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B1, 1.5(B), 1.5(D)

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CONFIDENTIAL PTQ3489

PAGE 01 LIMA 09360 01 OF 05 301632Z  
ACTION ARA-01

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R 301534Z OCT 6  
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TO SECSTATE WASHDC 4126

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C O N F I D E N T I A L SECTION 01 OF 05 LIMA 09360

OFFICIAL INFORMAL

ARA FOR ED KASKA FORONDCP

E.O. 12958: DECL: 10/24/01  
TAGS: SNARPGOV OVIP PE  
SUBJECT: OFFICIAL INFORMAL - WRAP-UP OF ONDCP DIRECTOR MCCAFFREY'S VISIT

REF: LIMA 8980

1. PLEASE PASS FOLLOWING DRAFT TO ONDCP FOR CLEARANCE. WE WILL TRANSMIT FORMALLY AFTER CLEARANCE IS OBTAINED.
2. CLASSIFIED BY JAMES F. MACK, DEPUTY CHIEF OF MISSION, FOR REASON 1.5 (D)
3. CONFIDENTIAL ENTIRE TEXT.

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PAGE 02 LIMA 09360 01 OF 05 301632Z

4. BEGIN SUMMARY. THE VISIT OF ONDCP DIRECTOR GENERAL BARRY MCCAFFREY WAS UPBEAT AND POSITIVE AND TURNED OUT TO BE THE ACTION-FORCING EVENT WE HAD HOPED. OUR PREPARATIONS FOR THE VISIT WERE MADE FROM THE OUTSET DELIBERATELY TRANSPARENT TO THE PERUVIAN GOVERNMENT, TO THE POINT OF PROVIDING OUR KEY SENIOR PERUVIAN COUNTERDRUG COUNTERPARTS COPIES OF THE SCENE SETTER (REFTEL). THIS ENABLED THE PERUVIANS TO DO THEIR HOMEWORK AND EFFECT SUBSTANTIAL INTERNAL COORDINATION AND CONSULTATION PRIOR TO GENEAL MCCAFFREY'S ARRIVAL. ALTHOUGH THE END GOP PRODUCT CONTAINED FEWER SPECIFICS

Dept of State, RPS/RFS Margaret P. Garfield, Dir  
Classify as ( ) Extend as ( ) Downgrade to ( )  
Date 5/29/01 Declassify on 11/14/06 Reason B1(7d)

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DEPT OF STATE APPEALS REVIEW PANEL (ARP)

Page: 1

EOIA/PA	Mandatory Review
( ) Release	( ) Declassify
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Exemptions 31  
ARP Action Cert. [Signature] Date 6/10/01

UNCLASSIFIED

CONFIDENTIAL

n/a

Page: 2

THAN WE WOULD HAV WANTED, THE ATMOSPHERICS WITH THE GOP WERE UNIFOMLY GOOD. MOREOVER, THE VISIT PRODUCED STRONG GOPCOMMITMENT TO COMPLETE SOONEST ITS NATIONAL ALTENATIVE DEVELOPMENT PLAN, AS WELL AS GOP CLARIFICTION OF THE ROLE OF THE PERUVIAN MILITARY IN SUPORT OF PERUVIAN NATIONAL POLICE (PNP) COUNTERNARCOTCS INTERDICTION. THERE WAS SPECIFIC DISCUSSION F THE ROLE, MANDATE AND FUNCTIONING OF "CONTRADRGAS", AND PRESENTATION OF A CONCEPT PAPER COVERIG ERADICATION OF ABANDONED COCA FOLLOWED BY REFOESTATION. PERHAPS MORE SIGNIFICANT THAN THE SUCCES OF ANY OF THESE DISCUSSIONS WAS THE FACT THAT TEY WERE ACCOMPLISHED THROUGH AN UNPRECEDENTED BRNGING TOGETHER IN ONE ROOM AND ONE MILIEU OF A MX OF THE VERY HIGHEST-LEVEL GOP CIVILIAN AND MILITRY AUTHORITIES WHO SELDOM CONSULT MUTUALLY.

TH VISIT STARTED 22 OCTOBER WITH A CALL ON PRESIDENTFUJIMORI (TO WHOM GENERAL MCCAFFREY DELIVERED A ETTER FROM PRESIDENT CLINTON) AND TOP GOP LEADERS, THE CONVERSATION OF WHICH, TO OUR SURPRISE, WOUND UP BEING REPORTED ACCURATELY AND IN DETAIL IN THE PERUVIAN PRESS THE NEXT DAY. AFTER THE CALL ON THE PRESIDENT AND AN (ABORTED BY WEATHER) FIELD TRIP TO THE APURIMAC RIVER VALLEY, A ROUNDTABLE WAS CONDUCTED WHICH INCLUDED THE AMBASSADOR AND, ONCE AGAIN, HIGHEST-LEVEL GOP CIVILIAN AND MILITARY PARTICIPANTS. THE

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 LIMA 09360 01 OF 05 301632Z  
SESSION EMBRACED MOST OF THE POINTS CONTAINED IN THE SCENE SETTER. GENERAL MCCAFFREY SPOKE AT AN OCTOBER 23 BREAKFAST OF THE INTERNATIONAL CHAMBER OF COMMERCE AND PAID A VISIT TO A CEDRO-SPONSORED AND USG-FUNDED STREET CHILDREN'S SHELTER. AT A WORKING LUNCH FOR PERU'S CONGRESSIONAL LEADERSHIP HOSTED BY THE AMBASSADOR, CONGRESSIONAL PRESIDENT JOY WAY STATED HIS INTEREST IN PASSING ASSET SEIZURE AND MONEY LAUNDERING LEGISLATION.

GENERAL MCCAFFREY STATED REPEATEDLY THAT HE HAD COME TO LISTEN AND LEARN, TO GAIN A BETTER UNDERSTANDING OF GOP COUNTERNARCOTICS CIRCUMSTANCES PLANS AND INTENTIONS, PARTICULARLY IN THE AREA OF ALTERNATIVE DEVELOPMENT, SO THAT HE MIGHT BETTER DETERMINE HOW THE U.S. COULD BEST SUPPORT AND BE REPONSIVE TO PERUVIAN NEEDS. HE HAMMERED HOME THE POINT THAT COCA REDUCTION WAS THE KEY OBJECTIVE AND THAT A COMBINATION OF ERADICATION, INTERDICTION AND ALTERNATIVE DEVELOPMENT WAS THE WAY TO REACH IT. HE EMPHASIZED THAT RESPECT FOR HUMAN RIGHTS REMAINS A BASIC TENET OF THE U.S. PLATFORM AND THAT THE INTERNATIONAL COUNTERDRUG EFFORT, TO BE SUCCESSFUL, MUST INVOLVE A COALITION OF DEMOCRATIC NATIONS AND MULTINATIONAL COOPERATION. HE REFERRED TO THE DRUG MENACE AS A DYNAMIC THREAT WHICH MANDATED COOPERATION ON A MUCH BROADER SCALE THAN ONE

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CONFIDENTIAL

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Page: 2

UNCLASSIFIED  
CONFIDENTIAL

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ENCOMPASSING LAW ENFORCEMENT ALONE.

UNFORTUNATELY, THE FOCUS OF THE VISIT WAS TEMPORARILY DISTRACTED BY A SWIRL OF MEDIA INTEREST AND ATTENTION ON THE IMPLICATIONS OF THE PUBLIC APPEARANCE (HIS FIRST IN SIX YEARS) AND PARTICIPATION OF VLADIMIRO MONTESINOS, PERU'S DE FACTO NATIONAL INTELLIGENCE SERVICE (SIN) CHIEF. THE PRESS HIGHLIGHTED MONTESINOS' PRESENCE DURING GENERAL MCCAFFREY'S MEETING WITH PRESIDENT FUJIMORI, THE HIGH-LEVEL ROUNDTABLE LATER THAT DAY AND THE RECEPTION THAT NIGHT GIVEN BY THE HEALTH MINISTER. THE VERY PUBLIC INCLUSION OF MONTESINOS IN THE

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 LIMA 09360 01 OF 05 301632Z  
OFFICIAL PROGRAM, WITH WHAT MUST HAVE BEEN THE APPROVAL OF FUJIMORI, SEEMED CALCULATED TO LEND THIS SHADOWY, HIGHLY CONTROVERSIAL FIGURE HEIGHTENED CREDIBILITY AND LEGITIMACY AT A TIME OF CONTINUING CLAMOR FOR HIS INVESTIGATION

*(WHA/AND concurs in Appeal Panel recommendation to limit excision as now indicated)*

*B1(d)*

END

SUMMARY.

5. THE CALL ON PRESIDENT FUJIMORI:

EMBASSY ATTENDEES WERE THE AMBASSADOR, DCM AND NARCCOUNS, ALONG WITH GENERAL MCCAFFREY, SOUTHCOM'S GENERAL CLOSE, AND ONDCP SPECIAL ASSISTANTS DONEHOO AND HITTLE. PRESENT ON THE GOP SIDE WERE FUJIMORI, MINISTER OF DEFENSE GENERAL TOMAS CASTILLO MEZA,

CONFIDENTIAL

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CONFIDENTIAL PTQ3490

PAGE 01 LIMA 09360 02 OF 05 301633Z  
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CONFIDENTIAL

CONFIDENTIAL  
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Page: 4

TO SECSTATE WASHDC 4127

C O N F I D E N T I A L SECTION 02 OF 05 LIMA 009360

OFFICIAL INFORMAL

ARA FOR ED KASKA FOR ONDCP

E.O. 12958: DECL: 10/24/01

TAGS: SNAR PGOV OVIP-PE

SUBJECT: OFFICIAL INFORMAL - WRAP-UP OF ONDCP DIRECTOR MCCAFFREY'S VISIT

INTERIOR MINISTER GENERAL JUAN BRIONES AND HEALTH MINISTER MARINO COSTA BAUER, CHIEF OF THE JOINT MILITARY COMMAND GENERAL NICOLAS DE BARI HERMOSA RIOS, DIRECTOR GENERAL OF THE NATIONAL POLICE KETIN VIDAL, HEAD OF SIN GENERAL SALAZAR MONROE AND SIN LEGAL ADVISOR DR. VLADIMIRO MONTESINOS. GENERAL MCCAFFREY PRESENTED TO FUJIMORI A LETTER FROM PRESIDENT CLINTON WHICH REFERRED TO THE NEARLY 14 MILLION DOLLARS IN NEW (506(A)(2) FUNDING WHICH PERU WILL RECEIVE, AS WELL AS ADDITIONAL FUTURE (NON-SPECIFIC) FUNDING FOR ALTERNATIVE DEVELOPMENT IN COCA-PRODUCING AREAS. THE CLINTON LETTER ALSO CONTAINED A PLEDGE TO SUPPORT PERU'S EFFORTS TO ERADICATE ABANDONED COCA WHILE ASKING PERU'S SUPPORT FOR DOING ALL POSSIBLE TO ACHIEVE

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LIMA 09360 02 OF 05 301633Z  
A NET REDUCTION IN PERUVIAN COCA CULTIVATION THIS YEAR.

GENERAL MCCAFFREY STATED HIS INTENTION TO LISTEN AND LEARN, WHILE OFFERING KUDOS TO PERUVIAN MILITARY, POLICE AND INTELLIGENCE SERVICES FOR THEIR COUNTERDRUG SUCCESSES. HE STRESSED THE IMPORTANCE OF REDUCING THE AREA OF COCA UNDER CULTIVATION AND EMPHASIZED THAT ANYTHING SHORT OF THIS WOULD PREVENT HIM OR OTHERS FROM WINNING THE ARGUMENT AGAINST U.S. LEGISLATORS WHO FAVORED SPENDING ALL COUNTERDRUG FUNDS AT HOME AND NONE OVERSEAS. HE STATED HIS BELIEF THAT COCAINE WAS ON THE WANE AS A DRUG OF CHOICE IN THE U.S. AND WOULD DISAPPEAR FROM THE SCENE AS A MAJOR PROBLEM WITHIN A MATTER OF YEARS. THIS WOULD INCREASE THE AVAILABILITY OF COCAINE AND HEIGHTEN THE POTENTIAL FOR GREATER COCAINE ABUSE IN PERU AND OTHER COUNTRIES THROUGHOUT LATIN AMERICA. HE ADDED THAT ALTERNATIVE DEVELOPMENT THUS MADE A LOT OF SENSE AND THAT INTERDICTION ALONE WAS NOT ENOUGH. HE EXPLAINED THAT WITH DEMOCRATIC REGIONAL PARTNERS SUCH AS PERU, COMMITMENT AND COOPERATION WERE NEEDED ON A MUCH BROADER FRONT.

n/a  
CONFIDENTIAL

Page: 4

UNCLASSIFIED

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FUJIMORI EXPLAINED THAT PERUVIAN DRUG INTERDICTION SUCCESSES HAD COME WITH THE VICTORY OVER TERRORISM, WHICH ALLOWED GREATER CONCENTRATION OF RESOURCES AGAINST NARCOTICS TRAFFICKING, AND BECAUSE OF TENACIOUS PERSECUTION OF MAJOR DRUG ORGANIZATIONS. HE DECLARED THAT SEIZURES OF PASTE AND PRECURSOR CHEMICALS OVER THE PAST TWO YEARS HAD EXCEEDED COMBINED DRUG SEIZURES THROUGHOUT ALL THE EIGHTIES. HE WENT ON TO SAY THAT AS THE PRICE OF COCA STAYED DOWN, GRADUAL SUBSTITUTION OF OTHER CROPS WOULD OCCUR. NOTEWORTHY WAS HIS DECLARATION THAT POVERTY WAS THE GREATEST ENEMY, NOT ONLY IN COCA GROWING ZONES BUT THROUGHOUT PERU, AND THAT ITS SPREAD WOULD HAVE TO BE COUNTERED BEFORE THE BATTLE AGAINST DRUG TRAFFICKING COULD BE EXPECTED TO BE WON. CONTINUED EFFECTIVE

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 LIMA 09360 02 OF 05 301633Z  
FAMILY PLANNING WOULD HELP HERE ALSO, HE SAID.

GENERAL MCCAFFREY ARTICULATED HIS BELIEF THAT THE AVERAGE PERUVIAN FARMER FAVORED OVERWHELMINGLY GROWING A LEGITIMATE CROP OVER CULTIVATING COCA AND THAT IF THE WORLD COMMUNITY WOULD ADEQUATELY SUPPORT PERU'S EFFORTS, SUCH AS JAPAN HAS OFFERED TO DO, MEANINGFUL OPTIONS COULD BE CREATED IN THE AREA OF ALTERNATIVE DEVELOPMENT.

6. THE ROUNDTABLE:

A FIELD TRIP TO THE APURIMAC RIVER VALLEY HAD BEEN SCHEDULED TO TAKE PLACE IMMEDIATELY FOLLOWING THE CALL ON PRESIDENT FUJIMORI, AND A SPECIAL PROGRAM HAD BEEN ARRANGED FOR THAT AREA. UNFORTUNATELY, THE TRIP HAD TO BE ABORTED BECAUSE OF BAD WEATHER AFTER COMPLETION OF ONLY THE INITIAL LEG TO AYACUCHO. HOWEVER, THE SIDE BENEFIT OF CANCELATION WAS THE ABILITY TO RETURN TO LIMA THE AFTERNOON OF THE FIRST DAY TO CONDUCT THE ROUNDTABLE DISCUSSION. PRESENT FOR THE U.S. WERE THE AMBASSADOR, (DCM AND NARCCOUNS REMAINED STRANDED IN THE APURIMAC), GENERAL MCCAFFREY, GENERAL CLOSE, LTC DONEHOO AND AIDE TO GENERAL CLOSE, CAPT. RICHARDS.

A LARGE GOP GROUP IN ATTENDANCE CONSISTED OF THE MINISTERS OF HEALTH AND THE INTERIOR, PRESIDENT OF THE JOINT MILITARY COMMAND, COMMANDING GENERAL OF THE AIR FORCE, COMMANDER IN CHIEF OF THE NAVY, DIRECTOR GENERAL OF THE NATIONAL POLICE, HEAD OF SIN, SIN LEGAL ADVISOR, DIRECTOR OF THE ANTIDRUG POLICE, DIRECTOR OF INTELLIGENCE FOR THE MINISTRY OF THE INTERIOR, HEAD OF THE NATIONAL INSTITUTE FOR DEVELOPMENT (INADE), CHIEF OF THE ADVISORY COMMITTEE FOR THE MINISTRY OF THE INTERIOR, CHIEF OF INTELLIGENCE FOR THE PNP, AND, FROM THE CONGRESS, THE PRESIDENT OF THE DRUG COMMISSION.

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UNCLASSIFIED

CONFIDENTIAL  
n/a

UNCLASSIFIED

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PAGE 04 LIMA 09360 02 OF 05 301633Z

THE INTERIOR MINISTER DELIVERED THE INTRODUCTION AND OPENING REMARKS WHICH INCLUDED HIGHLIGHTS OF LAW 824 ASSIGNING THE PNP THE CENTRAL COUNTERNARCOTICS ROLE IN PERU. HE REFERRED TO THE MANNER IN WHICH "CONTRADROGAS" FUNCTIONS AS A COORDINATING ENTITY BETWEEN ALL INSTITUTIONS WITH COUNTERNARCOTICS MANDATES; PARTICULARLY, THE PNP, MINISTRY OF HEALTH, NATIONAL INTELLIGENCE SERVICE (SIN), AND THE PERUVIAN ARMED FORCES.

SUBSEQUENTLY, MINISTER OF HEALTH/PRESIDENT OF "CONTRADROGAS," DR. MARINO COSTA BAUER MADE A SHORT PRESENTATION ON ALTERNATIVE DEVELOPMENT AND "CONTRADROGAS". HE REAFFIRMED THAT "CONTRADROGAS" DOES NOT ACT FOR OTHER COUNTERNARCOTICS ENTITIES IN PERU BUT RATHER COORDINATES THEIR ACTIVITIES. DR. BAUER ADDED THAT GOP AGENCIES WILL OTHERWISE CONTINUE TO MAINTAIN DIRECT AND OPEN COMMUNICATIONS WITH EMBASSY COUNTERPARTS, AS BEFORE.

GENERAL MCCAFFREY THANKED THE HEALTH MINISTER FOR HIS

CONFIDENTIAL

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PAGE 01 LIMA 09360 03 OF 05 301633Z  
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C O N F I D E N T I A L SECTION 03 OF 05 LIMA 009360

OFFICIAL INFORMAL

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n/a  
CONFIDENTIAL

UNCLASSIFIED

CONFIDENTIAL  
n/a

UNCLASSIFIED

Page: 7

VISIT

PRESENTATION, MADE COMMENTS REGARDING THE U.S. POSITION AND ITS DETERMINATION TO COMBAT ILLEGAL DRUGS, PROVIDED STATISTICS ON THE U.S. DOMESTIC DRUG PROBLEM, AND REMARKED THAT THE NEXT TWO YEARS WOULD BE CRITICAL AND THAT WE WOULD NEED TO FOCUS EXTERNALLY AS WELL AS INTERNALLY. HE GAVE A VOTE OF CONFIDENCE TO PERU FOR PAST SUCCESSES AND CURRENT PLANS, BUT ADDED THAT WE NEEDED TO SEE RESULTS. HE MENTIONED THE NEED TO WORK WITH OTHER INTERNATIONAL PARTNERS, NOT ONLY TOWARD COCA REDUCTION, BUT ALSO IN INTELLIGENCE SUPPORT AND SUPPORT TO ALTERNATIVE DEVELOPMENT.

GENERAL MCCAFFREY STATED THAT THE DECISION TO ASSIGN THE LEAD  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LIMA 09360 03 OF 05 301633Z  
COUNTERNARCOTICS ROLE TO THE PNP SOUNDED LIKE THE U.S. APPROACH AND THAT PERU SHOULD DECIDE, ON ITS OWN, HOW TO BEST CONFIGURE ITS FORCES AGAINST NARCOTRAFFICKING. NEVERTHELESS HE WAS CONCERNED ABOUT HOW THE ARMED FORCES COULD ASSIST THE PNP IN THIS EFFORT. THESE COMMENTS DREW AN IMMEDIATE RESPONSE FROM GENERAL NICOLAS DE BARI HERMOZA RIOS, COMMANDING GENERAL OF THE ARMY AND CHAIRMAN OF THE JOINT COMMAND, WHO EMPHASIZED THAT THE MILITARY WERE NOT BEING WITHDRAWN FROM THE WAR AGAINST ILLEGAL DRUGS.

MUCH TO THE CONTRARY, HE SAID, THE ARMED FORCES HAD A MANDATE TO SUPPORT THE PNP AND WERE OBLIGATED BY LAW 824 TO PROVIDE SUCH SUPPORT, WHEN REQUESTED TO DO SO BY THE "CONTRADROGAS" OR THE INTERIOR MINISTRY. HE MADE IT CLEAR THAT THE PERUVIAN MILITARY WOULD CONTINUE TO PROVIDE FORCE PROTECTION, AND SECURITY AND PACIFICATION SUPPORT TO ENABLE THE PNP AND "CONTRADROGAS" TO CARRY OUT THEIR MISSIONS IN SUPPORT OF ALTERNATIVE DEVELOPMENT.

SIN LEGAL ADVISOR MONTESINOS REMARKED THAT PRESIDENT FUJIMORI AND THE GOP CONSIDER THE DRUG PROBLEM TO BE A MATTER OF NATIONAL SECURITY, AS DOES THE U.S., AND THAT THE SIN WOULD SUPPORT ALTERNATIVE DEVELOPMENT THROUGH THE CENTRALIZATION, COLLECTION, PROCESSING, AND DISTRIBUTION OF INTELLIGENCE ON ILLICIT DRUGS TO THE VARIOUS COUNTERNARCOTICS AGENCIES. HE ADDED THAT THROUGH THIS CENTRALIZATION OF INTELLIGENCE THEY COULD DETECT PSYCHOLOGICAL OPERATIONS BY NARCOTRAFFICKERS DESIGNED TO WIN OVER CAMPESINOS THROUGH A CAMPAIGN OF DISINFORMATION.

GENERAL MCCAFFREY INQUIRED OF COSTA BAUER AS TO THE COST OF PERU'S ALTERNATIVE DEVELOPMENT PROGRAM. THE LATTER RESPONDED THAT THE PLAN WAS NOT YET TOTALLY DEVELOPED BUT THAT IT WAS A 10-YEAR

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CONFIDENTIAL

UNCLASSIFIED

Page: 7

CONFIDENTIAL  
n/a

UNCLASSIFIED

Page: 8

PROGRAM, TO BE AGGRESSIVELY PURSUED IN THE FIRST FIVE YEARS WITH  
CONFIDENTIAL

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PAGE 03 LIMA 09360 03 OF 05 301633Z

THE OBJECTIVE OF REDUCING THE COCA HECTARAGE TO ONLY THAT NEEDED FOR CULTURAL AND MEDICINAL PURPOSES. HE CITED A COST OF USD 1.5 TO 2.0 BILLION IN THE FIRST FIVE YEARS AND A LESSER AMOUNT IN THE REMAINING FIVE YEARS. - HE PRESENTED GENERAL MCCAFFREY WITH A COPY OF AN IMMEDIATE PLAN/CONCEPT PAPER TARGETING ERADICATION OF 20 TO 30 THOUSAND HECTARES OF ABANDONED COCA FOLLOWED BY REFORESTATION. HE STATED HIS INTENTION TO PRESENT THIS PLAN TO ASSISTANT SECRETARY GELBARD. (NOTE:-- COSTA BAUER HAS INDICATED TO US, AS WELL AS RECENTLY IN THE PRESS, THAT THE ALTERNATIVE DEVELOPMENT PLAN WILL BE READY IN THREE TO FOUR MONTHS AND WILL BE CONSISTENT WITH THE GOALS AND OBJECTIVES OF THE MISSION'S CONCEPT PAPER, WHICH CALLS FOR A USG INVESTMENT OF \$250 MILLION. END NOTE.)

COSTA BAUER INQUIRED OF GENERAL MCCAFFREY AS TO U.S. MECHANISMS WHICH COULD BE USED TO GENERATE INTERNATIONAL SUPPORT FOR THE PROGRAM. GENERAL MCCAFFREY ANSWERED THAT HE DID NOT KNOW WHAT THE POLITICAL RESPONSE IN THE U.S. WOULD BE DURING THE NEXT FIVE YEARS, BUT THAT IN ANY EVENT PERU AND THE U.S. WOULD BE PARTNERS. HE ADDED THAT PERUVIAN COUNTERNARCOTICS SUCCESS IS IMPORTANT TO THE U.S. AND IF WE COULD HELP, WE SHOULD HELP -- PERU WAS THE CENTER OF THE COALITION. GENERAL MCCAFFREY UNDERScoreD ANEW THAT IT WOULD BE EASIER TO GATHER SUPPORT IF PERU COULD DEMONSTRATE NET COCA REDUCTION SOON. COMMENT: SPECIFIC GOP DIRECTIVES HAVE BEGUN TO BE PUT IN PLACE DETAILING COORDINATION BETWEEN POLICE, MILITARY AND INTELLIGENCE SERVICES AND WILL BE COVERED SEPTEL. ALSO, THE GOP DELEGATION OFFERED TO MEET WITH EMBASSY COUNTERNARCOTICS OFFICIALS IN ONE MONTH, O/A 20 NOVEMBER, TO REVIEW PROGRESS ON ITEMS AND INITIATIVES TARGETTED AT THE ROUNDTABLE AND TO MEET AS OFTEN AS NECESSARY THEREAFTER. END COMMENT.

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 LIMA 09360 03 OF 05 301633Z

7. VISIT TO STREET KIDS CENTER

ALEJANDRO VASSILAQUI, EXECUTIVE DIRECTOR OF THE CENTER OF INFORMATION AND EDUCATION FOR THE PREVENTION OF DRUG ABUSE (CEDRO), ESCORTED GENERAL MCCAFFREY AND CONTRADROGAS PRESIDENT COSTA BAUER THROUGH A STREET CHILDREN'S SHELTER IN THE CENTRAL LIMA DISTRICT OF

n/a

CONFIDENTIAL

UNCLASSIFIED

Page: 8



UNCLASSIFIED

CONFIDENTIAL  
n/a

LA VICTORIA. ALSO PRESENT WAS MS. JOSEFINA TAKAHASHI, PRESIDENT OF THE MINISTRY OF THE PRESIDENCY'S DIRECTORATE FOR CHILDREN, WHICH HAS OVERALL RESPONSIBILITY FOR ALL STREET CHILDREN PROGRAMS IN PERU.

ONE OF SEVEN SUCH SHELTERS SUPPORTED WITH USG FUNDS IN PERU, THIS CENTER HOUSES AN AVERAGE OF 27 BOYS BETWEEN THE AGES OF 7 AND 16. THE AIM OF THE PROGRAM IS TO SHELTER SOME OF THE APPROXIMATELY 1,200 CHILDREN WHO LIVE IN THE LIMA STREETS, OFFER A STABLE ENVIRONMENT SO THEY CAN CONTINUE THEIR EDUCATION IN THE REGULAR SCHOOL SYSTEM, AND PROVIDE REHABILITATION TRAINING THAT WILL ALLOW THEIR REINSERTION INTO SOCIETY. A LARGE NUMBER OF LIMA'S STREET

CONFIDENTIAL

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PAGE 01 LIMA 09360 04 OF 05 301633Z  
ACTION ARA-01  
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C O N F I D E N T I A L SECTION 04 OF 05 LIMA 009360

OFFICIAL INFORMAL

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KIDS CONSUME PSYCHOACTIVE DRUGS, PARTICULARLY INHALANTS AND TO A LESSER DEGREE COCA PASTE.

IN THE LA VICTORIA SHELTER, LOCATED IN ONE OF THE MOST NOTORIOUS DRUG SUPPLY AREAS OF LIMA, THE CHILDREN TRAIN IN TWO WORKSHOPS: A BAKERY AND A MECHANICAL REPAIR SHOP. THE PERUVIAN PRESS PUBLISHED PICTURES OF GENERAL MCCAFFREY RECEIVING SAMPLES OF THE CHILDREN'S BAKED GOODS. SPEAKING BRIEFLY TO THE PRESS AFTERWARD, GENERAL MCCAFFREY EXPRESSED HIS ADMIRATION FOR THE CEDRO

n/a  
CONFIDENTIAL  
UNCLASSIFIED

CONFIDENTIAL  
n/a

Page: 10

PROGRAM AND REAFFIRMED U.S. COMMITMENT OF CONTINUED SUPPORT FOR SUCH PROGRAMS.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LIMA 09360 04 OF 05 301633Z

8. CONGRESSIONAL LUNCH:

KEYING ON THE CONSIDERABLE INTEREST EXPRESSED BY MEMBERS OF THE PERUVIAN CONGRESS IN GENERAL MCCAFFREY'S VISIT, EMBASSY ARRANGED FOR HIM TO MEET TWICE WITH CONGRESSIONAL GROUPS. AT THE FIRST ENCOUNTER, IMMEDIATELY FOLLOWING THE GENERAL'S SPEECH AND SUBSEQUENT PRESS OPPORTUNITY, CONGRESSMAN WHO HAD ATTENDED THE BREAKFAST/SPEECH SESSION TOLD MCCAFFREY THAT THEY TOO WERE COMMITTED TO THE FIGHT AGAINST NARCOTICS AND ASKED WHAT ELSE THEY MIGHT DO FROM THE LEGISLATIVE PERSPECTIVE. MCCAFFREY AND THE AMBASSADOR NOTED THAT AN INCREASE IN CONTACTS BETWEEN THE U.S. AND PERUVIAN CONGRESSES COULD OPEN A LINE OF COMMUNICATION FOR SHARING INFORMATION ON COUTERNARCOTICS LEGISLATIVE INITIATIVES. EMBASSY WILL BE FOLLOWING THIS UP WITH THE INTERESTED CONGRESSMEN.

AT LUNCH HOSTED BY AMBASSADOR JETT, PRESIDENT OF THE CONGRESS VICTOR JOY WAY, TWO OF THE THREE VICE PRESIDENTS OF THE CONGRESS, THE HEADS OF THE GOVERNMENT OVERSIGHT ("FISCALIZACION") COMMITTEE AND ITS SUBORDINATE NARCOTICS "WORKING GROUP," PLUS TWO OPPOSITION MEMBERS OF CONGRESS DISCUSSED WITH GENERAL MCCAFFREY AND OTHERS IN HIS PARTY THE IMPACT THAT DRUG PRODUCTION AND TRAFFICKING HAS HAD ON PERUVIAN SOCIETY.

IN RESPONSE TO QUESTIONS, MCCAFFREY PROVIDED A BRIEF OVERVIEW OF THE U.S. LEGISLATION ON DRUG TRAFFICKING, ASSETS SEIZURE AND MONEY LAUNDERING AND EXPLAINED HOW THE USG WAS ABLE TO COMBAT TRAFFICKING VIA SUCH LEGAL MEANS AS THE "RICO" ANTI-ORGANIZED CRIME ACT. JOY WAY WAS ESPECIALLY INTERESTED IN U.S. MONEY LAUNDERING LEGISLATION, SAYING THAT HE WAS DETERMINED TO PRODUCE A NEW BANKING LAW FROM PERU THIS YEAR AND THAT IT WOULD CONTAIN MONEY LAUNDERING

CONFIDENTIAL

PAGE 03 LIMA 09360 04 OF 05 301633Z  
PROVISIONS.

GENERAL MCCAFFREY RELATED HOW RECENTLY ENACTED MONEY LAUNDERING AND ORGANIZED CRIME LAWS IN MEXICO HAD STRENGTHENED OUR JOINT ABILITY TO COMBAT DRUG TRAFFICKERS. HE TOLD THE PERUVIAN

n/a  
CONFIDENTIAL

Page: 10

UNCLASSIFIED

UNCLASSIFIED

CONFIDENTIAL  
n/a

Page: 11

GUESTS THAT ILLEGAL DRUGS HAD BECOME AN INTERNATIONAL PROBLEM TO BE ATTACKED IN A UNITED FASHION, BUT ONE WHICH HE BELIEVED COULD BE DEFEATED IN THIS DECADE.

9. PRESS COVERAGE AND MONTESINOS:

GENERAL MCCAFFREY MET WITH A LARGE NUMBER OF U.S., PERUVIAN AND INTERNATIONAL MEDIA AT TWO EMBASSY ARRANGED PRESS EVENTS DURING THE VISIT. AT THE INTERNATIONAL CHAMBER OF COMMERCE AND AT THE AMBASSADOR'S RESIDENCE, GENERAL MCCAFFREY STRONGLY UNDERSCORED TO THE WIDE RANGE OF INFLUENTIAL MEDIA THE IMPORTANCE OF U.S.-PERU COOPERATION IN THE COUNTERNARCOTICS STRUGGLE. IN RESPONSE TO NUMEROUS QUESTIONS DEALING WITH U.S. SUPPORT TO ALTERNATIVE DEVELOPMENT, HE NOTED THAT THE CURRENT USAID ALTERNATIVE DEVELOPMENT PROJECT WAS SUBSTANTIALLY COMMITTED AND CITED THE NEED FOR ADDITIONAL U.S. SUPPORT IN THE FUTURE. HE ALSO CALLED FOR THE OTHER DONORS TO PROVIDE SUPPORT, MENTIONING THE MULTILATERAL ORGANIZATIONS AND THE GOVERNMENT OF JAPAN, IN PARTICULAR. THE TWO MEDIA EVENTS PRODUCED A NUMBER OF PRINT AND TELEVISION PIECES, WHICH WERE GENERALLY ACCURATE IN COVERING HIS MEETING AND ATTEMPTED TRIP TO THE APURIMAC WITH PRESIDENT FUJIMORI, THE VISIT TO A STREET KIDS SHELTER AND MEETINGS WITH CONGRESSIONAL LEADERS. FOR ONE OF THE TWO DAYS OF GENERAL MCCAFFREY'S VISIT, THE LOCAL MEDIA CHOSE TO FOCUS ON THE FIRST PUBLIC APPEARANCE IN SIX YEARS OF PRESIDENTIAL ADVISER VLADIMIRO MONTESINOS RATHER THAN THE VISIT ITSELF AND ITS IMPORTANT BILATERAL COUNTERNARCOTICS OBJECTIVES.

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PAGE 04 LIMA 09360 04 OF 05 301633Z

GENERAL MCCAFFREY ANSWERED REPEATED QUERIES ON WHAT WE (THE U.S.) THOUGHT OF MONTESINOS BY SAYING THAT RESPECT FOR HUMAN RIGHTS WAS A BASIC TENET AND PART OF THE U.S. PLATFORM, AND THAT THE U.S. WAS PLEASED THAT PERU'S HUMAN RIGHTS RECORD HAD IMPROVED; THAT FUJIMORI WAS EQUALLY COMMITTED TO THESE SAME PRINCIPLES AND WOULD NOT TOLERATE SENIOR-LEVEL NARCOTICS CORRUPTION; AND THAT BEYOND THAT, IT WAS NOT OUR BUSINESS TO COMMENT ON INDIVIDUAL CASES CORRECTLY RESERVED FOR GOP ACTION AND TREATMENT. NOTE: AT A RECEPTION HOSTED BY COSTA BAUER THE FIRST EVENING, GENERAL MCCAFFREY PULLED ASIDE MONTESINOS TO STRESS THE IMPORTANCE OF HUMAN RIGHTS AND TRANSPARENCY WITH THE PRESS IN A DEMOCRATIC SOCIETY. HE ASKED MONTESINOS IF HE WOULD AGREE TO ACCEPT A COPY OF A LETTER MCCAFFREY HAD RECEIVED FROM THE HUMAN RIGHTS WATCH/AMERICAS ON THE MANY STEPS THAT ORGANIZATION BELIEVED THAT THE U.S. SHOULD TAKE TO ENSURE THAT USG ASSISTANCE ADVANCES HUMAN RIGHTS IN PERU. (MONTESINOS AGREED AND HAS SINCE BEEN PROVIDED A COPY OF THAT

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Page: 11

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LETTER) END NOTE.

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PAGE 01 LIMA 09360 05 OF 05 301633Z  
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C O N F I D E N T I A L SECTION 05 OF 05 LIMA 009360

OFFICIAL INFORMAL

ARA FOR ED KASKA FOR ONDCP

E.O. 12958: DECL: 10/24/01  
TAGS: SNAR PGOV OVIP PE  
SUBJECT: OFFICIAL INFORMAL - WRAP-UP OF ONDCP DIRECTOR MCCAFFREY'S VISIT

10. WRAP-UP COMMENT: THE MONTESINOS DIVERSION NOTWITHSTANDING, THE VISIT OF GENERAL MCCAFFREY SERVED AS A CATALYST FOR POSITIVE ACTION AND STATEMENTS OF COMMITMENT ON THE GOP SIDE. IT FORCED ACTION AT THE HIGHEST LEVELS AND ENGAGED PRESIDENT FUJIMORI, WHO CONTINUES TO BE THE REAL DRUG CZAR IN PERU. IT BROUGHT TOGETHER THE MILITARY, POLITICAL AND POLICE SECTORS AT THE HIGHEST LEVELS AND GOT THEM TALKING TO EACH OTHER. IT PROVIDED US AND WILL CONTINUE TO PROVIDE US A GOOD OPENING FOR EXPLOITING THIS OPPORTUNITY FOR ENGAGEMENT. MUCH REMAINS TO BE DONE, AND WE WILL PURSUE OUR EFFORTS TO KEEP THE COUNTERNARCOTICS PROGRAM RUNNING ON THE RIGHT

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PAGE 02 LIMA 09360 05 OF 05 301633Z  
TRACK HERE. END COMMENT. JETT

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