

[REDACTED] n/a

RELEASED IN PART

PTQ8120 B5, B1, 1.5(D), B4, B6

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ACTION WHA-00

INFO	LOG-00	NP-00	AID-00	CIAE-00	INL-00	DODE-00	DOEE-00
	SRPP-00	DS-00	EB-00	VC-00	H-01	TEDE-00	INR-00
	IO-00	L-00	VCE-00	AC-01	NSAE-00	NSCE-00	OIC-02
	OMB-01	OPIC-01	PA-00	PM-00	PRS-00	ACE-00	P-00
	SP-00	SS-00	STR-00	TRSE-00	T-00	USIE-00	R-00
	PMB-00	DSCC-00	PRM-01	DRL-02	G-00	SAS-00	/009W

-----6DE22E 131936Z /45

P 122227Z JUL 00 ZDK PER REQUEST OF RECIP OFC IN DEPT

FM AMEMBASSY LIMA

TO SECSTATE WASHDC PRIORITY 5324

INFO AMEMBASSY BOGOTA

AMEMBASSY BRASILIA

AMEMBASSY BUENOS AIRES

AMEMBASSY CARACAS

AMEMBASSY LA PAZ

AMEMBASSY QUITO

AMEMBASSY SANTO DOMINGO

AMEMBASSY SANTIAGO

USCINCSO MIAMI FL

[REDACTED] SECTION 01 OF 03 LIMA 004070

E.O. 12958: DECL: 07/12/10

TAGS: PGOV, PHUM, PREL, US, PE

SUBJECT: THE MOOD IN LIMA

REFS: (A) LIMA 3980 (B) LIMA 4043 (C) LIMA 4055

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1. (U) CLASSIFIED BY AMBASSADOR JOHN R. HAMILTON, EMBASSY LIMA, REASON: 1.5(D).

2. (C) SUMMARY: AFTER MONTHS OF TAKING FAR MORE POINTED CRITICISMS IN RELATIVELY GOOD GRACE, THE GOVERNMENT IS NOW BRISTLING AT EVERY U.S. OR OTHER FOREIGN COMMENT ON ITS INTERNAL POLITICS. IN ITS "NOT-GOING-TO-TAKE-IT-ANYMORE" MOOD, THE GOVERNMENT MAY ALSO BE SEEKING WAYS TO DEMONSTRATE THAT PRESSURE ON DEMOCRACY CARRIES AN ECONOMIC OR OTHER PRICE. MOST OF THE POLITICAL OPPOSITION AND CIVIL SOCIETY IS STILL FOCUSED ON NEW ELECTIONS AND THUS REFUSING TO ENGAGE IN A DIALOGUE ON THE PACKAGE OF REFORMS PROPOSED BY

[REDACTED] n/a

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n/a

THE OAS, WHICH DOES NOT INCLUDE NEW ELECTIONS. THERE IS THEREFORE LITTLE PROSPECT OF A STRUCTURED, NATIONAL DIALOGUE OCCURRING BEFORE THE JUST-NAMED OAS REPRESENTATIVE, DOMINICAN FOREIGN MINISTER EDUARDO LATORRE, ARRIVES HERE IN LATE AUGUST. THERE ARE SEVERAL THINGS WE CAN DO, HOWEVER, TO INCREASE PROSPECTS FOR DIALOGUE, REFORM AND IMPROVED BILATERAL RELATIONS. END SUMMARY

A PUNCHING BAG NO LONGER

3. (C) LIMA IS IN THE MIDDLE OF ITS GRIMY GRAY WINTER AND IT IS NOT HELPING ANYONE'S HUMOR. THROUGHOUT THE MONTHS-LONG PRE-ELECTION CAMPAIGN AND DURING THE SIX WEEKS BETWEEN THE TWO ROUNDS, THE FUJIMORI GOVERNMENT RESPONDED FOR THE MOST PART WITH CHIN-UP MATURITY TOWARD AN ENDLESS STREAM OF CRITICAL COMMENTARY ON ITS ELECTIONS -- FROM THE OAS, THREE NDI/CARTER CENTER MISSIONS, THE U.S. AND OTHER FOREIGN

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GOVERNMENTS. GIVEN HOW TOUGH AND UNRELENTING THE CRITICISM BECAME, IT WAS SURPRISING THAT THE GOVERNMENT CHOSE NOT TO BE ARGUMENTATIVE IN RESPONSE. THIS IS NOT TO SAY THAT ITS SUBSTANTIVE RESPONSE WAS MINIMALLY ADEQUATE, ONLY THAT IT CHOSE FOR ITS OWN REASONS NOT TO GET ANGRY PUBLICLY.

4. (C) THAT ATTITUDE IS GONE. THE GOVERNMENT IS PREPARED TO WORK WITH THE OAS MISSION, BUT ITS WILLINGNESS TO TOLERATE CRITICISM FROM ANY OTHER SOURCE HAS BEEN EXHAUSTED. IN RECENT DAYS:

-- A VARIETY OF GOVERNMENT OFFICIALS (INCLUDING THE PRESIDENT OF THE PERUVIAN CONGRESS) REACTED SHARPLY TO THE LINE IN THE AMBASSADOR'S JULY 4 REMARKS (LIMA 3980) NOTING THAT "COSMETIC REFORMS" WILL NOT SOLVE THE CRISIS OF CREDIBILITY.

-- THE MILITARY AND POLICE BOYCOTTED THE JULY 4TH RECEPTION.

-- THE FOREIGN MINISTER AND PRIME MINISTER BRISTLED AT WHAT THE OPPOSITION PRESS HAD BILLED AS A "NEW 'WHITE HOUSE' WARNING" (SIC) ON DEMOCRATIC REFORMS (NOTE: ACTUALLY, DEPARTMENT SPOKESMAN BOUCHER HAD SIMPLY REITERATED STANDING GUIDANCE, WHEN PRESSED ON THE POSSIBILITY OF SANCTIONS, THAT NOTHING HAD BEEN RULED OUT). PM BUSTAMANTE BLAMED PERU'S STAGNATING INVESTMENTS IN PARB ON "NEGATIVE ATTITUDES" FROM THE UNITED STATES.

[REDACTED]
n/a

[REDACTED]
n/a

-- THE GOVERNMENT AND OFFICIAL PARTY REFUSED TO MEET WITH THE NDI/CARTER CENTER MISSION HERE THIS WEEK. THE HEAD OF THE PERUVIAN CONGRESS' FOREIGN RELATIONS COMMISSION CALLED

[REDACTED]

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THE MISSION'S VERY PRESENCE "IMPERTINENT." PREVIOUS MISSIONS HAD MET EITHER WITH PRESIDENT FUJIMORI AND PRIME MINISTER BUSTAMANTE OR BOTH.

HITTING BACK?

5. (C) THE GOVERNMENT MAY ALSO BE SENDING A MESSAGE THAT OUR POSTURE ON DEMOCRACY (ESPECIALLY OUR NOT YET RECOGNIZING PRESIDENT FUJIMORI'S ELECTION AS VALID) CARRIES A PRICE. IN RECENT DAYS:

-- THE GOVERNMENT PROPOSED, WITH NO PRIOR CONSULTATION, REMOVAL OF TAX AND OTHER INCENTIVES IN PLACE THE LAST SIX YEARS TO ENCOURAGE MINING EXPLORATION. U.S. AND CANADIAN FIRMS CONSIDERING NEW PROJECTS ARE THE MOST AFFECTED (SEPTEL IN PREPARATION).

-- PRESIDENT FUJIMORI PUBLICLY CRITICIZED A U.S. LOGGING FIRM AND RENEWED AN EMERGENCY DECREE THAT AUTHORIZES THE MILITARY TO ENSURE THAT ITS LOGGING OPERATIONS ARE FROZEN. AS LIMA 4043 EXPLAINS, THIS CASE IS NOT NEW AND THE ACTION

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ACTION WHA-00

INFO	LOG-00	NP-00	AID-00	CIAE-00	INL-00	DODE-00	DOEE-00
	SRPP-00	DS-00	EB-00	VC-00	H-01	TEDE-00	INR-00
	IO-00	L-00	VCE-00	AC-01	NSAE-00	NSCE-00	OIC-02
	OMB-01	OPIC-01	PA-00	PM-00	PRS-00	ACE-00	P-00
	SP-00	SS-00	STR-00	TRSE-00	T-00	USIE-00	R-00
	PMB-00	DSCC-00	PRM-01	DRL-02	G-00	SAS-00	/009W

-----6DDA29 131822Z /45

P 122227Z JUL 00 ZDK PER REQUEST OF RECIP OFC IN DEPT
FM AMEMBASSY LIMA
TO SECSTATE WASHDC PRIORITY 5325
INFO AMEMBASSY BOGOTA
AMEMBASSY BRASILIA

n/a
[REDACTED]

[REDACTED]
n/a

AMEMBASSY BUENOS AIRES
AMEMBASSY CARACAS
AMEMBASSY LA PAZ
AMEMBASSY QUITO
AMEMBASSY SANTO DOMINGO
AMEMBASSY SANTIAGO
USCINCSO MIAMI FL

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E.O. 12958: DECL: 07/12/10
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DOES NOT BREAK NEW GROUND, BUT IN NOTING THAT THE FIRM HAD
[REDACTED]

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SOUGHT PROTECTION FROM THE U.S. SENATE (AN ALLUSION TO
INTEREST FROM MAJORITY LEADER LOTT, WITH WHOM PM BUSTAMANTE
HAD MET AT LEAST ONCE) FUJIMORI SEEMED TO BE GOING OUT OF
HIS WAY TO CONVEY THAT THERE WILL BE NO SPECIAL
CONSIDERATION FOR U.S. ECONOMIC INTERESTS.

[REDACTED]

B4

-- FIRST VICE-PRESIDENT-ELECT TUDELA AND SECOND VICE-
PRESIDENT-ELECT MARQUEZ, IN A MEETING THEY HAD REQUESTED
WITH THE PRESIDENT AND GENERAL MANAGER OF THE AMERICAN
CHAMBER, MADE CLEAR THAT IN RETURN FOR RENEWED GOP EFFORTS
TO IMPROVE THE INVESTMENT CLIMATE, THEY WOULD EXPECT U.S.
COMPANIES TO HELP MANAGE RELATIONS WITH THE U.S. CONGRESS.

[REDACTED]

B6

6. (C) WE ARE NOT YET READY TO CONCLUDE (ALTHOUGH MANY HERE
ARE) THAT THESE ITEMS CONSTITUTE A PATTERN OF A DELIBERATE
GOP EFFORT TO MAKE US PAY A PRICE FOR OUR POLICY, BUT IT IS
A DISTINCT POSSIBILITY.

n/a
[REDACTED]

[REDACTED]
n/aHITTING BACK AT WHAT?
[REDACTED]PAGE 03 LIMA 04070 02 OF 03 131822Z

7. (C) ONE QUESTION IS: IF THE GOP IS RESPONDING, WHAT ARE THEY RESPONDING TO? THAT IS, AFTER ENDURING SO MUCH IN TERMS OF PUBLIC CRITICISM AND EXHORTATION, WHAT IN PARTICULAR HAS SET THE PERUVIANS OFF NOW? SEVERAL THINGS:

-- WE HAVE NOT YET STATED WHETHER OR NOT WE ACCEPT THE FUJIMORI ELECTION AS LEGALLY VALID AND THE AMBASSADOR DID NOT ATTEND A JUNE 8 POLICE/MILITARY CEREMONY PLEDGING LOYALTY TO FUJIMORI AS PRESIDENT 2000-2005. WITH THE JULY 28 INAUGURATION DATE FAST APPROACHING, THIS HAS BECOME INCREASINGLY IMPORTANT TO THE GOVERNMENT.

-- THE NYTIMES HAS REPORTED THAT THE OAS, WITH OUR EXPLICIT BACKING, IS SEEKING THE REMOVAL OF SECURITY ADVISOR MONTESINOS. WITH THE NYT NOW EDITORIALIZING THAT WE SHOULD REVOKE VISAS FOR BOTH FUJIMORI AND MONTESINOS (IF PERU DOESN'T REFORM IN ACCORD WITH A DEMANDING, TIGHT TIMETABLE), PERUVIANS ARE AFFRONTED. EVEN THE OPPOSITION IS COMMENTING PUBLICLY THAT THREATENING TO TAKE FUJIMORI'S VISA AWAY IS INSULTING TO ALL PERUVIANS (NEVER MIND THAT THE NYTIMES IS A PRIVATE NEWSPAPER).

-- THE U.S. CONGRESS ELIMINATED \$42 MILLION OF FUNDING FOR PERU FROM THE COLOMBIA SUPPLEMENTAL. THIS ADDED INSULT TO INJURY, AS THE PERUVIANS HAD COMPLAINED TO US FOR MONTHS THAT THEY RESENTED HOW LITTLE WE APPEARED TO VALUE THEIR PERFORMANCE ON DRUGS.

8. (C) THIS EMBASSY HAD, OF COURSE, WARNED THE GOP FOR
[REDACTED]

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MONTHS THAT ITS PERFORMANCE ON ELECTIONS HAD US ON A COLLISION COURSE. THE AMBASSADOR HAD IN COUNTLESS CONVERSATIONS DESCRIBED HOW, IN A CONTEXT OF BADLY FLAWED ELECTIONS, A WIDE VARIETY OF BILATERAL INTERESTS INEVITABLY WOULD SUFFER. BUT GOVERNMENT OFFICIALS ARE IN NO MOOD TO BE TOLD I-TOLD-YOU-SO.

OPPOSITION IN NO MOOD TO DIALOGUE

[REDACTED]
n/a

[REDACTED]
n/a

9. (C) THE OPPOSITION, FOR ITS PART AND WHILE ITS BEHAVIOR IS IN MANY RESPECTS UNDERSTANDABLE, IS NOT HELPING MUCH. IT IS STILL FAR TOO ANGRY OVER THE ELECTIONS AND TOO DEMORALIZED BY THE PROSPECT OF FIVE MORE YEARS OF FUJIMORI AND MONTESINOS TO SIT DOWN WITH THE GOP. MOST OF THE OPPOSITION WANTS TO DISCUSS NEW ELECTIONS ONLY. LIMA MAYOR ALBERTO ANDRADE (HEAD OF THE SOMOS PERU PARTY) HAS MADE POSITIVE NOISES ABOUT DIALOGUE AND THE AVANCEMOS PARTY'S RAFAEL REY IS ALSO PREPARED TO TALK. OTHERWISE THE OPPOSITION [REDACTED] AND MOST OF CIVIL SOCIETY IS PUTTING FORTH CONDITIONS FOR DIALOGUE THAT APPEAR DESIGNED TO FRUSTRATE GETTING A PROCESS UNDERWAY OR IS SIMPLY REFUSING TO TALK ALTOGETHER.

B1

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PTQ7824

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ACTION WHA-00

INFO	LOG-00	NP-00	AID-00	CIAE-00	INL-00	DODE-00	DOEE-00
	SRPP-00	DS-00	EB-00	VC-00	H-01	TEDE-00	INR-00
	IO-00	L-00	VCE-00	AC-01	NSAE-00	NSCE-00	OIC-02
	OMB-01	OPIC-01	PA-00	PM-00	PRS-00	ACE-00	P-00
	SP-00	SS-00	STR-00	TRSE-00	T-00	USIE-00	R-00
	PMB-00	DSCC-00	PRM-01	DRL-02	G-00	SAS-00	/009W

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P 122227Z JUL 00 ZDK
FM AMEMBASSY LIMA
TO SECSTATE WASHDC PRIORITY 5326
INFO AMEMBASSY BOGOTA
AMEMBASSY BRASILIA
AMEMBASSY BUENOS AIRES
AMEMBASSY CARACAS
AMEMBASSY LA PAZ
AMEMBASSY QUITO
AMEMBASSY SANTO DOMINGO
AMEMBASSY SANTIAGO
USCINCSO MIAMI FL

[REDACTED] SECTION 03 OF 03 LIMA 004070

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n/a

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10. (C) TOLEDO IN THE MEANTIME IS WORKING ON MOBILIZING WHAT HE HOPES WILL BE A PROTEST JULY 26 OF SEVERAL HUNDRED THOUSAND IN LIMA AND UP TO A MILLION, ALL TOGETHER, IN PROVINCIAL CITIES. EVEN MEMBERS OF TOLEDO'S OWN CAMP ARE COMMENTING NERVOUSLY THAT PROSPECTS FOR GETTING THAT NUMBER ARE LOOKING REALISTIC AND THAT THEY ARE CONCERNED THAT "THINGS COULD GET OUT OF HAND." THE GOVERNMENT ALSO IS WORRIED BY THAT PROSPECT, AS INDICATED BY A NUMBER OF RUSH-ORDER PURCHASES OF CROWD CONTROL MUNITIONS AND TRAINING OF THE MILITARY TO PERFORM ANTI-RIOT OPERATIONS.

OPPORTUNITY FOR REAL REFORM AT STAKE

11. (C) THE IRONY --AND POTENTIAL LOST OPPORTUNITY -- IS THAT THE GOVERNMENT'S CONCERN TO REFURBISH ITS IMAGE INTERNALLY AND ABROAD IS CREATING CONDITIONS IN WHICH GENUINE REFORM (SHORT OF LEADING TO NEW ELECTIONS) IS DISTINCTLY POSSIBLE. THE GOP HAS NOW PUT FORWARD (LIMA 4055) PROPOSALS FOR ELECTORAL LAW REFORMS, MANY OF WHICH, IN SUBSTANCE, HAVE LONG BEEN ADVOCATED BY THE OPPOSITION. AS WE HAVE REPORTED, IT IS WORKING ON OTHER IDEAS FOR REFORM IN EACH OF THE AREAS IDENTIFIED IN THE OAS RESOLUTION ADOPTED AT WINDSOR AND BY THE AXWORTHY-GAVIRIA MISSION.

HOW TO ENCOURAGE A BEST-CASE SCENARIO

12. (C) WE BELIEVE WE CAN GET THROUGH THIS PERIOD OF TENSION AND THAT THE ARRIVAL OF THE OAS MISSION SECRETARY IN LATE AUGUST WILL HELP. AN OPTIMISTIC SCENARIO, IN WHICH PERU --

[REDACTED]
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GOVERNMENT AND OPPOSITION ALIKE -- STARTS IN AUGUST TO FOCUS SERIOUSLY ON A BROAD REFORM PROCESS, REQUIRES:

-- THAT THE JULY 26 MARCH DOES NOT FIZZLE ON THE ONE HAND (AS THAT WOULD TAKE PRESSURE OFF THE GOP) OR END IN VIOLENCE ON THE OTHER (WHICH WOULD CREATE A NEW OBSTACLE TO DIALOGUE);

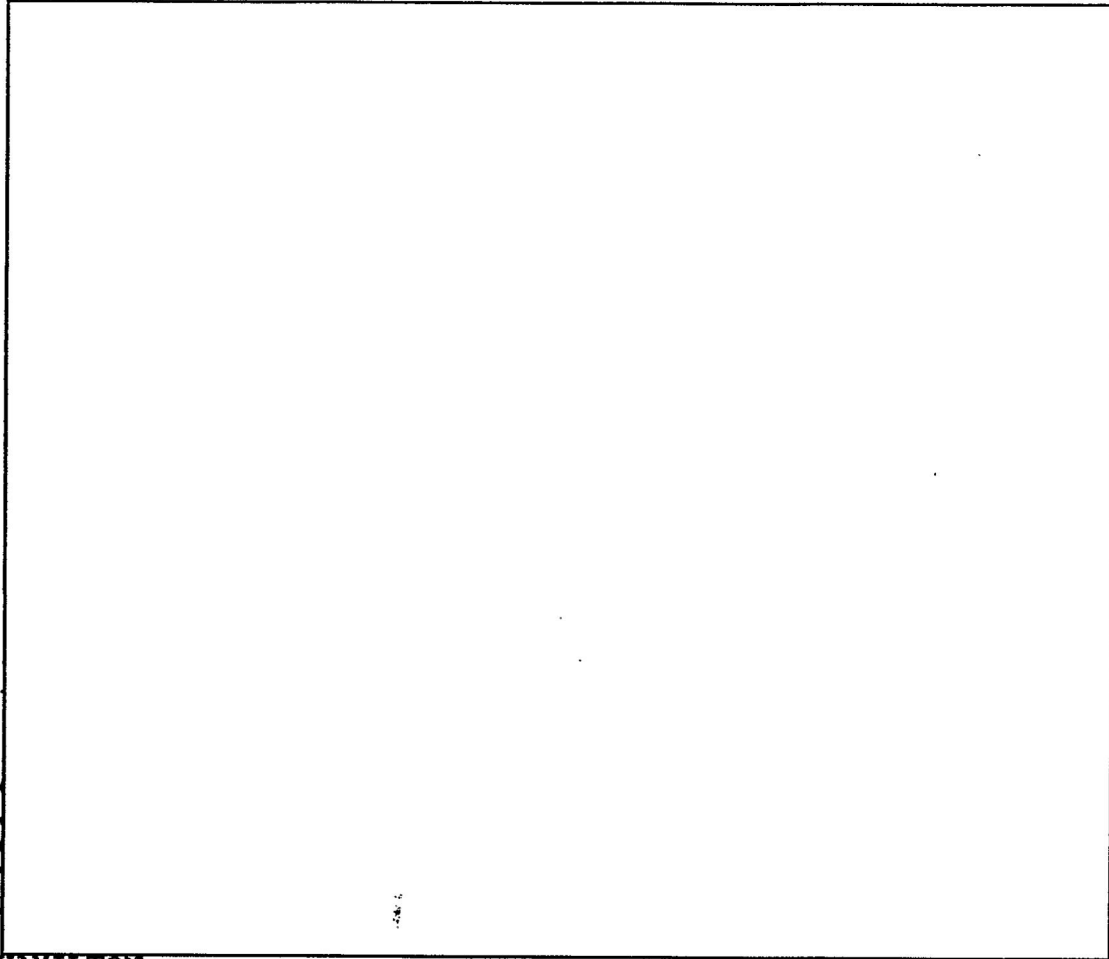
-- THAT THE GOP PUT FORWARD FURTHER PROPOSALS FOR (BY THE JULY 28 SPEECH OR BEFORE) THAT BEGIN TO PERSUADE SKEPTICS THAT IT IS MORE SERIOUS ABOUT REFORM THAN PEOPLE HAVE BELIEVED UP UNTIL NOW; AND THAT

[REDACTED]
n/a

[REDACTED]
n/a

-- THAT THE GOP NOT WRITE OFF THE POSSIBILITY OF IMPROVED
RELATIONS WITH THE U.S.

B1, B5



HAMILTON

[REDACTED]

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