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File Folder CABLE FILE - BOLIVIA [JUL-OCT 1982, JAN-FEB 1983]

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EO 12065: GDS 7/6/88 (STRASSER, DANIEL A.) OR-P
TAGS: PGOV, PINT, BL
SUBJECT: BOLIVIA'S POLITICAL PARTIES

1. (~~CONFIDENTIAL~~ - ENTIRE TEXT.)

2. SUMMARY: FOLLOWING THE IMPOSITION ALMOST TWO YEARS AGO OF A "POLITICAL RECESS," BY THE PREDECESSOR GARCIA MEZA GOVERNMENT, PRESIDENT GEN CELSO TORRELIO VILLA RECENTLY ANNOUNCED MEASURES TO RETURN THE COUNTRY TO DEMOCRACY. WITH THE POLITICAL PARTIES NOW ALLOWED TO OPERATE OPENLY AND FREELY, IT IS APPROPRIATE TO REVIEW THOSE ORGANIZATIONS, THEIR LEADERSHIP AND POLITICAL ORIENTATION AND PRESENT STRENGTH. THE ABORTED 1980 GENERAL ELECTIONS ALLOW US TO IDENTIFY SEVERAL SALIENT CHARACTERISTICS OF THE BOLIVIAN PARTY SYSTEM: (1) THE HIGHLY PERSONALISTIC AND FRAGMENTED NATURE OF THE POLITICAL PARTIES; (2) THEIR LACK OF COHESIVENESS AND DISCIPLINE; (3) THE DOMINANCE OF CERTAIN KEY HISTORIC FIGURES AND THEIR REAPPEARANCE AT ELECTION TIME; AND (4) THE CONTINUING SYMBOLIC IMPORTANCE OF THE MNR AND THE 1952 REVOLUTION. WHILE 71 PARTIES REGISTERED FOR THE JUNE 1980 ELECTIONS, WE HAVE IDENTIFIED SIX OR SEVEN PRINCIPAL GROUPS. ON THE RIGHT AND SUPPORTED ESSENTIALLY BY BUSINESS INTERESTS AND ELEMENTS OF THE MIDDLE AND UPPER CLASSES, HUGO BANZER'S NATIONAL DEMOCRATIC ACTION (ADN) IS LARGELY A ONE-MAN PARTY, SOMEWHAT FEARFUL THAT IT COULD BE HURT BY A POPULAR ANTI-MILITARY BACKLASH IF ELECTIONS ARE HELD TOO SOON. ALTHOUGH VICTOR PAZ ESTENSORRO OF THE CENTRIST NATIONAL REVOLUTIONARY MOVEMENT (MNR) CONTINUES TO BE VERY IMPORTANT ON THE BOLIVIAN POLITICAL SCENE, THE FUTURE OF THE MNR IS UNCERTAIN FOLLOWING ITS POOR SHOWING IN THE 1980 GENERAL ELECTIONS. THE CHRISTIAN DEMOCRATIC PARTY (PDC) IS A SMALL CENTER-LEFT ORGANIZATION WHOSE PRESTIGE OUTWEIGHTS ITS SIZE. THE LEFT OF CENTER, NATIONAL REVOLUTIONARY MOVEMENT OF THE LEFT, (MNRI) OF HERNAN SILEZ ZUAZO IS JUDGING FROM THE 1980 RESULTS THE LARGEST SINGLE PARTY IN BOLIVIA; VIEWED AS THE POLITICAL VICTIM OF THE 1980 COUP OF GEN LUIS GARCIA MEZA, IT COULD WIN ANOTHER PLURALITY IN A NEW ELECTION. SLIGHTLY FURTHER TO THE LEFT, THE MOVEMENT OF THE REVOLUTIONARY LEFT (MIR) IS A YOUTHFUL PARTY WITH A COLLEGIAL LEADERSHIP. FEARED BY THE MILITARY BECAUSE OF ITS VIOLENT ANTECEDENTS, THE MIR HAS DEMONSTRATED ITS VITALITY AND COULD WELL BECOME AN INCREASINGLY IMPORTANT POLITICAL FORCE. OF THE SEVERAL MARXIST PARTIES, THE MOSCOW-LINE BOLIVIAN COMMUNIST PARTY (PCB) IS THE MOST IMPORTANT; WHILE SMALL, IT MAY CONTINUE TO USE ITS INFLUENCE IN THE MINING SECTOR. THE 1980 ASSASSINATION OF SOCIALIST PARTY-ONE (PS-1) LEADER, MARCELO QUIROGA SANTA CRUZ, MAKES ITS EXISTENCE AS AN IMPORTANT POLITICAL FORCE QUESTIONABLE. END SUMMARY.

3. INTRODUCTION

POLITICAL PARTY ACTIVITY IN BOLIVIA WAS PROHIBITED FROM THE JULY 17, 1980 MILITARY COUP, WHEN GEN LUIS GARCIA MEZA IMPOSED A "POLITICAL RECESS" OF INDEFINITE DURATION, UNTIL MAY 26, 1982 WHEN THE "RECESS" WAS LIFTED BY PRESIDENT CELSO TORRELIO VILLA. THE RECESS WAS MORE THAN JUST A BAN ON POLITICAL ACTIVITY, HOWEVER, AND SEVERAL KEY POLITICAL LEADERS, MOST NOTABLY EX-PRESIDENT HERNAN SILES ZUAZO WHO WON A POPULAR PLURALITY IN THE JUNE 1980 ELECTIONS, WERE FORCED TO LEAVE THE COUNTRY OR LIVE UNDERGROUND DURING THE GARCIA MEZA REGIME. THE GARCIA MEZA MILITARY COUP DEPOSED THE CIVILIAN GOVERNMENT OF LYDIA GUEILER AND INTERRUPTED THE POST-ELECTION PROCESS WHICH SEEMED DESTINED TO LEAD TO THE INAUGURATION OF SILES ZUAZO AS PRESIDENT ON AUGUST 6, 1980.

4. THE LIFTING OF THE RECESS CAME ABOUT WHEN PRESIDENT GEN CELSO TORRELIO VILLA ANNOUNCED APRIL 21, 1982, THAT HIS GOVERNMENT WOULD DICTATE MEASURES TO LIFT THE POLITICAL RECESS. AT THE SAME TIME HE ASSERTED THAT ELECTIONS FOR A CONSTITUENT ASSEMBLY WOULD BE HELD IN THE FIRST SIX MONTHS OF 1983. THIS ANNOUNCEMENT CAME AFTER SERIOUS PLOTTING BY A GROUP OF LIEUTENANT COLONELS, AND SERVED TO HEAD OFF A POSSIBLE COUP BY THEM. THE FINAL LIFTING OF THE RECESS AND GRANTING OF POLITICAL AMNESTY LIKEWISE WAS ANNOUNCED THREE WEEKS AFTER THREE AND ONE HALF DAYS OF SENIOR MILITARY MEETINGS DURING WHICH PRESIDENT TORRELIO'S REMOVAL WAS A KEY THEME. DISAGREEMENT OVER A SUCCESSOR KEPT TORRELIO IN POWER AND AGREEMENT WAS REACHED BY THE COMMANDERS PRESENT TO MOVE TOWARDS A POLITICAL OPENING.

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5. AT THE TIME OF THE LIFTING OF THE POLITICAL RECESS AND THE GRANTING OF AMNESTY, PRESIDENT TORRELIO ALSO CALLED FOR A DIALOGUE BETWEEN THE GOVERNMENT AND THE POLITICAL PARTIES AND MAJOR SOCIO-ECONOMIC SECTOR GROUPS (PRIVATE ENTERPRISE, LABOR AND CAMPESINOS) IN ORDER TO CHART THE COURSE TOWARD RESTORATION OF DEMOCRACY IN BOLIVIA. TO DATE, THE SECTOR GROUPS AND SOME MINOR POLITICAL PARTIES HAVE ACCEPTED THE DIALOGUE WHICH BEGAN ON JULY 1, BUT THE MAJOR BOLIVIAN POLITICAL PARTIES HAVE EITHER REJECTED THE DIALOGUE OR FAILED TO RESPOND DIRECTLY TO THE GOVERNMENT'S INVITATION. NEVERTHELESS, THE PARTIES HAVE BEEN MEETING IN PURSUIT OF A COMMON POSITION OVER REDEMOCRATIZATION AND ON JUNE 26, SEVEN PARTIES, INCLUDING THE MAJOR DEMOCRATIC NATIONALIST ACTION (ADM) OF FORMER PRESIDENT HUGO BANZER AND THE NATIONALIST REVOLUTIONARY MOVEMENT (MNR) OF FORMER PRESIDENT VICTOR PAZ ESTENSSORO CAME OUT IN FAVOR OF IMMEDIATELY RECONVENING THE 1980 CONGRESS IN ORDER TO CHOOSE A NEW PRESIDENT, PRESUMABLY HERNAN SILES ZUAZO. SILES HIMSELF, HOWEVER, HAS CALLED FOR NEW ELECTIONS AS EARLY AS DECEMBER OF THIS YEAR, ALTHOUGH HE HAD PREVIOUSLY CALLED FOR ELECTIONS IN MAY 1983.

6. WITH THE LIFTING OF THE POLITICAL RECESS AND THE LIKELIHOOD THAT REMAINING POLITICIANS IN EXILE, INCLUDING SILES ZUAZO, WILL RETURN TO BOLIVIA SHORTLY, THE TIME IS OPPORTUNE TO EXAMINE THE BOLIVIAN POLITICAL PARTIES, THEIR PRESENT CHARACTERISTICS, CONFIGURATION, LEADERSHIP AND POSSIBLE FUTURE ORIENTATION.

7. PARTY CHARACTERISTICS

A LOGICAL STARTING POINT FOR AN EXAMINATION OF BOLIVIAN POLITICAL PARTIES IS TO LOOK BACK BRIEFLY AT THE JUNE 29, 1980 GENERAL ELECTIONS, THE COUNTRY'S THIRD PRESIDENTIAL ELECTIONS IN A TWO YEAR PERIOD. UNLIKE THE JULY 1979 ELECTIONS WHICH ENDED IN A VIRTUAL TIE IN THE POPULAR VOTE BETWEEN HERNAN SILES (CANDIDATE OF THE UDP--DEMOCRATIC AND POPULAR UNITY COALITION) AND VICTOR PAZ ESTENSSORO (HEADING UP THE MNR ALLIANCE--NATIONAL REVOLUTIONARY MOVEMENT), THE JUNE 1980 ELECTIONS RESULTED IN A CLEAR-CUT VICTORY FOR SILES (34 PERCENT OF THE TOTAL VOTE CAST VERSUS 17.7 PERCENT FOR VICTOR PAZ IN SECOND PLACE. NEVERTHELESS, SILES ACTUALLY OBTAINED FEWER VOTES IN THE 1980 ELECTION THAN IN 1979 (507,173 VERSUS 528,696). THE REAL REASON FOR SILES'S LARGE MARGIN OF VICTORY WAS PAZ ESTENSSORO'S DISMAL PERFORMANCE: PAZ WENT FROM 527,184 VOTES IN 1979 TO 362,706 IN 1980, A DECLINE OF 50 PERCENT. AN IMPORANT FACTOR IN THE 1980 ELECTIONS WAS THAT OVER 25 PERCENT OF THE REGISTERED VOTERS STAYED AWAY FROM THE POLLING PLACES (COMPARED TO AN ABSENTEEISM RATE OF UNDER 10 PERCENT IN 1979).

8. OTHER FEATURES OF THE 1980 ELECTIONS DEMONSTRATE SALIENT CHARACTERISTICS OF THE BOLIVIAN POLITICAL SYSTEM. SEVENTY-ONE

PARTIES LEGALLY REGISTERED TO PARTICIPATE. ORIGINALLY 18 PRESIDENTIAL CANDIDATES REGISTERED FOR THE 1980 ELECTIONS, A NUMBER WHICH WAS REDUCED TO 13 BY THE TIME THE BALLOT WAS PREPARED (COMPARED TO 8 CONTENDERS IN 1978). OF THOSE WHO FINISHED IN THE TOP SIX, FIVE WERE FORMER PRESIDENTS. OF THE 13 PRESIDENTIAL CANDIDATES ON THE BALLOT, SEVEN HAD BEEN PROMINENTLY ASSOCIATED WITH THE MNR AT ONE TIME.

9. THESE FEATURES SERVE TO IDENTIFY SEVERAL TRAITS WHICH CHARACTERIZE BOLIVIAN POLITICS AND POLITICAL PARTIES. FIRST THERE IS THE FRAGMENTED, HIGHLY PERSONALISTIC NATURE OF BOLIVIAN PARTIES. OF THE 71 OFFICIAL PARTIES, FEWER THAN 10 HAVE ANY REAL SIGNIFICANCE. THE REST ARE OFTEN REFERRED TO HERE AS "TAXI PARTIES" BECAUSE THEY ARE SO SMALL THEIR ENTIRE MEMBERSHIP COULD FIT IN A TAXI CAB. THE SHEER NUMBER OF PARTIES UNDERMINES POLITICAL STABILITY--PARTICULARLY IN A SYSTEM THAT REQUIRES PRESIDENTIAL HOPEFULS TO OBTAIN AN ABSOLUTE MAJORITY OF THE POPULAR VOTE OR FACE A RUN-OFF PROCEDURE IN THE PROPORTIONALLY ELECTED CONGRESS--AND UNDERLINES THE FACTIONALIZED NATURE OF BOLIVIAN POLITICS. TO A GREAT EXTENT MANY OF THE BOLIVIAN PARTIES TRACE THEIR ROOTS BACK TO THE MNR WHICH BEGAN TO SPLINTER IN THE LATE 1950'S AND DURING THE SECOND PAZ PRESIDENCY (1960-1964). IN ADDITION TO PAZ AND SILES, WALTER GUEVARA ARCE (PRA), JUAN LECHIN (PRIN), GUILLERMO BEDREGAL (MNR-UNITED), AND ROBERTO JORDAN PANDO (ALLIANCE OF FORCES OF THE NATIONAL LEFT-MNR)--ALL PRESIDENTIAL CANDIDATES IN 1980--WERE AT ONE TIME ASSOCIATED WITH THE ORIGINAL MNR.

10. AS COULD BE ANTICIPATED, THESE FACTIONAL CLIQUES ARE ORGANIZED AROUND INDIVIDUALS AND NOT SPECIFIC ISSUES OR INTERESTS. THE POLITICAL SYSTEM HERE IS ESSENTIALLY CHARACTERIZED BY CULTS OF PERSONALITY OR "PERSONALISM." VICTOR PAZ IS THE MNR JUST AS HERNAN SILES IS THE MNR1, HUGO BANZER THE ADN, JUAN LECHIN THE PRIN, AND WALTER GUEVARA THE PRA. EVEN RELATIVELY MINOR POLITICAL LIGHTS LIKE ROBERTO JORDAN PANDO OR GUILLERMO BEDREGAL ORGANIZE PARTIES AROUND THEMSELVES AND SEEK THE PRESIDENCY (AFIN-MNR IN THE CASE OF JORDAN PANDO AND THE MNR-U IN THE CASE OF BEDREGAL). SHOULD BANZER, LECHIN, GUEVARA, JORDAN PANDO OR BEDREGAL PASS FROM THE SCENE IT WOULD BE EXTREMELY DOUBTFUL THAT THEIR PARTIES WOULD CONTINUE TO EXIST.

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11. VERY MUCH RELATED TO "PERSONALISMO" IS THE LACK OF COHESIVENESS AND DISCIPLINE IN BOLIVIAN PARTIES. PROMINENT LEADERS OF SILES'S MNRI AND PAZ'S MNR BROKE WITH THEIR PARTIES TO SUPPORT THE NOVEMBER 1979 NATUSCH BUSCH COUP AND SECURE CABINET MINISTRIES IN HIS SHORTLIVED REGIME. AFTER BANZER BROKE WITH GARCIA MEZA, SEVERAL PROMINENT ADN PARTY MEMBERS CONTINUED WITH THE REGIME IN CONSPICUOUS POSITIONS (INCLUDING FRANZ ONDARZA AND LUIS FERNANDO VALLE, BOTH OF WHOM WERE EXPELLED FROM THE PARTY) AND TWO OF ANZER'S FORMER VICE PRESIDENTIAL RUNNING MATES (JORGE TAMAYO RAMOS AND MARIO ROLON ANAYA, NEITHER OF WHOM WERE REGISTERED MEMBERS OF THE ADN) TOOK CABINET JOBS WITH GARCIA MEZA. BANZER IN TURN SECURED THE SUPPORT OF MNR "DEFECTORS" DURING HIS PRESIDENCY. MOST RECENTLY, THE MNR HAS EXPELLED JUAN CARLOS DURAN (FORMERLY HEAD OF THE MNR IN SANTA CRUZ) AND ADOLFO LINARES FOR ASSUMING MINISTERIAL POSITIONS (MINISTER OF THE RESIDENCY AND MINISTER OF PLANNING, RESPECTIVELY) WITH THE TORRELIO GOVERNMENT.

12. ANOTHER CHARACTERISTIC OF BOLIVIAN POLITICS HAS BEEN THE CONTINUING MONOPOLIZATION OF BOLIVIAN ELECTIONS BY A FEW VETERAN FACES. AFTER MORE THAN THIRTY YEARS OF ACTIVE POLITICAL LIFE, VICTOR PAZ ESTENSSORO (NOW 75) AND HERNAN SILES (APPROACHING 70) CONTINUE TO DOMINATE BOLIVIAN POLITICS. (TOGETHER THE TWO NEETED OVER 50 PERCENT OF THE VOTE IN THE LAST ELECTIONS, OVER 60 PERCENT IN THE 1979 ELECTIONS). AS ALREADY NOTED, OF THE 13 PRESIDENTIAL CONTENDERS IN THE 1980 GENERAL ELECTIONS, 5 WERE EX-PRESIDENTS.

13. FINALLY, IT IS IMPORTANT TO NOTE THE CONTINUING IMPORTANCE OF THE MNR AND THE 1952 REVOLUTION AS A SYMBOL. NINE OF THE 71 PARTIES REGISTERED FOR THE JUNE 1980 ELECTIONS USED "MNR" IN CONSTRUCTING THEIR PARTY NAMES. THERE WERE THREE MNR'S ON THE 1980 BALLOT--MNR ALIANZA (VICTOR PAZ), MNR-U (BEDREGAL), AND AFIN-MNR (JORDAN PANDO)--AND THREE OTHER PARTIES HEADED BY INDIVIDUALS INTIMATELY ASSOCIATED WITH THE MNR-UDP (SILES), PRA (GUEVARA), AND PRIN (LECHIN).

14. AMIDST THE PLETHORA OF POLITICAL PARTIES WE CAN IDENTIFY SIX OR SEVEN PRINCIPAL GROUPS. GIVEN THE VIRTUAL DEMISE OF THE FSB (BOLIVIAN SOCIALIST FALANAGE), HUGO BANZER'S ADN NON MONOPOLIZES THE RIGHT OF THE POLITICAL SPECTRUM. PAZ'S MNR, DESPITE ITS OCCASIONAL LEFTIST RHETORIC AND POLITICAL ALLIANCE WITH THE BEIJING ORIENTED PCML (MARXIST LENINIST COMMUNIST PARTY) IS MORE OR LESS ENSCONCED IN THE CENTER RIGHT OF THE SPECTRUM. ALSO IN THE CENTER IS THE PDC (CHRISTIAN DEMOCRATS). SOMEWHAT MORE TO THE LEFT IS THE MNRI OF SILES ZUAZO, THE OTHER DIRECT DESCENDANT OF THE ORIGINAL MNR. ANOTHER STEP TO THE LEFT IS THE MIR (MOVEMENT OF THE REVOLUTIONARY LEFT), SILES'S ELECTORAL ALLIES IN THE 1978, 1979, AND 1980 ELECTIONS UNDER THE UMBRELLA OF THE UDP (DEMOCRATIC AND POPULAR UNITY). ON THE FAR LEFT SIDE

OF THE POLITICAL SPECTRUM IS THE PCB OR BOLIVIAN COMMUNIST PARTY (ALSO ALLIED WITH SILES IN THE UDP), AND THE PS-1 (SOCIALIST PARTY NUMBER ONE). WITH RESPECT TO THE PS-1, WHICH HAD GROWN RAPIDLY DURING ITS SHORT LIFE AS A PARTY, SOME QUESTION NOW EXISTS AS TO ITS CONTINUED VIABILITY GIVEN THE SHOOTING DEATH OF ITS FOUNDER AND LEADER, MARCELO QUIROGA SANTA CRUZ, THE DAY OF THE GARCIA MEZA COUP.

15. NATIONALIST REVOLUTIONARY MOVEMENT (MNR)-VICTOR PAZ ESTENSSORO

THE HEART OF THE MNR ALLIANCE WHICH SUPPORTED VICTOR PAZ ESTENSSORO'S PRESIDENTIAL CAMPAIGNS IN THE 1978, 1979, AND 1980 ELECTIONS IS THE MNR, SOMETIMES ALSO REFERRED TO AS THE MNR-HISTORICO (MNR-H) OR THE MNR-PAZ. THE MNR IS THE DIRECT DESCENDANT OF THE PARTY WHICH LAUNCHED THE APRIL 1952 REVOLUTION AND RULED BOLIVIA 1952-1964. AFTER NEARLY THIRTY YEARS, VICTOR PAZ, PERHAPS MORE SO THAN THE MNR ITSELF, IS REMEMBERED AND PERSONALLY IDENTIFIED WITH THE SWEEPING REFORMS INSTITUTED IN THE AFTERMATH OF THE 1952 REVOLUTION. PRAGMATIC AND GENERALLY ACKNOWLEDGED TO BE A SKILLFUL POLITICAN, PAZ AT AGE 75 IS STILL PHYSICALLY HEALTHY, ALERT, AMBITIOUS, AND VERY MUCH POLITICALLY ACTIVE. WHILE HIS RHETORIC AND THAT OF THE MNR IS STILL NATIONALISTIC, THE PARTY HAS EVOLVED INTO A BASICALLY MODERATE AND CENTRIST POLITICAL FORCE.

16. PAZ AND HIS MNR ASSOCIATES HAVE MADE IT CLEAR THAT THEY BELIEVE IN A POLICY OF POLITICAL OPENING AND DIALOGUE BETWEEN THE MILITARY GOVERNMENT AND ALL POLITICAL SECTORS. IN HIS APRIL 9, 1982 MESSAGE COMMEMORATING THE THIRTIETH ANNIVERSARY OF THE 1952 REVOLUTION, PAZ SEVERELY CRITICIZED THE ARMED FORCES AND THE RECORD OF MILITARY GOVERNMENTS OVER THE LAST 18 YEARS, DISINGENUOUSLY OMITTING THE ROLE OF THE MNR (SPECIFICALLY THE MNR'S PARTICIPATION IN THE BANZER GOVERNMENT, 1971-1974). HOWEVER, DESPITE HIS HARSH ATTACK, PAZ CONCLUDED HIS MESSAGE BY STATING IT IS NECESSARY TO ORGANIZE A TRANSITION GOVERNMENT OF "NATIONAL CONSENSUS" PRESIDED OVER BY A MEMBER OF THE ARMED FORCES WHO ENJOYS THE FULL SUPPORT OF THE MILITARY. NONETHELESS, DESPITE THESE PUBLICLY EXPRESSED SENTIMENTS, THE MNR HAS BEEN EXTREMELY CAUTIOUS IN RESPONDING TO TORRELIO'S BEGINNING OF A POLITICAL DIALOGUE.

17. THE FUTURE OF THE MNR AS A POLITICAL FORCE AT THIS TIME IS SOMEWHAT CLOUDY. ELECTORALLY THE PARTY SUFFERED A SIGNIFICANT DEFEAT IN THE 1980 GENERAL ELECTIONS. THE POPULAR VOTE ACCRUED BY THE MNR ALLIANCE DROPPED FROM 527,000 VOTES IN 1979 (31 PERCENT OF THE TOTAL VOTE) TO 264,000 VOTES IN 1980 (17.7 PERCENT). IN 1979 THE MNR WON A TOTAL OF 64 CONGRESSIONAL SEATS; IN 1980 THEY WON 44 (AND THIS DESPITE THE FACT THE CONGRESS WAS INCREASED FROM 144 TO 157 MEMBERS). WHILE THE SYMBOL OF THE MNR REMAINS POWERFUL, THE ELECTORAL REALITY APPEARS TO BE WEAKENING. PERHAPS THIS IS DUE TO THE CONTINUED FRAGMENTATION OF THE PARTY AND ITS INABILITY TO DEVELOP AND RETAIN NEW LEADERSHIP. BEDREGAL, FORMERLY SUB-CHIEF OF THE MNR, AND JOSE FELLMAN VELARDE, FORMERLY A MEMBER OF THE MNR NATIONAL DIRECTORATE, WERE BOTH EXPELLED FROM THE MNR (AS PUNISHMENT FOR THEIR ROLE IN THE NATUSCH COUP) AND ORGANIZED THEIR OWN PARTY, THE MNR-U. JORDAN PANDO, ANOTHER FORMER PROMINENT PAZ ASSOCIATE AND PARTY LEADER, DEPARTED THE MNR AND ESTABLISHED THE MNR-UNIDAD Y RENOVACION AROUND WHICH THE AFIN-MNR COALITION WAS ORGANIZED. APART FROM THESE LOSSES, THE MNR HAS BEEN PLAGUED BY ITS INABILITY TO DEVELOP A NEW GENERATION OF YOUNG LEADERSHIP AND THE FACT THAT THE PRESENT LEADERS IMMEDIATELY BELOW PAZ APPEAR TO HAVE NO REAL FOLLOWING.

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18. PAZ AND OTHERS IN THE PARTY UNDOUBTEDLY RECOGNIZE SOME OF THESE WEAKNESSES, AND ARE NOT LOBBYING FOR IMMEDIATE ELECTIONS. THEY ARE ALL VERY AWARE THAT THERE IS STRONG ANTI-MILITARY FEELING AMONG THE PUBLIC, AND THAT IMMEDIATE ELECTIONS WOULD UNDOUBTEDLY RESULT IN A SILES VICTORY INASMUCH AS THE UDP WOULD BE THE BENEFICIARY OF THE ANTI-MILITARY VOTE. THIS CONCERN UNDOUBTEDLY ALSO INFLUENCES THE MNR'S CIRCUMSPECT RESPONSE TO TORRELIO'S ANNOUNCEMENT OF POLITICAL DIALOGUE.

19. ONE ADVANTAGE THE MNR HAS IN ANY SHORT-TERM, NON-ELECTORAL SOLUTION (I.E., A CIVIL-MILITARY TRANSITION REGIME) IS THAT DESPITE ITS CRITICISM OF THE MILITARY, IT ACKNOWLEDGES THE ARMED FORCES AS A REALITY AND IS PREPARED TO WORK WITH THE INSTITUTION, AS DEMONSTRATED BY PAZ IN HIS APRIL 9 SPEECH. EQUALLY IMPORTANT, IT APPEARS PAZ IS ACCEPTABLE TO THE MILITARY. IN FACT SEVERAL PAZ ASSOCIATES HAVE TOLD EMBASSY OFFICERS THAT PRIOR TO THE JULY 1980 COUP, BOTH GEN GARCIA MEZA AND THE AIR FORCE COMMANDER GEN WALDO BERNAL APPROACHED PAZ AND OFFERED TO LAUNCH THEIR COUP ON HIS BEHALF (PAZ, THEY ASSERTED, REJECTED THESE OVERTURES), AND PAZ WAS THE ONLY MAJOR POLITICAL FIGURE WHO WAS ABLE TO REMAIN IN BOLIVIA WITHOUT PROBLEMS DURING THE 13 MONTHS OF GARCIA MEZA RULE.

20. A FINAL ELEMENT WHICH COULD SIGNIFICANTLY AFFECT THE FUTURE CONFIGURATION AND ORIENTATION OF THE MNR REVOLVES AROUND EFFORTS TO REUNIFY THE VARIOUS MNR FACTIONS. VARIOUS MNR LEADERS, AS WELL AS VICTOR PAZ HIMSELF, HAVE TOLD US ON SEVERAL OCCASIONS THAT THERE IS WIDESPREAD SENTIMENT IN THE DIFFERENT MNR SPLINTER GROUPS FOR RECONCILIATION. NONETHELESS, A GREAT DEAL OF WATER HAS PASSED UNDER THE BRIDGE BETWEEN SILES AND PAZ AND WE DO NOT SEE MNR REUNIFICATION AS IMMINENT. HOWEVER, IT IS POSSIBLE THAT SOME INDIVIDUAL FACTIONS MAY RETURN TO THE FOLD. WHILE AT LEAST ONE MEMBER OF THE MNR NATIONAL PARTY HIERARCHY HAS TOLD US THE PARTY WOULD NEVER REACCEPT TURNCOATS SUCH AS BEDREGAL OR FELLMAN, THE PARTY MIGHT FIND JORDAN PANDO MORE ACCEPTABLE. IN ADDITION, THERE HAVE BEEN CONVERSATIONS BETWEEN THE MNR AND FORMER MNRI NATIONAL SECRETARY FEDERICO ALVAREZ PLATA AND THERE HAVE BEEN INDICATIONS THAT ALVAREZ, DISGRUNTLED WITH THE LEFTIST TILT OF THE UDP COALITION AND HIS OWN REMOVAL FROM A POSITION OF POWER IN THE PARTY, MIGHT LEAD HIS MNRI FOLLOWERS INTO THE PAZ CAMP, ALTHOUGH THE IMPULSE FOR SUCH A MOVE SEEMS TO HAVE PASSED.

21. ANOTHER ASPECT OF MNR RECONCILIATION IS A SENTIMENT WITHIN THE PARTY TO "PURIFY" ITSELF BY ENDING THE PARTY'S ELECTORAL COALITION WITH OTHER PARTIES UNDER THE MNR ALLIANCE. SPECIFICALLY, THERE IS THE BELIEF THAT THE MNR'S ALLIANCE WITH THE PCML IS MORE A LIABILITY THAN AN ASSET POLITICALLY AND THAT ELECTORALLY THE PCML DOES NOT CONTRIBUTE SIGNIFICANTLY TO THE PARTY'S VOTING

APPEAL. FOR EXAMPLE, IN THE 1979 CONGRESS THE PCML WAS ALLOTTED 6 SEATS (INCLUDING 1 SENATOR) OUT OF THE MNR ALLIANCE'S TOTAL OF 64 SEATS. IT IS VIRTUALLY IMPOSSIBLE THAT THE PCML COULD HAVE ACQUIRED THIS NUMBER OF DEPUTIES AND SENATORS RUNNING AS AN INDEPENDENT POLITICAL FORCE.

22. NATIONALIST REVOLUTIONARY MOVEMENT OF THE LEFT (MNRI) -

HERNAN SILES ZUAZO

THE LARGEST SINGLE PARTY IN BOLIVIA TODAY IS SILES ZUAZO'S MNRI, FOUNDED IN SANTIAGO, CHILE IN 1973 (WHILE SILES WAS A POLITICAL EXILE FROM BOLIVIA). SINCE APRIL 1978 THE MNRI HAS BEEN TIED TO THE MIR (MOVEMENT OF THE REVOLUTIONARY LEFT) AND THE MOSCOW-ORIENTED PCB (BOLIVIAN COMMUNIST PARTY) AND OTHER POLITICAL GROUPS IN AN ELECTORAL COALITION KNOWN AS THE UDP (UNIDAD DEMOCRATICA Y POPULAR - DEMOCRATIC AND POPULAR UNITY). SILES WAS THE UDP PRESIDENTIAL CANDIDATE IN THE 1978, 1979, AND 1980 ELECTIONS. THE UDP CLAIMS THAT HE WON THE POPULAR VOTE ALL THREE TIMES BUT HAD HIS VICTORY DENIED.

23. ALTHOUGH SILES WON A DECISIVE VICTORY OVER PAZ IN THE 1980 POPULAR VOTE, VIRTUALLY A 2 TO 1 MARGIN, HE STILL FAILED TO WIN THE LEGALLY REQUIRED ABSOLUTE MAJORITY AND WOULD HAVE HAD TO FACE A RUN-OFF ELECTION IN THE CONGRESS. HOWEVER, IT SEEMED CERTAIN THAT BEFORE THE MILITARY INTERVENED ON JULY 17, SILES WOULD HAVE EMERGED THE VICTOR IN THE CONGRESS. NONETHELESS, IT IS IMPORTANT TO REITERATE THAT SILES ACTUALLY WON FEWER VOTES IN 1980 THAN IN 1979, PROBABLY BECAUSE SO MANY MORE VOTERS ABSTAINED IN THE 1980 ELECTIONS.

24. SINCE THE JULY COUP, HERNAN SILES HAS BEEN IN EXILE, MOST OF THE TIME IN LIMA. SINCE TORRELIO ASSUMED THE PRESIDENCY AND LOOSENED PRESS RESTRICTIONS, SILES, THE MNRI, AND THE UDP HAVE BECOME INCREASINGLY ACTIVE, PARTICULARLY IN PUBLISHING PARTY STATEMENTS. EARLY IN 1982 SILES DIRECTED LETTERS TO THE LEADERS OF THE MAJOR PARTIES OF THE CENTER AND RIGHT, URGING A NATIONAL POLITICAL ACCORD TO SPEARHEAD A DRIVE FOR THE MORE RAPID DEMOCRATIZATION OF BOLIVIA. IN HIS APRIL 9 MESSAGE, SILES THOROUGHLY BLASTED THE MILITARY AND THE TORRELIO GOVERNMENT, VIRTUALLY RULING OUT THE POSSIBILITY OF ANY DIALOGUE (ALTHOUGH MNRI LEADERS RECENTLY MET PRIVATELY WITH TORRELIO). FOLLOWING TORRELIO'S APRIL 21 SPEECH PROMISING AN END TO THE POLITICAL RECESS AND ELECTIONS FOR A CONSTITUENT ASSEMBLY, THE MNRI ISSUED ANOTHER STRONG STATEMENT REJECTING A CONSTITUENT ASSEMBLY AND DEMANDING AN IMMEDIATE LIFTING OF ALL ANTI-CONSTITUTIONAL RESTRICTIONS AND CALLING FOR GENERAL ELECTIONS.

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DIA FOR IR BRANCH; USCINCSO ALSO FOR POLAD

7. THE MIR OF BOLIVIA, ANOTHER OF THE UDP COALITION PARTIES, SHOULD NOT BE CONFUSED WITH THE MIR OF CHILE, DESPITE THE UNFORTUNATE COMMONALITY OF THE TITLES. IT IS TRUE THAT THE BOLIVIAN MIR BEGAN A DECADE AGO WITH A RADICAL LEFTIST ORIENTATION AND THERE ARE STILL RADICAL ELEMENTS WITHIN THE PARTY, BUT ITS MIDDLE CLASS LEADERSHIP HAS MOVED STEADILY TOWARD A MORE MODERATE DEMOCRATIC POSITION AND THE PARTY'S ORIENTATION IS STILL VERY MUCH IN THE PROCESS OF DEFINITION. NEARLY ALL BOLIVIANS AGREE THAT IT IS A PARTY WITH A FUTURE, AND WE IN THE EMBASSY HAVE BEEN TRYING TO INFLUENCE THE MIR'S DEVELOPMENT IN DIRECTIONS THAT ARE COMPATIBLE WITH AND REINFORCING OF U.S. INTERESTS. IT IS INTERESTING THAT IN THE AMBASSADOR'S MEETINGS WITH LEADERS OF THE MORE CONSERVATIVE MNR AND NATIONAL DEMOCRATIC ACTION (ADN) PARTIES LAST WEEK, BOTH PUT CONSIDERABLE STOCK IN THE MIR BEING A FORCE FOR MODERATION IN THE UDP AND A COUNTER-BALANCE AND RIVAL OF THE PCB. THE MIR HAS MEMBERS AND SYMPATHIZERS AMONG THE INDUSTRIAL AND COMMERCIAL CLASS AND WITHIN THE ARMED FORCES, AS WELL AS THE WORKING CLASS. WITH THESE COMMENTS WE DO NOT WISH TO APPEAR TO "WHITENASH" THE MIR. THERE ARE STILL RADICAL THINKERS IN THE PARTY. WE DOUBT, HOWEVER, THAT THE LEFTIST TENDENCIES WILL BE PERMITTED MUCH INFLUENCE DURING THIS PERIOD OF PARTICIPATION WITH THE UDP, AND BELIEVE THAT THE STRENGTH OF THE MODERATE FORCES WILL CONTINUE TO GROW. THE MIR HAS THE UDP'S VICEPRESIDENTIAL CANDIDATE, JAIME PAZ ZAMORA, AND 10 SEATS OF THE UDP'S 57 SEATS IN THE CONGRESS.

8. THE MNRI ITSELF IS A BROAD BASED PARTY OF THOSE WHO IN 1970 BROKE AWAY FROM THE NATIONAL REVOLUTIONARY MOVEMENT (MNR) OF VICTOR PAZ ESTENSSORO. LIKE THE MNR, ITS ADHERENTS SPAN THE SPECTRUM FROM RIGHT TO LEFT, ALTHOUGH ITS CENTER OF GRAVITY IS CENTER LEFT. THE MNRI AND UDP LEADER, HERNAN SILES ZUAZO, PREVIOUSLY WAS ELECTED AND SERVED AS PRESIDENT OF BOLIVIA FROM 1956-60, THE SECOND CHIEF EXECUTIVE OF THE 1952 NATIONAL REVOLUTIONARY MOVEMENT THAT CARRIED OUT THE HISTORICAL REFORMS OF THAT PERIOD. HE WAS AT THAT TIME CONSIDERED TO BE THE FOREMOST CONSERVATIVE LEADER WITHIN THE MNR, AND HIS ADMINISTRATION IS

REMEMBERED FOR HAVING BRAKED THE EXCESSES OF THE REVOLUTION AND FOR CARRYING OUT SUCCESSFULLY A VERY DIFFICULT INTERNATIONAL MONETARY FUND (IMF) DIRECTED ECONOMIC REFORM PROGRAM WHICH HAD BEEN DRAFTED BY PRIVATE AMERICAN EXPERTS.

9. THE MNRI IS SPLIT INTO TWO PRINCIPAL FACTIONS. ONE, NOW DOMINANT, IS LED BY MARIO VELARDE DORADO, THE SECRETARY GENERAL, AND FELIX ROSPIGLIOSI, THE EXECUTIVE SECRETARY. THIS FACTION, SOMETIMES REFERRED TO AS THE SIGLO GROUP (NAMED AFTER A NEWSPAPER ONCE PUBLISHED BY BOLIVIAN STUDENTS STUDYING IN ARGENTINA, ALTHOUGH SIGLO XX IS ALSO A MINING COMPLEX NEAR ORURO), IS CONSIDERED MORE RADICAL; AND THERE ARE ALLEGATIONS THAT VELARDE IS ACTUALLY A COMMUNIST. THE EMBASSY HAS UNCONFIRMED CIRCUMSTANTIAL INFORMATION IN ITS FILES THAT VELARDE WAS A COMMUNIST IN HIS YOUTH. HE WAS SECRETARY GENERAL OF THE PRESIDENCY DURING THE RADICAL TORRES GOVERNMENT AND IS SAID TO HAVE SPENT, AND WORKED FOR, SEVERAL YEARS IN EAST GERMANY IN EXILE FOLLOWING THE 1971 COUP AGAINST TORRES. HOWEVER, TOP RESPONSIBLE LEADERS OF BOTH THE RIVAL MNR AND BANZER'S NATIONAL DEMOCRATIC ACTION PARTY (ADN) HAVE TOLD US THAT THEY DO NOT REGARD VELARDE AS A COMMUNIST, THOUGH HE WAS LEFTIST IN HIS YOUTH. THEY HAVE SAID, IN FACT, THAT VELARDE IS HIGHLY INTELLIGENT, FLEXIBLE, PRAGMATIC AND A HEALTHY INFLUENCE ON SILES. VELARDE HAS SOUGHT A GOOD RELATIONSHIP WITH THE EMBASSY AND HIS DEALINGS WITH US WOULD NOT INDICATE THAT HE IS A COMMUNIST. HE UNDOUBTEDLY WILL HOLD AN IMPORTANT POSITION IN SILES' GOVERNMENT, PERHAPS EVEN AS FOREIGN MINISTER. VELARDE SERVED IN BOLIVIA'S UN MISSION 1962-64.

10. THE OTHER MAJOR FACTION OF THE MNRI, SOMETIMES LABELED THE "NATIONALIST" GROUP, IS FAIRLY CONSERVATIVE IN NATURE AND IS LED BY FEDERICO ALVAREZ PLATA, WHO WAS ELECTED SECRETARY GENERAL OF THE PARTY BEFORE THE 1980 ELECTIONS AND WHO REMAINED SO UNTIL EARLY THIS YEAR WHEN SILES DECIDED TO REPLACE HIM AND HIS PEOPLE WITH VELARDE AND HIS FOLLOWERS. WHILE THE CIRCUMSTANCES

OF SILES' TRANSFER OF FAVOR FROM ONE FACTION TO THE OTHER ARE NOT COMPLETELY CLEAR, THEY APPEAR TO BE RELATED TO QUESTIONS OF PARTY DISCIPLINE, LOYALTY TO SILES AND DIFFERENCES OVER POLITICAL STRATEGY. ALVAREZ, WHO SURFACED FROM CLANDESTINITY IN BOLIVIA IN LATE 1981, BEGAN TO ACT RATHER INDEPENDENTLY OF SILES BY ENTERING INTO DIALOGUE WITH THE MNR OF PAZ ESTENSSORO OVER POSSIBLE REUNIFICATION OF THE MNR FACTIONS. HE ALSO SOUGHT OUT MILITARY CONTACTS. NEITHER OF THESE ACTIVITIES PLEASED SILES.

11. ONCE SILES TRANSFERRED POWER IN THE PARTY TO VELARDE, DIFFERENCES DEEPENED AS ALVAREZ'S PEOPLE SIDED WITH RIGHT OF CENTER PARTIES AND THE BUSINESS COMMUNITY IN CALLING FOR THE 1980 CONGRESS WHILE SILES INSISTED ON NEW GENERAL ELECTIONS. ALVAREZ CONSIDERS HIS OUSTER UNDEMOCRATIC AND AGAINST PARTY RULES BUT HAS NOT PUBLICLY AIRD HIS COMPLAINTS OR BROKEN WITH SILES. RATHER HE AND HIS FOLLOWERS HAVE QUIETLY SULKED, PARTIALLY CUT OFF FROM SILES, HOPING TO REINSTATE THEIR INFLUENCE WITH HIM ONCE HE RETURNS. THEY NOW HOPE SILES WILL APPRECIATE THEIR WISDOM AND PRESCIENCE IN HAVING CALLED FOR THE 1980 CONGRESS. IT IS INTERESTING TO NOTE THAT ALVAREZ, WHO HIMSELF IS A SENATOR IN THE 1980 CONGRESS, CONTROLS MORE MNRI VOTES IN THE CONGRESS THEN VELARDE, SOME SAY 19 OF THE MNRI'S 27 SEATS. WE CANNOT CONFIRM THIS HIGH FIGURE, BUT IT APPEARS THAT THEREIN LIES THE BASIS FOR A RECONCILIATION OF THE ALVAREZ FACTION WITH SILES, ALTHOUGH THE INTERNAL STRUGGLE BETWEEN FACTIONS WILL LIKELY CONTINUE.

12. THE BELIEF IS PREVALENT THAT THE COALITIONS AND ALIGNMENTS OF BOLIVIAN POLITICAL PARTIES WILL SHIFT GREATLY AFTER THE 1980 CONGRESS AND THE SILES GOVERNMENT TAKE POWER. THIS WOULD HAVE THE EFFECT OF SHIFTING THE SILES' GOVERNMENT TOWARD THE CENTER AND LESSENING ITS DEPENDENCE ON THE PCB. WE HAVE ALREADY MENTIONED THE POSSIBILITY THAT THE PCB COULD MOVE TO THE OPPOSITION AFTER A PERIOD OF STRAINED RELATIONS WITH SILES OVER ECONOMIC POLICY. ANOTHER POSSIBILITY IS THAT SILES WILL CHOOSE NOT TO GOVERN ON THE NARROW BASE OF THE UDP AND WILL SEEK ALLIANCES WITH NATIONAL-

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DIA FOR IR BRANCH; USCINCSO ALSO FOR POLAD
E.O. 12356: DECL: 9-27-88
TAGS: PGOV, PINT, PINR, BL
SUBJ: INITIAL COMMENTS ABOUT COMMUNIST OR LEFTIST INFLUENCE
WITHIN A SILES ZUAZO GOVERNMENT IN BOLIVIA

1. C-ENTIRE TEXT.

2. SUMMARY: THE BOLIVIAN ARMED FORCES WILL TURN THE GOVERNMENT OVER TO THE 1980 CONGRESS WITHIN THE NEXT FEW DAYS AND THAT CONGRESS WILL PROBABLY SELECT HERNAN SILES ZUAZO AS PRESIDENT. THE EMBASSY BELIEVES THAT LEFTIST FORCES WITHIN SILES UDP COALITION--ESPECIALLY THE BOLIVIAN COMMUNIST PARTY--BEAR CAREFUL WATCHING. UNTIL SILES, MEMBERS OF THE UDP, AND OTHER POLITICAL PARTIES BEGIN CONSIDERING PROGRAMS AND INTERACTING, IT IS RISKY TO SPECULATE ON THE DIRECTIONS THE NEW GOVERNMENT WILL TAKE, BUT WE BELIEVE OUR PRELIMINARY THOUGHTS ON THE SUBJECT WILL BE USEFUL TO THE DEPARTMENT. WE SUGGEST THAT A KEY DECISION POINT IN TERMS OF THE DIRECTION OF THE SILES GOVERNMENT WILL COME VERY SOON AS THE NEW GOVERNMENT IS FORCED TO DEAL WITH THE GRAVE ECONOMIC CRISIS. THERE IS DISCUSSION THAT SILES AND HIS UDP, SINCE THEY WILL NOT CONTROL THE CONGRESS, MAY SEEK (UNITY GOVERNMENT," OR AT LEAST AN ACCORD WITH OTHER PARTIES ON THE ECONOMIC PACKAGE. THIS WOULD BRAKE TENDENCIES TOWARD LEFTIST SOLUTIONS. SHOULD SILES ATTEMPT TO GOVERN ONLY WITH THE UDP, AND IF THE PCB WILL HELP SILES CONSTRAIN ORGANIZED WORKERS SO HE CAN CARRY OUT AN ECONOMIC REFORM PACKAGE THAT WILL GAIN IMF APPROVAL, OPEN DOORS TO INTERNATIONAL ASSISTANCE, AND PERMIT DEBT RE-SCHEDULING, THE PCB'S SUPPORT WILL BE EXTREMELY VALUABLE TO SILES IN THE SHORT-RUN. IF THE PCB WILL NOT ACCEPT SUCH A PROGRAM, THE QUESTION WILL BE WHETHER SILES GOES WITH THE PCB OR BREAKS WITH THEM AND SEEKS ADDITIONAL SUPPORT OF MORE CONSERVATIVE POLITICAL GROUPS. MOST PEOPLE BELIEVE THAT ALIGNMENTS WITHIN THE CONGRESS WILL SHIFT GREATLY OVER THE FIRST YEAR OF THE NEW GOVERNMENT, IF IT SURVIVES THAT LONG. THE PARTIES OUTSIDE THE UDP (WHO WILL BE ABLE TO BLOCK LEGISLATION IN CONGRESS), THE ARMED FORCES, THE IMMEDIACY OF COPING WITH THE ECONOMIC CRISIS, THE PRIVATE SECTOR, NEIGHBORING COUNTRIES, SOME EUROPEAN GOVERNMENTS, AND

THE USG WILL ALL HAVE THE CAPACITY TO EXERCISE INFLUENCE AND RESTRAINT ON THE SILES GOVERNMENT. HOW WE USE OUR ASSISTANCE AND DIPLOMATIC LEVERAGE WILL BE IMPORTANT. END SUMMARY.

3. THERE IS CONSIDERABLE CONCERN AMONG THE BOLIVIAN MILITARY, AMONG BOLIVIAN ENTREPRENEURS, AND CENTER RIGHT POLITICAL FORCES ABOUT THE DEGREE OF STRENGTH OF LEFTISTS AND COMMUNISTS IN THE DEMOCRATIC AND POPULAR UNITY (UDP) COALITION, WHICH IT APPEARS WILL BEGIN TO GOVERN BOLIVIA AS A CONSTITUTIONAL GOVERNMENT SHORTLY, PROBABLY ABOUT OCTOBER 10. BASED ON WHAT THEIR REPRESENTATIVES HERE SAY, NEIGHBORING GOVERNMENTS ALSO SHARE THIS CONCERN, (ESPECIALLY THE ARGENTINES) AND WASHINGTON MAY EXPECT SOME OF THEM TO VOICE THEIR WORRIES TO US. THE REASONS FOR THESE CONCERNS, THOUGH WE BELIEVE THEM TO BE EXAGGERATED, ARE EVIDENT: THE UDP CONSISTS OF PARTIES WHICH ARE OR PORTRAY THEMSELVES AS LEFTISTS, NAMELY: THE BOLIVIAN COMMUNIST PARTY (PCB), THE LEFTIST REVOLUTIONARY MOVEMENT (MIR), AND THE NATIONAL REVOLUTIONARY MOVEMENT OF THE LEFT (MNR1).

4. THE PCB IS A MOSCOW-LINE COMMUNIST PARTY, AND THERE IS NO REASON TO BELIEVE THAT IT DIFFERS FROM OTHER SUCH PARTIES IN LATIN AMERICA. HERNAN SILES ZUAZO, THE LEADER OF THE UDP, THE MNR1, AND MOST PROBABLY THE NEXT PRESIDENT OF BOLIVIA, ASSURED AMBASSADOR CORR DURING A MEETING ON AUGUST 14 IN LIMA THAT HE INTENDED TO, AND WOULD BE ABLE TO, CONTROL AND LIMIT PCB INFLUENCE IN HIS GOVERNMENT. HE CLAIMED THAT HE NEEDED PCB SUPPORT TO WIN A MAJORITY IN THE ELECTIONS HE THEN CONTEMPLATED (WHICH NOW WILL NOT BE HELD), AND TO CARRY OUT VERY DIFFICULT ECONOMIC MEASURES TO DEAL WITH THE CURRENT GRAVE ECONOMIC CRISIS, SINCE THE MEASURES WILL FALL MOST HEAVILY ON THE WORKERS AMONG WHOM THE PCB HAS STRENGTH. IF THE PCB WILL HELP THE SILES GOVERNMENT CARRY OUT ECONOMIC REFORMS, WHICH WOULD GAIN AN IMF STAND-BY LOAN, OPEN THE DOOR TO INTERNATIONAL ASSISTANCE, AND ENABLE RENEGOTIATION OF THE FOREIGN DEBT, IT WOULD BE EXTREMELY USEFUL TO SILES. HOWEVER, WE ARE WELL AWARE OF THE PCB'S POTENTIAL FOR MISCHIEF, AND WE ARE SKEPTICAL THAT THE PCB WOULD SUPPORT ECONOMIC MEASURES ACCEPTABLE TO THE IMF. WE WOULD NOT BE SURPRISED TO SEE A BREAK BETWEEN SILES AND THE PCB, AND THE PCB MOVE INTO OPPOSITION AFTER SILES ASSUMES OFFICE. THE KEY DECISION POINTS WILL COME ON THE UDP ECONOMIC PROGRAM AND DEPEND ON WHETHER SILES CARRIES THE PCB WITH HIM.

5. THE ALLIANCE BETWEEN SILES AND THE PCB APPEARS LARGELY PRAGMATIC ON THE PART OF BOTH AND STEMS FROM A CURIOUS DUALITY IN BOLIVIAN POLITICS. THE BOLIVIAN LABOR MOVEMENT, AS REPRESENTED BY THE BOLIVIAN WORKERS' CENTRAL (COB), IS A POWERFUL FORCE IN BOLIVIAN POLITICS, SECOND ONLY TO THE POWER OF THE ARMED FORCES. THE PCB HAS CONSIDERABLE AND GROWING INFLUENCE IN THE COB, PARTICULARLY AMONG MINERS AND FACTORY WORKERS. AS STATED, SILES BELIEVES THE PCB CAN HELP HIM CONTROL THE REACTION OF THE COB TO UNPOPULAR ECONOMIC MEASURES. HE WELL REMEMBERS THAT WHILE PRESIDENT IN 1957, THE COB STRUCK AGAINST HIS IMF ECONOMIC PACKAGE FOR 45 DAYS, AND ALTHOUGH HE WON OUT THEN, HE WOULD LIKE TO AVOID A SIMILAR CONFRONTATION IN 1982 WHEN THE STRENGTH OF LABOR IS GREATER AND HIS OWN IS LESS.

6. THE COB'S STREET MUSCLE DOES NOT TRANSFER INTO ELECTORAL STRENGTH, HOWEVER, COB LEADER JUAN LECHIN WON ONLY SLIGHTLY OVER ONE PERCENT OF THE PRESIDENTIAL VOTE IN 1980 AND HIS PRIN PARTY WON NO SEATS IN THE CONGRESS--ALTHOUGH IT MUST BE BORN IN MIND THAT LECHIN OFFICIALLY WITHDREW FROM THE RACE JUST BEFORE THE ELECTIONS. THE PCB, AS A RESULT OF ITS PARTICIPATION IN THE UDP COALITION IN 1980, WAS AWARDED 13 SEATS WHICH THEY NEVER COULD HAVE ACHIEVED AS A LONE PARTY. AN UNDERSTANDING EXISTED IN 1980 THAT THE PCB WOULD NOT BE GIVEN ANY CABINET POSITIONS. WHETHER THIS UNDERSTANDING HOLDS IN 1982 WILL BE A MEASURE OF CURRENT PCB STRENGTH WITHIN THE COALITION.

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IST PARTIES, IN WHAT IS GENERALLY REFERRED TO AS A "GOVERNMENT
OF NATIONAL UNITY." THE SMALL BUT INFLUENTIAL AND RESPECTED
CHRISTIAN DEMOCRATIC PARTY IS A PRIMARY PROPONENT OF THIS AND
HAS PUBLICLY CALLED FOR "PACT FOR DEMOCRACY." OTHER SPLINTER
GROUPS SUCH AS THE MNRU COULD BE INCLUDED.

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E.O. 12356: DECL: 10/1/88

TAGS: PGOV, OVIP, BL

SUBJ: PRESIDENTIAL INAUGURATION CEREMONIES

1. C - ENTIRE TEXT

2. ACCORDING TO FONOFF PROTOCOL OFFICE, WHICH CLAIMS IT WILL COORDINATE ARRANGEMENTS FOR OCTOBER 10 INAUGURATION CEREMONIES, FOLLOWING IS VERY TENTATIVE OUTLINE OF OFFICIAL EVENTS AND OTHER GENERAL INFORMATION:

A. ALL CEREMONIES WILL BE HELD ON SUNDAY, OCTOBER 10, I.E., THERE ARE NO PLANS FOR PRE-INAUGURAL ACTIVITIES ON SATURDAY, OCTOBER 9;

B. WIVES WILL NOT RPT NOT BE INCLUDED IN ANY OFFICIAL CEREMONIES;

C. ALL OFFICIAL CEREMONIES WILL HAVE DARK SUIT AS DRESS REQUIREMENT;

D. PROVISIONAL SCHEDULE OF OFFICIAL EVENTS ON OCTOBER 10:
0930 DELEGATIONS PRESENT CREDENTIALS TO PRESIDENT VILDOSO AT PRESIDENTIAL PALACE; FOLLOWED BY VINO DE HONOR HOSTED BY OUTGOING PRESIDENT;

1400 MOTORCADE OF ALL DELEGATIONS FORMS UP AT HOTEL SHERATOR;

1430 MOTORCADE DEPARTS HOTEL FOR LEGISLATIVE PALACE;

1500 INAUGURAL CEREMONY BEGINS AT LEGISLATIVE PALACE INCLUDING: MESSAGE BY OUTGOING PRESIDENT; REMOVAL OF INSIGNIA OF OFFICE; OATH OF OFFICE ADMINISTERED BY PRESIDENT OF CONGRESS; SWEARING IN OF VICE PRESIDENT; SPEECH BY INCOMING PRESIDENT;

1630 CEREMONIES PASS TO PALACIO QUEMADO (SEVERAL MINUTES WALK FROM LEGISLATIVE PALACE) WHERE DELEGATES INTRODUCED TO NEW PRESIDENT;

1730 RECEPTION OFFERED BY NEW PRESIDENT IN HONOR OF VISITING DELEGATIONS AND CONGRESS;

2200 DELEGATIONS RETURN TO QUARTERS

3. ACCOMMODATIONS: GOB IS SUGGESTING THAT ALL DELEGATIONS STAY AT THE HOTEL SHERATOR. EMBASSY HAS RESERVED TOP FLOOR (14 SINGLES), WHERE WE WILL ESTABLISH CONTROL OFFICE FOR DELEGATION. AMBASSADOR WILL EXTEND INVITATION TO HEAD OF DELEGATION AND OTHERS TO STAY AT RESIDENCE, WHICH ONLY FIVE MINUTES AWAY FROM SHERATON HOTEL. RESIDENCE HAS WHAT ARE ESSENTIALLY TWO SINGLES AND TWO DOUBLES.

4. TRANSPORTATION TO/FROM BOLIVIA: EMBASSY STRONGLY RECOMMENDS THAT U.S. DELEGATION ARRIVE AND DEPART VIA USAF AIRCRAFT. SOUTHBOUND COMMERCIAL FLIGHTS ON FRIDAY AND SATURDAY PRIOR TO INAUGURATION SHOULD BE PACKED WITH FOREIGN DELEGATIONS AND OTHER

ATTENDEES. FURTHER DIFFICULTY IS THAT THERE ARE NO RPT NO COMMERCIAL FLIGHTS OUT OF LA PAZ ON MONDAYS.

5. SECURITY: DEALT WITH SEPTEL.

6. OTHER DELEGATIONS: DESPITE EMBASSY'S BEST EFFORTS, VERY LITTLE IS KNOWN ABOUT LEVEL AND COMPOSITION OTHER DELEGATIONS. IT APPEARS CERTAIN THAT PERUVIAN PRESIDENT BELAUNDE WILL RPT WILL ATTEND. CHARGE OF ECUADORIAN EMBASSY TOLD AMBASSADOR THAT PRESIDENT HURTADO MIGHT RPT MIGHT ATTEND. BRITISH AMBASSADOR INFORMED THAT UK WILL SIDETRACK A MINISTER WHO CURRENTLY TOURING LATIN AMERICA.

7. ADD-ON BENEFITS OF DELEGATION'S PRESENCE: EMBASSY WISHES TO MAXIMIZE BENEFITS AND OPPORTUNITIES TO ADVANCE U.S. INTERESTS THAT PRESENCE OF U.S. DELEGATION REPRESENTS. SINCE LITTLE KNOWN ABOUT AND SO MUCH DEPENDS ON PATH SILES GOVERNMENT WILL TAKE ONCE INSTALLED, EMBASSY WOULD HOPE TO ARRANGE BILATERAL MEETINGS AMONG U.S. DELEGATES AND REPRESENTATIVES OF INCOMING REGIME. EMBASSY ASSUMES THE ASSISTANT SECRETARY WILL WANT TO HOLD BILATERALS WITH VISITING CHIEFS-OF-STATE AND POSSIBLY OTHERS GATHERED FOR THE INAUGURATION; THE AMBASSADOR WOULD LIKE TO HOST A VARIETY OF SOCIAL FUNCTIONS AROUND THE DELEGATION'S PRESENCE WHERE SUCH EXCHANGE COULD TAKE PLACE. FOR ALL THESE REASONS, THE EMBASSY STRONGLY RECOMMENDS THAT THE DELEGATION ARRIVE ON FRIDAY OR EARLY SATURDAY, AND NOT DEPART UNTIL TUESDAY, OCTOBER 12. ARRIVAL ON FRIDAY WOULD ALSO GIVE DELEGATES MINIMUM TIME TO ACCLIMATIZE TO 12,000 FOOT ELEVATION BEFORE PLUNGING INTO CEREMONIAL SCHEDULE ON SUNDAY.

8. AIRPORT ARRIVAL CEREMONIES: GOB PLANS TO GIVE EACH ARRIVING DELEGATION QUOTE RED CARPET TREATMENT END QUOTE. NO FURTHER DESCRIPTION GIVEN. DELEGATIONS HEADED BY CHIEFS-OF-STATE WILL BE GIVEN FULL CEREMONIAL TREATMENT, I.E., BANDS, SPEECHES, ETC.

9. SIZE OF DELEGATIONS: EMBASSY RECEIVED NOTE ON SEPTEMBER 30 WHICH EXTENDED GOB'S OFFER TO MEET EXPENSES OF HEAD OF DELEGATION AND TWO ADDITIONAL DELEGATES PER COUNTRY. PROTOCOL MENTIONED THAT GIVEN SPACE CONSTRAINTS AT LEGISLATIVE PALACE, SEATING AT ACTUAL SWEARING IN MIGHT RPT MIGHT BE LIMITED TO TWO SEATS PER DELEGATION. HOWEVER, THE FOREIGN MINISTER TOLD THE AMBASSADOR THAT HE WOULD DO HIS BEST TO ACCOMMODATE A LARGER USG DELEGATION.

10. EMBASSY WISHES TO EMPHASIZE THAT ABOVE OUTLINE OF EVENTS IS GOB PRELIMINARY THINKING AND SUBJECT TO CHANGE. GOB PRESSING TO BE INFORMED OF SIZE AND COMPOSITION OF U.S. DELEGATION. EMBASSY ALSO NEEDS SUCH INFORMATION SO THAT PLANNING AND ARRANGEMENTS CAN PROCEED. WOULD APPRECIATE EARLIEST POSSIBLE NOTIFICATION, VIA NIACI IMMEDIATE MESSAGE. CONTROL OFFICER FOR INAUGURATION DELEGATION IS DCM WILLIAM WALKER, OFFICE PHONE 351644, AND HOME PHONE 784855.

CORR

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BOLIVIA

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NLRR M3531, #119763

BY RW NARA DATE 5/18/15

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119769 CABLE		2	1/10/1983	B1
	101630Z JAN 83			B3

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119765

WHITE HOUSE SITUATION ROOM

PAGE 01 OF 04 LA PAZ 0223
SIT237 AN011256

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TOR: 012/0713Z

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DE RUESLZ #0223 0120139
O 120133Z JAN 83
FM AMEMBASSY LA PAZ

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NLRR M3531 #119765
BY RW NARA DATE 5/18/15

TO SECSTATE WASHDC NIACT IMMEDIATE 4411

INFO AMEMBASSY MANAGUA IMMEDIATE 0433

~~SECRET~~ LA PAZ 0223

EXDIS
E O 12356: DECL OARD
TAGS: PGOV, PREL, BL, CU
SUBJ: GOB RECOGNITION OF CUBA: AMBASSADOR'S REPRESENTATION TO
PRESIDENT SILES
REF: FBIS 111751Z JAN 83

1. ~~SECRET~~ - ENTIRE TEXT.
2. ON BASIS OF REF FBIS REPORT, RECEIVED BY EMBASSY AT 3:15 PM JAN 11, THAT GOB WAS PLANNING TO EXTEND RECOGNITION TO CUBA IN COURSE OF MANAGUA NACB CONFERENCE, THE AMBASSADOR ASKED FOR AN IMMEDIATE APPOINTMENT WITH PRESIDENT SILES. BY 4:00 PM THE AMBASSADOR, ACCOMPANIED BY DCM, WAS RECEIVED BY THE PRESIDENT AND HIS JUST APPOINTED SPECIAL ADVISOR MARCIEL TAMAYO.
3. AFTER THANKING THE PRESIDENT FOR RECEIVING HIM ON SUCH

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WHITE HOUSE SITUATION ROOM

PAGE 02 OF 04 LA PAZ 0223

DTG: 120133Z JAN 83 PSN: 073426

EXDIS
SHORT NOTICE, THE AMBASSADOR SAID THAT PRESS REPORT HAD REACHED THE EMBASSY THAT FONMIN VELARDE PLANNED TO FORMALIZE RECOGNITION OF CUBA WHILE IN MANAGUA. PRESIDENT SILES INTERRUPTED TO CONFIRM THAT HIS GOVERNMENT WAS INDEED ABOUT TO EXTEND RECOGNITION. THE AMBASSADOR EXPRESSED HIS PERSONAL DISMAY AT THE NEWS AND REMINDED THE PRESIDENT THAT, AS RECENTLY AS LAST WEEK IN CONVERSATIONS WITH THE FOREIGN MINISTER, HE HAD CONVEYED THE USG'S GRAVE CONCERN WITH THE IMPLICATIONS SUCH RECOGNITION WOULD HAVE ON THE STATE OF RELATIONS BETWEEN BOLIVIA AND THE UNITED STATES. THE AMBASSADOR TOLD THE PRESIDENT THAT IN THOSE CONVERSATIONS THE FOREIGN MINISTER HAD OFFERED REPEATED ASSURANCES THAT HE, VELARDE, WOULD VIGOROUSLY RESIST ANY PRESSURES OR MOVEMENT IN THAT DIRECTION.

EXDIS
4. EXPLAINING THAT HE WAS NOT ACTING UNDER INSTRUCTIONS, THE AMBASSADOR SAID HE FELT COMPELLED TO TELL THE PRESIDENT THAT GOB RECOGNITION OF CUBA, COMING IMMEDIATELY AFTER THE EMBASSY HAD COMMUNICATED VELARDE'S ASSURANCES TO WASHINGTON, AND ON TOP OF A SERIES OF SIMILAR UNEXPLAINED ABOUT-FACES ON PROMISES MADE TO THE EMBASSY, COULD NOT HELP BUT ADVERSELY AFFECT THE TONE AND SUBSTANCE OF OUR BILATERAL RELATIONS. FURTHER, THE AMBASSADOR SAID THAT AFTER CONVEYING TO WASHINGTON SIX OR SEVEN GOB ASSURANCES OF ACTIONS THAT BOLIVIA WOULD/WOULD NOT TAKE, AND HAVING ALL MESSAGES PROVEN FALSE, THE EMBASSY FEARED THAT OUR CABLES HAD LOST CREDIBILITY WITH WASHINGTON RECIPIENTS, AND WITH GOOD REASON THOSE IN WASHINGTON WOULD QUESTION THE SERIOUSNESS OF THE GOB.

EXDIS
5. IN RESPONSE TO THE AMBASSADOR'S QUERY AS TO WHAT HAD PROMPTED THE GOB TO RECOGNIZE CUBA, AND WHAT IT HOPED TO GAIN, PRESIDENT SILES COULD ONLY SAY THAT THIS WAS A SOVEREIGN DECISION TAKEN IN FULFILLMENT OF HIS GOVERNMENT'S OFT-STATED POLICY PLACING BOLIVIA IN THE RANKS OF THOSE COUNTRIES WISHING FRIENDLY RELATIONS WITH ALL NATIONS IN THE WORLD, AND AMONG THE NON-ALLIGNED. HE ADDED THAT BOLIVIA WAS HARDLY THE FIRST LATIN AMERICAN COUNTRY TO RECOGNIZE CUBA, CITING VENEZUELA, ARGENTINA AND BRAZIL (SIC). THE USG, HE ADDED, HAS TO UNDERSTAND THE TREMENDOUS PRESSURES FROM EVERY SIDE THAT HIS GOVERNMENT HAS TO DEAL WITH. THE AMBASSA-

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WHITE HOUSE SITUATION ROOM

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DOR REJOINED THAT IN HIS GOVERNMENT'S VIEW THERE ARE DIFFERENT COMPONENTS OF THE NON-ALLIGNED MOVEMENT, AND THAT WHAT CONCERNED WASHINGTON WAS THAT THE GOB SEEMED INCREASINGLY COMMITTED TO STANDING WITH THE RADICAL WING THEREIN.

6. SILES RESPONDED THAT HIS REGIME WAS NOT IN LEAGUE WITH ANY BLOC, AND WAS CERTAINLY NOT AN ALLY OR AGENT OF THE SOVIET UNION OR OTHER SOCIALIST COUNTRY. APPARENTLY AS EVIDENCE OF THIS, HE OFFERED THAT HE HAD HAD NO CONVERSATIONS WITH THE PCB FACTION OF HIS GOVERNING COALITION ON THE CUBAN, OR ANY OTHER MATTER IN RECENT WEEKS. HE ASSURED TH AMBASSADOR THAT THE PCB HAD PLAYED NO ROLE WHATSOEVER IN THE CUBAN RECOGNITION DECISION. THE AMBASSADOR SAID THAT IF THAT WERE THE CASE HE WAS EVEN MORE PERPLEXED: WHAT THEN WERE THE "PRESSURES" BEHIND THE DECISION, WHAT DID THE GOB HOPE TO GAIN OTHER THAN THE CERTAINTY OF STRAINED RELATIONS WITH THE US> THE PRESIDENT COULD ONLY RESPOND BY REPEATING HIS INITIAL REFERENCE TO UNDEFINED "PRESSURES" AND PHILOSOPHIC COMMITMENT TO THE NON-ALLIGNED MOVEMENT.

7. MARCIEL TAMAYO INTERJECTED TO EXPLAIN THAT THE USG MUST TRY TO UNDERSTAND THAT THE SILES REGIME HAS A SCANT THREE MONTHS EXPERIENCE, FACES MANY COMPLEX AND GRAVE PROBLEMS, AND IS SUBJECT TO MANY INTERNAL AND EXTERNAL PRESSURES AND DEMANDS. TAMAYO ADDED, HOWEVER, THAT HE UNDERSTOOD THAT SUCH WAS SCANT EXCUSE FOR THE MIS-UNDERSTANDINGS AND TENSIONS THAT THE CUBA AND OTHER DECISIONS WOULD CREATE IN WASHINGTON.

8. THE AMBASSADOR REITERATED HIS FIRM BELIEF THAT TODAY'S DECISION, AND THE BACKGROUND OF REPEATED PROMISES UNFULFILLED AND BROKEN, CANNOT HELP BUT HAVE SERIOUS CONSEQUENCES FOR OUR BILATERAL RELATIONS AND ASSISTANCE PROGRAM. HE MENTIONED THAT AN IMMEDIATE VICTIM COULD BE THE ENDERS VISIT. BOTH THE PRESIDENT AND TAMAYO INDICATED THEY UNDERSTOOD. THROUGHOUT THE DISCUSSION THE AMBASSADOR CONVEYED BY EXAMPLE HIS CONVICTION THAT ONE AFTER ANOTHER SENIOR OFFICIAL OF THE SILES REGIME, INCLUDING THE PRESIDENT AND

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WHITE HOUSE SITUATION ROOM

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DTG: 120133Z JAN 83 PSN: 073426

FOREIGN MINISTER, HAD DUPED THE EMBASSY AND THE USG, WHETHER INTENTIONALLY OR NOT. THERE WAS NO RESPONSE.

9. COMMENT: WHILE WANTING TO BE JUDICIOUS AND DELIBERATE IN OUR RESPONSE, THE EMBASSY BELIEVES THAT THE USG MUST CONVEY A STRONG SIGNAL OF DISPLEASURE WITH THIS LATEST IRRATIONAL ACT OF THE SILES GOVERNMENT. UNLESS THE DEPARTMENT COUNTERMANDS THE AMBASSADOR'S INSTRUCTIONS, THE AMBASSADOR HAS ORDERED THAT THERE BE AN ACROSS-THE-BOARD SLOWDOWN IN NEGOTIATIONS ON ECONOMIC ASSISTANCE AND OTHER FORMS OF BILATERAL SUPPORT. SPECIFICALLY, THE AMBASSADOR HAS INSTRUCTED AID/B TO REDUCE TO A CRAWL THE CURRENT PL-480 NEGOTIATIONS. THE EMBASSY RECOMMENDS THAT ASSISTANT SECRETARY ENDERS CANCEL HIS PLANS TO VISIT AND SIGN THE PL-480 AGREEMENT.

10. AT THE SAME TIME, THE EMBASSY WISHES TO CAUTION STRONGLY AGAINST OVERREACTION. WE MUST BE VERY CAREFUL THAT OUR SIGNAL, HOWEVER STRONG, DOES NOT PLAY INTO THE HANDS OF THOSE WITHIN THE SILES MNRI WHO COUNSEL TOTAL BREAK WITH THE US AND OUTRIGHT COMMITMENT TO THE CUBAN-NICARAGUAN MODEL.

11. IT WAS BOTH THE AMBASSADOR'S AND DCM'S CONVICTION, AFTER ALMOST AN HOUR'S ATTEMPT TO FATHOM THE REASON BEHIND THIS DECISION, THAT IT BEARS THE STRONG IMPRINT OF SILES HIMSELF. BEYOND THAT, WE CAN OFFER NO FURTHER EXPLANATION. CORR
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INFO AMEMBASSY MANAGUA IMMEDIATE 0433

~~SECRET~~ LA PAZ 0223

EXDIS
E O 12356: DECL OARD
TAGS: PGOV, PREL, BL, CU
SUBJ: GOB RECOGNITION OF CUBA: AMBASSADOR'S REPRESENTATION TO
PRESIDENT SILES
REF: FBIS 111751Z JAN 83

1. ~~SECRET~~ - ENTIRE TEXT.

2. ON BASIS OF REF FBIS REPORT, RECEIVED BY EMBASSY AT 3:15 PM JAN 11, THAT GOB WAS PLANNING TO EXTEND RECOGNITION TO CUBA IN COURSE OF MANAGUA NACB CONFERENCE, THE AMBASSADOR ASKED FOR AN IMMEDIATE APPOINTMENT WITH PRESIDENT SILES. BY 4:00 PM THE AMBASSADOR, ACCOMPANIED BY DCM, WAS RECEIVED BY THE PRESIDENT AND HIS JUST APPOINTED SPECIAL ADVISOR MARCIEL TAMAYO.

3. AFTER THANKING THE PRESIDENT FOR RECEIVING HIM ON SUCH SHORT NOTICE, THE AMBASSADOR SAID THAT PRESS REPORT HAD REACHED THE EMBASSY THAT FONMIN VELARDE PLANNED TO FORMALIZE RECOGNITION OF CUBA WHILE IN MANAGUA. PRESIDENT SILES INTERRUPTED TO CONFIRM THAT HIS GOVERNMENT WAS INDEED ABOUT TO EXTEND RECOGNITION. THE AMBASSADOR EXPRESSED HIS PERSONAL DISMAY AT THE NEWS AND REMINDED THE PRESIDENT THAT, AS RECENTLY AS LAST WEEK IN CONVERSATIONS WITH THE FOREIGN MINISTER, HE HAD CONVEYED THE USG'S GRAVE CONCERN WITH THE IMPLICATIONS SUCH RECOGNITION WOULD HAVE ON THE STATE OF RELATIONS BETWEEN BOLIVIA AND THE UNITED STATES. THE AMBASSADOR TOLD THE PRESIDENT THAT IN THOSE CONVERSATIONS THE FOREIGN MINISTER HAD OFFERED REPEATED ASSURANCES THAT HE, VELARDE, WOULD VIGOROUSLY RESIST ANY PRESSURES OR MOVEMENT IN THAT DIRECTION.

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BOLIVIA

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BY RW NARA DATE 5/18/15

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PAGE 02 OF 02 LA PAZ 0223

DTG: 120133Z JAN 83 PSN: 073426

IN FULFILLMENT OF HIS GOVERNMENT'S OFT-STATED POLICY PLACING BOLIVIA IN THE RANKS OF THOSE COUNTRIES WISHING FRIENDLY RELATIONS WITH ALL NATIONS IN THE WORLD, AND AMONG THE NON-ALLIGNED. HE ADDED THAT BOLIVIA WAS HARDLY THE FIRST LATIN AMERICAN COUNTRY TO RECOGNIZE CUBA, CITING VENEZUELA, ARGENTINA AND BRAZIL (SIC). THE USG, HE ADDED, HAS TO UNDERSTAND THE TREMENDOUS PRESSURES FROM EVERY SIDE THAT HIS GOVERNMENT HAS TO DEAL WITH. THE AMBASSADOR REJOINED THAT IN HIS GOVERNMENT'S VIEW THERE ARE DIFFERENT COMPONENTS OF THE NON-ALLIGNED MOVEMENT, AND THAT WHAT CONCERNED WASHINGTON WAS THAT THE GOB SEEMED INCREASINGLY COMMITTED TO STANDING WITH THE RADICAL WING THEREIN.

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7. MARCIEL TAMAYO INTERJECTED TO EXPLAIN THAT THE USG MUST TRY TO UNDERSTAND THAT THE SILES REGIME HAS A SCANT THREE MONTHS EXPERIENCE, FACES MANY COMPLEX AND GRAVE PROBLEMS, AND IS SUBJECT TO MANY INTERNAL AND EXTERNAL PRESSURES AND DEMANDS. TAMAYO ADDED, HOWEVER, THAT HE UNDERSTOOD THAT SUCH WAS SCANT EXCUSE FOR THE MIS-UNDERSTANDINGS AND TENSIONS THAT THE CUBA AND OTHER DECISIONS WOULD CREATE IN WASHINGTON.

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9. COMMENT: WHILE WANTING TO BE JUDICIOUS AND DELIBERATE IN OUR RESPONSE, THE EMBASSY BELIEVES THAT THE USG MUST CONVEY A STRONG SIGNAL OF DISPLEASURE WITH THIS LATEST IRRATIONAL ACT OF THE SILES GOVERNMENT. UNLESS THE DEPARTMENT COUNTERMANDS THE AMBASSADOR'S INSTRUCTIONS, THE AMBASSADOR HAS ORDERED THAT THERE BE AN ACROSS-THE-BOARD SLOWDOWN IN NEGOTIATIONS ON ECONOMIC ASSISTANCE AND OTHER FORMS OF BILATERAL SUPPORT. SPECIFICALLY, THE AMBASSADOR HAS INSTRUCTED AID/B TO REDUCE TO A CRAWL THE CURRENT PL-480 NEGOTIATIONS. THE EMBASSY RECOMMENDS THAT ASSISTANT SECRETARY ENDERS CANCEL HIS PLANS TO VISIT AND SIGN THE PL-480 AGREEMENT.

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119767

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INFO AMEMBASSY BUDAPEST
AMEMBASSY MOSCOW
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AMEMBASSY PRAGUE
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Bolivia

~~CONFIDENTIAL~~ SECTION 01 OF 03 LA PAZ 00884

DIA FOR IR BRANCH; USCINCSO ALSO FOR POLAD

E.O. 12356: DECL: 2-9-89
TAGS: PREL, UR, BL, HU, CU, CZ, NACB
SUBJECT: BOLIVIAN RELATIONS WITH COMMUNIST BLOC
COUNTRIES UNDER THE SILES GOVERNMENT

REFS: A) 81 LA PAZ A-26, B) 82 LA PAZ A-23, C) 82 LA PAZ A-9

1. (C) SUMMARY: SOVIET POLICY TOWARDS THE CIVILIAN GOVERNMENT IN BOLIVIA IS CHARACTERIZED BY CAUTION BUT WITH AN APPARENT DESIRE TO EXPAND THE RANGE OF SOVIET CONTACTS AND POSSIBILITIES FOR INFLUENCE IN BOLIVIAN SOCIETY. THE SOVIETS' METHODS ARE ESSENTIALLY THE SAME AS EMPLOYED DURING THE MILITARY GOVERNMENT, BUT THE LEVEL OF ACTIVITY APPEARS TO HAVE INCREASED IN THE PAST COUPLE OF WEEKS. THE SILES GOVERNMENT, ALTHOUGH IT HAS TENDED TOWARD THE LEFT WING OF THE NON-ALIGNED MOVEMENT, APPEARS TO BE GUIDED BY NATIONALISTIC AND SOCIALIST (WITH A SMALL "S") IDEOLOGICAL PREDILECTIONS, AND NOT BY ANY COMMITMENT TO COMMUNISM OR THE SOVIET SYSTEM. BESIDES COMMERCIAL DEALS, (BEGIN NOFORN) INCLUDING AN OFFER TO SELL HELICOPTERS TO THE BOLIVIAN MILITARY, (END NOFORN) THE SOVIETS HAVE SIGNED A NUMBER OF AGREEMENTS RECENTLY. END SUMMARY.

2. (C) SINCE THE INAUGURATION OF THE SILES GOVERNMENT IN OCTOBER 1982, THE SOVIET UNION HAS BEEN MAKING CONTINUAL EFFORTS TO EXPAND ITS RELATIONS WITH BOLIVIA. MOST OF THESE EFFORTS ARE SMALL AND CONTRIBUTE MORE TO ATMOSPHERICS THAN TO ATTEMPT TO INDUCE A FUNDAMENTAL SHIFT IN BOLIVIAN POLICIES. THE LEVEL OF SOVIET ACTIVITY APPEARS TO HAVE INCREASED IN THE LAST COUPLE OF WEEKS.

3. (C) THE FINNISH AMBASSADOR TO BOLIVIA, WHO CALLED ON SOVIET AMBASSADOR KOVALEV, TOLD US THAT THE SOVIETS DO NOT CLEARLY SEE THE COURSE BOLIVIA WILL TAKE. ALTHOUGH THE SILES GOVERNMENT HAS MOVED TOWARD THE LEFT WING OF THE NON-ALIGNED MOVEMENT, THE SOVIETS RECOGNIZE THAT THE SHIFT IS AN INDEPENDENT ACT AND COULD BE REVERSED AT ANY TIME. THE SOVIETS ALSO WORRY ABOUT THE REACTION OF THE UNITED STATES IF THEY BECOME TOO VISIBLE AND ABOUT THE IMAGE OF THEIR ALLIES IN THE BOLIVIAN COMMUNIST PARTY (PCB) IF THE PARTY PUSHES TOO HARD. THEY ALSO RECOGNIZE THAT BOLIVIA'S CONGENITAL INSTABILITY COULD GIVE LIE TO ALL THEIR CALCULATIONS WITH LITTLE WARNING.

4. (LOU) THE SOVIETS HAVE MADE ONLY ONE PUBLICIZED ATTEMPT TO GAIN BOLIVIAN SUPPORT FOR ONE OF THEIR POLITICAL INITIATIVES. ON JANUARY 13, 1983, SOVIET

AMBASSADOR KOVALEV DELIVERED TO SAMUEL GALLARDO, THE PRESIDENT OF THE CHAMBER OF DEPUTIES, AN APPEAL FROM THE SUPREME SOVIET CONTAINING A REPORT APPROVED BY THE WARSAW PACT IN FAVOR OF WORLDWIDE DISARMAMENT. GALLARDO REFERRED THE DOCUMENT TO THE CHAMBER'S FOREIGN RELATIONS COMMISSION, WHICH HAS YET TO TAKE ACTION ON IT. THIS APPEAL IS BASICALLY ANALOGOUS IN FORM AND SUBSTANCE TO A SIMILAR APPEAL DELIVERED BY AMBASSADOR KOVALEV TO MILITARY PRESIDENT GARCIA MEZA IN 1981 (REF A).

5. (C) THE SILES GOVERNMENT HAS REMAINED LARGELY PASSIVE TO THESE SOVIET BLANDISHMENTS. IT HAS ALMOST ENTIRELY REFRAINED FROM PUBLIC PRAISE OF THE SOVIET GOVERNMENT AND ITS SYSTEM AND SHOWS NO INCLINATION TO LET THE USSR OR ITS SURROGATES DICTATE ITS INTERNAL OR EXTERNAL POLICIES. ON THE OTHER HAND, THE GOB AVOIDED ON NUMEROUS SUITABLE OCCASIONS TO CONDEMN SUCH SOVIET ACTIVITIES AS THEIR INVOLVEMENT IN AFGHANISTAN, ALTHOUGH UNDER CONTINUED EMBASSY PRESSURE IT AT LAST DID SO ON FEBRUARY 9.

6. (C) (NOFORN) IN EARLY FEBRUARY THE EMBASSY LEARNED THAT THE SOVIETS HAVE OFFERED TO SELL THE BOLIVIANS AN UNSPECIFIED NUMBER OF MI-6 (HOOK) AND MI-8 (HIP) HELICOPTERS. THE SELLING PRICE IS UNKNOWN AT THIS TIME BUT THE TERMS WOULD BE FIVE PERCENT PER ANNUM FOR FORTY YEARS WITH A TEN-YEAR GRACE PERIOD. THESE HELICOPTERS ARE REPORTEDLY FOR IMMEDIATE DELIVERY AND COULD COME FROM THE PERUVIAN AIR FORCE'S INVENTORY. A BOLIVIAN FIRM "SERMICON" ("SERVICIOS DE MINERIA Y CONSTRUCCION LTDA.") HAS OFFERED TO SELL THE ARMED FORCES 14 KINDS OF VEHICLES, AN-32 AND AN-26 AIRCRAFT, TWO TYPES OF BOATS, BUT NO HELICOPTERS. THE TERMS WOULD BE 15 PERCENT

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DOWN AND 4.5 PERCENT INTEREST (PERIOD OF THE CREDIT NOT SPECIFIED). DEFENSE MINISTER ORTIZ TOLD AMBASSADOR ON FEBRUARY 9 THAT THE GOVERNMENT DOES NOT INTEND TO PURCHASE ANY MILITARY EQUIPMENT AT THIS TIME BECAUSE OF THE GOVERNMENT'S LACK OF RESOURCES. (END NOFORN).

7. (C) BEFORE THE INAUGURATION OF THE CIVILIAN GOVERNMENT, THE SOVIETS WERE VERY CONCERNED THAT THE STRICTLY COMMERCIAL DEAL TO BUILD A TIN VOLATILIZATION PLANT AT MACHACAMARCA PROCEED. WITH THE INSTALLATION OF A COMMUNIST MINISTER OF MINING AND METALLURGY IN OCTOBER 1982, THE PROJECT HAS GONE AHEAD (REF B). THE ASSEMBLY OF THE SMELTER AT KARACHIPAMPA, FOR WHICH THE SOVIET FIRM MASHINEXPORT IS A SUPPLIER OF TECHNOLOGY, IS, AT LATEST REPORT, TO BE COMPLETED IN JUNE. THE SOVIETS HAVE ALSO RENEWED AN OFFER FIRST MADE IN THE EARLY 1970'S TO HELP THE BOLIVIANS EXPLORE FOR OIL ON THE ALTIPLANO. THE STATE PETROLEUM ENTERPRISE (YPFB) HAS NOT YET RESPONDED TO THE SOVIETS.

8. (U) A COMMERCIAL VENTURE REPORTED IN REF C SEEMS TO BE ENCOUNTERING SOME RESISTANCE. IN NOVEMBER THE MAYOR OF COCHABAMBA ASKED THE FRENCH AMBASSADOR FOR SPECIFICATIONS FOR BUSES FOR A MUNICIPAL TROLLEYBUS SYSTEM. THE SOVIET COMMERCIAL ATTACHE REITERATED HIS COUNTRY'S INTEREST IN THE PROJECT ABOUT A MONTH LATER.

9. (U) THE SOVIET INTEREST IN THE MINING AREAS OF POTOSI AND ORURO PREVIOUSLY REPORTED SEEMS TO BE EXPANDING SOUTH TO TARIJA, A DEPARTMENT BORDERING ARGENTINA. MOST OF THIS ACTIVITY IS THE RESULT OF THE PERSONAL EFFORTS OF GENERAL ANTONIO ZELAYA, A MEMBER OF THE BOLIVIAN ACADEMY OF SCIENCES FROM TARIJA. A COUPLE OF YEARS AGO HE ASKED THE EMBASSY FOR SUPPORT IN BUILDING AN OBSERVATORY IN TARIJA BUT WAS TURNED DOWN. THE SOVIETS APPROVED HIS REQUEST, AND THE COOPERATION HAS EXPANDED SINCE THEN. IN DECEMBER A SOVIET TEAM FROM THE EMBASSY IN LA PAZ OFFERED THE TARIJA REGIONAL DEVELOPMENT CORPORATION AND THE TARIJA EXECUTIVE PROGRAM FOR LAND REHABILITATION EQUIPMENT AND MACHINERY FOR THEIR PROJECTS. REF B REPORTED THAT THE SOVIETS HAD, DURING THE MILITARY REGIME OF PRESIDENT TORRELIO, AGREED TO BUILD AN OBSERVATORY IN SANTA ANA, FOURTEEN KILOMETERS FROM THE CITY OF TARIJA. THE TELESCOPE TO BE INSTALLED IN ACCORDANCE WITH AN AGREEMENT BETWEEN THE SOVIET AND BOLIVIAN ACADEMIES OF SCIENCES AND HAS RECENTLY BEEN TOUTED AS "PERMITTING THE OBSERVATION OF HALLEY'S COMET FROM THE SOUTHERN PART OF THE COUNTRY" (BOLIVIA). THE OBSERVATORY IS SUPPOSED TO BE COMPLETED BY THE END OF MAY 1983. ACCORDING TO PRESS REPORTS IN LATE JANUARY, A SOVIET TEAM WILL COME

TO BOLIVIA "IN THE COMING WEEKS" TO SUPERVISE THE CONSTRUCTION AND ASSEMBLY OF THE TELESCOPE. A SOVIET MISSION VISITED TARIJA PREVIOUSLY IN NOVEMBER IN CONNECTION WITH THIS PROJECT. THE LA PAZ PRESS REPORTED ON JANUARY 28 THAT THE USSR HAS ALSO SIGNED SCIENTIFIC COOPERATION AGREEMENTS WITH THE UNIVERSITIES OF TARIJA AND LA PAZ. THE TARIJA AGREEMENT CONFIRMED THE INSTALLATION OF THE OBSERVATORY.

10. (U) IN A SEPARATE AGREEMENT, ANNOUNCED ON FEBRUARY 4, FOUR OR FIVE BOLIVIAN SCIENTISTS WILL VISIT THE SOVIET UNION IN APRIL OR MAY AND AN EQUAL NUMBER OF SOVIET SCIENTISTS WILL VISIT BOLIVIA SOMETIME DURING THE SUBSEQUENT MONTHS. THE SUBSTANTIVE PURPOSE OF THE EXCHANGE HAS NOT BEEN ANNOUNCED, BUT IT APPEARS THAT THE VISITS ARE NOT CONNECTED WITH THE OBSERVATORY IN TARIJA.

11. (U) ON THE CULTURAL LEVEL, A SMALL EXHIBITION OF SOVIET BOOKS SPONSORED BY "MEZH DUNARODNAYA KNIGA" OPENED IN LA PAZ ON FEBRUARY 8. VIRTUALLY ALL OF THE BOOKS WERE PROPAGANDA PUBLISHED BY NOVOSTI AND PROGRESS PUBLISHERS.

12. (U) AMONG THE EASTERN EUROPEAN COUNTRIES, HUNGARY HAS BEEN THE MOST ACTIVE SINCE OCTOBER 1982. ON JANUARY 29, THE LA PAZ DAILY "PRESENCIA" REPORTED THAT THE HUNGARIAN GOVERNMENT WILL INVITE VICE PRESIDENT PAZ ZAMORA AND FOREIGN MINISTER VELARDE TO VISIT THAT COUNTRY AT AN UNSPECIFIED DATE. THE HUNGARIANS HAVE ALSO BEEN PURSUING THEIR EFFORT TO WORK OUT A DEAL TO SWAP TIN FOR MEDICINES, DESPITE THE VOCAL OPPOSITION OF THE LOCAL PHARMACEUTICAL ASSOCIATION. ON FEBRUARY 9 CZECHOSLOVAKIA AND BOLIVIA SIGNED A "LETTER OF INTENT" TO "EXCHANGE ECONOMIC AND COMMERCIAL RELATIONS AND

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EXPAND POSSIBLE AREAS OF FUTURE COOPERATION." THE AGREEMENT IS A RESULT OF THE VISIT OF TWO OFFICIALS FROM THE CZECHOSLOVAK FOREIGN TRADE MINISTRY. ALTHOUGH BOLIVIA AND CUBA HAVE AGREED TO RENEW RELATIONS, NO OFFICIAL CUBAN PRESENCE HAS BEEN ESTABLISHED AS YET. HOWEVER, THE LA PAZ PRESS REPORTED THAT THE CUBANS ARE PROPOSING BOLIVIA FOR A SEAT ON THE COORDINATING BUREAU OF THE NON-ALIGNED MOVEMENT.

13. (C) COMMENT: THE SILES GOVERNMENT HAS TAKEN SOME STEPS WHICH WOULD APPEAR TO FAVOR THE SOVIET UNION AND ITS ALLIES IN THE FOREIGN AFFAIRS AREA (SEPTTEL), THEY DO NOT APPEAR TO REFLECT A COMMITMENT TO COMMUNISM OR THE SOVIET SYSTEM. HOWEVER, THE UNITED STATES' CONCERNS WILL HAVE TO CONTINUE TO BE EXPRESSED. THE SOVIET UNION'S POLICY APPEARS TO BE PRETTY MUCH OF A CONTINUATION OF THE ONE IT PURSUED DURING THE MILITARY GOVERNMENTS. IN RECENT WEEKS IL MAY HAVE BEGUN TO BE MORE ACTIVE. WITH THE EXCEPTION OF THE OFFER OF HELICOPTERS, THE SOVIET EFFORTS SEEMS DIRECTED AT BROADENING ITS BASE OF SUPPORT AMONG BOLIVIA'S SCIENTIFIC ELITE AND PERHAPS FACILITATING THE PCB'S POPULARITY. THE OFFER OF HELICOPTERS ON FAVORABLE TERMS OF CREDIT MAY BE AN ATTEMPT TO SOFTEN THE RIGIDLY ANTI-COMMUNIST ATTITUDE OF THE HIGHEST LEVELS OF THE BOLIVIAN MILITARY. DRAFTED BY DAVID G. WAGNER. CORR

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