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TO IMMEDIATE FCO
TELEGRAM NUMBER 92 OF 14 APRIL
INFO IMMEDIATE WASHINGTON



FALKLANDS: MY TELNO 90 AND 91.

1. I WAS SUMMONED TO SEE THE PRESIDENT AT NOON TODAY. HE RECEIVED ME TOGETHER WITH THE PRIME MINISTER. THE FOREIGN MINISTER WAS NOT PRESENT NOR WAS ANYBODY ELSE.

2. THE PRESIDENT SAID HE WISHED TO EXPLAIN WHY HE HAD FOUND IT NECESSARY TO REITERATE THE PERUVIAN REQUEST FOR A TRUCE AND TO GIVE ME SOME OF THE MOTIVES BEHIND HIS DECISION. HE SAID HE WAS GRATEFUL FOR THE TERMS OF YOUR REPLY (YOUR TELNO 61) AND THAT HE QUITE UNDERSTOOD THE REASONS WHICH HAD LED YOU NEITHER TO REJECT NOR ACCEPT THE PERUVIAN PROPOSAL SEMICLN BUT THAT, AT THE SAME TIME, HE WAS SERIOUSLY WORRIED BY THE INCREASING GRAVITY OF THE SITUATION AND THE PROSPECT OF ACTUAL HOSTILITIES WHICH WAS DRAWING NEARER EVERY HOUR. HE THOUGHT THAT YOU WOULD UNDERSTAND THAT IT WAS HIS WISH TO AVOID THIS PROSPECT, WHICH WOULD HAVE FAR-REACHING CONSEQUENCES AND REACTIONS, THAT HAD ENCOURAGED HIM TO SEND HIS SECOND MESSAGE IN THE HOPE OF CREATING SOME ADDITIONAL TIME IN WHICH A PEACEFUL SOLUTION MIGHT BE FOUND.

3. THE PRESIDENT WENT ON TO SAY THAT HIS LATEST INFORMATION WAS THAT MR HAIG WAS NOT OPTIMISTIC ABOUT ANY NEGOTIATED SOLUTION AND THAT REPORTS REACHING LIMA FROM THE PERUVIAN AMBASSADOR IN WASHINGTON WERE TO THE EFFECT THAT THERE WERE INCREASING PRESSURES FOR A COMMON LATIN AMERICAN REACTION TO THE THREAT OF BRITISH MILITARY ACTION IN THE SOUTH ATLANTIC WITH THE PROSPECT OF INVOKING THE INTER-AMERICAN MUTUAL ASSISTANCE TREATY AND IMPLEMENTING OTHER COLLECTIVE MEASURES AGAINST THE UNITED KINGDOM. THE PRESIDENT THOUGHT IT TRAGIC THAT ALL THE EFFORT MADE FOR SO MANY YEARS TO ESTABLISH AND CONSOLIDATE THE GOOD RELATIONS WHICH HAD EXISTED FOR SO LONG BETWEEN SOME OF THE COUNTRIES OF LATIN AMERICA AND THE UNITED KINGDOM SHOULD NOW BE THREATENED IN THIS MANNER AND THAT COUNTRIES LIKE PERU MIGHT HAVE TO SUFFER THE CONSEQUENCES OF A DISPUTE WITH WHICH THEY WERE NOT EVEN DIRECTLY CONCERNED. BUT THE EMOTIONAL REACTION IN LATIN AMERICA HAD BEEN STRONG AND THE PRESSURES WERE GROWING FOR A MORE GENERAL DEFINITION OF POSITIONS AGAINST THE UNITED KINGDOM. IN ADDITION, WE HAD TO CONTEND WITH THE FACT THE MILITARY GOVERNMENT IN ARGENTINA HAD UNITED THE NATION BEHIND IT BY THEIR INITIATIVE IN A WAY WHICH NO OTHER MEASURE WOULD HAVE ACHIEVED. UNLESS THEREFORE A FACE-SAVING FORMULA PERMITTING AN ARGENTINE CLIMBDOWN COULD BE FOUND THE FULL CONSEQUENCES WERE UNPREDICTABLE. AT THIS STAGE DR ULLOA INTERJECTED THAT IN THE EVENT OF HOSTILITIES THE DEFEAT OF THE ARGENTINE MILITARY FORCES BY

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THE BRITISH WOULD RESULT IN THE COLLAPSE OF THE MILITARY GOVERNMENT IN ARGENTINA AND CREATE A VACUM WHICH WOULD BE FILLED BY EXTREMIST POLITICAL MOVEMENTS WITH THEIR CONSEQUENTIAL TERRORISM AND SUBVERSION. PERU CERTAINLY HAD NO INTEREST IN SEEING AN INCREASE IN THIS KIND OF ACTIVITY IN LATIN AMERICA.

4. I SAID THAT WE MUCH APPRECIATED THE PRESIDENT'S GREAT INTEREST IN THE CRISIS AS WELL AS HIS EFFORTS AT CONCILIATION. I SAID HE WAS ALREADY AWARE OF THE STRENGTH OF THE REACTION WHICH THE ARGENTINE INVASION HAD CAUSED IN BRITAIN, EUROPE AND THE COMMONWEALTH AND THAT THE ARGENTINE DECISION TO PURSUE A TERRITORIAL CLAIM BY MILITARY MEANS WOULD BE A DANGEROUS PRECEDENT FOR MANY COUNTRIES INCLUDING SOME IN LATIN AMERICA. I THEN SPOKE FURTHER ON THE LINES OF YOUR TELNO 302 TO UKREP BRUSSELS.

5. PRESIDENT BELAUNDE SAID THAT HE ALSO HAD BEEN IMPRESSED BY THE STRENGTH OF THE PUBLIC AND PARLIAMENTARY REACTION IN THE UNITED KINGDOM AND UNDERSTOOD PERFECTLY THAT DEMOCRATIC GOVERNMENTS HAD TO TAKE THIS INTO ACCOUNT. AS AGAINST THIS, WE HAD TO CONTEND ALSO WITH THE CLOSE LINKS OF FRIENDSHIP WHICH EXISTED BETWEEN THE ARMED FORCES OF MANY OF THOSE COUNTRIES MOST CLOSELY CONCERNED IN THE PRESENT CRISIS. HE THEREFORE THOUGHT IT WOULD BE A GREAT TRAGEDY IF EVERY POSSIBILITY WAS NOT THOROUGHLY EXAMINED IN ORDER TO AVOID HOSTILITIES IN CIRCUMSTANCES WHICH WOULD NOW PRESENT THE BRITISH AS THE AGRESSOR TO PUBLIC OPINION IN LATIN AMERICA. HENCE HIS SECOND LETTER.

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