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Collection Name LATIN AMERICAN AFFAIRS DIRECTORATE, NSC:
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KML 9/29/2011

File Folder BOLIVIA (SAFE 1) 09/26/1985-10/27/1985

FOIA

M10-353/1

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ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
120069	CABLE	260825Z SEP 85	2	9/26/1985	B1 B3
120070	CABLE	270142Z SEP 85	1	9/27/1985	B1 B3
120071	CABLE	BRASILIA 10320 R 5/18/2015 M353/1	1	9/27/1985	B1
120072	CABLE	010143Z OCT 85	1	10/1/1985	B1 B3
120073	CABLE	LA PAZ 07802 R 5/18/2015 M353/1	4	10/2/1985	B1
120074	CABLE	LA PAZ 07828 PAR 5/3/2012 M353/1	1	10/2/1985	B1 B3
120075	CABLE	LA PAZ 07829 PAR 5/3/2012 M353/1	1	10/2/1985	B1 B3
120076	CABLE	LA PAZ 07819 PAR 5/3/2012 M353/1	1	10/2/1985	B1 B3
120077	CABLE	LA PAZ 07868 R 5/18/2015 M353/1	8	10/3/1985	B1
120078	CABLE	LA PAZ 07886 R 5/18/2015 M353/1	2	10/3/1985	B1

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120081	CABLE	LA PAZ 07884 R 5/18/2015 M353/1	1	10/3/1985	B1
120082	PAPER	RE BOLIVIA R 5/18/2015 M353/1	1	ND	B1
120083	CABLE	LA PAZ 08011 PAR 5/3/2012 M353/1	1	10/8/1985	B1 B3
120084	CABLE	LA PAZ 08015 PAR 11/1/2017 M353/1	1	10/8/1985	B1 B3
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120086	CABLE	170415Z OCT 85	1	10/17/1985	B1 B2 B3
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BOLIVIA

LIMDIS

E.O. 12356: DECL: OADR

TAGS: PREL, BL, BR, US

SUBJECT: SUPPORT FOR THE PAZ GOVERNMENT: BRAZILIAN
- VIEWS

REFS: A) BRASILIA 6012, B) BRASILIA 7275,
- C) STATE 295820 (NODIS)

1. POLOFF CALLED ON CHIEF OF MFA ANDEAN AFFAIRS DIVISION (MACEDO SOARES) TO DISCUSS USG MESSAGE OF SUPPORT FOR PRESIDENT PAZ. POLOFF OUTLINED PRINCIPAL POINTS OF MESSAGE AND SAID THAT WE WOULD BE CONVEYING THESE POINTS TO OPPOSITION LEADERS AND THE ARMED FORCES AS WELL AS TO PAZ. IN CLOSING, POLOFF ENCOURAGED GOB TO CONSIDER EXPRESSING ITS SUPPORT FOR THE PRESENT BOLIVIAN GOVERNMENT AND SAID WE WOULD BE ASKING THE ARGENTINES TO DO LIKEWISE.

MACEDO SOARES RECALLED THAT U.S. HAD MADE A SIMILAR PITCH A FEW MONTHS AGO (REF B). THE REPLY AT THAT TIME WAS THAT SUCH AN EXPRESSION OF SUPPORT FOR A GOVERNMENT CONSTITUTED IN THE GOB'S VIEW A FORM OF INTERVENTION IN A COUNTRY'S INTERNAL AFFAIRS. ALTHOUGH HE COULD NOT BE CERTAIN, MACEDO SOARES THOUGHT THAT, IN SPITE OF PERSONNEL CHANGES AT THE SENIOR LEVELS OF THE FOREIGN MINISTRY SINCE THE EMBASSY'S LAST CONVERSATIONS ON BOLIVIA (REFS A AND B), BRAZIL'S POSITION WOULD BE UNCHANGED. THE NON-INTERVENTION PRINCIPLE WAS AN ABIDING ONE FOR THE GOB; IT APPLIED ESPECIALLY TO BOLIVIA, A COUNTRY NOTORIOUS FOR ITS INSTABILITY. BRAZIL FOLLOWS EVENTS THERE WITH OBVIOUSLY KEEN INTEREST, HE SAID, BUT PREFERRED TO KEEP ITS DISTANCE FROM A CHAOTIC INTERNAL SITUATION.

3. NEVERTHELESS, HE CONTINUED, BRAZIL IS SYMPATHETIC TO THE OBJECTIVES OF THE U.S. DEMARCHE. THE GOB SHARES THOSE OBJECTIVES, BUT OFFERS ITS SUPPORT IN SPECIFIC WAYS. MACEDO SOARES GAVE A FEW EXAMPLES: BRAZIL'S RESCHEDULING OF BOLIVIAN DEBT OWED TO BRAZIL, DISCUSSIONS ON COOPERATION IN THE TRANSPORTATION SECTOR, AND WILLINGNESS TO PARTICIPATE IN AN INTER-

NATIONAL CONFERENCE ON THE BOLIVIAN DEBT IF THE BOLIVIAN GOVERNMENT CALLS FOR ONE. "BRAZIL," HE SAID, "WOULD RATHER BE ASKED FOR SPECIFIC MEASURES OF SUPPORT (SUCH AS THE ABOVE) RATHER THAN OFFERING UNSOLICITED GENERALIZED SUPPORT."

4. POLOFF SAID HE WAS WELL AWARE OF BRAZIL'S TRADITIONAL NON-INTERVENTION PRINCIPLES. BRAZIL OBVIOUSLY INTERPRETS NON-INTERVENTION IN THE BROADEST WAY, SINCE IN OUR VIEW, SUCH A DEMARCHE DID NOT CONSTITUTE A FORM OF INTERVENTION. MACEDO SOARES CHEERFULLY ACKNOWLEDGED THIS POINT. POLOFF WENT ON TO URGE THE GOB TO SERIOUSLY CONSIDER THE POSITIVE IMPACT A BRAZILIAN MESSAGE OF SUPPORT COULD HAVE FOR THE PAZ GOVERNMENT. IT WAS IN BRAZIL'S INTEREST TO HAVE A STRONG, STABLE GOVERNMENT IN BOLIVIA. AS AN EXAMPLE, POLOFF POINTED OUT THAT THE SPILL-OVER OF BOLIVIAN DRUG TRAFFICKING BRINGS SERIOUS PROBLEMS TO BRAZIL, AND ONLY A STRONG CENTRAL AUTHORITY IN LA PAZ COULD BEGIN TO MAKE HEADWAY IN REDUCING SUCH ACTIVITY.

5. MACEDO SOARES ACKNOWLEDGED THIS POINT AS WELL AND PROMISED TO CONVEY OUR THOUGHTS TO SENIOR FOREIGN MINISTRY OFFICIALS. HE DID NOT OFFER ANY HOPE THAT THE GOB WOULD CHANGE ITS ATTITUDE, HOWEVER. "WHY CHANGE A POLICY THAT WORKS FOR US AND WE ARE COMFORTABLE WITH?"

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BY RW NARA DATE 5/18/15

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120072 CABLE		1	10/1/1985	B1
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PAZ. END SUMMARY.

DISTRIBUTION: MILL-01 RAY-01 NORT-01 BURG-01 TILL-01 SEST-01
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GOVERNMENT - UNION DIALOGUE BEGINS

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Bolivia

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DIA FOR IR BRANCH; USCINCSO ALSO FOR POLAD

E.O. 12356: DECL: OADR
TAGS: ELAB, PGOV, SHUM, BL
SUBJECT: DIALOGUE BETWEEN GOVERNMENT AND UNIONS BEGINS;
- GROWING CONCERN OVER HUMAN RIGHTS SITUATION

REF: LA PAZ 7637
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SUMMARY:

1. (C) THE LONG AWAITED DIALOGUE BETWEEN THE BOLIVIAN GOVERNMENT (GOB) AND THE BOLIVIAN WORKERS CENTRAL (COB) BEGAN LATE SEPTEMBER 30 AND IS TO CONTINUE OCTOBER 1. THE GOB HAS NOT YET BEGUN TO RELEASE ANY DETAINED TRADE UNIONISTS BUT EMBASSY HAS RECEIVED ASSURANCES THAT RELEASES WILL BEGIN SOON. THE LEADING BOLIVIAN HUMAN RIGHTS GROUP, PERMANENT ASSEMBLY OF HUMAN RIGHTS, HAS EXPRESSED ITS CONCERN ABOUT DETAINEES AND WILL BE SHORTLY VISITING ALONG WITH A DELEGATION FROM CONGRESS THE LOCATIONS WHERE THE DETAINEES ARE BEING HELD. TWO ARGENTINES WHO SAID THEY REPRESENTED AMNESTY INTERNATIONAL GAVE A PRESS CONFERENCE IN LA PAZ SEPTEMBER 29 CRITICIZING THE GOB FOR HUMAN RIGHTS ABUSES. CONGRESS MET SEPTEMBER 30 TO DISCUSS THE STATE OF SIEGE BUT WAS UNABLE TO VOTE TO RATIFY IT BECAUSE THEY LACKED A QUORUM CONGRESS IS TO MEET OCTOBER 1 AND COULD RATIFY, IN WHICH CASE THE GOB MAY BEGIN TO ALLOW INTERNAL EXILES TO RETURN TO LA

2. (U) LATE SEPTEMBER 30, REPRESENTATIVES FROM THE BOLIVIAN WORKERS CENTRAL (COB) AND THE MINeworkers UNION (FSTMB) MET WITH BOLIVIAN GOVERNMENT (GOB) MINISTERS OF DEFENSE (VALLE) AND INTERIOR (BARTHELEMY) UNDER THE AUSPICES OF THE CATHOLIC CHURCH. THE MEETING LASTED ABOUT TWO HOURS AND IS TO RESUME OCTOBER 1 AT 1600. THE COB WAS REPRESENTED BY ANGEL ZABALLA, SECRETARY OF FINANCE, AND JOSE QUIROGA, SECRETARY FOR PEASANT AFFAIRS, AND THE FSTMB BY SIMON REYES, A DEPUTY IN CONGRESS FROM POTOSI AND FIRST SECRETARY OF THE BOLIVIAN COMMUNIST PARTY, AND THREE OTHER UNION LEADERS.

NO DETAINEES RELEASED YET

3. (C) DESPITE AN INTERIOR MINISTRY STATEMENT ON SEPTEMBER 24 THAT "MANY" DETAINED TRADE UNIONISTS CONSIDERED BY THE GOB NOT TO BE STRIKE RING LEADERS WOULD BE RELEASED SEPTEMBER 28 OR 29 (REFTEL), AS OF OCTOBER 1 NONE HAD BEEN RELEASED. ON SEPTEMBER 25, THE INTERIOR MINISTRY PUBLISHED A LIST WHICH MADE PUBLIC THE NAMES OF SOME DETAINEES, AFTER SIX DAYS OF DETENTION. THE LIST ALSO INDICATED THAT FIVE PEOPLE HAD BEEN RELEASED BETWEEN SEPTEMBER 20 AND 25. THE GOB HAS DONE LITTLE TO PUBLICIZE THESE RELEASES AND HAS CALLED THE FIVE EVACUEES. EMBASSY HAS HEARD REPORTS THAT FIVE WERE FREED FOR HEALTH REASONS.

EMBASSY WAS TOLD ON SEPTEMBER 26 BY GOB SUBSECRETARY OF LABOR STANLEY CAMBEROS THAT THE GOB WAS AWARE THAT MANY OF THE DETAINEES WERE NOT STRIKE LEADERS AND WOULD "SOON" BE RELEASED BUT THE ACTUAL DECISION WHEN TO BEGIN RELEASING THEM WAS UP TO THE MINISTRY OF INTERIOR.

HUMAN RIGHTS GROUP CONCERNED

4. (C) FATHER TUMIRI, PRESIDENT OF THE PERMANENT ASSEMBLY OF HUMAN RIGHTS, TOLD EMBOFF ON SEPTEMBER BT

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DIA FOR IR BRANCH; USCINCSO ALSO FOR POLAD

E.O. 12356: DECL: OADR

TAGS: ELAB, PGDV, SHUM, BL

SUBJECT: DIALOGUE BETWEEN GOVERNMENT AND UNIONS BEGINS;

30 THAT HIS ORGANIZATION IS CONCERNED ABOUT THE PHYSICAL CONDITIONS UNDER WHICH THE DETAINEES ARE BEING HELD, AND IS TRYING TO CONVINCE THE GOB TO START RELEASING THEM, ESPECIALLY THOSE WHO ARE NOT LABOR TROUBLEMAKERS OR RING LEADERS. TUMIRI SAID THAT MEMBERS OF HIS GROUP ALONG WITH SOME CONGRESSIONAL REPRESENTATIVES FROM THE CONGRESSIONAL COMMITTEE ON HUMAN RIGHTS WILL SHORTLY VISIT THE DETAINEES. ON SEPTEMBER 30, THE LA PAZ OFFICE OF THE PERMANENT ASSEMBLY ASKED THE GOVERNMENT TO LIFT THE PUBLIC BLOCKADE AROUND THE CHURCH OF SAN FRANCISCO WHERE BETWEEN 100 AND 300 MINERS HAVE BEEN ON HUNGER STRIKES SINCE SEPTEMBER 25. THE LA PAZ GROUP CALLED THE POLICE ACTION A "VIOLATION OF THE HUMAN RIGHTS OF THE CITIZENS IN A STATE OF LAW."

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COMMENT

9. (C) WHILE THE FIRST GOVERNMENT-LABOR MEETING FAILED TO PRODUCE ANY DRAMATIC BREAK THROUGHS, THE FACT THAT THE MEETING TOOK PLACE IS A CRUCIAL FIRST STEP TOWARDS FORMALLY ENDING THE STRIKE -- WHICH IS 90 PERCENT INEFFECTIVE WITH VIRTUALLY ALL SECTORS BACK AT WORK -- AND LIFTING THE STATE OF SIEGE.

THE CURRENT DIALOGUE IS SOMEWHAT UNEVEN IN THAT THE COB REPRESENTATIVES, ZABALLA AND QUIROGA, ARE NOT TOP COB DECISION MAKERS AND ANY AGREEMENT ENDORSED BY THEM COULD HAVE DIFFICULTIES IN BEING ACCEPTED BY THE REST OF THE COB. HOWEVER, THE MINeworkERS ARE WELL REPRESENTED AND SINCE THEY ARE THE MOST IMPORTANT COB AFFILIATE AND THE MAJOR SOURCE OF LABOR OPPOSITION, ANY BREAK THROUGHS INVOLVING THE MINERS STAND A GOOD CHANCE OF COB-WIDE ACCEPTANCE. THE GOB PROJECT TODE-POLITICIZE" THE COB AND NEUTRALIZE THE ULTRA LEFT IS AMBITIOUS AND COULD STRONGLY SERVE U.S. INTERESTS. EMBASSY FEELS, HOWEVER, THAT IT IS AN AMBITIOUS PROPOSAL WHICH FLIES IN THE FACE OF CONTEMPORARY BOLIVIAN LABOR HISTORY. NEVERTHELESS, THE ATTITUDE OF THE MINISTRY OF LABOR IN THE GOVERNMENT IS IN MARKED CONTRAST TO THE PREVIOUS GOVERNMENT WHERE THE MINISTRY OF LABOR WAS CONTROLLED BY LEFTISTS OF ALL STRIPES.

10. (C) THE GOB'S SOMEWHAT HEAVY-HANDED TREATMENT OF THE SAN FRANCISCO HUNGER STRIKERS AND THE CONTINUED DETENTION OF COB LEADERS IN REMOTE AREAS UNDER THE PROVISIONS OF THE STATE OF SIEGE MAKE PAZ ESTENSORO A NATURAL TARGET FOR HUMAN RIGHTS DEFENSE GROUPS. IT IS IMPORTANT TO NOTE THAT THUS FAR THE STEPS TAKEN BY THIS DEMOCRATICALLY-ELECTED GOVERNMENT TO DEFEND AND IMPLEMENT THE ECONOMIC RECOVERY PROGRAM ARE ENTIRELY LEGAL, CONSTITUTIONAL AND EASILY WITHIN THE NORMS OF BOLIVIAN GOVERNMENT POLITICAL BEHAVIOR.

11. (C) ACCORDING TO THE CONSTITUTION, THE GOB MAY KEEP THE UNION LEADERS IN INTERNAL EXILE FOR UP TO 90 DAYS. EMBASSY IS CONCERNED THAT NO INDEPENDENT GROUP OR INDIVIDUAL HAS BEEN ABLE THUS FAR TO VISIT

--
REPRESENTATIVES OF AMNESTY INTERNATIONAL - AFFILIATED

GROUP SCORE GOB

5. (U) LA PAZ DAILY "HOY" SEPTEMBER 30 CARRIED A STORY -- PICKED UP LATER BY A LA PAZ RADIO STATION AND FBIS -- ON THE VISIT OF TWO ARGENTINE REPRESENTATIVES OF A GROUP CALLED "MEDICOS DEL MUNDO" BT

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~~CONFIDENTIAL~~ SECTION 03 OF 04 LA PAZ 07802

DIA FOR IR BRANCH; USCINCSO ALSO FOR POLAD

E.O. 12356: DECL: OADR
TAGS: ELAB, PGOV, SHUM, BL
SUBJECT: DIALOGUE BETWEEN GOVERNMENT AND UNIONS BEGINS;

(PHYSICIANS OF THE WORLD), A GROUP AFFILIATED WITH AMNESTY INTERNATIONAL. THE TWO ARGENTINES, WHO APPARENTLY STOPPED IN LA PAZ ENROUTE TO LIMA, ACCUSED THE GOB OF VIOLATING THE HUMAN RIGHTS OF THE HUNGER STRIKERS IN LA PAZ BECAUSE OF THE POLICE CORDON WHICH HAS BEEN THROWN UP AROUND THE SAN FRANCISCO CHURCH. THEY DENOUNCED THE GOB IN AN AIRPORT PRESS CONFERENCE FOR FORCING THEM TO LEAVE BOLIVIA BUT ALSO SAID THAT THEY WOULD BE RETURNING TO BOLIVIA IN A FEW DAYS. MINISTER OF INFORMATION REYNALDO PETERS (WHO WAS AFFILIATED WITH THE PERMANENT ASSEMBLY OF HUMAN RIGHTS DURING THE BANZER REGIME (1971-78)) EXPRESSED CONCERN AND SURPRISE OVER THE CRITICISMS AND DEFENDED THE STATE OF SIEGE AS BEING WITHIN THE BOLIVIAN CONSTITUTION.

CONGRESS MEETS BUT IS UNABLE TO VOTE ON STATE OF SIEGE

6. (U) THE BOLIVIAN CONGRESS MET ON SEPTEMBER 30 FOR SEVERAL HOURS IN WHICH ALL THE POLITICAL PARTIES REPRESENTED IN CONGRESS EXCEPT THE NATIONAL REVOLUTIONAR MOVEMENT (MNR) AND THE NATIONALIST DEMOCRATIC ACTION (ADN) PARTIES CRITICIZED THE STATE OF SIEGE. THE SESSION WAS UNABLE TO VOTE ON AN ADN PROPOSAL

SUPPORTING THE STATE OF SIEGE BECAUSE NOT ENOUGH SENATORS WERE PRESENT TO FORM A QUORUM. IF CONGRESS CAN ACHIEVE A QUORUM ON OCTOBER 1, IT MAY VOTE TO SUPPORT THE STATE OF SIEGE. BY VIRTUE OF THE RECENT MNR-ADN AGREEMENT, SUPPORTERS OF THE STATE OF SIEGE HAVE 26 OUT OF 27 VOTES IN THE SENATE AND 86 OUT OF 130 IN THE CHAMBER OF DEPUTIES.

TRYING TO DE-FANG THE COB

7. (C) LABATT HELD A WIDE RANGING DISCUSSION OCTOBER 1 WITH ERIC CARDENAS, NEWLY APPOINTED SUBSECRETARY AT THE MINISTRY OF LABOR ABOUT GOB EFFORTS TO DE-POLITICIZE THE COB. CARDENAS STRESSED THAT A CRUCIAL PART OF THE PAZ ESTENSORO PROGRAM WAS TO DENY THE COB POLITICAL POWER AND PREVENT IT FROM BEING USED BY MINORITY ULTRA-LEFTIST PARTIES TO PUSH A POLITICAL, NON-TRADE UNION, AGENDA. CARDENAS SAID THAT PAZ ESTENSORO BELIEVES THAT THE COB, AS A CREATURE OF THE 1952 REVOLUTION, MUST BE PRESERVED. HOWEVER, IT MUST BE CONVERTED INTO A PROFESSIONAL LABOR BODY THAT CONFINES ITS CONCERN TO THE BREAD AND BUTTER ISSUES OF ITS RANK AND FILE.

8. (C) CARDENAS SAID PART OF HIS OFFICE'S MANDATE WAS EDUCATIONAL AND SAID HE WOULD BE INTERESTED IN RECEIVING ANY MATERIALS ON HOW U.S. AND OTHER FREE TRADE UNIONS INTERACT WITH THEIR GOVERNMENTS. (SEPTTEL). CARDENAS ARGUED THAT THE GOB MUST BE TOUGH WITH THE COB BECAUSE THE COB MUST LEARN TO DEAL DIFFERENTLY AND MORE COOPERATIVELY WITH A DEMOCRATIC GOVERNMENT THAN WITH A MILITARY JUNTA. HE ALSO SAID THAT THE COB LEADERSHIP MUST GIVE UP ITS BELIEF THAT IT CAN "VETO" THE ECONOMIC PROGRAM OF A DEMOCRATICALLY ELECTED GOVERNMENT. CARDENAS SAID THAT THE MNR WILL TRY TO REPLACE REPRESENTATIVES OF THE ULTRA LEFT PARTIES THAT CURRENTLY DOMINATE THE COB WITH MORE MODERATE MNR TRADE UNIONISTS IN UPCOMING UNION ELECTIONS. HE ADDED THAT HE DID NOT WANT THE HUMAN RIGHTS SPECTER TO ARISE AS AN ISSUE WHICH COULD DIRECT PUBLIC AND FOREIGN ATTENTION AWAY FROM THE ECONOMIC PROGRAM. IN RESPONSE TO AN EMBASSY QUESTIONS ABOUT THE DELAY IN RELEASING NON-RING LEADER DETAINEES, CARDENAS SAID THAT THE BT

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DIA FOR IR BRANCH; USCINCSO ALSO FOR POLAD

E.O. 12356: DECL: OADR

TAGS: ELAB, PGDV, SHUM, BL

SUBJECT: DIALOGUE BETWEEN GOVERNMENT AND UNIONS BEGINS;

MINISTER OF LABOR COSTAS BADANI WOULD TAKE THIS UP WITH INTERIOR MINISTER BARTHELEMY LATER OCTOBER 1. UNION LEADERS BANISHED TO THE BENI AND PANDO DEPARTMENTS, IN ORDER TO VERIFY THAT THEY ARE BEING TREATED HUMANELY AND ARE RECEIVING ADEQUATE MEDICAL ATTENTION. WE ARE OPTIMISTIC THAT THE DIALOGUE BEGUN ON SEPTEMBER 30 WILL PROSPER AND THAT UNION LEADERS WILL BE ALLOWED TO RETURN FROM INTERNAL EXILE LONG BEFORE THE 90 DAY PERIOD LAPSES.

12. (C) SENATE PRESIDENT GONZALO SANCHEZ DE LOZADA TOLD THE AMBASSADOR ON SEPTEMBER 30 THAT ONCE CONGRESS RATIFIES THE STATE OF SIEGE, THE GOB WILL BEGIN THE GRADUAL RELEASE OF THE INTERNAL EXILES. HE SAID THAT PRESIDENT PAZ IS EXTREMELY RELUCTANT TO FORCE ANYONE INTO EXTERNAL EXILE, EVEN THOUGH THE CONSTITUTION ALLOWS IT. THE LONGER THE IMPASSE CONTINUES, THE MORE BOLIVIA'S OTHERWISE GOOD HUMAN RIGHTS IMAGE WILL SUFFER. AMBASSADOR HAS MADE THIS POINT CLEARLY TO SEVERAL GOB OFFICIALS, POINTING OUT THAT THE DEGREE OF EXTERNAL ECONOMIC SUPPORT WILL DEPEND ON BOLIVIA'S INTERNATIONAL IMAGE. INTERIOR MINISTER BARTHELEMY TOLD THE AMBASSADOR ON SEPTEMBER 27 THAT HE HOPES THAT, THROUGH THE CHURCH'S GOOD OFFICES, THE CURRENT HUNGER STRIKE CAN BE SUSPENDED

LONG ENOUGH TO ALLOW THE GOB TO BACK AWAY. THE NUNCIO ALSO TOLD THE AMBASSADOR THAT HE CONSIDERS THIS AN APPROPRIATE AREA FOR CHURCH INVOLVEMENT. IF BOTH SIDES CAN GRACEFULLY BACK AWAY FROM THEIR EXTREME POSITIONS, PERHAPS THE IMPASSE CAN BE RESOLVED. NEVERTHELESS, THE HIGHLY POLITICIZED, EXTREME LEFT LEADERSHIP OF THE COB SEEMS DOOMED TO LOSE THIS ONE, SINCE THE GOB IS DETERMINED TO IMPLEMENT THE ECONOMIC REFORMS. TIME IS ON GOB'S SIDE, TOO, SINCE THE REFORMS SEEM TO BE TAKING HOLD AND NOTHING SUCCEEDS LIKE SUCCESS. (DRAFTED BY: H.O'HARA AND W.LOFSTROM) ROWELL
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Bolivia

135246
E.O. 12958
~~As Amended~~
Sec. 3.3(h)(1)

FOIA(b)(3)

13522
~~E. O. 12958~~
As Amended
Sec. 3.3(b)(1)

TEXT: (SEE SUMMARY)

COMMENTS: (C/NF) THIS AREA IS ALSO THE AREA OF THE BL GOL RUSH ZONE WHERE THERE IS LITTLE GOVERNMENT CONTROL. BL ARMY G-2 IS CURRENTLY ATTEMPTING TO INVESTIGATE REPORT.

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E.O. 12958
As Amended
Sec. 3.3(h)(1)

FOIA(b)(3)

SUMMARY: (C/NF) IN LA PAZ CITY ON CALLE MONASTARIS THERE IS A HOUSE, NUMBER 305 OR 505, WHICH SERVES AS A PLUMBING SHOP AS WELL AS A FACTORY OF BAZOOKA TYPE WEAPONS. IT IS THOUGHT THAT THERE ARE FOUR OR FIVE OTHER FACTORIES IN TH LA PAZ AREA (NF1).

TEXT: (SEE SUMMARY)

FOIA(b)(3)

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FOIA(b)(3)

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13524
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As Amended
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TEXT: (SEE SUMMARY)

PROJ: NONE
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DIA FOR IR BRANCH; USCINCSO ALSO FOR POLAD

E.O. 12356: DECL: OADR
TAGS: ELAB, PGOV, SHUM, BL
SUBJECT: GOVERNMENT AND LABOR SIGN AGREEMENT ENDING
- STRIKE; DETAINEES TO BE RELEASED IN NEXT
- 48 HOURS

REF: LA PAZ 7837

SUMMARY

1. (U) THE BOLIVIAN WORKERS CENTRAL (COB) AND THE PAZ ESTENSORO GOVERNMENT REACHED AGREEMENT ON OCTOBER 2 TO END THE FOUR-WEEK-OLD NATIONAL STRIKE AND RELEASE THE REMAINDER OF LABOR LEADERS (ABOUT 124) WHO HAVE BEEN HELD IN INTERNAL EXILE SINCE THE GOVERNMENT OF BOLIVIA (GOB) DECLARED A STATE OF SIEGE ON SEPTEMBER 19. THE COB AND THE GOB ALSO AGREED TO DISCUSS THE NEW ECONOMIC PROGRAM TO TRY TO AMELIORATE ITS HARSH EFFECTS ON THE LOWER ECHELONS OF SALARIED WORKERS. AFTER SEVEN LONG AND CONFLICTIVE SESSIONS, THE BOLIVIAN CONGRESS RATIFIED THE STATE OF SIEGE BY A VOTE OF 94 TO 39. ON OCTOBER 2 POLICE BROKE UP A STUDENT PROTEST MARCH, INJURING THREE PROTESTERS. THE SAME DAY THE GOB AUTHORIZED THE RELEASE OF 20 MORE DETAINEES BUT RADIO REPORTS INDICATE THEIR RELEASE WAS HELD UP BECAUSE OF A SHORTAGE OF AIRPLANES. RELEASEES HAVE COMPLAINED ABOUT THE HEAT, RATS AND MOSQUITOS AT THE CAMPS

WHERE THEY WERE HELD IN THE BENI AND PANDO DEPARTMENTS, BUT HAVE MADE NO ACCUSATIONS OF MISTREATMENT OR TORTURE. END SUMMARY.

GOVERNMENT AND LABOR AGREE TO END STRIKE AND TO

RELEASE REMAINING DETAINEES

2. (U) LATE OCTOBER 2, REPRESENTATIVES OF THE COB AND THE GOB REACHED AN AGREEMENT IN WHICH THE COB INSTRUCTED ITS AFFILIATES TO END THE GENERAL STRIKE WHICH BEGAN SEPTEMBER 4, 1985, WHILE THE GOVERNMENT AGREED TO RELEASE ALL REMAINING TRADE UNION DETAINEES WITHIN THE "NEXT 48 HOURS." THE TWO SIDES ALSO AGREED TO FORM A COMMITTEE TO DISCUSS THE ECONOMIC MEASURES. INTERIOR MINISTER FERNANDO BARTHELEMY, ON LOCAL TELEVISION OCTOBER 2, SAID THAT THE STATE OF SIEGE WHICH BEGAN SEPTEMBER 19 WILL CONTINUE. PRESUMABLY THE HUNGER STRIKES BEING STAGED IN LA PAZ AND MINING CENTERS WILL ALSO BE LIFTED.

CONGRESS APPROVES STATE OF SIEGE

3. (U) AFTER SEVEN SESSIONS, THE BOLIVIAN CONGRESS APPROVED OCTOBER 2 BY A 94 TO 39 VOTE THE STATE OF SIEGE DECLARED ON SEPTEMBER 19. A TIRED GONZALO SANCHEZ DE LOZADA, PRESIDENT OF THE SENATE AND ACTING PRESIDENT OF CONGRESS, (IN VICE PRESIDENT GARRETT'S ABSENCE) CALLED THE DECISION "AN IMPORTANT LANDMARK IN THE CONSTITUTIONAL HISTORY OF THE NEW DEMOCRACY," BUT ADDED THAT HE HOPED CONGRESS WOULD

NEVER HAVE TO MEET AGAIN TO DISCUSS ANOTHER STATE OF SIEGE. AS EXPECTED, THE NATIONALIST REVOLUTIONARY MOVEMENT (MNR) OF PRESIDENT PAZ AND THE NATIONALIST DEMOCRATIC ACTION (ADN) PARTY VOTED TO RATIFY THE STATE OF SIEGE, WHILE THE FAR LEFT, JOINED BY THE CHRISTIAN DEMOCRAT PARTY (PDC) AND THE BOLIVIAN SOCIALIST FALANGE (FSB) VOTED AGAINST RATIFICATION. THE MOST SURPRISING MOMENT IN THE FINAL VOTE OCCURRED WHEN SOME MOVEMENT OF THE REVOLUTIONARY LEFT (MIR) CONGRESSMEN BROKE RANKS AND VOTED TO SUPPORT THE STATE OF SIEGE.

GOVERNMENT AUTHORIZES RELEASE OF 20 MORE DETAINEES
BT

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BY RW NARA DATE 5/18/15

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DIR FOR IR BRANCH; USCINCSO ALSO FOR POLAD

E.O. 12356: DECL: OADR
TAGS: ELAB, PGOV, SHUM, BL
SUBJECT: GOVERNMENT AND LABOR SIGN AGREEMENT ENDING

OCTOBER 2

4. (U) ON OCTOBER 2, BEFORE THE SIGNING OF THE GOVERNMENT-LABOR AGREEMENT, THE MINISTRY OF INTERIOR ANNOUNCED THAT ANOTHER 20 DETAINEES HAD BEEN GIVEN PERMISSION TO BE "EVACUATED" FROM NORTHERN BOLIVIA. HOWEVER, A SHORTAGE OF PLANES DEKATED THEIR RELEASE, AND AS OF MIDDAY OCTOBER 3, THE 20 REMAIN IN DETENTION. AN EXAMINATION OF THE LIST SHOWS THAT NO COB LEADERS HAVE BEEN RELEASED YET. GOVERNMENT FIGURES SHOW THERE ARE ABOUT 124 LABOR LEADERS THAT NEED PERMISSION TO LEAVE. THE FIRST RELEASEES HAVE COMPLAINED ABOUT HEAT AND POOR SANITARY CONDITIONS, BUT HAVE MADE NO ALLEGATIONS OF TORTURE, BEATINGS, INADEQUATE FOOD OR MALTREATMENT.

POLICE-STUDENT CONFRONTATION LEAVES THREE STUDENTS

INJURED

5. (U) STUDENTS AT THE UNIVERSITY OF SAN ANDRES

(UMSA) BLOCKED ONE OF LA PAZ'S MAIN STREETS AND BEGAN A MARCH PROTESTING THE ECONOMIC MEASURES MIDDAY OCTOBER 2. POLICE FIRED TEAR GAS GRENADES AT THE STUDENTS WHO BROKE UP ONLY TO REGROUP TEN MINUTES LATER. THE POLICE FIRED AGAIN AT THE STUDENTS WHO PELTED THE POLICE WITH STONES AND THEN RETREATED INTO THE UMSA CAMPUS WHERE THEY CONTINUED TO THROW STONES AT THE POLICE. POLICE FOLLOWED THE STUDENTS AND CONTINUED TEAR GASSING THEM UNTIL THE STUDENTS STOPPED THROWING STONES. THREE STUDENTS WERE INJURED IN THE MELEE. UNDER THE PROVISION OF THE STATE OF SIEGE, DEMONSTRATIONS ARE PROHIBITED BUT EVEN IN NORMAL TIMES BLOCKING TRAFFIC IS AGAINST THE LAW. THE SILES GOVERNMENT WAS VERY LAX, HOWEVER, IN ENFORCING THE LAW, IN MARKED CONTRAST TO PAZ ESTENSSORO'S APPROACH.

COMMENT

5. (C) THE GOB AGREEMENT TO RELEASE THE DETAINEES WILL PROBABLY DEFUSE CONCERN ABOUT POSSIBLE HUMAN RIGHTS ABUSES. WITH THE OCTOBER 2 CONGRESSIONAL VOTE OF SUPPORT AND THE COB AGREEMENT, THE GOVERNMENT HAS OVERCOME TWO MAJOR OBSTACLES TO IMPLEMENTING ITS ECONOMIC PLANS WITHOUT HAVING YIELDED ON ANY OF ITS MAJOR FACETS. THE GOB HAS MADE THE POINT THAT IT WILL NOT NEGOTIATE WITH THE COB UNDER DURESS, AND THAT AS A DEMOCRATICALLY ELECTED GOVERNMENT IT HAS THE RIGHT AND THE RESPONSIBILITY TO TRY TO RESOLVE THE MONUMENTAL PROBLEMS IT INHERITED FROM THE SILES GOVERNMENT. MOREOVER, IT HAS BEGUN TO RE-ESTABLISH THE PRINCIPLE THAT ENFORCEMENT OF THE LAW IS NOT SYNONYMOUS WITH REPRESSION. IN THE

CONTEXT OF RECENT BOLIVIAN HISTORY THIS IS A REAL WATERSHED. (DRAFTED BY: H.O'HARA) ROWELL
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~~SECRET~~ LA PAZ 07888

DIA FOR IR BRANCH; USCINCSO ALSO FOR POLAD

E.O. 12356: DECL: OADR
TAGS: EAIR, BL
SUBJECT: AEROFLOT LANDING RIGHTS

REF: LA PAZ 7868 (NOTAL)

1. I MET PRIVATELY WITH THE FOREIGN MINISTER TO URGE HIM TO TURN DOWN AEROFLOT'S REQUEST FOR LANDING RIGHTS IN BOLIVIA. I TOLD HIM I HAD RAISED THE ISSUE EARLIER THIS WEEK WITH THE PRESIDENT. IN RESPONSE TO THE MINISTER'S QUESTION, I TOLD HIM THE PRESIDENT HAD NOT GIVEN ME A CLEAR ANSWER.

2. THE MINISTER SAID THAT LAST WEEK THE SOVIET AMBASSADOR HAD MET WITH PRESIDENT PAZ ESTENSSORO TO OFFER A NUMBER OF ASSISTANCE ITEMS AND TO REQUEST AEROFLOT LANDING RIGHTS IN SANTA CRUZ. THE MINISTER SAID THAT PRESIDENT PAZ HAD RESPONDED TO EVERY ISSUE EXCEPT THE AEROFLOT PROPOSAL. WHEN THE MINISTER TRIED TO BRING IT UP, THE PRESIDENT TOLD HIM TO BE QUIET, THAT NOW IS NOT THE APPROPRIATE TIME TO ADDRESS THE ISSUE ONE WAY OR THE OTHER. THE MINISTER SAID HE CONCLUDES THAT THIS PROPOSAL MAY SIMPLY SIT ON ICE FOR SOME TIME.

3. THE MINISTER NOTED THAT THE AEROFLOT REQUEST WAS FOR SANTA CRUZ AND NOT LA PAZ, AS THOUGH THAT MAKES A

DIFFERENCE. I TOLD HIM THAT THE POTENTIAL FOR SUPPORTING SUBVERSIVE OR CLANDESTINE SUPPORT OF DRUG TRAFFICKING WAS AT LEAST AS STRONG IN SANTA CRUZ AS WOULD BE THE CASE IF AEROFLOT COMES TO LA PAZ. I TOLD HIM I UNDERSTOOD THAT THE FILE ON THE WHOLE ISSUE WAS NOW IN THE FOREIGN MINISTRY AND HOPED THAT HE WOULD GIVE IT CLOSE ATTENTION WITH A VIEW TO TURNING IT DOWN.

4. THE MINISTER INDICATED THAT HE WAS INCLINED TO TURN IT DOWN, BUT THAT THE FINAL DECISION WOULD BE UP TO PRESIDENT PAZ ESTENSSORO AND THAT HE DID NOT KNOW WHEN THE PRESIDENT WOULD DEAL WITH THE QUESTION.

5. I HAVE AN UNDERSTANDING WITH THE FRG AMBASSADOR THAT HE WILL ALSO RAISE THIS QUESTION WITH THE FOREIGN MINISTER NEXT WEEK IN THE FORM OF A PROTEST ON BEHALF OF LUFTHANSA. LUFTHANSA NOW GIVES BOLIVIA ITS ONLY EUROPEAN SERVICE, AND LUFTHANSA HAS SAID IT WOULD WITHDRAW FROM BOLIVIA IF AEROFLOT COMES. ROWELL
BT

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Bolivia

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DIA FOR IR BRANCH; USCINCSO ALSO FOR POLAD

E.O. 12356: DECL: OADR
TAGS: PGOV, PREL, BL
SUBJECT: BOLIVIA ADMONISHES CUBA AND NICARAGUA

1. IN A PRIVATE MEETING THIS AFTERNOON (OCTOBER 3) FOREIGN MINISTER ARAOZ TOLD ME HE HAD CALLED IN (SEPARATELY) THE CUBAN AND NICARAGUAN CHARGES AND ADMONISHED THEM AGAINST INTERFERENCE IN BOLIVIA'S INTERNAL AFFAIRS. HE DID NOT INDICATE HOW THE CHARGES REACTED.

2. THE ADMONISHMENT WAS AT PRESIDENT PAZ ESTENSSORO'S DIRECTION. IT RELATES TO THE INFORMATION THE PRESIDENT HAS THAT FOREIGNERS (HE THINKS CUBANOR NICARAGUAN AGENTS) SUPPLIED FOOD AND MONEY TO STRIKING MINE WORKERS DURING THE RECENT GENERAL STRIKE. ROWELL
BT

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BY RW NARA DATE 5/18/15

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Bolivia
10/8/85 26
120082

3. BOLIVIA: BACK FROM THE BRINK--BARELY

President Paz has instituted strong measures to curb hyperinflation and restore economic stability. Economic recovery is not a short-term project, however, and the government's lack of fiscal resources and Bolivia's traditional political instability make long-term prospects for recovery dubious. A collapse of Paz' government might be used by some neighbors to rationalize delaying their own wide-ranging economic reforms.

* * *

The past three years have been marked by economic disintegration. In August, the most recent month for which we have data, prices rose 66.5 percent, pushing the yearly rate close to 30,000 (sic) percent. In early September, the central bank reportedly was down to \$10 million in liquid foreign exchange (nine days of imports). Debt arrearages total \$927 million. Licit GDP plunged 18.5 percent between 1981 and 1984. The 1984 government deficit was 24 percent of GDP.

Paz' economic shock therapy included a 93 percent devaluation, a government wage freeze through year's end, new central bank auctions of foreign exchange, and a critical attempt to control government spending. Odds against success are great. Lack of progress in reducing the deficit will force rapid money supply growth and stimulate demand for dollars. Lack of foreign exchange likely will force the central bank to alter or halt exchange auctions.

Bolivia's recent history of financial mismanagement and potential aid donors' program restrictions preclude for now the needed quick infusion of foreign exchange. The government may be forced to sell some or all of its estimated \$39 million in gold reserves. It will be tempted to capture drug dollars, which might be done by allowing anonymous dollar sales to the central bank, as has been done in Colombia and Peru.

Bolivia's traditional political instability raises doubts that Paz will be in office long enough for his program to work. He enhanced his chances for survival, however, by his firm, successful handling of the recent general strike. By staring down the leftist-dominated national labor federation, Paz has made future labor disruptions--especially those more political than economic--less likely. And the support given by Bolivia's coup-prone military and by Paz' major political opposition, the National Democratic Action party during the strike are signs that the civilian government will survive, at least for the short to medium-term.

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FOIA(b)(3)

E.O. 13526

SEC. 3.3(b)(1)

BOLIVIA

SUMMARY: (C/NF) BL ARMY GENERAL STAFF IN LA PAZ IS CONCERNED THAT A FIVE MAN GUERRILLA CELL (NF1) MAY HAVE COMMENCED OPERATIONS IN THE VICINITY OF THE ZONGO RIVER REGION (16 00S 68 00W) IN THE YUNGAS ON THE NE SLOPES OF THE ANDES MOUNTAINS NORTH OF LA PAZ CITY. THE STAFF FEELS THAT THE CELL COULD BE TARGETING THE CRITICAL ELECTRICAL POWER STATION AT CHACALTAYA (15 44S 67 37W) WHICH IS THE PRIMARY ELECTRICAL POWER SOURCE FOR LA PAZ CITY. RO WAS INFORMED THAT A BL POLICE CAPTAIN (ERRIETA) RECENTLY DISAPPEARED IN THE SAME AREA AND WAS PRESUMED CAPTURED BY UNKNOWN INSURGENTS. ARMY PATROLS OPERATING IN THE ZONGO RIVER AREA HAVE BEEN UNABLE TO LOCATE THE REPORTED CELL.

TEXT: (SEE SUMMARY)

COMMENTS: (C/NF) THIS IS ANOTHER OF SEVERAL RECENT REPORTS OF CLANDESTINE SUBVERSIVE ACTIVITIES IN THE YUNGAS AREA NORTH OF LA PAZ. THE BL ARMY'S EFFORTS IN CONFIRMING SUBVERSIVE PRESENCE IN THIS AREA APPEAR TO BE HAPHAZARD AT BEST. RO WILL CONTINUE TO MONITOR SITUATION.

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PAGE 01
EOB282

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EMBASSY COMMENTS: (C/NF) ALBEIT SOMEWHAT SKETCHY, EMBASSY, THROUGH INDEPENDENT SOURCES WITH CONTACTS IN THE LA PAZ METHODIST HOSPITAL, CAN CONFIRM THE SUBSTANCE OF THE RO'S REPORT. THE TWO REPORTED MEMBERS OF THE SENDERO LUMINOSO WERE TREATED BY A DR. CRESPO WHO WAS TRAINED IN CUBA AND IS MARRIED TO A CUBAN OPHTHALMOLOGIST. THE TWO SENDERO LUMINOSO ARE REPORTEDLY THE SAME TWO REPORTED ON EARLIER BY THE RO [REDACTED] AND HAVE BEEN UNDER THE PATRONAGE OF THE INSTITUTO BIBLICO NAZARETH AFFILIATED WITH A LIBERATION THEOLOGY BRANCH OF THE METHODIST CHURCH IN BOLIVIA. THEY HAVE REPORTEDLY BEEN GIVEN SANCTUARY BY THE METHODIST-RUN "JESUS DE MACHACA" RETREAT ON THE BOLIVIAN ALTIPLANO. CUBAN SYMPATHIES AMONG THE MEMBERS OF THE HOSPITAL STAFF, REPORTEDLY INCLUDING THE DIRECTOR, ARE APPARENTLY WELL KNOWN, ALBEIT THE CONNECTION BETWEEN CUBA AND THE SENDERO LUMINOSO IS PURE CONJECTURE AT THIS POINT.

DECLAS: OADR
BT

WARNING: THIS IS AN INFORMATION REPORT, NOT FINALLY
EVALUATED INTELLIGENCE (U).

SUMMARY: (C/NF) ON 03 SEP AT MIDNIGHT THE DIRECTOR OF THE CLINICA AMERICANA (AKA: HOSPITAL METODISTA) WAS URGENTLY SUMMONED TO THE THIRD FLOOR TO TAKE CARE OF TWO ALLEGEDLY WOUNDED SENDERO LUMINOSO TERRORISTS. THE THIRD FLOOR WAS BLOCKED OFF AND ISOLATED FOR THE REMAINDER OF THE NIGHT. EARLY IN THE MORNING OF 07 SEP THE TWO INDIVIDUALS WERE MOVED TO AN UNK DESTINATION IN THE VICINITY OF ORURO. IT IS NOT KNOWN IF THE GROUP ACTUALLY REACHED ORURO OR TOOK ANOTHER ROUTE TO A DESTINATION UNKNOWN.

TEXT: (SEE SUMMARY)

COMMENTS: (C/NF) THIS IS ANOTHER REPORT INDICATING POSSIBLE USE OF MEDICAL FACILITIES IN BL BY SENDERO LUMINOSO ELEMENTS. THE BL ARMY G-2 IS ATTEMPTING A DETAILED INVESTIGATION OF THE REPORT. UNTIL AN ACTUAL SENDERO LUMINOSO IS KILLED OR CAPTURED WHILE USING BL MEDICAL FACILITIES, RO FEELS THAT REPORTS OF THIS NATURE SHOULD BE CONSIDERED SOMEWHAT SUSPECT.

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DEPARTMENT OF STATE
EXECUTIVE SECRETARIAT
TRANSMITTAL FORM

8130
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S/S 8530188

Date 10/15/85

For: Mr. Robert C. McFarlane
National Security Council
The White House

Reference:

TO: President Reagan From: President Paz Estenssoro

Date: 10/8/85 Subject: Reply to President Reagan's
letter expressing support for Bolivian government

WH Referral Dated: NSC ID#
(if any)

_____ The attached item was sent directly to the
Department of State.

Action Taken:

_____ A draft reply is attached.

_____ A draft reply will be forwarded.

_____ A translation is attached.

_____ An information copy of a direct reply is attached.

☒ We believe no response is necessary for the reason
cited below.

_____ The Department of State has no objection to the
proposed travel.

_____ Other.

Remarks:

The letter is a response to President Reagan's recent message expressing strong U.S. support for the Paz Estenssoro government and its economic policies. The reply from Paz raises no new issues, and no response is therefore recommended.

Nicholas A. Platt
Nicholas Platt
Executive Secretary

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(Classification)

S/S 8530188

United States Department of State 37

Washington, D.C. 20520

October 10, 1985



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ATTACHMENT

MEMORANDUM FOR: Mr. William F. Martin
NATIONAL SECURITY COUNCIL

Subject: Alerting NSC on Presidential
Correspondence

85 OCT 10 AM 10:43

Enclosed is a copy of a letter to President Reagan from President Victor Paz Estenssoro of Bolivia which is transmitted for your information.

This document was received in the Executive Secretariat Information Management Section on Oct. 10, 1985.

Charles H. Jackson Jr.
Director, S/S-1
Information Management Section
Executive Secretariat
ext. 23836

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INCOMING
TELEGRAM

PAGE 01 LA PAZ 08094 00 OF 02 092252Z 2119 ARA3326
ACTION ARA-00

LA PAZ 08094 00 OF 02 092252Z 2119 ARA3326

ACTION OFFICE BL-02
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DIA FOR IR BRANCH; USCINCSO ALSO FOR POLAD

E.O. 12356: N/A
TAGS: PREL, BL, US
SUBJECT: TRANSLATION OF PRESIDENT PAZ ESTENSSORO'S
- RESPONSE TO PRESIDENT REAGAN'S LETTER OF
- OCTOBER 1, 1985

REF: (A) STATE 301921 (B) LA PAZ 8034

1. (LOU) PURSUANT TO REFTEL B, HERE FOLLOWS AN
INFORMAL EMBASSY TRANSLATION OF PRESIDENT VICTOR
PAZ ESTENSSORO'S LETTER TO PRESIDENT REAGAN.

2. (U) QUOTE:
- MR. PRESIDENT:
- I WAS VERY PLEASED TO RECEIVE THE PERSONAL
MESSAGE YOU SENT ME THROUGH AMBASSADOR EDWARD ROWELL.

- THE INTEREST WHICH YOU HAVE DEMONSTRATED IN
MY COUNTRY AND YOUR RECOGNITION OF MY EFFORTS --
IN SPITE OF THE DIFFICULT AND HEAVY WORKLOAD WHICH
YOU BEAR AS LEADER OF A GREAT NATION -- ARE EVIDENCE
OF YOUR CONCERN OVER THE SERIOUS CRISIS THAT BOLIVIA
FACES.

- AT THIS JUNCTURE, THE FUTURE OF MY COUNTRY
DEPENDS ON THE SUCCESS OF THE NEW ECONOMIC POLICY
WHICH I HAVE ESTABLISHED, SINCE THERE IS NO DOUBT
THAT THE EXISTENCE OF THE DEMOCRATIC SYSTEM IN
BOLIVIA CANNOT BE GUARANTEED UNLESS THERE IS AN
EFFECTIVE IMPROVEMENT IN ECONOMIC CONDITIONS.

- AMONG THE FACTORS WHICH WILL CONTRIBUTE TO THE
ACHIEVEMENT OF THIS IMPORTANT END, INVESTMENT AND
FINANCIAL COOPERATION FROM ABROAD ARE OF FUNDAMENTAL
INTEREST. IN ADDITION, IN A CLIMATE OF FREEDOM, THE
PARTICIPATION OF THE PRIVATE SECTOR AS A DYNAMIC FORCE
FOR SOCIO-ECONOMIC DEVELOPMENT IS ALSO VERY USEFUL.

- IT IS TRUE THAT THE TASK IS DIFFICULT AND THAT
SOME OF THE MEASURES WHICH WE HAVE TAKEN ARE UNAVOID-
ABLY VERY HARSH IN THE SHORT RUN. WE ARE, HOWEVER,
ABSOLUTELY CERTAIN THAT THESE SHORT-TERM SACRIFICES
WILL ALLOW US LATER TO REALIZE IMPORTANT GAINS IN
RAISING THE STANDARD OF LIVING OF THE BOLIVIAN
PEOPLE AS A RESULT OF THE UNQUESTIONABLE IMPROVEMENT
IN THE GENERAL ECONOMY.

- I DO NOT FEAR SO MUCH THE OPPOSITION -- SINCE
IT IS A PART OF THE DEMOCRATIC SYSTEM -- AS THE LACK
OF UNDERSTANDING OR THE DELIBERATE IGNORANCE OF THOSE
WHO DO NOT SEE THE TRUE DIMENSION OF THE DESTRUCTIVE
SIGNS THAT WERE ERODING THE NATIONAL LIFE. IN
COMPARISON TO THIS MINORITY STANDS A GREAT MAJORITY
SUPPORTING THE EFFORTS OF THE GOVERNMENT.

- FACED WITH THAT SITUATION, IT WAS NECESSARY TO
TAKE STEPS TO STOP HYPERINFLATION. AT THE SAME TIME,
IT WAS IMPERATIVE TO RETURN TO THE RULE OF LAW AND
RESPECT FOR THE SAME, RE-ESTABLISH AUTHORITY, RESTORE
SOCIAL PEACE AND REGAIN CREDIBILITY FOR THE BOLIVIAN
NATION.

--
- THE FIGHT AGAINST THE ILLEGAL PRODUCTION AND
TRAFFICKING OF NARCOTICS, DUE TO ITS COMPLEX
IMPLICATIONS AND THE POWERFUL INTERESTS AT PLAY,
DEMANDS EXTRAORDINARY EFFORTS. THE GROWING OF COCA
DATES BACK TO AN ANCIENT TRADITION WITH NO TIES
WHATSOEVER TO NARCOTICS TRAFFICKING, AND IT REQUIRES
A SPECIAL TREATMENT. AT THE SAME TIME, ITS CULTIVATION
FOR ILLICIT PURPOSES EXERTS A CORRUPTING INFLUENCE
ON THE MORAL FIBER AND INSTITUTIONAL ROOTS OF
SOCIETY. MY GOVERNMENT HAS DECIDED TO BEGIN A FRONTAL
ACTION AGAINST THIS SCOURGE AND TO THAT END WE ARE
IMPLEMENTING A PROGRAM DESIGNED TO ELIMINATE EXCESS
CULTIVATION.

- THE STRUGGLE AGAINST NARCOTICS TRAFFICKING,
WHICH IS A CURSE ON OUR NATIONS, REQUIRES JOINT
ACTION. THIS IS SOMETHING THAT GOES BEYOND THE
BOLIVIAN BORDERS AND, THEREFORE, MUST BE ADDRESSED
INTERNATIONALLY IN A CONCERTED FASHION.

- ALONG THESE LINES, I GREATLY APPRECIATE YOUR
PROMISE IN THE SENSE THAT THE U.S. GOVERNMENT WILL
MAKE EVERY EFFORT TO INSURE CONTINUED ECONOMIC
COOPERATION WHICH, WITHOUT DOUBT, IS INDISPENSABLE
IF WE ARE TO MAKE EFFECTIVE PROGRESS, BOTH IN THE
ECONOMIC FIELD AS WELL AS IN REDUCING COCA CULTIVATION.

- BEFORE CONCLUDING THIS LETTER, I MUST EMPHASIZE
THE IMPORTANCE OF YOUR KIND MESSAGE, THE SHOW OF
SOLIDARITY AND THE VIGOROUS REAFFIRMATION OF YOUR
GOVERNMENT'S COMMITMENT TO THE CAUSE OF DEMOCRACY IN
THIS HEMISPHERE IN GENERAL AND IN BOLIVIA IN PARTICULAR.

- I THANK YOU FOR YOUR GENEROUS PERSONAL GOOD
WISHES AND I EXTEND BY BEST REGARDS FOR YOUR HEALTH
AND WELL-BEING, AS WELL AS FOR THE CONTINUED PROSPERITY
OF THE UNITED STATES OF AMERICA. I REMAIN, MR.
PRESIDENT, SINCERELY YOURS. END QUOTE. (DRAFTED BY:
W.LOFSTROM) ROWELL

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GOVERNMENT OF BOLIVIA'S (GOB) PRESENT MODEST
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ON ISSUES OF PRIME U.S. CONCERN. END SUMMARY.

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Bolivia

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DIA FOR IR BRANCH; USCINCSO ALSO FOR POLAD

E.O. 12356: DECL: OADR
TAGS: PGOV, BL, SNAR
SUBJECT: MNR/ADN SIGN "PACT FOR DEMOCRACY"

SUMMARY

1. (C) BOLIVIAN PRESIDENT VICTOR PAZ ESTENSSORO OF
THE NATIONALIST REVOLUTIONARY MOVEMENT (MNR) AND
NATIONALIST DEMOCRATIC ACTION (ADN) LEADER GENERAL
HUGO BANZER ON OCTOBER 16 SIGNED AN UNPRECEDENTED
POLITICAL ACCORD DESIGNED TO ESTABLISH NORMS OF
CONDUCT AND PROVIDE A FRAMEWORK FOR ADDRESSING THE
COUNTRY'S MANY PROBLEMS. OF INTEREST TO THE U.S.,
THE PACT'S 15 GENERAL OBJECTIVES INCLUDE ERADICATION
OF NARCOTICS TRAFFICKING, PLANS TO DECENTRALIZE AND
MODERNIZE GOVERNMENT, MODIFICATION OF THE GOVERNMENT'S
ECONOMIC PLAN AND BUILDING BOLIVIA'S CREDIBILITY WITH
INTERNATIONAL FINANCIAL INSTITUTIONS (IFI'S). THE
ACCORD OPENS THE WAY FOR RESPONSIBLE POLITICAL
PARTICIPATION BY THE ADN AND ADHESION BY OTHER
PARTIES. IT ALSO PROVIDES PRESIDENT PAZ POLITICAL
ROOM FOR MANEUVER AND THE CONGRESS SOME MOMENTUM
FOR INITIATIVE. AT THIS EARLY STAGE, THE PACT IS
FRAGILE AT BEST, AS IS BOLIVIA'S REACH FOR DEMOCRACY.
THE TEST FOR THE MNR/ADN COMPACT WILL COME WHEN THE
GOVERNMENT ATTACKS SPECIFIC PROBLEMS AND SERIOUS
POLITICAL NEGOTIATION BEGINS. STILL, AT FACE VALUE
THE LOOSELY CONSTRUCTED LIST OF OBJECTIVES AND THE

2. (U) PRESIDENT PAZ ESTENSSORO (MNR) AND ADN
OPPOSITION LEADER GENERAL HUGO BANZER SUAREZ ON
OCTOBER 16 SIGNED A SIGNIFICANT "PACT FOR DEMOCRACY,"
COMMITTING THEIR RESPECTIVE PARTIES TO A GENERAL
SET OF PRINCIPLES TO PRESERVE AND ENHANCE THE
COUNTRY'S NASCENT DEMOCRATIC PROCESS AND ECONOMIC
REALIGNMENT. THE PACT IS DESIGNED TO PROVIDE A
FRAMEWORK FOR POLITICAL PARTICIPATION AND TO
STRENGTHEN ATTEMPTS TO DEAL WITH BOLIVIA'S LONG-
STANDING ECONOMIC DISARRAY. AT THIS POINT, THE
DOCUMENT COMMITS ONLY THE MNR AND ADN, BOLIVIA'S
TWO DOMINANT PARTIES WHICH COLLECTIVELY WON 63
PERCENT OF THE POPULAR VOTE IN THE JULY 1985
NATIONAL ELECTION.

3. (C) THE NOON CEREMONY IN THE LEGISLATIVE
PALACE WAS ATTENDED BY THE FULL CABINET, KEY
CONGRESSIONAL AND PARTY MEMBERS, HIGH-RANKING
MILITARY OFFICIALS AND NUMEROUS MEMBERS OF THE
DIPLOMATIC CORPS, INCLUDING THE AMBASSADOR.
ADN VICE PRESIDENTIAL CANDIDATE EUDORO "CHUSO"
GALINDO SAT AT THE TABLE WITH PARTY LEADER BANZER.
GALINDO WAS RUMORED TO BE AT ROUGH ODDS WITH HIS
PARTY BECAUSE OF HIS REPORTED URGINGS TO THE MILITARY
LAST AUGUST TO OVERRIDE CONGRESS'S SECOND-ROUND
ELECTION OF PAZ AS PRESIDENT. HIS PROXIMITY TO
BANZER AND HIGH PROFILE AT THE SIGNING CEREMONY
APPEAR DESIGNED TO CURB SUCH SPECULATION.

NEW CODE OF POLITICAL CONDUCT

4. (U) IN REMARKS AT THE CEREMONY, PAZ SAID THE
AGREEMENT WAS MEANT TO STRENGTHEN DEMOCRACY, IMPROVE
BOLIVIA'S ECONOMIC PLIGHT AND ENHANCE THE GOVERN-
MENT'S AUTHORITY THROUGH CONSTITUTIONAL MEANS. HE
STATED THAT FOR TOO LONG POLITICAL RELATIONS IN
BOLIVIA HAD DEVELOPED IN A FRAMEWORK OF INTOLERANCE,
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DIA FOR IR BRANCH; USCINCSO ALSO FOR POLAD

E.O. 12356: DECL: OADR

TAGS: PGOV, BL, SNAR

SUBJECT: MNR/ADN SIGN "PACT FOR DEMOCRACY"

ANTAGONISM AND ANARCHY. BANZER TOOK PAINS TO EMPHASIZE THAT THE AGREEMENT SIGNIFIED NEITHER CO-GOVERNMENT NOR ALLIANCE OF ANY SORT. THE ADN LEADER OBSERVED THAT HIS PARTY'S PACT WITH THE MNR PROPOSED A NEW CODE OF POLITICAL CONDUCT FOR BOLIVIANS AND ISSUED A CALL FOR RESPONSIBLE PARTICIPATION WITHIN THE SYSTEM. "WE MUST BELIEVE," HE CONTINUED, "IN THE DEMOCRATIC SYSTEM IN ORDER TO ALLOW THE ROTATION OF GOVERNMENT." HE CONCLUDED THAT BOLIVIA'S IMMENSE DIFFICULTIES ARE AGGRAVATED BY NARCOTICS TRAFFICKING, AND SAID ACTION, THEREFORE, MUST BE TAKEN TO ELIMINATE THE NARCOTICS TRADE. HE SAID THE CAMPAIGN AGAINST TRAFFICKERS IS SO IMPORTANT FOR BOLIVIA'S PRESENT AND FUTURE WELFARE THAT IT MUST BE OFF LIMITS FOR PARTISAN POLITICS.

AFFIRMATION OF DEMOCRATIC PROCESS

5. (U) THE LENGTHY DOCUMENT IS A BROAD-BRUSH BUT NONETHELESS RESOUNDING AFFIRMATION OF THE DEMOCRATIC PROCESS. IT CONTAINS STANDARD OBLIGATORY REFERENCES TO TRADITIONAL BOLIVIAN CONCERNS SUCH AS SOVEREIGN ACCESS TO THE PACIFIC AND PRINCIPLES OF NON-ALIGNMENT AS WELL AS MORE GERMANE AND IMMEDIATE PASSAGES ON

ECONOMIC RECOVERY AND NARCOTICS TRAFFICKING.

ALTHOUGH THE ACCORD IN PRINCIPLE IMPOSES VAGUE RESPONSIBILITIES ON BOTH THE GOVERNMENT AND ADN OPPOSITION TO ACT IN THE BENEFIT OF THE NATION, IT SPECIFICALLY DOES NOT CONSTRAIN EITHER FROM PURSUING POLICIES AND PROGRAMS IN ACCORDANCE WITH THEIR IDEOLOGICAL ORIENTATION. THE CONCLUDING PORTION ALSO INVITES ALL OTHER PARTIES "DISPOSED TO OVERCOME THEIR DIFFERENCES" TO ADHERE TO THE PACT, WITHOUT "RENOUNCING THEIR IDEOLOGICAL CONVICTIONS OR RESPECTIVE PROGRAMS."

FIVE-PART ACCORD

6. (U) THE PACT ITSELF IS PARSED INTO FIVE MAJOR SECTIONS, THE MOST INTERESTING OF WHICH OUTLINES 15 "GENERAL OBJECTIVES" COVERING A RANGE OF POLITICAL, ECONOMIC AND SOCIAL QUESTIONS.

PREAMBLE

AFTER AN INITIAL REVIEW OF BOLIVIA'S PERSISTENT POLITICAL AND ECONOMIC INSTABILITY, THE ACCORD DECLARES PARTICIPATION IN THE NATION'S DEVELOPMENT OPEN TO ALL POLITICAL, ECONOMIC AND SOCIAL SECTORS, "INCLUDING THE ARMED FORCES... AND THE NATIONAL POLICE." THE "INSTITUTIONAL INTEGRITY AND SEPARATE NATURE" OF THESE LATTER TWO ORGANIZATIONS "SHOULD BE RESPECTED." A CLIMATE OF PEACE AND STABILITY ACHIEVED BY DEMOCRATIC MEANS IS DEEMED ESSENTIAL TO DEAL WITH THIS SOCIO-ECONOMIC CRISIS. THE PACT CALLS FOR NEW FORMS OF POLITICAL CO-EXISTENCE BETWEEN POLITICAL PARTIES WHICH ALLOWS A CONCENTRATION OF EFFORTS TO SERVE THE NATIONAL INTEREST, BUT WITHOUT INFRINGING ON RECOGNIZED AND LEGITIMATE POLITICAL DIFFERENCES. THE PREAMBLE ALSO REAFFIRMS THE "RIGHTS AND RESPONSIBILITIES" OF CITIZENS, RESPECT FOR THE DIGNITY OF THE INDIVIDUAL AND SUPREMACY OF THE CONSTITUTION AND RULE OF LAW.

TERMS OF REFERENCE

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DIA FOR IR BRANCH; USCINCSO ALSO FOR POLAD

E.O. 12356: DECL: OADR
TAGS: PGOV, BL, SNAR
SUBJECT: MNR/ADN SIGN "PACT FOR DEMOCRACY"

THE SECOND PORTION OF THE PACT SUGGESTS A FRAMEWORK FOR "A NEW FORM OF POLITICAL CONDUCT," NOT ONLY FOR THE GOVERNMENT BUT ALSO FOR BOLIVIA'S "DEMOCRATIC OPPOSITION." THE GOVERNMENT'S LEGITIMACY, AUTHORITY AND IDEOLOGICAL THRUST DERIVE FROM THE PEOPLE AS EXPRESSED IN THEIR VOTES FOR THE VARIOUS PARTIES. THE MNR IS DESCRIBED AS AN ALLIANCE OF CLASSES DRAWN TOGETHER OUT OF THE 1952 REVOLUTION TO SECURE THE COUNTRY'S LIBERTY AND TO OVERCOME DEPENDENCE AND INTERNAL UNDERDEVELOPMENT. THE ADN, ON THE OTHER HAND, CLAIMS INSPIRATION FROM CHRISTIAN HUMANISM FOR THE "INTEGRAL FULFILLMENT OF BOLIVIAN" THROUGH POLITICAL AND ECONOMIC FREEDOM ACHIEVED IN TURN BY "PEACE, ORDER AND WORK." DESPITE A COMMON DEMOCRATIC ORIENTATION, THE MNR AND ADN HOLD DIFFERENT PERCEPTIONS OF BOLIVIAN REALITY AND CONSEQUENTLY DIVERSE POLICY APPROACHES TO THE COUNTRY'S PROBLEMS. BY SIGNING THE PACT, THE MNR AND ADN THUS GUARANTEE THE STABILITY OF THE ELECTED GOVERNMENT AND ESTABLISH LOOSE TERMS OF REFERENCE FOR THE RESPONSIBLE CONDUCT OF THE DEMOCRATIC OPPOSITION. THE ACCORD DOES NOT LIMIT THE RIGHTS AND OBLIGATIONS OF THE ADN AS AN OPPOSITION PARTY OR ITS ACTIVITIES AS GOVERNMENT CRITIC. IMPORTANTLY, THE AGREEMENT ALSO PLACES NO OBLIGATION OR RESPONSIBILITY ON THE ADN FOR ACTIONS OR LEGISLATION OF THE MNR GOVERNMENT WHICH THE ADN

BECAUSE THEY COMPRISE AT LEAST A TENTATIVE OVERVIEW OF THE GOVERNMENT'S INTENTIONS, THE PACT'S 15 OBJECTIVES ARE SUMMARIZED BELOW. OF PARTICULAR INTEREST ARE THE AVENUES CONTEMPLATED FOR ECONOMIC RECOVERY AND THE STERN APPROACH TO NARCOTICS TRAFFICKING. THE MNR AND ADN PLEDGE TO:

(1) DEFEND, CONSOLIDATE AND IMPROVE REPRESENTATIVE DEMOCRACY.

(2) ESTABLISH POLITICAL, ECONOMIC AND SOCIAL OBJECTIVES TO MODERNIZE GOVERNMENT, INCLUDING MODIFICATIONS OF THE CONSTITUTION.

(3) APPROVE A LAW FOR THE POLITICAL AND ADMINISTRATIVE DECENTRALIZATION OF THE GOVERNMENT.

(4) SET LEGAL NORMS FOR THE CONDUCT OF POLITICAL PARTIES AND IMPROVE THE ELECTORAL SYSTEM.

(5) TAKE LEGISLATIVE ACTION TO STRENGTHEN GOVERNMENT AUTHORITY IN CONFORMITY WITH THE CONSTITUTION AND DEMOCRATIC JUDICIAL STANDARDS.

(6) MODIFY IN ECONOMIC, SOCIAL AND ADMINISTRATIVE (NOT POLITICAL) ASPECTS THE GOVERNMENT'S ECONOMIC PROGRAM, WITHOUT SACRIFICING ITS "ESSENCE" OR FUNDAMENTAL OBJECTIVES; STRENGTHEN STATE ENTERPRISE PRODUCTIVITY BY MEANS OF DECENTRALIZATION.

(7) EXPLORE WAYS TO COMBAT HYPERINFLATION; PROMOTE GROWTH IN BOTH PUBLIC AND PRIVATE SECTORS; RATIONALIZE BASIC SALARIES "BASED ON PRINCIPLES OF SOCIAL JUSTICE."

(8) IDENTIFY AND PROMOTE AGRICULTURAL AND LIVESTOCK DEVELOPMENT PROJECTS.

(9) CREATE INCENTIVES FOR SAVINGS AND PROMOTE

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DIA FOR IR BRANCH; USCINCSO ALSO FOR POLAD

E.O. 12356: DECL: OADR

TAGS: PGOV, BL, SNAR

SUBJECT: MNR/ADN SIGN "PACT FOR DEMOCRACY"

A FAVORABLE CLIMATE FOR DOMESTIC AND FOREIGN
INVESTMENT DESTINED FOR DEVELOPMENT.

--
- (10) BUILD BOLIVIA'S CREDIBILITY WITH INTER-
NATIONAL FINANCIAL INSTITUTIONS.

- (11) UTILIZE NATURAL RESOURCES RATIONALLY.

- (12) OBTAIN LEGISLATIVE ENDORSEMENT FOR ACTION
NECESSARY TO ERADICATE CORRUPTION, CONTRABAND AND
NARCOTICS TRAFFICKING.

- (13) SUPPORT A FOREIGN POLICY BASED ON THE
PRINCIPLES OF UNIVERSALITY, NON-INTERVENTION,
SELF-DETERMINATION, SOVEREIGNTY AND TERRITORIAL
INTEGRITY, AND PEACEFUL RESOLUTION OF DISPUTES.

- (14) PARTICIPATE IN THE NEUTRAL/NON-ALIGNED
(NNA) MOVEMENT, REMAINING EQUIDISTANT BETWEEN THE
SUPERPOWERS, FOLLOWING THE G-77 ANTI-COLONIALIST
LINE AND SUPPORTING CALLS FOR A NEW WORLD ECONOMIC
ORDER; REORIENT REGIONAL AND SUB-REGIONAL INTEGRATION
SCHEMES TO CONTRIBUTE DIRECTLY TO BOLIVIA'S DEVELOPMENT.

- (15) REAFFIRM BOLIVIA'S RIGHT TO AN OUTLET TO
THE PACIFIC, WITHOUT TERRITORIAL COMPENSATION.

LINES OF ACTION

- IN THIS SHORT SECTION THE ACCORD NOTES
THAT THE MNR AND ADN TOGETHER OR SEPARATELY MAY
PRESENT INITIATIVES TO ACHIEVE THESE STATED
OBJECTIVES. IN A NOTEWORTHY PASSAGE, THE ADN IS
GRANTED THE RIGHT TO "ASSUME RESPONSIBILITY" IN
THE MANAGEMENT OF GOVERNMENT ECONOMIC AND SOCIAL
ENTITIES.

CONCLUSION

- THE PACT IS DESCRIBED AS AN OBLIGATION OF
"POLITICAL CO-EXISTENCE" FOR THE MNR AND ADN. IT
INVITES PARTICIPATION BY OTHER PARTIES "DISPOSED TO
OVERCOME THEIR DIFFERENCES...AND WITHOUT RENOUNCING
THEIR IDEOLOGICAL CONVICTIONS AND RESPECTIVE PROGRAMS."

PUBLIC REACTION FAVORABLE

7. (U) EARLY REACTION TO THE MNR/ADN AGREEMENT IN
THE BOLIVIAN PRESS HAS BEEN OVERWHELMINGLY POSITIVE.
ALL LA PAZ MORNING NEWSPAPERS ON OCTOBER 17 LED
THEIR RESPECTIVE FRONT PAGES WITH COVERAGE OF THE
PACT. LEADING DAILY "PRESENCIA" HEADLINE DECLARED:
"MNR/ADN PACT SETS A NEW COURSE OF POLITICAL CO-
EXISTENCE AND GOVERNMENT." INFLUENTIAL DAILY
"EL MUNDO" OF SANTA CRUZ HEADLINED ITS FRONT-PAGE
STORY: "GOVERNMENT AND OPPOSITION SIGN A HISTORIC
AGREEMENT ON BEHALF OF DEMOCRACY."

8. (U) THE LEAD EDITORIAL IN RESPECTED "PRESENCIA"
STATED THAT THE AGREEMENT "CONSTITUTES SOMETHING
SPECIAL WHICH CAN CONTRIBUTE TO THE STABILIZATION
OF BOLIVIAN INSTITUTIONS...FOR THE FIRST TIME,
THERE IS AN EXPLICIT AGREEMENT BETWEEN THE
GOVERNMENT AND THE OPPOSITION, NOT SO THAT BOTH
CAN FORM A NEW GOVERNMENT...OR SO THAT PLUMS IN
THE PUBLIC SECTOR CAN BE DIVIDED BETWEEN THEM,
BUT RATHER SO THAT EACH WILL BE STRENGTHENED IN
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DIA FOR IR BRANCH; USCINCSO ALSO FOR POLAD

E.O. 12356: DECL: OADR
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SUBJECT: MNR/ADN SIGN "PACT FOR DEMOCRACY"

ITS OWN ROLES, THAT OF GOVERNMENT AND OPPOSITION,
BUT WITH MORE IMPORTANT COMMON GOALS. IN THIS CASE,
THE NEED HAS BEEN RECOGNIZED TO FORTIFY AND SAFEGUARD
THE DEMOCRATIC SYSTEM, AN OBJECTIVE WHICH, WITHOUT
ANY DOUBT, IS SHARED BY THE VAST MAJORITY OF THE
COUNTRY'S CITIZENS."

9. (U) AN EDITORIAL IN CONSERVATIVE DAILY "EL DIARIO"
STATED: "THESE TWO GROUPS OF THE (POLITICAL)
MAJORITY, EACH GIVING A LITTLE GROUND, HAVE ACHIEVED
AN AGREEMENT WHICH, IN EFFECT, WILL MAKE THE
DEMOCRATIC SYSTEM MORE DURABLE. THE MOST IMPORTANT
POINT IS THAT THE LEADERS OF BOTH PARTIES, WITHIN
THE FRAMEWORK OF RECIPROCAL CONFIDENCE, WERE
WILLING TO SEEK A LENGTHY PERIOD OF STABILITY,
SOMETHING WHICH IS MORE IMPORTANT THAN EVER IN
ORDER TO RESOLVE THE GENERALIZED CRISIS WHICH AFFECTS
US ALL."

MIR COY--OTHER PARTIES/LABOR OPPOSE PACT

10. (U) MOVEMENT OF THE REVOLUTIONARY LEFT (MIR)
REACTION TO THE MNR/ADN AGREEMENT WAS "NEITHER

TO CONDEMN NOR PARTICIPATE." IN A COMMUNICATION
SIGNED BY PARTY LEADER JAIME PAZ ZAMORA AND OTHERS,
THE MIR STATED THAT UNDER THE CIRCUMSTANCES IT WOULD
NOT REFLECT A DEMOCRATIC OR RESPONSIBLE ATTITUDE TO
CENSURE THE ACCORD "A PRIORI." "THE IMPORTANT
THING IS TO REMAIN ALERT SO THAT ITS ACTUAL
PROPOSALS, AND ABOVE ALL ITS CONSEQUENCES, DO NOT
VIOLATE THE CONSTITUTION, SUBVERT PLURALISM OR BE
CONVERTED INTO AN INSTRUMENT TO ABUSE POWER."
VIRTUALLY ALL BOLIVIA'S OTHER MINOR LEFTIST PARTIES
HAD LITTLE POSITIVE TO SAY ABOUT THE PACT OR ELSE
BLASTED IT OUTRIGHT. NATIONALIST REVOLUTIONARY
MOVEMENT OF THE LEFT (MNR-I) LEADER SALAZAR PAREDES
STATED "IT IS NOT NECESSARY TO SIGN ANY AGREEMENT"
TO DEFEND DEMOCRACY. SOCIALIST PARTY (PS-1) CHIEF
ROGER CORTEZ REFLECTED GENERAL SENTIMENT IN LEFTIST
PARTY RANKS: "WE BELIEVE THAT IT IS A PACT FOR
IMPOSING AN ECONOMIC MODEL AND, WITH THAT IMPOSITION,
A RESTRICTED DEMOCRATIC SYSTEM MOLDED AND WATCHED
BY THE (MNR/ADN) ALLIANCE." BOLIVIA'S TINY COMMUNIST
PARTY SAID THE ACCORD "WAS NOT TO SAVE DEMOCRACY, BUT
TO BURY IT." IN DIFFERENT WORDS, CHRISTIAN DEMOCRAT
(PDC) AND MOVEMENT OF THE REVOLUTIONARY LEFT-MASSAS
(MIR-MASSAS) PARTISANS ALSO CRITICIZED THE PACT. AS
WELL, THE BOLIVIAN WORKERS CENTRAL (COB) IMMEDIATELY
CONDEMNED THE AGREEMENT AS ANOTHER INSTRUMENT OF
REPRESSION ADDED TO THE GOVERNMENT'S STRINGENT
ECONOMIC MEASURES ANNOUNCED IN AUGUST. MNR CRITICS
NOW LABEL THE PAZ ADMINISTRATION "NEOLIBERAL" AND
BENT ON DESTROYING ORGANIZED LABOR.

MINOR MNR DISCIPLINE PROBLEMS

11. (C) ONE MNR LOCAL IN SANTA CRUZ, A REGION KNOWN FOR

INDEPENDENT ATTITUDES IN ANY CASE, BROKE RANKS AND
REJECTED THE PACT. "THE HISTORIC AND TRADITIONAL ENEMY
IS FACISM, ENCARNATED IN BANZER," SAID THE LOCAL MNR
BOSS WHO THEN WENT ON TO CATALOG THE ADN LEADER'S
ALLEGED CRIMES. THOUGH ISOLATED, THE EPISODE SUGGESTS
THE PROBLEMS OF THE MNR NATIONAL LEADERSHIP IN IMPOSING
STRICT DISCIPLINE LOCALLY. PREFECT OF SANTA CRUZ JULIO
PRADO REDRESSED THE SITUATION SOMEWHAT BY PUBLICLY FULLY
SUPPORTING PAZ'S NEGOTIATION AND SIGNING OF THE AGREEMENT.

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COMMENT

12. (C) THIS MNR/ADN COVENANT IS SUFFICIENTLY UNIVERSAL AND OPEN-ENDED TO ALLOW BOTH PARTIES -- AS WELL AS OTHERS WHICH MIGHT OPT IN LATER -- CONSIDERABLE ROOM FOR POLITICAL MANEUVER. ON ITS MERITS AS A STATEMENT OF PRINCIPLE AND FOR ITS PROMISE OF PRACTICAL MEASURES ON NEAR INTRACTABLE ISSUES, IT STANDS AS A MAJOR BENCHMARK FOR DEMOCRACY IN BOLIVIA. AS SUCH, IT PROVIDES ONE FURTHER INDICATION OF A TENTATIVE BUT GROWING POLITICAL MATURITY HERE.

13. (C) FOR ONE THING, THE REACH OF THE AGREEMENT IS UNPRECEDENTED. BY ENGAGING THE ENTIRE PARTY STRUCTURE -- FROM RANK-AND-FILE TO LEADERSHIP -- THE ACCORD ATTACHES RESPONSIBILITY FAR BEYOND THE FRAGILE 1971 PAZ/BANZER "GENTLEMEN'S AGREEMENT" WHICH PERTAINED TO THEIR ACTIONS ONLY. MOREOVER, IT ESTABLISHES -- HOWEVER LOOSELY -- A GENERAL DIRECTION AND PURPOSE FOR THE NEW PAZ ADMINISTRATION AND THE CONGRESSIONAL OPPOSITION, AS WELL AS A FEW FAIRLY SPECIFIC OBJECTIVES. THE AGREEMENT STRONGLY REAFFIRMS BOLIVIA'S COMMITMENT TO DEMOCRACY, TAKES A

SOMEWHAT MORE REALISTIC VIEW TOWARD ECONOMIC RECOVERY -- INCLUDING POLISHING BOLIVIA'S IMAGE WITH IFI'S -- PLEDGES A MOVE TOWARD DECENTRALIZATION AND LESS CONSTRAINED PRIVATE SECTOR INVOLVEMENT, AND TAKES A PUBLIC STAND AGAINST NARCOTICS TRAFFIC AND CORRUPTION.

14. (C) THE "PACT FOR DEMOCRACY," ALONG WITH THE GOVERNMENT'S STRINGENT ECONOMIC MEASURES (WHICH ARE STARTING TO SHOW SOME EFFECT) AND THE CURRENT WEAKNESS OF BOLIVIA'S OBSTRUCTIVE LABOR UNIONS ALL PERMIT PAZ A DEGREE OF POLITICAL ELBOW ROOM AT THE MOMENT. THIS HEALTHY TREND, SUPPORTED WE BELIEVE BY PUBLIC OPINION, PROVIDES THE BOLIVIAN CONGRESS AN OPPORTUNITY AND A CHALLENGE TO ADDRESS A SNARL OF DOMESTIC PROBLEMS. THE MNR/ADN AGREEMENT THUS REPRESENTS A POTENTIALLY USEFUL VEHICLE FOR THE ADVANCEMENT OF U.S. INTERESTS HERE. THE CURRENT MOOD AND THE PUBLICIZED POLITICAL COMPACT GIVE US OPPORTUNITY AS WELL AS SPECIFIC LEVERS WITH WHICH TO ADVANCE OUR CASE ON KEY ISSUES SUCH AS NARCOTICS, ECONOMIC REFORM AND DEVELOPMENT.

15. (C) ON ANOTHER LEVEL, THE PACT ORDAINS A CODE FOR RESPONSIBLE ADN OPPOSITION, A NOVEL AND WELCOME CHANGE FROM THE HIGHLY PARTISAN BEHAVIOR OBSERVED BY MOST PARTIES ON THE OUTS. THIS EMERGING MATURITY, HOWEVER, HAS ITS PRICE. WE UNDERSTAND THAT A SECRET ANNEX TO THE ACCORD GUARANTEES THE ADN POSITIONS ON CONGRESSIONAL NOMINATIONS TO HEAD STATE-OWNED ENTERPRISES. THIS ARRANGEMENT ALLOWS THE ADN TO REWARD SOME PARTY FAITHFUL BY VIRTUE OF ITS STRENGTH IN CONGRESS, WHILE DISGUIISING SOMEWHAT THE RELATIONSHIP WITH THE MNR/ADN ACCORD.

16. (C) THE PACT ALSO OFFERS A SIMILAR OPPORTUNITY TO THE MIR AND OTHER PARTIES TO INVOLVE THEMSELVES MORE RESPONSIBLY IN THE DEMOCRATIC PROCESS. THE AMBASSADOR RECENTLY WAS TOLD THAT THE SIGNING OF THE ACCORD WAS DELAYED BY TWO WEEKS WHILE PAZ ATTEMPTED TO WORK OUT A PARALLEL AGREEMENT WITH THE MIR. PAZ APPARENTLY HOPED TO CREATE POLITICAL COUNTERWEIGHT WITH THE LEFTIST MIR TO BALANCE HIS FLIRTATION WITH THE CONSERVATIVE ADN. BANZER, HOWEVER, WAS ADAMANTLY OPPOSED TO A SEPARATE MIR ACCORD. WE SUSPECT, HOWEVER, THAT THE PERSONAL RELATIONSHIP BETWEEN PAZ ESTENSORO AND HIS NEPHEW PAZ ZAMORA, ALONG WITH POLITICAL REALISM ON THE PART OF THE MIR, WILL RESULT IN AN UNWRITTEN AGREEMENT.

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E.O. 12356: DECL: OADR
TAGS: PGOV, BL, SNAR
SUBJECT: MNR/ADN SIGN "PACT FOR DEMOCRACY"

MENT BY PAZ ZAMORA'S PARTY TO RESPECT THE ACCORD.

17. (C) LOCAL SKEPTICS POINT OUT JUSTIFIABLY THAT BOLIVIA'S POLITICAL TRACK RECORD DOES NOT AUGUR WELL FOR THIS ADMITTEDLY BOLD GAMBIT. THAT ASSESSMENT, WE BELIEVE, WILL BETTER BE MADE AFTER THE GOVERNMENT BRINGS FORWARD CONCRETE PROPOSALS AND THE POLITICAL GAMESMANSHIP BEGINS IN EARNEST. BOLIVIA'S CURRENT EXPERIMENT TO UNFETTER ITS POLITICAL, ECONOMIC AND SOCIAL PROCESSES UNDENIABLY REMAINS TENTATIVE AND FRAGILE. THE EFFORT, THEREFORE, IS SUSCEPTIBLE TO THE STRAINS AND UNCERTAINTIES THAT ARE A NORMAL PART OF BOLIVIAN LIFE. FOR NOW, HOWEVER, THE PACT TAKEN AT FACE VALUE REPRESENTS A GRATIFYING STATEMENT OF PRINCIPLE AS WELL AS A CIRCUMSCRIBED, PERHAPS BRIEF, OPENING TO ADVANCE U. S. INTERESTS. ROWELL
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Jorge even had a
good word for
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FOR S AND S/S ONLY

E.O. 12356: DECL: OADR

TAGS: OVIP (SHULTZ, GEORGE P.), DR, XL, XM

SUBJECT: PRESIDENT'S CONVERSATION WITH PRESIDENT JORGE
BLANCO OF DOMINICAN REPUBLIC AND VICE PRESIDENT GARRETT
OF BOLIVIA.

1. S - ENTIRE TEXT.

2. FOLLOWING IS A MEMORANDUM OF CONVERSATION PREPARED
BY STEPHANIE VAN REIGERSBERG, FOR CLEARANCE AND
DISSEMINATION. REQUEST DEPARTMENT TRANSMIT CABLE TO
THE NSC FOR CLEARANCE AND APPROVAL.

MEMORANDUM OF CONVERSATION

3. PLACE: UNITED NATIONS DATE OCTOBER 23, 1985

1:15 -3:15 P.M.

OCCASION: PEREZ DE CUELLAR LUNCHEON IN HONOR OF HEADS OF
STATE

PARTICIPANTS: PRESIDENT REAGAN

- - - PRESIDENT SALVADOR JORGE BLANCO OF THE
DOMINICAN REPUBLIC

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VICE PRESIDENT GARRETT OF BOLIVIA
INTERPRETER: STEPHANIE VAN REIGERSBERG

4. AS THE HEADS OF STATE SAT DOWN TO LUNCH, THE PRESIDENT WAS CONGRATULATING PRESIDENT JORGE FOR HIS COURAGE IN CARRYING FORWARD HIS ECONOMIC RECOVERY PROGRAM. JORGE SAID THAT HE WAS DOING IT BECAUSE OF HIS TRAINING, AND ALSO BECAUSE OF HIS GREAT COMMITMENT OF FREINDSHIP TO THE UNITED STATES. THE PRESIDENT THEN WENT ON TO RAVE ABOUT A TELEVISION PROGRAM HE HAD SEEN LAST NIGHT WHICH SHOWED DOMINICAN YOUNGSTERS TRAINING FOR BASEBALL'S BIG LEAGUES. THEY DISCUSSED THE WORLD SERIES AND THE PRESIDENT TOLD JORGE ABOUT THE TWO-SIDED BASEBALL CAP (ROYALS AND CARDINALS) THAT THE GOVERNOR OF MISSOURI HAD GIVEN HIM. JORGE THEN ELOQUENTLY PRAISED THE PRESIDENT FOR HIS HANDLING OF THE ACHILLE LAURO HIGHJACKING, TELLING HIM THAT HE HAS A SPECIAL GIFT FOR WIELDING POWER, AND A WONDERFUL MANNER OF SYMBOLIZING THE UNITED STATES AS A WORLD POWER.

5. THEY THEN DISCUSSED IN SOME DETAIL THE DOMINICAN ECONOMIC RECOVERY. JORGE SAID THAT THE DOMINICAN PESO HAD STABILIZED OVER THE LAST NINE MONTHS AT ABOUT 33 CENTS TO THE US DOLLAR. AND WAS ONE OF THE MOST STABLE CURRENCIES ANYWHERE IN LATIN AMERICA OR IN EUROPE FOR THAT MATTER. THEY HAD IMPOSED FISCAL DISCIPLINE, AND HAD IMPROVED THEIR BUDGET SITUATION CONSIDERABLY BY RAISING GASOLINE PRICES FOR URBAN DWELLERS. JORGE THEN HANDED THE PRESIDENT A LETTER ABOUT ECONOMIC ISSUES, THE ENVELOPE OF WHICH WAS HANDWRITTEN. AND WHICH THE PRESIDENT PUT IN HIS POCKET.

6. VICE PRESIDENT GARRETT THEN MADE A LENGTHY AND EMOTIONAL PLEA FOR HELP FOR HIS COUNTRY. HE SAID THAT BOLIVIA WAS A COUNTRY WHERE THERE WAS GREAT COMMUNIST AND

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SOVIET PENETRATION (THE GREATEST IN SOUTH AMERICA) AND
WHICH WAS SUFFERING AT THE SAME TIME FROM THE PROBLEMS OF
DRUG TRAFFICKING. HE SAW NO POSSIBILITY OF ATTACKING
THESE TWO FRONTS SIMULTANEOUSLY WITHOUT THE DECISIVE
INTERVENTION AND ASSISTANCE OF THE UNITED STATES. THIS
WAS BECAUSE OF THE UNPRECEDENTED SERIOUSNESS OF THE
ECONOMIC SITUATION HERE (HIGHEST INFLATION IN THE WORLD,
VERY HIGH UNEMPLOYMENT, ETC.). HE HAD TO EXPRESS HIS
DEEP CONCERN BECAUSE HE FELT THAT THE US' PREOCCUPATION
WITH CENTRAL AMERICAN WAS LEADING IT TO IGNORE THIS
EXTREMELY GRAVE DISTRESS ZONE IN SOUTH AMERICA. HE
REMINDED THE PRESIDENT THAT BOLIVIA HAS GREAT STRATEGIC
AND GEOPOLITICAL IMPORTANCE, BOUNDED AS IT IS BY FIVE
DIFFERENT COUNTRIES, ONE OF WHICH (PERU) ALREADY HAD A
SERIOUS GUERRILLA PROBLEM. IF HELP WAS NOT FORTHCOMING IN
A TIMELY FASHION, HE FEARED THAT BOLIVIA COULD BECOME
ANOTHER NICARAGUA OR EL SALVADOR. THEY HAD ASKED THE US
FOR A BRIDGE LOAN OF 150 MILLION DOLLARS TO TIDE THEM
OVER UNTIL THEIR AGREEMENT WITH THE IMF TAKES EFFECT, AND
HE ASKED THE PRESIDENT TO ACT FAVORABLY ON THAT REQUEST.
BEFORE THE PRESIDENT REPLIED, HE ALSO EXPLAINED AN
INITIATIVE HE HAD PRESENTED TO THE UNITED NATIONS TO SET
UP A KIND OF ROTATING INTERNATIONAL DRUG ENFORCEMENT
FORCE. HE ASKED FOR THE UNITED STATES' SUPPORT ON THIS
INITIATIVE AND ALSO EXPLAINED THAT IT WAS IMPORTANT TO
INTERNATIONALIZE THE EFFORT BECAUSE OF THE PROBLEM OF
CORRUPTION WHEN EFFORTS ARE EXCLUSIVELY THOSE OF A
PRODUCING COUNTRY. HE REMINDED THE PRESIDENT THAT
PRESIDENT GARCIA OF PERU HAD ALREADY FIRED 37 POLICE
GENERALS FOR CORRUPTION.

7. THE PRESIDENT SAID THAT ALTHOUGH HE WOULD TRY TO BE
AS RESPONSIVE AS POSSIBLE, THE POINT ON THE 150 MILLION
DOLLARS PRESENTED PROBLEMS TO US BECAUSE OF OUR OWN

DEFICIT. HOWEVER, ON THE OTHER POINTS, ESPECIALLY THAT
OF GIVING BOLIVIA DUE ATTENTION, HE WOULD TAKE THOSE UP

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WITH THE SECRETARY OF STATE AND WITH MR. MACFARLANE
IMMEDIATELY.

8. PRESIDENT JORGE WEIGHED IN WITH AN IMPASSIONED APPEAL ON BEHALF OF THE BOLIVIANS, WHO ARE TRUE DEMOCRATS AND FIGHTING FOR THEIR VERY SURVIVAL, BUT HE DID NOT AGREE WITH MAKING THE INTERNATIONAL DRUG ENFORCEMENT FORCE A UN BODY; HE WAS AFRAID IT WOULD GET TOO BOGGED DOWN IN SPEECHIFYING. HE SAID THAT ALTHOUGH HE WAS A CARIBBEAN PRESIDENT, HE WAS PLEADING FOR BOLIVIA AS AN AMERICAN.

9. THE PRESIDENT THEN SPOKE ELOQUENTLY AND POETICALLY OF HIS BELIEF IN THE INHERENT CLOSENESS OF AMERICANS OF ALL LATITUDES, EXPRESSING THE REGRET THAT THIS NATURAL COMMUNITY OF VALUES AND INTERESTS HAD NOT BEEN BETTER CONSOLIDATED IN THE PAST. HE SAID THAT IT WAS HIS BELIEF THAT ON A HUGE LANDMASS SUCH AS THIS, WITH ONLY THREE LANGUAGES TO SEPARATE US, AND COMMON RELIGIOUS AND ETHICAL BELIEFS TO UNITE US, THAT WE SHOULD BE MUCH CLOSER THAN WE NOW ARE.

10. PRESIDENT JORGE REACTED QUITE EMOTIONALLY TO THIS, GRASPED THE PRESIDENT'S ARM, AND TOLD HIM THAT HE WAS "RIGHT ON TARGET". HE SAID THAT HE THOUGHT THAT THE PRESIDENT'S POLICIES IN THE HEMISPHERE WERE RIGHT AND WELL THOUGHT OUT, BUT HE PLEADED WITH HIM TO LEAVE THE DOOR OPEN FOR DIALOGUE, EVEN IN THE FACE OF OBVIOUS PROVOCATIONS. HE FELT THAT THE PRESIDENT SHOULD KEEP TO THE HIGH GROUND, AND NOT EVER CLOSE THE DOOR TO DIALOGUE WHICH IS, AFTER ALL, ONE OF HIS GREATEST TALENTS AND GIFTS. HE STATED AND RESTATED HIS BELIEF AND FAITH IN

THE PRESIDENT AS A STATESMAN AND AS A MAN, AND URGED HIM TO BELIEVE IN HIM, PRESIDENT JORGE, AS A PERSONAL FRIEND AND AS AN ALLY. HE ASSURED HIM THAT HE HAD ONLY TO ASK IF THERE WAS ANYTHING HE COULD DO.

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11. AT THAT POINT VICE PRESIDENT GARRETT INTERRUPTED TO RESTATE HIS PLEA THAT SOMETHING EXTRAORDINARY BE DONE FOR HIS COUNTRY WHICH INDEED FINDS ITSELF IN AN EXTRAORDINARY SITUATION: THAT IF BOLIVIA'S PRESENT ECONOMIC PLAN FAILS, THAT A MILITARY DICTATORSHIP OR ELSE A LEFTIST TRADE UNIONIST DICTATORSHIP WOULD BE THE IMMEDIATE RESULT. HE ASKED ALSO THAT SECRETARY SHULTZ TELL HIS PEOPLE AT THE UN TO SUPPORT SECRETARY GENERAL PEREZ DE CUELLAR'S INITIATIVE TO HELP BOLIVIA.

12. JORGE THEN TOLD THE PRESIDENT HOW PLEASED HE IS WITH THE CARIBBEAN BASIN INITIATIVE, AND THAT IT IS ALREADY SHOWING VERY POSITIVE RESULTS, ESPECIALLY IN THE AGRO-BUSINESS SECTOR, AND IN THE FREE TRADE ZONES, OF WHICH HE HAS INAUGURATED TWO IN THE LAST THREE YEARS. TOURISM INVESTMENT HAS BEEN STRONG AS WELL. AID HAS BEEN A GREAT HELP TO HIS COUNTRY IN ITS EFFORTS TO TAKE ADVANTAGE OF THE CBI'S PROVISIONS.

13. THE PRESIDENT EXPRESSED HIS PLEASURE THAT THE PROGRAM SEEMED TO BE WORKING SO WELL, AND POINTED TO THE IMPORTANCE OF THE PRIVATE SECTOR IN THE AREA OF JOB CREATION. JORGE AGREED, AND THE PRESIDENT TOLD HIM HOW HE HAD ENLISTED DAVID ROCKEFELLER TO HELP INTEREST BUSINESSMAN IN INVESTING IN THE CBI COUNTRIES. HE EXPRESSED HIS BELIEF, TOO, IN THE SMALL BUSINESSMAN, AND TOLD THE STORY OF THE FOUNDER OF RACHEL'S BROWNIES, A MASSACHUSETTS GIRL WHO HAD TRAINED TO BECOME A PIANIST, BUT WHEN FACED WITH A SEVERE CASE OF TENDONITIS AND THE RESULTING NEED TO FIND ANOTHER CAREER, STARTED MAKING BROWNIES AT HOME TO SELL TO THE NEIGHBORHOOD GROCERY

STORE. LAST YEAR SHE GROSSED 1.5 MILLION, AND EXPECTS TO MAKE 2.5 MILLION THIS YEAR. PRESIDENT JORGE AGREED WITH THE PRESIDENT'S VIEWS, AND AS PROOF TOLD HIM THAT HE HAD COME ON A PLANE WITH 90 PEOPLE, 40 WHOM WERE PRIVATE BUSINESSMAN WHOM HE HAD INVITED ALONG TO MAKE CONTACTS

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WITH BUSINESSMAN HERE. HE ALSO EXPLAINED THAT IN ALL
GOVERNMENTAL PROGRAMS IN THE DOMINICAN REPUBLIC IN THE
FIELDS OF HOUSING AND HEALTH, THE PRIVATE SECTOR PLAYED A
VERY IMPORTANT ROLE.

14. THE PRESIDENT ASKED JORGE WHAT PEOPLE CLOSE TO HIM
CALLED HIM. HE FELT THAT SINCE THEY FELT SO CLOSE TO
EACH OTHER, THEY SHOULD BE ON A FIRST-NAME BASIS. JORGE
SAID THAT WHEN HE WAS A CHILD, HE WAS ALWAYS CALLED
"NEGRITO" (BLACKIE) BECAUSE HE WAS DARKER-SKINNED THAN
HIS SISTERS. THE PRESIDENT PRESSED HIM FOR A NAME THAT
HE COULD USE, AND JORGE SAID TO CALL HIM "SALVATORE".
THE PRESIDENT SAID "AND I AM RON", AND THE TWO CLASPED
HANDS FOR A LONG TIME. IT WAS A MOVING MOMENT. HE THEN
CLASPED THE HAND OF THE BOLIVIAN, AND ASKED HIM TO
BELIEVE THAT HE WOULD NOT FORGET BOLIVIA.

15. (NOTE: THE PRESIDENT'S OTHER NEIGHBOR WAS THE
SECRETARY GENERAL WITH WHOM HE SPENT A GOOD PART OF THE
TIME AS WELL. PRESIDENT DIOUF OF SENEGAL ALSO LEANED
OVER TO CONGRATULATE HIM ON IMPOSING SANCTIONS ON SOUTH
AFRICA.)
SHULTZ

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