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BBM Date: 9/18/96

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C O R R E C T E D C O P Y (CORRECTED FROM, E.O. AND TAGS)

E.O. 12356: DECL: OADR  
TAGS: MASS, PE  
SUBJ: ANNUAL INTEGRATED ASSESSMENT OF SECURITY  
- ASSISTANCE (AIASA) PERU (U)

REF: A) STATE 118129 (DTG 150700Z APR 89)

OVERALL CLASSIFICATION OF THIS CABLE IS SECRET

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SUMMARY: THIS CABLE CONTAINS THE FY-91 AIASA FOR PERU, PER INSTRUCTIONS UPDATED BY REFTEL. DATA PROVIDED BELOW ARE KEYED TO SUBPARAGRAPHS OF REFTEL. THIS ASSESSMENT IS A FULLY COORDINATED U.S. MISSION-PERU DOCUMENT.

I. POLICY CONSIDERATIONS:

THE ARMED FORCES HAVE BEEN A KEY POLITICAL INSTITUTION IN PERU FOR MUCH OF ITS HISTORY. DEMOCRATIC, CIVILIAN GOVERNMENTAL CONTROL OF THE MILITARY IS WEAK AND NEEDS TO BE STRENGTHENED. THE ARMED FORCES SEE THEMSELVES AS THE DEFENDER AND, IN DEFENSE MATTERS AT LEAST, AS THE INTERPRETER OF NATIONAL INTERESTS. SINCE THE RETURN OF

DEMOCRACY IN 1980, THEY HAVE PROVIDED STRONG SUPPORT TO DEMOCRATIC GOVERNMENT, BUT REMAIN EXTREMELY SENSITIVE TO POLICIES AFFECTING MILITARY INSTITUTIONS AND RETAIN A CLEAR POTENTIAL TO CHANGE OR MODIFY PERU'S POWER STRUCTURE AND FORM OF GOVERNMENT. THE ARMED FORCES ARE KEY TO OTHER ISSUES IMPORTANT TO THE USG, SUCH AS TERRORISM/INSURGENCY, NARCOTICS, REGIONAL ARMS CONTROL AND HEMISPHERIC POLITICAL-MILITARY COOPERATION. U.S. INTERESTS AND INFLUENCE REQUIRE A SUSTAINED COLLABORATIVE RELATIONSHIP.

- A. U.S. POLITICAL, MILITARY AND ECONOMIC INTERESTS AND OBJECTIVES:

- 1. POLITICAL:

- (A) SUPPORT FOR DEMOCRACY: PERUVIAN DEMOCRAC

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IS BEING CHALLENGED BY AN INCREASINGLY VIOLENT AND COSTLY INSURGENCY, NARCOTRAFFICKING AND ITS ATTENDANT VIOLENCE AND CORRUPTION, AND WEAK POLITICAL INSTITUTIONS. THE MILITARY, A ONCE STRONG BUT NOW DEBILITATED INSTITUTION, IS DISTRUSTFUL OF THE GARCIA ADMINISTRATION, BUT REMAINS LOYAL TO THE CIVILIAN, ELECTED GOVERNMENT. PERU HOLDS MUNICIPAL ELECTIONS IN NOVEMBER 1989 AND PRESIDENTIAL ELECTIONS IN MARCH 1990, BOTH OF WHICH PERU'S TWO INSURGENT GROUPS ARE OPENLY PLANNING TO DISRUPT. THE MILITARY IS WORKING TO ACHIEVE THE MOST SECURE CLIMATE

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POSSIBLE IN WHICH ELECTIONS CAN TAKE PLACE.

- (B) HUMAN RIGHTS: PERUVIAN MILITARY OFFICERS HAVE SOME TRAINING IN COUNTER-INSURGENCY DOCTRINE THAT PLACES EMPHASIS ON CIVIC ACTION, CIVILIAN-RUN ECONOMIC PROGRAMS, PUBLIC RELATIONS/PUBLIC INFORMATION CAMPAIGNS AND RESPECT FOR CIVILIAN POPULATIONS. SINCE RESOURCES FOR SUCH PROGRAMS DRIED UP UNDER CONDITIONS OF AUSTERITY, THE MILITARY HAS FOUND ITSELF ESSENTIALLY ALONE IN A COUNTER-INSURGENCY STRUGGLE WITH AN ENEMY THAT, IN THE CASE OF SENDERO LUMINOSO (SL), IS FANATICAL AND BRUTALLY VIOLENT. IN THIS SITUATION, MILITARY CONDUCT HAS OFTEN BEEN ABUSIVE OF CIVILIANS SUSPECTED OF SUPPORTING SL. THE 1988 HUMAN RIGHTS REPORT ON PERU DOCUMENTS AND EVALUATES THESE PRACTICES. IT IS NOT MILITARY OR GOVERNMENT POLICY, HOWEVER, TO COUNTENANCE HUMAN RIGHTS VIOLATIONS.

- (C) NARCOTICS: THE PERUVIAN MILITARY IS BEGINNING TO ASSUME FUNCTIONS RELATED TO THE GOVERNMENTS ANTI-NARCOTICS EFFORTS. TOP MILITARY LEADERS HAVE EXPRESSED STRONG INTEREST IN ACQUIRING THE ASSETS TO INTERDICT ILLEGAL AIR AND RIVER TRAFFIC INTO AND OUT OF THE UPPER HUALLAGA VALLEY (UHV), A MAJOR COCA PRODUCING AREA. PERUVIAN MILITARY ACTION TO PROVIDE THE SECURITY REQUIRED FOR ANTI-NARCOTICS INTERDICTION AND ERADICATION

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C O R R E C T E D C O P Y (CORRECTED FROM, E.O. TAGS

E.O. 12356: DECL: OADR  
TAGS: MASS, PE  
SUBJ: ANNUAL INTEGRATED ASSESSMENT OF SECURITY

OPERATIONS IN THE UHV AND OTHER AREAS IS CRITICAL TO  
CONTINUATION OF OUR CURRENT U.S. - PERUVIAN  
ANTI-NARCOTICS PROGRAMS.

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- (D) INSURGENCY: THE MAOIST SENDERO LUMINOSO  
INSURGENCY IS NOW ENTRENCHED THROUGHOUT THE CENTRAL

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SIERRA, FROM AYACUCHO TO HUANUCO, ALL OF WHICH IS DECLARED AN EMERGENCY ZONE. SENDERO IS ADDITIONALLY PRESENT IN OTHER HIGHLAND AREAS, THE HIGH JUNGLE VALLEYS EAST OF THE ANDES (WHERE COCA IS GROWN), THROUGHOUT MOUNTAIN TOWNS ON THE WESTERN SLOPES OF THE ANDES, AND IN COASTAL CITIES. IT HAS A STRONG PRESENCE IN MOST UNIVERSITIES NATIONWIDE. AN INDIGENOUS MOVEMENT WITH NO SIGNIFICANT FOREIGN SUPPORT, SENDERO IS NOW ACQUIRING FINANCIAL RESOURCES FROM THE COCAINE TRADE. THE CONVENTIONALLY MARXIST TUPAC AMARU REVOLUTIONARY MOVEMENT IS ALSO A SERIOUS THREAT IN LIMA, JUNIN AND UCAYALI DEPARTMENTS. PERU IS SERIOUSLY DEFICIENT IN THE POLICY, STRATEGY AND CIVILIAN AND MILITARY RESOURCES REQUIRED TO MOUNT AN EFFECTIVE COUNTER-INSURGENCY CAMPAIGN.

- (E) COUNTERING THE SOVIET PRESENCE: THE USSR, PERU'S LARGEST SUPPLIER OF MILITARY EQUIPMENT SINCE THE EARLY 1970'S, CONTINUES TO OFFER EQUIPMENT TO THE PERUVIAN ARMY AND AIR FORCE AT REASONABLE, CREDIT-BASED PRICES. THE SOVIETS HAVE PROVIDED AN ESTIMATED 1.5 BILLION U.S. DOLLARS IN EQUIPMENT AND ARE NOW NEGOTIATING A LARGE HELICOPTER DEAL. AS A RESULT OF ITS TRAINING, SOVIET INFLUENCE IN THE ARMY AND AIR FORCE HAS INCREASED, ESPECIALLY AMONG THE JUNIOR AND MIDDLE OFFICER RANKS. A LARGE SOVIET FISHING FLEET OPERATES OUTSIDE AND A SMALLER FLEET OPERATES INSIDE THE 200-MILE TERRITORIAL WATERS EXCLUSIVE ZONE AND PERUVIAN PORTS ARE USED FOR REPROVISIONING AND EXCHANGE OF CREWS. AEROFLOT HAS REGULAR PASSENGER SERVICE IN/OUT OF PERU.

- 2. ECONOMIC:

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- (A) ECONOMIC STABILITY. THE UNITED STATES HAS HISTORICALLY BEEN PERU'S FOREMOST TRADING PARTNER AND A PRIMARY SOURCE OF INVESTMENT CAPITAL. IN 1987, NEARLY 27 PERCENT OF PERU'S TOTAL IMPORTS CAME FROM THE U.S. NEARLY 30 PERCENT OF ALL PERUVIAN EXPORTS WERE SOLD TO U.S. CUSTOMERS. SEVERAL AMERICAN-OWNED COMPANIES ARE AMONG THE LARGEST AND MOST PROFITABLE IN PERU. PERU'S ECONOMY HAS DETERIORATED SIGNIFICANTLY OVER THE PAST YEAR: THE INFLATION RATE FOR 1989 COULD BE AS MUCH AS 10,000 PER CENT, AND THE ECONOMY IS LIKELY TO SHRINK BY MORE THAN 15 PERCENT. A RETURN TO ECONOMIC STABILITY AND GROWTH IS

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NECESSARY TO OUR BILATERAL TRADE AND INVESTMENT INTERESTS; ECONOMIC STABILITY IS REQUIRED TO KEEP PERUVIAN DEMOCRACY AND DEVELOPMENT ON TRACK. CONTINUING BALANCE OF PAYMENTS, EXCHANGE AND INTEREST RATE, INFLATION, AND BUDGET DEFICIT PROBLEMS -- AND THE GOVERNMENT'S INABILITY OR UNWILLINGNESS TO ADDRESS THESE PROBLEMS SQUARELY -- ARE ERODING CONFIDENCE IN THE FUTURE

- (B) RELATIONS WITH CREDITORS: THE PERUVIAN GOVERNMENT CONTINUES TO RESTRICT PAYMENTS TO ITS FOREIGN CREDITORS AS A MATTER OF POLICY. AS A RESULT, RELATIONS WITH BILATERAL, MULTILATERAL, AND PRIVATE COMMERCIAL CREDITORS ARE STRAINED AND PERU'S ACCESS TO FRESH FOREIGN CAPITAL IS SEVERELY RESTRICTED. ALTHOUGH DIALOGUE WITH CREDITORS HAS RECENTLY INTENSIFIED, WE CONTINUE TO STRESS THE NEED FOR THE GOP TO ENTER INTO MUTUALLY ACCEPTABLE AGREEMENTS WITH ALL OF ITS CREDITORS TO ENSURE THE ORDERLY REPAYMENTS OF ITS DEBTS OVER TIME -- IF NOT UNDER THE PRESENT GOVERNMENT, THEN UNDER THE NEXT.

- (C) OFFICIAL BILATERAL DEBT: THE PRESENT GOVERNMENT REMAINS UNABLE AND/OR UNWILLING TO MEET ITS DEBT SERVICING OBLIGATIONS. WE URGE THE GOP TO REPAY ITS OFFICIAL DEBT TO THE USG -- ON A TIMELY BASIS -- IN ORDER TO ENSURE THE CONTINUED, ORDERLY DISBURSEMENT OF FUNDS

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THROUGH U.S. ECONOMIC ASSISTANCE PROGRAMS AND IMET.

- (D) ECONOMIC DEVELOPMENT: WE ENCOURAGE THE

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E.O. 12356: DECL: OADR  
TAGS: MASS, PE  
SUBJ: ANNUAL INTEGRATED ASSESSMENT OF SECURITY

CENTRAL GOVERNMENT TO IMPLEMENT MEASURES TO CREATE AN ENVIRONMENT CONDUCIVE TO GROWTH IN THE ECONOMY AND TO AVOID FURTHER CONTRACTION OF INVESTMENT IN THE COUNTRY'S PRODUCTIVE CAPACITY. U.S. ECONOMIC ASSISTANCE CONTRIBUTES TO THE GOP'S EFFORTS TO REVITALIZE THE AGRICULTURAL

SECTOR, STIMULATE PRIVATE SECTOR DEVELOPMENT, IMPROVE

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HEALTH WITH EMPHASIS ON CHILD SURVIVAL, PROMOTE FAMILY PLANNING, AND PROMOTE DIVERSIFICATION OF THE ECONOMY.

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- (E) NARCOTICS: THROUGH SPECIAL ASSISTANCE PROGRAMS, WE ARE WORKING WITH THE GOP TO PROVIDE ECONOMIC ALTERNATIVES TO THOSE SECTORS OF THE POPULATION INVOLVED IN COCA PRODUCTION. WE ALSO CONDUCT ERADICATION AND INTERDICTION PROGRAMS IN COOPERATION WITH THE GOP, AND SUPPORT SIGNIFICANT DRUG AWARENESS PROGRAMS.

- 3. MILITARY:

- (A) STRENGTHENING OF DEMOCRATIC, PRO-WESTERN ATTITUDES AND POSITIONS, WHILE OFFSETTING SOVIET INFLUENCE: THROUGHOUT THE SEVENTIES AND EIGHTIES THE USSR INVESTED OVER 1.5 BILLION DOLLARS IN TRAINING AND EQUIPPING THE PERUVIAN MILITARY. IN EARLY 1989 AGREEMENTS FOR MORE MILITARY AID WERE CONCLUDED. IN ADDITION TO A FISHING AGREEMENT WHICH GIVES THE USSR MAJOR ECONOMIC BENEFITS, PERU PROVIDES THE USSR WITH ITS ONLY AEROFLOT ROUTE TO THE CONTINENT AND ADVISORY ACCESS TO ALL OF PERU'S MILITARY SCHOOLS (BUT NOT AS STUDENTS OR PERMANENT FACULTY). ALTHOUGH THE PERUVIANS ARE SERIOUSLY DISSATISFIED WITH SOVIET SUPPLY OF SPARE PARTS, MAINTENANCE, TRAINING AND OTHER ASPECTS OF SOVIET-PRODUCED EQUIPMENT, THE SOVIETS IN RECENT YEARS HAVE HAD NO COMPETITION FROM U.S. OR OTHER POTENTIAL SUPPLIERS. OFFERS HAVE BEEN MADE BY THE SOVIETS TO PROVIDE NEW MILITARY EQUIPMENT AND TO CONSTRUCT BOATS IN PERU. THE PERUVIANS WOULD PREFER AND ARE SEEKING ALTERNATIVE SOURCES OF SUPPLIES. ADEQUATE LEVELS OF U.S. SECURITY ASSISTANCE COULD GREATLY REDUCE DEPENDENCE ON THE SOVIETS THROUGH LOGISTIC AND INFRASTRUCTURE SUPPORT

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AND U.S. MILITARY TRAINING AND EDUCATION.

- (B) ENCOURAGING THE DEVELOPMENT AND INSTITUTIONALIZATION OF JOINT MILITARY OPERATIONAL CAPABILITIES: WE EMPHASIZE THE DOCTRINE, ATTITUDE, AND TRAINING NECESSARY FOR INTEGRATED MULTISERVICE OPERATIONS. THIS IS ESSENTIAL TO EFFECTIVE COUNTERINSURGENCY, NOW THE MAJOR MILITARY REQUIREMENT. OUR ENCOURAGEMENT IS LISTENED TO, BUT THE RESULTS ARE DIMINISHED BY THE ABSENCE OF MAP AND THE SMALL AMOUNTS OF FMS AND IMET.

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(C) INTERNAL DEFENSE AND NATION BUILDING (RURAL DEVELOPMENT ASPECTS): PERU IS BESET BY A MAJOR, FANATICALLY VIOLENT INSURGENCY WITH THE POTENTIAL TO DESTABILIZE THE GOVERNMENT AND DESTROY THE ECONOMY. THE MILITARY IS ILL-PREPARED AND POORLY EQUIPPED TO CONFRONT THIS THREAT. IT HAS BEGUN TO RECOGNIZE THE SENDERO LUMINOSO AND TUPAC AMARU (MRTA) INSURGENTS, INTERTWINED WITH AND COMPLICATED BY NARCOTRAFFICKING, AS THE MAIN CURRENT THREATS. THIS IS A CHANGE FROM ITS PRIOR PREOCCUPATION WITH CHILE AND ECUADOR, PERU'S TRADITIONAL ENEMIES. A SUSTAINED PRESENCE AND CONTINUOUS ACTION IN CONTESTED AND REMOTE AREAS ARE FUNDAMENTAL TO SUCCESSFUL INTERNAL DEFENSE AND DEVELOPMENT, BUT WOULD REQUIRE ENORMOUS RESOURCES. THIS IS WHERE WE CAN AND SHOULD HELP WITH A WELL-TARGETED AND EXPANDED SECURITY ASSISTANCE PROGRAM. THE SOVIETS HAVE DECLINED TO ASSIST IN THIS AREA

II. THREAT PERCEPTION:

A. HOST COUNTRY PERCEPTION.

1. EXTERNAL: PERU'S PAST MILITARY PURCHASES WERE BASED IN LARGE PART ON A PERCEIVED EXTERNAL THREAT FROM A MILITARILY STRONG CHILE TO THE SOUTH AND MILITARILY WEAK BUT REVANCHIST [ ] ECUADOR TO

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E.O. 12356: DECL: OADR  
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THE NORTH. IN THE PAST THE PERUVIAN MILITARY HAS FREQUENTLY BEEN OBSESSED WITH A WORST-CASE SCENARIO IN WHICH IT MUST FIGHT A TWO-FRONT WAR WITH THESE TWO NEIGHBORS. THERE IS A GROWING REALIZATION IN THE MILITARY THAT THE INTERNAL TERRORIST THREAT IS THE GREATEST AND MOST IMMEDIATE PROBLEM.

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2. INTERNAL:

A. THE ARMED FORCES CURRENTLY CONFRONT TWO

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INTERNAL INSURGENT GROUPS. THE MORE IMPORTANT, TO DATE, IS THE MADIST SENDERO LUMINOSO (SL), WHICH CARRIES OUT GUERRILLA AND TERRORIST ACTIONS IN NUMEROUS RURAL AREAS, AND ASSASSINATIONS AND BOMBINGS IN LIMA AND OTHER CITIES. SL SEEKS THE DESTRUCTION OF THE CURRENT POLITICAL-ECONOMIC STRUCTURE AND ITS REPLACEMENT BY A COMMUNIST "PEOPLE'S REPUBLIC OF THE NEW DEMOCRACY". SL HAS REJECTED DIALOGUE AND ANY ATTEMPTS AT POLITICAL AND ECONOMIC REFORM. A SMALLER, MORE TRADITIONAL LATIN AMERICAN CASTROITE TERRORIST GROUP IS THE COALITION OF THE TUPAC AMARU REVOLUTIONARY MOVEMENT AND THE MOVEMENT OF THE REVOLUTIONARY LEFT (MRTA-MIR), ACTIVE PRIMARILY IN LIMA AND OTHER CITIES, ALTHOUGH MRTA DOES HAVE SIZEABLE COLUMNS IN JUNIN AND UCAYALI DEPARTMENTS.

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B. THE ARMED FORCES PLAY A MAJOR ROLE IN COMBATting GUERRILLAS AND TERRORIST GROUPS. WE SOME 6,000 TROOPS ARE STATIONED IN AYACUCHO, AND ABOUT 7,000 TROOPS ARE ASSIGNED TO THE OTHER RURAL AREAS UNDER MILITARY RULE. ALL OR PART OF 10 DEPARTMENTS OUT OF A TOTAL OF 24 ARE UNDER A DECLARED STATE OF EMERGENCY, APPROXIMATELY ONE THIRD OF THE TOTAL PERUVIAN LAND MASS.

C. MILITARY OFFICERS RECOGNIZE THAT GUERRILLA AND TERRORIST ACTIVITY IS GROWING AND POSES A GREAT THREAT TO PERU'S STABILITY. DESPITE SOME RECENT ORGANIZATIONAL CHANGES TOWARD A GREATER COUNTER

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INSURGENCY CAPABILITY, THE BULK OF PERU'S DEFENSE ESTABLISHMENT NEVERTHELESS IS STILL TRAINED FOR AND GEARED TOWARD A CONVENTIONAL EXTERNAL THREAT. IN ALL FAIRNESS, IT SHOULD BE MENTIONED THAT THIS EQUIPMENT WAS PURCHASED LONG AGO AND IS NOT SUITABLE FOR CONFRONTING INSURGENTS IN AREAS WHERE THEY ARE NOW ACTIVE.

B. COUNTRY TEAM PERCEPTION:

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2. INTERNAL:

A. IN THE FACE OF GOVERNMENT WEAKNESS, BOTH SENDERO LUMINOSO (SL) AND TUPAC ARMARU REVOLUTIONARY MOVEMENT (MRTA) HAVE MADE IMPORTANT TERRITORIAL GAINS. SL HAS DEMONSTRATED METHODOICAL ORGANIZATION AND PREPARATION ON BOTH POLITICAL AND MILITARY FRONTS. MRTA HAS ATTEMPTED TO ENTER MILITARY ACTIVITY WITHOUT PREPARATION AND HAS SUFFERED SOME SETBACKS. BUT THROUGH KIDNAPPINGS AND THE COLLECTION OF "WAR TAXES" IT HAS ACQUIRED THE FINANCIAL RESOURCES TO BE A SERIOUS ANTAGONIST.

B. THE MAJOR BURDEN OF COUNTERINSURGENCY ACTION HAS FALLEN ON THE ARMY. ARMY POLITICAL/MILITARY COMMANDERS HAVE FULL POLITICAL AND MILITARY RESPONSIBILITY FOR ALL THE AREAS WHICH ARE DECLARED TO BE IN A STATE OF AN EMERGENCY. THIS HAS STRETCHED ARMY MANPOWER AND LOGISTICS RESOURCES TO

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THE LIMIT.

C. THE CONTINUED LACK OF A NATIONAL WAR STRATEGY, INTERSERVICE COORDINATION, SUFFICIENT BUDGET FURTHER WEAKEN A VERY LIMITED COMBAT CAPABILITY. MOST SENIOR MILITARY OFFICERS RECOGNIZE THE

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DESTABILIZING INFLUENCE OF THE INSURGENCY THREAT. A MINORITY HAVE SHOWN SUFFICIENT REALIZATION OF THE

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SCOPE OF THE PROBLEM TO BECOME ADVOCATES FOR MILITARY CHANGE. MANY, HOWEVER, ARE BOUND TO TRADITIONAL INSTITUTIONAL ROLES AND CONSIDER THE POLITICAL, ECONOMIC, SOCIAL AND CULTURAL PROBLEMS AS BEYOND MILITARY CONTROL.

III. ANALYSIS OF MILITARY ESTABLISHMENT

A. GENERAL:

1. IN OCTOBER 1987, OVER THE STRONG OBJECTIONS OF THE NAVY AND AIR FORCE, THE PERUVIAN CONGRESS APPROVED THE CREATION OF A DEFENSE MINISTRY, REPLACING THE FORMER WAR, NAVAL AND AIR MINISTRIES. THE DEFENSE MINISTER (MOD) HAS SOME POWER OVER SERVICE STRENGTHS, BUDGETING, PROMOTIONS, POLICY, ETC. HE IS NOT, FOR WAR FIGHTING. WHILE THE FIRST MOD CHOSEN WAS A HIGHLY RESPECTED RETIRED ARMY COMMANDER, ALL SERVICES ARE EXTREMELY WARY OF THE POWER WHICH A POLITICALLY MOTIVATED CIVILIAN MINISTER COULD WIELD. THE SECOND MOD, ALSO A RETIRED ARMY GENERAL, HAS JUST ASSUMED HIS NEW POSITION. THE RELATIONSHIP OF THE DEFENSE MINISTER TO THE ARMED FORCES IS NOT EXPECTED TO CHANGE.

2. THE WAR FIGHTING FUNCTION IS RETAINED BY THE "COMANDO CONJUNTO" - THE RELATIVELY SMALL PERUVIAN JOINT COMMAND. PRINCIPAL VOTING MEMBERS OF THE COMANDO CONJUNTO ARE THE COMMANDERS OF THE THREE SERVICES WITH THE PRESIDENCY OF THE COMMAND ROTATING YEARLY AS AN ADDED RESPONSIBILITY OF ONE OF THE

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SERVICE CHIEFS. THE STAFF OF THE JOINT COMMAND IS LED BY A THREE-STAR FLAG OFFICER WHICH ALSO ROTATES AMONG THE SERVICES. THIS YEAR IN PARTICULAR, THIS OFFICER IS ATTEMPTING TO PLAN AND COORDINATE BETTER OPERATIONS AIMED AT COMBATTING INSURGENTS.

3. ALL SERVICES WANT TO MAINTAIN THE SUPERIORITY THEY CURRENTLY ENJOY OVER THEIR NEIGHBORS IN CONVENTIONAL ARMAMENT. THE AIR FORCE AND THE ARMY, BOTH OF WHOSE HARDWARE INVENTORY IS MORE THAN 50 PERCENT SOVIET SUPPLIED, HAVE INDICATED A DESIRE

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TO BREAK THEIR DEPENDENCE ON THE SOVIETS FOR PARTS, TOOLS, SPECIAL LUBRICANTS AND TEST EQUIPMENT IN THE SHORT TERM AND TO AVOID FURTHER ARMS PURCHASES FROM THE SOVIETS IN THE LONG TERM. THIS GOAL HAS BEEN DIFFICULT TO ACHIEVE, HOWEVER, AS THE SOVIETS REMAIN THE ONLY MAJOR SUPPLIER WILLING TO EXTEND EASY CREDIT TO THE PERUVIAN MILITARY. IN EARLY 1989 THE SOVIETS AGREED TO REPLACE SOME OF THE ARMY'S AGING MI-8 HELICOPTERS WITH MORE MODERN MI-17'S.

TALKS ARE ALSO CONTINUING ON REPLACEMENT OF THE ARMY'S T-55 TANKS. FINALLY, ALL SERVICES WANT BETTER EQUIPMENT AND TRAINING TO ALLOW THEM TO DEAL MORE EFFECTIVELY WITH THE EVER MORE CAPABLE AND DISTURBING THREAT FROM INSURGENTS AND TERRORISTS. THE NEED FOR RIVER PATROL BOATS, LIGHT AIRCRAFT, TRANSPORT HELICOPTERS, GROUND TRANSPORT VEHICLES, COMMUNICATIONS EQUIPMENT, ENGINEER CIVIC ACTION EQUIPMENT, ETC., IS OBVIOUS. HOWEVER, THERE IS NO INDICATION THAT ANY OF IT CAN BE ACQUIRED IN THE FORESEEABLE FUTURE.

B. ARMY:

1. MISSION: THE MISSION OF THE ARMY IS TO GUARANTEE THE INDEPENDENCE, SOVEREIGNTY, AND TERRITORIAL INTEGRITY OF THE REPUBLIC, COMPLY WITH THE

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COMUSNAVSO FT AMADOR PM  
USSOUTHAF ALBROOK AFB PM//LA//  
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E.O. 12356: DECL: OADR  
TAGS: MASS, PE  
SUBJ: ANNUAL INTEGRATED ASSESSMENT OF SECURITY

CONSTITUTION AND THE LAWS, AND IF CALLED UPON BY THE  
PRESIDENT, ASSUME CONTROL OF THE PUBLIC ORDER DURING A  
STATE OF EMERGENCY. ITS PRIMARY MILITARY DUTIES ARE  
TO PROTECT THE TERRITORIAL INTEGRITY OF THE NATION AND TO  
GUARANTEE PUBLIC ORDER.

2. CAPABILITIES: THE ARMY, AS CURRENTLY

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STRUCTURED AND EQUIPPED, IS MINIMALLY CAPABLE OF  
PERFORMING THE DUAL MISSION OF CONDUCTING CONVENTIONAL AND

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INTERNAL DEFENSE OPERATIONS. 1989 BUDGET  
CONSTRAINTS AND INFLATION HAVE ACCELERATED DECLINE OF  
OPERATING CAPACITY. [

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3. PERSONNEL STRENGTH: ESTIMATED 84,500 (7,488  
OFFICERS; 12,350 NCDS; 64,680 ENLISTED PERSONNEL AND  
CONSCRIPTS); THE ARMY ALSO HAS 1,000 CADETS AND 9,289  
CIVILIANS. [

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4. WEAPONS AND EQUIPMENT: THE ARMY IS EQUIPPED  
WITH A VARIETY OF MATERIEL OF DIFFERENT ORIGINS DATING  
TO MID-1967. INCLUDED ARE U.S. 105MM HOWITZERS,  
FRENCH AMX-13 LIGHT TANKS W/105MM GUNS, WEST GERMAN  
ARMORED PERSONNEL CARRIERS, COBRA ANTI-TANK MISSILES,  
1,000 TRUCKS AND BELGIAN SMALL ARMS. IN 1973, THE  
PERUVIAN ARMY BECAME A CLIENT OF THE SOVIET UNION AND  
ACQUIRED T-55 TANKS, COMBAT CARS, FIELD ARTILLERY, AIR  
DEFENSE ARTILLERY, ANTI-TANK MISSILES, AND TRANSPORT  
HELICOPTERS.

5. TRAINING: ALL ENLISTED PERSONNEL ENTER THE  
ARMY AS CONSCRIPTS WITH A ONE YEAR TERM OF SERVICE FOR  
HIGH SCHOOL GRADUATES AND TWO YEARS FOR  
NON-GRADUATES. ALL BASIC MILITARY TRAINING, 10 WEEKS,  
IS CONDUCTED IN THE UNIT TO WHICH THE SOLDIER IS  
ASSIGNED WITH GREAT VARIANCE IN TRAINING STANDARDS AND

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QUALITY. A VERY SELECT FEW ENLISTED PERSONNEL RECEIVE  
FURTHER TRAINING IN BRANCH, SERVICE SCHOOLS OR  
CIVILIAN TECHNICAL SCHOOLS.

THE ARMY SCHOOL SYSTEM PROVIDES VARIOUS LEVELS OF  
TRAINING FOR OFFICERS AND NON-COMMISSIONED OFFICERS AS  
THEY PROGRESS THROUGH THEIR CAREERS. THE MAJORITY OF  
INSTRUCTION IS CLASSROOM-ORIENTED AND COMPETITION IS  
FIERCE. OFFICER EDUCATION FOR MOST CULMINATES IN A  
TWO YEAR COMMAND AND GENERAL STAFF COURSE. THE  
COURSE, ENTIRELY IN A CLASSROOM SETTING, EMPHASIZES

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CONVENTIONAL WARFARE AGAINST AN EXTERNAL THREAT AND  
STAFF SKILLS. CLASS RANKINGS IN THIS COURSE HAVE  
GREAT IMPACT ON THE REMAINDER OF AN OFFICER'S CAREER.

SINCE 1973, APPROXIMATELY 450 OFFICERS AND  
NON-COMMISSIONED OFFICERS HAVE BEEN TRAINED IN THE  
SOVIET UNION IN SOME 30 DIFFERENT COURSES. COURSES  
TAKEN HAVE RANGED FROM HELICOPTER AVIATION TO ARMOR  
OPERATIONS TO MAINTENANCE AND INTELLIGENCE. NUMBERS  
TRAINED IN THE SOVIET UNION HAVE DROPPED STEADILY IN  
RECENT YEARS TO LESS THAN 10 ANNUALLY.

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RECENT WEEKS A SECOND AND ALMOST EQUALLY IMPORTANT <sup>] IN</sup>  
GOAL HAS BEGUN TO TAKE SHAPE. A SERIES OF SL/MRTA  
SUCCESSSES COUPLED WITH A MORE COMBATIVE ATTITUDE OF  
THE CIVILIAN LEADERSHIP WITHIN PERU IS PUSHING THE  
ARMY INTO A MAJOR ANTI-SUBVERSION CAMPAIGN IN THE  
INTERIOR OF THE COUNTRY. COMMITMENT OF SENIOR  
OFFICERS TO THIS CAMPAIGN IS REAL. HOWEVER, TACTICAL  
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E.O. 12356: DECL: OADR  
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ABILITY AND RESOURCES ARE IN SHORT SUPPLY. HELD  
TRANSPORT CAPABILITY HAS THE HIGHEST PRIORITY. A  
POSSIBLE AGREEMENT WITH THE SOVIETS WILL SATISFY PART  
OF THIS NEED, THOUGH EFFECTS WILL NOT BE SEEN FOR SOME  
TIME DUE TO TRAINING COSTS AND CONTINUED  
LOGISTICS/MAINTENANCE WEAKNESSES.

7. LOGISTICALLY, THE ARMY WOULD LIKE TO SIMPLIFY ITS

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CURRENT SPARE PARTS NIGHTMARE CAUSED BY DEPENDENCE ON  
TOO MANY SUPPLIERS. AGAIN, ALTHOUGH MANY ARMY

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LEADERS WISH TO DECREASE THEIR DEPENDENCE ON THE SOVIETS, THEY ARE RESIGNED TO A CONTINUATION OF THE STATUS QUD. THE U.S. TRACK RECORD AS SECURITY ASSISTANCE PARTNER IN PERU, TOGETHER WITH THE CURRENT FREEZE UNDER BROOKE-ALEXANDER, COMBINE TO CAUSE THE ARMY TO KEEP OTHER OPTIONS OPEN. AGAIN, THE PERUVIAN ARMY PREFERS AND DESIRES U.S. TRAINING. THE IMET EMBARGO UNDER BROOKE-ALEXANDER AND 620 (Q), HOWEVER, MAKES THIS IMPOSSIBLE.

- C. NAVY:

- 1. MISSION: THE MISSION OF THE NAVY IS TO DEFEND THE COASTLINE, ENFORCE PERU'S CLAIM TO THE 200-NAUTICAL MILE LIMIT OF TERRITORIAL WATERS, PROTECT COASTAL SHIPPING, AND PATROL THE INLAND WATERS. THE NAVY ALSO ENGAGES IN CIVIC ACTION MISSIONS AND COMMERCIAL SHIPPING IN THE AMAZON BASIN.

- 2. CAPABILITY: THE PERUVIAN NAVY IS CAPABLE OF DEFENDING PERU FROM ATTACK BY THE NAVAL FORCES OF ANY IMMEDIATE NEIGHBOR. ITS SUBMARINE FORCE IS ONE OF THE LARGEST IN LATIN AMERICA, BUT THESE AND THE SHIPS ASSIGNED TO THE SURFACE FLEET ARE AGING AND BEGINNING TO SHOW SIGNS OF WEAR AND TEAR DUE TO A SHORTAGE OF REPAIR FUNDS. THE NAVY POSSESSES A SIGNIFICANT CAPABILITY IN SUBMARINE, ANTI-SUBMARINE, AND SURFACE WARFARE AREAS. L

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- 3. THE PERUVIAN NAVY IS AN ANNUAL PARTICIPANT

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IN THE U.S. NAVY-SPONSORED UNITAS EXERCISES. PERFORMANCE IN THESE EXERCISES HAS DEMONSTRATED THAT THE PERUVIAN NAVY IS CAPABLE OF EFFECTIVE INTEGRATION WITH U.S. NAVAL UNITS IN PROVIDING ASSISTANCE IN THE DEFENSE OF THE WESTERN HEMISPHERE. MOST RECENT INDICATIONS REFLECT A DETERIORATING STATE OR READINESS.

-  
4. WITHIN THE NAVY ARE COAST GUARD AND MARINE CORPS UNITS, WHICH PROVIDE A MODEST CAPABILITY TO SUPPORT THE GROUND AND AIR FORCES IN THE MAINTENANCE OF INTERNAL ORDER. THREE NAVY HOSPITAL SHIPS ARE CAPABLE OF CARRYING OUT THE NAVY'S CIVIC ACTION PROGRAM OR ROUTINE MEDICAL ATTENTION TO VILLAGERS, TRANSPORTATION OF MATERIAL AND TECHNICAL ASSISTANCE. UNFORTUNATELY, LACK OF FUNDS PRECLUDE ACCOMPLISHMENT OF THIS MISSION ON A REGULAR BASIS.

-  
5. PERSONNEL STRENGTH: 27,500 (2,610 OFFICERS; 14,200 PETTY OFFICERS; 10,700 ENLISTED MEN AND CONSCRIPTS). TOTAL INCLUDES 120 PILOTS, 65 COAST GUARD OFFICERS AND 4,000 MARINES (INCLUDES ESTIMATED 100 NAVAL OFFICERS WHO ARE TECHNICALLY QUALIFIED AS MARINE OFFICERS). THE TOTAL DOES NOT INCLUDE 600 CADETS AND 6,278 CIVILIAN EMPLOYEES.

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CDRUSASAALA FT CLAYTON PM//SOSA//  
COMUSNAVSO FT AMADOR PM  
USSOUTHAF ALBROOK AFB PM//LA//  
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E.O. 12356: DECL: OADR  
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- 6. ORGANIZATION: THE COMMANDER GENERAL OF THE NAVY, THE SENIOR OFFICER OF THE SERVICE, IS RESPONSIBLE TO THE MINISTER OF DEFENSE FOR THE OPERATIONAL COMMAND AND CONTROL OF HIS SERVICE. HE EXERCISES COMMAND OVER THE OPERATIONAL FORCES THROUGH THE COMMANDER OF NAVAL OPERATIONS, OVER LAND-BASED

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FACILITIES, AND THE PERSONNEL OF FIVE NAVAL ZONES. THE COMMANDER GENERAL OF THE NAVY IS ASSISTED BY THE

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NAVY GENERAL STAFF, ORGANIZED INTO THREE DEPARTMENTS WITH SUBORDINATE DIVISIONS, AND HEADED BY THE CHIEF OF THE NAVY GENERAL STAFF. THE INSPECTOR GENERAL OF THE NAVY, THE DIRECTORATES GENERAL OF PERSONNEL, MATERIEL, INSTRUCTION, ECONOMY, MARITIME INTERESTS, AND PORT CAPTAINCIES AND COAST GUARD, AS WELL AS THE DIRECTORATES OF COMMUNICATIONS AND INTELLIGENCE, ALL REPORT TO THE COMMANDING GENERAL. NAVAL SCHOOLS AND TRAINING CENTERS ARE SUBORDINATE TO THE DIRECTORATE OF INSTRUCTION.

7. EQUIPMENT: SURFACE SHIPS ARE OF U.S., FRENCH, UK, ITALIAN AND NETHERLANDS CONSTRUCTION. THE TWO CRUISERS HAVE AN AVERAGE AGE OF 36 YEARS AND WERE BOTH PURCHASED FROM THE NETHERLANDS, AS WERE 8 OF THE 10 DESTROYERS. TWO DESTROYERS ARE MODIFIED UK DARING CLASS SHIPS. IN 1973, THESE TWO HAD THEIR WEAPON CAPABILITIES SIGNIFICANTLY ENHANCED BY THE ADDITION TO EACH SHIP OF EIGHT EXOCET SURFACE-TO-SURFACE MISSILE (SSM) LAUNCHERS. THE NAVY RECENTLY UPGRADED ITS FLEET WITH THE ADDITION OF LUPO CLASS GUIDED MISSILE FRIGATES (FF) EQUIPPED WITH OTOMAT SSM AND ASPIDE SAM LAUNCHERS. IN 1982, SIX 560-TON, EXOCET-EQUIPPED, MISSILE PATROL BOATS AND 20 EXOCET MISSILES WERE RECEIVED FROM FRANCE. THE SUBMARINE FORCE TRADITIONALLY HAS BEEN THE BEST EQUIPPED PART OF THE FLEET. OF THE 11 SUBMARINES IN THE NAVY INVENTORY, 5 WERE OBTAINED FROM THE U.S. - 1 GUPPY 1A AND 4 TIBURON CLASS. SIX ARE THE GERMAN TYPE 209, PROBABLY THE MOST FAVORED SUBMARINE SOLD FOR EXPORT IN THE FREE WORLD. IN EARLY 1984, THE PERUVIAN NAVY LEASED FOUR

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AMPHIBIOUS VEHICLES LANDING SHIPS (LST) FROM THE U.S. NAVY. THE LSTS WERE PROVIDED UNDER A 5-YEAR NO-COST LEASE, RENEWABLE FOR A SECOND 5-YEAR PERIOD.

8. LOGISTICS: THE PERUVIAN NAVY HAS SOME PROBLEMS MAINTAINING ITS FORCE AT SEA FOR ANY EXTENDED PERIOD OF TIME, BUT MAJOR UNITS CAN OPERATE STEADILY FOR PERIODS OF AT LEAST 10 DAYS BASED ON THE QUANTITY OF FOOD SUPPLIES ABOARD. THE NAVY USES FRESH FOOD DUE TO THE HIGH COST OF FROZEN, CANNED AND DRIED FOOD. POL (FUEL, GASOLINE, AND COMMON LUBRICANTS) ARE

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9. FACILITIES: THREE FACILITIES (CALLAO, IQUITOS AND CHIMBOTE) OF THE PERUVIAN NAVY SHIPYARD-SIMA (SERVICIOS INDUSTRIALES DE LA MARINA) WORK UNDER CONTRACT FOR THE NAVY AND FOR OTHER GOVERNMENT AND PRIVATE AGENCIES. SIMA HAS THE CAPABILITY TO CONSTRUCT SMALL PATROL SHIPS AND LARGE AUXILIARIES -- 25,000 TON FREIGHTERS, 90,000 TON TANKERS, AND OCEANIC SCIENTIFIC RESEARCH SHIPS. SIMA DOES REPAIR AND MAINTENANCE WORK ON THE NAVY'S SUBMARINES AND SURFACE SHIPS. IN 1981, SIMA INITIATED A NEW ARMS PRODUCTION LINE INCLUDING DESIGNING AND MANUFACTURING OF 10,000 SUBMACHINE GUNS FOR THE CIVIL GUARD AND THE REPUBLICAN GUARD.

10. THE NAVY HAS NO PLANS TO FURTHER ENLARGE ITS SURFACE OR SUBSURFACE FORCE.

11. WITH REGARD TO ITS NAVAL AVIATION, THE PERUVIAN NAVY DESIRES TO OBTAIN A HELICOPTER THAT IS CAPABLE OF CARRYING TROOPS AND EQUIPMENT WHILE OPERATING AT HIGH ALTITUDES. THEY ARE CURRENTLY NEGOTIATING WITH THE ITALIANS FOR 10 AUGUSTA-BELL HELICOPTERS. THEY ARE ALSO SEEKING TO UPGRADE THEIR SEVEN S-2 ACFT.

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E.O. 12356: DECL: OADR  
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SUBJ: ANNUAL INTEGRATED ASSESSMENT OF SECURITY

12. MARINES: THE PERUVIAN NAVY PLANS TO REFOCUS  
THE MARINE MISSION TO A COASTAL DEFENSE FORCE AND  
DOWNPLAY THE AMPHIBIOUS ROLE. THIS MOVE IS  
UNDOUBTEDLY THE RESULT OF AUSTERITY MEASURES IMPOSED  
THROUGHOUT THE NAVY.

- D. AIR FORCE:  
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- 1. MISSION: THE MISSION OF THE AIR FORCE IS

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TO DEFEND THE COUNTRY AGAINST EXTERNAL AGGRESSION. SECONDARY RESPONSIBILITIES ARE TO ASSIST THE GROUND FORCES IN THE PRESERVATION OF INTERNAL ORDER, ASSIST THE GOVERNMENT IN THE ECONOMIC AND SOCIAL DEVELOPMENT OF THE COUNTRY AND RECENTLY TO ASSIST THE PHOTOGRAPHIC SERVICE, A GOVERNMENT SCHOOL OF CIVIL AVIATION, AND A GOVERNMENT AERONAUTICAL INDUSTRY

- 2. CAPABILITY: THE PERUVIAN AIR FORCE HAS A LIMITED CAPABILITY TO DEFEND ITS AIRSPACE, BUT ITS SUPPORT FOR PERUVIAN GROUND FORCES IS GROWING.

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IN DAYLIGHT VISUAL CONDITIONS, THE AIR FORCE COULD REACH TARGETS IN COLOMBIA, ECUADOR, BOLIVIA AND CHILE. THE 47 SU-22/FITTER FIGHTER-BOMBER AIRCRAFT MAKE UP A FORMIDABLE FIGHTING FORCE. THE AIR FORCE CAN PROVIDE SUPPORT TO GROUND FORCES FOR THE MAINTENANCE OF INTERNAL SECURITY. AIR FORCE CAPABILITY TO SUPPORT INTERNAL SECURITY OPERATIONS WAS ENHANCED IN 1983 AND EARLY 1984 AFTER DELIVERY OF 14 MI-25/HIND ASSAULT HELICOPTERS AND FIVE BELL 214 TROOP TRANSPORT HELICOPTERS. IT COULD PROVIDE SIGNIFICANT DAYLIGHT, FAIR-WEATHER SUPPORT TO NAVAL OPERATIONS.

- 3. PERSONNEL STRENGTH: BETWEEN 12,000 AND 16,000 (1,500 OFFICERS, 2,500 NCOS, 2,000 AND 4,000

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ENLISTED MEN AND CONSCRIPTS). APPROXIMATELY 500 PILOTS ARE INCLUDED IN THE OFFICER STRENGTH. TOTAL INCLUDES 530 CADETS AND APPROXIMATELY 6,000 CIVILIAN EMPLOYEES.

4. ORGANIZATION: PERU IS DIVIDED INTO FIVE NUMBERED AIR REGIONS. OPERATIONS ARE CONDUCTED PRIMARILY FROM NINE AIR BASES -- THE CIVIL/MILITARY AIRFIELDS OF JORGE CHAVEZ INTERNATIONAL (AT CALLAO), CAPT J. A. QUINONES G (AT CHICLAYO), PISCO, CAPT MONTES (AT TALARA), AND CAPITAN CONCHA (AT PIURA); AND

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THE FOUR MILITARY AIR BASES OF EL PATO (AT TALARA), MARIANO MELGAR (AT LA JOYA), VITOR (AT AREQUIPA), AND IQUITOS. TRAINING IS CONDUCTED PRIMARILY FROM LAS PALMAS AIR BASE NEAR LIMA. THE FOUR WING HEADQUARTERS ARE LOCATED AT AREQUIPA (WING 3), AT CALLAO AIR BASE (WING 2), AT PIURA (WING 1) AND AT IQUITOS AIR BASE (WING 5). AIR WING 4 HAS NOT YET BEEN ACTIVATED AT PUERTO MALDONADO AIR BASE NOR DO WE KNOW IF IT EVER WILL

5. TRAINING: PERUVIAN AIR FORCE TRAINING, ALTHOUGH CONSIDERED SUPERIOR TO THAT OF MOST OTHER LATIN AMERICAN AIR FORCES, SUFFERS FROM SHORTAGES OF OPERATIONAL TRAINER AIRCRAFT, AIRCRAFT SPARE PARTS AND INSUFFICIENT FUEL FOR TRAINING (ECONOMIC CONSTRAINTS). [

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6. PROFESSIONAL MILITARY EDUCATION FOR OFFICERS CONSISTS OF BASIC, COMMAND AND STAFF, AND HIGHER STUDIES. APPROXIMATELY 15 PERCENT OF THE OFFICERS COMPLETE THEIR PROFESSIONAL MILITARY EDUCATION IN ONE OF SEVERAL WESTERN NATIONS, PARTICULARLY THE BASIC

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E.O. 12356: DECL: OADR  
TAGS: MASS, PE  
SUBJ: ANNUAL INTEGRATED ASSESSMENT OF SECURITY

MILITARY, TECHNICAL, ON-THE-JOB, AND SYSTEMS TRAINING. FURTHER SYSTEMS TRAINING, WHICH IS PROVIDED TO TECHNICIANS WHEN A NEW SYSTEM IS ACQUIRED, IS GENERALLY IN THE COUNTRY OF THE CONTRACTOR. ONE NOTABLE EXCEPTION IS THE SYSTEMS TRAINING FOR SOVIET EQUIPMENT, OF WHICH A LARGE PERCENTAGE WAS PROVIDED IN PERU.

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7. SINCE 1973, AS MANY AS 2,000 PERUVIAN AIR

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FORCE PERSONNEL ARE BELIEVED TO HAVE RECEIVED TRAINING IN THE SOVIET UNION. COURSES INCLUDE HELICOPTER PILOT, FIGHTER-BOMBER PILOT, TRANSPORT PILOT, EARLY WARNING RADAR, AIR DEFENSE ARTILLERY, SURFACE-TO-SURFACE MISSILES, AIR CONTROLLER, COMMANDO OPERATIONS, PARATROOP OPERATIONS, ARMORED CAR (BRDM-2) AND INTELLIGENCE. RECENTLY SUCH TRAINING HAS BEEN SIGNIFICANTLY REDUCED. INTEL TRAINING IN THE SOVIET UNION IS CONTINUING.

8. **E**

**IV. ANALYSIS OF DEFENSE SPENDING**

- A. PREVIOUS YEAR (1988) ACTUAL DEFENSE SPENDING: USD 646 MILLION.

- B. BREAKOUT BY TYPE OF EXPENSE OR BY MILITARY SERVICE IS UNAVAILABLE.

- C. THIRD COUNTRY SECURITY ASSISTANCE PROGRAMS: THERE HAS BEEN SIGNIFICANT SOVIET ASSISTANCE THROUGH THE YEARS AS CITED ABOVE.

V. ARMS CONTROL CONSIDERATIONS: WE DO NOT BELIEVE THAT THE PROPOSED U.S. SECURITY ASSISTANCE HEREIN WOULD HAVE AN IMPACT ON THE REGIONAL ARMS CONTROL SITUATION. THE MOST SIGNIFICANT ACQUISITION FROM THE U.S. WOULD BE

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HELICOPTERS, SMALL RIVERINE CRAFT AND TRUCKS FOR MOBILITY TO FIGHT INSURGENTS AND DRUG TRAFFICKERS. ALTHOUGH SUCH ITEMS COULD BE USED IN A CONVENTIONAL CONFLICT, THEY WOULD NOT INCREASE THE OVERALL LEVEL OF SOPHISTICATION IN THE PERUVIAN INVENTORY, WHICH ALREADY INCLUDES SOVIET TANKS, ADVANCED AIRCRAFT, AND OTHER OFFENSIVE WEAPONRY.

VI. HUMAN RIGHTS: PERU HAS A FREELY ELECTED DEMOCRATIC GOVERNMENT, WITH BROAD POLITICAL AND CIVIL RIGHTS

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GENERALLY RESPECTED. IN PRACTICE, THE GROWING INSURGENCY THAT BEGAN IN 1980 LED TO SIGNIFICANT HUMAN RIGHTS VIOLATIONS, BOTH BY THE INSURGENTS AS WELL AS THE SECURITY FORCES. DISAPPEARANCES ROSE SHARPLY IN 1988 AND IT APPEARS LIKELY THAT THE NUMBER OF SUMMARY EXECUTIONS, REPRESENTED BY THOSE WHO DISAPPEAR AND DO NOT REAPPEAR WITHIN A REASONABLE PERIOD OF TIME, ALSO INCREASED SIGNIFICANTLY IN 1988. THE DECREASE IN THE NUMBER OF SUMMARY EXECUTIONS ACKNOWLEDGED TO HAVE BEEN COMMITTED BY THE MILITARY MAY BE THE RESULT OF A MILITARY AND GOVERNMENT EFFORT TO HIDE ABUSES. LOCAL PERUVIAN HUMAN RIGHTS GROUPS ESTIMATE THAT THESE WERE APPROXIMATELY 280 UNRESOLVED DISAPPEARANCES IN 1988. CREDIBLE REPORTS OF ARBITRARY DETENTION AND TORTURE BY THE MILITARY AND POLICE CONTINUE. FOR MORE INFORMATION SEE THE 1988 HUMAN RIGHTS REPORT ON PERU. THE ARMED FORCES (AND THE POLICE) ACKNOWLEDGE THE NEED TO WIN THE SUPPORT OF THE POPULATION

WHERE THE INSURGENTS OPERATE. AT THE SAME TIME THEY BELIEVE THAT THE GUERRILLAS USE HUMAN RIGHTS AS A SHIELD FOR SUBVERSION. OUR GOAL IS TO INFLUENCE THE MILITARY TO INCREASE ITS RESPECT FOR HUMAN RIGHTS AS AN ELEMENT ESSENTIAL TO A SUCCESSFUL COUNTERINSURGENCY STRATEGY.

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TO SECSTATE WASHDC 9126  
SECDEF WASHDC//USDP-DSAA//  
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HQUSAF WASHDC//PRI/XOXXW/CVAI//  
CDRUSASAALA FT CLAYTON PM//SOSA//  
COMUSNAVSO FT AMADOR PM  
USSOUTHAF ALBROOK AFB PM//LA//  
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JFKSWC FT BRAGG NC  
DIA WASHDC//DB3-C1//

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E.O. 12356: DECL: OADR  
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VII. STATUS OF SECURITY ASSISTANCE PROGRAM

	(U.S. DOLLARS MILLIONS)		
	FY 89 ACT	FY 90 REQ	FY 91 REQ
- FMSCR	0.0	0.0	0.0

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- MAP	1.5 (NOTE ONE)	20.0	20.0
- IMET	0.525	0.743	1.5

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- ESF 2.0 5.0 0.0

NOTE ONE: EARMARKED FOR ANTI-DRUG OPS. BROOKE-  
- ALEXANDER/620Q SANCTIONS MUST BE LIFTED TO  
- USE THESE FUNDS.

- SECURITY/- ASSISTANCE			
- (SUBTOTALS)	4.025	25.743	21.5
- DA	14.5	14.155	14.0
- PL-480/ - TITLE I	10.0	20.0	20.49
- PL-480/ - TITLE II	29.4	15.4	16.2
- NARCOTICS - CONTROL	6.9	N/A	N/A
- FOREIGN-ASSISTANCE - (TOTAL)	64.825	TBD	TBD

- A. CONTINUED LOW LEVELS (OR NONE AT ALL) OF U.S. SECURITY ASSISTANCE (I.E. MAP) TO PERU IN FY 91 COULD SERIOUSLY RETARD OUR ABILITY TO HELP STRENGTHEN PERU'S THREATENED DEMOCRACY AND TO STEM THE FLOW OF COCAINE INTO THE UNITED STATES. WITHOUT SIGNIFICANT AND READILY AVAILABLE FUNDING, OUR CAPACITY TO INFLUENCE THE PERUVIAN ARMED FORCES IS ALMOST INSIGNIFICANT. WITHOUT ADEQUATE

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FUNDING WE WILL NOT BE ABLE TO PROVIDE PERU WITH THE TRAINING OR EQUIPMENT NEEDED TO FIGHT TWO DESTRUCTIVE INSURGENT GROUPS. BELOW ARE SPECIFIC EXAMPLES OF PROGRAMS THAT WILL BE AFFECTED ADVERSELY BY NEGLIGIBLE LEVELS OF SECURITY ASSISTANCE:

- (1) TRAINING: THE SHORTFALL IN FUNDING LEVELS FOR THE ANDEAN PEACE SCHOLARSHIP PROGRAM, DESIGNED TO MATCH THE SOVIET UNION'S SCHOLARSHIP PROGRAM, COULD JEOPARDIZE OUR ABILITY TO MEET LONG-TERM TRAINING TARGETS BEGINNING NEXT FISCAL YEAR. THE SHORTFALL THIS YEAR (FY89) MUST BE MADE UP IN THE NEXT (FY90) FOR THE PROGRAM TO MEET ITS

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OBJECTIVES.

- (2) SUPPORT FOR THE PRIVATE SECTOR: ACTIVITIES IN THIS FIELD HAVE ALSO BEEN CUT BACK AS A RESULT OF SHUFFLING MONEY FROM THIS AREA TO THOSE REQUIRING OUR IMMEDIATE ATTENTION.

- (3) IMET: CUTS IN TRAINING FUNDS TRANSLATE INTO FEWER OPPORTUNITIES TO INFLUENCE THE PERUVIAN MILITARY. THE PERUVIAN ARMY, THE MOST IMPORTANT POLITICALLY AND MILITARILY OF THE THREE SERVICES, DEPENDS ALMOST EXCLUSIVELY ON IMET FUNDS TO SEND PERSONNEL TO THE UNITED STATES FOR TRAINING. WHEN THERE ARE NO IMET FUNDS AVAILABLE, THEY DON'T SEND THEIR OFFICERS FOR TRAINING. WE ARE COMPETING DIRECTLY WITH THE SOVIET UNION IN THIS REGARD. THE USSR PROVIDES EXTENSIVE FREE TRAINING AND EQUIPMENT ON FAVORABLE TERMS TO THE PERUVIAN ARMY AND AIR FORCE. IN GENERAL, THE PERUVIAN NAVY CONTINUES TO REFUSE SOVIET TRAINING, BUT FOR HOW LONG NO ONE CAN BE SURE. THEY HAVE ACCEPTED A FEW INTELLIGENCE TRAINING SCHOLARSHIPS TO THE SOVIET UNION, FOR THE FIRST TIME THIS YEAR.

VIII. PROJECTED FY91 SECURITY ASSISTANCE

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TO SECSTATE WASHDC 9127  
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E.O. 12956: DECL: OADR  
TAGS: MASS, PE  
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- A. ECONOMIC, NARCOTICS AND INSURGENCY PROBLEMS CONTINUE TO THREATEN PERU'S DEMOCRATIC PROCESS, AND U.S. GOALS FOR REGIONAL ECONOMIC, SOCIAL AND POLITICAL STABILITY. THE PERUVIAN MILITARY IS ACTIVELY ENGAGED IN COUNTERING TERRORISM-LACED INSURGENCY AND IS BEGINNING TO ADDRESS NARCO-TRAFFICKING. IT ALSO HAS RESPONSIBILITY TO

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PARTICIPATE IN NATIONAL DEVELOPMENT THROUGH RURAL ROAD/BRIDGE CONSTRUCTION PROJECTS IN SMALL TOWNS,

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ALONG WITH MEDICAL CIVIC ACTION.

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-  
- (1) TO MEET INCREASING AND HIGHLY PRESSURIZED DEMANDS, THE PERUVIAN ARMED FORCES MUST MODERNIZE ITS EQUIPMENT INVENTORY AND UPDATE ITS TRAINING TECHNIQUES. SPECIFIC TYPES OF EQUIPMENT ARE REQUIRED TO COUNTER SUBVERSIVE FORCES THAT OPERATE IN CONGESTED URBAN, DENSE JUNGLE AND RUGGED MOUNTAIN ENVIRONMENTS. TO ACCOMPLISH ITS NATIONAL DEVELOPMENT MISSION, THE ARMED FORCES MUST REPAIR OR REPLACE WORNOUT ENGINEERING CONSTRUCTION EQUIPMENT. TO ADEQUATELY SUPPORT COUNTER-NARCOTICS EFFORTS, IT MUST PROCURE ADDITIONAL AIRCRAFT (E.G. HELOS) AND DETECTION DEVICES (E.G. RADAR AND NIGHT VISION DEVICES).

- (2) THE PRINCIPAL OBSTACLE TO THE ACQUISITION OF NEW EQUIPMENT, REPAIR OF EXISTING EQUIPMENT AND TRAINING OF PERSONNEL IS LACK OF FINANCIAL RESOURCES. THIS STATUS QUD IS EXACERBATED BY THE EVER-PRESENT AND AGGRAVATING BROOKE-ALEXANDER AND 620Q SANCTIONS WHICH PROHIBIT THE DISBURSEMENT OF SECURITY AND ECONOMIC ASSISTANCE FUNDS IF A COUNTRY IS OVER ONE YEAR (OR 6 MONTHS IN THE CASE OF 620Q SANCTIONS) IN ARREARS IN ITS PAYMENTS ON THESE ACCOUNTS. THIS MAKES IT PRACTICALLY IMPOSSIBLE TO DISBURSE THE SMALL MONIES WE DO HAVE AUTHORIZED.

- (3) PERU IS ENGAGED IN CAMPAIGNS TO DISRUPT NARCOTICS TRAFFICKING IN THE NORTHERN JUNGLE COCA GROWING REGIONS. SOME ERADICATION OF COCA IS TAKING

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PLACE IN THE GROWING REGIONS. IF CURRENT TESTS OF HERBICIDES ARE SUCCESSFUL, A SIGNIFICANT AERIAL SPRAYING PROGRAM COULD, WITH H/C APPROVAL, BE UNDERTAKEN TO ERADICATE LARGE AREAS OF ILLEGAL COCA PRODUCTION. ESF FUNDS HAVE BEEN USED TO HELP PEASANTS WHO NO LONGER GROW COCA AND SEEK ALTERNATE CROPS, AS WELL AS FOR PROGRAMS WITH PUBLIC AND PRIVATE SECTOR AGENCIES THAT EDUCATE THE PUBLIC ON THE DANGERS OF DRUG USE IN PERU.

-  
DRUG USE IN PERU.

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- (4) THE GOVERNMENT HAS ALSO GIVEN STRONG SUPPORT FOR THE ADMINISTRATION OF JUSTICE PROJECT MANDATED BY THE U.S. CONGRESS. IT IS ATTEMPTING TO STRENGTHEN ITS JUSTICE SYSTEM TO ENSURE CONVICTION AND PUNISHMENT OF TERRORISTS, WHILE MAINTAINING HUMAN RIGHTS SAFEGUARDS.

- (5) THE ANDEAN PEACE SCHOLARSHIP PROGRAM, PARTIALLY FUNDED BY ESF, PROVIDES TRAINING IN THE U.S. FOR MEMBERS OF DISADVANTAGED GROUPS WHO ARE INFLUENTIAL IN THEIR COMMUNITIES, AND IS DESIGNED TO OFFSET TO SOME EXTENT THE LARGE-SCALE SOVIET TRAINING PROGRAM TARGETTED ON SIMILAR GROUPS.

- (6) THE USD 5.0 MILLION OF ESF REQUESTED FROM CONGRESS FOR FY 1990 WILL PROVIDE CONTINUATION OF SUPPORT FOR THESE ACTIVITIES AT LEVELS WHICH WILL MEET MINIMUM NEEDS, BUT WILL NOT SUPPORT PROMISING ACTIVITIES IN THE NARCOTICS AREAS.

- B. MAP: PERU HAS NOT HAD MILITARY, NON-EARMARKED MAP SINCE 1971. NOW, URGENTLY, IS THE TIME TO RESTART THE PROGRAM AND FIND A WAY AROUND SANCTIONS. MAP FUNDS ARE NECESSARY TO MAKE UP FOR EQUIPMENT DEFICIENCIES IN THE

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E.O. 12356: DECL: OADR  
TAGS: MASS, PE  
SUBJ: ANNUAL INTEGRATED ASSESSMENT OF SECURITY

FIGHT AGAINST PERU'S TWO INSURGENT GROUPS AND AGAINST THE  
EVER GROWING NARCOTICS TRAFFICKING MENACE. MAP IS THE  
FORM OF SECURITY ASSISTANCE FUNDING PREFERRED BY THE  
MISSION AND MOST NEEDED BY THE PERUVIAN MILITARY.  
EARMARKING OF MAP ALLOCATED TO PERU IS A HINDERANCE  
AND SHOULD BE AVOIDED, IF POSSIBLE. WITHIN THIS FY-91  
AIASA WE HAVE PROJECTED A REQUIREMENT FOR USD 20 MILLION.

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WE PROJECTED THE SAME AMOUNT, IN LAST YEARS'S AIASA FOR  
FY-90.

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- C. COMMERCIAL ACQUISITIONS: UNKNOWN

- D. ECONOMIC SUPPORT FUND (ESF):

- (1) THE POLITICAL, ECONOMIC AND SOCIAL CHALLENGES FACING THE PERUVIAN GOVERNMENT ARE GREAT. PERUVIAN GOVERNMENT POLICIES IN REGARD TO PAYMENT OF FOREIGN DEBT POSE PROBLEMS FOR U.S. FOREIGN POLICY INTERESTS. AT THE SAME TIME, PERU'S CAMPAIGN AGAINST INTERNATIONAL NARCOTICS TRAFFICKING AND DOMESTIC PRODUCTION OF COCA,

ITS CAMPAIGN AGAINST INSURGENCY, ITS EFFORTS TO INCREASE THE WELL-BEING OF THE POPULATION AND REINFORCE DEMOCRATIC GOVERNMENT, PROVIDE A BROAD ARRAY OF ISSUES ON WHICH OUR TWO COUNTRIES SHARE MUTUAL INTERESTS AND WHERE WE CAN CONTINUE OUR CURRENT COOPERATION.

- (2) WHILE LARGE AMOUNTS OF ESF HAVE BEEN REQUESTED FOR PERU FROM CONGRESS, THE ACTUAL AMOUNTS MADE AVAILABLE HAVE BEEN SMALL. THE REQUEST FOR FY 1986 WAS USD 45 MILLION, BUT THE ACTUAL AMOUNT OBLIGATED WAS ONLY USD 7 MILLION. FOR FY 1987, THE REQUEST WAS FOR USD 37 MILLION, BUT THE ACTUAL AMOUNT OBLIGATED WAS USD 5.1 MILLION. FOR FY 1988, THE REQUEST TO CONGRESS WAS USD 10 MILLION, BUT ONLY USD 0.5 MILLION WAS OBLIGATED, FROM THE REGIONAL ADMINISTRATION OF JUSTICE EARMARK. IN FY-89 USD 2 MILLION WAS REQUESTED AND PROVIDED AS PART OF THE ANDEAN REGIONAL EARMARK. THESE LOW LEVELS OF ESF HAVE MODESTLY HELPED TO OFFSET DESCENDING AMOUNTS OF DEVELOPMENT ASSISTANCE, BUT THEY ARE INSUFFICIENT TO

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PROVIDE SUPPORT FOR CONGRESSIONALLY MANDATED AREAS OF U.S. - GOP COOPERATION: SUPPORTING A RANGE OF ANTI-NARCOTICS EFFORTS, IMPROVING THE ADMINISTRATION OF JUSTICE, AND PROVIDING TRAINING IN THE U.S. FOR THE PERUVIAN MILITARY. IT IS SHORT-SIGHTED TO TRY TO SEEK POLITICAL STABILITY WHILE IGNORING THE VERY REAL NEEDS OF THE PERUVIAN ARMED FORCES.

UNLESS WE CAN OFFER VIABLE ALTERNATIVES TO SOVIET EQUIPMENT AND TRAINING, WE MUST RESIGN OURSELVES TO CONTINUED AND INCREASING SOVIET PRESENCE AND INFLUENCE

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WITHIN THE MILITARY AS WELL AS IN OTHER IMPORTANT SECTORS OF PERU. TO PROTECT OUR REGIONAL GOAL OF ECONOMIC, SOCIAL, AND POLITICAL STABILITY, THE U.S. MUST EMBARK ON A REALISTIC SECURITY ASSISTANCE PROGRAM IN PERU WHICH OFFERS A VIABLE ALTERNATIVE TO SOVIET MILITARY SUPPORT AND PRESENCE AND GIVES THE MILITARY THE WHEREWITH TO FIGHT PRESENCE AND GIVES THE MILITARY THE WHEREWITHAL TO FIGHT INSURGENTS AND NARCOTICS TRAFFICKING. SUCH A PROGRAM WOULD NECESSARILY INCLUDE A STRONG IMET BUDGET (TO ADDRESS THE TRAINING DEFICIENCIES) AS WELL AS AN IMPRESSIVELY STRONG MAP PROGRAM. FMS CREDIT FUNDING IS NOT APPROPRIATE FOR THE PERUVIAN MILITARY AT THIS TIME, OR FOR THE FORSEEABLE FUTURE.

-  
-                   **MINIMUM FUNDING LEVEL FOR FY 91:**

-                   **MAP                           20 MILLION U.S. DOLLARS**  
-                   **IMET                           1.5 MILLION U.S. DOLLARS**

-   **B. SPECIFIC MAP-FINANCED ACQUISITIONS (20M, USD)**

(1) ARMY:

-   **ITEM   QTY           UNIT/PRICE       EST/COST**

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- INDIV SOLDIER EQT	5,000	USD 250	USD1.25M
- M16A2 RIFLES	5,000	600	3.0 M
- AMMUNITION(FOR M16'S) TBD		TBD	1.615M

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- RADIOS/PRC-77	300	4,000	1.2 M
- RADIOS/VRC-46	40	11,000	.44 M

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- NIGHT VISION GOGGLES/ 200		11,000	2.2 M
- INDIV/HELD			
- NIGHT VISION GOGGLES/ 50		7,500	.375M
- WEAPON			
- TRANSPORTATION/			
- 2.5 TON CARGO VEH	30	80,000	2.4 M
- TRANSPORTATION/			
- 1/4 TON RECON VEH	20	26,000	.52 M
- ARMY SUBTOTAL:			USD 13.0 M
(2) NAVY:			

- ITEM	QTY	UNIT/PRICE	EST/COST
- RIVER PATROL BOATS			
- (PBR MK-2)	4	USD 600K	USD 2.4 M
- SPARES FOR PBRs	TBD	TBD	.2 M
- FLEET SPARES	TBD	TBD	.5.M
- NAVY SUBTOTAL:	---	---	USD 3.1M

### (3) AIR FORCE

- ITEM	QTY	UNIT/PRICE	EST/COST
--------	-----	------------	----------

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- A-37 AIRCRAFT SYTEM			
- SPARES AND REPAIR			
- PARTS	TBD	TBD	USD 2.0M
- BELL HELICOPTERS,			
- SPARE/REPAIR PARTS	TBD	TBD	USD 1.9M
- AIR FORCE SUBTOTAL:			USD 3.9M

GRAND TOTAL FY-91 MA/REQUIRED USD 20.0M

IX. FUTURE SECURITY ASSISTANCE NEEDS (FY 1992 THROUGH 1994)

- FOLLOWING ARE PROJECTIONS OF DEFENSE ARTICLES AND

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SERVICES TO BE PROCURED THROUGH SECURITY ASSISTANCE MEANS, AND ARE BASED ON ESTIMATES BY MAAG AND PERUVIAN DEFENSE OFFICIALS. IN EACH ENSUING YEAR, THE FOCUS OF EQUIPMENT PURCHASES IS PART OF A (HOPEFULLY CONTINUED) NATIONAL PROGRAM TO INCREASE FORCE MOBILITY AND MATERIEL READINESS FOR COUNTERSUBVERSION OPERATIONS. THE PLACE TO BEGIN IS IN THE CURRENT YEAR, WITH GENEROUS MAP FUNDING.

- FY 92 (FY-93 TBD AND FY-94 TBD)

-PRIORITY	DEFENSE ARTICLES	QTY	EST COST
- 1	AMBULANCES 1/4T(ARMY)	12	USD 3.0 M
- 2	TRUCK 1/2T (ARMY)	15	USD 1.0 M
- 3	HELICOPTERS 212(ARMY)	3	USD 1.4 M
- 4	HELICOPTERS 214(ARMY)	1	USD 3.7 M
- 5	SPARES FOR A-37, A-80, C-130, T-37, AIRCRAFT (AIR FORCE)	TBD	USD 5.0 M

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OMB WASHDC  
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TAGS: MASS, PE  
SUBJ: ANNUAL INTEGRATED ASSESSMENT OF SECURITY

-	6	SPARES FOR AIRCRAFT,	TBD	USD	3.2M
-		AND GROUND SUPPORT			
-		EQUIPMENT (AIR FORCE)			
-	7	PERSONAL FLIGHT	TBD	USD	0.3M
-		EQUIPMENT FOR AIR-			

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-		CREWS (AIR FORCE)			
-	8	RIVER PATROL BOATS	4	USD	2.5M

UNCLASSIFIED

**UNCLASSIFIED**

**(NAVY)**

**- 9 RIVER PATROL BOATS TBD USD 2.0M**  
**(SPARES) (NAVY)**

**(EST) TOTAL: USD 22.1M**

**WATSON**

**UNCLASSIFIED**

**SECRET**