CONFIDENTIAL SECTION 01 OF 02 LIMA 3995

PANAMA FOR ADS

DIA FOR IR BRANCH

E 0 12356 DECL: OADR
TAGS: PTER, PINS, PE

SUBJ: (C) PERU: SENDERO LUMINOSE TERRORIST COUNTERATTACK

REFS: (A) LIMA 3560; (B) LIMA 3177 (NOTAL); (C) LIMA 2945 (NOTAL).

1. (C) SUMMARY: ENTRY OF THE MILITARY FORCES INTO THE PERUVIAN SOUTH CENTRAL HIGHLANDS DID NOT RESULT IN THE SPEEDY DEFEAT OF THE MAOIST SHINING PATH (SL) SOME EXPECTED. THE TERRORISTS' APPARENT ROUT DURING THE FIRST QUARTER GAVE THE GOVERNMENT A NEEDED PSYCHOLOGICAL BOOST AND REVEALED HOW PRECARIOUS SL'S CONTROL OVER THE "LIBERATED ZONES" HAD BEEN. BUT, CASUALTY FIGURES ASIDE, SL'S FANATICAL LEADERSHIP...
APPARENTLY REMAINS INTACT AND THE VIOLENCE-WRECKED HIGHLANDS ARE STILL NOT PACIFIED. INCIDENTS ATTRIBUTABLE TO SL ACTION ARE AGAIN BEGINNING TO MOUNT. THIS COULD SET THE STAGE FOR THE MILITARY TO PARTICIPATE IN COMBAT DIRECTLY AND--SHOULD FRUSTRATIONS GROW--TO AN UPPING OF THE ANTE BY THE SECURITY FORCES. END SUMMARY.

2. (NG) SL'S COUNTERATTACK CAN BE DATED FROM THE BEGINNING OF APRIL. THE COMMUNAL MASSACRES AT LUCANAMARCA AND HUANCASANCOS (REFEL A) OCCURRED ON THE 3RD. ACCORDING TO SUBSEQUENT REPORTS THE MEMBERS OF THE ATTACKING MOB WERE SAID TO FOLLOWED BY MORE THAN 100 CAMPESINOS FROM ANOTHER COMMUNITY. THE SURVIVORS ATTEMPTED THE ATTACK TO SL'S DESIRE TO SETTLE SCORES OPENED IN FEBRUARY, WHEN THE VILLAGERS TOOK ADVANTAGE OF THE RETURN OF GOVERNMENT FORCES TO KICK SENDERO OUT, KILLING SEVEN IN THE PROCESS.

3. (PLN) BUT, ASIDE FROM THIS UNIQUE INSTANCE OF MASS KILLING, OTHER EVENTS SINCE THE BEGINNING OF THE MONTH SHOW A PATTERN OF RENEWED SL ACTIVITY ALONG "TRADITIONAL" LINES. APRIL 8, AN ORGANIZED AND WELL ARMED SL GROUP ATTACKED A LIGHTLY DEFENDED POLICE POST MANNED BY THE GUARDIA REPUBLICANA (GR) NEAR AYACUCHO. THREE POLICEMEN WERE KILLED, AND THE TERRORISTS MADE OFF WITH THEIR WEAPONS. IN SUCCESSING DAYS THE SL ATTACKED A NUMBER OF UNDEFENDED, ISOLATED COMMUNITIES AND, IN THE CUSTOMARY MANNER, EXECUTED SELECTED VICTIMS AFTER STAGED "PEOPLE'S TRIALS". FOUR DIED IN CHUSCHI (CANGALLO PROVINCE, AYACUCHO), ALSO ON APRIL 8: TWO TEACHERS WERE KILLED IN USPITE (VICTOR FAJARDO PROVINCE, AYACUCHO), ON THE 11TH; TWO ELDERLY VICTIMS WERE SHOT, THEN BURNT CONFIDENTIAL CONFIDENTIAL

IN SATICA (CANGALLO, AYACUCHO) ON APRIL 13; ON THE 14TH A FILLAGER IN SACSABAMBA (HUAMANGA, AYACUCHO) WAS SHOT; TWO MORE TEACHERS DIED ON THE 14TH, ONE IN SOCOS (HUAMANGA) AND THE OTHER IN PARAS (CANGALLO); AND ONE MORE VILLAGER ON APRIL 16--APONGO (VICTOR FAJARDO).

4. (PLN) IN THE SAME PERIOD, SL STEPPED UP ITS ACTIVITIES OUTSIDE THE FORMAL EMERGENCY ZONE. THE MARCH 25 ATTACK ON THE CUSCO BNC (REF B) WAS FOLLOWED BY A MARCH 29 BOMBING OF A BANK, AN APRIL 10 BOMBING OF A DOWNTOWN CUSCO FLAG RAISING CEREMONY, AND, AN APRIL

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13 DYNAMITING OF THE BUILDING HOUSING THE REGIONAL PERUVIAN INVESTIGATIVE POLICE (PIP) HEADQUARTERS. SL TERRORISTS IN AREQUIPA FOLLOWED UP THEIR MARCH 21 BOMBING OF THE BNC THERE (REF C) WITH AN APRIL 2 ASSAULT ON A LOCAL RADIO STATION—INPTING REGULAR BROADCASTING TO SUBSTITUTE RECORDED CALLS TO JOIN THE ARMED STRUGGLE. IN HUANCAYO PROVINCE, WHERE THREE VILLAGERS DIED ON APRIL 2 (REF A), TERRORIST THREATENED TO KILL A LISTED GROUP OF PEOPLE, INCLUDING HUANCAYO'S MAYOR AND THE DEPARTMENTAL PREFECT (OF JUNIN) AND, ON
APRA-LEANING "CORREO" AND EX-PREMIER MANUEL UULLOA'S "EXPRESO" CALLED FOR REVERSING THE CURRENT POLICY THAT HS THE
POLICE IN THE ANTI-TERRORIST FRONT LINE AND THE MILITARY IN A BACK-UP POSITION. CONSERVATIVE "PRENSA" ADMONISHED THAT "THIS IS NOT THE TIME TO GET SUBMERGED IN HAMLETIAN DOUBTS". SENSATIONALIST REPORTING OF ALLEGED TERRORIST ATTEMPTS TO CARRY OUT MORE COMMUNAL MASSACRES AND TO POISON AYACUCHO'S WATER SUPPLY UNDERLINE THAT RENEWED THEME OF A TERRORIST MENACE, AGAINST WHICH MORE VIGOROUS GOVERNMENT ACTIONS BECOME NECESSARY.

6. TERRORIST VICTORIES OF FEBRUARY AND MARCH WERE OVER THE PRODUCT OF A REINTRODUCED GOVERNMENT PRESENCE INTO A ZONE PREVIOUSLY ABANDONED TO ITS OWN DEVICES THAN THE RESULT OF A COMBINED APPROACH OF SOCIAL-ECONOMIC REFORM AND BRILLIANT TACTICAL MANEUVERS. TO THIS MUST BE ADDED SENDERO'S OWN ERRORS IN CREATING ENEMIES AMONG THE LOCAL POPULACE. NOW GOVERNMENT FORCES MUST FACE A RETRENCHED SL WHOSE UNCAPTURED CADRES, FORTIFIED BY YEARS OF EXPERIENCE IN THE HIGHLANDS, DEMONSTRATE A CAPACITY TO FIGHT BACK AND ENDURE.

7. (CONFIDENTIAL) BOTH POLICE AND ARMED FORCES ARE MAKING EFFORTS TO WIN FRIENDS AMONG THE ZONE POPULATION THROUGH PROGRAMS DISTRIBUTING FOOD, MEDICINE, AND CLOTHING TO IMPOVERISHED VILLAGERS. THE MILITARY COMMAND APPEARS AWARE OF BASIC TACTICAL SHORTCOMINGS, SUCH AS LACK OF COMMUNICATION GEAR AMONG POLICE UNITS.

8. (CONFIDENTIAL) BUT GROWING FRUSTRATION WILL INCREASE THE TEMPTATION TO USE SUPERIOR FIREPOWER. EXAGGERATED LEFTIST PRESS REPORTS OF AIR FORCE (FAP) "BOMBING" OF RURAL COMMUNITIES OBSCURE THE FACT OF A QUANTUM ADVANCE IN THE FAP'S "SUPPORT" ROLE. ARRESTS ALSO'RE ON THE UP SWING, THESE COULD BE THE PRODUCT OF IMPROVED INTELLIGENCE OR POLICE WORK. BUT TO BREAK THE BACK OF SL, THE LEADERSHIP--NOT AS SEEMS LIKELY, PERIPHERAL FIGURES--MUST BE IDENTIFIED, LOCATED AND PICKED UP. ORTIZ