

Message Text

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INFO AMEMBASSY ASUNCION
AMEMBASSY BUENOS AIRES
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C O N F I D E N T I A L SECTION 1 OF 2 LA PAZ 3402

E.O. 12065: GDS 4/17/85 (GREENLEE, DAVID N.) OR-P
TAGS: PINT, BL
SUBJECT: (C) POLITICAL TRENDS: FIRST QUARTER 1979

1. (C - ENTIRE TEXT).

2. SUMMARY. SINCE THE BEGINNING OF THE YEAR, PRESIDENT PADILLA HAS FIRMLY ASSERTED CONTROL OVER BOLIVIA'S GOVERNING MILITARY JUNTA, SKILLFULLY DEFLECTING POTENTIAL CHALLENGES TO HIS LEADERSHIP AND THE DEMOCRATIZATION PROCESS. AT THE SAME TIME, HOWEVER, HE HAS RESISTED TAKING ANY SIGNIFICANT ACTION TO SHORE UP THE NATION'S SAGGING ECONOMY AND HAS ALLOWED CORRUPTION IN THE ARMED FORCES AND THE GOVERNMENT TO SPREAD UNCHECKED. AGAINST THIS BACKGROUND, THE CIVILIAN POLITICAL GROUPS HAVE BEEN ORGANIZING SLOWLY. SILES ZUAZO'S UDP COALITION, INITIALLY PLAGUED BY DEFLECTIONS AND BITTER INTERNAL DISSENSION OVER SILES' CHOICE OF THE MIR'S PAZ ZAMORA FOR THE VICE PRESIDENTIAL SLOT, FINALLY JELLED ON APRIL 9. PAZ ESTENSSORO, WHOSE ELECTORAL ALLIANCE WAS FORMALIZED THAT SAME DATE, SUPERFICIALLY APPEARS

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TO BE IN A BETTER POSITION THAN SILES ZUAZO--BUT SILES, AS LAST YEAR, COULD PROVE TO BE THE MORE EFFECTIVE VOTE GETTER. BERNAL, WHO MAY HOLD THE KEY TO THE PRESIDENCY IN THE EVENT OF A CONGRESSIONAL RUNOFF, THUS FAR HAS CONCENTRATED ON CULTIVATING THE RURAL VOTE IN COCHABAMBA AND ORURO, WHILE FORMER PRESIDENT BANZER, THE ODD MAN OUT, HAS PUBLICLY ANNOUNCED THAT HE WILL LAUNCH HIS OWN PRESIDENTIAL BID. END SUMMARY.

3. SINCE JANUARY, PRESIDENT DAVID PADILLA HAS DEMONSTRATED SHREWD POLITICAL JUDGMENT AND, BY ACTING PRAGMATICALLY, HAS MANAGED BOTH TO STRENGTHEN HIS POSITION IN POWER AND TO DEFUSE POTENTIAL THREATS TO THE DEMOCRATIZATION PROCESS. NOT SURPRISINGLY, HIS FIRST SIGNIFICANT CHALLENGE CAME FROM WITHIN HIS MILITARY CONSTITUENCY. FROM THE OUTSET, MANY QUESTIONED WHETHER PADILLA WOULD BE ABLE TO CONTROL THE HEADSTRONG "GENERATIONALIST" OFFICERS WHO WERE THE ARCHITECTS OF THE NOVEMBER 24 COUP. MOST CONCERNED ABOUT PADILLA'S POSITION WERE HIS HIGH-RANKED COLLEAGUES, MANY OF WHOM FEARED THAT GENERATIONALIST CABINET MINISTERS LT. COLONELS ROLANDO SARAVIA (AGRICULTURE), VICTOR RAMIREZ (LABOR), AND RAUL LOPEZ (INTERIOR) POSED A THREAT TO THE MILITARY'S HIERARCHICAL VALUES; SOME ALSO BELIEVED THAT SARAVIA AND LOPEZ WERE "LEFTISTS," IDEOLOGICALLY COMMITTED TO HERMAN SILES ZUAZO'S UDP.

4. WHATEVER THE MERITS OF THIS CASE, PADILLA ACCURATELY GAUGED THE MOUNTING ANTI-GENERATIONALIST PRESSURE, AND--SHORTLY AFTER DETECTING AN INCIPIENT CONSPIRACY BY PRO-BANZER ELEMENTS--HE MOVED DECISIVELY. TAKING ADVANTAGE OF THE TEMPORARY ABSENCE FROM LA PAZ OF SUCH KEY MINISTERS AS GENERAL JORGE ECHAZU (MINES) AND LT. COL. GARY PRADO (PLANNING), WHO MIGHT HAVE OPPOSED HIM ON PURELY GENERATIONAL GROUNDS, HE SQUEEZED SARAVIA AND RAMIREZ OUT OF THE CABINET, LEAVING LOPEZ ISOLATED AND SOMEWHAT BEHOLDEN TO HIM. THE UPSHOT OF THIS

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MANEUVER WAS THAT THE PRO-BANZER PLOTTERS WERE UNDERCUT, THE SENIOR-RANKED OFFICERS WERE MOLLIFIED, AND PADILLA'S POSITION VIS-A-VIS THE GENERATIONALISTS WAS STRENGTHENED.

5. PADILLA HAS BEEN EQUIALLY PRAGMATIC IN HIS DEALINGS WITH THE CIVILIAN POLITICAL SECTOR. IN HIS YEAR-END NATIONAL ADDRESS, FOR EXAMPLE, HE CATEGORICALLY REJECTED THE POLITICAL GROUPS' RECOMMENDATIONS THAT MILITARY TROOPS BE WITHDRAWN FROM THE MINES, THAT LABOR UNION LEADERS BE PERMITTED TO RUN FOR NATIONAL OFFICE AND THAT THE CONTROVERSIAL MILITARY-PEASANT PACT BE DISSOLVED. HIS STRONG STANCE ON THESE THREE ISSUES PROMPTLY PROVOKED STIFF OPPOSITION. ON THE FIRST--THE PRESENCE OF TROOPS IN THE MINES--HE SENSED HE COULD HANG TOUGH--AND DID. BUT ON THE OTHER TWO HE QUICKLY REALIZED THAT HIS POSITION WAS UNTENABLE. WITHIN TWO WEEKS HE REVERSED HIS DECISION ON THE LABOR LEADER QUESTION, AND BY THE END OF FEBRUARY THE HIGH COMMAND FORMALLY SUSPENDED THE MILITARY-PEASANT PACT UNTIL AFTER THE ELECTION.

6. ALTHOUGH PADILLA HAS CONTINUALLY PROFESSED NEUTRALITY IN THE ELECTORAL PROCESS, IT HAS BECOME INCREASINGLY CLEAR THAT HE AND KEY MEMBERS OF HIS GOVERNMENT FAVOR THE PRESIDENTIAL

CANDIDACY OF VICTOR PAZ ESTENSSORO. IN MID-MARCH, WHILE PADILLA WAS OUT OF THE COUNTRY, MILITARY PREFERENCES (SOME FOR BEERNAL, SOME FOR PAZ) TRANSLATED INTO SUBTLE PRESSURES ON THE NATIONAL ELECTORAL COURT. JEALOUS OF THEIR PREROGATIVES, ON MARCH 20 THE ENTIRE COURT DECIDED TO RESIGN EN MASSE--AN ACTION THAT PROMPTED SPECULATION THAT THE ELECTION DATE WOULD BE POSTPONED. CONFRONTED BY THESE RUMBLINGS, PADILLA FIRMLY SET THE DEMOCRATIZATION PROCESS BACK ON COURSE BY REJECTING THE RESIGNATIONS AND PUTTING THE COURT BACK TO WORK. LATER, WHEN 57 SEPARATE GROUPS APPLIED FOR CREDENTIALS TO COMPETE IN THE ELECTIONS, PADILLA EXPRESSED CONCERN THAT LAST YEAR'S "POLITICAL CARNIVAL" WOULD BE REPEATED. THIS CONCERN SPAWNED A TOUGH DECREE PROVIDING FOR THE IMPOSITION OF SEVERE FINANCIAL LIABILITIES ON ANY ELECTORAL SLATE THAT FAILS TO

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OBTAIN AT LEAST 50,000 POPULAR VOTES. AS A RESULT, THE NUMBER OF ELECTORAL SLATES THIS YEAR WILL PROBABLY NOT EXCEED FIVE--THUS SIGNIFICANTLY IMPROVING THE CHANCES FOR A STABLE DEMOCRATIC GOVERNMENT.

7. IN HIS SINGLE-MINDED ZEAL TO KEEP THE ELECTORAL PROCESS ON COURSE, PADILLA UNFORTUNATELY HAS PROVED SHORT-SIGHTED IN OTHER RELATED AREAS. ONE OF THESE IS THE ECONOMY. IN A POOR STATE WHEN TOOK POWER, IT HAS STEADILY DETERIORATED SINCE. PADILLA HAS RESISTED IMPLEMENTING SIGNIFICANT CORRECTIVE MEASURES BECAUSE HE DOES NOT WANT TO OPEN THE WAY FOR FURTHER CRITICISM OF THE ARMED FORCES AND BECAUSE HE FEARS THAT POPULAR DISCONTENT COULD INTERFERE WITH THE DEMOCRATIZATION SCHEDULE. HE HAS BEEN NOTABLY LESS CONCERNED ABOUT THE PRODIGIOUS BURDEN THAT, AS A RESULT OF HIS INACTION, WILL BE LEFT FOR HIS SUCCESSOR.

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8. THE ARMED FORCES CONSTITUTE ANOTHER WEAK POINT. ALTHOUGH PADILLA HAS SKILLFULLY HANDLED SOME MILITARY PROBLEMS--FOR EXAMPLE THE JANUARY CABINET RESHUFFLE--OTHERS HE HAS LET SLIDE OR MADE WORSE. UNDER HIS LEADERSHIP, CORRUPTION HAS REACHED SERIOUS PROPORTIONS, AND THERE ARE INDICATIONS THAT HE HAS SYSTEMATICALLY "BOUGHT OFF" LARGE SEGMENTS OF THE ARMED FORCES BY AWARDING THEM SPECIAL PRIVILEGES. (OFFICERS OF LT. COLONEL RANK AND HIGHER, FOR EXAMPLE, HAVE BEEN PERMITTED TO IMPORT TWO DUTY-FREE AUTOMOBILES EACH.) AS MIGHT BE EXPECTED, PADILLA'S PROPENSITY TO FAVOR THE UNIFORM HAS TAKEN ITS TOLL ON GOVERNMENT EFFICIENCY. IT IS NOW COMMON KNOWLEDGE THAT A NUMBER OF COMPETENT CIVIL SERVANTS HAVE BEEN UNCEREMONIOUSLY REPLACED BY THE PRESIDENT'S MILITARY CRONIES. EQUALLY WORRISOME, PERHAPS IN THE MEASURE THAT CORRUPTION HAS SPREAD, THERE ARE SIGNS THAT MILITARY DISCIPLINE HAS ERODED. IN RECENT WEEKS, THERE HAVE BEEN AT LEAST TWO ISOLATED COLLECTIVE BREECHES OF DISCIPLINE IN THE HINTERLANDS, WHERE SUPPLIES, PAYCHECKS--AND PRIVILEGES--HAVE BEEN LAGGING.

9. AS WITH LAST YEAR, THE CIVILIAN POLITICAL SECTOR HAS
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BEEN SLOW IN ORGANIZING. SOON AFTER THE PADILLA TAKEOVER, HERMAN SILES ZUAZO'S DEMOCRATIC AND POPULAR UNION (UDP), WHICH HAD BEEN AN EARLY FAVORITE TO WINN THE ELECTIONS, BEGAN TO DEVELOP SERIOUS INTERNAL STRAINS. ON JANUARY 30, THREE OF THE SMALLER UDP PARTIES--THE DEMOCRATIC LEFTIST OFFENSIVE (OID), THE APONTE-WING SOCIALISTS AND THE TUPAC KATARI REVOLUTIONARY MOVEMENT (MRTK)--WITHDREW FROM THE COALITION IN PROTEST OVER SILES ZUAZO'S "ANTI-DEMOCRATIC" LEADERSHIP. THEIR CHIEF COMPLAINT WAS SILES' INTENTION TO IMPOSE THE MIR'S JAIME PAZ ZAMORA AS THE UDP'S VICE PRESIDENTIAL CANDIDATE. THE PAZ ZAMORA ISSUE CONTINUED TO FESTER UNTIL APRIL 9, WHEN, AFTER LENGTHY NEGOTIATIONS, THE REMAINDER OF THE COALITION'S COMPONENT PARTIES GRUDGINGLY ACCEPTED SILES' PREFERENCE. WHILE IT IS STILL POSSIBLE THAT SOME DISSIDENT ELEMENTS MAY JOIN THE OID, THE SOCIALISTS AND OTHER GROUPS TO FORM A FRONT TO SILES ZUAZO'S LEFT, THE UDP APPEARS TO HAVE SURVIVED ESSENTIALLY INTACT. AND EVEN THOUGH HIS IMAGE HAS BEEN

SOMEWHAT TARNISHED, SILES, WHO IS BACKED BY THE OLD-SCHOOL MNRI, THE YOUTHFUL, RESOURCEFUL MIR AND THE DISCIPLINED MOSCOW-LINE COMMUNISTS, REMAINS A FORMIDABLE CONTENDER.

10. THE CHIEF BENEFACTOR OF THE UDP'S INTERNAL PROBLEMS HAS BEEN SILES ZUAZO'S OLD RIVAL VICTOR PAZ ESTENSSORO, WHO HAS SLOWLY PULLED HIS COALITION TOGETHER. FORMALIZED ON APRIL 9, IT CONSISTS OF THE "HISTORICAL" MNR, THE CHRISTIAN DEMOCRATS (PDC), WALTER GUEVARA ARZE'S PRA AND THE FRI, A SCHISMATIC LEFTIST GROUP THAT INCLUDES THE BEIJING-LINE COMMUNISTS. SINCE PAZ' SUPPORT HAS BEEN COALESCING WHILE SILES' HAS ATROPHIED SOMEWHAT, PAZ' CANDIDACY HAS GARNERED AN APPEARANCE OF STRENGTH THAT MAY BE MISLEADING. PAZ DID NOT CAMPAIGN ENERGETICALLY LAST YEAR, AND, EVEN ALLOWING FOR SIGNIFICANT PRO-PEREDA FRAUD, HE SHOWED POORLY. THIS YEAR, HIS CAMPAIGN ORGANIZATION HAS BEEN SLOW GETTING INTO GEAR AND, UNLIKE SILES, HE HAS NOT

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YET BEGUN TO STUMP. CONSEQUENTLY, WHETHER PAZ' COSMETIC ADVANTAGE CAN BE TRANSLATED INTO VOTES IS NOT YET CLEAR. CERTAINLY, IT WOULD BE PREMATURE TO TOUT PAZ AS THE ODDS-ON FAVORITE AT THIS POINT.

11. WHILE SILES AND PAZ CONTEND FOR THE "CENTER-LEFT" GROUND (BOLIVIA'S POLITICAL CENTER), RETIRED GENERAL RENE BERNAL, CURRENTLY BACKED ONLY BY A SUI GENERIS AGRARIAN MOVEMENT, HAS STAKED OUT A POSITION SLIGHTLY TO THEIR RIGHT. PROMOTING HIMSELF AS THE "CHRISTIAN" ALTERNATIVE AND LETTING NO ONE FORGET HIS HJMBLE ORIGIN, BERNAL THUS FAR HAS CONCENTRATED HIS CAMPAIGN IN THE COCHABAMBA AND ORURO DEPARTMENTS, THE ONLY AREAS IN WHICH HE HAS REAL SUPPORT. TO SHORE UP HIS WEAK POSITION IN URBAN CENTERS SUCH AS LA PAZ AND SANTA CRUZ, BERNAL IS SAID TO BE CONSIDERING A PACT WITH AT LEAST THE MOREIRA-WING OF THE RIGHTIST FALANGE (FSB). IF HE DECIDES TO WELCOME THE FSB INTO HIS CAMP, HOWEVER, HE COULD JEOPARDIZE HIS APPEAL TO RURAL VOTERS, HIS ONLY FIRM BACKERS. BERNAL IS A SERIOUS CANDIDATE BUT PROBABLY NOT A WINNER. WHAT HE WANTS IS TO BE THE POWER BROKER IN THE EVENT OF A CONGRESSIONAL RUNOFF BETWEEN SILES AND PAZ. THE BETTING NOW IS THAT HE'LL GET HIS WISH.

12. AFTER FAILING TO REACH AN ELECTORAL AGREEMENT WITH EITHER PAZ ESTENSSORO OR BERNAL, FORMER PRESIDENT HUGO BANZER REMAINS THE ODD MAN OUT. ACCORDING TO A LATE REPORT, BANZER, APPARENTLY DECIDING TO THROW CAUTION TO THE WINDS, HAS ANNOUNCED THAT HE WILL LAUNCH HIS OWN PRESIDENTIAL CANDIDACY. IF FIRM, HIS DECISION REPRESENTS A SIGNIFICANT TACTICAL SHIFT WHICH, WE UNDERSTAND, HAS CAUGHT EVEN HIS CLOSEST ADVISERS BY SURPRISE. BANZER'S PLOY, LIKE BERNAL'S, IS FOR POST-ELECTION INFLUENCE. IN ADDITION TO

KEEPING HIS POLITICAL IMAGE ALIVE, BANZER IS INTERESTED IN PLACING A FEW CLOSE ASSOCIATES FROM HIS NATIONALIST DEMOCRATIC ACTION PARTY (ADN) IN THE CONGRESS TO HELP DEFEND HIS RECORD.

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13. IF THE PATTERNS WHICH HAVE EVOLVED DURING THE FIRST THREE AND A HALF MONTHS OF THE YEAR HOLD, THE FOLLOWING TRENDS MAY BE CAUTIOUSLY PROJECTED OVER THE NEXT QUARTER:
--AS JULY 1 APPROACHES, THE MOMENTUM TOWARD ELECTIONS SHOULD CONTINUE TO PICK UP, MAKING POSTPONEMENT OR ALTERNATIVE DEMOCRATIZATION PLANS MORE DIFFICULT.

--THE DEMOCRATIZATION PROCESS SHOULD REINFORCE IMPROVEMENTS IN RESPECT OF CIVIL AND HUMAN RIGHTS REGISTERED OVER THE PAST YEAR. ONLY A BREAKDOWN IN PUBLIC ORDER-- WHICH WE DO NOT ANTICIPATE--WILL JEOPARDIZE THIS PROGRESS.

--THE PRESIDENTIAL CONTEST WILL BE DISPUTED PRINCIPALLY BY SILES ZUAZO AND PAZ ESTENSSORO. BUT AS THE LIKELIHOOD OF EITHER OBTAINING A MAJORITY OF THE POPULAR VOTE IS SLIM, A CONGRESSIONAL RUNOFF, WITH PRO-BERNAL, PRO-BANZER, AND PERHAPS OTHER DELEGATES PLAYING A SIGNIFICANT ROLE, SEEMS PROBABLE.

--IN THE ABSENCE OF AN "OFFICIALIST" CANDIDATE, THE POSSIBILITY OF POST-ELECTORAL COOPERATION BETWEEN CONTENDING POLITICAL GROUPS IS ENHANCED. LESS PROBABLE-- BUT NOT ENTIRELY INCONCEIVABLE--IS A PRE-ELECTORAL PACT IN WHICH THE MAJOR GROUPS WOULD AGREE TO SUPPORT THE ONE OBTAINING A POPULAR PLURALITY IN THE EVENT OF A CONGRESSIONAL RUNOFF.

--AS THE ECONOMIC CRISIS DEEPENS, THE GOVERNMENT WILL BE FORCED TO REEVALUATE ITS DO-NOTHING STRATEGY--BUT IT WILL NOT IMPLEMENT THOROUGHGOING CORRECTIVE MEASURES UNLESS THERE IS ABSOLUTELY NO ALTERNATIVE.

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