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FM AMEMBASSY LIMA
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S/IL, DOL/ILAB, ARA LABOR ADVISOR

USCINCSO ALSO FOR POLAD JOHN YOULE

E.O. 12356: DECL: OADR
TAGS: PGOV, PHUM, ELAB, PE
SUBJECT: POLITICAL WRAP-UP: FEBRUARY, 1989

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OVERVIEW

3. THE BIGGEST NEWS OF THE MONTH WAS THE
 DISAPPEARANCE OF ALL TALK ABOUT A MILITARY COUP.
 ABOUT THE ONLY REFERENCE TO SUCH A POSSIBILITY
 WAS THE WASHINGTON POST STORY HYPED HERE FOR ITS
 MENTION OF U.S. EFFORTS TO FORESTALL A COUP IN
 JANUARY. TERRORISM CONTINUED TO MAKE HEADLINES
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THROUGHOUT THE MONTH. ALTHOUGH THE QUASI-
 ACCIDENTAL CAPTURE OF ONE OF MRTA'S TOP LEADERS,
 VICTOR POLAY, GOT FEBRUARY OFF TO A GOOD START,
 THE KILLING OF MINERS FEDERATION SECRETARY GENERAL
 CANTORAL, THREATS AGAINST THE LIFE OF THE SECGEN
 OF THE TEACHER'S UNION AND THE PARTIALLY SUCCESS-
 FUL STRIKE BY SENDERO LUMINOSO IN AYACUCHO REMINDED
 EVERYONE THAT THE NEW MINISTER OF INTERIOR,
 ARMANDO VILLANUEVA, HAS A TOUGH JOB AHEAD OF HIM.

4. THERE WERE SEVERAL ATTEMPTS TO BUILD A CONSENSUS
 OR IMPROVE LINKS WITH FRIENDS AND FOES ALIKE.
 PRESIDENT GARCIA MET TWICE WITH PPC LEADER LUIS
 BEDOYA REYES AND ONCE WITH IU SENATOR ENRIQUE

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BERNALES TO DISCUSS THEMES OF MUTUAL INTEREST. GARCIA REVAMPED HIS CABINET BRINGING IN SOME FRESH APRA BLOOD FROM BUSINESS, CONGRESS AND THE DIPLOMATIC SERVICE, AND SHIFTING AROUND SOME OF HIS OLD TRUSTED ALLIES. GARCIA DID NOT PARTICIPATE IN APRA'S TRADITIONAL "DAY OF FRATERNITY" NOR WAS HE PRESENT AT THE TWO MEETINGS CALLED BY HIS FINANCE MINISTER RIVAS DAVILA TO ONCE AGAIN TRY TO REACH SOME KIND OF SOCIAL PACT (CONCERTACION) AMONG GOVERNMENT, BUSINESS AND LABOR.

5. AMONG OTHER NEWS THAT CAPTURED LIMA'S INTEREST WERE THE ANNOUNCEMENT BY THE PERUVIAN PASSPORT OFFICE THAT IT HAD RUN OUT OF PASSPORTS; THE TWICE-POSTPONED INAUGURATION OF PERU'S ANTARCTIC SCIENTIFIC RESEARCH BASE AND THE RUNNING AGROUND OF THE HUMBOLDT RESEARCH SHIP; AND THE BIRTH OF PERU'S FIRST TEST-TUBE BABY (A GIRL).

A TERRORISM AND HUMAN RIGHTS POTPOURRI:

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6. THE AYACUCHO STRIKE: SENDERO LUMINOSO CALLED FOR A ONE-WEEK ARMED STRIKE IN THE DEPARTMENT OF AYACUCHO BEGINNING FEBRUARY 19, THREATENING ANYONE NOT COMPLYING WITH REPRISALS. THE GOP INCREASED

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MILITARY AND POLICE PRESENCE IN THE CITY, WITH PATROLS GOING DOOR TO DOOR ON MONDAY, FEBRUARY 20 URGING MERCHANTS TO OPEN THEIR STORES. ALL GOVERNMENT OFFICES REMAINED OPENED BY ORDER OF PRIME MINISTER VILLANUEVA. IN THE CITY THE STRIKE WAS LARGELY IGNORED, BUT IN THE COUNTRYSIDE IT WAS NEARLY TOTAL. THERE WERE NUMEROUS INCIDENTS, INCLUDING THE KILLING OF A MERCHANT IN AYACUCHO WHO REFUSED TO CLOSE, AND A BOMBING WHICH WOUNDED SEVERAL STREET VENDORS. ONE TV NEWS SHOW SPECULATED THAT AYACUCHO MERCHANTS DID NOT KNOW WHO TO FEAR MOST, THE SL WHO WANTED THEM TO STAY HOME, OR THE MILITARY WHO ORDERED THEM TO OPEN.

7. INTERIOR MINISTER VILLANUEVA REACTED WITH TYPICAL APLOMB TO A REPORTER'S QUESTION ABOUT SL VIOLENCE IN SUPPORT OF THE STRIKE. "I BELIEVE THAT VIOLENCE IS BEING DEFEATED BY THE STRATEGY OF THE GOVERNMENT AND THE ARMED FORCES. THE ARMED FORCES AND THE MILITARY-POLITICAL COMMAND ARE IMPLEMENTING SOCIAL, POLITICAL, AND ECONOMIC ACTIONS WHICH ARE REDUCING SUBVERSIVE ACTIVITIES. THESE GOVERNMENT ACUIONS ARE REDUCING THE CONDITIONS UNDER WHICH SUBVERSION DEVELOPS." SOME ARE WONDERING IF THIS SORT OF POLITICAL MYOPIA IS THE ATTITUDE THE NEW MINISTER WILL NEED TO IMPLEMENT PRESIDENT GARCIA'S ANNOUNCED OFFENSIVE

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AGAINST TERRORIST VIOLENCE.

8. THE PUCALLPA RIOT: HR RIGHTS GROUPS CONTINUE TO CLAMOR FOR AN ACCOUNTING OF THE DEAD AND DISAPPEARED IN THE WAKE OF THE FEBRUARY 9 PUCALLPA RIOT. OTHERWISE, THE JUNGLE CITY IS REPORTEDLY
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QUIET AND THE ONLY CONTINUING EXCITEMENT FOLLOWING THE INCIDENT WAS THE DETENTION OF AGING REBEL HUGO BLANCO, WHO WAS FINALLY RELEASED ON FEBRUARY 25. HE WAS ARRESTED IN PUCALLPA FEBRUARY 9, WAS TRANSFERRED TO LIMA THE 14TH, AND WAS SCHEDULED TO RETURN TO PUCALLPA THE 20TH. BUT THE FIERY BLANCO CLAIMED THAT THE GOP HAD HATCHED A PLOT TO KILL HIM IN PUCALLPA AND REFUSED TO BOARD THE AIRPLANE. FOUR BEEFY POLICE OFFICERS WERE UNABLE TO WRESTLE THE PORTLY BLANCO ON BOARD. THE CRAFT WAITED FOUR HOURS, THE PRESS CAPTURED ON FILM THE UNSEEMLY SPECTACLE OF THE STRUGGLING, SUPINE BLANCO WITH A DETERMINED POLICEMAN AFFIXED TO EACH OF HIS LIMBS, AND IN THE END BLANCO WAS RETURNED TO POLICE HEADQUARTERS, WAS CONVINCED HE WOULD BE PROTECTED, AND LEFT THE NEXT DAY, FEBRUARY 21, WITHOUT PROTEST. A PUCALLPA JUDGE RULED ON FEBRUARY 25 THERE WAS INSUFFICIENT EVIDENCE TO PROSECUTE, AND RELEASED HIM.

9. VICTOR POLAY: MRTA LYNCHPIN VICTOR POLAY HAS BEEN CHARGED WITH 517 COUNTS OF TERRORISM INCLUDING, APPARENTLY, VIRTUALLY EVERY TERRORIST INCIDENT ATTRIBUTED TO THE MRTA SINCE 1983. IT SEEMS THAT POLAY'S CONTINUED BOASTING BEFORE JUDGE MOLERO MIRANDA OF THE IMPORTANCE OF HIS POSITION IN THE MRTA LEADERSHIP HAS CONVINCED THE JUDICIAL AUTHORITIES TO "TROW THE BOOK" AT THE ONE-TIME APRA ACTIVIST. THE COURT WILL BEGIN HEARING TESTIMONY FROM WITNESSES OF RECENT MRTA TERRORISM ON MARCH 3, INCLUDING FROM KIDNAPPED INDUSTRIALIST, GENERAL-RET. HECTOR JERI. FOR HIS PART POLAY'S ATTORNEY HAS FILED A COMPLAINT WITH THE COURT ALLEGING THAT HIS CLIENT IS BEING MISTREAQED. THE DOCUMENT ALLEGES "TAUNTING AND SCCIOLOGICAL

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PRESSURES INCOMPATIBLE WITH HIS CONDITION AS A PRISONER". POLAY COMPLAINS THAT HE IS BEING GIVEN UNCLEAN WATER, IS FORCED TO PERFORM PER

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#6&83,3 8, #8 :3)), AND THEN MUST HIRE A FELLOW PRISONER TO CARRY AWAY HIS TOILET. A SOURCE IN

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THE MINISTRY OF JUSTICE TOLD US THAT POLAY'S COMPLAINT HAS FALLEN ON DEAF EARS.

10. SAUL CANTORAL: THE FEBRUARY 13 MURDER OF MINER'S FEDERATION SECRETARY GENERAL SAUL CANTORAL REMAINS UNSOLVED. OPINIONS ARE STILL DIVIDED AS TO WHETHER HE WAS KILLED BY SENDERO OR THE RODRIGO FRANCO COMMAND. IT APPEARS LIKELY THAT CANTORAL'S NAME WILL BE ADDED TO THE GROWING LIST OF RECENT MAJOR UNSOLVED CRIMES HERE, INCLUDING THE DEATHS OF MOROTE LAWYER MANUEL FEBRES, AYACUCHO JOURNALIST HUGO BUSTIOS, THE MAYOR AND SECRETARY OF CAYARA VILLAGE, AND THE DISAPPEARANCE OF CUSTOMS UNION LEADER OSCAR DELGADO. ALL HAVE OCCURRED IN THE LAST SEVEN MONTHS. REPRESENTATIVES OF THE MINER'S FEDEJATION SAY THAT CANTORAL AND THE FEDERATION WERE IN THE PROCESS OF DECIDING WHETHER AND WHEN TO CALL A NEW NATIONWIDE MINER'S STRIKE WHEN CANTORAL WAS KIDNAPPED AND KILLED. UNFORTUNATELY, THIS REVELATION DOES LITTLE TO CLARIFY THE IDENTITY OF THE KILLERS, BUT DOES PORTEND ADDITIONAL ECONOMIC TROUBLES FOR PERU IF THE STRIKE OCCURS.

VICE MINISTER PEREZ SANCHEZ CERRO RESIGNS OVER BIDDING SCANDAL

11. VICEMINISTER OF THE PRESIDENCY AND APRA'S SECRETARY FOR INTERNATIONAL AFFAIRS, JOSE LUIS PEREZ SANCHEZ CERRO, A CAREER DIPLOMAT AND GOOD EMBASSY CONTACT FOR YEARS, RESIGNED HIS GOVERNMENT POSITION FEBRUARY 23. HE WAS ACCUSED BY A COMMUNIST DEPUTY OF INTERFERING WITH A BIDDING CONTRACT

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IN PUNO BY DIRECTING LOCAL AUTHORITIES TO GRANT A LARGE CONSTRUCTION CONTRACT TO A SPECIFIC FIRM. ALTHOUGH PEREZ CLAIMED THAT HE COULD EXPLAIN THE CIRCUMSTANCES -- AND TRIED, UNSUCCESSFULLY -- HE RESIGNED. ALTHOUGH PEREZ WAS CONSIDERED AN "ALANISTA" WITHIN APRA, HE WAS ACTUALLY MUCH

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CLOSER TO PRIME MINISTER ARMANDO VILLANUEVA. IN RECENT MONTHS HE HAD SHOWN SOME INDEPENDENCE FROM THE PRESIDENT AND TRIED TO PUT SOME DISTANCE BETWEEN THEM. MOST LIKELY BECAUSE OF THE PRESIDENT'S DISPLEASURE, VILLANUEVA MADE NO VISIBLE EFFORT TO DEFEND HIM AND WHAT MIGHT HAVE PASSED AS ONE MORE SHADY DEAL COST PEREZ HIS JOB AND PUT A BLOTCH ON AN OTHERWISE SUCCESSFUL POLITICAL AND DIPLOMATIC CAREER.

DEVELOPMENTS WITHIN APRA

12. IN EARLY FEBRUARY, FORMER AGRICULTURE MINISTER REMIGIO MORALES BERMUDEZ WAS THE TARGET OF A PARTY INVESTIGATION INTO ALLEGATIONS OF CORRUPTION DURING HIS TIME AS MINISTER. REMIGIO HAD BEEN CITED BY THE PARTY'S DISCIPLINE COMMITTEE BUT DID NOT SHOW; HE THEN SHOWED UP WHEN HE WAS NOT INVITED AND NO ONE WAS THERE TO RECEIVE HIM; HE WAS SUMMONED AGAIN, WENT AND WAS HEARD. THE "SUPER REMI" COMINGS AND GONGS WITH APRA CEASED OVERNIGHT AFTER HIS APPEARANCE AT THE PARTY HEARING. DEPUTY ENRIQUE WONG, WHO HEADED THE CONGRESSIONAL COMMITTEE THAT FOUND CAUSE FOR WRONG DOING ON REMIGIO'S PART, TOLD US THAT THERE WERE "TOO MANY PEOPLE INVOLVED" IN THE SCANDAL AND THAT, BASICALLY, REMIGIO AND ALVA CASTRO HAD REACHED A STAND-OFF.

13. TO BUILD TIES BETWEEN THE PEOPLE AND APRA
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AND HELP SOLVE LOCAL PROBLEMS, THE PARTY'S
 LEADERSHIP STARTED A SERIES OF MONTHLY MEETINGS
 WITH CITIZENS IN THE VARIOUS DISTRICTS OF LIMA
 FEBRUARY 12. THE FIRST OF THE "DISTRICT MEETINGS
 OF PARTY-GOVERNMENT WORK" WAS HELD IN AN IU STRONG-
 HOLD, VILLA EL SALVADOR. IN ATTENDANCE WERE APRA'S

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SECGEN LUIS ALVA CASTRO, APRA DEPUTIES AND MINISTERS,
 DIRECTORS OF STATE ENTERPRISES AND NEIGHBORHOOD
 LEADERS. THE PRINCIPAL PROBLEMS BROUGHT UP BY
 THE RESIDENTS WERE THE LACK OF POTABLE WATER AND
 ELECTRICITY, TRANSPORTATION AND FOOD SUPPLIES.

THE IU: "I'M MORE DEMOCRATIC THAN YOU".

14. THE FORMATION BY IU MODERATES OF A
 "SOCIALIST ACCORD" (LIMA 02509) AND THE
 ACCORD'S ANNOUNCEMENT LAUNCHING THE

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PRESIDENTIAL CANDIDACY OF ALFONSO BARRANTES, ARE BEING ALTERNATIVELY HAILED AS A POLITICAL COUP DE GRACE OR POLITICAL SUICIDE. THE THINKING (OCCASIONALLY CONVOLUTED) GOES SOMETHING LIKE THIS: THE PRECIPITOUS ANNOUNCEMENT LEAVES THE REST OF THE IU FLAT-FOOTED. THEY CAN EITHER ENDORSE BARRANTES' CANDIDACY (WHICH WOULD BE GOOD FOR BARR#NTES), OR THEY CAN REJECT IT. THE LATTER IS GOOD FOR BARRANTES, TOO, IF THE IU RADICALS ARE UNABLE TO COME UP WITH AN ATTRACTIVE ALTERNATIVE. THUS THE FORMER LIMA MAYOR WILL END UP COOPTING THE SUPPORT OF THE IU RANK AND FILE EVEN THOUGH HE MAY NOT RUN UNDER THE IU BANNER. ACCORD INSIDERS PERSIST IN CALLING THEMSELVES A GROUPING INSIDE THE IU AND NOT A NEW FACTION. BUT THESE REPEATED ASSURANCES, NORMALLY ACCOMPANIED BY BITING ACCUSATIONS AGAINST IU RADICALS, HAVE A QUALITY OF PROTESTING

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TOO MUCH.

15. THE IU NATIONAL DIRECTOR, COMMUNIST JORGE DEL PRADO, (REPRESENTING THE UNCOMFORTABLE MIDDLE OF THE IU SPECTRUM) AND THE GAGGLE OF IU RADICALS HAVE STRUCK ONE RESONANT NOTE BY ACCUSING THE ECCORD OF BEING UNDEMOCRATIC. THEY CORRECTLY POINT OUT THAT EVEN AS THE ACCORD INDICTS THE IU CONGRGSS FOR CHOOSING ITS BOARD OF DIRECTORS BY A SHOW OF HANDS INSTEAD OF A SECRET VOTE, IT IGNORES THE IU RANK AND FILE (EVEN THE ACCORD RANK AND FILE) BY NOMINATING A PRESIDENTIAL CANDIDATE WITH NO DEMOCRATIC VOTE WHATSOEVER.

16. NOVEMBER MUNICIPAL ELECTIONS ARE ALSO AN ISSUE WITHIN THE IU. THE NATIONAL BOARD OF THE IU IS HOLDING CAUCUSES IN EVERY DEPARTMENT TO SELECT MUNICIPAL CANDIDATES. SO IS THE ACCORD, THOUGH WE ARE TOLD THAT THE ACCORD IS IDENTIFYING CANDIDATES ONLY TO BE PROPOSED WITHIN THE IU SELECTION PROCESS.

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FREDEMO STILL UNDECIDED ON MUNICIPAL ELECTIONS.

17. BARRING UNFORESEEN DEVELOPMENTS,
LIBERTY MOVEMENT'S LEADER MARIO VARGAS
LLOSA SHOULD BECOME THE DEMOCRATIC
FRONT CANDIDATE FOR PRESIDENT, MOST
LIKELY IN APRIL. THAT IS THE JUDGMENT
OF ALMOST EVERYONE IN FREDEMO'S THREE
CONSTITUENT GROUPS-- THE POPULAR ACTION
PARTY (AP), THE POPULAR CHRISTIAN PARTY
(PPC) AND THE LIBERTY MOVEMENT. AP RANK

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AND FILE STILL HOPE FOR A BELAUNDE
 CANDIDACY, BUT BELAUNDE HIMSELF IS
 COMMITTED TO SUPPORTING VARGAS LLOSA.
 RENEGING AT THIS POINT, FOR WHATEVER
 REASON, WOULD DESTROY FREDEMO AND WE
 THINK IT'S UNLIKELY. WHO WILL RUN WITH
 ██████████

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VARGAS LLOSA AS FIRST AND SECOND VICE
 PRESIDENTIAL CANDIDATES IS UP IN THE AIR.
 TALK POINTS TOWARD AP GETTING THE FIRST VICE
 PRESIDENTIAL SLOT, PPC. THE SECOND. PPC
 WOULD BE COMPENSATED BY PARTY LEADER LUIS
 BEDOYA REYES BEING PROMISED FIRST CRACK
 AT SENATE PRESIDENT. THERE IS CONSIDERABLE
 TURMOIL WITHIN FREDEMO, HOWEVER, WHETHER TO
 RUN FREDEMO CANDIDATES IN THE MUNICIPAL
 ELECTIONS. AP, VIRTUALLY WIPE OUT IN
 1985, WANTS TO RUN UNDER ITS OWN BANNER
 TO REGAIN ITS NATIONAL IDENTITY. THE PPC
 AND LIBERTY WANT A SINGLE FREDEMO SLATE.
 THE AP ARGUES THAT THE THREE PARTIES DO
 NOT HAVE ENOUGH FRESH FACES TO SUPPORT THE
 FREDEMO SLOGAN OF "CHANGE". THE PPC AND
 LIBERTY ARGUE THAT, IF FREDEMO CAN'T GET
 TOGETHER ON MUNICIPAL CANDIDATES, HOW CAN
 IT CONVINCED THE ELECTORATE OF ITS CAPACITY
 TO GOVERN? WE EXPECT THE AP TO HOLD FIRM
 ON THIS AND EVENTUALLY TO GET ITS WAY.

LABOR DEVELOPMENTS.

18. LABOR SUFFERED HARD BLOWS DURING
 FEBRUARY. IN ADDITION TO THE ASSASSINATION
 OF SAUL CANTORAL, SEC GEN OF THE MINERS
 FEDERATION, THE SEC GEN OF THE COMMUNIST

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CONTROLLED TEACHER'S UNION SUTEP, OLMEDO
 AURIS, RECEIVED A DEATH THREAT FEBRUARY 23
 FROM THE RODRIGO FRANCO COMMAND.
 DEATH THREATS WERE ALSO ISSUED TO BUSINESSMEN,
 [REDACTED]

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ESPECIALLY THOSE IN CONSTRUCTION, BY CGTP'S
 SECGEN, SENATOR VALENTIN PACHO.
 ALTHOUGH PACHO LATER ADMITTED THAT HIS REMARKS
 HAD BEEN AN "INDISCRETION" (LIGEREZA), THEY
 WERE DENOUNCED BY LABOR AND BUSINESS LEADERS
 ALIKE.

19. STATE WORKERS CONTINUED THEIR LONG
 AND VIOLENT STRIKE. THE CHILDREN OF SOME
 OF THE STRIKING WORKERS DECIDED TO GO ON A
 "VOLUNTARY" HUNGER STRIKE TO PRESS FOR THEIR
 PARENTS' DEMANDS. THE "HUNGER STRIKE"
 WAS LATER TRIMMED DOWN TO A "FAST", BUT --
 PUBLIC RELATIONS-WISE-- THE ACTION BACKFIRED.
 RAILROAD WORKERS WENT BACK TO WORK, BUT .
 POSTAL WORKERS DID NOT. BANK WORKERS WENT ON
 A 24-HOUR STRIKE ON MARCH 6, WITH MIXED
 RESULTS. MINERS ARE THREATENING THREE-DAY
 STRIKE AT THE END OF MARCH.

PEASANT STRIKES

20. JANUARY 25 MARKED THE BEGINNING OF A SERIES
 OF STRIKES BY THE PERUVIAN PEASANT COMMUNITIES
 (CCP) IN KEY FOOD-PRODUCING DEPARTMENTS. THE
 STRIKES ARE MODELED ON THE SUCCESSFUL PEASANT
 MOBILIZATION IN HUARAZ, ANCASH, LAST OCTOBER.
 IN RECENT WEEKS THEY SPREAD TO CUSCO AND APURIMAC.
 THE PEASANTS HAVE BEEN PROTESTING THE LACK OF
 PAYMENT BY THE GOP FOR CROPS ALREADY DELIVERED
 AND AN END TO SUBSIDIZED CREDIT. THE STRIKING
 PEASANTS HAVE STAGED SEVERAL DEMONSTRATIONS IN
 DEPARTMENTAL CAPITALS INCLUDING CUSCO AT THE
 BEGINNING OF MARCH AND PUCALLPA ON FEBRUARY 8.

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	EB-00	DODE-00	H-01	IO-19	NSCE-00	NSAE-00	HA-09
	L-03	LAB-04	TRSE-00	PM-10	PA-01	STR-17	SIL-01
	INM-07	INRE-00	RP-10	USIE-00	SP-02	SR-06	PRS-01
	SCT-02	P-02	/104 W				

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P 140018Z MAR 89
FM AMEMBASSY LIMA
TO SECSTATE WASHDC PRIORITY 6749
INFO AMEMBASSY BOGOTA
AMEMBASSY LA PAZ
AMEMBASSY QUITO
USAFSO HOWARD AFB PM
USCINCSO QUARRY HTS PM
AMEMBASSY BRASILIA
AMEMBASSY BUENOS AIRES
AMEMBASSY CARACAS
AMEMBASSY SANTIAGO

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S/IL, DOL/ILAB, ARA LABOR ADVISOR

USCINCSO ALSO FOR POLAD JOHN YOULE

E.O. 12356: DECL: OADR
TAGS: PGOV, PHUM, ELAB, PE
SUBJECT: POLITICAL WRAP-UP: FEBRUARY, 1989

THE LATTER TURNED VIOLENT (SEE LIMA 2207).
THE GOP HAS ALREADY PAID THE NORTHERN FARMERS BUT
NOT ENOUGH TO BE UP TO DATE IN OVERDUE FUNDS.
THE CUSCO STRIKERS ARE DEMANDING THAT THE DEPART-
MENT BE DECLARED A DISASTER AREA IN ORDER TO
RECEIVE BETTER CONDITIONS IN THE PURCHASE OF

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SEEDS AND FERTILIZERS AND SALE OF THEIR CROP.
 LEFTIST POLITICIANS FROM LIMA HAVE BEEN ACTIVE
 ADVISING AND ASSISTING THE PEASANTS.

FLOODING AND AVALANCHES OF STONE

21. IN PERU THEY ARE CALLED "HUAICOS": AVALANCHES OF STONES, MUD AND WATER WHICH ACCOMPANY EACH RAINY SEASON. THE FLOODING IN 1989 HAS BEEN WORSE THAN NORMAL, THOUGH NOT YET REACHING THE DISASTROUS PROPORTIONS OF THE YEAR OF "EL NINO", 1983. IN THE TOWN OF CHOSICA (30 KM EAST OF LIMA) AT LEAST 50 PEOPLE WERE KILLED AND HUNDREDS WERE LEFT HOMELESS, WHEN A WALL OF STONE, MUD AND WATER RUSHED DOWN A MOUNTAIN SIDE AND THROUGH A PORTION OF THE TOWN. TV FILM CREWS ARRIVED FEBRUARY 19 AND CAPTURED FOOTAGE OF CHOSICA'S MAIN STREET, CONVERTED INTO A RAGING, MUDDY RIVER. CHOSICA'S PROBLEMS WERE CAUSED BY CRESTING WATERS OF THE RIMAC RIVER, WHICH HAVE ALSO DESTROYED THREE SHANTY TOWNS IN LIMA, LEAVING HUNDREDS OF FAMILIES HOMELESS. IN AREQUIPA (900 KM SOUTHWEST OF LIMA), UNUSUAL RAINFALLS CONVERTED THE SCENIC AND NORMALLY QUIET RIO CHILI INTO AN AGENT OF DEATH AND DESTRUCTION. ON FEBRUARY 9 AND 10, PERU'S SECOND LARGEST CITY WAS DEVASTATED BY FLOODS WHICH KILLED AT LEAST THREE, DESTROYED A RECENTLY BUILT SHANTY TOWN, AND WASHED AWAY A HALF-COMPLETED BRIDGE AND HIGHWAY LINKING THIS POPULAR TOURIST SPOT TO -TS AIRPORT. TOTAL DAMAGE WAS ESTIMATED IN THE MILLIONS OF DOLLARS. AREQUIPA MAYOR CACERES HAS BEEN SOUNDLY CRITICIZED FOR APPROVING A BRIDGE PROJECT WHICH DRAINED THE

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CITY'S TREASURY, BUT WHICH WAS TOO POORLY DESIGNED TO WITHSTAND SEASONAL HIGH WATER. THE AMBASSADOR PROVIDED \$25,000 IN DISASTER ASSISTANCE.

22. IN THE UPPER HUALLAGA VALLEY, THE DROUGHT OF NOVEMBER THROUGH JANUARY HAS SUDDENLY BEEN REPLACED BY RECORD RAINFALL AND FLOODING. FLOODING IN AND AROUND MOYOBAMBA, ALONG THE RIO MAYO, A

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TRIBUTARY OF THE HUALLAGA IN THE NORTHWEST CORNER OF SAN MARTIN DEPARTMENT, HAS KILLED 75 AND LEFT 100 MISSING AND HUNDREDS HOMELESS. OTHER TOWNS NORTH AND SOUTH OF LIMA HAVE SUFFERED SIMILAR IF LESS DISASTROUS "HUAICOS". THE FLOODING HAS ALSO CLOSED A NUMBER OF ARTERIAL HIGHWAYS LEADING INTO LIMA, ADDING TO AN ALREADY DIFFICULT FOOD SITUATION IN THE CAPITAL AS PRODUCE FROM MANY OF THE INTERIOR AGRICULTURAL-PRODUCING AREAS IS DELAYED, SOMETIMES FOR SEVERAL DAYS, BY THESE LANDSLIDES. THE PRICE AND AVAILABILITY OF POTATOES, RICE, CITRUS, AND DAIRY PRODUCTS, ALL LIMA MARKETBASKET ESSENTIALS, HAVE BEEN AFFECTED.

OUTLOOK AND FUTURE DEVELOPMENTS

23. AFTER AN UNEXPECTED RESPITE IN ECONOMIC PROBLEMS BROUGHT ABOUT BY A STRONG INTI, THE COUNTRY'S ATTENTION HAS TURNED TOWARDS TERRORISM. PRIME MINISTER VILLANUEVA ADDRESSED THE NATION ON A GOVERNMENT PLAN AGAINST TERRORISM (SEPTEL) AND THE MILITARY IS EXPECTED TO BEGIN A CAMPAIGN AGAINST THE SENDERO LUMINOSO IN THE UPPER HUALLAGA SHORTLY. TESTING OF AERIAL HERBICIDE APPLICATION IS DUE TO START MID-MARCH WITH THE BLESSINGS OF PRESIDENT GARCIA AND THE MINISTER OF INTERIOR. PROTESTS

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P 140018Z MAR 89
FM AMEMBASSY LIMA
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5-&: PGOV, PHUM, ELAB, PE
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FROM PUBLIC SECTOR WORKERS ARE LIKELY TO CONTINUE,
WHILE MINERS THREATEN (AGAIN) WITH A THREE-DAY
WALKOUT. FREDEMO SHOULD PUBLISH ITS PLAN OF
GOVERNMENT, WHICH HSS RUN INTO COORDINATION PROBLEMS,
AND NOMINATE ITS PRESIDENTIAL CANDIDATE IN APRIL.

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ALL FACTIONS OF THE IU WILL INTENSIFY THEIR
LOBBYING AT THE GRASSROOTS IN PREPARATION FOR THE
MUNICIPAL ELECTIONS. JUDGING FROM THE FIRST FEW
DAYS IN MARCH, SENDERO VIOLENCE IS LIKELY TO BE
GREATER IN MARCH THAN IN FEBRUARY.
WATSON

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