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CITE

EO 12958 3.4(b)(1)-25Yrs
(C)

DIST 2 AUGUST 1967

DOI: 31 JULY 1967

SUBJECT: CURRENT PLANS OF PRESIDENT BELAUNDE CONCERNING THE
CONGRESSIONAL CRISIS

PADA:

SOURCE:

EO 12958 3.4(b)(1)-25Y
(C)

1. ON 31 JULY 1967 PRESIDENT BELAUNDE TOLD HIGH-LEVEL
GOVERNMENT AND POPULAR ACTION (AP) LEADERS THAT HE WAS IN COMPLETE
AGREEMENT WITH THE POSITION OF THE ALLIANCE PARTIES THAT ANY

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APPROVED FOR RELEASE
DATE: OCT 2000

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AGREEMENT WITH THE APRA-NATIONAL ODRIISTA UNION (UNO) COALITION ON THE CURRENT CONGRESSIONAL CRISIS WOULD HAVE TO INCLUDE THE RESIGNATION OF UNO SENATOR JULIO DWLA PIEDRA AS THE FIRST STEP. THE PRESIDENT SAID HE HAD MADE THIS POINT CLEARLY WITH APRA SENATOR RAMIRO PRIALE PRIALE DURING THEIR MEETING ON 29 JULY. THE PRESIDENT FURTHER ADDED THAT THE ALLIANCE PARTIES SHOULD NOT PROPOSE SOLUTIONS AT THE PRESENT TIME BUT RATHER SHOULD REMAIN CALM AND RESTRICT THEMSELVES TO CONSIDERING PROPOSALS PUT FORWARD BY THE COALITION. THE PRESIDENT DID SAY, HOWEVER, THAT A POSSIBLE SOLUTION MIGHT INVOLVE A RE-ELECTION FOR SENATE POSTS WITH EITHER AP SENATORS MIGUEL DAMMERT MUELLE OR RICARDO MONTEAGUDO MONTEAGUDO HEADING UP A MIXED ALLIANCE-INDEPENDENT SLATE. THE PRESIDENT ADDED THAT HE HAD EARLIER FAVORED INDEPENDENT SENATOR CARLOS CARRILLO SMITH AS A POSSIBLE COMPROMISE CANDIDATE FOR THE SENATE PRESIDENCY BUT THAT CARRILLO'S RECENT STATEMENTS TO THE PRESS ATTACKING THE GOVERNMENT HAD PRECLUDED SUCH A SOLUTION.

2. PRESIDENT BELAUNDE AND HIGH-LEVEL GOVERNMENT MEMBERS ARE REMAINING IN FREQUENT CONTACT WITH THOSE INDEPENDENT AND DISSIDENT COALITION SENATORS WHO ENABLED THE ALLIANCE TO STAGE THE BOYCOTT OF THE SENATE INSTALLATION CEREMONIES. ON 31 JULY UNO SENATOR

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RAFAEL PUGA ESTRADA REQUESTED AND WAS GRANTED AN INTERVIEW WITH THE PRESIDENT. PUGA SAID THAT IN VIEW OF THE CURRENT SITUATION, HE WOULD PREFER TO LEAVE THE COUNTRY IF A SUITABLE PRETEXT COULD BE MANUFACTURED. IN THIS REGARD PUGA SOUNDED OUT THE PRESIDENT AS TO THE POSSIBILITY OF HIS BEING NAMED AS CHIEF OF THE PERUVIAN DELEGATION TO THE UNITED NATIONS. THE PRESIDENT TOLD PUGA HE WOULD CONSIDER THE POSSIBILITY.

3. PRESIDENT BELAUNDE WAS ABLE TO DEFECT UNO SENATOR TEODORO BALAREZO LIZARZABURA FROM THE COALITION RANKS PARTIALLY AS A RESULT OF PRESSURES FROM BALAREZO'S SON, WHO IS MAYOR OF THE CITY OF PIURA, AND PARTIALLY THROUGH THE ISSUANCE OF A SUPREME DECREE COUNTERSIGNED BY THE MINISTERS OF FINANCE AND AGRICULTURE WHICH EASE BANK INTEREST RATES IN THE DEPARTMENT OF PIURA AND PROVIDED A NUMBER OF EMERGENCY MEASURES BENEFITTING PIURA AGRICULTURAL INTERESTS. BALAREZO, WHO IS BADLY IN DEBT, PROFITED GREATLY FROM THIS SUPREME DECREE.

4. LATER IN THE DAY OF 31 JULY PRESIDENT BELAUNDE MET WITH A NUMBER OF GOVERNMENT OFFICIALS. DURING THIS MEETING THE POSSIBILITY OF CLOSING CONGRESS PERMANENTLY AND CONVOKING A CONSTITUENT ASSEMBLY WAS RAISED BY FRANCISCO BELAUNDE TERRY, THE PRESIDENT'S BROTHER, AND LUIS LASARTE FERREYROS, LIMA DEPARTMENT PREFECT, BOTH OF WHOM

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FAVORED SUCH A SCHEME. PRESIDENT BELAUNDE DID NOT COMMENT ON THE IDEA, BUT HE DID MAKE IT CLEAR THAT HE WISHED TO MAKE NO MOVES WHICH WOULD TEND TO PLACE HIM AT THE MERCY OF THE PERUVIAN ARMED FORCES. FOR THAT REASON, THE PRESIDENT SAID, HE WISHED TO AVOID NAMING A CABINET HEAVILY WEIGHTED (*) AT THE SAME TIME HE WANTED CONGRESS BACK IN SESSION AS SOON AS REASONABLY POSSIBLE. THE PRESIDENT ADDED THAT ALTHOUGH THE PERUVIAN MILITARY WAS UNDOUBTEDLY PLAYING A WAITING GAME, HE FELT THAT JULIO DOIG SANCHEZ, COMMANDING GENERAL OF THE ARMY, WAS DEFINITELY SUPPORTING HIM FOR THE MOMENT.

5. [REDACTED] DISSEM STATE ARMY NAVY AIR AID CINCSO.

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*HEADQUARTERS COMMENT: MISSING PORTION WILL BE DISSEMINATED ONLY IF IT MATERIALLY AFFECTS THE SENSE OF THE REPORT.

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