

## Peru

# Alan García smashes terrorist uprising

by Valerie Rush

At 6 a.m. on June 18, nearly 1,000 crazed "Shining Path" narco-terrorists launched simultaneous uprisings in three Peruvian prisons, in what high-level sources are suggesting was part of a much larger insurrection plan that was aborted when a ship anchored off the Peruvian coast suddenly abandoned plans to unload 250 tons of Soviet weaponry that had been brought aboard at the Rostock port in East Germany.

The ship, under a Danish captain, was seized by Panamanian authorities during its return trip through the Canal, on a tipoff from the Peruvian presidency. Its shipment included AK-47 assault rifles, hand-held rocket-launchers, some 1,500 machineguns, and 32 civilian light trucks painted olive drab. Panamanian officials estimate that the equipment could have supplied a battalion of up to 1,500 terrorists.

The uprisings, which took place on the eve of an international congress of the Socialist International being held in Lima, were organized by the Shining Path (*Sendero Luminoso*) prisoners inside Lurigancho, El Frontón and the women's Santa Barbara prisons, where the narco-terrorists have maintained virtual control for years. When troops were sent in to crush the uprisings, they encountered brick and cement barricades, trenches, underground escape tunnels, automatic FAL rifles, submachineguns and dynamite. Anti-tank missiles had to be used by the troops to breach the terrorist defenses and rescue the near dozen hostages being held.

The latest official report is that somewhere between 100 and 150 *senderistas* were killed in the two-day battle to retake the prisons, including the leading Shining Path ideologue Guillermo Díaz Martínez: 24 at Lurigancho, three at Santa Barbara, and possibly 100 or more at El Frontón. Despite protests from officials of the ruling APRA party that the number of casualties was being grossly exaggerated by the international news media, those exaggerations continue. England's Reuter news service of June 20 cites "a government source" that nearly all guerrilla inmates of El Frontón were killed, supposedly 300 of them, and quotes an alleged "military communiqué" saying 124 were killed at Lurigancho. The June 20 edition of the *New York Times* says 400 *senderistas* were killed.

The uprisings were comparable in many ways to last November's occupation of the Colombian Supreme Court by the M-19 narco-terrorists who, together with Shining Path, form part of a continental terrorist army deployed on behalf of drug mafia interests. As in Peru, the two-day M-19 siege was designed to humiliate and blacken the prestige of the Colombian government. And like García, President Betancur's refusal to yield to terrorist blackmail protected the integrity of the national institutions of his country. Colombia's enemies today are seeking to revive a scandal around the Justice Palace incident (see article, page 38), and García's enemies will no doubt attempt the same.

### A coordinated assault

The prison uprisings were preceded by an unprecedented escalation of labor disturbances and terrorist attacks. In fact, the uprisings occurred the same morning that prison employees and guards decided to strike—a fact which is under investigation by government authorities. Bombings or attempted bombings of the Education Ministry, Labor Ministry, Lima airport, several churches, Crillon convention center and elsewhere occurred on the eve of the prison riots, and several police officers were gunned down on the streets of Lima.

The García government took a firm stance toward the *Sendero* lunatics. According to Fernando Cabieses, president of the peace commission sent to the prisons to talk with the *senderistas*, "all dialogue was rejected." According to Cabieses, who otherwise expressed "respect for the ideas and convictions" of the Shining Path, President García had offered guarantees of no reprisals against the prisoners if they surrendered.

The terrorists had reportedly declared that the government's planned transfer of Shining Path inmates to the new maximum-security prison Cantón Grande would only take place "over our dead bodies." The transfer program was part of an effort by the García government to break up the virtual fiefdoms that Shining Path has established in the prisons where, according to eyewitness accounts, no guards were permitted in *Sendero*-dominated portions of the jails, daily *Sendero* meetings were held including chants and hymns to Mao Tse-Tung, and the walls were bedecked with Shining Path flags, banners, and posters. Lawyers and family members regularly brought everything from weapons to cement and bricks during visits to the *Sendero* jails.

With his usual "prescience," the *New York Times*'s Alan Riding wrote June 15 about the "shadow of terrorism darkening Peru," and observed that the García government might be "trapped between pressures for tougher action from the military and complaints of human rights violations" from the left—precisely the bind the uprising was intended to create, as with the actions of Shining Path's M-19 colleagues in next-door Colombia. Riding concludes hopefully that should he rely on the military, García risks "losing his political capital," and with it, the presidency.

# EIR

Quarterly Economic Report

---

## The deflationary collapse of the Western banking system

First Quarter 1986

---



The 60% collapse in the world oil price between January and March has destabilized the international financial system, and accelerated the impetus toward what has been called, "a new depression, on top of the present depression."

What should be done? The answer is simple. Impose an emergency oil import tariff now. The free-marketeers, and their Soviet friends, will scream about it, but the measure is the most readily available alternative to halt the unraveling of the bankrupt international and national financial system.

### Did you know that . . .

- **\$250 billion of U.S. banks' domestic assets will go bad, in the wake of the collapse of oil prices since November 1985.** The crash will by no means be limited to banks' loans to energy companies.
- **Conditions have been set for a general panic among savings-bank depositors,** whose \$1.2 trillion in deposits lack federal insurance backing.

- **The U.S. is on the verge of a revolution in medical technology.** But the Gramm-Rudman budget-cutters and Washington cost-accountants threaten to keep these technologies from being introduced, and are "reforming" the Medicare and medicaid system into a means for wholesale euthanasia against America's sick and elderly.

Since the fall of 1979 Lyndon LaRouche's forecasts have established a record unparalleled in accuracy by any other economic forecasting service in the nation. Data Resources International and Chase Econometrics proved unable, in the fall of 1979, to correctly forecast the consequences of the credit policy then being initiated from the Federal Reserve by Paul Volcker. LaRouche did, in the EIR Quarterly Economic Report. Those agencies, and their co-thinkers, have been repeatedly exposed as incompetent bunglers, while the LaRouche record has been maintained.

Full year subscription: **\$1,000**  
Single issue (first quarter 1986), 150 pp.: **\$250**

Order from:  
**EIR News Service** P.O. Box 17390, Washington, D.C. 20041-0390