

Page: 1

Case Number: S200200010

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PAGE 01 LIMA 04194 01 OF 03 241454Z

ACTION SY-05

INFO OCT-00 ADS-00 INR-10 SS-10 CIAE-00 IO-15 NSC-01 ARA-16 NSAE-00 PM-09 MCT-02 SYE-00 SP-02 /070 W

-----273520 241515Z /50

P R 232043Z APR 82 FM AMEMBASSY LIMA TO SECSTATE WASHDC PRIORITY 2133 INFO AMEMBASSY BOGOTA AMEMBASSY CARACAS AMEMBASSY LA PAZ AMEMBASSY QUITO

RELEASED IN PART B1, 1.5(D)

AMEMBASSY LA PAZ
AMEMBASSY QUITO
AMEMBASSY PANAMA
AMEMBASSY SANTIAGO
USINT HAVANA
DIA WASHDC
USCINCSO QUARRY HTS PN



SECTION 1 OF 3 LIMA 4194

PANAMA FOR ADS

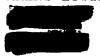
**EXTEND CLASSIFICATION** 

DIA FOR IR BRANCH

E O 12065 RDS 1-2 4/13/02 (ORTIZ, FRANK V.) OR-M TAGS: PINS, PINT, PTER, SNAR, SHUM, MILI, PE, CU SUBJ: (LOU) PERUVIAN TERRORISM: THE GOVERNMENT'S RESPONSE

REF: LIMA 4015

1. SUMMARY. THIS IS THE SECOND OF TWO MESSAGES ASSESSING PERUVIAN TERRORISM. AYACUCHO'S POVERTY AND RELATIVE ISOLATION AND MARXIST DOMINANCE OF THE LOCAL UNIVERSITY PROVIDEDA PRPICIOUS ENVIRONMENT FOR MAOIST "SENDERO LUMINOSO" TO ESTABLISH AND UNDERGROUND APPARATUS THERE, WHOSE TENDRILS NOW REACH TO LIMA AND ELSEWHERE. OUR CURRENT ESTIMATE TPUTS SENDERO LUMINOSO MEMBERSHIP AT A



PAGE 02

LIMA 04194 01 OF 03 241454Z

MAXIMUM OF 500; ITS SUCCESSES ARE MORE THE RESULT OF IN-

n/a

Page: 1

UNITED STATES DEPARTMENT OF STATE REVIEW AUTHORITY: WILLIAM E. LANDFAIR DATE/CASE ID: 26 JUL 2002 S200200010 CLASSIFICATION: SECRET REASON: 25X1

UNCLASSIFIED



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Case Number: S200200010

Page: 2

ADEQUATE POLICE PERFORMANCE THAN ANY WIDESPREAD POPULAR SUPPORT, EVEN IN AYACUCHO. PRESIDENT BELAUNDE'S MANAGEMENT OF THE ANTITERRORIST EFFORT TO DATE SUGGESTS THAT HIS OVERRIDING PURPOSE IS TO AVOID HEAVY-HANDED REPRESSIVE MEASURES WHICH MIGHT EVENTUATE IF THE ARMY ASSUMES CONTROL OF OPRATIONS, AND TO AVOID A REPETITION OF HIS MID-1960S EXPERIENCE WHEN MILITARY PARTICIPATION IN ANTI-GUERRILLA OPERATIONS POLITICIZED THE ARMY. A GROWING CONSENSUS, HOWEVER, THAT IT IS TIME FOR THE ARMY TO TAKE CHARGE OF OPERATIONS WILL BE HARD FOR THE PRESIDENT TO RESIST UNLESS POLICE PERFORMANCE IMPROVES DRAMATICALLY. AN UNBRIDLED ARMY SHOULD PROVE ABLE TO EXTIRPATE ANY GUERRILLA THREAT, BUT WITH HIGH ECONOMIC AND SOCIAL COSTS, AND RISKS OF TARNISHING PERU'S HUMAN RIGHTS IMAGE. PERSISTENT TERRORISM, HOWEVER, WILL PROVE VERY DIFFICULT TO ERADICATE. END SUMMARY.

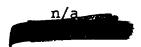
- 2. (U) AYACUCHO IS NOT A TRADITIONAL HOTBED OF WIDE-SPREAD LEFTISM. IN THE MAY 1980 PRESIDENTIAL ELECTIONS, CENTRIST POPULAR ACTION (AP) GOT 57 PERCENT OF THE VOTE THRE (VS. 45 PERCENT NATIONWIDE). ON THE OTHER HAND, THE VARIOUS PARTIES OF THE FAR LEFT ATTRACTED A TOTAL OF 23 PERCENT OF THE AYACUCHO VOTE (VICE 17 PERCENT IN THE NATION AS A WHOLE). THESE VOTES WERE AT THE EXPENSE OF THE MODERATE LEFT (APRA GOT 17 PERCENT IN AYACUCHO VS 27 PERCENT OVERALL) AND THE MODERATE RIGHT (PPC GOT LESS THAN 2 PERCENT IN AYACUCHO VS ALMOST 10 PERCENT COUNTRY WIDE).
- 3. AYACUCHO IS DEPRESSINGLY POOR--IN THE BEST AVAILABLE AID STATISTICS, IT COMPETES WITH ITS NEIGHBOR APURIMAC FOR THE DUBIOUS DISTINCTION OF BEING PERU'S POOREST DEPARTMENT. (MORE RECENT--AND LESS AUTHORITA-TIVE--FIGURES SUGGEST IT IS RELATIVELY BETTER OFF)



PAGE 03

LIMA 04194 01 OF 03 241454Z

EXCEPT FOR THE RECENT BOOMING DRUG TRADE, ECONOMIC PROSPECTS IN AYACUCHO ARE UNIFORMLY BLEAK. THE CATALYST THAT PRECIPITATED AN EXPLOSIVE SITUATION OUT OF A MIX OF ELEMENTS OTHERWISE NOT SO DIFFERENT FROM THE REST OF THE PERUVIAN HIGHLANDS APPEARS TO BE THE SAN CRISTOBAL DE HUAMANGA UNIVERSITY, WHERE SENDERO LUMINOSO "MAXIMUM LEADER" ABIMAEL GUZMAN (A NATIVE OF AREQUIPA) AND OTHER MAOIST IDEOLOGUES SUCH AS MAXIMILIANO DURAND WERE OR ARE PROFESSORS, AND WHERE





n/a

Case Number: S200200010

Page: 3

SENDERO LUMINOSO FOR YEARS WAS THE MOST POWERFUL STUDENT PARTY. THE RELATIVE ISOLATION OF AYACUCHO--COMPARED TO TRADITIONALLY REBELLIOUS CUSCO, FOR INSTANCE--PERMITTED A SORT OF TIME WARP SITUATION IN WHICH HARD CORE MAOISM PROSPERED.

- 4. SENDERO LUMINOSO DOES NOT HAVE EXTENSIVE ACTIVE POPULAR SUPPORT ANYWHERE, EVEN IN AYACUCHO. IN JULY 1981, ARRESTED SENDERISTAS IN LIMA CLAIMED TO HAVE "HUNDREDS OF MILITANTS" IN THE CAPITAL CITY. OUR ESTIMATE IS THAT ON A COUNTRY-WIDE BASIS, SENDERO MAY HAVE SOME 500 MILITANTS, THE MAJORITY IN AYACUCHO, PLUS A FEW HUNDRED ACTIVE SYMPATHIZERS. PERUVIAN INTELLIGENCE SERVICES CONFIRM THAT INCIDENTS IN SUCH DIVERSE AREAS AS IQUITO, AREQUIPA, TUMBES, AND CHIMBOTE ARE THE WORK OF SENDERO LUMINOSO.
- 5. THE INITIAL FEAR IN LIMA WAS THAT THE "CAPTURE OF A MAJOR DEPARTMENT CAPITAL BY HUNDREDS OF GUERRILLAS" (AS THE MARCH 2 AYACUCHO JAILBREAK AND ASSOCIATED SUPPORT ACTIVITIES WERE DESCRIBED) SIGNALLED THE BEGINNING OF A GENUINE INSURGENCY. AS MORE FACTS COME TO LIGHT, HOWEVER, IT NOW SEEMS THAT THE MAIN CAUSE OF THE MARCH 2 DEBACLE WAS THE POLICE'S OWN INADEQUATE PERFORMANCE, TO JUSTIFY WHICH POLICE SPOKESMEN MAGNIFIED THE NUMBERS OF THEIR ADVERSARIES IN THEIR REPORTS. THERE WERE INTELLIGENCE FAILURES



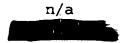
PAGE 04

LIMA 04194 01 OF 03 241454Z

OF EVALUATION, DISTRIBUTION, AND IMPLEMENTATION.
MOREOVER, IT NOW APPEARS THAT POLICE WERE NOT SO
MUCH PINNED DOWN IN THEIR RESPECTIVE HEADQUARTERS BY
OVERWHELMING FIREPOWER, AS THEY WERE UNWILLING TO
LEAVE THE RELATIVE SECURITY OF THEIR HAVENS TO DO
BATTLE. THE COMPENSATING TENDENCY TIS TO DISPLAY
TOO MCUH AGGRESSIVENESS WHEN IT IS SAFE TO DO SO-MOST BRUTALLY MANIFESTED INTHE HOSPITAL KILLINGS
(LIMA 2346)



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Case Number: S200200010

PAGE 01 LIMA 04194 02 OF 03 241357Z

ACTION SY-05

INFO OCT-00 ADS-00 INR-10 SS-10 CIAE-00 IO-15 NSC-01 ARA-16 NSAE-00 PM-09 MCT-02 SYE-00 SP-02 /070 W

-----273342 241515Z /50

P R 232843Z APR 82
FM AMEMBASSY LIMA
TO SECSTATE WASHDC PRIORITY 2134
INFO AMEMBASSY BOGOTA
AMEMBASSY CARACAS
AMEMBASSY LA PAZ
AMEMBASSY QUITO
AMEMBASSY PANAMA
AMEMBASSY SANTIAGO
USINST HAVANA 289
DIA WASHDC

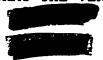
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SECTION 2 OF 3 LIMA 4194

(. THESE FACTORS CONTRIBUTE TO A RECORD OF POLICE PERFORMANCE WHICH IS NOT ADEQUATE. THE KEY POLITICAL QUESTION OF THE MOMENT IS WHETHER THE ARMY WILL BE CALLED IN TO DO THE JOB. HISTORY CASTS A LONG SHADOW ON THIS DECISION.

DURING PRESIDENT BELAUNDE'S FIRST TERM, THE SMALL CUSCO-BASED GUERRILLA MOVEMENTS OF THE MID-60'S WERE PART OF HAVANA'S ILL-STARRED EFFORT TO EXPORT THE REVOLUTION. POPULAR WISDOM IS THAT BELAUNDE HESITATED AND DITHERED, FAILING TO ADDRESS THE GUERRILA PROBLEM SERIOUSLY WHEN IT FIRST PRESENTED ITSELF, AND WAITED FAR TOO LONG TO CALL IN THE ARMY.

8. ANOTHER WIDE-HELD FEELING, HOWEVER, IS THAT THE VERY FACT OF THE MILITARY'S ACTIVE INVOLVE-



PAGE 02

LIMA 04194 02 OF 03 241357Z

MENT IN REPRESSING THE GUERRILLA MOVEMENT DREW IT

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Page: 4

Page: 4

UNCLASSIFIED



n/a

Case Number: S200200010

INTO THE CENTER OF THE POLITICAL STAGE, TO WHICH IT WAS EAGER TO RETURN VIA THE 1968 COUP. (MORE-OVER, THE CONTACT WITH SIERRA POVERTY HELPED TO RADICALIZE SOME ARMY LEADER WHICH IN PART LED TO THE "REVOLUTIONARY" NATURE OF THE 1968-80 MILITARY GOVERNMENT.)

9. BELAUNDE'S APPROACH THIS TIME SUGGESTS THAT HIS PRINCIPAL CONCERN IS TO AVOID, IF AT ALL POSSIBLE, PUTTING THE ARMY IN CHARGE, EVE AT THE RISK OF RESURRECTING THE "INDECISIVE" IMAGE OF HIS FIRST TERM. HE PUBLICLY CITES THE EXPENSE THAT A MAJOR MILITARY OPERATION WOULD ENTAIL; PRIME MINISTER ULLOA TELLS THE PRESS ON BACKGROUND THAT THE DECISION TO CALL IN THE ARMY MIGHT COST PERU ITS CURRENT STANDING IN INTERNATIONAL FINANCIAL CIRCLES AS ONE OF THE DEVELOPING WORLD'S BEST CREDIT RISKS. BUT THE UNDERLYING REASON IS ALMOST CERTAINLY BELAUNDE'S CONCERN THAT ONCE THE MILITARY ARE BACK ON STAGE, THEY MAY BEGIN TO WRITE THEIR OWN SCRIPT.

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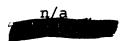
Page: 5

10. THE "INCREMENTAL ESCALATION" OF THE GOP'S HANDLING OF THE TERROIST THREAT IS CLEAR: INTERIOR MINISTER DE LA JARA, PERHAPS THE ONLY "BLEEDING-HEART LIBERAL" OVER TO HOLD SUCH A POST IN LATIN AMERICA, AT FIRST DENIED THE EXISTENCE OF "TERRORISM", OR WHEN HE ADMITTED IT, THE NEED FOR ANY SPECIAL MEASURES. POLITICAL PRESSURE TO DO SOMETHING FOCUSSED ON GETTING RID OF

PAGE 03

LIMA 04194 02 OF 03 241357Z

DE LA JARA; BELAUNDE FINALLY REPLACED HIM WITH A RETIRED AIR FORCE GENERAL. PRESSURE THEN CENTERED ON "DOING SOMETHIN" IN AYACUCHO, WHERE BELAUNDE FINALLY DECLARED A LIMITED STATE OF EMERGENCY IN OCTOBER-DECEMBER 1981, AND SENT BOLICE REINFORCEMENTS. IN THE CURRENT STATE OF EMERGENCY HE IS ESSENTIALLY REPEATING THIS STEP, WITH UPGRADE POLICE PRESENCE, WHILE EXTENDING THE ZONE TO PARTS OF NEIGHBORING HUANCAVELICA DNA PURIMAC. BELAUNDE IS ALSO STRESSING THE NEED FOR ECONOMI AND SOCIAL PROJECTS



Page: 6



Case Number: S200200010

IN THE AREA AS ACCOMPLISHING WHAT POLICE ACTION ALONE CAN NOT DO. HE GOADS DEVELOPMENT AGENCIES INTO NEW PROJECTS AND SENT SEVERAL MINSTER FOR ON-THE-SPOT INSPECTIONS.

THE PRESIDENT REPEATEDLY NOTES THAT THE ARMED FORCES ARE ALREADY INVOLVED IN THE COUNTER-TERRORIST EFFORT. THE ARMY IS PROVIDING SOME TRUCKS, THE AIR FORCE IS LOANING A FEW HELICOPTERS, AND THE NAVY IS PROFERRING TECHNICAL ASSITANCE. PRESSURES FOR THE MILITARY TO TAKE A MORE ACTIVE ROLE ARE STRONG AND WILL INTENSIFY IF MORE INCIDENTS OCCUR, PARTICLUARLY POWER OUTAGES IN LIMA CAUSED BY SENDERO BOMBS. ONE KEY DECISION POINT WILL BE THE EXPIRATION OF THE CURRENT STATE OF EMERGENCY, AT THE BEGINNING OF MAY. IF POLICE PERFORMANCE IMPROVES SIGNIFICANTLY--WHICH WILL REQUIRE



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PAGE 01 LIMA 04194 03 OF 03 241437Z ACTION SY-05

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P R 232043Z APR 82
FM AMEMBASSY LIMA
TO SECSTATE WASHDC PRIORITY 2135
INFO AMEMBASSY BOGOTA
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DIA WASHDC
USCINSO QUARRY HTS PN

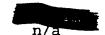


SECTION 3 OF 3 LIMA 4194

PANAMA FOR ADS

DIA FOR IR BRANCH



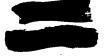


Case Number: S200200010

Page: 7

BOTH GREATER LUCK AND GREATER EFFORT--WE EXPECT THE PRESIDENT WILL EITHER SIMPLY RENEW THE DECLARATION OR, IF THE ITUATION SEEMS DRAMATICALLY BETTER, EVEN ALLOW THE STATE OF EMERGENCY TO EXPIRE. ON THE OTHER HAND, "MORE OF THE SAME" FROM THE POLICE WILL MAKE "MORE OF THE SAME" FROM THE PRESIDENT A VERY DIFFICULT OPTION.

12. THIS TIE AROUND, BELAUNDE'S MANAGEMENT OF THE GOVERNMENT AND HIS APPRECIATION OF THE POLITICAL ENVIRONMENT SHOW QUITE CLEARLY THAT HE DID LEARN FROM HIS PAST MISTAKES. ON OTHER MATTERS--NOTABLY THE BORDER CLASH WITH ECUADOR IN EARLY 1981, AND THE POTENTIALLY EXPLOSIVE ISSUE OF PETROLEUM CONTACTS--BELAUNDE DEMONSTRATED CONSIDERABLE SKILL INDEALING WITH THE



PAGE 02

LIMA 04194 03 OF 03 241437Z

MILITARY. NOW, ALTHOUGH THE FALKLAND ISLANDS CRISIS IS CURRENTLY DIVERTING ATTENTION, THE CONSENSUS CONTINES TO GROW THAT IT IS TIME FOR THE ARMY TO BE CALLED IN TO DEAL WITH SENDERO LUMINOSO--EVEN AMONG THE PARTISIANS OF SECOND VICE PRESIDENT ALVA ORLANDINI, WHOSE AFFECTION FOR AND TRUST OF THE MILITARY ARE MINIMAL. WE WOULD BE VERY SURPISED IF THE PRESIDENT WERE INSENSITIVE TO THIS.

- PRIVATE STATEMENTS ON TERRORISM OF LATE CONSISTENTLY DOWNPLAY THE SERIOUSNESS OF THE THREAT, TO AN EXTENT THAT GOES BEYOND WHAT IS JUSTIFIED TO COUNTERBALANCE MEDIA HYSTERIA AND WHAT IS UNDERSTANDABLE TO FOSTER DOMESTIC AND INTERNATIONAL CONFIDENCE IN PERUVIAN STABILITY. HE CLEARLY DOES NOT WANT TO PUT THE ARMY IN CHARGE. HE MAY HAVE TO, HOWEVER, IF HE AND INTERIOR MINISTER GAGLIARDI FAIL TO TAKE DECISIVE MEASURES NOW TO ENSURE SIGNIFICANTLY BETTER PERFORMANCE BY THE POLICE. SUCH MEASURES MIGHT INCLUDE, FOR EXAMPLE, A REQUEST BY BELAUNDE THAT THE MILITARY PROVIDE MORE LOGISTICS SUPPORT AND SHARE INTELLIGENCE INFORMATION. BELAUNDE IS UNDOUBTEDLY AWARE OF THE NEED FOR BETTER PERFORMANCE BY THE POLICE IF HE IS TO HOLD OFF ARMY INTERVENTION.
- 14. WHILE THE POLICE'S ABILITY TO CRUSH SENDERO LUMINOSO'S NASCENT GUERRILLA THREAT MAY BE DEBATABLE,





Case Number: S200200010

Page: 8

THAT THE MILITARY CAN DO SO IS NOT IN SERIOUS DOUBT. THE TASK WILL NOT BE AS EASY AS WAS THE CAMPAIGN AGAINST THE WOULD-BE CASTROS OF CUSCO IN THE SIXTIES, HOWEVER, NOR WILL THE ARMY WIN PEOPLE'S HEARTS AND MINDS AS IT SWEEPS THROUGH THE HIGHLANDS. HEAVY-HANDED REPRESSION WULD BLACKEN THE GOP'S GOOD HUMAN



PAGE 03

LIMA 04194 03 OF 03 241437Z

RIGHTS RECORD, AS WELL AS CREATE CONDITIONS WHICH MORE ORTHODOX REVOLUTIONARIES COULD LATER EXPLOIT, WITH CUBAN SUPPORT IF CONDITIONS CHANGE. EVEN IF THE ARMY SHATTERED SENDERO'S PRESENCE IN AYACUCHO AREA, SOME BOMB-THROWING ("PETARDISMO") WOULD CONTINUE IN LIMA AND ELSEWHERE. ONCE COMMITTED TO ELIMIATING "TERRORISM", THE ARMY WOULD FIND IT HARD TO RETURN TO THE BARRACKS UNTIL EVEN SUCH REMNANTS WERE STAMPED OUT--A MUCH MORE PROBLEMATIC OUTCOME.



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