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SERIAL: (U) IIR

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BODY
PASS: (U)
COUNTRY: (U) PERU (PE); JAPAN (JA).

//IPSP: (U)

SUBJ: IIR: JAPANESE CONCERN OVER ((MONTESINOS))' PREFERENCE FOR A HOSTAGE RESCUE OPERATION (S)
WARNING: (U) THIS IS AN INFORMATION REPORT, NOT FINALLY EVALUATED INTELLIGENCE. REPORT CLASSIFIED SECRET.

- DEPARTMENT OF DEFENSE

-DOI: (U) 970418.

REQS:

(b)(3):10 USC 424

SOURCE: (U)

SUMMARY: (S) JAPANESE DEFENSE AND INTELLIGENCE REPS TO THE CRISIS RESPONSE CELL IN LIMA CONCERNED WITH POWER STRUGGLE BETWEEN ((MONTESINOS)) AND ((HERMOZA)) AND ITS IMPLICATIONS FOR INFLUENCING PRESIDENT ((FUJIMORI))'S CHOICE OF A SOLUTION TO THE HOSTAGE CRISIS.

TEXT: 1. (C)
(b)(1), 1.4 (c)

(b)(3):10 USC 424
(b)(3):50 USC 3024(i)
(b)(3):10 USC 424
(b)(3):10 USC 424
2. ( pry) posing most of the questions during the meeting, (b)(1),1.4 (c) started the meeting by asking what thought about the timing and reason for the recently publicized intelligence scandal related to the killing of one Peruvian army intelligence agent and the torture of another. (b)(1),1.4 (c) did not appear satisfied with open source information offered by. He asked for opinion on the timing of the disclosure and whether the negative information was aimed at criticizing President Alberto (FUJIMORI) and Vladimiro ((MONTESINOS)). He asked if thought there was a struggle for power going on in the army or between the NATIONAL INTELLIGENCE SERVICE (SIN) and the army's leader, Gen Nicolás de Bari ((HERMOZA)) Ríos. (b)(1),1.4 (c) reiterated open source information.

3. ( pry) analyzing the situation for (b)(1),1.4 (c) opined that because Fujimori had not yet condemned Montesinos for any ties to the intelligence scandal related to the killing and torture of the agents, he must be willing to protect Montesinos in order to gain power over him. (b)(1),1.4 (c) stated that he expected Montesinos would appreciate the president's protection or shielding from the negative press and be in his debt.

4. ( pry) in the next step of questioning, (b)(1),1.4 (c) asked the if thought that Montesinos was trying to gain influence over the military. (b)(1),1.4 (c) said that all he knew about Montesinos was what the press reported. (b)(1),1.4 (c) argued that Montesinos is trying to expand his power base in the military in opposition to Hermoza's. As examples, (b)(1),1.4 (c) said that two of the three commanding generals of the services, Adm ((IBARCENA)) from the navy and Gen ((IBELLO)) of the air force, are intelligence officers loyal to Montesinos. When asked (b)(1),1.4 (c) if he thought that Montesinos wanted to gain power over the armed forces, (b)(1),1.4 (c) answered that the presence of intelligence officers in key positions served as important indicators.

5. ( pry) asked (b)(1),1.4 (c) why he was so concerned with the machinations for power between the head of the armed forces and the SIN. (b)(1),1.4 (c) first explained that he was interested in knowing if Hermoza had control over his generals and especially over the intelligence directorate,
DINTE. CONTINUED SAYING THAT HIS CONCERN OVER THE APPARENT POWER STRUGGLE BETWEEN HERMOZA AND MONTESINOS WAS CONNECTED TO THE DEGREE OF INFLUENCE THAT EACH EXERTED OVER FUJIMORI. HE WANTED TO KNOW WHOSE ADVICE FUJIMORI WOULD FOLLOW IF IT CAME DOWN TO CHOOSING BETWEEN THAT FROM THE SIN DE FACTO CHIEF AND THAT FROM THE COMMANDING GENERAL OF THE ARMED FORCES.

6. THE WHOLE LINE OF QUESTIONING BOILED DOWN TO WHETHER FUJIMORI WOULD PREFER TO GO WITH MONTESINOS' ADVICE TO ATTEMPT A HOSTAGE RESCUE OPERATION USING FORCE OR PREFER TO FOLLOW THE MILITARY'S ADVICE OF OPTING FOR A PEACEFUL SOLUTION. CONCLUDED BY SAYING THAT IN HIS OPINION, IF HERMOZA EXERTS GREATER INFLUENCE OVER FUJIMORI, THEN THE PRESIDENT WILL REJECT THE PUSH BY MONTESINOS, WHO FAVORS A RESCUE OPERATION TO FREE THE REMAINING 72 HOSTAGES HELD IN THE JAPANESE AMBASSADOR'S RESIDENCE (JAR) IN LIMA.


COMMENTS: 1. THIS IIR PROVIDES ADDITIONAL REPORTING ON THE ONGOING MRTA HOSTAGE SITUATION AT THE JAPANESE AMBASSADOR'S RESIDENCE.