PAGE 01  LIMA 07583 01 OF 02 302250Z
ACTION ARA-00

INFO  LOG-00  COPY-01  ADS-00  INR-10  EUR-00  SS-00  CIAE-00
     NSCE-00  NSAE-00  SSO-00  PM-10  INM-07  INRE-00  SP-02
    DS-01  DSE-00  SCT-02 /033 W
--------141633 302255Z /61

O 302226Z JUN 86
FM AMEMBASSY LIMA
TO SECSTATE WASHDC IMMEDIATE 2812
INFO AMEMBASSY BOGOTA
AMEMBASSY BRASILIA
AMEMBASSY BUENOS AIRES
AMEMBASSY CARACAS
AMEMBASSY MONTEVIDEO
USCINCOS QUARRY HTS PM
AMEMBASSY LA PAZ
AMEMBASSY QUITO
AMEMBASSY GUATEMALA
AMEMBASSY PANAMA
AMEMBASSY SANTO DOMINGO
AMEMBASSY OTTAWA
AMEMBASSY SAN JOSE
AMEMBASSY SANTIAGO
USAFSO HOWARD AFB PM
DIA WASHDC//AT-5/OS1D/DB-6DZ/JSI-4B/DB-3C1/NMIC

SECTION 01 OF 02 LIMA 07583

E.O. 12356: DECL:OADR
TAGS: PGOV, PINS, PE, MILI
SUBJECT: CURRENT CRISIS IN PERU

REF: (A) LIMA 7533, (B) LIMA 7532

1. [BLACKED OUT] - ENTIRE TEXT.

2. SUMMARY. SITUATION IN LIMA CONTINUES TENSE,

PAGE 02  LIMA 07583 01 OF 02 302250Z

ALTHOUGH GOP IS MAKING AN EFFORT TO PROJECT IMAGE
OF NORMALITY. KEY UNDERLYING ISSUES REMAIN UN-
RESOLVED. GARCIA AND ARMY LEADERSHIP ARE, AT LEAST,
TALKING. END SUMMARY.

3. GOP IS MAKING AN EFFORT TO PROJECT IMAGE OF NORMALITY DESPITE EVIDENT CRISIS WHICH EXISTS. FOR MOST PART, MINISTERS ARE KEEPING REGULAR APPOINTMENTS JUNE 30. GARCIA MET AT PALACE JUNE 29 WITH TOP ARMY LEADERSHIP INCLUDING MINISTER, AND COMMANDING GENERAL. MEETING REPORTEDLY LASTED SEVERAL HOURS. PRESIDENT WAS PHOTOGRAPHED WITH MINISTER ON PALACE STEPS AT CONCLUSION OF MEETING IN WHAT APPEARS TO HAVE BEEN AN EFFORT TO PROJECT BUSINESS AS USUAL IMAGE. WE DO NOT YET KNOW, HOWEVER, TENOR OF THIS MEETING. IN ADDITION, GARCIA APPEARED AT NOON RECEPTION AT NUNCIATURA JUNE 30 AND GREETED LARGE NUMBER OF GUESTS.

4. BENEATH SURFACE, THINGS CONTINUE TO SIMMER. WE WERE TOLD AT LUNCH JUNE 30 BY MANAGING DIRECTOR OF "EL COMERCIO" THAT MINISTER OF JUSTICE GONZALES POSADA HAD RESIGNED EARLIER IN DAY, AND THAT IT WAS PROBABLE MINISTER OF INTERIOR WOULD RESIGN BEFORE DAY IS OVER. WE HAVE BEEN UNABLE TO CONFIRM THIS INFORMATION, BUT IT IS COMMON KNOWLEDGE THAT GONZALES POSADA, GARCIA'S ERSTWHILE INTIMATE FRIEND, HAS BEEN DESPONENT SINCE LURIGANCHO AFFAIR AND DEEPLY WORRIED ABOUT POSSIBLE TERRORIST RETALIATION DIRECTED AT HIS FAMILY OR HIMSELF. PRESIDENT APPARENTLY BELIEVES GONZALES POSADA ERRED IN NOT PLAYING A MORE PROMINENT PUBLIC ROLE AFTER PRISON INCIDENT. THIS OPINION IS SHARED BY MOST POLITICAL...

PAGE 03  LIMA 07583 01 OF 02 302250Z

OBSERVERS. THE POLITICAL GAME BEHIND RESIGNATION, IF INDEED IT IS CONFIRMED, IS NOT ENTIRELY CLEAR. BUT IT MAY WELL BE THAT GARCIA IS ATTEMPTING, IN PART, TO DEFUSE EVENTUAL MOVES AGAINST MILITARY BY ESTABLISHING THAT HIS ADMINISTRATION IS NOT IMMUNE FROM EFFECTS OF LURIGANCHO.

5. AS FAR AS WE CAN TELL, UNDERLYING ISSUES WITH MILITARY HAVE NOT BEEN RESOLVED. IN HIS STATEMENT JUNE 27, GARCIA SAID THAT GUARDIA REPUBLICANA (GR) ELEMENTS WHICH PERPETRATED THE LURIGANCHO MASSACRE SHOULD BE INCARCERATED ALONG WITH COMMON CRIMINALS IN CANTO GRANDE PRISON. BUT, AS OF JUNE 30, GR
PRISONERS ARE STILL IN CUSTODY OF POLICE UNITS. IMPLICATION IS THAT GR IS, THUS FAR, REFUSING TO COMPLY WITH THE DIRECTIVE, OR POSSIBLY THAT GARCIA DID NOT FOLLOW UP HIS RHETORIC WITH A CONCRETE ORDER. SIMILARLY, IT WAS ASSERTED ON A MAJOR POLITICAL COMMENTARY PROGRAM (UNO MAS UNO), AIRED NIGHT OF JUNE 29, THAT MASSACRE ALSO TOOK PLACE AT EL FRONTO PRISON, WHERE NAVY HAD BEEN IN CHARGE. APRISTA WEEKLY "VISION" IN ITS JUNE 29 ANALYSIS OF EVENTS STRONGLY HINTED THAT ULTIMATE RESPONSIBILITY FOR MASSACRE LAY WITH JOINT COMMAND AND THAT ADMINISTRA- TION WOULD BE OBLIGED TO REMOVE MILITARY LEADERSHIP IN FASHION SIMILAR TO ITS ACTION IN PUCAYACU AND ACCOMARCA KILLINGS LAST YEAR.

6. COMMENT. THIS SITUATION IS FAR FROM OVER. IF GARCIA MOVES TO FIRE TOP MILITARY COMMAND, AS NORMALLEY WELL INFORMED "VISION" SUGGESTED, THIS COULD BE CRITICAL. FACT REMAINS THAT GARCIA IS

NNNN

PAGE 01  LIMA  07583  02 OF 02  302250Z
ACTION ARA-00
INFO LOG-00  COPY-01  ADS-00  INR-10  EUR-00  SS-00  CIAE-00
NSCE-00  NSAE-00  SSQ-00  PM-10  INRE-00  SP-02  DS-01
DSE-00  SCT-02  /026 W
---------------------141651  302257Z /61
O 302226Z JUN 86
FM AMBASSAD LIMA
TO SECRSTATE WASHDC IMMEDIATE 2813
INFO AMBASSAD BOGOTA
AMBASSAD BRASILIA
AMBASSAD BUENOS AIRES
AMBASSAD CARACAS
AMBASSAD MONTEVIDEO
USCINCQO QUARRY HTS PM
AMBASSAD LA PAZ
AMBASSAD QUITO
AMBASSAD GUATEMALA
AMBASSAD PANAMA
AMBASSAD SANTO DOMINGO
AMBASSAD OTTAWA
AMBASSAD SAN JOSE
AMEMBASSY SANTIAGO
USAFSO HOWARD AFB PM
DIA WASHDC://AT-5/OS1D/DB-6DZ/JSI-4B/DB-3C1/NMIC

SECTION 02 OF 02 LIMA 07583

E.O. 12356: DECL: OADR
TAGS: PGOV, PINS, PE, MILI
SUBJECT: CURRENT CRISIS IN PERU

STILL EXCEEDINGLY POPULAR IN PERU. OPINION POLLS RELEASED OVER WEEKEND SHOW HIM WITH 75 PERCENT APPROVAL RATING. THE MILITARY OBVIOUSLY MUST TAKE THIS FACTOR FULLY INTO ACCOUNT.

JORDAN

PAGE 02 LIMA 07583 02 OF 02 302250Z

NNNN