



Foreign and Commonwealth Office

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29 July 1982

Phy

C W Wallace Esq CVO
LIMA

Dear Charlie

FALKLANDS - PERU

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1. I must apologise most sincerely for being so long in replying to your Personal letter of 14 June. This would not have happened in the well-ordered days in the Department before the Falklands crisis! I can only say that the last few months have been pretty nightmarish: first, in the Emergency Unit operating at top speed round the clock with constant change of staffing and consequent lack of continuity: now, in a Department greatly swollen in size and still dealing with a volume of paper and action which is at times almost unmanageable.

2. So I hope that you will forgive us if some of the drafting of our telno 126 was loose: it was undoubtedly prepared under pressure and the precise wording may not have been properly researched. "Numerous high level contacts" reflected the fact that there had been frequent exchanges of messages with the Peruvian Government in the course of the crisis. In the reference to Belaunde's influence with the Argentines the important words were "in any useful way", ie in any way which could induce the Argentines to adopt a position which was ~~in any way~~ consistent with our own requirements. We have throughout appreciated Belaunde's good intentions, his reservations on the Argentine invasion, and his genuine difficulties with his military and with Peruvian public opinion. But the fact, which you mention, that he did not condone our use of force in resolving the conflict, illustrated the problems for us. In deciding not to send a further message to Belaunde, we were anxious to avoid being presented with further variations of ceasefire proposals, which we could not have accepted and which would thus have only served to convince the Peruvians of our inflexibility. Peru's vote at the second Rio Treaty meeting and the statements by Arias made clear her fundamental alignment with Argentina. All this is understandable, even natural, for a Latin American country. But Peru went further than most others in the region in support of Argentina and this put clear limits on Peru's and Belaunde's usefulness to us at a time when force was evidently the only way in which an Argentine withdrawal could be achieved, without leaving it with solid benefits from its aggression.



3. We must now of course look to the future. We want to restore a friendly relationship with Peru, though we recognise that we may have to move circumspectly in doing so. There will however be problems unless the question of arms supplies to Argentina can be satisfactorily put to bed. We will continue to attach importance to this and, if we cannot secure appropriate reassurances, it is bound to make a full restoration of good relations much more difficult to achieve.

4. Finally, may I say what I should have said at the start of this letter. We are most grateful to you and your staff for all the hard and skilful work which you have done for British interests during the last few months. Your footwork has been impeccable in very difficult circumstances and your reporting thorough and extremely helpful. Any deficiencies have been at this end.

Yours ever
P R Fearn

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PS In your final paragraph you refer to FCO telno 1052 to Washington: but that dealt with the visit to Washington of the Minister of State for Energy (copy attached).