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ACTION ARA-01

INFO	LOG-00	ADS-00	AID-01	CIAE-00	HA-09	H-01	INRE-00
	INR-05	L-03	NSAE-00	NSCE-00	OMB-01	PA-01	PM-01
	PRS-01	P-02	SNP-01	SP-01	SS-01	TRSE-00	T-01
	USIE-00	/030W					

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R 191639Z OCT 90
FM AMEMBASSY LIMA
TO SECSTATE WASHDC 2333
INFO RUEHBO/AMEMBASSY BOGOTA
AMEMBASSY CARACAS
AMEMBASSY LA PAZ
AMEMBASSY QUITO
USAFSO HOWARD AFB PM
USCINCSO QUARRY HEIGHTS PM
SECDEF WASHDC

RELEASED IN FULL

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USCINCSO ALSO FOR POLAD

E.O. 12356: DECL: OADR
TAGS: PGOV, PE
SUBJECT: ALAN GARCIA PRESENTS FLASHY DEFENSE IN
CORRUPTION INVESTIGATION

1. [REDACTED] - ENTIRE TEXT.
2. FORMER PRESIDENT ALAN GARCIA PRESENTED A LENGTHY
[REDACTED]

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AND COLORFUL DEFENSE OF HIS FINANCIAL PROBITY BEFORE
A CHAMBER OF DEPUTIES COMMITTEE, OCTOBER 16. THE
COMMITTEE, WHICH HAS BEEN INVESTIGATING CHARGES OF
ILLICIT ENRICHMENT AGAINST GARCIA, WAS TREATED TO
THREE AND HALF HOURS OF ALAN GARCIA AT THE TOP OF HIS
CHARISMATIC FORM. GARCIA CAME PREPARED WITH FLIP
CHARTS AND PAGES AND PAGES OF VIRTUALLY MEANINGLESS
ECONOMIC DISCLOSURE FORMS AND TAX RETURNS DATING BACK

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TO THE 1970S. GARCIA MAINTAINED THAT HE HAD RETAINED ONLY TWO PROPERTIES DURING HIS PRESIDENCY, BOTH ENTIRELY FUNDED FROM HIS SALARY, OTHER PROFESSIONAL EARNINGS AND PROFITS FROM THE SALE OF PROPERTIES ACQUIRED EARLIER.

3. MUCKRAKING DEPUTY FERNANDO OLIVERA, WHO CHAIRED THE COMMITTEE, DECLINED TO DISCUSS THE COMMITTEE'S DELIBERATIONS WITH THE PRESS FOLLOWING THE SESSION. OLIVERA PREFERRED, HE SAID, TO RESERVE ANY STATEMENT UNTIL THE INVESTIGATION HAD BEEN CONCLUDED. OLIVERA, HOWEVER, IS KNOWN TO BE PURSUING A PERSONAL CRUSADE AGAINST ALAN GARCIA, AND HAS MADE IT CLEAR THAT HE WILL PURSUE THE INVESTIGATION IN COMMITTEE. GARCIA, HOWEVER, IMMEDIATELY CALLED A PRESS CONFERENCE IN WHICH HE ACCUSED THE COMMITTEE OF BEING POLITICALLY MOTIVATED IN ITS INVESTIGATION. HE INSISTED THAT IT WOULD BE "RIDICULOUS" FOR THE COMMISSION TO ATTEMPT TO INVESTIGATE THE POSSIBILITY OF FOREIGN REAL ESTATE HOLDINGS.

4. COMMENT: THE OLIVERA INVESTIGATION IS ONE OF SEVERAL ONGOING CONGRESSIONAL INQUIRIES INTO ALAN

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 GARCIA'S RECORD IN OFFICE. ITS OUTCOME IS LIKELY TO BE ENMESHED IN THE CONSIDERABLE POLITICAL HORSE TRADING GOING ON IN THE CONGRESS THESE DAYS. ON THE SAME DAY AS THE GARCIA PRESENTATION, THE CHAMBER OF DEPUTIES FAILED TO PASS A MOTION TO CENSURE CAMBIO 90 PRESIDENT OF THE CHAMBER OF DEPUTIES, VICTOR PAREDES, FOR HIS POOR MANAGEMENT OF A DEBATE WHICH EVENTUALLY RESULTED IN FAILURE TO APPROVE PRESIDENT FUJIMORI'S TRAVEL TO THE RIO GROUP SUMMIT IN CARACAS LAST WEEK. PAREDES WAS SAVED FROM CENSURE BY THE COOPERATION OF APRA AND CAMBIO 90, TOGETHER WITH THE CONSPICUOUS ABSENCE OF MANY DEPUTIES ON THE RIGHT SIDE OF THE AISLE. APRA PROBABLY EARNED AN I.O.U. FOR SUBSEQUENT CAMBIO HELP IN PIDGEONHOLING CONGRESSIONAL INVESTIGATION OF GARCIA'S AND APRA'S PAST MISDEEDS IN OFFICE. THIS WOULD SET THE STAGE FOR CONTINUED APRA-CAMBIO COOPERATION ON ISSUES ESSENTIAL TO THE NEW ADMINISTRATION. THE GARCIA INVESTIGATIONS ARE NOT OVER, BUT APRISTAS ARE GLOATING OVER HIS

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PERFORMANCE BEFORE OLIVERA'S COMMITTEE, TO THE EXTENT
OF TAKING OUT HUGE, DOUBLE PAGE ADS TRUMPETING
GARCIA'S DEFENSE. GARCIA HIMSELF APPEARS CONFIDENT
AND RELAXED. END COMMENT.
QUAINTON

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