1. APRIL 23 "NOVEDADES" CARRIED REPORT THAT ELEMENTS OF GUERRERO PUBLIC SECURITY FORCES, STATE JUDICIAL POLICE, AND MEXICAN MILITARY WILL BEGIN CONCERTED DRIVE APRIL 24 AIMED AT ROUNING UP LUCIO CABANAS AND MEMBERS OF HIS GANG, SAID TO NUMBER NOT MORE THAN 30. ACCORDING TO GUERRERO ATTORNEY GENERAL FRANCISCO ROMAN ROMAN, CABANAS AND HIS GROUP HAVE BEEN ISOLATED. THEY POSSESS HIGH-POWER FIRE ARMS, "SOME OF WHICH WERE TAKEN FROM THE ARMY IN TWO ATTACKS". HOWEVER, ROMAN ROMAN BELIEVES THAT CAMPESINOS FEEL THREATENED BY CABANAS AND THEREFORE WILL COOPERATE IN SEARCH.

2. NEW CAMPAIGN PUBLICLY IS TIED TO ASSASSINATION OF FRANCISCO SANCHEZ LOPEZ (REFTEL), HOWEVER, EMBASSY HAS LEARNED THAT TWO OF FIVE PERSONS ARRESTED IN CONNECTION WITH APRIL 13 MEXICO CITY BANK ROBBERY CONFESSED TO TIES WITH CABANAS ORGANIZATION. ONE OF THESE ARRESTEES, A FORMER MILITARY MAN, FURTHER CONFESSED TO PARTICIPATION IN AUGUST 23 AMBUSH OF MILITARY UNIT IN GUERRERO AND TO HAVING IDENTIFIED SANCHEZ LOPEZ AS A POTENTIAL KIDNAPPING

IN AUGUST 23 AMBUSH OF MILITARY UNIT IN GUERRERO AND TO HAVING IDENTIFIED SANCHEZ LOPEZ AS A POTENTIAL KIDNAPPING

UNITED STATES DEPARTMENT OF STATE

REVIEW AUTHORITY: SAM A. MOSKOWITZ
DATE/CASE ID: 25 JAN 1999 19980894
GIVEN APPARENT SECURITY AND POLITICAL OVER- 
OF RECENT RASH OF BANK ROBBERIES ( REPORTED SEPARATELY), 
LIKELY THAT THIS MAY BE MORE BASIC REASON WHY GOM 
US UNDER RENEWED PRESSURE VIGOROUSLY TO CONSIDER AND USE 
THE VARIOUS PROVISIONS ONLY AS 
NEGOTIATING MEASURES AGAINST OTHER NATIONS, PARTICULARLY 
JAPAN AND FRANCE, AND NOT AS GENERAL APPLICATIONS, 
PARTICULARLY ON THOSE BACKWARD COUNTRIES THAT HAVE CLOSE 
POLITICAL TIES WITH THE UNITED STATES... THIS WILL HELP 
TO LESSEN THE DAMAGING IMPACT OF THE NEW TRADE ACT. 
WE DEEPLY BELIEVE THAT THE UNITED STATES GOVERNMENT 
DOES HAVE A BIG HEART."

3. INFLUENTIAL PRIVATELY- OWNED CHINA TIMES APRIL 19: 
"... THE MAIN TARGETS OF THIS COMPREHENSIVE NEW TRADE 
ACT ARE JAPAN AND WESTERN EUROPE... WE HAVE REPEATEDLY 
STRESSED THAT THE OVERALL INTEREST OF THE FREE WORLD 
IS MORE IMPORTANT THAN INDIVIDUAL DIFFERENCES. WE NOT 
ONLY ARE GLAD TO SEE AN IMPROVEMENT IN U. S.- WESTERN 
EUROPEAN TIES, BUT ALSO HOPE THAT JAPAN WOULD DISCONTINUE 
ITS CUT- THROAT COMPETITION WITH THE UNITED STATES IN TRADE 
OVER SHORT- TERM INTEREST..."

4. GOVERNMENT CHINA DAILY NEWS APRIL 19: "... WE SHOULD 
ALSO REALIZE THAT THE NEW TRADE ACT WOULD EMPOWER THE 
PRESIDENT TO GIVE DEVELOPING COUNTRIES TARIFF PREFERENCE, 
BUT WHICH WILL BE CANCELLED WHEN THOSE NATIONS REACH 
A CERTAIN STANDARD. WE MUST MAKE EARLY PREPARATIONS TO 
SECURE SUCH PREFERENTIAL TREATMENT AND FORESTALL 
POSSIBLE EXCLUSION... THE NEW TRADE ACT WOULD ALSO 
GIVE THE COMMUNIST COUNTRIES MOST PREFERENTIAL TREATMENTS, 
AND JUDGING FROM PRESENT SITUATION, THIS WILL INCLUDE 
THE CHINESE COMMUNIST. THUS, WE SHALL NOT ONLY FIGHT 
AGAINST THE CHINESE COMMUNIST FACE- TO- FACE ON THE DIPLOMATIC 
FRONT, BUT SHALL ALSO ENGAGE IN FACE- TO- FACE STRUGGLE AGAINST 
THEM IN TRADE..."

5. PRIVATELY- OWNED ENGLISH- LANGUAGE CHINA NEWS APRIL JEC 
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"... TAIWAN WOULD BE AFFECTED, HOWEVER -- AND PERHAPS 
SERIOUSLY IN THE ABSENCE OF EOLATERAL AGREEMENT TO 
THE CONTRARY. WE HAVE ALREADY HAD THE EXPERIENCE OF 
HAVING OUR COTTON TEXTILES BROUGHT UNDER U. S. QUOTAS... 
OTHER U. S. INDUSTRIES WOULD LIKE TO SEE ADDITIONAL TAIWAN 
PRODUCTS SHUT OUT OF THE AMERICAN MARKET. SUCH 
PRODUCTS AS SHOES, PLYWOOD AND CANNED- MUSHROOMS ARE 
INVOLVED. AMERICAN TEXTILE MILLS AND GARMENT MAKERS 
ARE BIDDING FOR INCREASED PROTECTION... AN EXCEPTION
ACCORDING TO MEXICO CITY PRESS REPORTS, FOREIGN MINISTERS RABASA OF MEXICO AND CHI BEING FEI OF PRC SIGNED COMERCIAL AGREEMENT IN PEKING ON APRIL 22. AGREEMENT REPORTEDLY ENABLE MEXICO TO SELL 370 MILLION-PESOS ($29.6 MILLION) ANNUALLY TO PRC. WHILE PRC WILL SELL 125 MILLION-PESOS ($10 MILLION) TO MEXICO.

3. PRIMARY MEXICAN EXPORTS TO CONSIST OF COTTON, SULFUR, AND SUGAR. EN UNIVERSAL REPORTS THAT MEXICO WILL SELL 40,000 TONS (APPROXIMATELY 180,000 BALES) COTTON FOR 360 ACT AGAINST CABANAS. ADDITIONALLY, THERE IS GROWING CONCERN ABOUT POSSIBLE ADVERSE EFFECTS ON TOURISM SHOULD CABANAS' ORGANIZATION MOVE AGAINST TEMPTING ACAPULCO TARGETS.

3. COMMENT: CONTRARY TO ROMAN ROMAN'S BELIEF OF CAMPESINO SUPPORT FOR GOM EFFORT, IT IS APPARENT THAT CABANAS AND HIS GROUP OPERATE FREELY IN GUERRERO. IMPLICATIONS ARE THAT LOCAL POPULACE, FOR WHATEVER REASONS, CONTINUES TO AFFORD CABANAS COVER. IT THEREFORE IS PROBLEMATIC WHETHER ANNOUNCED NEW CAMPAIGN WILL BE ANY MORE SUCCESSFUL THAN WERE PREVIOUS EFFORTS TO CAPTURE CABANAS.

DEAN

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*** Current Handling Restrictions *** n/a
*** Current Classification *** UNCLASSIFIED

*** Current Handling Restrictions *** n/a
*** Current Classification *** UNCLASSIFIED