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FM FCO 011708Z JUN 82
TO IMMEDIATE LIMA
TELEGRAM NUMBER 126 OF 1 JUNE
INFO IMMEDIATE WASHINGTON, MODUK
YOUR TELNO 213: FALKLAND ISLANDS

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Prime Minister

Word reading is full.

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1. WE APPRECIATE THE DIFFICULTY OF BELAUNDE'S POSITION AND ACCEPT THAT HE MAY HAVE DIFFICULTIES IN KEEPING HIS MILITARY UNDER CONTROL.
2. BUT THE FACT IS THAT THERE HAVE BEEN NUMEROUS HIGH-LEVEL CONTACTS WITH BELAUNDE. THESE HAVE NOT HAD ANY NOTICEABLE EFFECT. WHILE WE WANT TO RETAIN PERUVIAN GOODWILL TO THE EXTEND POSSIBLE IT IS UNLIKELY THAT FURTHER ATTEMPTS TO KEEP BELAUNDE IN PLAY WILL LEAD HIM TO RECOGNISE THE REALITIES OF OUR POSITION OR TO BRING HIS INFLUENCE TO BEAR IN ANY USEFUL WAY ON THE ARGENTINES. INDEED THE PERUVIANS ARE ALLEGING THAT IT WAS WE, NOT THE ARGENTINES, WHO REJECTED BELAUNDE'S EARLIER PROPOSALS (WASHINGTON TELNO 1941).
3. IT WOULD ALSO SEEM INAPPROPRIATE FOR ME TO SEND A FURTHER CONCILIATORY MESSAGE TO BELAUNDE, GIVEN THE INCREASING EVIDENCE OF PERUVIAN SUPPLY OF MILITARY EQUIPMENT TO ARGENTINA. IT MAY WELL BE THE CASE THAT THIS HAS NOT BEEN ON BELAUNDE'S DIRECT RESPONSIBILITY, BUT IT IS HARD TO BELIEVE THAT HE KNOWS NOTHING ABOUT IT. FURTHERMORE, PERU VOTED IN FAVOUR OF BOTH RIO TREATY RESOLUTIONS AND PRESS REPORTS OF BELAUNDE'S AND THE FOREIGN MINISTER'S COMMENTS (WASHINGTON TELNO 1959 AND YOUR TELNO 214), IF ACCURATE, LEAVE LITTLE DOUBT OF WHERE PERUVIAN SYMPATHIES LIE.
4. IF, THEREFORE, I WERE TO SEND A MESSAGE, IT WOULD NOT ONLY HAVE TO BE UNFORTHCOMING ON THE SCOPE FOR A NEGOTIATED SETTLEMENT, IT WOULD ALSO HAVE TO BE TOUGH ON THE QUESTION OF ARMS SUPPLIES. I ASSUME THAT THIS WOULD NOT HELP BELAUNDE VIS-A-VIS HIS MILITARY OR HAVE ANY EFFECT ON THE CONTINUATION OF PERUVIAN MILITARY SUPPLIES: IN WHICH CASE IT WOULD BEST NOT BE SENT.
5. THERE IS HOWEVER A NEED TO REGISTER AT A SUITABLY HIGH LEVEL

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OUR CONCERN IN THE QUESTION OF ARMS SUPPLIES TO ARGENTINA. GRATEFUL IF YOU WOULD THEREFORE SEEK AN EARLY APPOINTMENT WITH ARIAS AND SAY THAT WHILE WE HAVE APPRECIATED PERU'S CONTINUED EFFORTS TO PROMOTE A PEACEFUL SETTLEMENT WE HAVE ALSO NOTED WHAT HE AND THE PRESIDENT HAVE SAID ABOUT MILITARY SUPPORT FOR ARGENTINA: AND THE MANY PRESS AND OTHER REPORTS THAT PERU IS ALREADY PROVIDING IMPORTANT MATERIAL ASSISTANCE. YOU SHOULD SAY THAT WE WOULD TAKE A GRAVE VIEW OF ANY SUCH ACTION: IT WOULD CLEARLY BE A SERIOUS DEVELOPMENT FOR ANGLO-PERUVIAN RELATIONS. OUR QUARREL IS WITH THE ARGENTINE GOVERNMENT, NOT WITH OTHER COUNTRIES IN THE REGION: COUNTRIES WHICH ALLOW THE CONFLICT TO WIDEN IN SCOPE WILL BE DOING THEMSELVES AND THE CAUSE OF PEACE A GRAVE DISSERVICE. THE FACT IS THAT ARGENTINA WAS THE AGGRESSOR: THE UK THE VICTIM. WE HAVE BEEN FORCED TO FIGHT, WITH THE GREATEST RELUCTANCE, TO DEFEND OUR RIGHTS AND THOSE OF THE FALKLAND ISLANDERS. WE HAVE REMAINED FLEXIBLE THROUGHOUT, SEEKING ONLY THE FULL IMPLEMENTATION OF THE SECURITY COUNCIL'S RESOLUTION 502, WHICH IS BINDING ON ALL MEMBER STATES. IT IS ARGENTINA THAT HAS FAILED TO COMPLY WITH THE DEMANDS OF THE INTERNATIONAL COMMUNITY AND IT IS THEREFORE ARGENTINA, NOT BRITAIN, WHICH HAS BEEN INTRANSIGENT. MOST RECENTLY THE ARGENTINE GOVERNMENT HAD THE OPPORTUNITY TO ACCEPT THE BRITISH DRAFT INTERIM AGREEMENT, WHICH PROVIDED FOR A CEASEFIRE WITH MUTUAL WITHDRAWAL. THEY NOW HAVE ONLY THEMSELVES TO BLAME FOR THE SITUATION THEY ARE IN. THE PROVISION OF MILITARY SUPPORT FOR ARGENTINA BY THIRD COUNTRIES WOULD BE AN ENDORSEMENT OF ARGENTINE AGGRESSION AND LIKELY ONLY TO PROLONG AND EXACERBATE THE CONFLICT.

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