Date Printed: 16-Jul-2001

DOC NBR: 1982LIMA04506

CHANNEL: n/a HANDLING:

LIMA 04506 020648Z PAGE 01 ACTION NODS-00

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E O 12065 GDS 5/2/82 (ORTIZ, FRANK V.) OR-M TAGS: PBOR, PEPR, PA, AR, UK, PE, US LIMA 4505 B. LIMA 4507

SUBJ. REVISED PERUVIAN PEACE FORMULA

ENTIRE TEXT.

REF. A.

MINUTES AFTER TRANSMISSION OF REF A PRESIDENT BELAUNDE CALLED ME TO THE PALACE TO GIVE ME WHAT HE CALLED AN AMPLIFICATION AND SUBSTITUTION FOR THE PEACE FORMULA PREVIOUSLY GIVEN ME BY FOREIGN MINISTER ARIAS STELLA.

3. THE PRESIDENT, WHO WAS ACCOMPANIED BY PRIME MINISTER ULLOA AND HIS CONFIDANT MINISTER OF TRANSPORT

AND COMMUNICATIONS CHAVEZ BELAUNDE, FIRST ASKED ME AND POLITICAL COUNSELOR CLARE TO REVIEW ENGLISH AND SPANISH TEXTS OF A FORMULA ENTITLED QUOTE SOUTH ATLANTIC PEACE PROPOSAL UNQUOTE. REF B TRANSMITS THE RESPECTIVE TEXTS AS THEY WERE

CONVEYED TO PRESIDENT GALTIERI OF ARGENTINA. THERE ARE SOME MINOR DISCREPANCIES IN THE TWO VERSIONS CAUSED BY ADLIBBING BY PRESIDENT BELAUNDE WHEN



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4. PRESIDENT AND ULLOA ADVISED ME OF THEIR CONVERSATION WITH THE SECRETARY AND ASKED US TO BE PRESENT WHILE HE CONVEYED THE PROPOSAL TO PRESIDENT GALTIERI. THEY SAID THE ENGLISH VERSION WAS ACCEPTABLE TO THE SECRETARY.

WHEN GALTIERI CAME ON THE LINE BELAUNDE TOLD

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UNITED STATES DEPARTMENT OF STATE REVIEW AUTHORITY: OSCAR J. OLSON DATE/CASE ID: 11 DEC 2001 199903752

HE READ THE TWO TEXTS TO GALTIERI.

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HIN OF THE ALARM AND DISMAY WHICH THE EVENTS IN THE SOUTH ATLANTIC CAUSED IN PERU. THE SERIOUSNESS OF THE SITUATION WAS ALSO OF PROPOUND CONCERN TO THE US. BELLAUNDE WAS IN DIRECT CONTACT WITH SECRETARY HAIG IN THE ABSENCE FROM WASHINGTON OF PRESIDENT REAGAN. BELLAUNDE SAID HE WISHED TO COMMUNICATE THE TEXT OF A PROPOSAL WHICH HE HAD DISCUSSED FULLY WITH SECRETARY HAIG AND WHICH BELAUNDE HOPED THE SECRETARY COULD PRESENT TO BRITISH FOREIGN SECRETARY IN WASHINGTON AT ELEVEN A.M. EDT MAY 2. THE FORMULA HAD NO VALIDITY UNLESS IT WAS ACCEIED BY ARGENTINA.

6. MHEN GALTIERI INDICATED HIS WILLINGMESS TO CONSIDER SUCH A FORMULA BELAUNDE READ HIM THE TWO VERSIONS WHICH WERE RECORDED BY THE ARCENTINES. THE TWO PRESIDENTS DISCUSSED VARIOUS ASPECTS OF THE PROPOSAL. GALTIERI QUESTIONED THE INCLUSION OF BERZIL AND WEST GERMANY BUT DID NOT OBJECT TO THEM INITIALLY. HE ASKED IF THE OTHER GOVERNMENTS HAD BEEN APPROACHED AND WAS ASSURED THEY HAD NOT BEEN BELAUNDE SAID HE WAS MAKING THIS PROPOSAL WITH EMOTION AND FERVOR TO HEAD OFF TERRIBLE EVENTS AND BLOODSHED. GALTIERI SAID THEY ALREADY WERE TRANSPIRING. BELAUNDE MASE GALTIERI TO MEDITATE ON THESE PROPOSALS AND IF IT WAS POSSIBLE FOR HIM TO ACCEPT THESE POINTS BELAUNDE WAS STANDING BY TO CONVEY THE ARRENTINE ACCEPTANCE TO SECRETARY HAIG. TO BE MOST EFFECTIVE ARGENTINE ACCEPTANCE SHOULD BE RECEIVED IN WASHINGTON BEFORE MESTING, WITH UK FOREIGN SECRETARY.



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- 7. BELAUNDE STRESSED THAT THE FORMULA WAS INTENDED TO BE VAGUE BUT THIS MAKEE THEM VIABLE. HE TOLL GALTIERI THAT IT ARGENTINA ACCEPTS THE PORMULA ULLOA, ARIAS STELLA AND REPRESENTATIVES OF THE OTHER CONTACT STATES WILL TRAVEL TO NEW YORK ON MAY 2 TO INITIATE MEGOTIATIONS AT ONCE. BELAUNDE ALSO SAID IT WAS IMPORTANT NOT TO GET HUNG UP ON WHICH COUNTRIES ACTED AS CONTACTS. SECRETARY HAIG HAD AGREED TO THE FOUR PROPOSED AND BELAUNDE CONSIDERED THEM BALANCED. HE TOLD GALTIERI ALL WE NEED IS FOR ARGENTINA TO SAY THAT THE TERMS APPEAR ACCEPTABLE.
- 8. GALTIERI PROMISED HE WOULD STUDY THE PROPOSAL CAREFULLY AND RESPOND AS SOON AS HE COULD.

10. ALTHOUGH HE DID NOT SAY SO, MY IMPRESSION IS THAT BELAUNDE IS HOPEFUL THAT ARGENTINES WILL ACCEPT THE

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FORMULA, PROVIDED OF COURSE THAT GALTIERI IS EMPOWERED TO SPEAK FOR GOA.

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