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EXCISE

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Department of State TELEGRAM

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ACTION ARA-16

INFO	OCT-00	COPY-01	ADS-00	AID-07	INR-10	SS-10	CIAE-00
EB-08	DODE-00	H-01	EXIM-06	NSC-01	NSAE-00	COME-00	
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PA-01	CEA-01	OMB-01	STR-14	SIL-01	AGRE-01	FRB-03	
JUS-01	USIE-00	SP-02	SNP-01	PRS-01	/127 W		

P 02225Z SEP 83  
FM AMEMBASSY LIMA  
TO SECSTATE WASHDC PRIORITY 857  
INFO AMEMBASSY LA PAZ  
AMEMBASSY QUITO  
AMEMBASSY SANTIAGO

DEPARTMENT OF STATE A/CDC/MR  
REVIEWED by Pugh DATE OCT 3 1983

RELEASE  
 EXCISE  
 DENY  
 FOLIO or PA exemptions  
 DECLASSIFY  
 DECLASSIFY in PART  
 Non-responsive info. *deleted*  
 CLASSIFY  
 DOWNGRADE TS to ( ) S or ( ) C, OADR

SECRET SECTION 01 OF 04 LIMA 9213

E.O. QWETYC DECL: OADR  
TAGS: PGOV, PTER, ECON, MILI, PE  
SUBJECT: PERU: ASSESSMENT OF SHORT TERM PROSPECTS

- REFS: A) STATE 241033N(NOTAL);
- B) LIMA 8980;N
- C) LIMA 8432;N
- D) LIMA 8707;N

- SECRET - ENTIRE TEXT
- SUMMARY: PERU IS PASSING THROUGH WHAT IS CERTAINLY ITS MOST DIFFICULT PERIOD SINCE RETURN TO CONSTITUTIONAL GOVERNMENT IN 1980. POLICY MAKERS DID NOT ANTICIPATE DEPTH OF CURRENT ECONOMIC CRISIS OR RESISTANCE TO NEEDED AUSTERITY MEASURES; THEY COULD NOT HAVE PREDICTED RECENT DEVASTATING FLOODS IN NORTH AND DROUGHT IN SOUTH; AND FOR LONG TIME THEY UNDERESTIMATED THREAT POSED BY SENDERO LUMINOSO (SL). GOVERNMENT LEADERS HAVE NOT SUCCEEDED IN RECENT MONTHS IN PROJECTING IMAGE OF

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BEING FIRMLY IN CHARGE

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SECURITY FORCES APPARENTLY SUCCEEDED RECENTLY  
IN DAMAGING SENDERO LUMINOSO (SL) STRUCTURE IN LIMA  
AND ELSEWHERE, BUT UNLESS TOP LEADER SHIP IS CAPTURED,  
CURRENT LULL IN TERRORIST ACTIVITY IN LIMA MAY PROVE NO  
MORE THAN RESPITE. TERRORISTS REMAIN ACTIVE IN SEVERAL  
IMPORTANT SOUTH-CENTRAL PROVINCES.

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LUMINOSO PRESENTS ONLY SIGNIFICANT RISK TO SURVIVAL OF SYSTEM  
AND PROBABLY WILL DO ITS BEST TO SABOTAGE FORTHCOMING  
ELECTORAL PROCESS. BY INFLECTING ESCALATION AMOUNT  
OF DAMAGE ON LIMA  
INSTALLATIONS AND PEOPLE, TERRORISTS COULD PROVOKE  
CLAMOR FOR MILITARY TO TAKE OVER TO ISSURE PUBLIC ORDER.  
IF THIS DEVELOPS, WE BELIEVE ARMED FORCES WILL DEMAND AND  
OBTAIN A FREER HAND TO DEAL WITH TERRORISTS RATHER THAN

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SEIZE POWER. END SUMMARY.

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JUS-01	USIE-00	SP-02	SNP-01	PRS-01	/127 W		
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P R 022225Z SEP 83  
 FM AMEMBASSY LIMA  
 TO SECSTATE WASHDC PRIORITY 0858  
 INFO AMEMBASSY LA PAZ  
 AMEMBASSY QUITO  
 AMEMBASSY SANTIAGO

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8. NATURE OF SENDERO LUMINOSO'S JULY ATTACKS IN LIMA  
FUNDAMENTALLY ALTERED THE TERRORISM EQUATION. THEY  
SUCCEEDED FOR FIRST TIME IN SCARING PEOPLE BADLY IN  
CITY WITH BULK OF PERU'S WEALTH AND ALMOST ALL ITS  
POLITICAL POWER. MOST IMPORTANT RESULT THUS FAR HAS  
BEEN TO INCREASE SUBSTANTIALLY PRESSURES ON GOP TO BE MORE  
AGGRESSIVE IN COMBATING TERRORIST MENACE. PRESSURES  
EMANATE NOT ONLY FROM ELITE, BUT ALSO FROM AVERAGE  
CITIZENS WHOSE LIVES ARE DISCOMBOBULATED BY BLACKOUTS,  
ETC., AND WHO FEAR BECOMING INNOCENT VICTIMS OF A  
SENDERO CAPER. AT DARKEST MOMENTS IN JULY SENIOR  
POLITICAL FIGURES WERE SAYING IN PRIVATE THAT SURVIVAL  
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OF DEMOCRATIC SYSTEM IN PERU DEPENDED ON GOVERNMENT'S  
SUCCESS IN STOPPING SENDERO. THEIR CONCERN WAS THAT IF  
TERRORISTS WERE TO CONTINUE TO BE ABLE TO ATTACK WITH  
APPARENT IMPUNITY TARGETS OF THEIR OWN SELECTION IN  
LIMA, MILITARY MIGHT SEE ITSELF OBLIGED TO STEP IN TO  
PRESERVE PUBLIC ORDER.

9. POLICE INVESTIGATIVE EFFORTS IN LATE JULY AND  
EARLY AUGUST WERE APPARENTLY HIGHLY SUCCESSFUL AND  
RESULTED IN CAPTURE OF SIGNIFICANT NUMBER OF SL (11 OF  
18 SPECIAL DETACHMENT) COMMANDOS AND IN DISRUPTING SL  
NETWORK IN LIMA. SINCE ATTACK ON MORAFLORES PIP STATION  
JULY 25, THERE HAVE BEEN NO FURTHER TERRORIST ATTACKS

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JUS-01 USIE-00 SP-02 SNP-01 PRS-01 /127 W  
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P R 022225Z SEP 83  
FM AMEMBASSY LIMA  
TO SECSTATE WASHDC PRIORITY 0859  
INFO AMEMBASSY LA PAZ  
AMEMBASSY QUITO  
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IN LIMA, LULL HAS PERMITTED POLITICAL ATMOSPHERE TO DECOMPRESS SOMEWHAT. SECURITY FORCES, THOUGH, HAVE NOT YET SUCCEEDED IN KILLING OR CAPTURING MEMBERS OF SENDERO NATIONAL LEADERSHIP. ORGANIZATION SEEMINGLY RETAINS CAPABILITY TO REGENERATE WHERE IT HAS SUFFERED DEFEATS AND REMAINS ACTIVE IN SEVERAL IMPORTANT PROVINCES. SENDERO'S COMMAND STRUCTURE HAS RENDERED EFFORTS BY GOVERNMENT FORCES TO OBTAIN PRIOR INTELLIGENCE ON TERRORIST STRIKES UNAVAILING. UNTIL NOW, POLICE HAVE BEEN LIMITED, AT LEAST IN LIMA, TO REACTING EFFECTIVELY IN AFTERMATH OF TERRORIST ACTIONS. WE CANNOT BE SURE HOW LONG IT WILL TAKE FOR SENDERO TO RECONSTRUCT ITS CADRES AND REINITIATE OPERATIONS IN LIMA, ALTHOUGH BEST GUESS IS THAT IT MAY TAKE A FEW MONTHS. IF AND WHEN SL LAUNCHES ANOTHER SERIES OF CONCERTED ATTACKS IN CAPITAL THERE MAY WELL BE A REPEAT OR EVEN AN ESCALATION OF PRESSURES AND TENSIONS WHICH AROSE IN JULY.

10. GOVERNMENT'S PRIMARY TACTIC AT PRESENT TIME APPEARS  
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TO BE TO INTENSIFY WITHOUT GREAT PUBLIC EARNEST POLICE, ARMY,  
AND MARINE ANTITERRORIST CAMPAIGNS, PRIMARILY IN MOUNTAIN

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DEPARTMENTS WHICH ARE SENDERO HEARTLAND. WE HAVE EVIDENCE OF SUBSTANTIAL INCREASES IN FORCE COMMITMENTS AND DEPLOYMENTS IN REGION, WHICH, ACCORDING TO REPORTS, HAVE YIELDED POSITIVE RESULTS IN A NUMBER OF LOCALITIES. BUT UNDERLYING PROBLEMS REMAIN. POLICE FORCES IN AYACUCHO ARE BASICALLY

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CONTINUE TO COMPLICATE OVERALL EFFORT. AND SENDERO REMAINS ELUSIVE, DRAWING ON COMBINATION OF ALMOST MYSTICAL APPEAL TO A FEW ANDEAN YOUTH AND BRUTE COERCION. OVER TIME GOVERNMENT MAY HAVE TO DO MORE THAN STEP UP REPRESSIVE EFFORT TO DEFEAT SENDERO, BUT WITHOUT SUCH AN EFFORT BY SECURITY FORCES NOW, THERE IS LITTLE DOUBT THAT SENDERO WILL SOON BECOME AN EVEN GRAVER THREAT TO PERUVIAN SOCIAL FABRIC AND DEMOCRACY.

11. INTERNATIONAL PRESSURES MOTIVATED BY HUMAN RIGHTS CONCERNS ARE A COMPLICATING FACTOR. IN COURSE OF CARRYING OUT ANTITERRORIST CAMPAIGN. IT IS ALMOST CERTAIN

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AS POINTED OUT ON SEVERAL OCCASIONS, BELAUNDE CONSIDERS HIMSELF FIRST AND FOREMOST A HUMANIST AND A CHAMPION OF HUMAN RIGHTS. RECENT ACCUSATIONS BY AMNESTY MAY BE SUBJECT TO DOUBT, BUT THEY WILL CERTAINLY LEAD TO CLOSER SCRUTINY OF GOP ANTITERRORIST CAMPAIGN BY INTERNATIONAL HUMAN RIGHTS COMMUNITY AND, PERHAPS, TO FURTHER ACCUSATIONS.

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12. EVEN IN EVENT OF REVERSED SENDERO STRIKES IN PERU WE DO NOT BELIEVE MILITARY WILL SEIZE POWER UNLESS SENDERO ATTACKS ARE DEVASTATING IN NATURE AND PROLONGED

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OVER WEEKS OR MONTHS. ARMED FORCES RECOGNIZE THAT MILITARY TAKEOVER IS WHAT SENDERO WANTS. IT WOULD PLAY INTO SENDERO HANDS BY STRIPPING CENTRAL AUTHORITY OF LEGITIMACY, POLARIZING COUNTRY, AND EXPANDING SENDERO'S POTENTIAL SUPPORT BASE. FURTHERMORE, IN CRISIS SITUATION BROUGHT ABOUT BY TERRORIST ACTIONS, MILITARY COULD ALMOST CERTAINLY OBTAIN FROM BELAUNDE IMPOSITION OF A STATE OF SEIGE AND FREER HAND IN DEALING WITH PROBLEM. PRESIDENT HAS THUS FAR REFUSED TO GRANT A "GOLPE", IN THOSE CIRCUMSTANCES, WOULD ADD LITTLE TO MILITARY CAPABILITIES TO CONFRONT SENDERO MENACE. A FURTHER SIGNIFICANT FACTOR IS THAT TAKING POWER ENTAILS ACCEPTING RESPONSIBILITY FOR MOST OF NATIONAL PROBLEMS UNRELATED TO TERRORISM. BASED O

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13. AT WHAT IS TIME OF PARTICULAR CHALLENGE, BELAUNDE ADMINISTRATION FAILS TO PROJECT PUBLIC IMAGE OF BEING SOLIDLY IN CHARGE. THERE WERE SOME NOTABLE EXAMPLES OF SEEMING CONFUSION AT TOP RANKS WITHIN PAST FEW WEEKS. --PRESIDENT INSISTED REPEATEDLY THAT THERE IS FOREIGN SUPPORT FOR SENDERO LUMINOSO (SL). ON SEPARATE OCCASIONS PRIME MINISTER SCHWALB AND INTERIOR MINISTER PERCOVICH TOLD PRESS DAY AFTER BELAUNDE'S COMMENTS TO THAT EFFECT

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THAT GOP HAS NO EVIDENCE OF SUCH FOREIGN INVOLVEMT.

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P 022225Z SEP 83  
 FM AMEMBASSY LIMA  
 TO SECSTATE WASHDC PRIORITY 860  
 INFO AMEMBASSY LA PAZ  
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STATEMENTS REGARDING LIKELY 1983 INFLATION RATE.

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KEYNOTE OF PRESIDENT'S JULY 28 (STATE OF UNION )ADDRESS  
 TO NATION WAS PROPOSED CONSTITUTIONAL AMENDMENT TO  
 EXPAND APPLICATION OF DEATH PENALTY TO CONVICTED  
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TERRORISTS. A MONTH LATER, DEATH PENALTY AMENDMENT HAS  
 STILL NOT BEEN FORMALLY INTRODUCED IN CONGRESS.

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CONCLUSION OBSERVERS DRAW IS THAT EITHER BELAUNDE DID NOT COUNT VOTES IN SENATE ADEQUATELY BEFORE MAKING PROPOSAL, OR THT HIS RHETORIC WAS MERELY INTENDED TO *TO GIVE FLEETING SENSE OF MOTION* IN AREA IN WHICH GOVERNMENT HAS FEW IMAGINATIVE IDEAS. NEITHER CONCLUSION STIMULATES CONFIDENCE.

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