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INFO LOG-88
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  E.O. 12355: DECL: OADR
 TAGS: PTER, PHUM, ASEC, ALOW, CASC, PE
  SUBJECT: TERRORIST LEADER ARRESTED
  REF: 85 LIMA 7391/
      CONFIDENTIAL - ENTIRE TEXT.
      SUMMARY: PERUVIAN AUTHORITIES HAVE
  ARRESTED THE SENDERO LUMINOSO LEADER THEY
  CONFIDENTIAL
  CONFIDENTIAL
                  LIMA 07801 092309Z
  PAGE 02
  BELIEVE WAS RESPONSIBLE FOR THE JUNE 25.
  1986 BOMBING OF THE MACHU PICCHU TOURIST
  TRAIN THAT KILLED TWO AMERICAN CITIZENS.
  THE SUSPECT, WALTER VICTOR PALACIOS
  GUTIERREZ, WAS SERIOUSLY WOUNDED DURING
   THE ARREST AND IS NOW HOSPITALIZED IN CUZCO.
   THE AMOUNT OF HARD EVIDENCE AGAINST PALACIOS
   REMAINS TO BE SEEN. END SUMMARY.
       POST HAS CONFIRMED THAT WALTER VICTOR
   PALACIOS GUTIERREZ. ARRESTED JULY 5. 1987
IN CUZCO (SEPTEL). IS CONSIDERED ST
PERUVIAN AUTHORITIES TO BE THE MASTERMIND
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DEEIND NUMEROUS TERRORIST ATTACKS IN THE CUZCO AREA, INCLUDING THE TRAIN BOMBING (REFTEL). PALACIOS, 34, HAS BEEN IDEN-CONFIDENTIAL

87 LIMA 7881

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TIFIED BY PERU'S ANTI-TERRORISM POLICE UNIT (DIRCOTE) AS THE SENDERO LUMINOSO MILITARY LEADER FOR THE CUZCO ZONE.

4. ALSO KNOWN AS "CAMARADA SEBASTIAN"
AND "CHACAL (JACKAL) DE LOS ANDES."
PALACIOS REPORTEDLY PUT UP STRONG
RESISTANCE AND WAS SERIOUSLY WOUNDED
DURING THE ARREST. HE UNDERWENT
SURGERY IN A CUZCO HOSPITAL WHERE HE IS
UNDER HEAVY GUARD. HIS CONDITION IS
STILL SERIOUS, BUT NEWSPAPER REPORTS
INDICATE HE IS EXPECTED TO RECOVER.

5. DURING THE JULY 3-5 POLICE CPERATION THAT CAPTURED PALACIOS. TEN OTHER SL MEMBERS WERE ARRESTED, INCLUDING NICANOR CONFIDENTIAL CONFIDENTIAL

PAGE 03 LIMA 27621 0923092
LA ROSA DIAZ, IDENTIFIED IN PRESS
REPORTS AS SL POLITICAL LEADER FOR CUZCO.
ACCORDING TO DIRCOTE, POLICE RECOVERED
TWO SUBMACHINE GUNS, THREE REVOLVERS,
170 STICKS OF DYNAMITE, SEVERAL CASES OF
AMMUNITION, AND SENDERO PROPAGANDA.

6. IN ADDITION TO THE TRAIN EDMBING,
PALACIOS IS ACCUSED OF ATTACKS AGAINST
FIVE POLICE STATIONS, TWO TRAIN STATIONS,
AND TWO PEASANT COMMUNITIES BETWEEN
APRIL 1966 AND MAY 1967.
7. COMMENT: IT REMAINS UNCLEAR HOW
HARD THE POLICE EVIDENCE AGAINST PALACIOS
IS, PARTICULARLY IN TERMS OF THE MACHU
PICCHU TRAIN ATTACK. WE WILL BE ON THE
LOCKOUT FOR ADDITIONAL INFORMATION.

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