RELEASE IN PART B6

From:

Abedin, Huma < AbedinH@state.gov>

Sent:

Wednesday, November 18, 2009 3:44 PM

To:

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Subject:

Fw: PDAS Kelly Visit Update

From: Kelly, Craig A

To: Abedin, Huma; Sullivan, Jacob J; Mills, Cheryl D

Sent: Wed Nov 18 14:01:24 2009 **Subject**: Fw: PDAS Kelly Visit Update

I had tried to send an update last night but there were server problems in Tegucigalpa. So I am sending Hugo's account below.

I would add one point: The announcement that the Honduran congress will take up the Zelaya restitution issue on December 2 -- and that Z seems willing to participate -- is important. Congressional action on restitution is a result of the October 30 Accord that we brokered. In fact, the article on congressional action was written by us when the parties could not agree on existing language. We must keep underscoring the importance of the October 30 Accord. S took the risk to send us to nail it down, and while implementation has run into several Honduran buzz saws, nearly everyone I talk to in Honduras is proud of the agreement. I told Z to stop trashing it, since it's his only possible way back to office.

Best.

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From: Llorens, Hugo
To: Aquilera. Patricia: Amselem. W Lewis: Brands. William R: Cue, Lourdes C;

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A; Webster, Christopher W; Williams, Bisa; Wolfe, David C; Zambrano, Maria Gabriela

Cc: Task Force Honduras

Sent: Wed Nov 18 13:34:55 2009 **Subject**: PDAS Kelly Visit Update

SENSITIVE BUT UNCLASSIFIED

PDAS Kelly had a busy 24 hour schedule here in Honduras. Yesterday we had meetings with M, Z and the OAS coordination team here. I hosted a breakfast this morning for Craig to meet with General V and former President Flores and Congress Vice President Velasquez.

Arturo Corrales: Craig and I first met with M Verification Commission member Arturo Corrales. Corrales described the considerable efforts made beginning Thursday last week to achieve a consensus amongst M supporters in support of M stepping down prior to the elections. Beginning on Thursday and ending on Monday this week there were a series of meeting involving M, civil society reps, business leaders, regime officials, as well as members of the Supreme Court, the Attorney General, and members of the security forces. He said that while the effort resulted in a near consensus in support of M stepping down, a last minute counteroffensive by some of M's closest and most rightwing supporters unraveled the effort and convince M to hang on. Corrales said that the prevailing mood among the extremists was fear that the removal of M would have on the elections and on the security situation. Many of the M hardliners insisted that

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if M stepped down the Resistencia would gain momentum and attempt to disrupt the elections. Corrales admitted defeat and sensed that with the failure of his effort the M negotiating team of himself, Vilma Morales and Armando Aguilar, all of whom had advocated that M step down, had lost their credibility with the regime. Corrales said that many of the M hardliners had turned against him and former President Carlos Flores.

M Meeting: Craig and I met with M yesterday at 4 PM. M was accompanied by Minister to the Presidency Pineda Ponce and advisor Kenya Lima (who works for the international lobbying firm the regime has contracted to represent their interest in the U.S.). The meeting was small so as to be able to speak in a very direct and frank manner (we will report the details in high side). Craig laid out our points and insisted that for the good of Honduras, ties with the U.S. and for himself personally it was best that he step aside as we moved to the elections. He noted that the Honduran crisis had exposed the U.S. and complicated our Latin America policy. Craig stressed the full implementation of the Tegucigalpa-San Jose Accord (TSJA) was in everyone's interest. M replied that he was willing to step down for the good country. However, he explained that most of his supporters insisted that he stay on. We had a very frank exchange and both of us made strong and direct pitches for M to do the right thing for the country. M ended the meeting by suggesting that we reach out to meet with key leaders, presidents of the Court and Congress and the Attorney General and attempt to convince them as to why M needed to step aside. The bottom line: M was not willing to exert the leadership necessary with his supporters and convince them that he needed to move on.

Z Meeting: Z was sharper and more lucid than normal. He admitted the elections would occur, although he predicted that turn out would be lower than in past elections (40% abstention in 2005). He noted that with congressmen in full campaign mode, Congress would not be able to vote on his restoration prior to the elections. Therefore, he appeared very much focused on a post-election scenario and stressed that the U.S. and OAS needed to develop a strategy for achieving our objectives beyond November 29. He said the situation after the elections would be complicated with a President-elect, a regime President and himself as the democratically elected President. He asked that the U.S. implement a coherent strategy in support of democracy and to ensure that an agreement could be implemented that would "deal with his situation." Z agreed to stay in close touch with us and directed his team (Jorge Reina, Rodil Rivera Rodil, Mayra Mejia, and Victor Meza) to stay engaged with us and the OAS in support of finding a way forward in the post-election period.

OAS Dinner: Craig and I had dinner with OAS Coordinator Enrique Correa. We briefed him on our meetings and discussed the way the OAS and the U.S. could continue to work together here on the ground. Enrique and I agreed we would continue to coordinate our work. We also agreed that Z's interest in solving this in the post-election period was significant. Correa said that Insulza would approve his staying on in Tegucigalpa and be supportive of the implementation of the TSJA.

Stakeholders Meetings: This morning we had very open exchanges with a number of stakeholders including General V, former President Flores, Congress Vice President Velasquez and business leaders. With the exception of Flores and V, most conveyed concerns about M stepping down. However, our arguments had some impact and several said they would go back to M and urge him to reconsider.

Press Conference: Craig held a short press event at the Marriot Hotel prior to heading to the airport. He made a very strong statement reaffirming U.S. support for the constitutional and democratic order in the wake of the coup, our commitment to the TSJA, and expressed the hope that both sides would commit to its implementation. Craig also mentioned our concerns about human rights, but also noted that the Honduran people retained the right to elect their leaders, and urged all to avoid violence and to work hard to achieve reconciliation.

Hugo Llorens Ambassador U.S. Embassy Tegucigalpa, Honduras 504 236-9320 ext. 4268