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CONFIDENTIAL

FM FCO 211135Z MAY 82

TO FLASH LIMA

TELEGRAM NUMBER 122 OF 21 MAY 1982

INFO IMMEDIATE UKMIS NEW YORK, WASHINGTON

YOUR TELNOS 186-189: FALKLAND ISLANDS: NEW PERUVIAN FORMULA

1. BELAUNDE'S NEW FORMULA IS OF COURSE SIMPLISTIC AND OFFERS NO APPARENT MEANS OF BRIDGING THE VERY WIDE GAP BETWEEN OUR AND THE ARGENTINE POSITION. IT IS CONCERNED WITH PROCEDURES RATHER THAN SUBSTANCE AND WE DO NOT SEE THAT IT OFFERS ANY PRACTICAL WAY FORWARD. HOWEVER, WE APPRECIATE THAT BELAUNDE'S INITIATIVE IS WELL-MEANING AND (PARTICULARLY IN VIEW OF THE APPARENT COLOMBIAN SUPPORT FOR IT) WE DO NOT WISH TO APPEAR SIMPLY DISMISSIVE. PLEASE THEREFORE SPEAK TO BELAUNDE AS FOLLOWS. BEGINS.

THROUGHOUT THE PRESENT CRISIS WE HAVE WARMLY APPRECIATED PRESIDENT BELAUNDE'S STATESMANLIKE EFFORTS TO PROMOTE A PEACEFUL SOLUTION. WE HAVE BEEN AS DISAPPOINTED BY THE FAILURE OF THE UN SECRETARY GENERAL'S EFFORTS AS WE WERE BY THE PREVIOUS ARGENTINE REJECTION OF THE PROPOSALS EVOLVED BY PRESIDENT BELAUNDE AND MR HAIG. WE RECOGNISE THE CONSTRUCTIVE PURPOSE OF THE PRESIDENT'S NEW INITIATIVE AND WE CONFIRM OUR OWN WILLINGNESS TO NEGOTIATE A SETTLEMENT WHICH COULD BRING TO AN END CONFLICT IN THE SOUTH ATLANTIC. HOWEVER, AS THE RECENT ROUND OF NEGOTIATIONS IN NEW YORK HAS ALL TOO CLEARLY DEMONSTRATED, A PEACEFUL SETTLEMENT WILL ONLY BE ATTAINABLE THROUGH A FUNDAMENTAL CHANGE IN THE ARGENTINE POSITION. THE ESSENTIAL FIRST STEP IS, AS IT HAS ALWAYS BEEN, AN UNEQUIVOCAL ARGENTINE COMMITMENT TO WITHDRAW ITS FORCES AND TO IMPLEMENT FULLY THE TERMS OF SECURITY COUNCIL RESOLUTION 502. IF PRESIDENT BELAUNDE WERE ABLE TO EXERT HIS CONSIDERABLE INFLUENCE WITH PRESIDENT GALTIERI IN ORDER TO BRING THIS ABOUT, THE PROSPECTS FOR A PEACEFUL AND NEGOTIATED SETTLEMENT WOULD BE IMMEDIATELY TRANSFORMED. ENDS.

2. WITH REFERENCE TO PARA 4 OF YOUR TELNO 186, YOU SHOULD (UNLESS YOU CONSIDER THAT THIS WOULD BE COUNTER-PRODUCTIVE) GO ON



TO SAY THAT WE UNDERSTAND THE DIFFICULTY OF PERU'S POSITION AND THE PROBLEMS FOR THE PRESIDENT FROM PERUVIAN ARMED FORCES' LINKS WITH ARGENTINA. BUT WE WOULD TAKE A VERY SERIOUS VIEW OF ANY PERUVIAN ACTION TO PROVIDE MILITARY SUPPORT FOR ARGENTINA, WHICH WOULD ONLY HELP ARGENTINA TO SUSTAIN AND CONSOLIDATE ITS UNLAWFUL AND UNPROVOKED AGGRESSION. SUCH ACTION COULD ONLY MAKE A PEACEFUL NEGOTIATED SETTLEMENT HARDER TO ACHIEVE.

3. MIFT GIVES THE TEXT OF THE LINE WHICH WILL BE TAKEN BY NEWS DEPT AT 1130Z TODAY.

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