

CONFIDENTIAL

M LIMA 201800Z MAY 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 186 OF 20 MAY

AND TO IMMEDIATE UKMIS NEW YORK WASHINGTON

YOUR TELNO 90: FALKLANDS

20M (111)
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Handwritten signature

1. THE PRESIDENT RECEIVED ME AT 1115 WHEN I COMMUNICATED TO HIM THE TEXT OF THE DRAFT INTERIM AGREEMENT PLUS THE TEXT OF THE MEMORANDUM. I ALSO SPOKE ON THE LINES OF PARA 5 OF YOUR TELNO 88 AND PARA 3 OF YOUR TELNO 90.

2. PRESIDENT BELAUNDE SAID HE WAS GRATEFUL FOR THE MANNER IN WHICH WE WERE KEEPING HIM INFORMED OF DEVELOPMENTS IN THE SOUTH ATLANTIC WHICH, AS WE KNEW, HE REGARDED AS BEING OF THE UTMOST GRAVITY. AFTER A GLANCE THROUGH THE VARIOUS DOCUMENTS AND TRANSLATIONS HE SAID HE WOULD STUDY THEM THOROUGHLY AND IN GREATER DETAIL AS SOON AS POSSIBLE. HE THEN SAID THAT AS PERU HAD ALREADY TAKEN CERTAIN INITIATIVES WHICH HE THOUGHT HAD FOUND PARTIAL FAVOUR ON BOTH SIDES, HE WONDERED WHETHER THERE WAS ANYTHING ELSE THAT PERU COULD SUGGEST IN THE CIRCUMSTANCES. HE THOUGHT IT ESSENTIAL THAT SOMETHING SHOULD BE DONE TO BRING ABOUT A CEASEFIRE AS ANY OTHER ALTERNATIVE WAS TOO AWFUL TO CONTEMPLATE.

3. PRESIDENT BELAUNDE THEN SAID THAT WHEN HE HAD HEARD OF MY REQUEST FOR AN APPOINTMENT HE HAD PREPARED A SET OF PROPOSALS (HE EMPHASISED THAT WHAT HE WAS SAYING WAS IN THE STRICTEST CONFIDENCE WHICH I SHOULD BE GRATEFUL IF YOU WOULD PROTECT) BASED ON THE PERUVIAN EXPERIENCE WITH ECUADOR IN FEBRUARY 1981 WHEN IT HAD SOON BECOME APPARENT THAT WHILE BOTH SIDES WANTED A CEASEFIRE THERE WAS NO SINGLE DOCUMENT TO WHICH ECUADOR AND PERU WERE WILLING TO APPEND THEIR SIGNATURE BECAUSE ECUADOR REFUSED TO RECOGNISE THE 1948 RIO ARBITRATION. HE HAD THEREFORE PUT FORWARD THE QUOTE TWO DOCUMENT SOLUTION UNQUOTE IN WHICH EACH SIDE AGREED TO A CEASEFIRE AND INCLUDED ALL THOSE AREAS IN WHICH AGREEMENT HAD BEEN REACHED AS WELL AS THOSE AREAS ON WHICH THEY DIFFERED AND WHICH WERE TO BE THE SUBJECT OF FURTHER NEGOTIATION. HE HAD THEREFORE PUT DOWN ON PAPER HIS PROPOSALS IN OUTLINE WHICH HE ASKED ME TO TRANSMIT TO YOU IF I THOUGHT THIS WAS WORTH DOING AT THIS STAGE. THE ENGLISH TRANSLATION OF THE PRESIDENTS' DOCUMENT (OF WHICH HE ASKED ME TO PROVIDE HIM WITH A COPY) IS IN MIFT. IN REPLY TO MY QUESTION, THE PRESIDENT SAID THAT HE HAD NOT TRANSMITTED HIS PROPOSALS TO THE SECRETARY GENERAL OF THE

