

GRS 320
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FM SANTIAGO, 292000Z APR 85
TO ROUTINE FCO
TELEGRAM NUMBER 098 OF 29 APRIL 1985
AND TO ROUTINE DTI , BANK OF ENGLAND, ECGD AND UKDEL IMF/IBRD
SAVING TO WASHINGTON, PARIS, BONN, ROME, OTTAWA AND TOKYO

BONN SUMMIT

1. THE CHILEAN FOREIGN MINISTER CALLED IN AMBASSADORS OF THE BONN SUMMIT COUNTRIES ON 26 APRIL IN ORDER TO HAND OVER A COPY OF THE LETTER SENT TO OUR HEADS OF STATE GOVERNMENT BY THE PRESIDENT OF URUGUAY ON BEHALF OF THE MEMBER COUNTRIES OF THE CARTAGENA GROUP. I UNDERSTAND THIS WILL ALSO BE HANDED OVER IN LONDON BY THE URUGUAYAN AMBASSADOR.

2. IN HIS ORAL REMARKS FOREIGN MINISTER DEL VALLE MADE AN APPEAL TO OUR VARIOUS GOVERNMENTS TO APPROACH THIS REQUEST OF THE CARTAGENA GROUP IN A POSITIVE SPIRIT. HE UNDERLINED IN PARTICULAR THE FOLLOWING POINTS:

A) A POLITICAL DIALOGUE DESIGNED TO PRODUCE DECISIONS WHICH WOULD ALLEVIATE OR SOLVE THE DEBT PROBLEMS OF LATIN AMERICAN COUNTRIES WAS SEEN AS VITAL BY THE CHILEAN GOVERNMENT, NOT ONLY FOR FINANCIAL REASONS BUT ALSO FOR POLITICAL ONES. HE SAID THAT CHILE COULD NOT BE SINGLED OUT FROM THE OTHERS ON GROUNDS THAT SHE HAS NOT AT PRESENT GOT A DEMOCRATIC GOVERNMENT. IT HAS LONGSTANDING DEMOCRATIC CREDENTIALS AND WAS COMMITTED BOTH BY POLICY AND CURRENT LEGISLATION TO A RETURN TO FULL AND STABLE DEMOCRACY IN 1989.

B) THE PRINCIPLE HOPES OF THE CHILEAN GOVERNMENT IN RELATION TO THE DEBT PROBLEM WERE THAT THE INDUSTRIALISED COUNTRIES WOULD ENSURE THAT THE FLOW OF DEVELOPMENT CAPITAL TO THE DEVELOPING WORLD WOULD BE RESUMED, OFFSETTING THE MUCH GREATER FLOW OF CAPITAL IN THE OTHER DIRECTION. THE OTHER PRIORITY FOR CHILE WAS TO GET THE MARKETS OF THE DEVELOPING WORLD MORE OPEN TO HER IMPORTS AND TO RESIST ALL PROTECTIONIST TRENDS.

COMMENT

3. DEL VALLE'S REMARKS AT (A) ABOVE REFLECT THE PERSISTANT CHILEAN WORRY THAT BECAUSE OF THE UNPOPULARITY OF THEIR CURRENT POLITICAL REGIME, THEY MIGHT BE DISCRIMINATED AGAINST IN DEBT NEGOTIATIONS AND OTHER FINANCIAL MATTERS. OTHER RECENT SIGNS OF

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THIS HAVE CENTERED ON THE POSSIBILITY OF CHILE BEING FORCED TO RENEGOTIATE IN THE PARIS CLUB. THE PURELY ECONOMIC ARGUMENTS MENTIONED AT (B) ARE POINTS WHICH CHILEAN GOVERNMENT SPOKESMEN HAVE BEEN MAKING STRONGLY IN OTHER RECENT PUBLIC STATEMENTS.

FCO PLEASE PASS SAVING TO WASHINGTON, PARIS, BONN, ROME, OTTAWA AND TOKYO

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