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Central America summit

Peace hopes rise as leaders welcome Reagan's proposals

From Martha Honey, Guatemala City

Central American Presidents meeting here yesterday and today welcomed a new peace proposal from Washington as a significant adjunct to their own regional peace plan. They expressed optimism that progress was being made towards reaching a negotiated end to the wars in Nicaragua and El Salvador.

Reacting to Washington's peace initiative, Nicaragua's President Ortega called for "unconditional bilateral talks" with the US, but unlike the other four Central American leaders he declined to praise the contents of the six-point Washington plan.

Other leaders stressed that there were "many points of coincidence" between the Reagan plan and the 10-point peace plan drawn up by President Arias of Costa Rica.

While Reagan Administration officials apparently intended that their plan be made the central topic of discussion at the two-day summit here, Central American leaders said the only proposal officially on the table was the Arias plan.

They said they were considering the Washington plan along with other "observations" made by the Central American countries and the

four-nation Contadora group.

President Cerezo of Guatemala, the summit's host, said: "We receive any initiative seeking peace with a lot of interest. But the main goal of this meeting is to discuss the programme and proposals from Central America. Later we will discuss the plan from Reagan."

This is the first time the Presidents of Guatemala, Costa Rica, Nicaragua, Honduras and El Salvador have met to discuss the peace plan which President Arias first proposed last February. The US has not been invited to participate, but all here concede that, given US interests in Central America, the Reagan Administration's backing is essential to the success of any peace plan.

President Reagan formally announced what he called the bipartisan plan on Wednesday, a day before the summit opened and as the foreign ministers were meeting here to discuss revisions to the Arias peace plan.

Mr James Wright, the conservative Democratic Speaker of the House of Representatives, helped to initiate the plan, but some liberal Democrats expressed

fears that the plan may be simply a ploy aimed at disrupting the Central American summit and ultimately winning congressional approval for more US aid to the Nicaraguan Contras.

The Nicaraguan Foreign Minister, Father Miguel D'Escoto, said it was "very, very rude" of President Reagan to "drop this kind of bomb" on the eve of the summit.

Summit sources say that a main obstacle to agreement on the Arias plan was Honduras's insistence that US aid to the Nicaraguan Contras should not be cut off until six months after a ceasefire and the implementation of democratic reforms in Nicaragua.

El Salvador, also a staunch US ally, tends to support this view, while Costa Rica and Guatemala, along with left-wing Nicaragua, advocate an immediate suspension of US aid to the rebels. Under Washington's plan, Contra aid would be suspended until September 30, at which point the White House could ask the US Congress to vote additional aid if Nicaragua had not complied fully with the peace plan.