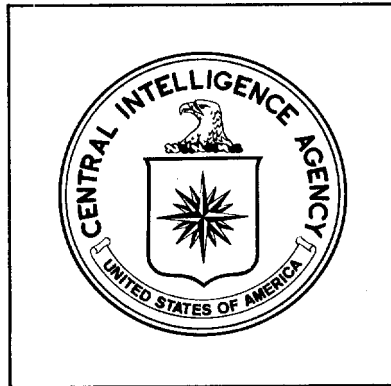


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Latin America

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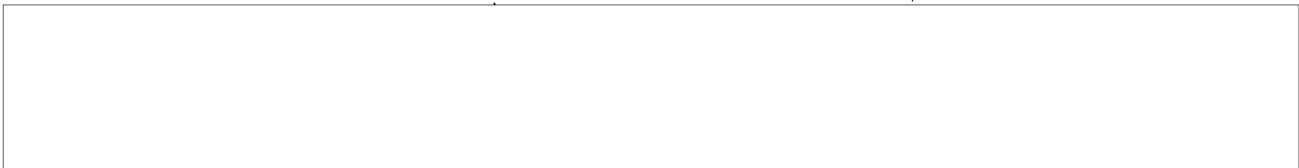
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LATIN AMERICA

28 July 1977

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This publication is prepared for regional specialists in the Washington community by the Latin America Division, Office of Regional and Political Analysis, with occasional contributions from other offices within the Directorate of Intelligence and from other agencies within the Intelligence Community. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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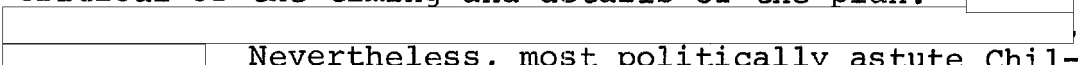


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Chile: Breaking New Ground

President Pinochet's speech on July 9 setting forth a timetable for the return to civilian government has evoked widespread comment within Chile--some of it critical of the timing and details of the plan.

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Nevertheless, most politically astute Chileans evidently see the move as positive; they believe that Pinochet has opened doors that he will be unable to close. Debate over Chile's political future appears to be gathering momentum and may put additional pressure on the military for further liberalization.

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The timing of the announcement caught many officials by surprise, but most cited it as a step in the right direction. Some of the government's most conservative backers even suggested that there was room for modification. Foreign Minister Carvajal--a hardliner and staunch backer of the President--told the US embassy that the timetable might be accelerated; right-wing ideologue and presidential adviser Jaime Guzman said the program was "flexible." The time span forecast by Pinochet seemed to rankle other military and civilian supporters who believe it would prolong military rule unduly. Critics allude to the possibility that Pinochet could stay in power until 1991.

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The most outspoken criticism came from Air Force Chief and junta member General Leigh, whose blunt remarks are indicative of indignation within the junta over not being consulted on important matters. In a semipublic forum and in the presence of foreign ambassadors, General Leigh expressed his disagreement with the extended time frame of Pinochet's plan. Leigh stated that the three-phase program was much more conservative and restrictive than he had been led to believe. In public statements, Leigh had already made it clear that the junta had not been polled for its opinions, but merely informed of the general outlines of the new policies.

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Both Leigh and his navy counterpart, Admiral Merino, have been pressing for a more rapid transition from military rule. Lifting the state of siege and curtailing the extraordinary powers of the President's intelligence chief have been high on their list of priorities. Many top army leaders also thought a statement of intention by the government was long overdue. The combined impact of this thinking within the military and the international isolation of Chile contributed strongly to forcing Pinochet's hand.

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Criticism from the officially banned Christian Democratic Party was predictable. While the plan was welcomed in principle, the party argued that it did not go far enough in setting limits to present authoritarian restrictions. The bottom line, [redacted] is the right of the Chilean people to determine their own form of government and the pace of political transition. At least one party official has questioned the Christian Democrat's decision to flatly reject Pinochet's initiative, suggesting that some sectors may be encouraged by recent developments and willing to work toward a modus vivendi with the government. It would be uncharacteristic, however, for Pinochet to swallow his pride and consider opening a dialogue with political leaders such as former president Eduardo Frei. To most of the armed forces leadership, Frei and his party are still anathema. 25X1

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Despite some domestic grumbling over details of the long-time process disclosed by Pinochet, the Chilean government was pleased with the generally positive reaction of the US government, and Santiago probably hopes that it marks a turning point in relations. Obviously sensitive to the appearance of trying to placate international opinion, Chilean spokesmen were at pains to point out that the President acted with a "sovereign mandate" and that the move was "a spontaneous gesture" that in no way responded to external pressures. Meanwhile, the Foreign Ministry reacted with distinct satisfaction to official statements by the French and Belgian governments noting the "great importance" of the speech.

Whatever the long-term implications of the proposed blueprint, the decision to go public with it at this time has definitely started the political pot simmering.

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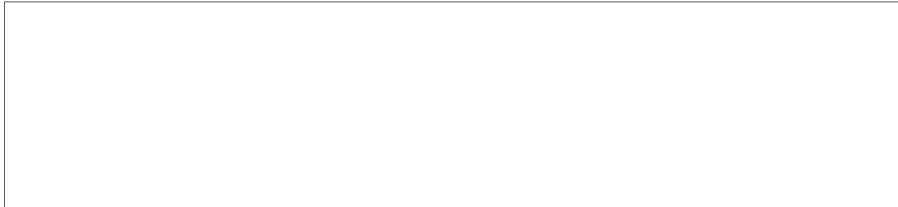
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1 Politically sophisticated Chileans--long accustomed to
democratic practices--see this as the beginning of a new
stage; few believe that the nostrums prescribed by
2 Pinochet will survive in their present form. As Pinochet
turns to translating his vague ideas on the transition
to constitutionality into reality, he probably will have
3 to take into account the diversity of opinion within
military and civilian circles regarding the future struc-
ture of government. On the other hand, there is little
chance that the Chilean military will preside over the
rebirth of the same system that existed prior to 1973.

In time, hardliners within the President's entourage
may moderate their views enough to reach some kind of
accommodation with influential political sectors of so-
ciety. As the wounds of the past heal, the prospects for
a more open and tolerant government will increase. The
3 restoration of a true democratic process will be con-
ditioned by many factors--not all of which can be pre-
dicted now--but the chances at least look better for the
future than they have at any point since the military
takeover.

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Bahamas: Pindling Reelected

1-2 Prime Minister Pindling, and his Progressive Liberal Party (PLP) were returned to power in the July 19 election with a lopsided majority of at least 30 of 38 seats in the House of Assembly. Pindling--who won more handily than expected--achieved his victory by reminding the electorate that he was the leader of the country's first black party and by persuading them that his government had tried over the last decade to improve the lot of the less affluent. At the same time, he succeeded in his effort to link the two major opposition parties with the white commercial establishment.

1 Pindling's lackluster campaign was more than offset by the strength of the PLP's electoral machinery. Recent defectors from the ruling party who ran as independents failed to gain a single seat. The parliamentary redistricting carried out last December also paid dividends for the ruling party. The PLP increased its margin in the House of Assembly by at least one seat despite a loss in popular vote of about 4 percent.

1 In a mild surprise, the Bahamas Democratic Party--by winning 5 seats--outpolled the other major opposition party, the Free National Movement (FNM), which won in only two districts. The FNM--from which the BDP broke away last fall--was expected to provide stiff opposition for Pindling, but the movement fared well only on Grand Bahama where the impact of unemployment and the country's other economic problems have been felt most severely. 4 The future of the FNM looks dim. Its driving force, Cecil Wallace-Whitfield, a one-time Pindling rival, lost badly and may retire from politics. 6

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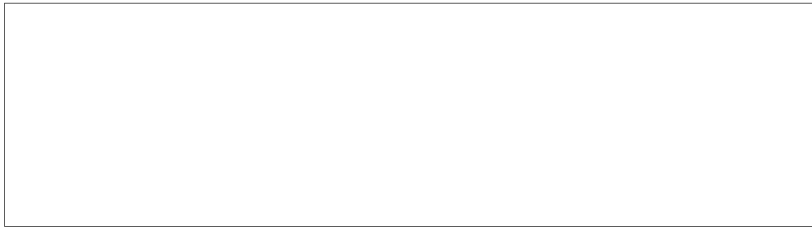
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The Bahamas can be expected to continue to hew to a mildly left-of-center course under a new Pindling government. While occasional irritants may arise for the US in dealing with The Bahamas, no serious issues stand in the way of continued good relations. It will be next month at least until Pindling appoints a new government and mid-October before the parliament reconvenes. Given the usual pace of government business in The Bahamas, negotiations for renewal of US base rights may be pushed back until next year.

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Bolivia: Return of Gary Prado

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After three years of exile and insignificant assignments at home, Lt. Col. Gary Prado returned to La Paz recently to serve as military adviser to President Banzer. Ironically, Prado--once, and perhaps still, considered the army's fastest rising star--spent the last few years in relative obscurity because of his leading role in two coup attempts in 1974 against the Banzer government.



Lt. Col. Gary Prado

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Before his exile, Prado held a number of high-powered positions, including that of commander of the prestigious "Tarapaca" Armored Regiment in La Paz and deputy commander of the Bolivian Military Academy. Much of his popularity comes from the influence he exerted over the present group of company grade officers during the latter assignment.

Prado's status was enhanced by his family's participation in domestic politics; his father was a former minister of defense, and his brother, until he was fired by Banzer in 1973, a minister of planning. Prado's reputation grew substantially as a result of the allegedly major role he played in the capture of "Che" Guevara in 1967.

Prado is behind his peers in rank--most are full colonels--but much of the officer corps still looks to him for leadership. His decision to return to the army and to accept undesirable assignments increased his stature, especially among younger officers.

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Banzer brought Prado to the presidential palace in part to keep close watch on his activities. To an extent, the President is taking a calculated risk by placing him in a position of influence. Indeed, Prado's new job assures that a wide spectrum of officers will have contact with him.

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Prado is generally considered to be the best officer in the military, however, and Banzer is sufficiently confident of his current position within the military to take the risk. Banzer, in fact, probably wants to use Prado to ease the discontent which is present in the Bolivian military in the best of times.

Banzer's recent announcement of a timetable, albeit vague, for returning the country to constitutional government is a potentially divisive factor among the military. The president probably hopes that Prado, who has said he favors a popular and nationalist government, will help to keep tensions low among his colleagues.

Prado's experience demonstrates again that coup-plotting in the Bolivian military is not necessarily the end of a promising career. He once was thought to be presidential material, and some officers believe that his potential now may be as great as ever.

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Bolivia: Banzer Elaborates on Constitutionalization Plans

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President Banzer's latest public announcement of his plans for returning Bolivia to democracy by 1980 marks the President's strongest commitment yet to the process. In a speech earlier this month, the President spoke of a two-phase plan beginning in 1978 with the formation of an institutional base and ending in August 1980 with a constitutional government.

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Banzer envisions that laws for significant political reform will be consolidated, with popular consultation, in a revised constitution during the 1978-79 period. A congress with "real representation of the people," according to the President, will function in specialized work groups to provide a balance for the executive and judicial branches. Political parties will be regulated by statute to reflect Banzer's idea that they should be motivated by a "desire for public service" and free from the need to serve or submit to "subordinate" concepts.

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Banzer's plans have reintroduced the subject of politics into Bolivian society after a long hiatus. Leaders of Bolivia's two major political parties, the Nationalist Revolutionary Movement and the Bolivian Socialist Falange, were cautiously optimistic about the President's speech. Both welcomed the timetable, but expressed skepticism about the forms and procedures involved in Banzer's scheme. The party leaders are uneasy about the future of their groups--political parties were suspended in 1974--and reportedly will formulate their own positions on constitutionalization at special assemblies. The Falange is scheduled to hold a national convention--already declared illegal by the government--next month.

Some administration officials reportedly are unhappy with the idea of constitutionalization in two and one half years. US embassy reports of rumors about upcoming cabinet and military changes may mean that

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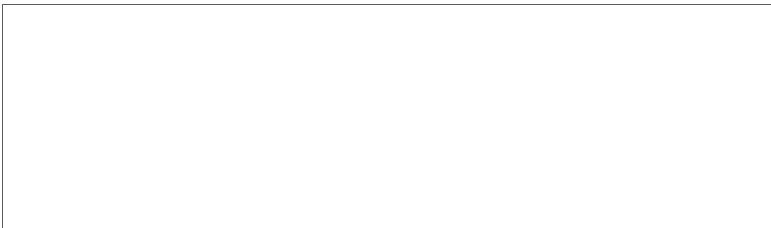
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Banzer is preparing to reinforce his position by placing his supporters in positions of strength and removing opponents to jobs of little importance.

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Nevertheless, Banzer's messages to date contain little insight concerning the means by which Bolivia is to arrive at democracy. So far, the President has spoken in general terms of popular consultation, constitutional revision, and a congress, but has not mentioned plebiscites, constituent assemblies, or elections. Banzer probably will continue to monitor closely the reaction to his announcements on the subject and reveal his plans accordingly.

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The Cuban National Assembly (Part I)*

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The Cuban National People's Assembly, a body created in last year's governmental reorganization, held its first regular session this month. The short duration--three days--and the rubber stamp atmosphere of its proceedings clearly demonstrated that the Assembly--nominally the supreme governmental institution in Cuba--has no real political power. In the Cuban political system, policy decisions are made by the Political Bureau of the Cuban Communist Party. The Assembly's main purpose is to provide symbolic legitimacy to those policies. When the National Assembly is not in session, the authority to approve laws is vested in the Council of State.

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Before this month, the Assembly had met only once: a two-day special session convoked last December to "debate" the new constitution and the 1976-1980 Five-Year Plan, to "select" the membership of the Council of State, and to approve the appointments to the Council of Ministers. Rather than discussing or "debating" these issues, the Assembly spent most of its special session listening to and applauding Fidel Castro's reading of the 13-hour long General Report. The Assembly approved unanimously everything that was put before it.

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The same pattern prevailed in the first regular session. The delegates were concerned with eight draft bills that ranged from such mundane subjects as the protection of national monuments to substantive issues such as modifying Cuba's judicial system. Most of the bills were passed unanimously, and the few changes made by the delegates did not alter the effect of the laws.

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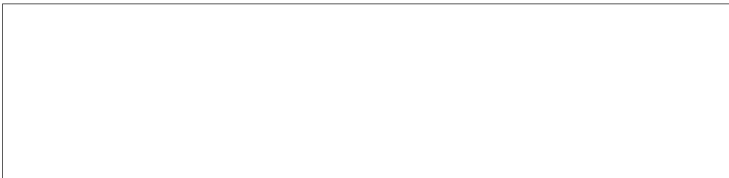
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The delegates spent the rest of their time establishing rules of procedure and appointing committees. These committees will each be concerned with a specific governmental function. The Cuban press has identified only eight of the 20 committees (See table). The role of the committees is not yet clear, but it is unlikely that they will possess meaningful political power. They will probably perform a housekeeping function so that the 450-plus Assembly deputies--all of whom have full time jobs elsewhere in the government or party--are more thoroughly briefed beforehand on the matters to be tabled at the Assembly's semi-annual sessions.

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Committees of the Cuban National Assembly	
Committee Name	Chairman
Defense and Internal Order	BGen Sixto Batista Santana*
Agriculture and Livestock	Alfredo Menendez Cruz*
Arts and Culture	Nicolas Guillen Batista*
Construction and Construction Materials	Josefina Rebellon
Grievances and Suggestions	Mercedes de la Cruz Romero
Children's Care and Women's Equality	Vilma Espin*
Foreign Relations	Aleida March
Planning, Finance, and Budget	Lionel Soto Prieto*

*Member of Cuban Communist Party Central Committee.

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El Salvador's New Government

Against a backdrop of electoral fraud, violence, and the threat of more violence, a conservative cavalry officer, Gen. Carlos Humberto Romero, was inaugurated President on July 1 for a 5-year term. He and his cabinet--composed largely of civilian technicians--will face the same problems and pressures as preceding administrations, but his emphasis on the law-and-order theme indicates an even tougher stand against left-wing extremists. As for right-wing terrorists--specifically the White Warriors Union (UGB), which is believed to have some degree of government sanction--Romero has told them publicly



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[redacted] that law and order also applies to them.

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President Carlos Humberto Romero

The New President

During his military career, Romero has earned a reputation as a competent, dependable leader, an avowed anticommunist, and a strict disciplinarian. He has always encouraged his subordinates to air their ideas and grievances, and since taking office he has initiated discussions with the major opposition party and the labor sector. Given his basically conservative and paternalistic viewpoint, however, he will probably find it difficult to conduct any sort of dialogue with extremist groups, especially kidnapers and terrorists.

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The New Cabinet

Romero is willing to learn from, and delegate authority to, persons who are specialists in various fields. His cabinet, predominantly technicians, reflects this.

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- Minister of Finance Rene Lopez Bertrand was a magistrate of the Court of Accounts from 1974 to 1977, having previously served as director of Central Accounting for the Ministry of Finance.
- Minister of Economy Roberto Ortiz has served for a number of years as manager of the Salvadoran Institute of Industrial Development, manager of the Chamber of Commerce and Industry, and as an officer of the Central Reserve Bank.
- f* --Minister of Planning Roberto Chico is both an economist and an accountant. He served as technical director of the National Planning Council from 1971 until 1976, when he became minister. He is one of the four holdovers from the Molina administration.
- Minister of Justice Rafael Flores y Flores is a lawyer and former penal court judge. He was subsecretary of justice from 1974 to 1976 and is one of the four holdovers from the Molina cabinet, having served briefly as minister of the presidency.
- Minister of Public Health Cesar Augusto Escalante, is a medical doctor, as is traditional in this post.
- Minister of Agriculture Jose Rutilio Aguilera is an engineer-agronomist, a former professor of agronomic sciences, and former assistant manager of the Agricultural Development Bank.
- Minister of Public Works Leon Rivas is a civil engineer and was a professor of engineering and architecture from 1968 to 1970. Since then he has been an engineering consultant.

Four ministries are headed by military officers. Two of these--defense and interior--are traditionally filled by military officers, but the appointment of military officers as minister of foreign affairs and

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minister of labor reflects Romero's tendency to rely on his fellow officers to handle potentially troublesome areas in which he may want to assume a more direct role.

--Minister of Foreign Affairs Alvaro Ernesto Martinez is by training a military engineer who retired from the army in 1963 as a major. Although he has traveled widely and served as military attache in several countries and as ambassador to the UK, his experience in foreign policy is limited.

--Minister of Labor Roberto Escobar holds the rank of Lt. Colonel and has a law degree from the University of El Salvador. He has broad experience in nonmilitary activities, many of them political, and served as undersecretary of agriculture and livestock from 1974 to 1975 when he was given the portfolio as minister. His lack of a military image may lessen potential resistance in labor sectors to having a military man head that ministry.

--Minister of Defense General Federico Castillo is a dedicated, professional soldier and a moderate conservative. He has close personal and professional ties with both Molina and Romero and is a holdover in this post from the previous administration, having moved up from subsecretary when Romero resigned to run for the presidency.

--Minister of Interior General Armando Rojas is an intelligent, alert, and conscientious officer who has held a number of command positions since the mid-1960s, the most recent of which was Chief of the Armed Forces General Staff. A friend and respected colleague of Romero, he will be in a key position to implement the new government's policy toward demonstrations and other disturbances.

One surprise on the list of appointments was that of Carlos Antonio Herrera as minister of education. This post is traditionally given to a technician and, like other cabinet posts, to a member of the governing party

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or an independent. Herrera is neither. He is a lawyer by training, and his career has been almost entirely concerned with politics as a member of the major opposition party, the Christian Democratic Party. His appointment may indicate that the governing party and the military hope to improve relations with the noncommunist opposition.

Old Problems for the New Government

1 The new government will face the same serious problems in the socioeconomic field that have plagued its predecessors for decades--a large and growing population, limited land resources, unemployment, and the need to provide food, housing, education, and medical care to a large mass living at or near the subsistence level. Although Romero has promised to continue the programs of his predecessors to raise the standard of living of lower and middle income families, he will undoubtedly encounter resistance from wealthy landowners and businessmen and will very likely yield to strong pressure on their part.

1 Equally serious are problems in the political field that have been growing during the past two administrations as the government has increasingly resorted to heavy-handed tactics in answer to criticism. This has left Romero and his team a legacy of ill will both at home and abroad.

6
1 Romero has taken some initial steps to combat this by opening a dialogue with the Christian Democrats, encouraged perhaps by the party's distancing itself from its coalition partners of the far left, and with several labor organizations. He seems to realize that the government cannot continue to be as heavy-handed with dissidents as in the past, but his frequent emphasis on law and order indicates that he will meet violence with violence if necessary.

3
2 How far he will actually go in curbing the activities of the UGB is still an open question. This group, which has threatened the Jesuit community with assassination, may be a facade for extra-legal activities of the government itself. As the deadline for carrying out this threat approached, Romero finally bowed to pressure from the US embassy to make a public statement condemning

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such threats. [redacted]

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1 / Romero is a great admirer of the US and would like to see his country's ties with the US strengthened. his view of the US stand on human rights as intervention in El Salvador's internal affairs, however, is likely to continue to be a stumbling block. Romero is unlikely to be totally unresponsive to US demarches on behalf of US citizens, but thus far he has not furthered the investigation into one disappearance. [redacted]

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