

Peru/Hostages: What Next? (U)

Terrorists and government appear to be digging in for a prolonged standoff. Though the MRTA has significantly reduced the number of hostages, it doubtless believes – probably correctly – it retains enough captives to deter President Fujimori from a near-term rescue attempt. The partial hostage release reduced Fujimori's incentive to negotiate in earnest for now. Cuba remains the most likely candidate to mediate the crisis, but no concrete steps appear to have been taken. (C)

Logistics and limelight

The MRTA probably was making a virtue of necessity when it released a reported 225 hostages on December 22. The large number of captives increasingly were a logistical strain on the estimated 20 terrorists; the release also was consistent with the MRTA perception of the takeover as "armed propaganda." In releasing the Americans the MRTA may have calculated that the loss in coverage from US-owned media outlets was balanced by the group's knowledge that Washington opposes concessions and by fear that the United States might press Fujimori to use force. The most valuable remaining hostages are probably the Japanese ambassador and Fujimori's brother. (C)

Though the MRTA on December 23 said it would not release any more hostages until the government freed the group's imprisoned comrades, it has since released the Uruguayan and Guatemalan ambassadors for political considerations and a Japanese diplomat for health reasons. Further incremental releases are probable. (C)

View from the inside

The MRTA's stated willingness to draw out the crisis is probably not cast in stone. Tuesday morning's reportedly accidental explosion doubtless underscored for the terrorists the volatility of the standoff; the Guatemalan ambassador described the situation in the residence as "increasingly tense." The terrorists also are eager to retain their relatively favorable publicity – articles have described them as a "Robin Hood" group and "Peru's gentlemen terrorists." (C)

Those in charge of the takeover probably are constantly reevaluating the situation to try to avoid bloodshed that would cast a much different slant on the incident. The group's leaders doubtless are aware they could release their hostages and "claim victory," having carried off a spectacular terrorist operation, reestablished their credentials as a force to be reckoned with, and

December 28, 1996

INR

embarrassed Fujimori. They could take the line that although Fujimori was apparently willing to "provoke" the MRTA into bloodshed, the group refused to take the bait. An MRTA spokesman outside Peru on December 26 said the group already had achieved its propaganda aims and that it was the government that was encouraging a "bloody military solution." (C)

Fujimori's strategy

Since the December 22 hostage release Fujimori has been trying to give the impression of continued willingness to resolve the crisis peacefully, but without being seen as eager to press negotiations. Following Sunday's release the government's negotiator, Education Minister Domingo Palermo, accompanied the ICRC into the Japanese embassy compound, but nothing tangible seemed to result. The presence of a Peruvian archbishop in the residence for six hours on Christmas Day prompted speculation he might be assuming a mediation role. There is fragmentary reporting that government-MRTA contacts may be occurring outside the Japanese ambassador's residence. (C)

Still, though Fujimori may be using the ICRC and others in part to establish a framework for serious give-and-take, he does not appear to have launched genuine negotiations, according to Embassy Lima. Fujimori appears to have gained confidence, telling Japanese Prime Minister Hashimoto just after the December 22 hostage release that he did not think the outcome of the crisis would be "that bad." He almost certainly viewed the large release of hostages not as a humanitarian gesture but as a sign of MRTA weakness. (C)

No respect

It would be difficult to overestimate Fujimori's contempt for the MRTA, a second-rate group by comparison with Sendero Luminoso. The December 22 hostage release and the terrorists' empty threats to execute hostages probably have strengthened his conviction that he can wait out the MRTA. We have had, for example, no follow-up [redacted] from the first days of the crisis that he was considering releasing some 40 MRTA members from jail. In any case, Fujimori's willingness to release any MRTA prisoners is seriously constrained by the knowledge that it would set a dangerous precedent for Sendero Luminoso, whose key leaders also are in jail. (S/NF)

B1

Fujimori's lack of enthusiasm for negotiation at this point does not necessarily translate into a decisive tilt toward a preemptive military solution. No doubt he will ensure that his security forces hone their rescue skills, but he probably understands that the number of hostages is still too large to free without many fatalities. (S)

[redacted] December 28, 1996

INF

Going it alone

Fujimori's micromanagement style and belief he has the upper hand help explain his at best lukewarm response to the idea of outside mediation by another government or international body. Lima has shown no hurry to respond to the recent proposal of G-7 involvement in bringing the crisis to a peaceful resolution. The possibility of Cuban intervention continues to be raised in many fora. Though the MRTA's links to Cuba are now mainly ideological rather than material, Havana probably remains best positioned to mediate. Castro may be quietly testing the waters, but we have no evidence that Cuba has either formally sought or been offered a mediation role. (S)

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B1

December 28, 1996