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E C P E T LIMA 4511

DECAPTIONED

RELEASED IN FULL

E O 12065 GDS 5/2/88 (ORTIZ, FRANK V.) OR-M TAGS: PBOR, PEPR, FA, AR, UK, PE, US SUBJ: PERUVIAN INITIATIVE

REF: LIMA 4510

- 1. (FETT -ENTIRE TEXT).
- 2. I SAW PRESIDENT BELAUNDE, PRIME MINISTER ULLOA, AND FOREIGN MINISTER ARIAS STELLA AT 12:30 P.M. LIMA TIME MAY 2. I ADVISED THE PRESIDENT THAT SECRETARY HAIG ATTEMPTED TO REACH HIM BUT THE PRESIDENT WAS AWAY AT A CEREMONY. I THEN PASSED TO THE PRESIDENT THE MESSAGE FROM THE SECRETARY AS GIVEN TO ME BY ASSISTANT SECRETARY ENDERS EMPHASIZING THAT THE SECRETARY'S OBSERVATIONS WERE MADE IN ANTICIPATION OF HIS CONVERSATIONS WITH FOREIGN SECRETARY PYM AND WERE NOT, THEREFORE, THE POSITION OF THE UK WHICH WOULD NOT BE KNOWN UNTIL AFTER THE DISCUSSIONS.
- 3. PRESIDENT BELAUNDE RECOUNTED TO ME HIS CON-VERSATION EARLIER THAT MORNING WITH PRESIDENT GALTIERI. GALTIERI ADVISED HIM THAT AS REGARDS THE SEVEN POINTS OF THE PEACE PLAN HE HAD THE BEST DISPOSITION AND GOOD-WILL. HE WOULD BE MEETING AT 1900 HOURS IN BUENOS AIRES (1800 HOURS WASHINGTON TIME) WITH WHAT HE



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TERMED HIS "SENATE". THESE ARE THE MEMBERS OF THE ARGENTINE JUNTA. GALTIERI SAID HE WOULD BE IN A POSITION TO GIVE ARGENTINA'S RESPONSE TO THE SEVEN-POINT PLAN WITHIN 2 HOURS THEREAFTER. WHEN GALTIERI MENTIONED POSSIBLE MINOR CHANGES IN THE FORMULATION, BELAUNDE REMONSTRATED THAT ANY CHANGES

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UNITED STATES DEPARTMENT OF STATE REVIEW AUTHORITY: OSCAR J. OLSON DATE/CASE ID: 8 NOV 2001 199903752

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WOULD MAKE SIGNIFICANT PROGRESS IMPOSSIBLE. HE SAID HE TOLD GALTIERI THAT IT WAS IMPERATIVE THAT PEACE BE ESTABLISHED IMMEDIATELY.

- 4. AT THIS POINT IN OUR CONVERSATION COSTA MENDEZ TELEPHONED. BEFORE ANSWERING THE PHONE BELAUNDE EXPLAINED TO ME THAT HE HAD DETERMINED THAT COSTA MENDEZ, "SPOKE IN THE NAME OF THE JUNTA, BUT 'AD REFERENDUM'". COSTA MENDEZ SUGGESTED TO BELAUNDE THAT THE CONTACT GROUP BE EXPANDED TO SIX MEMBERS INCLUDING VENEZUELA. BELAUNDE TOLD HIM HE HAD INDICATIONS THAT IF THE UNITED STATES WAS EXCLUDED FROM THE GROUP THE BRITISH COULD EXCLUDE PERU. COSTA MENDEZ SAID ARGENTINA WOULD INSIST THAT PERU BE INCLUDED AND BELAUNDE REPLIED THE UK MIGHT ALSO INSIST THAT THE UNITED STATES BE A MEMBER OF THE GROUP. BELAUNDE URGED THAT THE U.S. AND PERU REMAIN AS -MEMBERS OF THE CONTACT GROUP. HOWEVER AFTER THE CON-VERSATION WITH COSTA MENDEZ, BELAUNDE TOLD ME IT MIGHT BE NECESSARY FOR BOTH THE U.S. AND PERU TO "AUTO ELIMINATE" THEMSELVES FROM CONSIDERATION IF THIS BECOMES A STICKING POINT.
- 5. COSTA MENDEZ SAID THE GOA HAD AS YET MADE NO DECISION RE CANADA AS A MEMBER OF THE CONTACT GROUP. COSTA MENDEZ ALSO SAID THAT THE PEACE PROPOSAL WAS VERY VAGUE AS REGARDS TO THE DUTIES OF THE ADMINISTERING



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GROUP. BELAUNDE SAID THE VAGUENESS WAS INTENTIONAL. ANY ATTEMPT TO BE PRECISE WOULD ONLY CAUSE GREATER PROBLEMS AND THAT IT WAS ESSENTIAL THAT THE FRAMEWORK FOR PEACE BE WORKED OUT MAY 2 AS TOMORROW MAY BE TOO LATE. BELAUNDE SAID THAT GIVEN THE DIFFICULITIES OVER PARAGRAPH 5, WE WOULD REDRAFT ITS PROVISIONS IN THE HOPE THAT IT COULD SATISFY BOTH PARTIES.

- 6. FOLLOWING THE CONVERSATION WITH COSTA MENDEZ, I AND POLITICAL COUNSELOR CLARE WORKED WITH THE PERUVIAN LEADERS ON ALTERNATE WORDING FOR PARAGRAPH 5. THE NEW VERSION FOR PARA 5, WHICH SUBSEQUENTLY WAS DISCUSSED WITH THE SECRETARY AND GIVEN TO COSTA MENDEZ, FOLLOWS IN SEPTEL.
- 7. PRESIDENT BELAUNDE TOLD ME HE BELIEVED THE U.S. SHOULD BE A MEMBER OF THE CONTACT GROUP AND HIS PROPOSAL THAT PERU ELIMINATE ITSELF IF THE U.S. IS EXCLUDED MIGHT BE CONVINCING TO THE ARGENTINES.

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8. THE PRESIDENT, ULLOA, AND ARIAS STELLA ARE STANDING BY FOR A CALL FROM THE SECRETARY AND WORD FROM GENERAL GALTIERI OF THE DEFINITIVE POSITION OF THE ARGENTINE JUNTA ON THE PEACE PLAN. PRESIDENT BELAUNDE SAID THAT SHOULD FOREIGN SECRETARY PYM WISH TO CONVERSE WITH HIM ABOUT ANY DETAILS OF THE PLAN, HE WOULD BE PLEASED TO DO SO. ORTIZ

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