

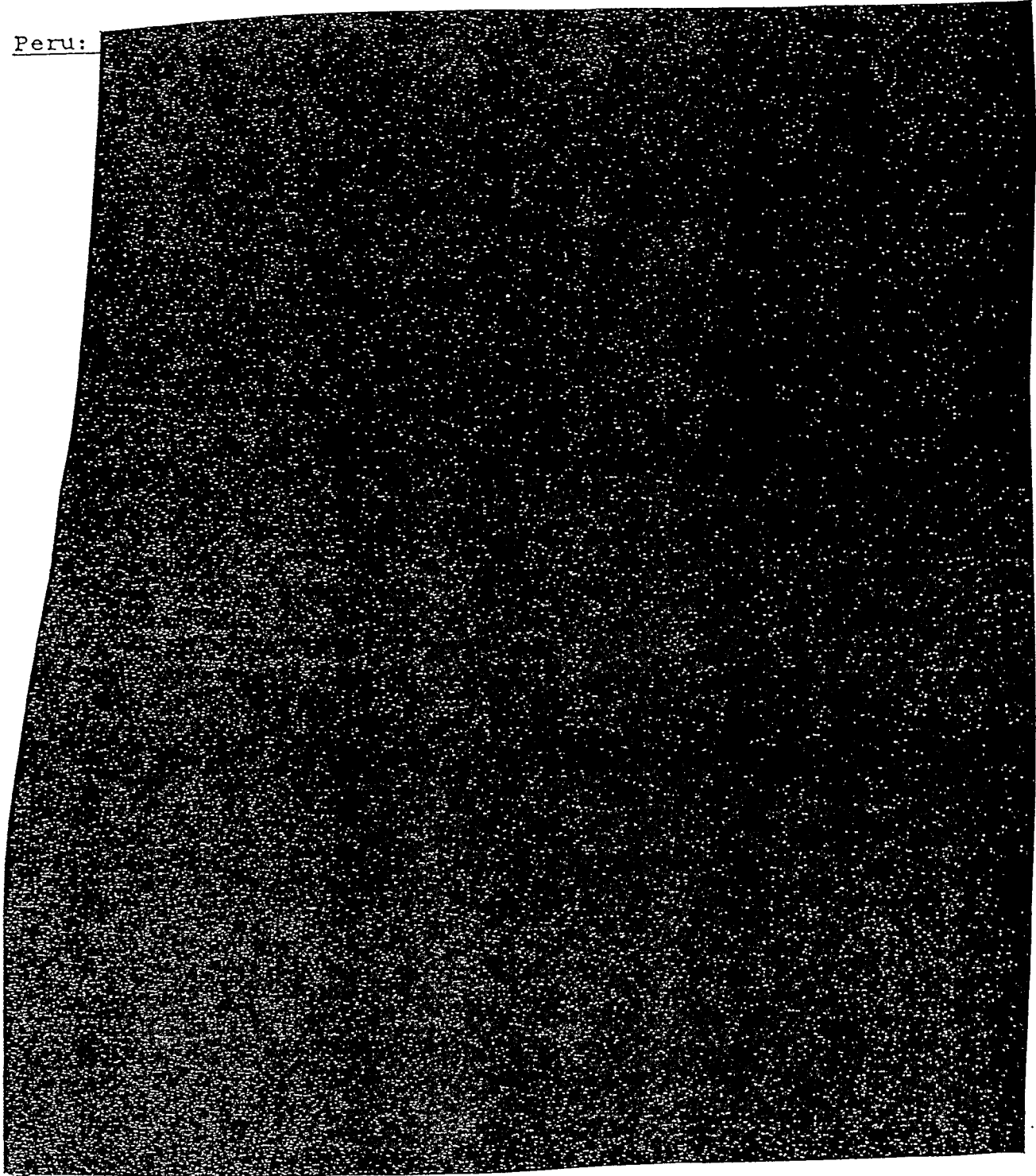


Washington, D.C. 20505

DIRECTORATE OF INTELLIGENCE

20 October 1989

Peru:

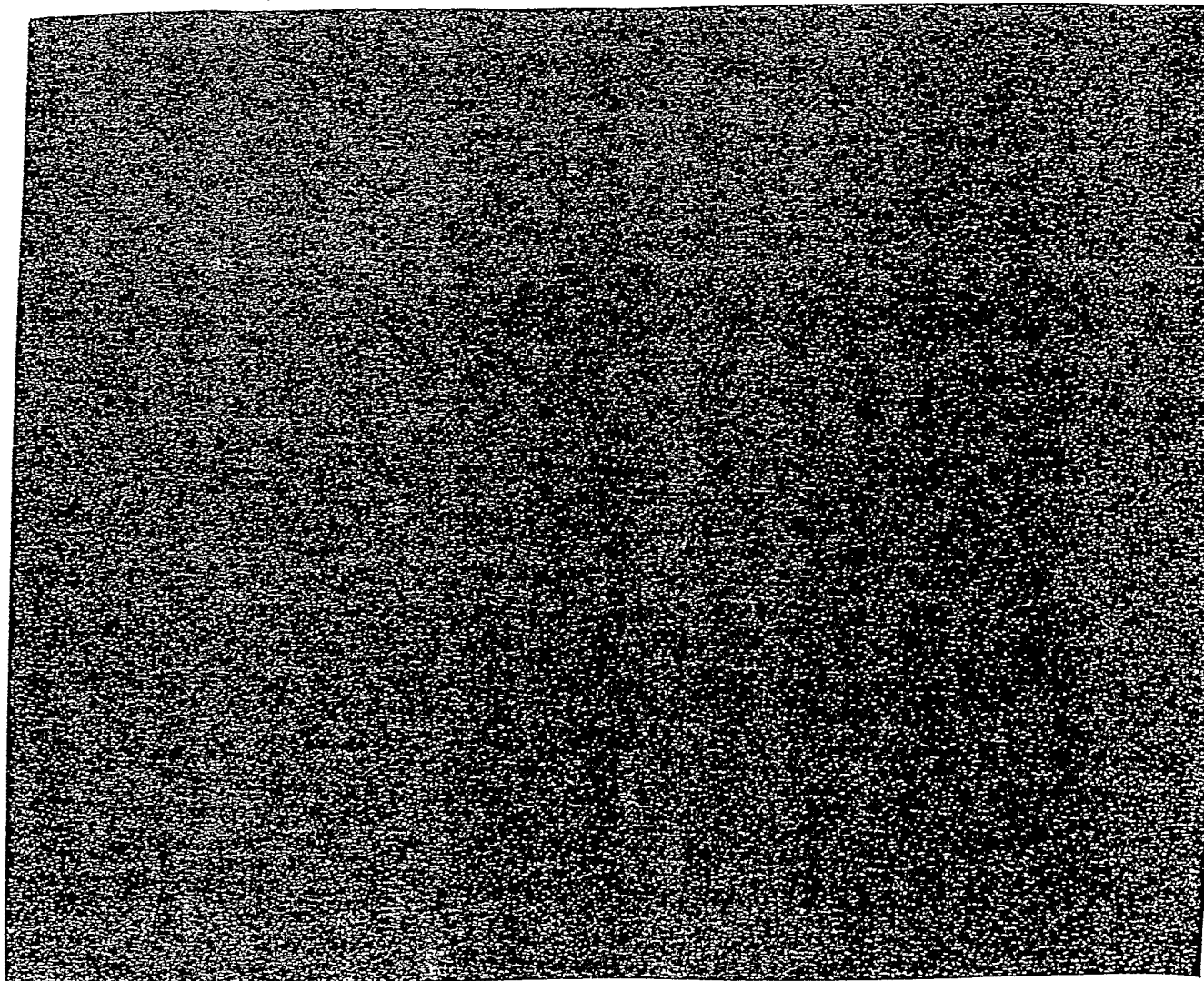


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Growing Insurgent Threat and Ties to Traffickers

The severity of Peru's economic troubles are matched by the country's escalating insurgent violence. Since the Sendero Luminoso insurgency began in 1980, more than 15,000 people have died and property damage is estimated at more than \$10 billion. If the current pace of violence continues, the number of Peruvians killed in 1989 alone will exceed 3,000. Sendero Luminoso and Tupac Amaru Revolutionary Movement guerrillas dominate several important interior areas, including large portions of the principal coca-growing region. Since May, Sendero has killed at least 35 incumbent mayors or mayoral candidates in a campaign of violence that threatens to curtail voter and candidate participation in the municipal elections. The armed forces' inability to provide greater security serves as an additional irritant in the already strained relations between the Garcia administration and the military.

[REDACTED]

Growing ties between insurgents and narcotics traffickers have provided the guerrillas with new opportunities to expand influence and to secure funding. The illicit coca industry offers both insurgent groups--but particularly Sendero Luminoso--a ready-made support base of peasant growers looking to prevent government interference in their livelihood. US Embassy reporting indicates that Sendero insurgents extort protection payments from traffickers and may broker some narcotics sales. [REDACTED]

Reporting from a variety of sources indicates the military believes that the insurgents pose a greater threat than do the narcotraffickers. According to the US Defense Attache, armed force commanders have concluded that police operations to disrupt the coca trade have led the growers to turn to the insurgents for protection of labs and airstrips. [REDACTED]

PAGES 5-7 DENIED IN THEIR ENTIRETY

[REDACTED]

Directorate of Intelligence  
Office of African and Latin American Analysis

23 October 1989

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NOTE FOR: ~~Gen. Charles D. Link, USAF~~  
Deputy Director of Political  
Military Affairs  
The Pentagon

The commitment of President Garcia and other key actors in Peru to combating the country's drug problem is of special relevance as the United States considers whether to increase its involvement in the antinarcotics effort there. This assessment places the narcotics issue in a broader context by analyzing the political, economic, and insurgent problems confronting Garcia.

[REDACTED]

If you have any questions regarding the paper, please give me a call on [REDACTED]

[REDACTED]

Attachment:

[REDACTED]

[REDACTED]

[REDACTED]

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