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PAGE 01 LIMA 03900 01 OF 05 291613Z

ACTION ARA-01

INFO LOG-00 ADS-00 AMAD-01 COR-01 ONY-00 SSO-00 /003W -----53A9D6 291637Z /44/64

P 262245Z MAR 91 FM AMEMBASSY LIMA TO SECSTATE WASHDC PRIORITY 6388

C O N F I D E N T I A L SECTION 01 OF 05 LIMA 03900

C O R R E C T E D C O P Y (DISTRIBUTION AND TEXT REF LINE)

FOR ARA/AND JIM MACK FROM AMBASSADOR

E.O. 12356: DECL: OADR

TAGS: SNAR, MASS, PHUM, EFIN, OFDP, PE

SUBJECT: INCA CERTIFICATION; COUNTRY TEAM VIEWS

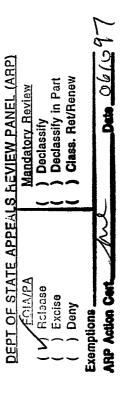
REF: STATE 80564

1. CONFIDENTIAL - ENTIRE TEXT.

2. AS YOU REQUESTED IN REFTEL, HERE ARE OUR SUGGESTIONS FOR YOUR USE IN DRAFTING THE INCA CERTIFICATION, PULLING TOGETHER THE IDEAS OF THE COUNTRY TEAM AND PROVIDING YOU OUR BEST ESTIMATE OF HOW THE GOP WILL PROCEED IN THE NEXT FEW WEEKS. WHILE THIS ASSESSMENT DOES NOT DIRECTLY ADDRESS NEXT STEPS THE USG SHOULD TAKE, WE NEED TO PRESS THE FUJIMORI GOVERNMENT HARD ON: 1) ICRC ACCESS TO DETENTION CENTERS OF BOTH THE POLICE AND CONFIDENTIAL



PAGE 02 LIMA 03900 01 OF 05 291613Z THE ARMED FORCES, 2) ADMINISTRATIVE OR JUDICIAL ACTION AGAINST PRESUMED VIOLATORS IN HIGH VISIBILITY CASES, AND; 3) NAMING A COMMISSION OR A SINGLE GOP COMMISSIONER FOR HUMAN RIGHTS. IF THESE CONDITIONS ARE ACHIEVED, AND THEY WILL NOT BE EASY, MULTILATERAL ORGANIZATIONS AND FOREIGN GOVERNMENTS WILL HAVE AN OFFICIAL BODY CHARGED WITH ANSWERING INQUIRIES ON SPECIFIC CASES. ASSESSMENT OF CURRENT SITUATION FOLLOWS. 3. ALTHOUGH A BILATERAL UMBRELLA AGREEMENT ON DRUG CONTROL AND ECONOMIC DEVELOPMENT HAS NOT YET BEEN SIGNED, THE FUJIMORI GOVERNMENT IS CLEARLY SINCERE IN ITS DETERMINATION TO CARRY OUT A FUNDAMENTAL REORIENTATION OF PERU'S ECONOMIC AND SOCIAL POLICIES. ON NARCOTICS CONTROL, HE HAS DIRECTED A LENGTHY DESIGN AND NEGOTIATION PROCESS



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THAT HAS PRODUCED A DRAFT UMBRELLA AGREEMENT INTENDED TO LAY THE GROUNDWORK FOR A COORDINATED, COMPREHENSIVE PROGRAM TO DISMANTLE THE DRUG TRADE IN PERU WITH ASSISTANCE FROM THE UNITED STATES, OTHER DEVELOPED COUNTRIES AND INTERNATIONAL ORGANIZATIONS. WE BELIEVE THAT THE CONTEXT OF PERU'S DISASTROUS ECONOMIC CONDITION MUST BE TAKEN INTO ACCOUNT IN ASSESSING THE FUJIMORI GOVERNMENT'S FIRST SIX MONTHS IN OFFICE AND ITS POLICIES ON NARCOTICS CONTROL, HUMAN RIGHTS AND SECURITY FORCES DISCIPLINE.

4. WHEN PRESIDENT FUJIMORI TOOK OFFICE IN JULY 1990, INFLATION WAS RUNNING AT AN ANNUAL RATE OF 35,000 PERCENT, FOREIGN EXCHANGE RESERVES WERE CONFIDENTIAL

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PAGE 03 LIMA 03900 01 OF 05 291613Z DEPLETED, GROSS DOMESTIC PRODUCT (GDP) PER CAPITA WAS DOWN BY AS MUCH AS 25 PERCENT OVER 1988 LEVELS, REAL WAGES WERE ONLY 40 PERCENT OF 1985 VALUE, AND OVER HALF OF THE COUNTRY'S POPULATION WAS SUFFERING MODERATE TO SEVERE MALNUTRITION. TRYING TO ARREST THE SLIDE INTO ECONOMIC CHAOS BECAME THE NEW GOVERNMENT'S TOP PRIORITY. WITHIN TWO WEEKS, IT HAD PUT IN PLACE A COURAGEOUS SERIES OF MEASURES TO STOP INFLATION, RESTORE A MARKET ECONOMY AND OPEN A DIALOGUE WITH THE INTERNATIONAL FINANCIAL INSTITUTIONS OVER PERU'S VAST FOREIGN DEBT. DESPITE THE URGENCY OF CONFRONTING THESE ECONOMIC CHALLENGES, THE NEW PRESIDENT ALSO SPOKE OUT FORCEFULLY ABOUT PERU'S NEED TO BRING UNDER CONTROL THE CORROSIVE SOCIAL PROBLEMS ASSOCIATED WITH DRUG TRAFFICKING, INSURGENCY AND ABUSE OF HUMAN RIGHTS.

5. IN HIS INAUGURAL ADDRESS, HE PROMISED TO CONFRONT THE DRUG ISSUE IN A COMPREHENSIVE, DISCIPLINED FASHION. HE ALSO COMMITTED HIS ADMINISTRATION TO FIGHT INSURGENCY AND DRUG-RELATED TERRORISM WITH A COHERENT STRATEGY AND TO END OFFICIAL VIOLATIONS OF HUMAN RIGHTS, IN PART BY ESTABLISHING A HUMAN RIGHTS COMMISSION RESPONSIBLE TO THE PRESIDENT HIMSELF. ON OCTOBER 27, HE ANNOUNCED HIS OWN COMPREHENSIVE APPROACH TO THE NARCOTICS PROBLEM, ESTABLISHING A PERUVIAN COORDINATING MECHANISM THAT WOULD BRING TOGETHER THE DISPARATE ACTIVITIES OF PERU'S LAW ENFORCEMENT, ECONOMIC DEVELOPMENT, MILITARY AND



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PAGE 04 LIMA 03900 01 OF 05 291613Z HEALTH AGENCIES IN A COMBINED EFFORT THAT WOULD ENLIST FOREIGN ASSISTANCE ON A LARGE SCALE.

6. NEGOTIATIONS BEGAN IN DECEMBER FOR A BILATERAL AGREEMENT WITH THE UNITED STATES IN SUPPORT OF SUCH A CONCEPT. WHILE IT IS TOO SOON TO ANNOUNCE THAT "PERU IS IMPLEMENTING PROGRAMS TO REDUCE THE FLOW OF COCAINE TO THE UNITED STATES IN ACCORDANCE

NOTE: DISTRIBUTION CHANGED TO CONFORM TO CORRECTED REFERENCE. ORIGINAL IS BEING RECALLED FROM UNAUTHORIZED OFFICES.



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CONFIDENTIAL SECTION 02 OF 05 LIMA 03900

CORRECTEDCOPY (TEXT REF LINE)

FOR ARA/AND JIM MACK FROM AMBASSADOR

E.O. 12356: DECL: OADR

TAGS: SNAR, MASS, PHUM, EFIN, OFDP, PE

SUBJECT: INCA CERTIFICATION; COUNTRY TEAM VIEWS

REF: STATE 80564

WITH A BILATERAL OR MULTILATERAL AGREEMENT, THAT

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CONTAINS SPECIFIC QUANTITATIVE AND QUALITATIVE CRITERIA", WE BELIEVE THAT PROGRESS TOWARD A COMPREHENSIVE NEW APPROACH TO DRUG CONTROL AND RELATED ECONOMIC DEVELOPMENT IN PERU IS DEMONSTRABLE AND THAT CERTIFICATION UNDER THE INTERNATIONAL NARCOTICS CONTROL ACT OF 1990 SHOULD BE GRANTED UPON SIGNATURE OF THE IMPLEMENTING CONFIDENTIAL

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PAGE 02 LIMA 03900 02 OF 05 291615Z AGREEMENTS.

- 7. GIVEN THE IMMENSE SUMS OF MONEY INVOLVED IN THE DRUG INDUSTRY IN PERU, AND THE IMPORTANT QUESTIONS OF INTER-MINISTERIAL COORDINATION RAISED IN THE FUJIMORI DOCTRINE, OPPOSITION TO SIGNING THE AGREEMENT WITH THE USG IS MOUNTING IN SOME POLITICAL AND PRESS CIRCLES. WHILE THE USG SHOULD NOT TAKE PART IN A DOMESTIC POLITICAL DEBATE IN PERU, WE HAVE MADE CLEAR THAT THE ABSENCE OF AN AGREEMENT PROVIDING FOR A COORDINATED, DECISIVE ATTACK ON DRUG PRODUCTION AND TRAFFICKING COULD DISQUALIFY PERU FOR U.S. ASSISTANCE UNDER THE ANDEAN STRATEGY. SENIOR OFFICIALS OF THE GOP AND MUCH OF THE POLITICALLY AND ECONOMICALLY ACTIVE ELITE ARE AWARE OF THE IMPLICATIONS OF A FAILURE TO REACH AGREEMENT WITH THE USG ON NARCOTICS CONTROL OR OF NOT FULFILLING THE UNDERTAKINGS FLOWING FROM SUCH AN AGREEMENT.
- 8. HUMAN RIGHTS: ALTHOUGH THE NEW GOVERNMENT HAS COMMITTED ITSELF TO ENDING HUMAN RIGHTS ABUSES, THERE HAS BEEN LITTLE DISCERNIBLE PROGRESS IN IMPROVING HUMAN RIGHTS OBSERVANCE IN PERU. TERRORIST BRUTALITIES CONTINUE AT A TRULY ALARMING RATE. BOTH IN AND OUTSIDE THE EMERGENCY ZONES, ALL THREE MAJOR PLAYERS (THE TERRORISTS, THE ARMY, AND THE POLICE) ARE GUILTY OF SIGNIFICANT HUMAN RIGHTS VIOLATIONS. IN 1990 OVERALL THERE WAS AN INCREASE IN HUMAN RIGHTS VIOLATIONS. BUT IN SOME AREAS PROGRESS HAS BEEN MADE AT CONSIDERABLE CONFIDENTIAL

UNGLAGGFED

PAGE 03 LIMA 03900 02 OF 05 291615Z EFFORT: RELEASE OF PRISONERS DETAINED WITHOUT TRIAL; DOCUMENTED DISAPPEARANCES; JUDICIAL REFORM; IMPROVED ICRC ACCESS TO POLICE PRISONERS.

9. A CONTEXTUAL EXPLANATION OF THE HUMAN RIGHTS

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SITUATION IN PERU IS ESSENTIAL TO CERTIFICATION DECISIONS UNDER THE INTERNATIONAL NARCOTICS CONTROL ACT OF 1990. FIRST, THE PRESENT GOVERNMENT HAS BEEN IN OFFICE BARELY EIGHT MONTHS. PRESIDENT FUJIMORI'S COMMITMENT TO IMPROVING HIS GOVERNMENT'S HUMAN RIGHTS PERFORMANCE IS NOT IN DOUBT. WE ARE CONVINCED THAT RESTORING RESPECT FOR HUMAN RIGHTS IS ONE OF HIS HIGHEST PRIORITIES. BUT HIS GOVERNMENT IS NEARLY OVERWHELMED BY THE DELUGE OF PROBLEMS THAT PERU HAS HAD TO FACE. WHILE HUMAN RIGHTS HAS HIGH IMPORTANCE, REBUILDING PERU'S RAVAGED ECONOMY, AND ENDING SUCH POVERTY-INDUCED DISASTERS AS THE CURRENT CHOLERA EPIDEMIC, ARE PERU'S TOP PRIORITY. THE NATION'S THREE LARGEST PRODUCERS OF LEGAL FOREIGN EXCHANGE (MINING, FISHING AND TOURISM) ALL TEETER ON THE BRINK OF COLLAPSE. LABOR DISORDER GROWS DAILY. PERHAPS A HUNDRED THOUSAND PERUVIANS ARE INFECTED WITH CHOLERA. SCHOOL OPENING IS LIKELY TO BE DELAYED BECAUSE OF FEAR OF INFECTION AND BECAUSE TEACHERS ARE ON STRIKE AGAINST PITIFULLY INADEQUATE SALARIES. DAILY DEMONSTRATIONS IN THE CAPITAL ARE EVIDENCE OF A MOUNTING CLAMOR FOR EMERGENCY RELIEF. TERRORISM IS KILLING THREE THOUSAND PEOPLE A YEAR, INCLUDING DOZENS OF MAYORS, HUNDREDS OF POLICE AND CONFIDENTIAL

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PAGE 04 LIMA 03900 02 OF 05 291615Z MILITARY, AS WELL AS EX-MINISTERS OR SITTING CONGRESSMEN, TO SAY NOTHING OF THE COUNTLESS CIVILIANS WHO ARE INNOCENT VICTIMS. FOREIGN INVESTMENT IS FORESTALL. ED BY FEARS OF INSTABILITY AND POSSIBLE DISORDER.

10. THE NEW GOVERNMENT OPERATES WITHOUT A MAJORITY IN THE CONGRESS, WHERE PARTISAN POLITICAL CRITICISM IS MOUNTING, AND IT FACES DECLINING PUBLIC SUPPORT AS REFLECTED IN THE POLLS, THANKS IN PART TO THE TOUGH ECONOMIC MEDICINE IT IS ADMINISTERING. DESPITE ITS ANNOUNCED SUPPORT FOR DEMOCRACY AND ELECTED CIVILIAN RULE, THE PERUVIAN ARMED FORCES DO NOT HAVE A REPUTATION FOR PATIENCE WITH DEMOCRATIC PROCEDURES. WHEN PRESIDENT FUJIMORI SPEAKS OUT IN FAVOR OF HUMAN RIGHTS, HIS



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ACTION ARA-01

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C O N F I D E N T I A L SECTION 03 OF 05 LIMA 03900

CORRECTEDCOPY (TEXT REF LINE)

FOR ARA/AND JIM MACK FROM AMBASSADOR

E.O. 12356: DECL: OADR

TAGS: SNAR, MASS, PHUM, EFIN, OFDP, PE

SUBJECT: INCA CERTIFICATION; COUNTRY TEAM VIEWS

REF: STATE 80564

COMMITMENT IS SINCERE BUT MANY IN HIS AUDIENCE ARE AWARE OF HOW WEAK PERUVIAN INSTITUTIONS ARE AT THIS JUNCTURE. FOR EXAMPLE, ONE OF THE AND CORRUPTION RUN DEEP IN THE LEGAL SYSTEM AND THE DEDICATED EFFORTS OF THE PRESIDENT AND THE CHIEF JUSTICE WILL NOT PRODUCE RESULTS OVERNIGHT.

12. JUDICIAL REFORM IS FAR FROM PERU'S ONLY INSTITUTIONAL PROBLEM. THE LEGAL SYSTEM IS CONFIDENTIAL

03900 03 OF 05 291616Z PAGE 02 LIMAUNEQUIPPED TO DEAL WITH TERRORISM AS A CRIME. REASONS RANGE FROM LACK OF CLARITY IN THE DATED JUDICIAL CODE TO INCONSISTENCY AMONG JUDGES IN THEIR APPLICATION OF LAWS. THE COURTS ARE SERIOUSLY BACKLOGGED AND THOUSANDS OF PRRONERS LANGUISHED IN PREVENTIVE DETENTION, EVEN THOUGH PRESIDENT FUJIMORI HAS MADE THEIR PROCESSING OR

RELEASE A MAJOR PUBLIC CAUSE. BUT SOME PROGRESS HAS BEEN MADE.

- 13. PERHAPS MOST IMPORTANT, SENDERO LUMINOSO HAS DEVELOPED A CADRE OF LEGAL EXPERTS SKILLED AT MANIPULATING THE SYSTEM TO THEIR ADVANTAGE. LAWYERS WITH THE "DEMOCRATIC LAWYERS ASSOCIATION" HAVE SPECIALIZED AT TYING THE LEGAL SYSTEM IN KNOTS WITH WRITS, APPEALS, AND PROCEDURAL DELAYS. WHAT LITTLE SUCCESS THE COURTS HAVE HAD AGAINST TERRORISM IN THE FIRST HALF OF THIS DECADE FADED AS THE DEFENDERS OF ACCUSED TERRORISTS PERFECTED THEIR TACTICS. IN ALL OF 1988, THE LAST YEAR FOR WHICH THERE IS DATA AVAILABLE, ONLY 34 TERRORIST CONVICTIONS WERE HANDED DOWN NATIONWIDE. HOW MANY TERRORISTS WERE CONVICTED IN 1989 AND 1990? NO ONE IN PERU KNOWS. THE LEGAL SYSTEM IS MANIFESTLY AT A STANDSTILL.
- THE COURTS MAY BE AT A VIRTUAL STANDSTILL BUT THE SECURITY FORCES ARE FIGHTING TERRORISM ON WHAT THEY REGARD AS AN UNEVEN PLAYING FIELD. SOME GAINS ARE BEING MADE AGAINST TERRORISM ON THE BATTLEFIELD WHERE BODY COUNTS ARE EVIDENCE OF CONFIDENTIAL



- PAGE 03 LIMA 03900 03 OF 05 291616Z SUCCESS. OTHER OPERATIONS RESULT IN ARRESTS OF SUSPECTS WHO ARE TURNED OVER TO THE PROSECUTORS AND COURTS, GENERALLY FOR EARLY RELEASE.
- 15. EMBASSY REPORTING SHOWS AGAIN AND AGAIN THAT LEADING SUSPECTS IN ASSASSINATIONS, BOMBINGS AND ASSAULTS ON FOREIGN DIPLOMATIC MISSIONS ARE QUICKLY RELEASED BY THE COURTS. EXACTLY ONE TERRORIST WAS CONVICTED IN HUANCAYO (SITE OF PERU'S GREATEST TERRORIST VIOLENCE) LAST YEAR. JULY 1990, 48 SENIOR MRTA TERRORISTS BROKE OUT OF JAIL IN CIRCUMSTANCES WHICH HAVE LED TO AN INVESTIGATION OF OFFICIAL CONNIVANCE IN THE JAIL BREAK. ONE ESCAPEE WAS RECAPTURED, ONLY TO ESCAPE AGAIN TWO WEEKS LATER.
- 16. THE QUICK TURN-AROUND OF MOST SUSPECTS IS NOT THE RESULT OF THE SORT OF LEGAL PROTECTIONS FOR WHICH U.S. COURTS ARE FAMOUS. SUSPECTS IN PERU ARE NOT RELEASED BECAUSE A HASTY ARRESTING OFFICER FORGOT TO READ AN ARRESTED SUSPECT HIS MIRANDA RIGHTS. TERRORISTS IN PERU ARE GOING FREE BECAUSE OF CONFUSION, EXTORTION, DEATH THREATS, TERRORIST INFILTRATION OF THE COURT SYSTEM, AND GENERAL LACK OF LEGAL COMPETENCE.

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17. ANOTHER CONTEXTUAL FACTOR SHOULD BE TAKEN INTO FULL ACCOUNT: TERRORIST VIOLENCE IS STEADY UPSWING. AS THE FREQUENCY AND BRUTALITY OF TERRORIST ACTS MOUNT, HUMAN RIGHTS VIOLATIONS INCREASE. THIS SEESAW RELATIONSHIP BETWEEN

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FM AMEMBASSY LIMA TO SECSTATE WASHDC PRIORITY 6391

CONFIDENTIAL SECTION 04 OF 05 LIMA 03900

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SUBJECT: INCA CERTIFICATION; COUNTRY TEAM VIEWS

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TERRORIST KILLINGS AND DISAPPEARANCES CHARGED TO POLICE OR MILITARY IN PERU IS NOT THE RESULT OF GOVERNMENT POLICIES BUT OF A STEADY OVERALL SURGE

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IN ASSASSINATIONS AND DISAPPEARANCES: VIOLENCE BEGETS VIOLENCE. AS THE WAR BETWEEN THE GUERRILLAS AND GOVERNMENT FORCES GROWS WIDER, HUMAN RIGHTS VIOLATIONS ARE SURE TO CONTINUE.



PAGE 02 LIMA 03900 04 OF 05 291618Z 18. WE HAVE SEEN QUANTITATIVE IMPROVEMENT IN THE GOP'S PERFORMANCE IN SOME AREAS OF HUMAN RIGHTS CONCERN. ACCORDING TO PERUVIAN RIGHTS ORGANIZATIONS, DISAPPEARANCES DECREASED IN 1990. IN 1989 THE UNITED NATIONS HUMAN RIGHTS WORKING GROUP ON DISAPPEARANCES REPORTED A RECORD OF 404 CASES OF DISAPPEARANCES IN PERU. THE 1990 FIGURE IS ONLY 233; THE MAJORITY OF THESE CASES OCCURRED BEFORE THE INAUGURATION OF PRESIDENT FUJIMORI IN JULY 1990. THOUGH PERU STILL RANKS AS THE WORLD'S LEADING COUNTRY FOR DISAPPEARANCES (UNTIL THE FIGURES ARE AVAILABLE ON IRAQ'S DEPREDATIONS AGAINST KUWAIT AT LEAST), THE LATEST TRENDS SHOW A DECLINE IN DISAPPEARANCES.

19. THE PARAMILITARY/VIGILANTE GROUP CALLED THE RODRIGO FRANCO COMMAND HAS ALL BUT DISAPPEARED FOLLOWING PRESIDENT FUJIMORI'S INAUGURATION AND REMOVAL OF ALMOST THE ENTIRE LEADERSHIP OF THE NATIONAL POLICE FORCE. THE MARCH 15, 1991 BOMBING OF THE HEADQUARTERS OF THE HUMAN RIGHTS ORGANIZATION COMISEDH IN LIMA IS UNDER INVESTIGATION IN THE FACE OF CHARGES OF POLICE INVOLVEMENT. OTHERWISE THE TREND IN SEMI-OFFICIAL PARAMILITARY ACTIVITY BY THE SECURITY FORCES IS ON THE DECLINE. THE FUJIMORI GOVERNMENT'S DECISION TO CARRY OUT A SWEEPING PURGE OF THE NATIONAL POLICE ON TAKING OFFICE WAS WIDELY SEEN TO BREAK THE BACK OF THE SUPPORT GROUP BEHIND THE RODRIGO FRANCO COMMAND.

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03900 04 OF 05 J 291618Z LIMA 20. RECENT MONTHS HAVE ALSO SEEN IMPROVEMENT IN THE ISSUE OF INTERNATIONAL COMMISSION OF THE RED CROSS (ICRC) ACCESS TO PRISONERS. THE ICRC NOW IS ADMITTED ON REQUEST TO ALL POLICE DETENTION FACILITIES IN LIMA; A SUBSTANTIAL MAJORITY OF FORMAL POLICE DETENTION FACILITIES IN THE EMERGENCY ZONES ARE ALSO AVAILABLE FOR ICRC

INSPECTION. EMERGENCY ZONE DETENTION FACILITIES WERE TIGHTLY RESTRICTED IN THE PAST, EVEN AT THE OUTSET UNDER THE FUJIMORI GOVERNMENT. THE ICRC STILL HAS NO ACCESS TO MILITARY BARRACKS OR ARMED FORCES DETENTION FACILITIES, HOWEVER.

- 21. A DECREASE IN THE CONFIRMED ACCOUNTS OF WHOLESALE ATTACKS AGAINST CIVILIAN POPULATIONS BY THE SECURITY FORCES CAN ALSO BE DOCUMENTED SINCE THE NEW GOVERNMENT TOOK OFFICE. WHILE SENDERO LUMINOSO CONTINUES TO MENACE LARGE GROUPS OF CIVILIANS, SIGNIFICANTLY FEWER ALLEGATIONS OF ABUSES BY THE MILITARY ARE MADE NOW AS COMPARED TO YEARS PAST.
- 22. NARCOTICS: OFFICIAL AND PRIVATE, TERRORIST AND INSTITUTIONAL CORRUPTION SURROUNDS NARCOTICS TRAFFICKING EVERYWHERE IN PERU, BUT NOWHERE IS IT MORE BLATANT THAN IN THE UPPER HUALLAGA VALLEY. NARCOTICS CORRUPTION INSINUATES ITSELF FROM WORKING LEVELS TO THE HIGHEST LEVELS OF THE POLICE, THE MILITARY, POLITICS AND PRIVATE BUSINESS. A HIDDEN DRUG INDUSTRY HAS OPERATED IN PERU FOR NEARLY TWO DECADES. THE FUJIMORI



PAGE 04 LIMA 03900 04 OF 05 291618Z GOVERNMENT IS THE FIRST TO PROMISE AND THEN TO DESIGN A COMPREHENSIVE PLAN TO COORDINATE ALL GOVERNMENTAL EFFORTS BEHIND DISMANTLING THE DRUG INDUSTRY. NONETHELESS, NARCOTICS CORRUPTION WILL NOT DISAPPEAR IMMEDIATELY FROM PERU AND CAN PROBABLY ONLY BE TERMINATED FOLLOWING AN ALL OUT EFFORT TO RESTRUCTURE THE COUNTRY'S ECONOMY.

23. CHANGE MUST COME FROM THE TOP AND HERE THE NEW PRESIDENT SEEMS TO BE SERIOUS ABOUT CARRYING OUT A SWEEPING ECONOMIC REFORM THAT WILL END DEPENDENCE ON DRUG PROFITS IN EVERY SECTOR OF PERUVIAN LIFE. HE HAS DEDICATED HIS PERSONAL PRESTIGE TO FIGHTING DRUG TRAFFICKING IN THE MIDST OF THE OTHER CRISES WE HAVE NOTED. MOST SIGNIFICANT, THIS PRESIDENT APPEARS WILLING TO



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C O N F I D E N T I A L SECTION 05 OF 05 LIMA 03900

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SUBJECT:

INCA CERTIFICATION; COUNTRY TEAM VIEWS

REF: STATE 80564

RISK A CONFRONTATION WITH THE MILITARY AND THE CONGRESS TO PUT INTO PLACE A POWERFUL, INDEPENDENT ANTI-DRUG COORDINATING AUTHORITY. HE HOPES IT WILL BE AN AGENCY INDEPENDENT OF THE CORRUPTION WHICH PERVADES THE DRUG INDUSTRY IN PERU. NO PREVIOUS GOVERNMENT HAS SHOWN SUCH DRAMATIC COMMITMENT TO PUT AN END TO A TRADE THAT BRINGS IN HUNDREDS OF MILLIONS OF DOLLARS PER YEAR BUT IS UNDERMINING PERUVIAN SOCIETY AT EVERY LEVEL.

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PAGE 02 LIMA 03900 05 OF 05 291620Z 24. IN ADDITION TO THE UMBRELLA AGREEMENT, WE HAVE SEEN EVIDENCE OF A DECISION TO COMMIT THE ARMED FORCES AGAINST NARCO-TERRORISM. ASSIGNING PERUVIAN AIR FORCE TUCANO INTERCEPTORS TO THE SANTA LUCIA BASE OF THE PERUVIAN NATIONAL POLICE, FOR INSTANCE, FOR TWO TRIAL PERIODS IN FEBRUARY AND MARCH, EVIDENCED GOP DETERMINATION: THE TUCANOS SUCCEEDED IN FORCING DOWN SEVERAL TRAFFICKER AIRCRAFT, LOADED WITH DRUGS AND MONEY.



WE NEED TO SEE MUCH MORE EVIDENCE OF COMMITMENT TO USE THE FULL FORCE OF THE STATE AGAINST TRAFFICKING TO ALLOW US TO FULLY IMPLEMENT OUR PLANNED AGREEMENTS WITH THE GOP BUT CERTIFICATION IS REQUIRED NOW.

25. GIVEN THE CONTEXT OF ECONOMIC, SOCIAL AND PUBLIC HEALTH CHALLENGES FACING PERU, AND THE NEED FOR OUTSIDE ASSISTANCE IN OVERCOMING THEM, THE U.S. GOVERNMENT NEEDS TO WORK OUT A SET OF SHARED GOALS WITH THE PERUVIAN AUTHORITIES TO CONTROL DRUG PRODUCTION AND RELATED CORRUPTION AS WELL AS TO ENSURE RESPECT FOR INTERNATIONAL STANDARDS OF HUMAN RIGHTS IN SEEKING THESE COMMON GOALS. FOR THE REMAINDER OF 1991, NAMING OF A PERUVIAN HUMAN RIGHTS COMMISSION AS WELL AS PUNISHMENT OF PERPETRATORS IN HIGH PROFILE CASES ARE IMPORTANT MEASURABLE BENCHMARKS OF PROGRESS THAT BOTH GOVERNMENTS CAN SHARE.

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