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Foreign and Commonwealth Office

London SW1A 2AH

1 July 1985

Prime Minister

Dear Charles, Yes

Agree to a low-key approach to the Chilean Government as in the last paragraph

Chile: Lifting of the State of Siege

The Prime Minister may wish to be brought up-to-date on the situation in Chile in the aftermath of the lifting of the state of siege on 17 June, and its replacement by a state of emergency.

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The lifting of the state of siege was announced without prior warning. Human rights abuses had persisted through March, April and May and the continuing lack of progress towards a restoration of democracy had provoked the US Administration to make it clear to the Chilean authorities that they would be unwilling to support a proposed new financial package which the Chileans were seeking to arrange under World Bank auspices unless there was a significant improvement in the internal situation. The lifting of the state of siege may have been successful in persuading the Americans to take a more relaxed attitude. On 20 June the IBRD approved a road project loan worth \$140m and agreed to use its influence to encourage commercial banks to make new money available to Chile.

Despite the lifting of the state of siege, Chile remains under a state of emergency. Personal liberties are still considerably curtailed. No meetings of a party political nature are allowed. Although opposition newspapers are no longer banned, and there is no prior censorship, the Government have powers to restrict press freedom: for example, newspapers are not allowed to publish articles about terrorist activity. The President has also retained his power to arrest and send people into exile both outside and inside the country as well as to prohibit the return of those banished overseas.

The practical effects of the lifting of the state of siege are thus very limited, and the conditions for the resumption of normal political life have not yet been met. The Counsellor at our Embassy in Santiago took the opportunity of a meeting with the Director of the Chilean Ministry of Foreign Affairs on 19 June to emphasise that we remain concerned that continuing restraints on political activity could only benefit the extremists and lead to further polarisation in politics. The latter made it clear that the Chilean Government remained ready to listen to our views on internal developments.

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Action on the bilateral approach to the Chilean authorities in your letter of 26 March (copy enclosed) had been suspended following the recent leak of FCO documents on Chile. The Foreign Secretary feels, however, that it would now be helpful for our Ambassador (who has been on tour in the north of the country) to find an opportunity on his return to Santiago to express discreetly to the Foreign Minister our concern at the present situation and to encourage the Chilean authorities to take a more enlightened view of their own best interests. This should make it easier for us to defend our policy of maintaining normal diplomatic relations with Chile, including a substantial defence element, against criticism from the human rights lobby.

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

C D Powell Esq
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From the Private Secretary

2 July 1985

CHILE: LIFTING OF THE STATE OF SIEGE

Thank you for your letter of 1 July about the lifting of the state of siege in Chile.

The Prime Minister is content for our Ambassador to make low-key representations to the Chilean Government expressing our concern at the present situation.

(CHARLES POWELL)

P.F. Ricketts.,
Foreign and Commonwealth Office

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