CONFIDENTIAL

MINISTRY OF DEFENCE WHITEHALL LONDON SW1A 2HB

TELEPHONE 01-218 9000
DIRECT DIALLING 01-218 2111/3

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Prime Minister

Agree A?

MO 11/16

PRIME MINISTER

Yes - OK. Pm

CHILE

I welcome the Foreign and Commonwealth Secretary's proposal, in his minute of 20th December 1979, to exchange Ambassadors at an early date. The point was made during the OD discussion on 19th September 1979 that British firms were losing overseas sales of defence equipment to Chile as a result of the existing arms embargo and, while I accept that we must continue to move with care and discretion in this area, I hope that, following the exchange of Ambassadors, we could put in train a review of the arms embargo. In the face of strong foreign competition, we are under continuing pressure from British Industry for the embargo to be lifted.

2. The question of exporting arms to Chile also raises the wider issue of unilateral constraints on the export of arms generally. Subject to your agreement, and that of colleagues, I propose to instruct my officials to examine, in conjunction with officials of other Departments, those aspects of our policies and procedures in regard to arms sales which inhibit our exports and to suggest where improvements might be made.

A

3. I am copying this minute to recipients of the Foreign and Commonwealth Secretary's minute of 20th December 1979, and to the Secretaries of State for Industry and Employment, both of whom have a substantial interest in promoting arms exports.

F.P.

9th January 1980

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9 JAN 1980

vb

c. LPSO
CDL
LPO
FCO
LOD
CWO
HO
LCO
HMT
CO
+ D/Trade, D/Ind & OLEmp.

Chile

CONFIDENTIAL

10 DOWNING STREET

From the Private Secretary

16 January 1980

Thank the Ministry of Defence that they compile a hand of services of both aspects of the question of arms sales.

Chile

The Prime Minister has seen the Defence Secretary's minute to her of 9 January proposing that officials in the Ministry of Defence, in conjunction with officials of other departments, should examine certain aspects of our policies and procedures in regard to arms sales to Chile. The Prime Minister agrees that the Defence Secretary should proceed along the lines proposed in his minute.

I am sending copies of this letter to the Private Secretaries of the recipients of the Defence Secretary's minute under reference.

MODBA

B.M. Norbury, Esq.,
Ministry of Defence.

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Chile

cc LPSO
CDL
NPO
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MOD
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D/T
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CO

JS

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10 DOWNING STREET

From the Private Secretary

17 January 1980

Dear Jonathan,

CHILE

Following your telephone call earlier today about my letter to Brian Norbury of 16 January, I have again discussed the Defence Secretary's minute of 9 January with the Prime Minister. I can confirm that the Prime Minister is content that reviews should be put in hand both of the embargo on arms sales to Chile and of such unilateral constraints as there are on the export of arms generally.

I am sending copies of this letter to the recipients of my letter under reference.

Yours sincerely

Michael Alexander

J.D.S. Dawson, Esq.,
Ministry of Defence.

JS

Chile

(2)

Prime Minister

PRIME MINISTER

CHILE

I have seen a copy of the Secretary of State for Defence's minute of 9 January commenting on a proposal by the Foreign and Commonwealth Secretary that Ambassadors should be exchanged with Chile at an early date.

I welcome his suggestion that we should, following the exchange of Ambassadors, put in train a review of the arms embargo on Chile. I also support his proposal for an inter-Departmental examination at official level of those aspects of our policies and procedures in regard to arms sales which inhibit our exports, with a view to suggesting whether improvements might be made. This seems to me to be an essential step to give effect to your summing up at the OD discussion on 3 December that a more determined effort must be made to sell more defence equipment overseas.

I am copying this minute to recipients of the Foreign and Commonwealth Secretary's minute of 20 December and to the Secretary of State for Employment.

K J

17 January 1980

Department of Industry
Ashdown House
123 Victoria Street

17 JAN 1980

Chile

to Pmt

PRIME MINISTER

CHILE

I have seen the Foreign Secretary's minute to you of 20 December proposing the early restoration of Ambassadors.

As Cecil Parkinson pointed out in his minute of 18 September our policies towards Chile have led to a marked decline in our share of their market and a four to one imbalance in our bilateral trade in Chile's favour. I therefore strongly support the proposal and have it in mind that Mr Parkinson should visit Chile fairly soon after full diplomatic relations have been restored.

I am copying this to recipients of the Foreign Secretary's minute.

JN

JN

Department of Trade
1 Victoria Street
London, SW1

7 January 1980

Chile

The Prime Minister: The right hon. Gentleman knows that we have to operate the law as it is unless and until the law is changed. One of the main factors in keeping down general prices is to try to keep down the increase in wages. We shall be glad to have the right hon. Gentleman's help in the steel industry towards that aim.

CHILE

Mr. Winnick (*by private notice*) asked the Lord Privy Seal if he will make a statement on the restoration of normal diplomatic relations with Chile.

The Minister of State, Foreign and Commonwealth Office (Mr. Nicholas Ridley): Over recent months we have been considering all aspects of our relations with Chile. We have now decided that we should restore our relations with Chile to the normal diplomatic level, in line with those of most of our major allies. As I stated in my reply of 16 January to my hon. Friend the Member for Brentwood and Ongar (Mr. McCrindle) we are, therefore, after discussion with the Chilean Government, reinstating ambassadors.

Mr. Winnick: Is the hon. Gentleman aware that the decision that he has announced shows the total indifference of the Conservative Government and, certainly, those on the Conservative Benches to the denial of human rights under a Right-wing military dictatorship? Is it not the case that the torturers of Dr. Sheila Cassidy have never been brought to justice in Chile and that in Chile itself there continue to be tortures and killings? Why does the Conservative Government always find reasons for the justification of Right-wing military dictators?

Mr. Ridley: If we were to base the exchange of ambassadors upon countries with regimes or with records on human rights of which we approved, we would have many fewer ambassadors. It is not this Government's policy to be selective in this matter, as the previous Government were.

Mr. Kershaw: Are we proposing to keep our ambassador in Moscow in this regard?

Mr. Ridley: I know of no proposal to withdraw our ambassador from Moscow. As we have made clear in the United Nations General Assembly, we do not base our condemnation on human rights grounds on selective considerations, as the Opposition do.

Mr. Shore: Has the Minister considered all the circumstances? What does he have to say about the last report of the Human Rights Commission of the General

[Mr. Shore.]
Assembly of the United Nations, which became available only a few weeks ago? This indicated clearly that the human rights situation in Chile has deteriorated rather than improved in the past 12 months. Is the hon. Gentleman not aware that the United States, for reasons connected with the behaviour of the Chilean regime, reduced the level of its representation in Santiago only last month? How can the Minister justify this change of policy? Against what background of changed conditions is he intending to justify his decision?

Mr. Ridley: We have ambassadors in many countries, such as Vietnam, where there are far worse records on human rights. Far be it for me to try to arrange a league table of which countries are better or worse. The right hon. Gentleman may not be aware that at the time of the United Nations General Assembly resolution to which he referred the Nine made a joint explanation of vote, stressing the need to avoid selectivity.

Mr. Cyril D. Townsend: Is my hon. Friend aware that many Conservative Members feel that the time is long overdue when we should join the United States, France and Germany in recognising this regime and having an ambassador there? Is he aware that such an ambassador will not only give Britain's approval but also disapproval from time to time? The ambassador will also be able to look after the interests of British citizens living in that country.

Mr. Ridley: One of the reasons for deciding to restore ambassadors is to enable us to present our views on human rights and all other matters at a higher level and, therefore, with greater impact.

Mr. James Callaghan: I remind the Minister that when the ambassador was withdrawn it was done with the general consent of both sides of the House, because of the torture of Dr. Sheila Cassidy. Has any apology been received from the Chilean Government in respect of that matter? Or what other considerations have now led him to reverse that decision?

The Prime Minister: As a result of much pressure upon the Chilean Government we have obtained from them a letter setting out their serious concern about Dr. Cassidy's case. They assure us that they have carried out the most exhaustive possible investigation and sincerely regret any improper treatment that Dr. Cassidy may have received during her detention. That is dated December 1979. It is much further than the previous Government managed to get the Chilean Government to go.

Mr. Eldon Griffiths: Since the United Kingdom—unlike many other countries, which continued to recognise Chile—has lost a good deal of trade over the past two years, will my hon. Friend confirm that ECGD credits will be available once again to exporters to that country? Will he confirm that Mr. Heath, the former consul-general in Chicago, is to be appointed as ambassador? At a time when the Soviet Union is stamping out human rights in Pakistan, does my hon. Friend not think that it is the height of hypocrisy for Opposition Members to complain about our exchanging ambassadors with Chile?

Mr. Ridley: Medium-term credits were restored by the ECGD in June 1979. We have lost considerably on trade with Chile as a result of our attitude. That is not the reason that caused us to change our mind about the Labour Government's policy. I endorse entirely the comment of my hon. Friend that the action of Governments in relation to human rights should not determine whether we have diplomatic relations with them at the highest level.

We have sought and *agrément* for an ambassador with the Chilean Government. However, it is not the usual courtesy to suggest his name until an *agrément* has been reached.

Mr. Russell Johnston: Is the Minister aware that it is recognised that we have representation in countries that we do not like for good, sound reasons that he has mentioned? Nevertheless, does he recall that the withdrawal of our ambassador was connected not only with Sheila Cassidy and her torture but with the case of William Beausire, a British citizen, who has, as far as we know, been tortured and certainly imprisoned, for the past six years? What assurances did we receive from the Chilean Government before we agreed to resume our representation?

Mr. Ridley : The Chilean Government have told us that they are still making investigations into Mr. Beausire's case. The Chilean Government have given us an assurance that the authorities will give legal tribunals, which are investigating the matter, maximum co-operation. It is fair to state that nobody knows where Mr. Beausire is or what has happened to him.

Several Hon. Members *rose*——

Mr. Speaker : Order. I propose to call one hon. Member from each side of the Chamber. This is an extension of Question Time.

Mr. Dobson : Does the Minister accept that his decision to allow the torture of a British citizen to go unpunished means that he should in all conscience call in all existing British passports and cause to be struck from them, as a dead letter, those parts that require foreign Governments and citizens to afford the bearer such assistance and protection as may be necessary? It is clear that the Government are no longer willing to assert the rights of British citizens.

Mr. Ridley : I believe that the hon. Gentleman is wrong to seek to imply that the Government had anything to do with those events, or was in any way able to protect Dr. Cassidy. The Opposition know that the Government's action is in no sense a condemnation of the Chilean Government, any more than it is a mark of approval of them.

Mr. Churchill : Several thousand jobs were lost in Britain, more especially on Clydeside and Tyneside, as a result of the arms embargo imposed by the Labour Government. What plans do Her Majesty's Government have for resuming arms sales to Chile?

Mr. Ridley : Her Majesty's Government have no plans to resume arms sales to Chile at present.

RATE SUPPORT GRANT (DEBATE)

Mr. Guy Barnett : I am grateful to you, Mr. Speaker, for allowing me the opportunity to raise a point of order about the accuracy of yesterday's *Hansard*. I wish to refer to a speech made by the Secretary of State for the Environment when he was introducing the rate support grant debate. I wish to make it clear that I make no imputation against his officials, or against the *Hansard* reporters, for whom I have the highest respect. However, it is in my recollection, and in that of certainly one of my hon. Friends, that in column 1685, eight lines from the bottom in a sentence that begins

"We will judge that position"—

the right hon. Gentleman was referring to actions that he might take in relation to local authorities—

"in the light of the expenditure, intentions and decisions of individual local authorities." —[*Official Report*, 16 January 1980 ; Vol. 976, c. 1685.]

It is in my recollection that the right hon. Gentleman used the word "speeches" in that sentence. That caused a certain amount of concern, certainly on the Opposition Benches. For the sake of local authorities, if not for anyone else, it is important for the matter to be cleared up. I shall be grateful if it is investigated.

The Secretary of State for the Environment (Mr. Michael Heseltine) : Further to that point of order, Mr. Speaker. May I, through you, Mr. Speaker, thank the hon. Member for Greenwich (Mr. Barnett) for his courtesy in informing me a few minutes ago that he intended to raise the point of order? In the brief time available I have checked the record as best as I am able. My memory is, broadly, that the hon. Gentleman is correct.

Last night I had no contact with *Hansard*. In the ordinary course of normal affairs my private secretary visited *Hansard* later last evening, to find that my speech had already been sent to the printers. It being a formal speech, to which I stuck in the course of delivery, it was easy for the speech to be sent to the printers rapidly. Therefore, my private secretary was unable to check what had been sent to the printers. As a consequence, my secretary accepted the official record of the *Hansard* reporters.

Following notification by the hon. Gentleman, we have read the official record. The part of my speech that the hon. Gentleman quoted was uttered in reply to a question from Labour Members. Therefore, it did not come from the official text from which I was delivering the speech. My memory is that I said "expenditure decisions and speeches." If it is acceptable to the House, I can instruct *Hansard*, the *Official Report*— [*Interruption.*] Of course, Mr. Speaker, I

[Mr. Heseltine.]

must be guided by you. However, for my part I am anxious that the record should be as my memory, and I believe that of the hon. Gentleman, indicates.

Mr. Speaker: I am much obliged. I know that the House will be obliged to the right hon. Gentleman. I will have a word with the *Hansard* authorities.

BUSINESS OF THE HOUSE

Mr. James Callaghan: Will the Leader of the House state the business for next week?

The Chancellor of the Duchy of Lancaster and Leader of the House of Commons (Mr. Norman St. John-Stevas): Yes, Sir. The Business for next week will be as follows:

MONDAY 21 JANUARY—Supply [9th Allotted Day]. There will be a debate on the problems of the Northern Region, on a motion for the Adjournment of the House.

Remaining stages of the Bees Bill.

Motion on the Value Added Tax (Fuel and Power) (Metrication) Order.

The Chairman of Ways and Means has named Opposed Private Business for consideration at 7 o'clock.

TUESDAY 22 JANUARY—Remaining stages of the Competition Bill.

Motion on European Community Documents R/2075/78 and 4679/79 on the European Court of Justice.

WEDNESDAY 23 JANUARY—Debate on the Report of the Merrison committee on the National Health Service, Cmnd. 7615.

Motion on the European Communities (Definition of Treaties) (Multilateral Trade Negotiations) Order.

THURSDAY 24 JANUARY—Debate on the role of nuclear weapons in Britain's defence policy, on a motion for the Adjournment of the House.

FRIDAY 25 JANUARY—Private Members' motions.

MONDAY 28 JANUARY—Debate on East-West relations and the crisis in South-West Asia, on a motion for the Adjournment of the House.

Mr. Callaghan: We hope that the foreign affairs debate will be more directly related to East-West relations and the consequences of recent events, leaving for separate discussion at a later date the future of Zimbabwe and events in that area, along with other related matters. We think that the Middle East will also come into the debate to take place on Monday week. In preparation for that debate, I ask the right hon. Gentleman whether we