

INQUIRE=DOC11D
ITEM NO=00412443
ENVELOPE

CDSN = LGX699 MCN = 90207/05896 TOR = 902070427
PTTCZYUW RUEKJCS4585 2070427-CCCC--RUEALGX.

ZNY CCCCC

HEADER

P 260427Z JUL 90

FM JOINT STAFF WASHINGTON DC

INFO RUEALGX/SAFE

P 252312Z JUL 90

FM DIA WASHINGTON DC//JSI-6A//

TO DIACURINTEL

RHIUHAA/COMUSARCENT DUKE FLD FL//IL-9U/AFRD-DSO//

RUVESLA/USCINCSpace PETERSON AFB CO//J2/DIA REP//

RUEAUSA/CDRUSASDC WASHINGTON DC

AIG 7011

AIG 7046

AIG 7035

RUANJTF/CTG FOUR POINT TWO FWD NAVSTA ROOSEVELT

BT

CONTROLS

PASS: COMUSARCENT PASS TO TUSA/ARCENT CPT FLOWERS.

SERIAL: DODID 206-21A

BODY

SUBJ: PERU: INAUGURATION DEVELOPMENTS. [REDACTED]

DOI: 25 JUL 90 (AS OF 1720 EDT)

TEXT: 1. [REDACTED] PRESIDENT-ELECT FUJIMORI WILL BE INAUGURATED TO A FIVE-YEAR TERM ON 28 JULY, WITH LITTLE DIRECT THREAT ANTICIPATED FROM THE CURRENT WAVE OF TERRORIST ATTACKS.

2. [REDACTED] CUBAN PRESIDENT FIDEL CASTRO AND SEVERAL OTHER LATIN AMERICAN HEADS OF STATE ARE SCHEDULED TO ATTEND THE INAUGURATION. FUJIMORI ANNOUNCED MOST OF HIS CABINET LAST WEEK, BUT HE WILL REPORTEDLY DETAIL HIS PLAN OF GOVERNMENT AFTER THE CEREMONY.

3. [REDACTED] SECURITY FORCES HAVE STEPPED UP MEASURES TO PROTECT FOREIGN DIGNITARIES AND TO COUNTER A WAVE OF ATTACKS IN LIMA BY TUPAC AMARU (MRTA) TERRORISTS AND SENDERO LUMINOSO (SL) GUERRILLAS. DURING THE 21ST AND THE 22D, THE POLICE REPORTEDLY DEFUSED 30 TO 40 BOMBS PLANTED IN VARIOUS PARTS OF THE CAPITAL, AND AT LEAST 12 LARGE STORES, MOVIE THEATERS, AND FACTORIES WERE FIRE BOMBED. ON THE 20TH, A PROMINENT BUSINESSMAN AND THREE BODY GUARDS WERE ASSASSINATED. THE ATTACKERS FLED IN A MICROBUS, WHICH WAS LATER FOUND ABANDONED NEARBY. THE OWNER AND THE DRIVER OF THE MICROBUS HAD BEEN KIDNAPED THE PREVIOUS DAY. THEY WERE DISCOVERED DEAD AFTER THE ASSASSINATIONS, THEIR BODIES TORTURED AND DUMPED IN A RAVINE. ON THE 24TH, TWO PERSONS WERE WOUNDED WHEN TERRORISTS BOMBED THREE OFFICES OF CAMBIO 90, FUJIMORI'S PARTY. RECENT SABOTAGE ATTACKS IN LIMA AND IN RURAL AREAS HAVE WORSENERED THE ALREADY SEVERE ELECTRIC OUTAGES AND PROBLEMS WITH WATER POTABILITY.

4. [REDACTED] COMMENT: THE NEW PRESIDENT'S MOST PRESSING PRIORITY

WILL BE THE DETERIORATED ECONOMY, WITH INFLATION RUNNING AT OVER 3,000 PERCENT ANNUALLY OWING TO YEARS OF MISMANAGEMENT AND STRUCTURAL PROBLEMS. ACCORDING TO AN OFFICIAL SURVEY, 82 PERCENT OF THE WORK FORCE IS UNEMPLOYED OR UNDEREMPLOYED. FUJIMORI HAS ANNOUNCED HIS INTENT TO REINSERT PERU INTO THE INTERNATIONAL COMMUNITY, AND THE RECENTLY DESIGNATED CONSERVATIVE ECONOMIC MINISTER WILL TRY TO IMPOSE AUSTERITY MEASURES TO ENCOURAGE INTERNATIONAL LOANS. WHETHER FUJIMORI HAS THE POLITICAL MANEUVERABILITY TO SUSTAIN THE NEEDED AUSTERITY MEASURES IS DOUBTFUL.

5. FUJIMORI HAS SUGGESTED THAT HE WILL NEGOTIATE WITH THE SUBVERSIVES IF THEY SURRENDER THEIR ARMS' A MOVE NEITHER OF THE TERRORIST GROUPS IS LIKELY TO MAKE. THE MRTA IS INCREASINGLY BOLD IN LIMA, AND THE SL CONTROLS LARGE RURAL AREAS. FUJIMORI HAS YET TO SPECIFY A COUNTERNARCOTICS STRATEGY, BUT HE APPEARS WILLING TO COOPERATE WITH THE US ON COUNTERNARCOTICS ISSUES.

6. DESPITE REPORTS OF COUP PLOTTING AND OF CONCERN ABOUT A DWINDLING BUDGET, SENIOR MILITARY OFFICERS HAVE DECIDED TO GIVE FUJIMORI TIME TO RESOLVE THE NATION'S PROBLEMS. THE MILITARY IS CLEARLY RELUCTANT TO GRAPPLE WITH PERU'S CHALLENGES. HOWEVER, IT MAY INTERVENE IF WIDESPREAD CHAOS DEVELOPS.

ADMIN

BT

#4585

NNNN