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ACTION INL-01

INFO	LOG-00	ACDA-10	ACDE-00	-INLB-01	AID-00	ARA-01	OASY-00
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 INFO NSC WASHDC
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 AMEMBASSY QUITO
 AMEMBASSY BRASILIA
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 DEA HQS WASHINGTON DC

C O N F I D E N T I A L SECTION 01 OF 05 LIMA 009772

STATE FOR INL, ARA/AND, ARA/PPC, G, P, DRL
 DEPT PASS AID - FOR LAC
 USCINCSO FOR GENERAL CLOSE, ALSO FOR POLAD
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NSC FOR JAMES DOBBINS, DICK CLARKE

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

REF: LIMA 8980

1. CLASSIFIED BY JAMES B. MACK, DEPUTY CHIEF OF MISSION, FOR

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DEPT OF STATE APPEALS REVIEW PANEL PAGE: 1

EOIA/PA	Mandatory Review
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Exemptions: B1
 ARP Action Cert: me Date: 07/01/01

Dept of State, RPS/IPS, Margaret P. Grafeld, Dir.
 Classify as () Extend as () Downgrade to ()
 Date 5/24/01 Declassify on 11/14/06 Reason R1(a)

REASON 1.5 (D)

2. CONFIDENTIAL ENTIRE TEXT.

3. 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 GENERAL MCCAFFREY'S ARRIVAL. ALTHOUGH THE END GOP PRODUCT CONTAINED FEWER SPECIFICS THAN WE WOULD HAVE WANTED, THE ATMOSPHERICS WITH THE GOP WERE UNIFORMLY GOOD. MOREOVER, THE VISIT PRODUCED STRONG GOP COMMITMENT TO COMPLETE SOONEST ITS NATIONAL ALTERNATIVE DEVELOPMENT PLAN, AS WELL AS GOP CLARIFICATION OF THE ROLE OF THE PERUVIAN MILITARY IN SUPPORT OF PERUVIAN NATIONAL POLICE (PNP) COUNTERNARCOTICS INTERDICTION. THERE WAS SPECIFIC DISCUSSION OF THE ROLE, MANDATE AND FUNCTIONING OF "CONTRADROGAS", AND PRESENTATION OF A CONCEPT PAPER COVERING ERADICATION OF ABANDONED COCA FOLLOWED BY

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REFORESTATION. PERHAPS MORE SIGNIFICANT THAN THE SUCCESS OF ANY OF THESE DISCUSSIONS WAS THE FACT THAT THEY WERE ACCOMPLISHED THROUGH AN UNPRECEDENTED BRINGING TOGETHER IN ONE ROOM AND ONE MILIEU OF A MIX OF THE VERY HIGHEST-LEVEL GOP CIVILIAN AND MILITARY AUTHORITIES WHO SELDOM CONSULT MUTUALLY.

THE VISIT STARTED OCTOBER 22 WITH A CALL ON PRESIDENT FUJIMORI (TO WHOM GENERAL MCCAFFREY DELIVERED A LETTER FROM PRESIDENT CLINTON) AND TOP GOP LEADERS. A REPORT OF THAT CONVERSATION PUBLISHED IN THE PRESS THE FOLLOWING DAY WAS BASICALLY ACCURATE ALTHOUGH IT TOOK OUT OF CONTEXT GENERAL MCCAFFREY'S MENTION OF THE CONTRIBUTION OF PERUVIAN INTELLIGENCE AMONG MANY OTHER GOP INSTITUTIONS WHICH HAD HELPED BRING ABOUT COUNTERDRUG SUCCESSES. AFTER THE CALL ON THE PRESIDENT AND A (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 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

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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
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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 STRESSED THE IMPORTANCE OF A NET REDUCTION OF COCA CULTIVATION AND EMPHASIZED THAT IT IS DIFFICULT TO ARGUE FOR MAJOR ALTERNATIVE DEVELOPMENT/SUPPLY REDUCTION RESOURCES IF THIS CANNOT BE ACCOMPLISHED.

UNFORTUNATELY, THE FOCUS OF THE VISIT WAS TEMPORARILY DISTRACTED BY A SWIRL OF MEDIA INTEREST AND ATTENTION ON THE IMPLICATION 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 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 concerns in AP/... Part/ recommendation to... at new initiative

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 AMEMBASSY QUITO
 AMEMBASSY BRASILIA
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C O N F I D E N T I A L SECTION 02 OF 05 LIMA 009772

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31625

SUMMARY.

4. 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 HITLLE. PRESENT ON THE GOP SIDE

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WERE FUJIMORI, MINISTER OF DEFENSE GENERAL TOMAS CASTILLO MEZA, 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 A NET REDUCTION IN PERUVIAN COCA CULTIVATION THIS YEAR.

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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 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 15 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.

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

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FAMILY PLANNING WOULD HELP HERE ALSO, HE SAID.

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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. (NOTE: DURING PRIME MINISTER HASHIMOTO'S RECENT VISIT TO PERU, THE GOVERNMENT OF JAPAN INFORMALLY OFFERED TO PROVIDE AS MUCH AS \$500 MILLION ANNUALLY IN CONCESSIONAL LOANS OVER A TEN YEAR PERIOD IN SUPPORT OF PERUVIAN DEVELOPMENT GOALS. IN SEPTEMBER, PERUVIAN MFA OFFICIALS MADE A FORMAL REQUEST TO VISITING GOJ DEPUTY FOREIGN MINISTER OGURA THAT SOME OF THESE FUNDS BE MADE AVAILABLE TO FINANCE ALTERNATIVE DEVELOPMENT EFFORTS. OGURA PROMISED TO CONSIDER THE MATTER AND REQUESTED ADDITIONAL INFORMATION. END NOTE).

5. 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

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SECDEF WASHINGTON DC
INFO NSC WASHDC
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AMEMBASSY BOGOTA
USIA WASHDC 3101
AMEMBASSY QUITO
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C O N F I D E N T I A L SECTION 03 OF 05 LIMA 009772

STATE FOR INL, ARA/AND, ARA/PPC, G, P, DRL
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NSC FOR JAMES DOBBINS, DICK CLARKE

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

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.

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

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

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APPROVED BY: IM/SO/TO/SI/CRYPT:JRFELDMANN

IM/SO/TO/SI/CRYPT:SLBARNES(COR)

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C O N F I D E N T I A L SECTION 04 OF 05 LIMA 009772

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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

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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.

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

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7. 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.

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ACTION INL-01

INFO	LOG-00	ACDA-10	ACDE-00	INLB-01	AID-00	ARA-01	OASY-00
	DINT-00	DOEE-00	SRPP-00	DS-00	EB-00	OIGO-01	H-01
	TEDE-00	INR-00	IO-00	L-01	ADS-00	M-00	NSAE-00
	OIC-02	OMB-01	PA-00	PM-00	PRS-00	P-00	CIO-00
	SP-00	STR-00	TRSE-00	PMB-00	DSCC-00	PRM-10	PRME-01
	DRL-09	G-00	/039W				

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R 151404Z NOV 96
FM AMEMBASSY LIMA
TO USCINCSO QUARRY HEIGHTS PM
DIRONDCP WASHDC
SECSTATE WASHDC 4374
SECDEF WASHINGTON DC
INFO NSC WASHDC
DOJ WASHDC

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AMEMBASSY BOGOTA
USIA WASHDC 3103
AMEMBASSY QUITO
AMEMBASSY BRASILIA
CIA WASHDC
DEA HQS WASHINGTON DC

C O N F I D E N T I A L SECTION 05 OF 05 LIMA 009772

STATE FOR INL, ARA/AND, ARA/PPC, G, P, DRL
DEPT PASS AID - FOR LAC
USCINCSO FOR GENERAL CLOSE, ALSO FOR POLAD
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NSC FOR JAMES DOBBINS, DICK CLARKE

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

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 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 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.

8. 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

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 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.

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
 LETTER). END NOTE.

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9. 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

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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 TRACK HERE. END COMMENT. JETT

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