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BRITISH EMBASSY,
LIMA.

18 March 1981

P R Fearn Esq
South America Department
FCO

Dear Robin,

VISIT OF DR ULLOA

1. Further to my telephone conversation this morning with Andrew George, this is to confirm that when I spoke to him last night, Dañino thought the Prime Minister would prefer to leave the programme as it was at present because he knew that Ulloa had welcomed the prospect of having some free time on the morning of Wednesday 1 April before the press conference takes place. But he also agreed about the importance of having adequate time to visit both Houses of Parliament and concurred with your suggestion that ad hoc arrangements might be made for Wednesday morning if necessary.
2. I also spoke to Dañino about gifts. He said straight away that it was Ulloa's intention to bring a gift for the Prime Minister. When I tried to discourage him on the lines of FCO telegram number 39, he said that he would do his best but could not guarantee success. He also confirmed that there were no dietary restrictions or preferences to take into account and that he saw no objection to the meeting with the Minister of State for Defence, Lord Trenchard, in Mr Nott's absence abroad.
3. As a result of my telephone conversation this morning I have also confirmed to the Peruvians that they will be staying at Claridge's.
4. You should also know that for the first time Dañino asked me last night about economic and technical aid and enquired with whom Dr Ulloa could discuss these topics. When I pressed him to be more explicit he spoke about government backed export finance and suppliers' credit for projects and development works in Peru's priority sectors. I replied that export finance and suppliers' credits fell

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within the area of responsibility of the Secretary of State for Trade who figured on his programme for a meeting on the afternoon of Tuesday 31 March. On the question of overseas aid and technical cooperation, I said that this came within the overall responsibility of the Secretary of State for Foreign and Commonwealth Affairs and reminded him straight away that overseas aid had been reduced in the last budget, of which he took note. I shall also speak to Dr Ulloa.

5. Dañino's enquiry was clearly being made against the general background of torrential rains which, in recent weeks, have at last broken the five year drought in the sierra. As a result, we are now suffering the worst floods and avalanches Peru has experienced in the last fifty years or so with extensive damage to roads and bridges throughout the country and to housing and villages in areas close to flooded rivers. According to Dañino, several foreign governments have already offered emergency economic aid. To make matters worse, last night there took place the worst railway disaster that Peru has known for a hundred years, when a goods train collided with a stationary passenger train in a station 120 kms from Arequipa; there were thirty dead and over one hundred injured. There was also extensive damage to rolling stock etc. In this connection, please see my letter of 2 March to David Dell in the Department of Industry (copied to you).

6. Finally, I also told Andrew George that I had an appointment to see Dr Ulloa at 5 pm on Tuesday 24 March which is the last opportunity I shall have of talking to him apart from seeing him off at the airport.

Yours ever,
Charles

C W WALLACE

cc Protocol & Conference Dept, FCO