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1. **ECHOES OF THE KLAUS BARBIE TRIAL IN BOLIVIA**

A. (U) THE BOLIVIAN MEDIA HAVE GIVEN A GREAT DEAL OF PLAY TO THE TRIAL, IN LYON, OF NAZI WAR CRIMINAL **KLAUS BARBIE**. BARBIE LIVED MANY YEARS IN BOLIVIA UNDER THE ASSUMED NAME OF KLAUS ALTMAN AND WAS EXPELLED TO FRANCE IN 1983. SIMULTANEOUS WITH HIS LYON TRIAL, BARBIE (OR ALTMAN) IS APPEALING HIS EXPULSION FROM BOLIVIA TO THE BOLIVIAN SUPREME COURT.

B. (U) CURRENT BOLIVIAN INTEREST IN THE BARBIE TRIAL CENTERS ON A CONTROVERSY OVER WHICH GOVERNMENT GRANTED BARBIE (ALTMAN) BOLIVIAN CITIZENSHIP. FORMER PRESIDENT SILES ZUAZO'S (1982-85) INTERIOR MINISTER, GUSTAVO SANCHEZ, IN A SENSATIONALIST BOOK NOW BEING CIRCULATED IN EUROPE, ALLEGES THAT FORMER PRESIDENT HUGO BANZER (1971-78) GRANTED BARBIE CITIZENSHIP. BANZER, IN TURN, ALLEGES THAT IT WAS SILES ZUAZO WHO DID IT DURING HIS FIRST TERM (1956-60). SILES ZUAZO, FROM "POLITICAL RETIREMENT" IN MONTEVIDEO CLAIMS THAT IT WAS CURRENT PRESIDENT PAZ ESTENSSORO, DURING HIS FIRST TERM (1952-56) WHO GAVE BARBIE BOLIVIAN CITIZENSHIP.

C. (U) FROM OTHER SOURCES IT APPEARS CLEAR THAT BARBIE ARRIVED IN BOLIVIA IN 1951 AND FOR THE FIRST TEN YEARS OR SO LIVED AT A SAW MILL IN A REMOTE EASTERN PART OF THE COUNTRY. ON MAY 21, 1987, THE INTERIOR MINISTRY ISSUED A PUBLIC STATEMENT ASSERTING THAT BARBIE, UNDER THE PSEUDONYM ALTMAN, AND HIS WIFE WERE GRANTED BOLIVIAN CITIZENSHIP ON OCTOBER 3, 1957, IN A RESOLUTION SIGNED BY THEN-PRESIDENT SILES ZUAZO.

D. (C) COMMENT: ALTHOUGH THE INTERIOR MINISTRY STATEMENT SHOULD SETTLE THE ISSUE, IT STILL HAS THE POTENTIAL TO BECOME A POLITICAL FOOTBALL WHICH COULD INVOLVE US. SILES ZUAZO'S FORMER INTERIOR MINISTER

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SANCHEZ AND THE LEFTIST WEEKLY "AQUI" HAVE ALREADY ASSOCIATED THE U.S. WITH BARBIE'S CHANGE OF NAME AND CERTIFIED REFUGEE STATUS AFTER WORLD WAR II. IT IS CLEAR, HOWEVER, THAT BARBIE BECAME A BOLIVIAN CITIZEN UNDER FALSE PRETENSES, AND HIS SUIT IN THE SUPREME COURT HERE IS NOT LIKELY TO PROSPER.

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RUMORS ABOUT PAZ ESTENSSORO'S HEALTH PERSIST

A. (U) REBEL NATIONALIST REVOLUTIONARY MOVEMENT (MNR) CAUDILLO LUIS ((SANDOVAL)) MORON, WHOSE BROTHER EDIL WAS RECENTLY REMOVED AS AGRICULTURE MINISTER AND WHO HAS BEEN WAGING A ONE-MAN WAR AGAINST PRESIDENT PAZ ESTENSSORO FROM HIS SANTA CRUZ STRONGHOLD, HAS PUBLICLY REPEATED HIS CHARGE THAT THE PRESIDENT IS QUITE ILL AND WILL SOON LEAVE THE PRESIDENCY. SANDOVAL SAID THAT HE IS PREPARED TO PROVE HIS CHARGES, AND THE GOVERNMENT HAS THE RESPONSIBILITY TO DISPROVE THEM BY PROVIDING THE REPORT OF "AN INTERNATIONAL MEDICAL TEAM."

B. (C) SANDOVAL MORON'S PRIVATE CRUSADE AGAINST THE PRESIDENT IS PROBABLY DISCREDITING HIM IN ALL BUT A VERY NARROW PARTISAN CIRCLE IN SANTA CRUZ. 79-YEAR OLD PRESIDENT PAZ HAS SHOWN UNUSUAL STAMINA IN THE RECENT STATE VISIT OF THE SPANISH MONARCHS (SEPTEL).

3. COB POSTPONES NATIONAL CONGRESS

A. (C) ON MAY 20, THE BOLIVIAN WORKERS CENTRAL (COB) AGAIN DECIDED TO POSTPONE ITS NATIONAL CONGRESS, THIS TIME FROM MAY 25 TO JULY 6, 1987. THE COB ANNOUNCED THAT THE DELAY IS TO GIVE THE MINERS MORE TIME FOR THEIR TALKS WITH THE GOVERNMENT OVER THE FUTURE OF THE STATE MINING CORPORATION (COMIBOL) (REF D). HOWEVER, LABOR SOURCES INDICATE THAT THE ULTRA-LEFTIST LEADERSHIP THAT HAS BEEN RUNNING THE COB SINCE THE LAST CONGRESS IN SEPTEMBER 1984 WAS LOOKING FOR AN EXCUSE TO DELAY THE CONGRESS. THE ULTRA-LEFTISTS BELIEVE THAT THEY WOULD LOSE MUCH OF THEIR POWER IN THE COB TO THE MUSCOVITE BOLIVIAN COMMUNIST PARTY (PCB) IF THE CONGRESS WERE TO BE HELD NEXT WEEK.

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4. ELECTORAL COURT DENIES PETITION BY GALINDO'S
BREAKAWAY PARTY

A. (U) THE PRESIDENT OF THE BOLIVIAN NATIONAL ELECTORAL COURT, MAURO ((CUELLAR)) CABALLERO, HAS DENIED A PETITION BY THE NEW BOLIVIAN DEMOCRATIC PARTY (PDB) TO BE EXEMPTED FROM REGISTRATION REQUIREMENTS FOR THE DECEMBER 1987 MUNICIPAL ELECTIONS. THE PDB, UNDER THE LEADERSHIP OF FORMER NATIONALISTIC DEMOCRATIC ACTION (ADN) VICE PRESIDENTIAL CANDIDATE EUDORO "CHUSO" GALINDO, HAD ASKED TO BE EXEMPTED FROM THE REQUIREMENT THAT ANY NEW PARTY, TO QUALIFY TO PARTICIPATE IN THE UPCOMING VOTE, MUST PRESENT A NOTARIZED LIST OF AT LEAST 8,641 PARTY MEMBERS' SIGNATURES. GALINDO'S PARTY HAD ARGUED THAT GALINDO, AS GENERAL HUGO BANZER'S RUNNING MATE IN 1985, HAD BEEN THE DECISIVE FACTOR IN THE ADN'S NARROW PLURALITY IN THE POPULAR VOTE.

B. (U) COURT PRESIDENT CUELLAR, WHO IS AN ADN MILITANT, WAS NOT IMPRESSED BY GALINDO'S ARGUMENT. HE SAID THAT AS FAR AS THE COURT IS CONCERNED, THE PDB DOES NOT LEGALLY EXIST. THUS, EVEN THOUGH THE NEW PDB HAS IN ITS RANKS IN THE CHAMBER OF DEPUTIES SEVERAL EX-ADN MILITANTS, IT APPEARS THAT THE PARTY WILL BE INELIGIBLE TO PARTICIPATE IN THE MUNICIPAL VOTE UNLESS IT GATHERS THE NECESSARY SIGNATURES.

C. (C) COMMENT: THE ATTEMPT TO DENY THE PDB A
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FORUM IN THE UPCOMING ELECTIONS CONTRASTS SHARPLY WITH THE ELECTORAL COURT'S RECENT DECISION TO ACCEPT THE REGISTRATION OF THE REVOLUTIONARY LEFTIST FRONT (FRI) OF SENATOR OSCAR ((ZAMORA)) MEDINACELI, WHICH WAS ALLIED WITH PRESIDENT PAZ ESTENSSORO'S NATIONALIST REVOLUTIONARY MOVEMENT (MNR) IN THE 1985 ELECTION, BUT SUBSEQUENTLY BROKE AWAY. THE FRI WAS RECOGNIZED ON THE BASIS OF THE MNR'S TOTAL VOTE, WHICH WAS EXACTLY WHAT GALINDO REQUESTS.

D. (C) THE COURTS PARTIALITY AGAINST THE PCB WILL PUT A DAMPER ON GALINDO'S CAMPAIGN FOR THE PRESIDENCY IN 1989, WHICH HAS ALREADY BEGUN WITH THE APPEARANCE OF "GALINDO FOR PRESIDENT" POSTERS IN LA PAZ.

5. REBELLIOUS FACTION OF SILES ZUAZO'S PARTY ADOPTS
NEW NAME

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A. (U) THE "YOUNG TURK" FACTION OF FORMER PRESIDENT HERNAN ((SILES)) ZUAZO'S NATIONALIST REVOLUTIONARY MOVEMENT OF THE LEFT (MNRI), WHICH HAD TRIED TO TAKE OVER THE PARTY'S LEADERSHIP AND LOGO, (SEE REFS A AND B), HAS DECIDED THAT DISCRETION IS THE BETTER PART OF VALOR. UNDER THE LEADERSHIP OF SILES ZUAZO'S FORMER INFORMATION MINISTER, DEPUTY MARIO ((RUEDA)) PENA, ON GOOD FRIDAY THE REBELS MET AND FORMED A NEW PARTY, THE REVOLUTIONARY MOVEMENT OF THE DEMOCRATIC LEFT (MRID).

B. (C) COMMENT: THE NEW FACTION IS REPRESENTED IN THE LOWER HOUSE OF CONGRESS BY FIVE DEPUTIES, BUT IN ORDER TO QUALIFY FOR PARTICIPATION IN BOLIVIA'S DECEMBER MUNICIPAL ELECTIONS UNDER THE TERMS OF LAST YEAR'S ELECTORAL REFORMS, IT MUST GATHER 8,641 SIGNATURES. THE LOSS OF THE MNRI LOGO WILL HURT. UNLIKE GALINDO'S NEW PARTY (PARA 4) THE MRID HAS DECIDED NOT TO TRY TO QUALIFY FOR THE MUNICIPAL ELECTIONS ON THE BASIS OF AN IMPUTED SHARE OF THE 1985 VOTE. SILES ZUAZO CLEVERLY PRE-EMPTED THE YOUNG TURKS BY RATIFYING THE MNRI LOGO AND OLD LEADERSHIP WITH THE NATIONAL ELECTORAL COURT. IT REMAINS TO BE SEEN, HOWEVER, IF THE OLD GUARD SKELETON OF THE PARTY IS CAPABLE OF PULLING ITSELF TOGETHER TO FIELD CANDIDATES FOR THE DECEMBER VOTE.

6. SHOOTOUT AT THE RIBERALTA CORRAL

A. (U) TWO RIVAL GROUPS OF THE GOVERNING NATIONALIST REVOLUTIONARY MOVEMENT (MNR) CLASHED ON APRIL 21, IN THE BENI DEPARTMENT (STATE) RIVER TOWN OF RIBERALTA, RESULTING IN THE DEATH OF AN MNR LABOR LEADER. THE TWO FACTIONS FOUGHT AT GUNPOINT FOR POSSESSION OF THE OFFICE OF THE SUB-PREFECT (LIEUTENANT GOVERNOR) OF THE REGION. INTERIOR MINISTER JUAN CARLOS DURAN INTERVENED, NAMING THE COMMANDER OF THE LOCAL NAVAL GARRISON ACTING SUB-PREFECT.

B. (C) COMMENT: THE SHOOT OUT IN RIBERALTA IS SYMPTOMATIC OF THE DEEP PERSONAL RIFTS THAT AFFECT THE MNR, AND IS CHARACTERISTIC OF FRONTIER AREAS LIKE THE BENI, WHERE PEOPLE SHOOT FIRST AND ASK QUESTIONS LATER.

7. BOLIVIA ESTABLISHES RELATIONS WITH NEPAL AND WITH SAO TOME AND PRINCIPE

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A. (U) ON MAY 15, AT UNITED NATIONS HEADQUARTERS IN NEW YORK, BOLIVIA AND THE DEMOCRATIC REPUBLIC OF SAO TOME AND PRINCIPE AGREED TO ESTABLISH DIPLOMATIC RELATIONS. ON MAY 20, ALSO AT THE UN, BOLIVIA AND THE KINGDOM OF NEPAL AGREED TO ESTABLISH DIPLOMATIC RELATIONS. THE JOINT COMMUNIQUES WERE SIGNED FOR BOLIVIA BY UN PERMREP JORGE ((GUMUCIO)) GRANIER.

B. (LOU) COMMENT: THE DECISION TO ESTABLISH RELATIONS, PART OF BOLIVIAN FOREIGN MINISTER GUILLERMO ((BEDREGAL)) GUTIERREZ'S POLICY OF SEEMINGLY INDISCRIMINATE EXPANSION OF TIES WITH SMALL, THIRD-WORLD COUNTRIES, HAS ONLY SYMBOLIC IMPORTANCE. IT IS, HOWEVER, PART OF BEDREGAL'S ON-GOING CAMPAIGN TO ENHANCE HIS IMAGE FOR THE 1989 PRESIDENTIAL RACE.

(DRAFTED BY: POL SECTION) ROWELL

ADMIN
END OF MESSAGE

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