

ms

Confidential File

Internal Situation. [redacted]

[redacted]

Peru / UK Relations.

PERU

Visit of Peruvian Speaker Mr Perrouck

JULY 1980

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
	7.7.80						
	<del>15.8.80</del>						
	29.8.80						
	<del>28.1.81</del>						
	1.2.81						
	12.3.82						
	15.2.83						
	6.5.85						
	7.5.85						
	<del>2/6/85</del>						
	<del>29/7/85</del>						
	15.6.90						
	2.1.92						
	6.1.92						
	3.2.92						
	<del>6.2.92</del>						
	18.5.92						
X							
File Closed March 95							

PREM 19/3881

**PART**

**CLOSED**

## Foreign and Commonwealth Office documents

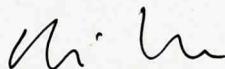
Reference: DIPLOMATIC REPORT 9/93  
Description: PERU: Annual Review for 1982  
Date: 16 December 1982

Reference: DD 1992/34 DESPATCH  
Description: PERU: Annual Review for 1991  
Date: 7 January 1992

The above FCO documents, which were enclosed on this file have been removed and destroyed.

Such documents are the responsibility of the Foreign and Commonwealth Office. When released they are available in the appropriate FCO CLASSES.

Signed



Date

20/9/17

**PREM Records Team**



RESTRICTED



*File  
2009*

10 DOWNING STREET

LONDON SW1A 2AA

*From the Private Secretary*

18 May 1992

*Dear Simon,*

THE SITUATION IN PERU

Thank you for your letter of 11 May which gave an excellent view of the situation in Peru.

In putting the letter to the Prime Minister, I scribbled on the top "I persist in believing he's a good guy." The Prime Minister wrote "I hope you're right."

*Yours,  
Stephen*

J. S. Wall

Simon Gass, Esq.,  
Foreign and Commonwealth Office.

RESTRICTED

*21*





etc

I hope you're right

Foreign & Commonwealth Office

RESTRICTED

London SW1A 2AH

11 May 1992

Prime Minister

Dear Stephen

Indoedip. Iparon in Bohemio he is a good guy. In the end

The Situation in Peru

For two years President Fujimori seemed to be running a tight ship in a country which had often seemed on the edge of chaos. He was one of the Latin American leaders who led us to believe that democracy is entrenching itself in the continent.

Internal Situation

On 5 April President Fujimori, with the support of the armed forces, suspended both Constitution and Judiciary and dissolved Congress. In a televised speech, the President said that he had found it impossible to implement his policies of reform in the face of obstruction from politicians. Henceforth the country would be ruled by Decree of the Council of Ministers pending a plebiscite on a new constitution. The President's action, which initially included the arrest of politicians (former President Alan Garcia escaping the net), senior judges and a leading journalist (they have now been released) as well as raids by the security forces on newspaper offices, radio and tv stations and premises belonging to political parties, was widely criticised. There appears to be no legal or constitutional justification for President Fujimori's action. One month on, power remains in the hands of the President. Opinion polls suggest that 70% of Peruvians approve of the steps he has taken. He has announced a timetable for a return to democracy culminating in the installation of a new Congress on 5 April 1993.

Overseas Political Reaction

Overseas reaction has been critical. The United Kingdom and its European partners issued a joint statement on 8 April expressing the Community's deep concern. The United States, Argentina, Brazil and Venezuela have made strongly condemnatory statements. The OAS Foreign Ministers also issued a statement exhorting all countries to reassess the level of their relations with Peru and their levels of bilateral aid. An OAS mission, led by Uruguayan Foreign Minister Gros Espiell has completed two visits to Peru. But key players are pessimistic.

RESTRICTED



RESTRICTED

The United States has suspended all official aid to Peru (worth some US\$320 million). Japanese aid to Peru might continue if the Peruvian government commits itself to an early restoration of democracy. A common EC position on aid has yet to emerge, but a number of member-states have announced their own measures affecting bilateral assistance.

UK aid to Peru

The United Kingdom's aid programme in Peru is small and targetted to help the poorest. However, during President Fujimori's visit to Britain in February, the Prime Minister announced that we intended to provide £3m of programme aid during 1992/93 and 1993/94.

In the light of events since then, Ministers have decided to suspend implementation of our pledge of £3m Programme Aid, to suspend action on technical cooperation proposals under consideration (but to continue with existing projects); including where necessary the replacement of personnel, and to continue with our support for the work of British NGOs in Peru and the provision of our very small sums of humanitarian aid. Consideration of Retrospective Terms Adjustment, effectively a write-off procedure, for outstanding Peruvian aid debt to HMG has also been suspended.

We believe that for the moment, President Fujimori should be given the benefit of the doubt, a position adopted by the majority of his countrymen. The combination of Japanese and Peruvian traditions to which he is heir may not make him an instinctive democrat but there can be little doubt of his commitment to giving Peru better government than it has enjoyed for many a long year. The Congress he has dissolved was a deeply unedifying institution and the judiciary weak, demoralised (intimidated by terrorists) and corrupt. It may be that with democratic institutions suspended President Fujimori will acquire a taste for unfettered power but we doubt that. The international reaction has shown him that unless he restores constitutional rule the support vital to the success of his policies pledged by the international community will not materialise.

Following so soon after the attempted coup in Venezuela, President Fujimori's action raises doubt about the solidarity of Latin America's recent espousal of democracy and market economies. The strains imposed by the adjustment programmes in place throughout the subcontinent are immense. Reverses were bound to happen. There could be more. But for electorates that have for a generation been suffering the turmoil generated by military rule, guerrilla juntas and the acute polarisation between right and left, there is only one show in town - constitutional rule and market economies. The successes of this combination in Chile, Mexico, Colombia and

RESTRICTED



RESTRICTED

now Argentina are influential in other countries of the subcontinent and elsewhere too, as the accelerating inflows of capital demonstrate.

*Jaworski*  
*S. L. Gass*

(S L Gass)  
Private Secretary

J S Wall Esq CMG LVO  
10 Downing Street

RESTRICTED



**SUBJECT  
MASTER**

**RESTRICTED**



**Filed on:**

**10 DOWNING STREET  
LONDON SW1A 2AA**

*From the Private Secretary*

6 February 1992

*Dear Sir,*

**PRIME MINISTER'S MEETING WITH THE PRESIDENT OF PERU:  
5 FEBRUARY**

I am sorry that rushing around over Northern Ireland has prevented me from writing to you before now about yesterday's call on the Prime Minister by President Fujimori of Peru. Thank you for the briefing which you provided. The meeting lasted an hour and was helped by the fact that, as the President recalled at the beginning of the meeting, the Prime Minister had visited Peru in the 1980s. Our ambassador, Keith Haskell, was present.

President Fujimori said his country had been in one of the gravest crises in the whole of Latin America. All the problems of Latin America had been concentrated in Peru. They had suffered from hyper-inflation. This had now been reduced from 50-60% a month to 5-6% a month. With hyper-inflation they had also had a recession from which Peru was gradually emerging. Peru had now somewhat regularised their situation and had had a renegotiation with the Paris Club. Over the last six months they had made incredible advances especially on behalf of businessmen.

President Fujimori said that over the last 11 years, 22,000 people had been killed in Peru as a result of terrorism. Millions of dollars of damage had been done to Peru's infrastructure. There had been abuses of human rights. The climate of instability had deterred visitors. The Government had begun a pacification campaign to confront terrorism. Their basic approach was to engage the population through civic action programmes conducted by the armed forces. In some areas, terrorism had been eradicated altogether.

Drug trafficking

President Fujimori said that Peru produced 60% of all the coca leaf in the world. Peru had signed an agreement with the US. They had suggested to the United States that a distinction should be drawn between the drug traffickers, who were criminals, and the drug producing farmers who were basically poor people trying to eke out an existence, not delinquents. The income of those people was about \$400 per head, per year. They needed to be weaned away from coca production. The Government had

**RESTRICTED**

RESTRICTED

- 2 -

established contact with these farmers (who tended to operate in collectives). At the moment, the only marketable product which they could grow was coca leaf. In order to encourage alternative production, the Government was giving the farmers title to their property and starting to build a communications infrastructure so that their legitimate products could go to market. The European Community had been very helpful in this respect by being the first group to introduce zero tariff rates for certain agricultural products from these coca growing areas. At the same time as they were undertaking this hearts and minds campaign with the farmers, the Peruvian government had clamped down on the drug traffickers themselves. With the help of two US supplied radars, five drug-carrying aeroplanes had been brought down. Peru's principal goal was to get rid of drug-trafficking, not least because of its adverse economic impact.

President Fujimori said that the political situation was stable. There was no more talk of coups. Peru hoped to continue with her austerity policy in the years to come. She had a pragmatic policy towards her neighbouring countries and was trying to do away with the feuds of the past with e.g. Ecuador, Bolivia and Chile, so as to reduce her defence costs. Several hydro-electric projects were in train. One of these involved a British company. Peru was putting in counter-part funds and hoped to finance all these projects in 1992-93.

UNCED

The Prime Minister said that he had noted that President Fujimori was coming to speak on environmental issues at Kew Gardens. Just before meeting President Fujimori he had had a meeting with environment and development groups to prepare for UNCED. We regarded the conference as of immense importance. The Prime Minister himself was committed to going to the conference and had tried to persuade other G7 leaders to attend.

The Prime Minister recalled his visit to Peru with great affection. It was a particular pleasure to him now to see a democratically-elected President of Peru. Two things had struck him during his visit. The first was the state of the economy. The second was the terrorism and, in particular, the position of the Sendero Luminoso.

The Prime Minister said we had watched with great interest Peru's fight against inflation. The Prime Minister was sure this was right. Inflation had very powerful side-effects, not least its adverse affect on the exchange rate. The primary economic considerations when the Prime Minister had visited Peru had been:

- (i) inflation and
- (ii) creating an environment for inward investment.

Those things were still important. He hoped Britain and Peru would be able to conclude an investment, promotion and protection agreement. He hoped Peru might conclude similar agreements with other EC countries. There was increasing interest in Europe in the possibilities of investment in Latin America, particularly in the medium and long term.

RESTRICTED



RESTRICTED

- 3 -

During his visit to Peru the Prime Minister had, he said, been particularly shocked to learn of Peru's terrorism problem. Since then it had continued. He knew that, with considerable personal courage, the President had taken a lead in trying to control terrorism. He hoped it would be possible for Mr. Garel-Jones to visit Peru later this year to assess the situation for himself.

President Fujimori said Mr. Garel-Jones would be very welcome. He hoped that the Prime Minister would also be able to visit Peru in due course. President Fujimori said that his strict stabilisation campaign had inevitably affected the level of employment and Peru did not have a well-developed social back-up system. Peru had received a lot of help with food from the US and the EC. Peruvians were pretty imaginative people and had been able to overcome many of their difficulties. There had been an invasion of the streets in the form of street vendors. For the time being, however, he preferred that to other forms of activity. Peru's stabilisation programme was one of the toughest in Latin America. The distortion of the economy by the previous Government had been extremely serious. For example, oil had been sold at six cents for a four-litre barrel. The Government had had to raise the price to \$1.50. The population had accepted without too much demur. The structural reform was possible because the Government had popular support. It was incredible that popular support for the Government was so strong. These were difficult times because the budget was so precarious. He also had a number of difficulties with his Congress which wanted to break out of the austerity regime.

President Fujimori said that over the last 18 months he had made real, albeit not very visible, progress against terrorism. At a political level the terrorist groups were in retreat. They could not win hearts and minds and so were reduced to gratuitous violence.

The Prime Minister said his recollection was that the terrorists were middle-class intellectuals. If that was so it seemed odd that they had not gradually gone into the political system. President Fujimori said the Sendero Luminoso were an inexplicable case. They believed in pure terrorism. On the basis of terror, they had total control of some areas. It was quite hard to understand what Sendero Luminoso was all about. The best way to defeat them was to win the support of the local population in the way he had already described. As a result of the activities of the security forces in the rural areas, groups of people had now formed vigilante groups which had been trained and armed by the armed forces. They were a front line of defence against terrorism. The army now got lots of intelligence. President Fujimori said the Government had also taken control of universities which had previously regarded themselves as inviolable and in many cases were terrorist centres. He personally had led the armed forces to take control of one university and had succeeded without using force. It was essential that terrorism should be faced up to by the people themselves. In one valley the Sendero Luminoso had had complete control. That valley had now been liberated and two English

RESTRICTED



priests and a lay preacher had been able to return. The President had recently told a Financial Times correspondent that he hoped to have total pacification by 1995. Privately, he was even more optimistic. He was determined to take drastic action against drug traffickers who financed terrorism and who were themselves paid in arms. In one sense the more the terrorists abandoned ideology for common criminality, the easier it was to deal with them because they did not then have a political orientation.

The Prime Minister said he wanted to pursue three issues:

(i) Drug enforcement

We had been able to provide training courses and would provide more later in the year.

(ii) The human rights position

He was aware that an all-party council of peace had been established. There was great concern in Britain on the human rights issue including in the British Parliament and he would be grateful to know when the Council would begin its work.

(iii) It would be useful to know which were the sectors where there was the greatest prospect of UK-Peruvian trade.

President Fujimori said that our anti-terrorist training programmes [sic] were very useful. He was very grateful for the help he had had from us, the United States and Israel. Any help in fighting terrorism also had repercussions on the human rights front. Human rights were of great concern to the President. When he had come to power there had been over 30 denunciations a month. Between July and October of this year there had been only 3 or 4 denunciations a month. The Government's strategy against the guerillas included the protection of human rights for two reasons, one of them being that the armed forces had a clear mandate to gain the support of the people. He referred again to the involvement of the army in social programmes. More money was being spent on road-making equipment and less on armaments. There were still some very serious incidents, and problems in the justice sector. These had been traced back to, e.g., groups of policemen who had committed horrendous crimes. A number of cases had been discovered and were going through the courts. It had to be said, however, that Peruvian justice was extremely slow. There were a number of serious crimes involving disappearances and murders which had possibly involved paramilitary groups. One of these groups had been organised by policemen but had, since the President's accession to office, virtually disappeared. But he had had to dig very deep to root it out. He had had to sack 11 colonels, a number of generals and 250 police officers. There were groups within groups linked to drug-trafficking.

President Fujimori said the trade between Britain and Peru was worth \$150 million, with Peru exporting \$90 million of goods to Britain. Peru had great mineral potential and was a good producer of fruit and fish products. Her trade was completely

RESTRICTED

- 5 -

open and she represented a small but attractive market.

At the end of the meeting the Prime Minister said that we hoped to be able to contribute in a small way to Peru's recovery. We would make available a small amount of programme aid over the next two years.

I am copying this letter to Jeremy Heywood (HM Treasury), Martin Stanley (Department of Trade and Industry), Colin Walters (Home Office) and Sonia Phippard (Cabinet Office).

*Jans,*  
*Stephe*

(J. S. WALL)

Simon Gass, Esq.,  
Foreign and Commonwealth Office.

RESTRICTED

803  
CONFIDENTIAL



CCPC  
G/P

Foreign &  
Commonwealth  
Office

3 February 1992

London SW1A 2AH

Prime Minister

The personality note was  
not enclosed (I will seek with  
morning.)

President of Peru: Meeting on 5 February

The Prime Minister will be having talks with President Fujimori at 1715 on Wednesday 5 February.

The President will be accompanied by the Peruvian Ambassador, the Foreign Minister and, probably, an adviser. I enclose a personality note. If you agree, our Ambassador Mr Keith Haskell will attend, as well as Adrian Beamish (who, as our former Ambassador, knows Fujimori of old).

Although the visit is essentially private, (President Fujimori is to address an environmental meeting at Kew Gardens), ~~it will be the first ever by a Peruvian President in office.~~ President Fujimori will be hoping to emphasise Peru's return to the world's political and economic mainstream after the isolation of the Alan Garcia years (1985-1990). I enclose a scene-setting telegram from Lima.

Internal situation

In July 1990 Alberto Fujimori became the third consecutive democratically-elected president of Peru since the return to democracy in 1980.

The Economy

President Fujimori inherited an economy in tatters. His pursuit of courageous economic policies has deservedly won praise from the international financial institutions and

CONFIDENTIAL





Peru's other main creditors. There have been tangible results. Inflation in 1990 was 7,650%, in 1991 it was under 140% and will soon drop to two figures. After three years in which GDP dropped by a cumulative 25% or more, in 1991 the economy grew by between 2 and 3%. Interest rates have come down from punitive levels, and despite the continuing huge influx of narco-dollars, which distorts the money supply and exchange rate, Peruvian manufacturers and exporters are beginning to feel more confident about the future. Economic liberalisation has also reduced the scale and scope of corruption.

An IMF Programme is in place which will run until the end of 1993. Successful completion of the programme will entitle Peru to borrow from the IMF once its arrears have been settled. An international support group of more than a dozen developed countries has pledged some US\$1.2 billion to help Peru out of its difficulties pending release of IFI funds. The UK was the only G7 country not to participate, but we have now offered Peru balance of payments support in the form of programme aid of £3 million. Peru has also succeeded in rescheduling its Paris Club debt on generous terms.

*Back with Peru.  
EW.*

*Peru visit*

#### Terrorism and Drugs

The terrorist campaign which began in 1980, led by the nihilist Sendero Luminoso (Shining Path) guerrillas, has killed more than 9000 in the past 3 years. They are able to operate with impunity throughout Peru and have apparently succeeded in turning certain communities into "no go" areas for government forces. Over one third of the country is under military control. This has led to reports of widespread human rights abuses as the security forces wage a dirty war against the guerrillas and their drug-trafficking allies. Many innocent civilians have disappeared or been killed. President Fujimori's promises to crack down on abuses have largely remained just that. Peru is the subject of a special Amnesty International campaign.

*Terrorist  
forces*



Peru continues to produce some 60% of the world's coca leaf. Although most processing and refining takes place elsewhere, this provides work for over 200,000 families. The Fujimori government is basing its anti-drugs strategy on a programme of economic development and crop substitution in the main coca-growing areas. A package of drug-related economic and military assistance worth some US\$160 million was signed with the US in July last year. Although this is intended to help extend the rule of law to the fiefdoms of Peru's drug traffickers, the lack of an effective national drugs intelligence system and the corruption and inefficiency of the Peruvian police mean that the surface of the problem has barely been scratched.

#### External Policy

President Fujimori has adopted a high profile foreign policy. This has not always yielded the intended results. Brazil, Argentina and Chile, whose domestic arms industries stood to lose heavily from the President's initiative to limit arms in Latin America, turned their back on Peru's efforts to this end. It was however adopted by the Andean Pact.

In mid-1991, there was a flare-up in Peru's border dispute with Ecuador over a few square miles of inaccessible and mountainous jungle, whose ownership was left undecided after the two countries last fought each other 50 years ago. Much hard negotiation on the border question remains but President Fujimori's subsequent visit to Ecuador, the first ever by a Peruvian President, was replayed in Peru as a personal triumph.

#### UK-Peru

The Peruvians were outspoken in their criticism of the UK during the 1982 Falklands campaign. They were nevertheless genuinely pleased when we resumed diplomatic relations with Argentina. Our bilateral relations remain



friendly but insubstantial and no British Minister has visited Peru since 1988. Mr Garel-Jones may do so during 1992.

Peru is a relatively small market for UK exports, with our main exports consisting of power generating machinery and dairy products. In 1990, UK exports totalled £29.2m, a 4% share of the Peruvian market. A number of UK companies are active in the country including ICI, the Inchcape Group and Midland Bank. Shell are negotiating an agreement to exploit the large Camisea natural gas field. Simon Robertson are helping Petroperu (the state oil company) to attract foreign investment in Peru's oil industry. UK imports from Peru totalled £96.7m during 1990. Britain is Peru's largest export market in the EC and third largest worldwide.

The Peruvian authorities have long complained about the activities of Peruvian dissidents in the United Kingdom who openly support anti-government terrorist groups operating in Peru. The Home Secretary explained to the Peruvian Ambassador on 4 November last year that action could only be taken against such people if they were found to be engaging in acts of violence or encouraging others to do so. It has so far not been possible to prove this, and the activity of Peruvian dissidents in UK continues to be an irritant in our bilateral relations.

The Prime Minister may wish to make the following points:

#### The Visit

- Pleased to welcome the first ever visit by a Peruvian President in office.

#### President Fujimori's Achievements

##### Peruvian Economy

- Congratulations on the success of your measures to



Pent visit

Pusan Rts.

Territory

Enw. Kw.

Relat

J.P.

Prags



reform the economy and liberalise trade.

- Welcome progress under IMF Rights Accumulation Programme. Strong need for continued economic adjustment. Consideration of an IMF Stand-By Arrangement will be possible, once programme is successfully completed later this year.

#### **Foreign Policy**

- Note with pleasure the acceptance by the Andean Summit of your arms control initiative. Regional agreements on arms limitation have proved useful in Europe, as have confidence and security building measures. Welcome Peru's pursuit of such proposals in Latin America.

- Note success of your visit to Ecuador. Hope your visit will lead to solution acceptable to both parties.

#### **Bilateral Issues**

##### **Trade Issues**

- Emphasise wish to further develop trade links with Peru. Welcome measures encouraging foreign investment. Which sectors offer best opportunities?

- Several UK companies pursuing project business in Peru  
- British Alcan (electrical supply system) and British Mining Consultants.

- Visit to UK last November by Minister of Energy and Mines, Mr Yoshiyama, and representatives of Petroperu generated much interest in petroleum sector. Understand Simon Robertson heloing Petroperu to attract foreign investment in Peru's oil industry. Are prospects for future exploration and development encouraging?

##### **Aid**

- Glad to say that, in view of Peru's adoption of an IMF programme and presuming it is adhered to, we intend to

(3)

Trade actors.  
Tax collection.





provide modest balance of payments support (programme aid) totalling £3 million in next two years as UK contribution to Support Group. Details will be passed to your ministers by our Embassy in Lima. Hope this will be a useful addition to our existing modest but increasing aid programme.

- Stress importance of EC aid to Latin America, totalling some £418m, of which £36m is targetted on Peru. UK contributes 20% of all EC aid disbursed.

#### Human Rights

- Recognise problems caused by large scale terrorist campaign. But public concern in UK at recent Amnesty International reports of human rights violations in Peru. concern in UK.

- Understand all party "Council of Peace" established last July to deal with human rights issues. How is this progressing?

- Will the Commission on Human Rights begin work this year?

#### Drugs

- Peru world's biggest grower of coca. Understand you are developing a crop substitution strategy to tackle the problem. How is this to be taken forward?

- UK has provided drug law enforcement training courses for Peruvian police and Customs officers. More is planned later this year. Hope this will be put to good use.

[if asked about increased anti-narcotics assistance]

- Prepared to look carefully at specific proposals.

*Amnesty  
have written  
asking you  
to release this*

*2*

*X*



UN Conference on Environment and Development (UNCED)

- UNCED momentous global event. UK committed to its success.
  
- Attach particular importance to:
  - (i) conclusion of effective conventions on climate change and biodiversity
  
  - (ii) agreement on statement of principles for sustainable use and of all types of forest
  
- Recognise onus is on wealthier countries to take lead in addressing global environmental problems. Recognise too that developing countries will require financial help to meet the incremental costs of their obligations under the new legal arrangements. Believe Global Environment Facility of the World Bank, UN Environment Programme and UN Development Programme is the right mechanism for this, although current pilot programme will need to evolve inter alia to give more say to developing countries. Hope Peru will support this approach.

If raised

Peruvian Dissidents in London [if raised]

- The Home Secretary has explained to your Ambassador our difficulties with Peruvian Dissidents who have leave to remain in UK and who support terrorist groups in Peru.
  
- We are taking firm action against such individuals where it is legally possible to do so.
  
- We have warned such individuals that they can be deported if they are found to engage in acts of violence or activity to encourage acts of violence. So far no evidence has been produced to justify such action.
  
- Where such individuals seek political asylum, the 1951

CONFIDENTIAL



United Nations Convention on refugees prohibits us from expelling any refugee or asylum seeker unless they pose a threat to national security or have been convicted of a particularly serious crime constituting a danger to the community.

- We cannot therefore refuse to consider an asylum claim or remove an asylum seeker until the claim has been considered.

*Yours ever,  
S. J. Gass*

(S. J. Gass)

Private Secretary

Stephen Wall Esq CMG LVO  
10 Downing Street

CONFIDENTIAL



INGENIERO ALBERTO FUJIMORI FUJIMORI

President of Peru since 28 July 1990

Born 28 July 1938, the son of Japanese immigrants.

Agricultural engineer by training, with a degree in mathematics.

Fujimori completed his secondary school studies in public schools and then went to the National Agricultural University (UNA) in 1957. He graduated in 1961 and in 1963 obtained a degree in mathematics from the San Marcos University, Lima. He did post-graduate work in mathematics at the University of Wisconsin in Milwaukee, USA, and at Strasbourg University, France. He has also received honorary doctorates from the Universities of Gembloux in Belgium and San Martin de Porras University in Lima.

Fujimori spent almost his entire professional career at the UNA. He started as a teaching assistant, rose through the ranks as a teacher of mathematics and calculus and at various times served as director or chairman of many different programmes there. In 1984 he was elected President of the UNA, for a five year term, and later was distinguished by his peers as the head (1987 - 89) of the National Council of University Presidents. In 1987, Fujimori started to host a political programme called "Concertando" (Getting Together), broadcast weekly on the government-owned TV Channel 7.

Although he had previously worked with public service commissions and participated actively in university politics, it was only in 1989 that he entered Peruvian political life in earnest when he founded the "Cambio 90" (Change in 90) movement. His campaign slogan in the 1990 Presidential Election promised "honesty, work and technology" for all Peruvians. Until three weeks before the first round in April 1990, support for Fujimori barely registered in the opinion polls. He then enjoyed a meteoric surge in

popularity and ran a close second to the novelist Mario Vargas Llosa in the first round. These two then contested the second round in June and Fujimori emerged a clear winner with more than 56% of the vote.

Since his election, Fujimori has made his top priority the reinsertion of Peru into the international financial community.

Married to Susana Higushi de Fujimori, a civil engineer. Four children.

Speaks Spanish and some English and Japanese.

ea

9F



10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

Adm 3 February 1992

I enclose a copy of a letter which the Prime Minister has received from Mr David Bull of Amnesty International.

I should be grateful if you would let me have advice together with a draft Private Secretary reply. Could this be sent to me with the briefing for President Fujimori's visit.

(J.S. WALL)

Simon Gass, Esq.,  
Foreign and Commonwealth Office.

R



23/2



AMNESTY  
INTERNATIONAL  
BRITISH SECTION

3 February 1992

The Rt Hon John Major MP  
Prime Minister  
10 Downing Street  
Whitehall, London SW1

**Amnesty International**  
British Section  
99-119 Rosebery Avenue  
London EC1R 4RE  
Tel: 071-278 6000  
Fax: 071-833 1510  
Telex: 917621 AIBS

*Dear Prime Minister,*

Visit of President Fujimori of Peru to London

I write in anticipation of your meeting with President Fujimori on 5th February to ask you to consider raising with the President some of Amnesty International's most serious human rights concerns in Peru. Amnesty International has welcomed the increased attention given to human rights in aid and development policy, although the organisation is categorically neither in favour nor against the granting of aid to any country or region.

Human Rights in Peru

Gross and widespread human rights violations have afflicted Peru for almost a decade. Since December 1982 large areas of the country have been progressively designated emergency zones under military control. Emergency zones form the core of counter-insurgency strategy to combat widespread armed opposition, principally from Sendero Luminoso, which has been responsible for extensive atrocities since it commenced armed actions in 1980.

Since the armed conflict began, thousands of people have 'disappeared' or been extrajudicially executed by the security forces in the emergency zones. Thousands of people have also been killed by Sendero Luminoso, who frequently torture their captives and subject them to mock trials before killing them, in a parody of justice.

Amnesty International raises its human rights concerns with governments because states are party to international obligations and have the formal and legal responsibility to respect human rights. However, Amnesty has consistently condemned the torture and killing of captives by Sendero Luminoso in Peru; even more so since the organisation has recently extended its policy in relation to the activities of non-governmental entities.

From 1982 to the end of 1991 Amnesty International has documented 4,000 cases of 'disappearance' in Peru. Official Peruvian sources for the same period have recorded 5,000 cases.

Over two administrations in Peru, and since President Fujimori came to power, there has still been no commission established to investigate 'disappearances' and extra-judicial executions in

Nobel Peace Prize 1977  
UN Human Rights Prize 1978

COUNTRY	NUMBER
DOBBERS	3

FILE COPY
DO NOT
REMOVE

---

# **amnesty international**

---

## **PERU**

**Some recent cases of human  
rights violations by the  
security forces and abuses by  
Sendero Luminoso**



22 november 1991  
AI Index: AMR 46/79/91  
Distr: SC/CO/GR

**INTERNATIONAL SECRETARIAT, 1 EASTON STREET, LONDON WC1X 8DJ, UNITED KINGDOM**

---

Peru. Amnesty International has expressed strong dismay that despite public pledges to uphold human rights the hopes raised by this promise have yet to be realised. **In particular, the Presidential Commission announced in July 1990 has never been set up.**

Amnesty International has noted the decline in 'disappearances' in the last 5 months of 1991 and hope that this decline will be maintained. However, the organisation has also noted with concern the rise in extra-judicial executions by paramilitary death-squads said to be operating under a variety of names and to have links with official security forces, including the Comando Rodrigo Franco which operated under the previous government's term of office.

**Attacks on human rights defenders in Peru are also of grave concern.** The lawyer Dr Augusto Zuniga Paz, head of the legal office of the independent Commission for Human Rights, received death threats as a result of his human rights work. In March 1991 a letter bomb exploded in Dr Zuniga's office which severed his left forearm. According to the Defence Ministry the package contained explosive of a type used only by the Navy.

Amnesty International was dismayed at statements made by President Fujimori's government directed at domestic non-governmental organisations which alleged collusion with guerillas, especially Sendero Luminoso. Human rights defenders operating in the front-line in the emergency zones in Peru have been a particular target for threats and as a result many areas are left without independent human rights monitors. In March 1990 an attempt was made to bomb the Amnesty International office in Lima. Anonymous threats have been received by Amnesty staff although the police have made efforts to offer some security.

**The failure to bring to justice perpetrators of human rights abuse, especially those by the armed forces, is of grave concern.** For the past decade the military have enjoyed almost total impunity for gross and widespread human rights violations. Despite official investigations which have identified military culpability for gross human rights violations in case after case, there have been few prosecutions and no convictions for these crimes. **In this connection Amnesty International is concerned about the lack of resources for the Attorney-General's Department to conduct speedy and thorough investigations into human rights violations.** Amnesty has acknowledged the steps taken to formally give access to Attorneys to military zones, but this formal legislation needs the back up of more resources.

I hope that you will take the opportunity of your meeting with President Fujimori to raise some of these serious concerns.

*Yours Sincerely*

David Bull  
Director



# PERU

## Some recent cases of human rights violations by the security forces and abuses by Sendero Luminoso

Since Amnesty International documented human rights violations in the report Peru: Human rights in a climate of terror, AI Index AMR 46/56/91, the organization has received further reports of gross violations by the Peruvian security forces. Atrocities by the main armed opposition group Sendero Luminoso, Shining Path, including the deliberate and arbitrary killing of people taking no active part in the hostilities, also continue to be reported. This paper provides several recent examples of reported human rights violations by the Peruvian security forces and abuses by Sendero Luminoso.

Amnesty International is concerned about a series of reported "disappearances" and one extrajudicial execution by the armed forces, centred in the Alto Huallaga area between 8 August 1991 and 19 November 1991. The organization has documented ten "disappearances" and one extrajudicial execution in the province of Leoncio Prado, department of Huánuco, and one further "disappearance" in the province of Tocache, department of San Martín, all of them reportedly perpetrated by the army. The organization appealed to the authorities to urgently investigate the "disappearances" and the killing (see Amnesty International Urgent Actions: UA 310/91, AI Index AMR 46/62/91; UA 343/91, AI Index AMR 46/66/91; UA 368/91, AI Index 46/69/91; UA 379/91, AI Index AMR 46/73/91; UA 402/91, AI Index AMR 46/76/91).

Since 1988 threats, attacks and selective assassinations of government critics have been attributed to so-called paramilitary death-squads said to be operating under a variety of names and to have links with the official security forces, including the Comando Rodrigo Franco (CRF), Rodrigo Franco Command, which operated during the previous government's term of office. During the present administration death threats have been issued by a so-called paramilitary group identifying itself as the Comando de Liberación Antiterrorista (CAT), the Anti-Terrorist Liberation Command. Since June 1991 the CAT has issued death threats to several journalists in Ayacucho and Lima. One journalist who received a death threat in the name of this purported paramilitary group - Luis Antonio Morales Ortega - was subsequently shot dead in July 1991 (see UA 248/91, AI Index AMR 46/42/91).

Amnesty International is also concerned about the killing of 12 men, three women and one child, in circumstances which suggest they may have been extrajudicially executed by members of the security forces or so-called paramilitary death-squads acting

with their acquiescence. The killing took place during a social gathering held in the interior yard of a building, located in the Barrios Altos district in the centre of Lima, the capital, on 3 November 1991.

According to witnesses, during the gathering which was attended by a large number of people, about 10 assailants entered the yard, shouting and ordering everybody to lie on the floor, before proceeding to shoot them, reportedly with firearms fixed with silencers.

Neighbours reported that the assailants arrived in two vehicles of the kind used by the authorities. Press reports indicate that one of the vehicles belonged to the vice-Minister of the Interior and the other to the office of the Presidency. The authorities said after the incident that the vehicles had been stolen some time ago. The killings took place within the close vicinity of the Dirección de Inteligencia de la Policía Nacional, the Intelligence Division of the National Police, the Cuartel del Escuadrón Aguilas Negras de la Policía General, the barracks of the Aguilas Negras Squadron of the General Police, as well as of an army patrol.

According to official documents made available by a Peruvian Senator to the Ministers of Defence and the Interior, the house in Barrios Altos where the killing took place had been watched over since 1989 by a special police intelligence group which believed that the house was being frequented by sympathizers of Sendero Luminoso.

Amnesty International has urgently appealed to the authorities that a thorough and impartial investigation be immediately ordered into the killings, and that the personal security of all witnesses be guaranteed (see UA 401/91, AI Index AMR 46/75/91).

Amnesty International is further concerned about the deliberate killing by Sendero Luminoso of people taking no active part in the hostilities.

In August 1991 members of Sendero Luminoso killed three Catholic priests in the province of Santa, Ancash department. On 10 August 1991, in Chimbote, Ancash department, two Polish Franciscans, Fr Zbigniew Strzalowski and Fr Michal Tomaszek, were reportedly killed by members of Sendero Luminoso while speaking with a group of young Peruvians. The two church men were responsible for work in 22 villages and were awaiting the opening of a new mission in Chimbote itself. On 25 August 1991 an Italian priest, Alessandro Dordi Negroni, was reportedly shot in the face three times by members of Sendero Luminoso. He died instantly. He and two lay workers were apparently intercepted by Sendero Luminoso members as they were returning to Chimbote in a van.

In September, the newspaper El Diario Internacional, reportedly a mouthpiece of Sendero Luminoso, claimed that "Maoist forces executed [the] three priests" because "they had been participating in the counterinsurgency struggle designed by the government and the armed forces".

On 21 November 1991 Amnesty International published an advertisement in three Peruvian national daily newspapers stating that a sense of impunity pervades the armed forces and calling upon the government to immediately respect international human rights law. In the advertisement the organization also unequivocally opposed and condemned deliberate and arbitrary killings by the armed opposition groups Sendero Luminoso and the Movimiento Revolucionario Túpac Amaru (MRTA), the Túpac Amaru Revolutionary Movement, including the killing of civilians not directly involved in hostilities and of members of the security forces who have been incapacitated, have surrendered or are detained by such groups. This condemnation is based on principles derived from international humanitarian law which sets out the standards that all parties to conflicts must observe.

KEYWORDS: EXTRAJUDICIAL EXECUTION1 / NON-GOVERNMENTAL ENTITIES1 /  
MILITARY1 / PARAMILITARIES1 / DISAPPEARANCES / HARASSMENT / WOMEN /  
CHILDREN / CHURCH WORKERS / FOREIGN NATIONALS / JOURNALISTS / EMERGENCY  
LEGISLATION / POLITICAL VIOLENCE / IMPUNITY / AI PUBLICITY /



CONFIDENTIAL  
FM LIMA  
TO DESKBY 030930Z FCO  
TELNO 24  
OF 311800Z JANUARY 92

file

HIT 027/1	
RECEIVED IN REGISTRY	
TOP COPY	
DESK OFFICER	DATE
INDEX	Q DIST?

YOUR TELNO 13: <sup>(37)</sup> VISIT OF PRESIDENT FUJIMORI

## SUMMARY

1. FOR FUJIMORI, STYLE WILL BE AS IMPORTANT AS SUBSTANCE. LIKELY TO BE BULLISH ON ENVIRONMENTAL ISSUES AND THE CAMPAIGN AGAINST TERRORISM, DEFENSIVE ON HUMAN RIGHTS. RECOMMENDATIONS ON OUR OFFER OF PROGRAMME AID AND THE MINI-HYDROS SCHEME. NO CHANGE IN THE POLITICAL AND ECONOMIC BACKGROUND.

## DETAIL

2. FUJIMORI'S VISIT SHOULD BE SEEN AS PART OF AN ATTEMPT TO GIVE PERU A HIGHER AND MORE FLATTERING INTERNATIONAL PROFILE (PARA 2 OF MY TELNO 13). PERU HAS REJOINED THE INTERNATIONAL FINANCIAL SYSTEM AND THE GOVERNMENT HAS WON WIDE PRAISE FOR THE COURAGE AND CONSISTENCY OF ITS ECONOMIC POLICIES. BUT FUJIMORI IS CONSCIOUS OF THE NEGATIVE IMAGE STILL PRESENTED BY A COUNTRY WHICH HAS YET TO OVERCOME THE PROBLEMS OF TERRORISM, NARCO-TRAFFICKING, ABUSES OF HUMAN RIGHTS AND CORRUPTION.

3. FUJIMORI WILL THEREFORE BE PARTICUCMILY GRATEFUL FOR THE CHANCE TO SEE AND BE SEEN WITH BRITISH MINISTERS. HE WILL NO DOUBT USE THE PLATFORM OFFERED BY HIS LECTURE AT KEW GARDENS TO MAKE THE CASE FOR FURTHER FOREIGN AID TO HELP PRESERVE PERU'S UNIQUE BIODIVERSITY, AND TODEFEND HIMSELF AGAINST ANY ACCUSATION THAT HIS POLICIES TAKE INSUFFICIENT ACCOUNT OF ENVIRONMENTAL ISSUES. HE WILL CLAIM (WITH ONLY LIMITED JUSTIFICATION) THAT TERRORISM HAS ALREADY ABATED IN THE COUNTRYSIDE AND WILL SOON BE BROUGHT UNDER CONTROL IN LIMA. HE IS LIKELY TO REACT ADVERSELY TO ANY STRICTURES ON PERU'S HUMAN RIGHTS RECORD WHICH FAIL TO TAKE ACCOUNT OF THE APPALLING BRUTALITY OF SENDERO LUMINOSO AND THE SIGNIFICANT IMPROVEMENT IN THE HUMAN RIGHTS SITUATION EVIDENT DURING RECENT MONTHS (PARA 4 OF MY TELELETTER 440/1 OF 24 JANUARY TO BRIGENSHAW (LAD)).

4. FUJIMORI WILL UNDOUBTEDLY WELCOME OUR OFFER OF PROGRAMME AID, THOUGH AS THE AMOUNT IS MODEST IN COMPARISON WITH OTHER COUNTRIES' CONTRIBUTIONS TO THE PERU SUPPORT GROUP, THERE MIGHT BE MERIT IN PRESENTING IT AS A RESPONSE TO REQUESTS FOR HELP WITH MINI HYDRO-

ELECTRIC POWER SCHEMES AND SMALL-SCALE REAFFORESTATION PROJECTS (PARAS 4 AND 5 OF MY TELNO 13). IN THIS CONNECTION, I NOTE THAT YOUR TUR MAKES NO REFERENCE TO THE POSSIBILITY OF UTILISING UNSPENT FUNDS FROM THE 1982 MINI-HYDROS AGREEMENT, WHICH BALFOUR BEATTY TELL ME HAVE NOW BEEN QUANTIFIED AT POUNDS 2.3 MILLION (PARA 3 OF MY TELNO 14 REFERS). GIVEN OUR UNWILLINGNESS TO MAKE ANY EFFORT TO CONCLUDE AN IPPA, WHICH THE PERUVIANS WOULD HAVE WELCOMED, I HOPE WE CAN INDICATE AT LEAST THE POSSIBILITY OF SOME MOVEMENT ON THE MINI-HYDROS ISSUE WHILE FUJIMORI IS IN LONDON.

5. OTHERWISE THE POLITICAL AND ECONOMIC BACKGROUND HAS NOT SIGNIFICANTLY CHANGED SINCE I SIGNED OFF MY ANNUAL REVIEW 3 WEEKS AGO. AT A FOREIGN PRESS ASSOCIATION BREAKFAST TODAY, FINANCE MINISTER BOLONA CONFIRMED THAT HIS PRIORITIES WERE STILL TO CONTAIN INFLATION AND GOVERNMENT EXPENDITURE. PRIVATISATION OF STATE-OWNED COMPANIES AND FURTHER EFFORTS TO ATTRACT FOREIGN INVESTMENT WILL ALSO BE MAJOR THEMES IN 1992.

6. FUJIMORI'S SKIRMISHING WITH CONGRESS AND THE RESIGNATION OF HIS CHIEF ANTI-DRUGS ADVISER, HERNANDO DE SOTO (ON WHICH I HAVE COMMENTED IN A SEPARATE TELEGRAM) ARE LIKELY TO MATTER LESS THAN MIGHT AT FIRST BE THOUGHT. THE TREND AND EXTENT OF TERRORIST VIOLENCE IS THE PRINCIPAL UNKNOWN FACTOR, AND THE MAIN REASON WHY MY OPTIMISM FOR 1992 HAS TO BE TINGED WITH CAUTION.

HASKELL

YYYY

DISTRIBUTION

59

MAIN 58

LIMITED  
LAD  
NPDD  
SCD  
JOINT DIRECTORATE  
UND  
NCAD

LACAD/ODA  
PS  
PS/MR GAREL-JONES  
SIR J COLES  
MR BEAMISH  
MR MILES

ADDITIONAL 1

SEC (o) (c) / MOD

PAGE 2  
CONFIDENTIAL

NNNN



RL  
SM  
bc PK

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

6 January 1992

||  
Since President Fujimora of Peru will not arrive in time for a call on the Prime Minister at 1115 on Wednesday 5 February, I confirm that the time of the call has been changed to 1715 that day.

With best wishes.

SANDRA PHILLIPS

S L Gass Esq  
Foreign and Commonwealth Office

PK





10 DOWNING STREET  
LONDON SW1A 2AA

*From the Principal Private Secretary*

2 January 1992

The Prime Minister has seen your letter to Stephen Wall of 24 December and has agreed to a call by the President of Peru. Can we suggest Wednesday, 5 February at 1115-1200 hours?

(ANDREW TURNBULL)

Simon Gass, Esq.,  
Foreign and Commonwealth Office.

h

50

ccjk



Foreign & Commonwealth Office

OK

London SW1A 2AH

24 December 1991

Prime Minister

Kew Stepler

Diary attached. You could see him for 45 minutes. The best day would be 5 February, if he can arrive after. Are you?

Visit by the President of Peru: 6 February 1992

We understand that President Fujimori is likely to accept an invitation from the Royal Botanic Gardens, Kew, to speak at an environmental conference on Thursday 6 February. The Peruvians have told our Ambassador that the President would also like to meet British Ministers. It is clear that the Peruvians see the Kew conference as a peg on which to hang a working visit including meetings with the Prime Minister and other Ministers.

I should be grateful to know if the Prime Minister would be free to receive President Fujimori for talks on or around that date. (After President De Klerk on 1 February he is at present free of foreign callers until the Emir of Qatar on 10 February.)

Peru is beset with many problems: insurgency, the international drugs trade, and severe economic difficulties following decades of mismanagement. President Fujimori is however doing his best to put his country's economy to rights, while at the same time confronting a particularly brutal breed of terrorist and the drugs menace.

President Fujimori made it an early priority to mend Peru's fences with the IMF and the World Bank. Sensible privatisation policies have been introduced. The Americans and the Japanese are leading an international support group under IMF auspices, to which we expect soon to be able to contribute, to fill Peru's short-term financing gap. Even with such help, the prospects are at best difficult.

Peru is an important test-case of democracy and good government in Latin America. Success there, despite everything, would be a striking consolidation of the "Quiet Revolution" in the region which we have warmly welcomed and encouraged. A call on the Prime Minister would be a public endorsement of President Fujimori's determination to tackle

/Peru



Peru's problems which would help him domestically. The US, Japan and our main European partners are all keen to support President Fujimori. Conversely the Peruvians, who accepted that Ministers would not have been able to see President Fujimori during a visit proposed for the same time as CHOGM, may likely to take it amiss if the Prime Minister cannot find time to see President Fujimori on this occasion.

*Lawson*  
*S L Gass*  
(S L Gass)  
Private Secretary

Stephen Wall Esq CMG LVO  
10 Downing Street





Foreign and Commonwealth Office

London SW1A 2AH

10 July 1990



dm  
Dea Charles.

CD 12/7

I enclose a letter from President-elect Fujimori of Peru to the Prime Minister, handed to us by the Peruvian Embassy on 27 June.

It thanks the Prime Minister for the message sent to Sr Fujimori following his success in the second round of the Peruvia presidential election and looks forward to closer ties between Britain and Peru. No reply is needed. As you know, Mr Sainsbury will attend Mr Fujimori's inauguration ceremony in Lima on 28 July.

Yours,  
Stephen Wall

(J S Wall)  
Private Secretary

C D Powell Esq  
10 Downing Street

*Embajada del Perú*

"Lima, 21 de junio, 1990

Excelentísima Señora  
Margaret Thatcher  
Primera Ministra del  
Reino Unido de Gran Bretaña  
e Irlanda del Norte.-

Tengo a honra dirigirme a Vuestra Excelencia para agradecer el cordial mensaje de felicitación que me hiciera llegar con motivo de mi elección como Presidente de la República del Perú, así como los votos que formulara por el buen éxito de mi mandato.

Al mismo tiempo que deseo asegurarle que anima el mejor propósito de fortalecer los lazos de amistad y cooperación existentes entre nuestros países.

Me valgo de la ocasión para manifestar a Vuestra Excelencia los sentimientos de mi más alta y distinguida consideración.

Alberto Fujimori Fujimori  
Presidente electo del Perú."



*Peruvian Embassy*

UNOFFICIAL TRANSLATION

"Lima, 21st. June, 1990

Your Excellency  
Mrs. Margaret Thatcher  
Prime Minister of the  
United Kingdom of Great Britain  
and Northern Ireland.-

I have the honour to write to Your Excellency in order to thank you for the warm congratulatory message sent to me on the occasion of my election as President of the Republic of Peru, and for your good wishes for a succesful term in office. At the same time I would like to assure you of my best intentions for strengthening the already existing links of friendship and cooperation between our countries.

I avail myself of this opportunity to express to Your Excellency the assurances of my highest and most distinguished consideration.

Alberto Fujimori Fujimori  
President elect of Peru."



UNCLASSIFIED

032320  
MDHOAN 0605

UNCLASSIFIED  
FM FCO  
TO IMMEDIATE LIMA  
TELNO 90  
OF 131359Z JUNE 90

1. PLEASE PASS THE FOLLOWING MESSAGE FROM THE PRIME MINISTER  
TO THE PERUVIAN PRESIDENT-ELECT.

BEGINS

I CONGRATULATE YOU ON YOUR SUCCESS IN THE RECENT PRESIDENTIAL  
ELECTION. AND LOOK FORWARD TO WORKING WITH YOU TO STRENGTHEN  
RELATIONS. I HOPE WE SHALL SEE YOU IN EUROPE IN DUE COURSE.  
WITH EVERY GOOD WISH.

ENDS

2. THERE WILL BE NO (NO) SIGNED ORIGINAL.

HURD

YYYY

DISTRIBUTION

17

MAIN 13

MINIMAL

PS

ADDITIONAL 4

PS/NO 10

NNNN

PAGE 1  
UNCLASSIFIED





a: /peru.dsg

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

13 June 1990

PERU

Thank you for your letter of 13 June recommending a message from the Prime Minister to the newly elected President of Peru. I am sure the Prime Minister would be content to send a message. I enclose a slightly revised version and would be grateful if you could have it despatched.

Charles Powell

Simon Gass, Esq.,  
Foreign and Commonwealth Office.

dsb

a: / Lima - dgg

UNCLASSIFIED

FM FCO  
TO IMMEDIATE LIMA

1. Please pass the following message from the Prime Minister to the Peruvian President-Elect.

BEGINS

I congratulate you on your success in the recent presidential election and look forward to working with you to strengthen relations. I hope we shall see you in Europe in due course. With every good wish.

ENDS

2. There will be no (no) signed original.



Foreign and Commonwealth Office

London SW1A 2AH

13 June 1990

*Dear Charles,*

**Peru: Presidential Election**

The second round of the Peruvian presidential elections were held on 10 June. Alberto Fujimori emerged as victor, narrowly beating his opponent, the writer Mario Vargas Llosa, who conceded defeat some three hours after the polls closed. Fujimori heads a centre-left party although he has announced his intention to form a 'government of national unity'.

The Prime Minister may want to send Sr Fujimori a brief message of congratulation. I enclose a draft. If the Prime Minister is content with this, we will telegraph the text to Lima.

The inauguration will take place on 28 July. Mr Sainsbury will represent HMG.

*Yours ever,  
S. L. Gass*

(S L Gass)  
Private Secretary

C D Powell Esq  
10 Downing Street



OUT TELEGRAM

UNCLASSIFIED

IMMEDIATE

ZCZC

UNCLASSIFIED

FM FCO

TO IMMEDIATE LIMA

TELNO

OF Z JUN 90

*a: / Lima. dsg*

1. Please pass the following message from the Prime Minister to the Peruvian President-Elect.

BEGINS

I congratulate you on your success in the recent presidential election. ~~I hope that under your presidency Peru will achieve the goals of peace and prosperity to which you and your party are dedicated. I look forward to working with you and hope to meet you before long.~~ *to strengthen relations. I hope we shall see you in Europe in due course.*

ENDS

2. There will be no (no) signed original.

*with every good wish.*

HURD

YYYY

LIMITED

PS

ADDITIONAL

PS/NO 10

NNNN

CONFIDENTIAL

FM LIMA

TO IMMEDIATE FCO

TELNO 137

OF 111530Z JUN 90

AND TO IMMEDIATE MODUK (FOR D I ROW), ACTOR  
INFO ROUTINE BOGOTA, BRASILIA, BUENOS AIRES, CARACUS, LA PAZ  
INFO ROUTINE QUITO, SANTIAGO, WASHINGTON

MY TELNO 133: PERU - PRESIDENTIAL ELECTIONS

## SUMMARY

1. DECISIVE WIN FOR FUJIMORI. HE AND VARGAS LLOSA APPEAL FOR NATIONAL UNITY. BUT THE OUTLOOK IS CLOUDY. A MESSAGE OF CONGRATULATION WOULD NEVERTHELESS BE APPROPRIATE.

## DETAIL

2. COMPUTER PREDICTIONS BASED ON EXIT POLLS AFTER YESTERDAY'S SECOND ROUND OF THE PRESIDENTIAL ELECTIONS INDICATE A CLEAR WIN FOR FUJIMORI (CAMBIO 90), BY A MARGIN OF SOMETHING LIKE 60-40 OVER VARGAS LLOSA (FREDEMO), WHO CONCEDED DEFEAT WITHIN 3 HOURS OF THE POLLS CLOSING.

3. AS LATE AS 8 JUNE, ONE MAJOR POLL WAS PREDICTING VICTORY FOR VARGAS LLOSA AND TWO FOR FUJIMORI, WITH THE DIFFERENCE IN ALL CASES LESS THAN THE 5 PER CENT MARGIN OF ERROR. IN THE LIGHT OF THE ACTUAL RESULTS IN BOTH ROUNDS, IT SEEMS THAT THE POLLS HAVE CONSISTENTLY UNDERESTIMATED THE STRENGTH OF SUPPORT FOR FUJIMORI IN THE SIERRA AND GIVEN UNDUE WEIGHT TO LIMA, WHERE VARGAS LLOSA DID BEST.

4. BOTH CANDIDATES HAVE APPEALED FOR NATIONAL UNITY AND RECONCILIATION (VARGAS LLOSA IN NOTABLY GENEROUS TERMS). FUJIMORI HAS REFUSED TO DIVULGE ANY FURTHER DETAILS OF HIS GOVERNMENTAL PROGRAMME AND MINISTERIAL TEAM, THOUGH HIS EMPHASIS ON BEING THE PRESIDENT OF THE GROUP WHOSE INTERESTS HAVE SO FAR BEEN UNDER-REPRESENTED IN GOVERNMENT WILL NOT HAVE GONE DOWN WELL WITH THE BUSINESS COMMUNITY.

5. WHEN I SPOKE TO ONE OF FUJIMORI'S CLOSEST ADVISERS ON 6 JUNE, HE SAID THAT (UNLIKE VARGAS LLOSA - MY TELNO 132) FUJIMORI HAD AS YET NO FIRM PLANS FOR AN OVERSEAS TOUR BEFORE TAKING OFFICE, THOUGH HE THOUGHT IT VIRTUALLY CERTAIN THAT

FUJIMORI WOULD WISH TO VISIT JAPAN AND THE UNITED STATES, AND PROBABLY ALSO THE MAJOR EUROPEAN COUNTRIES, INCLUDING THE UK. IF SO, I HOPE THAT HE WILL BE RECEIVED AT THE LEVEL APPROPRIATE TO A PRESIDENT-ELECT. IN THE MEANTIME, A MESSAGE OF CONGRATULATION, NOTING THAT FUJIMORI WILL BE THE THIRD DEMOCRATICALLY ELECTED PERUVIAN PRESIDENT IN SUCCESSION FOR THE FIRST TIME IN ALMOST 90 YEARS, AND WISHING HIM WELL IN HIS TASK OF NATIONAL RECONCILIATION AND RECONSTRUCTION, WOULD BE WELL RECEIVED. IT WOULD ALSO GREATLY HELP IN PAVING THE WAY FOR MR. SAINSBURY'S VISIT IF, AS I HOPE, HE COMES TO REPRESENT HMG AT FUJIMORI'S INAUGURATION ON 28 JULY.

HASKELL

YYYY

DISTRIBUTION

469

MAIN

469

FCO/PALACE/WHITEHALL

SAM D

[-]

NNNN



Subject  
cc Master

RESTRICTED

File SLHBB B

cc PC



10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

18 May 1989

Dear Sir,

**PRIME MINISTER'S MEETING WITH SENOR VARGAS LLOSA**

The Prime Minister had a talk with Senor Vargas Llosa this afternoon. She found him an impressive interlocutor.

Senor Vargas Llosa said that he was a great admirer of Britain and of the Prime Minister and her policies. He hoped to do something similar in Peru. However, the situation there was very difficult. The most encouraging feature was that even poor people were fed up with the present system and anxious for change. They knew that socialism had failed. If he was elected, he would look to Britain for advice and help.

The Prime Minister said that Senor Vargas Llosa's first task would be to restore the authority of Government. She hoped that he had assembled a good group of advisers so that he could go into the election with well-thought out policies. He would also need to give particular attention to the role of the military and police and to dealing with terrorism. Senor Vargas Llosa said that he would particularly welcome Britain's help and advice in this area. The Prime Minister said that we would do our best to provide it.

Senor Vargas Llosa said that the forthcoming election would be decisive for Peru's future. He was approaching it with great confidence. He believed the election would be fair and that the Army would not intervene. He sincerely believed that he would win by a substantial margin. He hoped that, as President, he would be able to welcome the Prime Minister to Peru. The Prime Minister wished Senor Vargas Llosa well.

Yours sincerely,  
  
C. D. POWELL

R. N. Pierce, Esq.,  
Foreign and Commonwealth Office

RESTRICTED

mem

cc?c/  
Blup



Foreign and Commonwealth Office

London SW1A 2AH

16 May 1989

Prime Minister

Dear Charles

We have arranged  
for you to see him  
briefly after  
questions

Peru: Visit of Sr Mario Vargas Llosa

Thank you for your letter of 11 May telling me that the Prime Minister might be able to see Sr Vargas Llosa at 1545 on Thursday 18 May. The COI organisers are, I understand, in touch with you about the timing.

summary  
CAF

Sr Vargas Llosa is a well-known and highly respected Latin American novelist turned politician. He has turned to politics as a result of the economic ravaging of his country under President Garcia's rule since 1985, and particularly Garcia's attempt to nationalise the banks in 1987. He is the leading figure of the newly-formed alliance of Peruvian conservative parties, Fredemo. He is a leading contender to succeed Garcia at the Presidential elections due in March 1990, and is a fervent admirer of the British Government's economic policies, which he would like to see applied in Peru.

17/5

Peru has fallen into ever-deeper political and economic chaos over the past few years. It is beset by recession, falling living standards and hyper-inflation and has stopped paying most of the interest on its international debts. Terrorist activity, mainly by Sendero Luminoso, has increased and much of the country is under martial law. Two APRA (ruling party) Parliamentary Deputies have been murdered in recent weeks. To make matters worse the terrorists are in effective alliance with the drug barons, and Peru is the world's biggest producer of coca.

President Garcia's Prime Minister and Cabinet resigned on 8 May. The only real hope for the economy is for Peru to re-establish relations with the IFIs and accept an IMF programme which includes repayment of interest arrears. Sr Larco Cox, the then Foreign Minister, showed little understanding of this when he was here in April. The Prime Minister might like to ask Sr Vargas Llosa how he thinks he can effectively stop the rot in Peru.

I enclose a Personality Note.

Yours are  
R N Peirce  
(R N Peirce)  
Private Secretary

CONFIDENTIAL

VARGAS LLOSA, SR MARIO

A leading Peruvian novelist.

Born Arequipa 1936.

Graduate of the Universities of San Marcos (Lima) and Madrid. Has spent many years in Europe. Lectured on Latin-American literature at Queen Mary College, London 1967-68. Appointed President of the International Pen Club in October 1976, and visited Moscow in that capacity.

Was awarded the important "Gallegos Prize" by the Venezuelan Government in 1967. His best-known works, notably for their acute observation of Peruvian life, are "Los Jefes" (the Chiefs), "La Ciudad y Los Perros" (The City and the Dogs), "La Casa Verde" (The Green House) and "La Guerra del Fin del Mundo" (The War at the End of the World). Spent a year at Churchill College, Cambridge, under the auspices of the Bolivar Foundation, from 1978/79. Held strong, but not dogmatic left-wing views but changed dramatically during the later years of the Belaunde regime (1980-85), switching to the centre-right.

In 1987 led a campaign against President Garcia's proposal to nationalise banks and financial institutions, formed the "Liberty" movement and was spoken of as a possible candidate behind whom the right might unite to fight the 1990 presidential election.

Married. Speaks good English and French. He spends much time abroad, especially in London, where he owns a house.



P6w: Cerations, June 80

176 V

176



File Kls  
a file PC  
Amada.

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

11 May 1989

PERU

Thank you for your letter of 9 May asking whether the Prime Minister could find time to see Mario Vargas Llosa briefly while he is in the United Kingdom.

The Prime Minister would like to see him but it is not easy to find a time. If he could be at No. 10 at 1545 on Thursday, 18 May, there is a good chance that the Prime Minister could see him for about 20 minutes. I should be grateful if this could be proposed to him and if you could let me have a short brief for a meeting.

CHARLES POWELL

R. N. Peirce, Esq.,  
Foreign and Commonwealth Office.

6



070

~~Loate~~  
①

Foreign and Commonwealth Office

London SW1A 2AH

18 May  
1600

9 May 1989

Prime Minister

You met Vargas Llosa  
once before. Hugh Thomas  
is keen for you to see  
him briefly again.

Dear Charles

Peru

Agree to find 20 minutes?

As I think you are aware, we are arranging some appointments for the well-known Peruvian writer, and likely Conservative Presidential candidate in the March 1990 Presidential elections in Peru, Mario Vargas Llosa, who will be visiting London from 16-18 May. Our Ambassador in Lima has raised the possibility of a call by Vargas Llosa on the Prime Minister (who met him at Lord Thomas's house three years ago). Sr Vargas Llosa's campaign centres on the need for economic liberalisation and political changes of the kind which have proved successful in Britain, and for Peru to move away from non-alignment, and he already has good party links in the UK (his campaign manager attended the Conservative Party Conference in 1988).

CDP  
9/5

7/6  
mt

The Foreign Secretary will be seeing Vargas Llosa and there is no need for the Prime Minister to do so. But Vargas Llosa's prospects in the elections look good and if the Prime Minister were disposed to see him briefly it would be worthwhile.

Yours ever

Bob

(R N Peirce)  
Private Secretary

C D Powell Esq  
10 Downing Street

160  
P. 4





GRS 1240  
UNCLASSIFIED  
FM LIMA 300200Z  
TO IMMEDIATE DESKBY (300930Z) FCO  
TELEGRAM NUMBER 233 OF 29 JULY  
INFO PRIORITY SANTIAGO, BOGOTA, LA PAZ, BRASILIA, MONTEVIDEO,  
CARACAS, PANAMA, QUITO, WASHINGTON, UKDEL IMF/IMRD, UKREP BRUSSELS.

PRESIDENT GARCIA'S INAUGURATION SPEECH *ml*

SUMMARY

1. A TOUGH AND UNCOMPROMISING SPEECH. GARCIA SAID PERU WOULD PAY ITS DEBTS BUT WOULD LIMIT PAYMENTS IN THE NEXT TWELVE MONTHS TO 10% OF EXPORTS, AND WOULD SEEK TO NEGOTIATE DIRECTLY WITH CREDITORS WITHOUT THE IMF. AGRICULTURE AND THE REACTIVATION OF INDUSTRY WOULD BE THE MAIN INTERNAL ECONOMIC PRIORITIES, IN PARALLEL WITH MEASURES TO REDUCE INFLATION. AN AUSTERE FUTURE ECONOMIC POLICY PROMISED, BUT NO DETAILS GIVEN. OIL COMPANY TAX EXEMPTIONS TO BE ABOLISHED. AS PART OF A STRATEGY AGAINST TERRORISM A PEACE COMMISSION WOULD BE SET UP. PUBLIC ADMINISTRATION WOULD BE CLEANED UP AS PART OF A MORALISATION PROGRAMME. EXTERNALLY PERU WOULD PURSUE A MORE ACTIVE NON-ALIGNED AND INTEGRATIONIST POLICY. NEED TO BREATHE NEW LIFE INTO ANDEAN PACT. CREATION OF A LATIN AMERICAN FRONT TO SUPPORT THE CONTADORA PROCESS PROPOSED. PERU SUBSTANTIALLY TO REDUCE ARMS SPENDING AND PURCHASE OF MIRAGE AIRCRAFT WOULD BE CUT. COLLABORATION WITH COLOMBIA ON A CRACK-DOWN IN DRUG TRAFFICKING.

DETAIL

2. AS EXPECTED, GARCIA SPOKE IN STRONG TERMS AGAINST THE IMF AND PERU'S "IMPERIALIST" CREDITORS. AS REPORTED IN MY TELNO 232 (NOT TO ALL) HE CONFIRMED THAT PERU WOULD NEGOTIATE WITH CREDITORS WITHOUT THE IMF. HE REITERATED PERU'S WISH TO REPAY BUT SAID THAT AS AN IMMEDIATE MEASURE NO MORE THAN 10% OF VALUE OF EXPORTS WOULD BE PAID TO SERVICE THE DEBT OVER THE NEXT TWELVE MONTHS.

3. HE REFERRED TO THE DEBT AS A PRODUCT OF UNFAIR EXCHANGE OF PERU'S RAW MATERIALS WITH MANUFACTURED PRODUCTS FROM RICH COUNTRIES AND THE OVER-VALUATION OF THE DOLLAR, MADE MORE ACUTE BY THE UNJUST RISE IN INTEREST RATES. HE ALSO BLAMED THE PROTECTIONISM OF COUNTRIES WHICH REFUSE TO BUY PERU'S RAW MATERIALS. HE ACCEPTED HOWEVER, THAT IN MANY INSTANCES PERU HAD USED THE LOANS IRRESPONSIBLY FOR NON-PRODUCTIVE INVESTMENTS AND EXCLUSIVELY FOR THE BENEFIT OF A FEW. BUT HE CRITICISED THE INTERNATIONAL FINANCIAL ORGANISATIONS WHO NOW SEEK TO IMPOSE AUSTERITY ON PERU'S ECONOMY, FOR HAVING PREVIOUSLY CONDONED UNPRODUCTIVE LENDING WHEN IT SUITED INTERNATIONAL BANKING.

14. HE

4. HE REITERATED PERU'S SUPPORT FOR THE CARTAGENA ACCORD. A SOLUTION TO THE LATIN AMERICAN DEBT AS A WHOLE SHOULD BE SOUGHT ON A POLITICAL AND MULTILATERAL BASIS. HE ALSO RETURNED TO HIS DEFINITION OF THE DEBT AS BEING A NORTH/SOUTH AND NOT AN EAST/WEST MATTER.

#### THE ECONOMY

5. HE SINGLED OUT SUPPORT FOR INDUSTRY AT THE EXPENSE OF AGRICULTURE AS THE ROOT CAUSE OF INFLATION. THIS HAD LED TO THE NEED TO IMPORT BASIC FOODSTUFFS, DEMAND FOR WHICH HAD FORMERLY BEEN MET FROM INTERNAL PRODUCTION. HE PROPOSED TO INCLUDE A LAW TO CONTROL MONOPOLIES, INTRODUCTION OF "PRUDENT" PRICE CONTROLS ON SOME BASIC FOOD ITEMS OF CONSUMPTION. HE REAFFIRMED AGRICULTURE WOULD HAVE PRIORITY AND PROPOSED AN AGRARIAN DEVELOPMENT AND FOOD REFORM LAW, TO PROVIDE CREDITS, FERTILIZERS AND MACHINERY. PERUVIAN INDUSTRY WOULD BE HELPED BY RESTRICTING IMPORT OF NON ESSENTIAL ITEMS. FULL ENCOURAGEMENT IS TO BE GIVEN TO STIMULATING MINING AND FISHING.

#### OIL COMPANIES

6. GARCIA TABLED A DRAFT LAW TO REPEAL THE "KUCZYNSKI LAW" GOVERNING TAX EXEMPTIONS FOR OIL COMPANIES WHICH HE SAID HAD AFFECTED THE ECONOMY. HE MADE IT CLEAR THAT FOREIGN MONEY WAS NEEDED BUT ON APPROPRIATE TERMS. (HE DID NOT SAY WHAT OIL TAXATION REGIME MIGHT FOLLOW THE EXISTING ONE.)

#### FISHERIES

7. IN AN APPARENT REFERENCE TO SOVIET FISHING ACTIVITIES OFF PERU, GARCIA ANNOUNCED THAT THE QUOTE IRRATIONAL UNQUOTE USE OF PERUVIAN TERRITORIAL WATERS AS A SOURCE OF WEALTH FOR OTHER NATIONS WOULD BE ENDED. HENCEFORTH THE EMPHASIS IS TO BE ON PROVIDING FOR DOMESTIC CONSUMPTION OF FISH RATHER THAN INDUSTRIAL USES.

#### SUBVERSION

8. BOTH THOSE WHO SAID THAT POVERTY WAS THE SOLE CAUSE OF TERRORISM AND THOSE WHO ATTRIBUTED IT SOLELY TO FOREIGN INFLUENCE WERE WRONG. BUT A DISTINCTION HAD TO BE DRAWN BETWEEN THE JUST DEMANDS OF THE PEASANTS AND THOSE WHO COMMITTED CRIMES IN THE NAME OF A DOGMATIC AND TOTALITARIAN CREED. THE GOVERNMENT WOULD SUPPORT THE FORMER AND REJECT THE LATTER. DEMOCRACY WOULD NOT YIELD AN INCH BEFORE TERRORISM, WHETHER INSPIRED BY THE RIGHT OR THE LEFT. ON THE OTHER HAND, THE LAW WOULD BE APPLIED SEVERELY TO THOSE WHO COMMITTED HUMAN RIGHTS ABUSES AND GARCIA ANNOUNCED THE IMMEDIATE ESTABLISHMENT OF A PEACE COMMISSION COMPRISED OF JURISTS, MEMBERS OF HUMAN RIGHTS ORGANISATIONS AND POLITICAL GROUPS WITH A TWO-FOLD MISSION: TO PROPOSE AN IMMEDIATE SOLUTION TO THE PROBLEM

OF MEMBERS OF DEMOCRATIC PARTIES WHO WERE IN PRISON UNJUSTLY ACCUSED OF TERRORISM,, AND TO EXAMINE THE POSSIBILITIES OF A DIALOGUE

TO PERSUADE TERRORISTS TO RETURN TO THE DEMOCRATIC FOLD. SUBJECT TO THE COMMISSIONS CONCLUSIONS, AND WHEN CONDITIONS WERE APPROPRIATE THE NEW GOVERNMENT WOULD BE READY TO CONSIDER A PARDON AND AMNESTY FOR THOSE WHO HAD COMMITTED TERRORIST CRIMES.

#### MORALISATION

9. GARCIA EMPHASISED FORCEFULLY THROUGHOUT HIS SPEECH THAT PUBLIC ADMINISTRATION WOULD BE CLEANED UP. ALTHOUGH ECONOMIC CHANGE WOULD TAKE TIME TO ACCOMPLISH, HIS GOVERNMENT WOULD BEGIN A CAMPAIGN OF MORALISATION IMMEDIATELY. HE PROPOSED LEGISLATION TO DOUBLE THE PENALTIES FOR MISUSE OF PUBLIC FUNDS OR ABUSE OF AUTHORITY, AND FOR A REDUCTION IN HIS PRESIDENTIAL SALARY. ABUSES BY MEMBERS OF THE PREVIOUS ADMINISTRATION SHOULD NOT BE PASSED OVER IN SILENCE BUT JUDGED BY CONGRESS, AND GARCIA PROPOSED LEGISLATION TO EMPOWER THE EXECUTIVE TO REORGANISE THE THREE POLICE FORCES TO RESTORE FAITH IN THEM.

#### DECENTRALISATION AND DEMOCRATISATION OF THE STATE.

10. GARCIA PRESENTED A DRAFT LAW OF DECENTRALISATION AND MICRO-REGIONALISATION WHICH WOULD BRING THE STATE AND ITS SERVICES TO ALL CORNERS OF PERU. REPRESENTATIVES OF INDUSTRY, THE TRADE UNIONS AND AGRICULTURAL ORGANISATIONS WOULD SIT ON BOARDS OF THE STATE BANKS. HEALTH AND HOUSING RESOURCES WOULD HENCEFORTH NOT TO BE CONCENTRATED IN GRANDIOSE PROJECTS IN THE CAPITAL BUT WOULD BE BROUGHT DIRECTLY TO THOSE WHO NEEDED THEM MOST. THE STATE MUST GENERATE EMPLOYMENT ON A MASSIVE SCALE BY HELPING SMALL INDUSTRY WITH CREDIT NOT BY CREATING UNPRODUCTIVE BUREAUCRACIES.

#### EXTERNAL

11. GARCIA SAID THE NEW GOVERNMENT WOULD FOSTER LATIN AMERICAN INTEGRATION AS THE ONLY RESPONSE TO THE PRESENT CRISIS. HIS GOVERNMENT WOULD SEEK TO STRENGTHEN THE ANDEAN PACT. IN AN APPEAL TO THE SIX LATIN AMERICAN PRESIDENTS PRESENT, HE SAID INTEGRATION WAS NOT JUST A MATTER OF TECHNICAL EXCHANGES BUT THE DIRECT RESPONSIBILITY OF THE LEADERS OF THE BOLIVARIAN REPUBLICS. PERU WOULD ALSO PURSUE ITS POLICY OF NON-ALIGNMENT MORE ENERGETICALLY THAN IN THE PAST.

12. GARCIA ALSO INVITED THE INDUSTRIALISED NATIONS OF EUROPE TO CONSIDER WHAT INTERESTS THEY HAD IN COMMON WITH LATIN AMERICA SINCE THE FORMER ALSO RISKED BECOMING THE SCENE OF CONFLICT BETWEEN, AND BEING DOMINATED ECONOMICALLY BY, THE SUPER POWERS.



13. PERU WOULD ESTABLISH CLOSER LINKS WITH ARAB COUNTRIES AND THOSE OF AFRICA, ASIA AND THE PACIFIC BASIN. PERU WOULD GIVE UNCONDITIONAL SUPPORT TO THOSE COUNTRIES THREATENED BY ONE OR OTHER FORM OF IMPERIALISM.

#### CONTADORA

14. FOLLOWING THIS ALLUSION TO CENTRAL AMERICA, GARCIA SAID THAT PERU'S AIM WOULD BE THAT NO COUNTRY IN THE REGION SHOULD BE THE SCENE OF IDEOLOGICAL OR MILITARY CONFLICT BETWEEN THE GREAT POWERS. IN HIS ONLY REFERENCE TO THE FALKLANDS, GARCIA SAID THAT JUST AS PERU STOOD BY ARGENTINA IN THE CONFLICT, ALL AMERICA SHOULD SUPPORT THE CONTADORA GROUP AND HE PROPOSED THE FOUNDATION OF A FRONT OF LATIN AMERICAN COUNTRIES WHO WOULD SUPPORT HIS EFFORTS IN THE CAUSE OF "CONTINENTAL SOVEREIGNTY".

#### LATIN AMERICAN UNITY

15. GARCIA SAID THAT HITHERTO THE NATIONS OF LATIN AMERICA HAD ONLY UNITED AT THE BEHEST OF QUOTE THE RICHEST AND MOST IMPERIALIST COUNTRY ON EARTH UNQUOTE. HE CALLED ON THE PRESIDENT OF PANAMA TO CONVENE A NEW CONFERENCE TO FOLLOW UP THAT HELD BY THE LIBERATOR BOLIVAR 150 YEARS AGO.

#### ARMAMENTS

16. GARCIA CALLED FOR A REGIONAL AGREEMENT ON DISARMAMENT AND ANNOUNCED THAT PERUVIAN PURCHASES OF ARMS WOULD BE CUT "SUBSTANTIALLY" AND PURCHASES OF MIRAGE AIRCRAFT WOULD BE REDUCED.

#### DRUG TRAFFIC

17. GARCIA PROPOSED A CAMPAIGN AGAINST DRUG TRAFFICKING AND APPEALED TO PRESIDENT BETANCUR TO STRENGTHEN THE COORDINATION OF POLICE ACTION IN PERU AND COLOMBIA, WITH THE AIM OF ERADICATING DRUG TRAFFIC PERMANENTLY.

18 SEE MY MIFT FOR COMMENTS.  
SHAKESPEARE

MONETARY  
SAMD  
SCD  
UNB  
MCAD.

COPIES TO:  
MOD/DIL.



CONFIDENTIAL

CONFIDENTIAL

FM LIMA 292330Z JUL 85  
 TO IMMEDIATE FCO DESKBY 300930Z  
 TELEGRAM NUMBER 234 OF 29 JULY 1985  
 INFO PRIORITY SANTIAGO, BOGOTA, LA PAZ, BRASILIA, MONTEVIDEO,  
 CARACAS, PANAMA CITY, QUITO, WASHINGTON, UKDEL IMF/IBRD, UKREP  
 BRUSSELS

MIPT : ALAN GARCIA'S INAUGURATION SPEECH

1. THIS WAS INTENDED TO SET THE FRAMEWORK FOR THE APRA ADMINISTRATION, TO ANNOUNCE A NUMBER OF PROPOSALS FOR IMMEDIATE LEGISLATION BEFORE THE CONGRESS, AND TO DEMONSTRATE UNMISTAKEABLY THAT A BREAK HAD BEEN MADE WITH THE PAST. FOR HIS PERUVIAN AUDIENCE, GARCIA'S MAIN PURPOSE WAS TO APPEAL FOR SUPPORT FOR HIS PROGRAMME IN THE DIFFICULT TIMES AHEAD. BUT HIS CALLS FOR GREATER LATIN AMERICAN UNITY AND FOR ACTION BY OTHER COUNTRIES STRONGLY SUGGEST THAT HE WAS MAKING A BID TO BE CONSIDERED AS THE PRINCIPAL LEADER OF LATIN AMERICA.

2. ON EXTERNAL DEBT, HIS UNILATERAL RESTRICTION OF PAYMENTS IN THE NEXT 12 MONTHS TO 10 PER CENT OF EXPORTS WILL BE CONTROVERSIAL, AS GARCIA RECOGNISED, AND WILL HAVE DISMAYED BOTH THE IMF AND THE CREDITORS. A 10 PER CENT LIMIT IS HALF THAT WHICH APRA HAD PREVIOUSLY MENTIONED AND BELOW THE ONE-THIRD THAT THE FUND NORMALLY REGARD AS ACCEPTABLE. MR RENTON'S MEETING WITH THE BRAZILIAN FOREIGN MINISTER (MY TELNO 232 (NOT TO ALL)) SUGGESTS THAT A 10 PER CENT LIMIT WILL NOT BE WELCOME TO OTHER LATIN AMERICAN COUNTRIES. (INDEED, CHEYSSON CONFIRMED TO US TODAY THAT MAJOR COUNTRIES LIKE BRAZIL AND MEXICO WERE DEEPLY CONCERNED ABOUT THE EFFECT THIS WOULD HAVE ON THEIR OWN PUBLIC OPINION WHICH MIGHT FORCE THEM TO TRY AND GO DOWN THE SAME PATH.) IN SPITE OF THE RHETORIC AND STRONG CRITICISM OF THE INTERNATIONAL ECONOMIC SYSTEM, HOWEVER, GARCIA HAS NOT BROKEN WITH THE SYSTEM AND HAS PROPOSED A DIALOGUE WITH THE CREDITORS AS A MEANS OF RESOLVING THE DEBT PROBLEM. HE ALSO ACKNOWLEDGED THAT PERU BORE CONSIDERABLE RESPONSIBILITY AS A RESULT OF UNPRODUCTIVE INVESTMENT OF THE PROCEEDS OF BORROWING. HE ALSO REITERATED THE VIEW THAT THE PROBLEM IS ONE OF RELATIONS BETWEEN RICH AND POOR COUNTRIES, BUT NOT INVOLVING RELATIONS BETWEEN EAST AND WEST.

3. GARCIA'S SPEECH CONTAINED SOME UNEXPECTEDLY STRONG CRITICISMS OF THE UNITED STATES WITH ITS FREQUENT REFERENCES TO IMPERIALISM AND ECONOMIC DEPENDENCE. THIS SUGGESTS THAT US/PERUVIAN RELATIONS ARE LIKELY TO BE TURBULENT IN THE COMING MONTHS. INDEED, IN A BRIEFING OF COMMUNITY AMBASSADORS THIS MORNING, CHEYSSON EXPRESSED HIS DEEP CONCERN AT THE ANTI-AMERICAN TONE OF THE SPEECH AND THE LIKELY US REACTION WHICH HE FEARED COULD BE QUOTE BRUTAL UNQUOTE. SEVERAL OF THE MORE SENSIBLE LATIN AMERICAN DELEGATIONS (EG MEXICO AND BRAZIL) HAD TOLD HIM OF THEIR CONCERN THAT THIS COULD QUOTE UNLEASH SOMETHING DANGEROUS UNQUOTE AND THAT THE UNITED STATES MIGHT RESPOND BY PUNISHING PERU AS A WARNING TO OTHER LATIN AMERICAN COUNTRIES NOT TO FOLLOW THE SAME COURSE. HE ALSO EXPRESSED HIS CONCERN AND THAT OF THE MAIN LATIN AMERICAN DELEGATIONS AT ANOTHER ASPECT OF THE SPEECH, NAMELY THAT PERU SEEMED TO BE TURNING IN ON ITSELF AND TO BE PREPARING TO GO IT ALONE. PERU DID NOT HAVE THE RESOURCES TO DO THIS AND IT WAS PROBABLY TOO LATE ANYWAY.

4. JUST BEFORE THE INAUGURATION CEREMONIES, I WAS ABLE TO HOLD A WHISPERED BILATERAL WITH MR ELLIOT ABRAMS IN CHURCH WHEN WE FOUND OURSELVES SITTING NEXT TO ONE ANOTHER DURING THE TE DEUM MASS. ABRAMS SAID THAT THE US DELEGATION, HEADED BY THE TREASURY SECRETARY MR BAKER, WOULD BE DELIVERING A SHORT, TOUGH MESSAGE TO GARCIA LATER IN THE DAY: QUOTE THE SYSTEM IS MORE FLEXIBLE THAN YOU THINK SEMI-COLON, IF YOU STAY INSIDE IT WE WILL BE HAPPY TO HELP YOU SEMI-COLON, IF YOU LEAVE IT, YOU ARE ON YOUR OWN - AND GOOD LUCK TO YOU UNQUOTE. WE BELIEVE THIS MESSAGE WAS DELIVERED TO GARCIA JUST BEFORE HIS SPEECH. THERE ARE ALSO WELL FOUNDED REPORTS OF A ROW BETWEEN THE US EMBASSY AND GARCIA OVER SECURITY THAT LED TO THE CURTAILMENT OF BAKER'S VISIT AND SEEMS TO HAVE CAUSED A GENERAL DETERIORATION IN US-PERUVIAN RELATIONS (IN THE END BAKER FLEW IN DIRECT FROM THE STATES AT BREAKFAST-TIME YESTERDAY AND FLEW BACK THE SAME AFTERNOON). MR RENTON AND I ARE HOPING TO HAVE A MEETING WITH THE US AMBASSADOR ON THURSDAY TO GO OVER THE WHOLE COURSE WITH HIM. HE WAS UNUSUALLY GRIM AND UNCOMMUNICATIVE WHEN WE MET HIM TODAY.

CONFIDENTIAL

## CONFIDENTIAL

5. THE SPEECH WILL UNDOUBTEDLY HAVE RAISED EXPECTATIONS AMONG PERUVIANS WHICH IT WILL BE DIFFICULT TO FULFILL. HOWEVER GARCIA EMPHASISED THE NEED FOR FAITH IN THE POSSIBILITY OF CHANGE AND AGAIN EVOKED THE BIBLICAL STORY OF CHRIST URGING HIS DISCIPLES TO WALK ON THE WATER. IT WAS LACKING IN SPECIFIC MEASURES FOR PULLING THE COUNTRY OUT OF THE PRESENT CRISIS OF INFLATION AND HIGH UNEMPLOYMENT. HOWEVER, SOME PERUVIANS SEE IT AS A DECISIVE BREAK WITH THE PAST AND AN INDICATION THAT A NEW GENERATION IS ASSUMING POWER, TO ACHIEVE, IN GARCIA'S WORDS A QUOTE DEMOCRATIC REVOLUTION UNQUOTE.

6. THROUGHOUT HIS SPEECH GARCIA LAID CONSIDERABLE EMPHASIS ON A CAMPAIGN FOR IMPROVING PUBLIC MORALITY. HOWEVER WELL INTENDED THIS MAY BE, CORRUPTION HAS BEEN ENDEMIC IN PERU AND REFLECTS UNDERLYING CAUSES SUCH AS LOW PUBLIC SALARIES. GARCIA MAY FIND THAT HE CANNOT DELIVER ALL HE HAS PROMISED AND ATTRACT CRITICISM. HIS PROPOSAL THAT ALLEGED MISUSE OF PUBLIC FUNDS BY MEMBERS OF THE PREVIOUS ADMINISTRATION SHOULD BE BROUGHT TO BOOK WILL INEVITABLY STIR POLITICAL CONTROVERSY.

7. ON THE SECURITY PROBLEM GARCIA'S APPROACH WAS TWOFOLD: A FIRM LINE AGAINST TERRORISM COUPLED WITH THE CREATION OF A PEACE COMMISSION TO EXAMINE THE POSSIBILITY OF AN AMNESTY AND A DIALOGUE WITH THE TERRORISTS. THIS SECTION OF HIS SPEECH WAS CAREFULLY QUALIFIED AND DOES NOT COMMIT THE GOVERNMENT TO SPECIFIC MEASURES IN A PARTICULAR TIMESCALE.

8. GARCIA'S PROPOSAL TO CUT ARMS PURCHASES SUBSTANTIALLY AND TO REDUCE THOSE OF MIRAGE AIRCRAFT HAS PRESUMABLY BEEN MADE WITH THE AGREEMENT OF THE MILITARY. IT REMAINS TO BE SEEN WHETHER THIS DECISION WILL BRING ABOUT AN AGREEMENT ON ARMS SPENDING IN THE REGION AS GARCIA HOPES.

9. THE FULL IMPACT OF GARCIA'S SPEECH IS ONLY LIKELY TO BECOME APPARENT IN THE NEXT FEW WEEKS. AS WE HAVE REPORTED (MY TELNO 232) THE BRAZILIAN FOREIGN MINISTER CONSIDERED IT THE MOST IMPORTANT SPEECH HE HAD HEARD IN 10 YEARS. MEANWHILE, WE MUST CONSTANTLY BEAR IN MIND THAT WE ARE DEALING WITH A PRESIDENT AND ADMINISTRATION THAT HAVE HAD NO EXPERIENCE OF GOVERNMENT AND WITH A PARTY THAT HAS WAITED 60 YEARS TO ASSUME POWER. THIS WILL CALL FOR GREAT PATIENCE ON THE PART OF CREDITOR NATIONS, AND PARTICULARLY THE UNITED STATES WHO MAY NOW BE IN NO MOOD TO EXERCISE IT.

SHAKESPEARE

MONEYARY  
SAMD  
SCD  
UND  
MEAD

COPIES TO:

MOD/BIH



for enquiries dial the number shown in your dialling instructions  
British TELECOM  
Telegram

per  
functions  
British TELECOM  
for enquiries dial the number shown in your dialling instructions  
Telegram  
for enquiries dial the number shown in your dialling instructions  
British TELECOM

Subject  
cc ops  
Moster

PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T1084/85

NNNN

07 JUN 1985/0034

ZCZC DLN4681 GWB1022 GGV0564 PEN552 TX030 C 025376

GBXX CY PELA 074

LIMA 74/69 06 1554

*Handwritten initials*

ETAT

EXCELENTISIMA SENORA MARGARET THATCHER  
PRINERA MINISTRA DE GRAN BRETANA E IRLANDA DEL NORTE  
LONDRES

*Handwritten number 2716*

NR. 111.

AGRADEZCO SU GENTIL MENSAJE DE FELICITACION CON MOTIVO  
DE MI ELECCION A LA PRESIDENCIA DE MI PAIS Y ME ES GRATO,  
A MI VEZ, COORESPONDER A SUS PROPOSITOS DE ESTRECHAR LA  
COLABORACION ENTRE NUESTROS GOBIERNOS CON CONCORDANCIA  
CON LA AMISTAD QUE UNEN A NUESTROS DOS PUEBLOS.

ALAN GARCIA  
PRESIDENTE ELECTO DEL PERU

COL ETAT

Subject

PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T.80/85.....

RESTRICTED

16519 - 1

cc Master  
ops

GRS 90

RESTRICTED

FM FCO 070948Z NT 85

TO IMMEDIATE LIMA

TELEGRAM NUMBER 91 OF 7 MAY

YOUR TELNO 121: PERU: ELECTIONS

1. PLEASE DELIVER THE FOLLOWING MESSAGE FROM THE PRIME MINISTER  
TO THE PRESIDENT-ELECT. YOU SHOULD DELAY DELIVERY UNTIL  
OFFICIAL CONFIRMATION OF ELECTION RESULTS.

BEGINS: CONGRATULATIONS ON YOUR DECISIVE VICTORY IN THE RECENT  
PRESIDENTIAL ELECTIONS. THIS WAS IMPRESSIVE TESTIMONY TO THE  
VIGOUR OF THE DEMOCRATIC PROCESS IN PERU. I WISH YOU AND YOUR  
FUTURE GOVERNMENT EVERY SUCCESS AND LOOK FORWARD TO WORKING  
WITH YOU IN THE YEARS AHEAD. ENDS.

HOWE

NNNN

DISTRIBUTION

LIMITED

SAMD

NEWS DEPT

PROTOCOL DEPT

INFO DEPT

PS

PS/LADY YOUNG

SIR W HARDING

MR DAVID THOMAS

COPIES TO PS/NO 10 D ST.

1

RESTRICTED



File

JG2A1M



cc: Sir P. Cradock

10 DOWNING STREET

*From the Private Secretary*

6 May 1985

PERU: MESSAGE OF CONGRATULATIONS TO PRESIDENT-ELECT

Bo-1  
The Prime Minister is content for the message of congratulations to President-elect Garcia, enclosed with your letter of 3 May, to be despatched.

Charles Powell

slut

Peter Ricketts, Esq.,  
Foreign and Commonwealth Office.

oio  
RESTRICTED



Foreign and Commonwealth Office

London SW1A 2AH

3 May 1985

one month

Dear Mark,

JR 3/5

Peru: Message of Congratulations to  
President-Elect

Sr Alan Garcia and his centre-left APRA party (which has not previously held power in its sixty year history) have won the first round of the Peruvian Presidential elections held on 14 April. Although Sr Garcia appears not to have gained the 51 per cent vote needed to win the first round outright (the counting is not yet complete), the runner-up, Sr Alfonso Barrantes, has withdrawn from the contest. Provided an All Party Bill is passed by Congress to permit the constitutionally prescribed second round to be dispensed with, Sr Garcia, who is 35, will be declared President-elect in the next few days.

These elections will lead to the first transfer of power from one democratically elected government to another in Peru for 40 years. They passed off relatively smoothly, despite attempts to sabotage them by the terrorist group Sendero Luminoso whose declared aim is the overthrow of Peru's democratic institutions.

Garcia's policies are something of an unknown quantity. On the economic side he has talked of a selective moratoria on capital and interest payments to creditors. Our Ambassador in Peru's advice is that we should take every opportunity to try and exert a positive influence on the APRA government during its early days, and in particular on its notably decisive leader. He therefore recommends that the Prime Minister send a message of congratulations to the President-elect. I enclose a draft. This is deliberately couched in fairly restrained terms, given the uncertainties referred to above.

We suggest that the Embassy in Lima should be asked to delay delivery of the message until the results are confirmed.

Yours ever,

Peter Ricketts

(P F Ricketts)  
Private Secretary

Mark Addison Esq  
No 10 Downing Street

RESTRICTED

OUT TELEGRAM

	Classification and Caveats <b>RESTRICTED</b>	Precedence/Deskby <b>IMMEDIATE</b>
--	---	---------------------------------------

ZCZC  
GRS  
CLASS  
CAVEATS  
DESKBY  
FM FCO  
PRE/ADD  
TEL NO

1 ZCZC  
2 GRS  
3 RESTRICTED  
4  
5  
6 FM FCO                    MAY 85  
7 TO IMMEDIATE LIMA  
8 TELEGRAM NUMBER  
9 YOUR TELNO 121: PERU: ELECTIONS  
10 1. Please deliver the following message from the Prime Minister  
11 to the President-elect. You should delay delivery until  
12 official confirmation of election results.  
13 Begins: Congratulations on your decisive victory in the recent  
14 Presidential elections. This was impressive testimony to the  
15 vigour of the democratic process in Peru. I wish you and your  
16 future government every success and look forward to working  
17 with you in the years ahead. Ends.  
18  
19 HOWE  
20 NNNN  
21  
22  
23  
24  
25

*Howe*

///  
//  
/

NNNN ends telegram	BLANK	Catchword
File number	Dept <b>Private Office</b>	Distribution <b>LIMITED</b>
Drafted by (Block capitals) <b>P F RICKETTS</b>		SAMd News Dept Protocol Dept Info Dept PS PS/Lady Young\ Sir W Harding Mr David Thomas
Telephone number		
Authorised for despatch		Copied to: PS/No 10
Comcen reference	Time of despatch	



10 DOWNING STREET

THE PRIME MINISTER

12 March 1982

*Dear Dr Percovich*

This is just to thank you for the beautiful book of photographs which you gave me this afternoon. It was a very kind thought.

I do hope your visit has been enjoyable and useful. We are very keen to strengthen the excellent relations we have with your country, and I much enjoyed meeting Prime Minister Ulloa when he visited London last year. I hope we can play a full part in helping Peru in the development of her economy and her democracy.

With best wishes.

*Yours sincerely*

*Margaret Thatcher*

Senor Dr. Don Luis Percovich Roca

\_\_\_\_\_

*ML*

*Peru tel  
cc FCO*





10 DOWNING STREET

*From the Private Secretary*

11 March 1982

Call by Senor Dr. Don Luis Percovich

Thank you very much for your letter to Caroline Stephens of 8 March, and for the briefing for Dr. Percovich's visit. Dr. Percovich called on the Prime Minister in her room at the House of Commons at 1540 hours this afternoon. The meeting was confined entirely to an exchange of courtesies. Before the meeting broke up at 1550 hours, Dr. Percovich handed the Prime Minister a book as a gift, and I attach a copy of the letter of thanks that she has sent to him.

A.W.F. S. RICKETT

John Holmes, Esq.,  
Foreign and Commonwealth Office.

B



Foreign and Commonwealth Office

London SW1A 2AH

8 March 1982

Dear Caroline,

*attached*  
/ Thank you for your letter of 1 February. I enclose a short brief for the call on the Prime Minister, after Questions on 11 March, by Sr Dr Don Luis Percovich, the President of the Chamber of Deputies of Peru.

// I also attach a personality note, a copy of Dr Percovich's programme, and statistical data on Peru.

Dr Percovich will be making a courtesy call on Lord Carrington and will be given lunch by Mr Luce on 9 March.

*Yours ever*

*John Holmes*  
(J E Holmes)  
Private Secretary

Miss Caroline Stephens  
10 Downing St

- 8 MAR 1952

11 12 1 2 3 4 5  
6 7 8 9  
10

CALL ON THE PRIME MINISTER BY THE PRESIDENT OF THE CHAMBER  
OF DEPUTIES OF PERU, SR DR DON LUIS PERCOVICH:  
11 MARCH 1982

POINTS TO MAKE

BILATERAL RELATIONS

1. Keen to strengthen already excellent relations. Welcome regular exchange of high-level visits. Much enjoyed meeting Prime Minister Ulloa on visit to London last year.
2. Want to play a full part in Peru's development (especially in railway, mining, hydroelectricity and port construction projects).

PERU INTERNAL

3. Strength and vitality of Peruvian democracy. Congress appears to have established an active and influential role.

(If raised)

PERU/ECUADOR BORDER DISPUTE

4. Our interest solely in peaceful and agreed solution. Pleased to note some signs of relaxation.

(If raised)

EC/ANDEAN PACT

5. EC wants to strengthen relationship with Pact. Appreciate Pact's wish to resume negotiations with EC on Economic Cooperation Agreement. Hope this will soon be possible.



## ESSENTIAL FACTS

PERU INTERNAL/EXTERNAL

1. Peru returned to democracy in July 1980, after 12 years of radical left-wing military rule. President Belaunde and Prime Minister Ulloa are pursuing a relatively severe monetarist economic policy - austerity budget, relaxation of import controls, removal of subsidies, restrictions on government expenditure. However inflation remains over 70%; and economy hit by low world copper prices. Also an increasing terrorist problem, though still minor by South American standards. Government has had a fair overall success.

2. Congress, composed of Chamber of Deputies and Senate, has considerable independent powers. Relationship to executive similar to US Congress. President of Chamber of Deputies is not apolitical but active politician, though with duty to organise business of Chamber in manner fair to all.

3. Previous military regime had close alignment with Soviet Union. Belaunde administration carefully cultivating relations with Western Europe to counterbalance ties with United States. Peru is a moderate member of Non-Aligned Movement, but her international political horizons are still limited.

PERU/ECUADOR BORDER DISPUTE

4. A longstanding border dispute with Ecuador erupted into several days' fighting in January 1981. Tension continues, although now less. Our position is impartial.

EC/ANDEAN PACT

5. Peru a founder-member of Andean Pact (headquarters in Lima). Other members are Ecuador, Bolivia, Colombia, Venezuela. Progress on economic and political integration has been slow. Recently further inhibited by 1980 coup in Bolivia and Peru/Ecuador border conflict.

6. Talks on an economic and commercial cooperation Framework Agreement with EC suspended after military coup in Bolivia in July 1980. We are now pressing in EC for negotiations to be resumed, against opposition of Dutch and Danes, who claim that human rights situation in Bolivia not yet good enough.

UK/PERU RELATIONS

7. Relations, cool under the military government, now warm. Prime Minister Ulloa visited London in March/April 1981. Minister for Trade (Mr Parkinson) visited Lima in July, and Lord Mayor of London in August. Princess Alexandra is to visit Peru from 29 April to 17 May. (Not for use: it is likely that President Belaunde will be invited to pay a State Visit to the UK in 1984.)

8. UK exports to Peru doubled in 1980 to £47 million, and further 30% rise in 1981; but the UK still holds only about 3% of market. The potential for expansion is considerable, and a number of major projects are being pursued.

A

Señor Doctor Don Luis Percovich  
President of the Chamber of Deputies, Peru

Dr Percovich is fifty years of age. He was born in the town of Yungay (population over 3000 approximately: altitude 8481 feet) which is about eighty miles from the coast in the Ancash Department of West Central Peru. He now lives in the Port of Chimbote (population 40,000 approximately), also in the Department of Ancash, and situated 240 miles north west of Lima the capital city. He owns an hotel and pharmacy in Chimbote.

He studied chemical pharmaceuticals and graduated from the National University of Trujillo.

The following is a summary of his career:

Longstanding member of Acción Popular; active in the youth section before joining as a full member in 1956.

Elected Deputy for Acción Popular in Ancash in 1963.

Appointed to the key post of Chairman of the Budget Committee in the first Belaúnde Government.

Appointed Peruvian representative to the Third Assembly of the Latin American Parliament and member of the Economic Integration Committee.

After a break in his political career caused by the military coup of 1968 he was, in 1978, appointed a member of the National Finance Committee of Acción Popular and later in the same year made a member of the National Plenary Committee.

Re-elected Deputy for Ancash in May 1980.

Appointed Vice-Chairman of the bicameral Budget Committee of Congress.

Elected President of the Chamber of Deputies, 28 July 1981.

He does not speak English. He is married to Señora Haydeé Bambarén de Percovich and has three children, Luis, Magali and Jorge.

---

The Peruvian Ambassador

The post of Ambassador Extraordinary and Plenipotentiary is vacant. Señor Armando Lecaros de Cossio, Minister/Counsellor is Chargé d'Affaires.

---

Señora Haydeé Bambarén de Percovich does not speak English. Señora Lecaros, the wife of the Chargé d'Affaires, speaks good English.

---





PERCOVICH ROCA, Dr Luis

President of the Chamber of Deputies from 28 July 1981.

Born in Yungay in the Department of Ancash on 14 July 1931. Now lives in the port of Chimbote, where he owns a hotel and a pharmacy.

Graduated from the National University of Trujillo in the field of chemical pharmaceuticals. He is a longstanding member of Acción Popular who was active in the youth section of the party before joining as a full member in 1956. After working within the party, he was nominated and elected deputy for Acción Popular in Ancash in 1963. During the first Belaúnde Government he was given the key post of Chairman of the Budget Committee. He has been the Peruvian representative to the Third Assembly of the Latin American Parliament and member of the Economic Integration Committee of this body.

After a break in his political career caused by the military coup of 1968, he was appointed in 1979 a member of the National Finance Committee of the party, and the same year was made a member of the National Plenary Committee of Acción Popular. After being elected Deputy for Ancash once more in May 1980, he was appointed Vice-Chairman of the bicameral Budget Committee of Congress. He was elected President of the Chamber of Deputies in May ~~this~~ year, after the normal one-year term of his predecessor, Dr Francisco Belaúnde (qv), the brother of the President, had expired.

His present position owes much to his support for his close friend and ally, Dr Javier Alva Orlandini (qv), the Second Vice-President of Peru and President of the Senate. Like Alva, he has worked his way up through the grass roots organisation of Acción Popular and retains much party support. In 1981, he was proposed as a candidate for the Secretary-Generalship of the party, a post presently held by the Foreign Minister, Dr Arias Stella (qv), but then stood down in favour of Alva. President Belaúnde thereupon postponed the party elections until May 1982, apparently to avoid further in-fighting in the party.

He does not speak English.

He is married to Sra Haydeé Bambarén de Percovich and has three children, Luis, Magali and Jorge.



## PERU

## STATISTICAL DATA

Land Area	1,285,216 km <sup>2</sup>				
Population (mid-1980)	17 m (growth rate about 2.8 pa)				
GNP per capita (1979)	US\$ 730				
Exports (1980)	US\$ 3,475 m				
Imports (1980)	US\$ 2091 m				
Principal exports		<u>1975</u>	<u>1979</u>	%	
	Petroleum and derivatives	3.4	19.4		
	Copper	12.1	18.6		
	Silver	11.3	11.4		
	Fish meal	12.1	6.8		
	Coffee	4.1	6.0		
Principal Imports		<u>1975</u>	<u>1978</u>	%	
	Manufacturers	33.0	28.0		
	Foodstuffs	12.0	7.0		
	Oil	11.0	2.0		
Major markets		<u>1975</u>	<u>1980</u>	%	
	USA	24.2	35.8		
	Japan	11.5	11.8		
	UK	3.3	4.5		
	FRG	4.4	4.2		
	Italy	2.6	4.2		
Major importers		<u>1975</u>	<u>1980</u>		
	USA	31.5	39.4		
	Japan	8.7	10.3		
	FRG	10.7	6.5		
	Italy	2.3	6.1		
	UK	3.9	3.6		
Trade balance	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	US\$m
	-879	-387	-320	570	
Official Foreign Currency Reserves	356.8	389.7	1,520.7		US\$m
UK exports	35.51	25.18	23.97	46.54	£m
UK imports	37.58	29.02	61.52	77.49	£m

HL

10/3

DR. PERCOVICH  
of Peru

1 February 1982

The Prime Minister will be meeting the Speaker of Peru, Dr. Percovich after Questions on Thursday 11 March and we would be grateful if you could provide us with a short brief to reach us by close of play on Wednesday 10 March.

WILLIAM RICKETT

John Holmes, Esq.,  
Foreign and Commonwealth Office.

1 February 1982

I am replying to your letter to Clive Whitmore regarding the possibility of the Prime Minister receiving the Speaker of Peru, Dr. Percovich. Mrs. Thatcher would be happy to do this after Questions on Thursday 11 March. I should warn you, however, that it might have to be a rather brief meeting as the budget debate will still be going on and the Prime Minister should really be in the Chamber at that time.

WILLIAM RICKETT

Brigadier Sir Noel Short, M.B.E., M.C.

Señor Doctor Don Luis Percovich  
President of the Chamber of Deputies, Peru

Dr Percovich is fifty years of age. He was born in the town of Yungay (population over 3000 approximately: altitude 8481 feet) which is about eighty miles from the coast in the Ancash Department of West Central Peru. He now lives in the Port of Chimbote (population 40,000 approximately), also in the Department of Ancash, and situated 240 miles north west of Lima the capital city. He owns an hotel and pharmacy in Chimbote.

He studied chemical pharmaceutics and graduated from the National University of Trujillo.

The following is a summary of his career:

Longstanding member of Acción Popular; active in the youth section before joining as a full member in 1956.

Elected Deputy for Acción Popular in Ancash in 1963.

Appointed to the key post of Chairman of the Budget Committee in the first Belaúnde Government.

Appointed Peruvian representative to the Third Assembly of the Latin American Parliament and member of the Economic Integration Committee.

After a break in his political career caused by the military coup of 1968 he was, in 1978, appointed a member of the National Finance Committee of Acción Popular and later in the same year made a member of the National Plenary Committee.

Re-elected Deputy for Ancash in May 1980.

Appointed Vice-Chairman of the bicameral Budget Committee of Congress.

Elected President of the Chamber of Deputies, 28 July 1981.

He does not speak English. He is married to Señora Haydeé Bambarén de Percovich and has three children, Luis, Magali and Jorge.

---

The Peruvian Ambassador

The post of Ambassador Extraordinary and Plenipotentiary is vacant. Señor Armando Lecaros de Cossio, Minister/Counsellor is Chargé d'Affaires.

---

Señora Haydeé Bambarén de Percovich does not speak English. Señora Lecaros, the wife of the Chargé d'Affaires, speaks good English.

---



Share



10 DOWNING STREET

PRIME MINISTER

The Speaker wonders whether you would be prepared to receive the Speaker of Peru, Dr. Percovich, after Questions on Thursday 11 March. The budget debate will still be going on so you would not be able to see him for very long but would you have any objection to shaking his hand after Questions on that day?

*Answered not es.*

29 January 1982



Mr Speaker

Speaker's Office House of Commons London SW1A 0AA

27th January 1982

*My dear Clive,*

As you know, the Prime Minister has been kind enough to receive from time to time Speakers visiting this country at the invitation of Mr Speaker.

We have the Speaker of Peru, Dr Percovich, visiting London between 8th and 12th March, accompanied by his wife and an official. It would be a considerable help to Mr Speaker if the Prime Minister could agree to receive Dr Percovich, who will depend on the services of an interpreter, sometime during his visit. He has a Parliamentary day on Thursday, 11th March, so that the most convenient moment might be after Prime Minister's Questions on that date.

The Speaker hopes that something on these lines may be possible.

*Yours ever,*

*Loel*

Clive Whitmore Esq  
Principal Private Secretary  
10 Downing Street  
London SW1.



28 JAN 1982



(X6)  
Pam.  
**IMMEDIATE**

ADVANCE COPY

CONFIDENTIAL

FM QUITO 290245Z JANUARY 1981  
TO IMMEDIATE FCO  
TELEGRAM NUMBER 006 OF 28 JANUARY  
AND TO IMMEDIATE MODUK SIC: ACA/Z86/U2J  
INFO ROUTINE LIMA

Hd S Am → Hd UND  
Hd Dfb RC  
Hd Cons → CAB OFF  
Mr Day NR 10 DS  
Mr Wre  
mb

REF DA'S TELEGRAM 202140Z COPIED SAND. ECUADOR/PERU BORDER DISPUTE.

1. MINISTER OF FOREIGN AFFAIRS IN COMMUNIQUE FROM PRESIDENTIAL PALACE THIS EVENING CONFIRMED THAT TWO PERUVIAN ATTACKS HAD TAKEN PLACE ON ECUADOREAN MILITARY POSTS TODAY WEDNESDAY 28 JANUARY. FIRST ATTACK BETWEEN 0900-0930 HOURS BY 4 HELICOPTER GUNSHIPS AND 2 FIGHTER AIRCRAFT USING MACHINE GUN FIRE AND HIGH EXPLOSIVES WAS CONCENTRATED ON PAQUISHA POST IN CORDILLERA DEL CONDOR. A SECOND ATTACK IN THE SAME AREA TOOK PLACE AT 1305 HOURS. FIGURES FOR CASUALTIES WERE NOT RELEASED BUT MFA SOURCES SAY 10 ECUADOREAN SOLDIERS WERE KILLED.
2. ECUADOREAN GOVERNMENT HAVE PROTESTED VIGOROUSLY TO PERU CALLING ON PERUVIAN GOVERNMENT TO STOP IMMEDIATELY ACTS OF AGGRESSION AND HOSTILITIES AGAINST ECUADOR.
3. ECUADOR HAS CALLED FOR URGENT MEETING OF CONSULTATIVE COUNCIL OF OAS AND IN COMMUNIQUE MINISTER OF FOREIGN AFFAIRS REJECTED PERUVIAN ATTEMPTS TO DISTORT FACTS AND TO LABEL ECUADOR AS AGGRESSORS. ECUADOR WANTS PEACEFUL SOLUTION AND HAS INVITED PERUVIAN GOVERNMENT TO AGREE TO MEASURES TO PREVENT REPETITION OF THESE ACTS OF AGGRESSION. MINISTER WARNED THAT THE ECUADOREAN ARMED FORCES ARE NEVERTHELESS PREPARED TO DEFEND TERRITORIAL INTEGRITY OF COUNTRY.
4. PRESIDENT HAS SUMMONED THE JUNTA CONSULTATIVA A COMMITTEE MADE UP OF PRIMARILY EX FOREIGN MINISTERS AND NORMALLY ONLY CALLED IN AN EMERGENCY.
5. PERUVIAN RADIO MONITORED IN QUITO REPORTED THE EVACUATION OF SMALL VILLAGES ON BOTH SIDES OF BORDER AND HAVY TROOP MOVEMENTS.
6. ON THURSDAY 22 JANUARY PAQUISHA (A MILITARY OUTPOST IN DISPUTED BORDER AREA ON PROTOCOL DEL B.L.O. DE JANEIRO 1942

BACKGROUND



BACKGROUND

6. ON THURSDAY 22 JANUARY PAQUISHA (A MILITARY OUTPOST IN DIS-PUTED BORDER AREA ON PROTOCOL DEL RIO DE JANEIRO RO 1942 LINE) WAS ATTACKED BY PERUVIAN HELICOPTER GUNSHIP SEVERELY DAMAGING GROUNDED ECUADOREAN HELICOPTER AND CRITICALLY INJURING PILOT. ATTACK CAME AFTER EARLIER OVERFLYING OF ECUADOREAN TERRITORY AT MAYAYCO. ECUADOR PROTESTED STRONGLY AT VIOLATION OF TERRITORY AND PREMEDITATED ATTACK ON PAQUISHA AND FORCES PUT ON FULL ALERT. PERUVIANS REJECTED PROTEST BLAMING ECUADOREANS FOR SHOOTING ON UNARMED TRANSPORT HELICOPTER ON ROUTINE FLIGHT. POLITICIANS TRIED TO DEFUSE SITUATION CALLING FOR DIALOGUE TO RESOLVE SITUATION AND NOT THE USE OF ARMS. MILITARY USED OPPORTUNITY TO PRESSURE GOVERNMENT TO PERMIT PURCHASES OF URGENTLY NEEDED EQUIPMENT, AMMUNITION AND SUPPLIES, INCLUDING SOME FROM BRITAIN.
7. LATEST INCIDENTS HAVE LED TO ESCALATION IN SITUATION AND FEELINGS IN ECUADOR ARE RUNNING HIGH.
8. ECUADOREANS REGARD ATTACKS AS TOTALLY UNCALLED FOR. REPORTS FROM PERU SUGGEST THAT PERUVIAN GOVERNMENT HAVE LOST CONTROL OF MILITARY WHO ARE USING BORDER INCIDENTS TO PRESSURISE GOVERNMENT INTO RECOGNISING BOLIVIAN REGIME. ALTERNATIVE SCENARIO IS THAT PERUVIAN GOVERNMENT HAVE ENGINEERED INCIDENTS TO DIRECT ATTENTION AWAY FROM INTERNAL PROBLEMS.
9. THERE ARE NO BRITISH SUBJECTS IN BORDER AREA TO OUR KNOWLEDGE.
10. WE WILL KEEP YOU INFORMED.

FCO PLS PASS LIMA

WHITE

NNNN



Pen  
file Ks

10 DOWNING STREET

From the Private Secretary

29 August 1980

BV 2.9.80

Protocol and Conference Department have forwarded to us the enclosed letter received under cover of a Note Verbale from the Peruvian Embassy.

This appears to be simply a courtesy reply to the Prime Minister's letter of 7 July which was carried by Lord Trefgarne.

But I am nevertheless a little surprised that it should have been forwarded to us by the FCO without a translation, and that the FCO did not keep a copy. Perhaps you could let us have a translation early next week.

p.p. Mike Pattison

Christopher Jebb, Esq.,  
Foreign and Commonwealth Office.

Ks

TXR227/

The Foreign and Commonwealth Office presents its compliments to the Peruvian Embassy and, with reference to the Embassy's Note No 5-17-17/79 of 27 August 1980, has the honour to inform them that the message from The President of Peru contained therein has been transmitted to the Prime Minister's Office.

The Foreign and Commonwealth Office avails itself of this opportunity to renew to the Embassy the assurance of its highest consideration.

FOREIGN AND COMMONWEALTH OFFICE SW1

28 August 1980

W/L  
29/8

*Embajada del Perú  
en Gran Bretaña*

Nº 5-17-M/79

The Peruvian Embassy presents its compliments to the Foreign and Commonwealth Office, Protocol and Conference Department, and has the honour to enclose a note from the President of Peru, Mr. Fernando Belaúnde Terry, thanking your Prime Minister for her message of congratulations received on the occasion of his assuming his duties as President of the Republic, with the request that it be handed to the Rt. Hon. Margaret Thatcher, M.P.

The Peruvian Embassy avails itself of this opportunity to renew to the Foreign and Commonwealth Office, Protocol and Conference Department the assurance of its highest consideration.

London, 27th August, 1980





*ACTION*

PRESIDENCIA DE LA REPUBLICA



PERU

T156A/80  
PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T156A/80

Lima, 30 de julio de 1980.

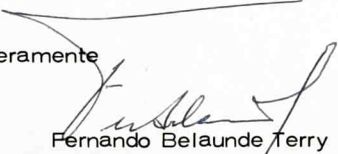
Excelentísima Señora :

Ha sido para mí sumamente grato recibir las felicitaciones que Vuestra Excelencia me hiciera llegar en nombre del Ilustrado Gobierno de Su Majestad Isabel II, y en el Vuestro propio, con motivo de haber asumido la Primera Magistratura de mi país.

El Perú, al retornar a sus cauces democráticos, desea mantener y acrecentar las cordiales relaciones con los países que promueven las más plenas libertades, basadas en el respeto por los Derechos Humanos y por la dignidad del hombre como principio y fin de las más nobles causas.

Al agradecer a Vuestra Excelencia las amables muestras de simpatía hacia nuestro país así como hacia mi nueva Administración, formulo los mejores votos por el continuado éxito de Vuestro Gobierno y por la prosperidad del noble pueblo de la Gran Bretaña.

Sinceramente

  
Fernando Belaunde Terry

Presidente de la República del Perú

A Su Excelencia  
Señora Margaret Thatcher  
Primer Ministro de la Gran Bretaña  
Londres

*Translation attached*

1911



25

*ACTION*

Translation

PRESIDENCY OF THE REPUBLIC  
PERU

**PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T156A/80**

Lima, 30 July 1980.

Madam,

It gave me great pleasure to receive the congratulations which Your Excellency sent me on behalf of Her Majesty's Government and yourself on the occasion of my taking office as First Magistrate of my country.

In returning to its democratic course Peru wishes to maintain and strengthen its cordial relations with those countries which encourage the widest measure of freedom based on respect for human rights and for the dignity of man as the guiding principle and objective of the noblest causes.

While thanking Your Excellency for the kind token of your friendly feelings towards our country as well as towards my new Administration, I extend my best wishes for the continued success of your Government and for the prosperity of the noble people of Great Britain.

Sincerely,

(Signature)

Fernando Belaunde Terry  
President of the Republic of Peru

To Her Excellency  
Mrs Margaret Thatcher  
Prime Minister of Great Britain  
London



Peru<sup>2</sup>  
Peru

15th August 1980

mb.

Dear Prime Minister,

You will know that I recently represented the Government at the inauguration of President Belaunde of Peru. I now write to report that I handed your message to the new President personally and he asked me to convey to you his thanks and appreciation.

I had two short conversations with the President and one longer one with the new Prime Minister; they both seemed genuinely pleased that Her Majesty's Government had taken the trouble to send a special mission.

Yours sincerely  
Trefgarne

TREFGARNE

The Right Honourable Margaret Thatcher, MP  
Prime Minister



18 AUG 1980

10 11 12 1  
9 8 7 6 5 4  
3  
2  
1

SUBJECT  
PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T. 137/80



10 DOWNING STREET

PERU- JS.

ccfw.

THE PRIME MINISTER

7 July 1980

Your Excellency,

I offer my personal congratulations and those of Her Majesty's Government to you on your inauguration as President of Peru. We have supported and now welcome Peru's return to democratic government. We admire the smooth and successful manner in which this has been accomplished. We look forward to a further strengthening of Peru's traditionally good relations with the United Kingdom.

Yours sincerely  
Margaret Thatcher

His Excellency Arq. Fernando Belaunde Terry

JS

(3)



10 DOWNING STREET

Prime Minister

Message from you to the  
new (civilian) President of Peru  
to be delivered by Lord Bessborough -  
assuming you agree that he  
should make the journey: see  
attached letter.

'Your Excellency'.

Arthur

2.7.80.

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

Type for signature.

2 July 1980

cc: Trefgarne mini ob.

Dear Mike,

Peru : Presidential Inauguration

Following democratic elections in Peru in May after twelve years of military rule, the inauguration of the new civilian President, Fernando Belaunde Terry, will take place in Lima on 28 July. A formal invitation has been received for a Special Mission from the United Kingdom to attend the ceremonies from 26 - 29 July.

We have encouraged and supported Peru's return to democracy. The landslide victory won by President Belaunde augurs well for strong and stable government. The economy is in good shape after an impressive recovery over the past year and business confidence is high. Our Embassy reports that twelve Heads of State, mainly from Latin American countries, are likely to attend the ceremonies, as well as a number of Foreign Ministers. It would be appropriate for the British Mission to be led by a Government Representative. This would help to put more substance into our relations with Peru, which are traditionally good but at present rather thin, and would provide an opportunity for useful and relaxed contacts with leading Peruvians and senior representatives from other countries.

The Foreign and Commonwealth Secretary proposes to ask Lord Trefgarne to attend. Lord Trefgarne carried out a similar function last year when he attended the inauguration of the new civilian President of Ecuador (as a Special Representative of The Queen) and went to Bolivia for the same purpose. His role as deputy spokesman on foreign affairs and spokesman on trade and industry matters in the House of Lords would make him an appropriate choice.

/The

M Pattison Esq  
Private Secretary  
No 10 Downing Street

CONFIDENTIAL



CONFIDENTIAL



The Foreign and Commonwealth Secretary believes that it would be appropriate if Lord Trefgarne could deliver a special message of congratulations from the Prime Minister to the new President when he is in Peru. President Belaunde received messages of congratulation from a number of Heads of Government and Heads of State, including President Carter and the King of Spain, at the time of his election. It is our normal practice to send such messages when the new President is being inaugurated. Our Ambassador has confirmed that such a message would be well received. I enclose a draft text.

Lord Trefgarne could also usefully go on from Peru to pay short visits to Paraguay (31 July - 3 August) and Uruguay ( 3 - 5 August). Both are markets of increasing interest to British exporters and the first visit by a British Government representative for some years would assist our trade effort. He would be accompanied by his Private Secretary.

I would be grateful for the Prime Minister's agreement to the above.

Yours Ever,  
Malcolm Adams

(M C Adams)  
Private Secretary

CONFIDENTIAL