CONFIDENTIAL Prince Nimils.

Foreign and Commonwealth Office

London SW1A 2AH

Aprel menoge: Falklands Lima telegram number 295 and 296 (copies enclosed), recorded Lady Young's conversation on 4 November with President Belaunde of Peru, and her recommendation that she (Lady Young) should send a personal message to the Peruvian President, formally replying to the ideas he put to her for a solution of the Falklands question. We see much merit in Lady Young's suggestion. President Belaunde's idea of dividing the Islands is, of course, wholly unacceptable. We need unequivocally to head him off any further pursuit of this or other proposals for long-term solutions; it remains premature to speculate about these. At the same time, the Peruvian President is a highly respected personality, well placed to point out to the new Argentine Government the areas in which it is realistic to think of developing bilateral relations with us. We therefore believe that it is worth explaining our policy to him again through the proposed message from Lady Young,

with a view to persuading him to speak appropriately to Dr Alfonsin at his inauguration on 10 December.

I enclose a draft telegram containing the text of a message. You will see that it also asks President Belaunde to disabuse Dr Alfonsin of the severely distorted view of our military dispositions in the Falklands which Alfonsin and his spokesmen have been expressing at the United Nations and elsewhere.

A message from Lady Young on the lines proposed would have greatest impact if delivered soon. I am therefore sending this letter before consulting the Foreign Secretary; I will show him a copy in parallel and let you know of any comments he may have. Mr Whitney agrees with the draft message.

(P F Ricketts) Private Secretary

A J Coles Esq 10 Downing Street CONFIDENTIAL

GRS 314 CONFIDENTIAL FM LIMA 051815Z NOV 83 TO IMMEDIATE FCO DESKBY 070900Z NOV TELNO 296 OF 5 NOVEMBER AND TO INFO PRIORITY PORT STANLEY, UKMIS NEW YORK, WASHINGTON

FROM PS/LADY YOUNG MIPT : LADY YOUNG'S VISIT TO PERU : MEETING WITH PRESIDENT BELAUNDE

1. ALTHOUGH LADY YOUNG DISCOURAGED BELAUNDE FROM PURSUING HIS IDEA OF A DIVISION OF THE FALKLAND ISLANDS, HE SEEMS ALL TOO LIKELY TO REVERT TO IT. IN THE CIRCUMSTANCES SHE BELIEVES IT ESSENTIAL THAT WE SHOULD FOLLOW UP WITH A FORMAL REPLY. THE IDEA WOULD BE TO SHOW HIM THAT WE HAD GIVEN SOME CONSIDERATION TO THE PROPOSAL WHILE FIRMLY DISCOURAGING BELAUNDE FROM TAKING IT FURTHER. LADY YOUNG CONSIDERS THAT THIS MIGHT BEST BE DONE BY MEANS OF A PERSONAL MESSAGE FROM HER PITCHED IN THE CONTEXT OF HER VISIT. IF YOU AGREE, GRATEFUL IF A DRAFT COULD BE TELEGRAPHED TO US IN BELIZE WITH A VIEW TO THE FINAL VERSION BEING HANDED OVER IN LIMA NEXT WEEK.

2. LADY YOUNG FEELS WE SHOULD TAKE BELAUNDE'S REQUEST FOR A ROYAL VISIT SERIOUSLY AND WOULD BE GRATEFUL IF IT COULD BE FED INTO THE NEXT MEETING OF THE ROYAL VISITS COMMITTEE. I UNDERSTAND FROM SINDALL THAT THE DEPARTMENT HAVE REINSTATED A POSSIBLE VISIT TO PERU BY PRINCESS ALEXANDRA IN THE ROYAL VISITS SCHEDULE.

MR GIFFARD

CABINET OFFICE

HR WRIGHT

MR URE

SHAKESPEARE

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PLANNING STAFF

PS

PS/ LADY Young

PSI MR WHITHEY

PSIPUS

SIR J BULLARD

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FM LIMA 051800Z NOV 83

TO IMMEDIATE FCO

TELNO 295 OF 5 NOVEMBER

DESKBY FCO 070900Z NOV
INFO PRIORITY PORT STANLEY, UKMIS NEW YORK, WASHINGTON

FROM PS/LADY YOUNG
LADY YOUNG'S VISIT TO PERU : MEETING WITH PRESIDENT BELAUNDE

- 1. LADY YOUNG CALLED ON PRESIDENT BELAUNDE YESTERDAY AFTERNOON (4 NOVEMBER). THE ATMOSPHERE WAS CORDIAL. THE MEETING RAN CONSIDERABLY OVER TIME AND INCLUDED AN UNSCHEDULED TETE A TETE LASTING TWENTY MINUTES (PARA 4 BELOW)
- 2. BELAUNDE WELCOMED LADY YOUNG'S VISIT AND MADE IT CLEAR THAT HE WANTED TO SEE AN IMPROVEMENT IN ANGLO -PERUVIAN RELATIONS. HE SPOKE AT LENGTH ABOUT THE UK'S HISTORIC LINKS WITH PERU AND SAID THAT HE WOULD WELCOME A ROYAL VISIT, BY IMPLICATION BEFORE THE END OF HIS TERM OF OFFICE IN 18 MONTHS TIME. LADY YOUNG C CONGRATULATED HIM ON PERU'S ELECTION TO THE SECURITY COUNCIL AND HOPED

THAT WE WOULD BE ABLE TO KEEP IN CLOSE TOUCH OVER ISSUES WHICH AROSE AT THE UN.

- 3. NOT SURPRISINGLY THE FALKLANDS PROVED THE MAIN SUBSTANTIVE POINT OF DISCUSSION. BELAUNDE SAID THAT THE THOUGHT THE SITUATION IN ARGENTINA WOULD IMPROVE AFTER ALFONSIN ASSUMED POWER. IT MIGHT THEREAFTER BE POSSIBLE TO FIND A WAY FORWARD OVER THE FALKLANDS, ALTHOUGH THIS WOULD TAKE SOME TIME. PERU WOULD BE DELIGHTED TO HELP IF SHE COULD. LADY YOUNG REPLIED THAT WE WOULD WELCOME BETTER BILATERAL RELATIONS WITH ARGENTINA BUT MADE IT CLEAR THAT WE COULD NOT CONTEMPLATE NEGOTIATIONS OVER SOVERIEGNTY WITHOUT THE AGREEMENT OF THE FALKLAND ISLANDERS.
- 4. AFTER OFFICIALS HAD LEFT THE MEETING, BELAUNDE TOLD LADY YOUNG THAT IT WOULD BE VERY DIFFICULT FOR THE NEW ARGENTINE GOVERNMENT TO GIVE UP THE IDEA OF REGAINING SOVEREIGNTY OVER THE FALKLANDS. THERE WERE SOME GROUPS IN ARGENTINA WHO, NOT WITHSTANDING

THE EVENTS OF LAST YEAR, WANTED TO SETTLE THE MATTER BY FORCE.

SPEAKING PERSONALLY, HE WONDERED WHETHER IT MIGHT BE POSSIBLE

TO REACH A SOLUTION BY DIVIDING THE ISLANDS WITH ARGENTINA

GAINING SOVEREIGNTY OVER WEST FALKLANDS AND EAST FALKLAND REMAINING

BRITISH. LADY YOUNG TOOK NOTE BUT MADE IT CLEAR THAT ANYTHING ON

THESE LINES WOULD BE IMPOSSIBLE FOR US TO CONTEMPLATE. SHE

REPEATED THAT DISCUSSIONS ON SOVEREIGNTY WERE OUT OF THE QUESTION

WITHOUT THE CONSENT OF THE ISLANDERS: AND THE STRENGTH OF

PUBLIC AND PARLIAMENTARY FEELING ON THIS POINT IN THE UK ON THE

SOVEREIGNTY ISSUE SHOULD NOT BE UNDERESTIMATED. THE BEST WAY

FORWARD AT THIS STAGE WAS THROUGH IMPROVED BILATERAL RELATIONS

WITH ARGENTINA: DISCUSSION OF THE FALKLANDS PROBLEM SHOULD BE PUT TO ONE SIDE FOR THE MOMENT. BELAUNDE SAID THAT HE WOULD ALMOST CERTAINLY BE INVITED TO ALFONSIN'S INAUGURATION AND UNDERTOOK TO MAKE LADY YOUNG'S POINT TO HIM. BUT HE MADE IT CLEAR THAT HE FELT THAT NEGOTIATIONS OVER THE FUTURE OF THE ISLANDS WOULD HAVE TO COME EVENTUALLY AND IT WAS CLEAR THAT HE EXPECTED SOME MOVEMENT AFTER THE NEW ARGENTINE GOVERNMENT ASSUMED OFFICE.

FCO PLEASE PASS ALL.

SHAKESPEARE.

REPEATED AS REQUESTED

LIMITED SAMD FID ann PROTOCOLD PUSD NEWS D INFO D PLANNING STAFF PS LADY YOUNG PS | MRWHITNEY PSI PUS SIRT BULLARD MRGIFFARD MRWRIGHT MRURE CABINET OFFICE

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transfer of power to a government led by Dr Alfonsin, and to hear your personal views on possible ways forward to resolve the dispute between Britain and Argentina over the Falkland Islands. I have put the points you made to my colleagues in London, including the Prime Minister, and they have reflected carefully on them.

Since we met, the Prime Minister has made a number of comments which are most relevant to our discussion. She reiterated the British Government's welcome to the election of a democratic government in Argentina. She expressed the hope that if democracy means self-determination in Argentina, the Argentines ought to recognise that it extends to other countries too. In an interview published on 7 November she said, 'I am willing to enter into talks. We want good commercial relations, diplomatic relations. We want normal relations. But I am not entering into talks about sovereignty'. You will remember that I emphasised to you on 4 November the view that the best way forward at this stage is through improved bilateral relations with Argentina, with discussion of the Falklands problem being put to one side. I very much hope that you will agree that this is indeed the only feasible means of starting the work of recreating confidence between Argentina and ourselves.

I was very pleased when, during my conversation with your Foreign Minsiter on 7 November he undertook, if an opportunity presented itself, to convey to the new Argentine Government our view that the most profitable way ahead is through a gradual normalisation of relations.

It would be helpful if you, Mr President, when you attend Dr Alfonsin's inauguration as President of Argentina, could convey to him your belief that we are sincere in what we say about the restoration of bilateral relations. The basis of these was destroyed by Argentina's invasion of the Falkland Islands. The new Argentine Government was not of course

NNNN ends telegram Catchword responsible

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Classification and Caveats CONFIDENTIAL

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responsible for this, but must take account of its consequences and join us in seeking to re-build the foundations of our relationship. We have taken various initiatives to this end, and we would like to see the new Argentine Government show more willingness than their predecessors to respond to them. I have no doubt that advice in this sense from a statesman of your international standing would carry much weight in Buenos

I was pleased that you felt able to share with me your personal reflections about possible solutions to the Falklands problem. But Mrs Thatcher has said in Parliament that it is premature to speculate about specific policies for the long-term future. Wounds must be given time to heal. I firmly believe that the realistic way ahead is to concentrate on re-creating the essential elements in our bilateral relations with Argentina, 16 in the way I have explained above. If you find that the new Argentine Government genuinely regard our military dispositions in the Islands as a strategic base with a wider purpose than that of defending the Islands - Radical spokesmen have been making much of this point - I should be very grateful if you could also take the opportunity to tell Dr Alfonsin that these allegations misrepresent our policy. We have a commitment to 24 deter further aggression: our military deployments in the Islands 25 are for that purpose, and that alone. The new airfield has a 26 military role which we hope will fall away. It also has a 27 very important civilian role - its construction meets Lord 28 Shackleton's recommendations for improved air communications, which are vital to the development of the Islands' economy. 30 ENDS

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31 3. Ministers here are content with this text. Subject to Lady 32 Young's views on it, we envisage HM Ambassador in Lima transmitt-

33 ing it to President Belaunde in the week beginning 14 November,

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34 as proposed.

telegram

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Catchword HOWE

## OUT TELEGRAM (CONT)

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### 10 DOWNING STREET

From the Private Secretary

8 + 15711 )

14 November, 1983

#### Falklands

Thank you for your letter of 11 November.

As I told you on the telephone this morning, the Prime Minister has approved the enclosed message from Lady Young to the President of Peru.

A.J. COLES

P. F. Ricketts, Esq., Foreign and Commonwealth Office

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