

cc?c/
Blup



Foreign and Commonwealth Office

London SW1A 2AH

16 May 1989

Prime Minister

Dear Charles

We have arranged
for you to see him
briefly after
questions

Peru: Visit of Sr Mario Vargas Llosa

Thank you for your letter of 11 May telling me that the Prime Minister might be able to see Sr Vargas Llosa at 1545 on Thursday 18 May. The COI organisers are, I understand, in touch with you about the timing.

summary

CAF

17/5

Sr Vargas Llosa is a well-known and highly respected Latin American novelist turned politician. He has turned to politics as a result of the economic ravaging of his country under President Garcia's rule since 1985, and particularly Garcia's attempt to nationalise the banks in 1987. He is the leading figure of the newly-formed alliance of Peruvian conservative parties, Fredemo. He is a leading contender to succeed Garcia at the Presidential elections due in March 1990, and is a fervent admirer of the British Government's economic policies, which he would like to see applied in Peru.

Peru has fallen into ever-deeper political and economic chaos over the past few years. It is beset by recession, falling living standards and hyper-inflation and has stopped paying most of the interest on its international debts. Terrorist activity, mainly by Sendero Luminoso, has increased and much of the country is under martial law. Two APRA (ruling party) Parliamentary Deputies have been murdered in recent weeks. To make matters worse the terrorists are in effective alliance with the drug barons, and Peru is the world's biggest producer of coca.

President Garcia's Prime Minister and Cabinet resigned on 8 May. The only real hope for the economy is for Peru to re-establish relations with the IFIs and accept an IMF programme which includes repayment of interest arrears. Sr Larco Cox, the then Foreign Minister, showed little understanding of this when he was here in April. The Prime Minister might like to ask Sr Vargas Llosa how he thinks he can effectively stop the rot in Peru.

I enclose a Personality Note.

Yours are

R N Peirce

(R N Peirce)
Private Secretary

CONFIDENTIAL

VARGAS LLOSA, SR MARIO

A leading Peruvian novelist.

Born Arequipa 1936.

Graduate of the Universities of San Marcos (Lima) and Madrid. Has spent many years in Europe. Lectured on Latin-American literature at Queen Mary College, London 1967-68. Appointed President of the International Pen Club in October 1976, and visited Moscow in that capacity.

Was awarded the important "Gallegos Prize" by the Venezuelan Government in 1967. His best-known works, notably for their acute observation of Peruvian life, are "Los Jefes" (the Chiefs), "La Ciudad y Los Perros" (The City and the Dogs), "La Casa Verde" (The Green House) and "La Guerra del Fin del Mundo" (The War at the End of the World). Spent a year at Churchill College, Cambridge, under the auspices of the Bolivar Foundation, from 1978/79. Held strong, but not dogmatic left-wing views but changed dramatically during the later years of the Belaunde regime (1980-85), switching to the centre-right.

In 1987 led a campaign against President Garcia's proposal to nationalise banks and financial institutions, formed the "Liberty" movement and was spoken of as a possible candidate behind whom the right might unite to fight the 1990 presidential election.

Married. Speaks good English and French. He spends much time abroad, especially in London, where he owns a house.

P6w: Cerations, June 80

176 V

18



File Kls
a file PC
Amada.

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

11 May 1989

PERU

Thank you for your letter of 9 May asking whether the Prime Minister could find time to see Mario Vargas Llosa briefly while he is in the United Kingdom.

The Prime Minister would like to see him but it is not easy to find a time. If he could be at No. 10 at 1545 on Thursday, 18 May, there is a good chance that the Prime Minister could see him for about 20 minutes. I should be grateful if this could be proposed to him and if you could let me have a short brief for a meeting.

CHARLES POWELL

R. N. Peirce, Esq.,
Foreign and Commonwealth Office.

6



070

~~Loate~~
①

Foreign and Commonwealth Office

London SW1A 2AH

18 May
1600

9 May 1989

Prime Minister

You met Vargas Llosa
once before. Hugh Thomas
is keen for you to see
him briefly again.

Dear Charles

Peru

Agree to find 20 minutes?

As I think you are aware, we are arranging some appointments for the well-known Peruvian writer, and likely Conservative Presidential candidate in the March 1990 Presidential elections in Peru, Mario Vargas Llosa, who will be visiting London from 16-18 May. Our Ambassador in Lima has raised the possibility of a call by Vargas Llosa on the Prime Minister (who met him at Lord Thomas's house three years ago). Sr Vargas Llosa's campaign centres on the need for economic liberalisation and political changes of the kind which have proved successful in Britain, and for Peru to move away from non-alignment, and he already has good party links in the UK (his campaign manager attended the Conservative Party Conference in 1988).

CDP
9/5

7/6
mt

The Foreign Secretary will be seeing Vargas Llosa and there is no need for the Prime Minister to do so. But Vargas Llosa's prospects in the elections look good and if the Prime Minister were disposed to see him briefly it would be worthwhile.

Yours ever

Bob

(R N Peirce)
Private Secretary

C D Powell Esq
10 Downing Street

160
P. 4

