

PS  
PS/LPS

PS No. 10 DOWNING ST.

PS/LORD TREFGARNE  
PS/PUS  
MR GIFFARD  
MR WRIGHT  
MR ADAMS  
MR URE  
MR GILLMOREPS/CHANCELLOR  
SIR K COUZENS  
MR LITTLER  
MR HAWTIN  
MR PERETZ  
MR ILETT  
MR MCINTYRE

H.M.Tsy

HD/SAMD (FCO DIST + A/D F/I)  
HD/DEF D  
HD/NEWS D  
HD/UND  
HD/PLANNING STAFF  
HD/HKGD

Miss DICKSON (EIP DIV) D/En

DIO CABINET OFFICE

Mr Wade-Gery Cabinet Office

RESIDENT CLERK

44 DIST

Copies passed to Emergency Staff, MOD Sitcen and CinC Fleet)

GRS 770A

CONFIDENTIAL

FM LIMA 081630Z APRIL 82

TO IMMEDIATE F C O

TELEGRAM NUMBER 74 OF 8 APRIL

INFO IMMEDIATE WASHINGTON

FALKLANDS

1. I CALLED ON THE PERUVIAN FOREIGN MINISTER LAST NIGHT TO COMMUNICATE TO HIM THE TEXT OF THE EUROPEAN COMMISSION'S PRESS STATEMENT ON 6 APRIL AND TO DRAW HIS ATTENTION TO THE REFERENCE TO THE OAS. IN THE CONVERSATION THAT FOLLOWED, THE FOREIGN MINISTER SAID THAT HE UNDERSTOOD THAT THE ARGENTINE AMBASSADOR HAD STATED EITHER ON TV OR IN A PRESS BRIEFING THAT ARGENTINA WAS DISPOSED IN CERTAIN CONDITIONS TO WITHDRAW FROM THE FALKLANDS. DR ARIAS ASKED IF I KNEW ANYTHING ABOUT THIS SUGGESTION, ADDING THAT THE PERUVIANS WERE MUCH CONCERNED BY THE PROSPECT OF THE ARRIVAL OF THE BRITISH FLEET IN THE SOUTH ATLANTIC AND THE POSSIBILITY OF A CONFRONTATION. HE SAID THAT HE HAD JUST LEFT A MEETING OF OFFICIALS IN WHICH THE SITUATION HAD BEEN ASSESSED WITH ALL THE IMPLICATIONS THIS MIGHT HAVE FOR PERU, PARTICULARLY IN THE CONTEXT OF THE FORTHCOMING MEETING OF THE CONSULTATIVE COUNCIL OF THE OAS WHICH HAD BEEN CALLED FOR BY ARGENTINA, AS WELL AS ON THE NATURE OF THE PERUVIAN RESPONSE TO AN EVENTUAL ARGENTINE APPEAL UNDER THE TERMS OF THE 1947 INTERAMERICAN MUTUAL ASSISTANCE TREATY. WHEN I INTERJECTED THAT I WAS CONCERNED BY THE MANNER IN WHICH LOCAL PARLIAMENTARY AND PRESS COMMENT HAD BECOME MORE BIASED IN RECENT DAYS, HE REFERRED TO THE TRADITIONAL BONDS WITH ARGENTINA

WHICH LOCAL PARLIAMENTARY AND PRESS COMMENT HAD BECOME MORE BIASED. IN RECENT DAYS, HE REFERRED TO THE TRADITIONAL BONDS WITH ARGENTINA BUT ADDED THAT IN SPITE OF SOME DISCUSSION ABOUT THE PROSPECT OF ISSUING A FURTHER GOVERNMENT STATEMENT, THE VIEW HAD PREVAILED TO ALLOW THE FIRST COMMUNIQUE (MY TEL NO 65) TO CONTINUE TO REPRESENT THE FORMAL PERUVIAN POSITION.

2. DR ARIAS THEN SAID THAT A WAY HAD TO BE FOUND TO ALLOW THE ARGENTINES TO WITHDRAW FROM THE FALKLANDS WITHOUT LOSING FACE AND THUS PERMIT THE TERMS OF THE SECURITY COUNCIL RESOLUTION (TO WHICH HE KNEW WE ATTACHED THE GREATEST IMPORTANCE) TO BE IMPLEMENTED. IF THE TWO SIDES COULD BE KEPT APART AND THE PROSPECT OF SHOOTING AVERTED, THE TALKING AND THE NEGOTIATIONS COULD BE RESUMED WITHIN THE FRAMEWORK OF THE UN RESOLUTION. BUT HE THOUGHT THE ARGENTINES WOULD NOT AGREE TO ALLOW THE BRITISH SIMPLY TO REPLACE THEM AGAIN IN THE FALKLANDS AND THAT A SOLUTION MIGHT BE POSSIBLE BY CREATING A TEMPORARY THIRD PRESENCE IN THE FALKLANDS, PROVIDED BY MEMBERS OF THE OAS, IN ORDER TO ALLOW THE ARGENTINES TO WITHDRAW WITHOUT (HE REPEATED) LOSING FACE. HE TOLD ME IN CONFIDENCE THAT IN ACCORDANCE WITH THE PERUVIAN GOVERNMENT'S INTEREST IN KEEPING THE TEMPERATURES DOWN HE HAD DECIDED NOT (REPEAT NOT) TO ATTEND THE OAS MINISTERIAL MEETING IN WASHINGTON AND LEAVE PERUVIAN REPRESENTATION TO THEIR PERMANENT AMBASSADOR. BUT IF WE THOUGHT HIS IDEAS HAD ANY MERIT AT ALL OR OFFERED ANY HOPE OF A WAY OUT, HE WOULD GLADLY GO TO WASHINGTON TO PUT THEM FORWARD.

3. I REMINDED DR ARIAS THAT OUR IMMEDIATE OBJECTIVE WAS THE RESTORATION OF BRITISH SOVEREIGNTY OVER THE FALKLANDS AND I EXPRESSED DOUBTS ABOUT THE SUITABILITY OF AN OAS FORCE OR PRESENCE IN THE ISLANDS BECAUSE THE MAJORITY OF THE OAS COUNTRIES WERE SYMPATHETIC TO THE ARGENTINE CLAIM. DR ARIAS ACCEPTED THIS AND SAID THAT IN THAT CASE SOME SORT OF QUOTE INTERNATIONAL PRESENCE UNQUOTE COULD BE CREATED, INCLUDING OAS REPRESENTATION, WHICH WOULD AT LEAST SAVE FACE ON BOTH SIDES SEMICOLON ENABLE THE ARGENTINES TO WITHDRAW AND THE NEGOTIATIONS TO CONTINUE AND, ABOVE ALL, ELIMINATE THE POSSIBILITY THAT SOMEBODY WOULD START SHOOTING, IN WHICH CASE THE FULL CONSEQUENCES AND IMPLICATIONS WERE UNPREDICTABLE.

4. WHEN I TOLD DR ARIAS THAT I WOULD REPORT HIS REMARKS TO YOU, HE SAID HE WOULD GET IN TOUCH ALSO WITH THE ARGENTINE AMBASSADOR AND REPEATED THAT HE WAS READY TO GO TO WASHINGTON TO PUT FORWARD HIS PROPOSALS FOR AN INTERNATIONAL PRESENCE IN THE FALKLANDS IF WE THOUGHT THIS WOULD HELP.

5. DR. ARIAS DID NOT SAY THAT THESE IDEAS WERE BEING PROPOSED AS A FORMAL GOVERNMENT APPROACH AND GAVE THE IMPRESSION THAT THIS WAS A PERSONAL INITIATIVE. AS SEEN FROM LIMA, THERE SEEMS TO BE SOMETHING TO BE SAID FOR KEEPING IN PLAY AT THE OAS THE POSSIBILITY OF A WELL-DISPOSED PERUVIAN INITIATIVE PROVIDED THIS IS NOT IN

WAS A PERSONAL INITIATIVE. AS SEEN FROM LIMA, THERE SEEMS TO BE SOMETHING TO BE SAID FOR KEEPING IN PLAY AT THE OAS THE POSSIBILITY OF A WELL-DISPOSED PERUVIAN INITIATIVE PROVIDED THIS IS NOT IN CONFLICT WITH OUR IMMEDIATE OBJECTIVES AND PARTICULARLY AS THE UNITED STATES ARE REGARDED BY MUCH OF PERUVIAN PUBLIC OPINION AS NOT (REPEAT NOT) BEING WHOLLY IMPARTIAL AS EVINCED BY THEIR SECURITY COUNCIL VOTE. PLEASE LET ME KNOW IF YOU WISH TO RESPOND IN ANY WAY TO DR. ARIAS'S REMARKS.

WALLACE

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