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SENSE OF THE COMMUNITY MEMORANDUM

15 January 1997

PERU: Outlook for the Hostage Crisis

Intelligence Community analysts believe that conditions are right for a peaceful resolution of the hostage crisis at the Japanese embassy within the next several weeks unless frustration by Lima or the hostage takers--the Tupac Amaru Revolutionary Movement (MRTA)--boils over and leads to the death of some of the hostages. Thus far, the terrorists have held back from violent actions. Peruvian President Fujimori probably will continue to present a "business as usual" public posture to deflect attention from the crisis. For example, he is hosting the first visit to Lima by a sitting Ecuadorian president this week. Meanwhile, Japan, while pressing Fujimori for a peaceful solution with no loss of life, has taken a back seat in offering strategies to resolve the crisis.

- Fujimori probably will accept a face-saving compromise that includes the terrorists' safe passage out of the country and possibly Tokyo's ransoming of its citizens. Fujimori typically has a preference for direct action, but this impulse is tempered by the presence of hostages from other nations--and by the realization that Japan is a key economic and cultural partner. He is juggling his desire not to damage his domestic standing by appearing to concede to MRTA demands with the need to reassure foreign countries and investors--particularly Japan--that he can end the crisis with minimal or no loss of life.
- The terrorists may become more flexible as the crisis enters its second month because they are anxious to refute claims that the MRTA is as violent as Sendero Luminoso and they want to survive the crisis themselves. They could agree, for example, to a credible promise from Fujimori to consider prison reform and safe passage to a third country.
- Japan has sought a limited role in the crisis because it did not want to complicate full resolution of the crisis--and potentially share some blame for a negative outcome. Nevertheless, it has offered subtle suggestions that Lima seriously consider granting safe passage to a third country and accept offers of US assistance.

Despite the prospects for a peaceful resolution, a miscalculation could still produce a violent outcome. Either the terrorists or Fujimori, frustrated as negotiations drag on, could take precipitate action to end the stalemate. Fujimori probably would initiate a hostage rescue mission if the MRTA begin killing hostages, and would consider a rescue if the number of hostages were reduced substantially, or if all Japanese nationals were released.

This memorandum was prepared by the Deputy National Intelligence Officer for Latin America. It was based on a meeting with representatives from CIA, State/INR, DIA, USACOM, and USSOUTHCOM.

APPROVED FOR RELEASE
DATE: 08-31-2009

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