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INFO RUEHBO/AMEMBASSY BOGOTA 8331
RUEHLP/AMEMBASSY LA PAZ 0045
RUEHSG/AMEMBASSY SANTIAGO 8525
RUEHOT/AMEMBASSY QUITO 7861
RUEOSBA/USAFSO HOWARD AFB PN
RUEOEHA/USCINCSO QUARRY HTS PN
RUEHBR/AMEMBASSY BRASILIA 3417
RUEHBU/AMEMBASSY BUENOS AIRES 6060
RUEHCV/AMEMBASSY CARACAS 6365
RUEHGT/AMEMBASSY GUATEMALA 0968
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RUEHMN/AMEMBASSY MONTEVIDEO 2651
RUEHZP/AMEMBASSY PANAMA 8214

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~~C O N F I D E N T I A L~~ LIMA 04796

E.O. 12356: DECL:OADR
TAGS: PREL, XK, PE
SUBJECT: FONMIN WAGNER DISCUSSES HABIB VISIT

REF: PANAMA 6024

1. (C) SUMMARY: PERUVIAN FONMIN WAGNER DISCUSSED APRIL 25 AMBASSADOR HABIB VISIT WITH LOCAL PRESS. HE NOTED U.S. CONCERNS THAT CONTADORA TREATY BE COMPREHENSIVE, VERIFIABLE, AND SIMULTANEOUS, AND U.S. POLICY TO SUPPORT A TREATY THAT CENTRAL AMERICAN DEMOCRACIES ACCEPTED. WAGNER SAID HE AND GARCIA HAD SUGGESTED TO AMBASSADOR HABIB THAT USG RATIFY LATTER'S RECENT LETTER ON CONTADORA "AT HIGHEST LEVEL"; THAT IT RENOUNCE "DIRECT AGFRESSION" AGAINST NICARAGUA; AND RESPECT FORMALLY REGIONAL TREATY ONCE SIGNED. FONMIN NOTED DISAGREEMENT ON U.S. AID TO THE CONTRAS, WHICH GARCIA FOUND COUNTERPRODUCTIVE AND AT LIMITS OF WHAT LATINOS COULD TOLERATE; DIRECT U.S. INTERVENTION WOULD BE "INTOLERABLE." HE CALLED FOR CONFIDENCE-BUILDING MEASURES PRIOR TO SIGNATURE OF TREATY. WAGNER'S REMARKS TRACK WITH REPORT ON WHAT HE AND GARCIA TOLD AMBASSADOR HABIB. GOP APPEARS HEADED READY TO PLAN AN UNHELPFUL ROLE ON CONFIDENCE-BUILDING MEASURES AND PRINCIPLE OF COMPREHENSIVENESS AND SIMULTANEITY.
END SUMMARY.

2. (U) IN AN APRIL 28 PRESS INTERVIEW, PERUVIAN FOREIGN MINISTER ALLAN WAGNER SPOKE AT LENGTH ON AMBASSADOR HABIB'S APRIL 25 VISIT HERE, AND ADDRESSED AREAS OF DIFFERENCE WITH THE U.S. OVER CENTRAL AMERICA. WAGNER NOTED AT THE OUTSET THE U.S.' PRINCIPAL

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CONCERNS ABOUT A REGIONAL DIPLOMATIC SOLUTION: IT HAD TO BE COMPREHENSIVE, VERIFIABLE, AND SIMULTANEOUS. HE SAID THERE WERE TWO IMPASSES IN THE CONTADORA PROCESS THAT AMBASSADOR HABIB DISCUSSED WITH WAGNER AND THE PRESIDENT. ARMS LIMITATIONS AND MILITARY MANEUVERS IN THE REGION. THE LATTER POINT, HE SAID, INCLUDED THE SOVIET AND CUBAN PRESENCE IN NICARAGUA, AS WELL AS THE "MASSIVE" U.S. MILITARY PRESENCE IN THE REGION, AS WELL AS U.S. SUPPORT FOR THE NICARAGUAN RESISTANCE.

3. (U) WAGNER REMARKED THAT AMBASSADOR HABIB HAD STATED THAT THE U.S. WOULD SUPPORT WHATEVER DIPLOMATIC SOLUTION THAT THE FOUR CENTRAL AMERICAN DEMOCRACIES CONSIDERED APPROPRIATE. THE U.S. WOULD NOT BLOCK SUCH AN AGREEMENT AND WOULD FOLLOW UP BY CEASING SUPPORT FOR THE CONTRAS. ACCORDING TO THE TREATY, WAGNER SAID, THE U.S. WOULD BEGIN TO WITHDRAW TROOPS FROM HONDURAS. AT THE SAME TIME, NICARAGUA WOULD REDUCE ITS MILITARY BUILD-UP AS WELL AS THE CUBAN AND SOVIET ADVISERS. THERE WOULD ALSO BE PROCESSES OF "INTERNAL RECONCILIATION IN THOSE COUNTRIES WHERE SOCIETY IS DEEPLY DIVIDED, AS IS THE CASE IN NICARAGUA AND EL SALVADOR."

4. (U) CONTADORA WAS NOW TRYING TO FINISH NEGOTIATIONS ON THE TEXT OF THE TREATY BY JUNE 6, SAID WAGNER. "ONCE THIS POLITICAL AGREEMENT IS REACHED, IT WILL RESULT IN AN EXPRESSION OF GOOD-WILL THAT WILL PERMIT IMMEDIATELY THE BEGINNING OF THE CREATION OF OTHER CONFIDENCE-BUILDING CONDITIONS, REMOVING THE ELEMENTS THAT DISTURB RELATIONS, WHICH WILL LEAD THEREAFTER TO THE SIGNING OF THE TREATY, ITS RATIFICATION, AND EXECUTION."

5. (U) ASKED ON WHAT POINT WAGNER AND GARCIA DIFFERED WITH AMBASSADOR HABIB, WAGNER RESPONDED THAT THE LATTER HAD SAID THAT U.S. AID TO THE NICARAGUAN RESISTANCE SHOULD CONTINUE AS LONG AS CONTADORA ACTA WAS UNSIGNED. WAGNER STATED THAT THIS WAS A POINT OF DISCREPANCY; PERU BELIEVED THAT SUCH AID ONLY AUGMENTED THE WAR PSYCHOLOGY IN NICARAGUA, AND POINTED NICARAGUA AWAY FROM DEMOCRACY.

6. (U) WAGNER THEN NOTED THREE SUGGESTIONS HE AND CONFIDENTIAL SECTION 02 OF 02 LIMA 04796

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THE PRESIDENT HAD MADE TO AMBASSADOR HABIB:

- A) THAT THE AMBASSADOR'S RECENT LETTER TO THREE U.S. CONGRESSMEN ON CONTADORA BE RATIFIED AT "THE HIGHEST LEVEL" IN THE USG. WAGNER CONTRASTED THE LETTER WITH THE "AGGRESSIVE RHETORIC" COMING FROM OTHER USG SOURCES;

- B) THAT THE U.S. RENOUNCE "DIRECT AGGRESSION" AGAINST NICARAGUA;

- C) ONCE THE CONTADORA ACTA IS SIGNED, THAT THE U.S. AGREE FORMALLY TO RESPECT THE TREATY.

7. (U) PRESIDENT GARCIA TOLD AMBASSADOR HABIB THAT U.S. AID TO THE CONTRAS WAS THE LIMIT OF WHAT LATINIS COULD TOLERATE, SAID WAGNER. ALLUDING TO HIS PREVIOUS THREAT TO BREAK RELATIONS IF THE U.S. INVADED NICARAGUA,

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GARCIA SAID A DIRECT INTERVENTION BY THE U.S. WOULD BE INTOLERABLE; THAT STAGE OF U.S.-LATIN AMERICAN RELATIONS WAS HISTORY. WAGNER SAID AMBASSADOR HABIB AGREED AND SAID THAT U.S. PUBLIC OPINION WAS AGAINST DIRECT U.S. MILITARY ACTION IN NICARAGUA. FURTHERMORE, THE U.S. HAD NO INTENTION OF INVADING NICARAGUA, UNLESS A SITUATION DEVELOPED THERE THAT WOULD BECOME A GRAVE THREAT TO AMERICAN SECURITY.

8. (C) COMMENT: WAGNER'S STATEMENTS COINCIDE WITH THE THRUST OF CONVERSATIONS THAT HE AND PRESIDENT GARCIA HAD WITH AMBASSADOR HABIB (REFTEL). THE GOP RECEIVED OUR MESSAGE ON COMPREHENSIVENESS, SIMULTANEITY, AND VERIFICATION, BUT NEVERTHELESS APPEARS READY TO PUSH "CONFIDENCE BUILDING" MEASURES IN AN EFFORT TO BREATHE NEW LIFE INTO REGIONAL NEGOTIATIONS, AS WELL AS LEAVE THE GOP IMPRINT ON CONTADORA. ALTHOUGH HE PAID LIP SERVICE TO THE NEED FOR NATIONAL RECONCILIATION IN NICARAGUA, WAGNER MADE CLEAR HE SAW THE NICARAGUAN RESISTANCE ONLY AS A FORM OF MILITARY PRESSURE. FINALLY, WAGNER REITERATED PREVIOUS GOP MARKER ON DIRECT U.S. INTERVENTION, UNDERSCORING THAT GOP HAD NOT RETREATED ON THIS ISSUE.

JORDAN
END OF MESSAGE

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