VIEWING CABLE 08DILI139, TIMOR-LESTE COALITION STABLE DESPITE STRESSES

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TAGS: PGOV ASECT TT
SUBJECT: TIMOR-LESTE COALITION STABLE DESPITE STRESSES

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CLASSIFIED BY: Hans Klemm, Ambassador, US Embassy Dili, STATE.
REASON: 1.4 (b), (d)

¶1. (SBU) Summary. A May 1 joint declaration between Timorese Social Democratic Association (ASDT) president Francisco Xavier do Amaral signed a "Term of Agreement" with FRETILIN Secretary General Mari Alkatiri pledging a future alliance between the parties. This touched off speculation that ASDT was about to defect from the AMP coalition and cause the collapse of the government. However, during conversations with Poloff, observers from the Democratic Party (PD), Social Democratic Party (PSD), ASDT, and opposition party FRETILIN, reported the proposed alliance is a "political maneuver" designed by Amaral to pressure Prime Minister Xanana Gusmao to respond to demands for key cabinet positions and ambassadorial posts. All parties termed a collapse of the AMP unlikely at this time because they prefer Gusmao to FRETILIN, and believe the coalition will remain united at least through 2012. However, the coalition representatives emphasized their future decisions rest on Gusmao's response to their concerns.

¶2. (C) On May 1, Timorese Social Democratic Association (ASDT) president Francisco Xavier do Amaral signed a "Term of Agreement" with FRETILIN Secretary General Mari Alkatiri pledging a future alliance between the parties. This touched off speculation that ASDT was about to defect from the AMP coalition and cause the collapse of the government. However, during conversations with Poloff, observers from the Democratic Party (PD), Social Democratic Party (PSD), ASDT, and opposition party FRETILIN, reported the proposed alliance is a "political maneuver" designed by Amaral to pressure Prime Minister Xanana Gusmao to respond to demands for key cabinet positions and ambassadorial posts. All parties termed a collapse of the AMP unlikely at this time because they prefer Gusmao to FRETILIN, and believe the coalition will remain united at least through 2012. However, the coalition representatives emphasized their future decisions rest on Gusmao's response to their concerns.

¶3. (C) The "Term of Agreement" signed on May 1 between ASDT president Amaral and FRETILIN Secretary General Alkatiri pledges an alliance between the parties to combat the "prevalent trends of nepotism, corruption, and injustice" through the formation of a new constitutional government. Jose Turquel, an advisor to

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President Jose Ramos-Horta who is also an ASDT member, said he spent all morning on May 5 urging Amaral not to bring the party close to FRETILIN. In public remarks on May 6, Amaral stated his party will stay united with the AMP through 2012, noting that the agreement with FRETILIN is "for future reference" if early elections take place, or for consideration in 2012. On May 7, however, he said his proposed alliance with FRETILIN is meant to assuage concerns of an immediate defection from the AMP. Nevertheless, Amaral declared the party will give the Prime Minister a "deadline" of May 20 to respond to their demands. Amaral added that if results are not achieved by that deadline, the ASDT will grant the AMP up to two additional months to do so. Amaral reportedly told UNMIT Chief Atul Khare not to defer a trip to New York because ASDT was not planning to pull out of the AMP coalition "at least for the next two months."

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4. (C) During a meeting with Poloff on May 12, Amaral clarified that ASDT will remain in the AMP camp until 2012, or until "the unlikely event" that early elections are called. He also reported being upset by Gusmao's refusal to fire Minister of Commerce, Industry and Tourism Gil Alves and Secretary of State for the Environment Abilio Lima several weeks ago after they were expelled from the ASDT, which he interpreted as an insult to his integrity. Amaral described his proposed alliance with FRETILIN as a response to this perception, and accused Alves and Lima of not promoting "party interests" since the formation of the government last fall. He further observed both men are distrusted by many Timorese for their role as "collaborators" during the Indonesian occupation and singled out Alves specifically as unfit to serve the people because he referred to the poor as "barefoot illiterates." On Alkatiri and Gusmao, Amaral said his approach towards FRETILIN is a "strategic decision based on the old adage: yesterday's hero can be today's traitor, yesterday's traitor can be today's hero."

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5. (C) During conversations with Poloff, Social Democratic Party (PSD) president Mario Carrascalao, Democratic Party (PD) bench chief Adriano Nascimento, Jose Turquel, and FRETILIN MP Jose Teixeira told us these frictions did not presage the immediate collapse of the government. They all described dissent from within the AMP as criticism solely aimed at Prime Minister Xanana Gusmao, not the coalition itself. Coalition members - excluding the Prime Minister's National Congress for Timorese Reconstruction (CNRT) - reported disgruntlement at what they perceive to be Gusmao's refusal to engage in dialogue with them on political goals and objectives. FRETILIN MP Jose Teixeira noted that Gusmao's "refusal to listen to anyone has alienated these parties." These contacts also suggested that the Prime Minister may have an alcohol problem which is impairing his relations with others. During a May 5 meeting with Poloff, James Dunn, author and longtime observer of Timor, reported the Prime Minister angered President Ramos-Horta by turning up "visibly drunk" at a reception in honor of Prince Albert of Monaco in April.

6. (C) In separate interviews on May 8, Prime Minister Xanana Gusmao, President Jose Ramos-Horta, and National Parliament President Fernando "Lasama" de Araujo downplayed the ASDT's moves and said these are issues which can be "internally resolved through dialogue." All three expressed confidence in the AMP. At present, an imminent defection of ASDT from the AMP is not likely. Even PSD president Mario Carrascalao said his party ran in alliance with the ASDT during the 2007 elections, expressed hopes the Prime Minister will be able to allay concerns among his partners, and thereby strengthen the coalition rather than weaken it. The challenge to the Prime Minister will be whether he can successfully manage discontent within his coalition, so that it does not rise above the mean pettiness manifested to date.