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R 152038Z APR 98 FM SECSTATE WASHDC TO AMEMBASSY BOGOTA AMEMBASSY CARACAS AMCONSUL GUAYAQUIL AMEMBASSY LA PAZ AMEMBASSY LIMA

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AMEMBASSY QUITO

E.O. 12958: DECL: 12/31/99 TAGS: AMGT, BL, CO, PE, EC, VE SUBJECT: OFFICIAL INFORMAL

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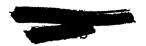
FOLLOWING IS THE ASDAR FOR APRIL 14, 1998



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UNITED STATES DEPARTMENT OF STATE **REVIEW AUTHORITY: OSCAR J. OLSON** DATE/CASE ID: 7 AUG 2001 200003849

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1. (SBU) VENEZUELA: GOV REQUESTS EXTRADITION OF FUGITIVE BANKERS. OVER THE LAST TWO WEEKS, L HAS RECEIVED A SERIES OF DIP NOTES REQUESTING EXTRADITION OF RNORE THAN 20 BANKERS INVOLVED IN THE 1994-1995 BANKING CRISIS. L REPORTS THAT IT HAS TO CAREFULLY REVIEW EACH REQUEST BEFORE FORWARDING TO JUSTICE, A LABORIOUS AND TIRNE-CONSURNING TASK. L EXPECTS IT

WILL TAKE SEVERAL WEEKS TO MONTHS BEFORE IT WILL BE ABLE TO RESPOND IN DETAIL TO THE GOV.

- 2. (U) VENEZUELA: PIPE BOMB IN CONGRESS. A SMALL EXPLOSIVE PLACED ON AN OUTSIDE WALL OF CONGRESS WAS EXPLODED BY VENEZUELAN POLICE LAST WEEK TO PREVENT HARM TO INNOCENT PEOPLE. THE DEVICE SHATTERED A WINDOW, BUT CAUSED NO INJURIES. IT WAS THE THIRD BOMB ATTACK ON CONGRESS IN THE PAST YEAR. GOVERNMENT OFFICIALS SAY THE ATTACKS HAVE BEEN POLITICALLY MOTIVATED, BUT HAVE FAILED TO IDENTIFY OR CAPTURE THOSE RESPONSIBLE.
- 3. (U) VENEZUELA: FUTURE PRIVATIZATION IN ELECTRIC INDUSTRY. COMMERCIAL RATES FOR ELECTRICITY IN CARACAS ARE



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AMONG THE HIGHEST RATES IN THE WORLD. THE REAL ISSUE,
HOWEVER, IS NOT THE RATES, BUT FAILURE TO COLLECT THE FEES
BEING CHARGED. IT IS DIFFICULT TO FIND RESIDENTIAL OR
COMMERCIAL USERS WHO ACTUALLY PAY FOR THE ELECTRICITY THEY
CONSUME. STATE ENTITIES TYPICALLY DON'T PAY THEIR
ELECTRICITY BILLS EITHER. ALTHOUGH PRIVATIZATION BRINGS
ITS OWN PROBLEMS, IT'S AN OPTION BEING CONSIDERED TO HELP
ALLEVIATE THE GOVERNMENT'S PROBLEM WITH ELECTRICITY RATES
AND COLLECTION.

- 4. (C) ECUADOR: EX-MINISTER OF GOVERNMENT A FUGITIVE. CESAR VERDUGA, WHO WAS PRESIDENT ALARCON' 5 KEY MINISTER UNTIL HE RESIGNED AT THE END OF JANUARY, FLED TO THE U.S. ON OR ABOUT APRIL 4, JUST AHEAD OF AN ARREST WARRANT ON CHARGES OF MISUSE OF DISCRETIONARY FUNDS. THE SUPREME COURT HAS REPORTEDLY REQUESTED THAT THE FOREIGN MINISTRY INITIATE EXTRADITION PROCEEDINGS, BUT THE ALARCON ADMINISTRATION IS UNLIKELY TO PRESS AN EXTRADITION CASE. ALARCON HIMSELF IS FACING INCREASING PRESSURE ON CORRUPTION CHARGES.
- 5. (U) ECUADOR: CAMPESINO STRIKE. ROADS ARE CLOSED TODAY



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THROUGHOUT ECUADOR BY ROADBLOCKS ERECTED BY CAMPESINOS DEMONSTRATING CONCERN OVER POSSIBLE CUTBACKS IN SOCIAL SECURITY.

- 6. (U) ECUADOR: ALARCON' 5 POPULARITY DOWN. A RECENT SURVEY INDICATED THAT PRESIDENT ALARCON' 5 POPULARITY HIT AN ALL-TIME LOW OF 22 PERCENT IN MARCH.
- 7. (U) ECUADOR: SANCTIONS LOOMING. USTR INFORMED

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AMBASSADOR ~ASPONS TODAY THAT UNLESS THE GOE ACTS ON IPR

LEGISLATION, PIPELINE PATENT PROTECTION, AND THE DEALERS

ACT, BARSHEFSKY WOULD ANNOUNCE ON APRIL 30 HER

RECOMMENDATION TO THE PRESIDENT TO WITHDRAW ATPA AND GSP

PREFERENCES. MASPONS HAS REQUESTED A MEETING FOR FM AYALA

LASSO WITH MACK MCLARTY IN SANTIAGO ON 4/26 ON THIS ISSUE.

8. (U) PERU: SIN WILL FIGHT LIMA CRIME. PRESIDENT FUJIMORI HAS ANNOUNCED THE NATIONAL INTELLIGENCE SERVICE WILL BE USED TO COMBAT A RECENT WAVE OF KIDNAPPINGS AND ARMED ROBBERIES IN LIMA. THE NATIONAL BUSINESS FEDERATION CLAIMS THAT SINCE JANUARY FOUR BUSINESS PEOPLE PER DAY HAVE BEEN KIDNAPPED. RETIRED GENERAL RODOLFO ROBLES HAS CRITICIZED THE ASSIGNMENT OF CRIME FIGHTING DUTIES TO SIN, SAYING ITS RECORD DOES NOT INSPIRE CONFIDENCE AND THAT THE ACTION EXTENDS THE POWER OF SIN DE FACTO HEAD VLADIMIRO MONTESINOS TO BLACKMAIL AND PERSECUTE PERSONS OPPOSING THE FUJIMORI GOVERNMENT.



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