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C O N F I D E N T I A L SECTION 01 OF 02 LIMA 9264

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TAGS: PTER, SHUM, ASEC, PE

SUBJECT: SENDERO LUMINOSO: AN UPDATE

REFS(A) LIMA 8396; (B) 83 LIMA 7909; (C) LIMA 8617;
(D) LIMA 8804 (E) 83 LIMA 12039

1. C ENTIRE TEXT.

2. SUMMARY : SENDERO LUMINOSO (SL) CONTINUES TO BE A MAJOR
FACTOR CONDITIONING POLITICAL AND PSYCHOLOGICAL ENVIRONMENT IN
PERU. TERRORIST THREAT IN COUNTRY, HOWEVER, IS NOT UNIFORM.
WITHIN THE (13) PROVINCE) SOUTH CENTRAL SIERRA "EMERGENCY ZONE"
(EZ). SITUATION CONTINUES RELATIVELY UNCHANGED, WITH SECURITY
FORCES MAINTAINING UPPER HAND IN CITY OF AYACUCHO BUT UNABLE

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TO GUARANTEE SAFETY OF RURAL POPULATION IN SMALL COMMUNITIES

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United States Department of State
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SCATTERED THROUGHOUT ZONE. VIOLENCE IN UPPER HUALLAGA CONTINUES TO SPREAD, WHILE GOP AWARENESS OF TWIN DANGERS POSED THERE BY SENDERO AND NARCOTICS TRAFFICKER PRESENCE HAS NOT, TO DATE, RESULTED IN FULLY EFFECTIVE ACTION. OUTSIDE OF LIMA AND OTHER MAJOR URBAN AREAS, SENDERO ACTIVITY CONSISTS MOSTLY OF LOW LEVEL VIOLENCE THAT IS CAUSE FOR CONCERN OVER LONGER TERM. POLICE IN CAPITAL AND LARGER CITIES HAVE SUCCESSFULLY BROKEN UP TERRORIST ORGANIZATIONS BEFORE THEY COULD TAKE FIRM ROOT. THEY HAVE NOT, HOWEVER MADE MUCH PROGRESS IN OBTAINING USEFUL ADVANCE INTELLIGENCE TO HEAD OFF ATTACKS.

3. PSYCHOLOGICAL CLIMATE IN CAPITAL REAWAKENED TO TERRORIST DANGER WITH COUNTRYWIDE INTENSIFICATION OF SL INCIDENTS THAT BEGAN IN LATE JUNE. BUT IT WAS COORDINATED CONCERN AMONG OPINION MAKERS AND POLITICIANS. WHAT CONCERNED THEM MOST WAS NOT SO MUCH INCIDENTS THEMSELVES (DAY'S EVENTS WERE, IN FACT, FAR LESS DESTRUCTIVE THAN THOSE OF ONE YEAR AGO OR THOSE SL CARRIED OUT IN METROPOLITAN AREA DURING OCTOBER-NOVEMBER MUNICIPAL ELECTION CAMPAIGN), AS FEAR ABOUT FUTURE AND GOVERNMENT'S CAPACITY TO DEAL DE ISIVELY WITH TERRORIST PHENOMENON. SINCE JULY 16, HOWEVER, ATMOSPHERE IN CAPITAL HAS CALMED. THERE HAVE BEEN NO FURTHER SIGNIFICANT TERRORIST STRIKES, POLICE HAVE MADE FOLLOW-UP ARRESTS, AND MAJOR LOCAL SL LEADER HAS BEEN CAPTURED. PUBLIC WAS FURTHER REASSURED BY GOP'S JULY 20 ANNOUNCEMENT THAT MILITARY IS ASSUMING INCREASED ROLE IN COMBATTING TERRORISM (ALTHOUGH PRECISE NATURE OF MILITARY'S INVOLVMENT IS NOT YET CLEAR). END SUMMARY.

4. LIMA AND OTHER MAJOR URBAN AREAS. JULY 16
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TERRORIST ATTACKS IN LIMA PROVOKED AN IMMEDIATE AND SEVERE PSYCHOLOGICAL REACTION IN MIDDLE CLASS AND PROFESSIONAL ELEMENTS OF POPULATION. WHILE DAMAGE DONE (REF A) WAS NOT SEVERE IN COMPARISON WITH PREVIOUS SENDERO HITS, PEOPLE IN GENERAL WERE MORE AROUSED AND SCARED BY THEM. JULY 1984 STRIKES BROUGHT HOME TO PEOPLE THAT SENDERO HAD CAPACITY TO REGENERATE. NO MATTER HOW MANY ARRESTS POLICE MADE, THREAT CONTINUED TO REAPPEAR. ADDITIONALLY, JULY 16 VIOLENCE IN LIMA FOLLOWED ON HEELS OF STEPPED UP ATTACKS IN RURAL AREAS OF EMERGENCY ZONE (SEE BELOW), WHICH WERE

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OBVIOUSLY NOT YET PACIFIED. MOST IMPORTANTLY, PERHAPS, IT HAS BECOME INCREASINGLY CLEAR IN LIMA RESIDENTS THAT SL IS NOW ENSCOUNDED TO A SIGNIFICANT DEGREE IN THE UPPER HUALLAGA REGION, A NEW AREA OF OPERATION GEOGRAPHICALLY REMOTE FROM TERRORIST'S BASE IN SOUTH CENTRAL SIERRA. JULY 16 LIMA BOMBINGS THUS SERVED AS CATALYST FOR MORE GENERAL FEARS ABOUT SENDERO.

5. IT WAS AGAINST THIS BACKGROUND THAT MINISTER OF INTERIOR PERCOYICH ANNOUNCED JULY 20 THAT MILITARY WOULD TAKE ON A GREATER ROLE IN ANTISUBVERSIVE EFFORT. THIS ANNOUNCEMENT, TOGETHER WITH FACT THAT SL WAS UNABLE TO FOLLOW UP ON JULY 16 DEPRADATIONS IN LIMA, HAD A CALMING EFFECT ON POPULARCE. LIMA WOUND UP CELEBRATING PERUVIAN INDEPENDENCE IN STYLE, ADDING A THIRD DAY THIS YEAR (JULY 27) TO CUSOMARY TWO (28-29)TH) INORDER TO COMMEMORATE 150TH ANNIVERARY BIRTHDATE OF NAVAL HERO ADMIRAL MIGUEL GRAU. IMPRESSIVE NAVAL DISPLAY ATTRACTED LARGE CROWDS TO HEIGHTS OVERLOOKING CITY'S BEACHES. COMPLEMENTING NAVAL UNITS GIVEN SPECIAL ATTENTION IN MILITARY PARADES HELD IN CITY CENTER. PARADE SECURITY WAS TIGHT AND PARTICIPATION BY STUDENTS FROM CITY'S SCHOOLS (A TRADITIONAL ELEMENT OF INDEPENDENCE DAY PARADES) WAS CANCELED AT LAST MINUTE. NEVERTHELESS, MOOD WAS FESTIVE. ALTHOUGH CITY POLICE FORCES LOCATED UNEXPLODED STICKS OF DYNAMITE AND "HOMEMADE
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BOMBS~ AT SEVERAL LOCATIONS, ACTUAL VIOLENT INCIDENTS WERE FEW. AN SL SQUAD THREW DYNAMITE ON ROOF ON ONE POLICE STATION (LA VICOTRIA DISTRICT) FROM OVER-LOOKING HILL JULY 27; ONE CIVIL GUARD (POLICEMEN) WAS SLIGHTLY WOUNDED. TWO INCIDENTS OCCURRED FOLLOWING NIGHT (28TH): ATTEMPTED FIRBOMBING OF FURNITURE FACTORY ON "CE TRAL HIGHWAY" OUTSIDE CITY (DAMAGE ESTIMATED AT APPROXIMATLY \$40,000) AND TWO DYNAMAITE EXPLOSIONS AT ENTRY TO CANNED MILK WAREHOUSE IN PORT OF CALLAO. MORE SIGNIFICANT TERRORIST-RELATED NEWS IN CITY HAD TO DO WITH SERIES OF PRESS ARTICLES CONCERNING ARREST OF LAURA ZAMBRANO ("CAHARADA MECHER"), AN ALMOST LEGENDARY SL LEADER ASSOCIATED WITH EVERY MAJOR INCIDENT TO HAVE OCCURRED IN LOCAL AREA OVER LAST YEAR. HER FACE REAPPEARED IN NEWSPAPERS REGULARLY AS A PRIME SUSPECT AFTER ALL SUCH EVENTS. BUT THE WOMAN WHOSE FINGERPRINTS IDENTIFIED

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HER AS THE LONG-SOUGHT TERRORIST LEADER WAS TIRED AND OLD BEYOND HER 39 YEARS. SHE HAD BEEN CAPTURED BY LUCK, IN A ROUTINE ARREST. EQUALLY ROUTINELY, POLICE CHECKED HER OUT AFTER INITIAL INCONCLUSIVE QUESTIONING. (COMMENT: THE POLICE'S ADOPTION OF SUCH "ROUTINE" BASIC PROCEDURES HAS BEEN A KEY ELEMENT IN THEIR SUCCESS.) SHE APPARENTLY CONFIRMED WHAT LIMA OBSERVERS LONG SINCE HAD NOTED--THE QUALITY OF SENDERO ACTIVISTS IN CITY IS SHARPLY DOWN. POLICE HAVE HAD LITTLE DIFFICULTY IN MAKING QUICK ARRESTS OF RAW RECRUITS SENDERO HAS USED IN IMPROVISED ATTACKS. POLICE CONSIDER, FOR EXAMPLE, THAT THEY ALREADY HAVE "SOLVED" JULY 28 FIREBOMBING INCIDENT, AS WELL AS JULY 16 AEROFLOT OFFICE ATTACK.

6. THE PATTERN ESTABLISHED IN LIMA HOLDS TRUE FOR MOST OF PERU'S LARGER CITIES (TRUJILLO, CHICLAYO, CHIMBOTE, HUARAZ, ICA, PISCO, AREQUIPA). IN ALL SUCH CASES,
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SENDERO HAS ENJOYED INITIAL, BUT BRIEF "SUCCESS." POLICE REACTION HAS NOT BEEN UNIFORMLY SWIFT, BUT WHETHER IN DAYS OR WEEKS, POLICE IN URBAN AREAS HAVE MANAGED TO IDENTIFY AND CAPTURE MOST OF THOSE RESPONSIBLE FOR PLANTING OR THROWING DYNAMITE, USUALLY AT TARGETS SUCH AS BANK OFFICES AND ELECTRICAL TRANSMISSION TOWERS. OF ALL CITIES LISTED ABOVE, ONLY TRUJILLO SUFFERED A (TWO MINUTE) BLACKOUT OVER INDEPENDENCE DAY WEEKEND.

7. THE EMERGENCY ZONE(EZ). IN TEST OF MILLS, SENDERO AND EZ POLITICAL MILITARY COMMAND TURNED NATIONAL HOLIDAY CELEBRATION INTO DIRECT CONFRONTATION IN CITY OF AYACUCHO. RESULT WAS A STAND OFF. 54 HANDBILLS CIRCULATED IN CITY ON JULY 26, CALLING FOR 72-HOUR GENERAL STRIKE TO COINCIDE WITH JULY 27-29 FESTIVITIES. ZONE COMMANDER GENERAL ADRIAN HUAMAN ORDERED TRADITIONAL MILITARY PARADE, INCLUDING COMPLEMENT OF SOME 5,000 SECONDARY SCHOOL STUDENTS (I.E. THOSE BARRED FROM LIMA EVENT), TO PROCEED AS SCHEDULED. HUAMAN ALSO ORDERED ALL PUBLIC EMPLOYEES TO ATTEND. AMIDST TIGHT SECURITY, PARADE IN FACT TOOK PLACE BEFORE CHEERING CROWDS. THERE WERE NO INCIDENTS. NEITHER, HOWEVER, WAS THERE MUCH COMMERCE OR TRANSPORTATION IN CITY, AS MOST BUSINESSES STAYED SHUT AND NOT ALL BUSES APPEARED ON STREETS. THIS

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P 081713Z AUG 84
FM AMEMBASSY LIMA
TO SECSTATE WASHDC PRIORITY 7532
INFO AMEMBASSY BOGOTA
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AMBASSY LA PAZ 8013
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INCLONCLUSIVE PICTURE REPRESENTS, HOWEVER, SIGNIFICANT
PROGRESS OVER SITUATION ONE YEAR AGO. SENDERO'S 48-HOUR
STIKE CALL (JULY 25-26) THEN WAS COMPLETE SUCCESS,
COUNTING EVEN ON "PARTICIPATION" OF GOVERNMENT OFFICES
AND SCHOOLS (WHICH CLOSED) AND ON AIRLINES (WHICH NEITHER
FLEW INTO OR OUT OF CITY). HUAMAN DEMONSTRATED THAT
SECURITY FORCES CAN AND DO MAINTAIN ORDER NOW IN EZ'S
CAPITAL, REGARDLESS OF SENDERO'S CONTINUING HOLD --WHETHER
THROUGH LOVE OR FEAR--OVER LOCAL POPULATION.

B. BUT WHILE FORCE OF ARMS KEEPS PUBLIC ORDER IN
AYACUCHO, ELESEWHERE IN ZONE SECURITY REMAINS TENUOUS.
WORST KILLING INCIDENTS ARE CONCENTRATED IN (NORTHER
AYACUCHO DEPARTMENT) PROVINCES OF HUANTA AND LA MAR.
DAILY PRESS REPORTS (OF WHICH MANY ARE SUBSTANTIALLY

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TRUE) DESCRIBE GROUP MASSACRES OF CAMPESINOS AND ARMED
ENCOUNTERS BETWEEN SENDERISTAS AND SECUTIY FORCES.

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SOME ACCOUNTS DEAL WITH SOVIETS AND SECURITY FORCES. SOME ACCOUNTS DEAL WITH SENDERO LED COMMUNAL ATTACKS, SUCH AS ONE OCCURRING JULY 28 IN DISTRICT OF LURICOCHA (HUANTA). NINE REPORTEDLY DIED THERE, VICTIMS OF BEATINGS OR STABBING, WHILE ATTACKERS MADE OFF WITH VILLAGERS' CATTLE. OTHER PRESS ACCOUNTS DESCRIBE DEFFERENT KIND OF DISTRANCE SOUTH OF HUANTA (CITY) IN A COMMON GRAVE, TESTIFYING TO FACT THAT AT LEAST SOME OF THOSE WHO DIE IN ZONE DO SO IN MORE METHODOICAL FASHION. PATTERS OF VIOLENCE ELSEWHERE IN ZONE ARE UNEVEN. INCIDENTS CONTINUE TO BE REPORTED IN SCATTERED LOCALITIES IN "TRADITIONAL" SL HEARTLAND (AYACHUCHO DEPARTMENT PROVINCES OF HUAMANGA, CANGALLO, AND VICOTR FAJARDO). MORE RECENTLY, SL INCURSIONS HAVE TAKEN PLACE IN LUCANAS AND PARINACOCHAS-- BOTH BEING PROVINCES IN SOUTHERN AYACUCHO DEPARTMENT (FORMER INSIDE EZ, LATTER OUTSIDE) WHERE LITTLE SL ACTIVITY HAD BEEN NOTED. ANDAHUAYALS AND CHINCHEROS PROVINCES (DEPARTMENT OF APURIMAC) CONTINUE QUIET. SURPRISINGLY, SO DO ALL PROVINCES OF HUANCVELICA DEPARTMENT. AIDE FROM MORE-SYMBOLIC THAN NOT JULY 28 DYNANTE ATTACK ON JAIL AND WATER SYSTEM IN CITY OF HUANCVELICA, SENDERO---AT LEAST FOR A WHILE--IS LEAVING THIS REGION IN RELATIVE PEACE.

9. UPPPER HUALLAGA AND OTHER COCA-PRODUCING REGIONS. RECENT CABLES (LIMA 8931, 8031) DESCRIBE CONTINUING DETERIORATION OF LAW AND ORDER IN UPPER HUALLAGA VALLEY, WITH SPREADING VIOLENCE PERPETRATED BY: AT LEAST THREE DISTINCT GROUPS (SL TERRORISTS, INTERNATIONALLY-MINDED NARCOTICS TRAFFICKERS, AND LOCAL COCA GROWERS).

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ALTHOUGH SITUATION ON GROUND DEMANDS SUBSTANTIAL REINFORCEMENT OF SECURITY FORCES, GOP'S GRANT TO ARMED FORCES OF "LARGER ROLE" IN ANTITERRORIST FIGHT (REF C) HAS NOT YET RESULTED IN DEPLOYMENT OF TROOPS. TO DATE, REPONSIBILITY FOR BOTH ANTIDRUG AND ANTITERRORIST OPERATIONS IN UPPER HUALLAGA REMAINS EXCLUSIVELY WITH POLICE (SEE PARAGRAPH 11 BELOW). EXTENT OF SENDERO RECRUITING -ORGANIZING THREAT IN OTHER COCA -PRODUCING REGIONS OF PERU IS UNKNOWN. WE ARE CONCERNED SL MAY BE ACTIVE IN CUZO DEPARTMENT (REF D) AND EASTERN JUNIN, BUT DEFINITIVE EVIDENCE IS NOT AVAILABLE.

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10. REST OF THE COUNTRY. SENDERO HOT SPOTS IN OTHER PARTS OF PERU, WHILE NOT NOW REGIME THREATENING, HAVE POTENTIAL TO GROW MORE SERIOUS. FOLLOWING LIST (IN ASCENDING ORDER OF SIGNIFICANCE) UPDATES SIMILAR LIST PROVIDED REF E.

-- CUZCO. THIS DEPARTMENT PRESENTS THREE SEPARATE ZONES OF CONCERN. NORTHERN JUNGLE PROVINCE OF "LA CONVENCION" IS COCA GROWING AREA AND, BEING ADJACENT TO SL INFESTED HUANTA AND LA MAR PROVINCES IN AYACUCHO, MAY BE SUBJECT TO SPILLOVER" EFFECT. SPORADIC SL INCIDENTS RECUR IN SOUTHERN SIERRA PROVINCES OF CANCHIS, CANAS, AND ESPINAR. BUT MOST SENSITIVE SPOT IS PERU'S TOURIST CAPITAL, CITY OF CUZCO, WHERE--DESPITE POLICE EFFECTIVENESS--EVEN IMPROVISED SL INCIDENT COULD PRODUCE MAJOR PSYCHOLOGICAL COMMERCIAL IMPACT.

-- PUNO. EARLY EVENING EXPLOSIONS HIT THIS DEPARTMENT'S TWO LARGEST CITIES (PUNO AND JULIACA) ON JULY 28. TARGETS INCLUDED THE FAMILIAR (ELECTRICAL AND TELEPHONE COMPANY INSTALLATIONS) AND USUSUAL (MORMON CHURCH IN PUNO. NO INJURIES WERE REPORTED. LOW LEVEL, INTERMITTENT VIOLENCE REPRESENTS NO CHANGE FROM PATTERN REPORTED REF E.

-- LA LIBERTAD. SPARSELY POPULATED NORTHERN SIERRA PROVINCE OF SANCHEZ CARRION (ALSO KNOWN AS "HUAMACHUCO")
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IS NOTORIOUS SL HAVEN, WITH SPILLOVER EFFECT ON NEIGHBORING OTUZCO AND SANTIAGO DE CHUCO PROVINCES TO WEST. BUT TERRORIST THERE APPEAR TO ACT IN ISOLATED FASHION AND MAY SUFFER FROM POOR LOCAL LEADERSHIP.

-- PASCO. CONCENTRATED IN DEPARTMENT'S (NORTHWESTERN) PROVINCE OF DANIEL CARRION, TERRORISTS APPEAR TO BE STRIKING OUT FROM THIS BASE INTO NEIGHBORING SOUTHERN HUANUCO AND NORTHERN LIMA DEPARTMENTS AS WELL AS INTO PASCO PROVINCE TO EAST. EARLY MORNING ATTACK JULY 29 ON PIPES SUPPLYING WATER TO HYDROELECTRIC STATION AT YAUPI RESULTED IN CUTOFF OF ELECTRICITY TO DEPARTMENTAL CAPITAL (CERRO DE PASCO) MOST SIGNIFICANT OF ALL. SL'S TERRORISTS IN JUNIN'S MANTARO VALLEY TO SOUTH

-- JUNIN (MANTARO RIVER VALLEY). THIS VALLEY IS CRITICALLY IMPORTANT FOR SEVERAL REASONS: HIGH POPULATION DENSITY (INCLUDES MAJOR CITIES OF LA OROYA, JAUJA, CONCEPCION, AND HUANCAYO), ECONOMIC PROSPERITY (MINING

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AT HEAD OF VALLEY, FERTILE SOIL AND PRODUCTIVE AGRICULTURE FARTHER SOUTH, HYDROELECTRIC GENERATION, ROLE AS EXPORT EARNER (MINERALS) AND PANTRY TO LIMA (POTATOES, VEGETABLES, MILK AND DAIRY PRODUCTS, BARLEY, WHEAT, AND STRATEGIC POSITION (STRIDE LIMITED NUMBER OF RAIL AND HIGHWAY LINKS CONNECTING LIMA TO CENTRAL SIERRA AND PRODUCTIVE JUNGLE ZONE TO EAST). UNLIKE REMOTE AND POOR AYACUCHO, MANTARO VALLEY IS "NEXT DOOR" TO CAPITAL AND SHOULD SENDERO IMPLANT ITSELF THERE, POLITICAL AND ECONOMIC CONSEQUENCES WOULD BE GREAT. IN RECENT WEEKS SENDERO HAS STRUCK AT VULNERABLE POINTS THROUGHOUT LENGTH OF VALLEY, BLACKING OUT ITS CITIES (AND LIMA AS WELL ON JULY 16), AND POSING THREAT TO RAIL LINES CONNECTING REGION TO CAPITAL. POLICE ARE MAKING ARRESTS. IT IS TOO EARLY, HOWEVER, TO DETERMINE IF THESE ARRESTS INVOLVE CRITICAL SL CADRE.

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11. NEW MILITARY ROLE. WE DO NOT YET HAVE CLEAR READING ON ROLE MILITARY WILL HENCEFORTH PLAY. CHIEF OF JOINT GENERAL COMMAND, ADMIRAL ZEVALLOS NEWTON, TOLD US AUGUST 5 THAT DEPLOYMENT TO UPPER HUALLAGA, DEA CHIEF, WHO WAS IN TINGO MARIA, REPORTS THAT GROUP OF ARMY COLONELS ARE IN CITY OSTENSIBLY PREPARING WAY FOR AN ARMY PRESENCE THERE. ZEVALLOS NEWTON FURTHER TOLD US THAT NAVY WAS DOING SURVEY OF ELECTRICAL TRANSMISSION SYSTEM AND WOULD ASSUME RESPONSIBILITY FOR PROTECTING KEY INSTALLATIONS SO THAT TERRORISTS COULD NOT BLACK OUT LIMA WITH IMPUNITY. CLEARLY, CONTRIBUTION MILITARY MAKES WILL BE A KEY ELEMENT IN RESPONSE TO TERRORIST MENACE WILL BE A KEY ELEMENT IN RESPONSE TO TERRORIST MENACE IN MONTHS TO COME. BUT TIME IT IS TAKING FOR MILITARY TO ASSUME ITS WIDER ROLE INDICATES THAT INTERNAL PLANNING WAS NOT AS FAR ADVANCED AS MILITARY LEADERS, WHO CLAIMED THEY WERE ONLY AWAITING A POLITICAL GREEN LIGHT, WERE ASSERTING PRIOR TO JULY 20. IT MAY ALSO BE THAT CLEAR AND MUTUALLY ACCEPTABLE GROUND RULES FOR MILITARY OPERATIONS HAVE NOT YET BEEN CONCLUDED BETWEEN ARMED FORCES AND PRESIDENTIAL PALACE.

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