force Commander which ended with the ominous threat that even from retirement he would be "ever vigilant of the true interests of the fatherland."

What should H.M.G. do?

In the 1850's the Bolivian Dictator, Melgarejo, slighted the British Ambassador. Queen Victoria, after being dissuaded from declaring war, struck Bolivia off the map with a pencil. All maps printed in the UK for the next 50 years ignored Bolivia. Alas, this is no longer an option. Bolivia - though an improbable country, exists. It occupies a central geographic position and it

is hardly surprising that Che Guevara regarded Bolivia as the key that would unlock the whole continent for Communism.

It looks like Hobson's choice. So long as there is a slender hope for democracy we should support efforts through the World Bank and the E.E.C. and any other International agencies called to prop up the Bolivian Economy.

So far as our own Bi-lateral aid programme is concerned, if it is at all possible, we should extend it. the Cardinal Maurer project is excellent as is the Santa Cruz programme. On a formal visit to the Speakers and deputy Speakers of the two Chambers I was asked officially to request H.M.G. to revive an aid programme to the Bolivian Mining Industry which was dropped after the Garcia Meza coup. It involves the sale of British safety equipment with the pay-back being used to finance miners houses. (I have written to Neil Marten).

One small point. If we do have room to extend our bi-lateral aid at all I would suggest we invite the young 42 year old Vice-President Paz Zamora over and announce it during his visit. He may well be President soon and is clearly the most charismatic man in the Governing Party. A useful friend for Britain and the West if we can win him over.

Colombia

I spent only 1½ working days here, in which time I managed only 2 or 3 interviews on radio and the press and a few courtesy calls on some politicians.

They were most friendly and, privately, still stick by their stand over the Falklands. Though, for reasons outlined, President Betancur may be a little more belligerent now.

Colombia has a well established 2 party democracy. The left wing vote in elections is almost negligible. They have trouble with armed terrorism (Betancur is in the process of offering an imaginative amnesty plan to the insurgents). They are very concerned about Cuban-promoted instability in Central America.

I lunched with some prominent British businessmen who confirmed that they had experienced no difficulties either during or after the Falkland crisis. One of them who has close links with the Colombian Military told me that they were most anxious to look at Rapier, but that Colombia had been put on a black-list some years back and that British Aerospace had been forbidden to talk to them. Our Ambassador is taking this up.

I also heard some favourable comments about our role in the International Coffee Agreement. Apparently the President of the Colombian Coffee Growers Federation loses no opportunity of telling people how helpful H.M.G. were.

Colombia still has an annual surplus of about 9 million sacks of coffee. Bogota Town Hall is just purchasing a new fleet of buses from Romania which have been bartered for coffee. I wonder if there is any opportunity here for British firms to set up 3-way barter operations?

Finally, I don't know whether our trip is simply an F.C.O. plot to keep the Whips Office sweet! - If so, it has succeeded. My wife and I enjoyed the trip hugely. I hope it may also prove of some use.

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*with the
compliments of*

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Jan
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