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Latin America Review



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**Latin America
Review**



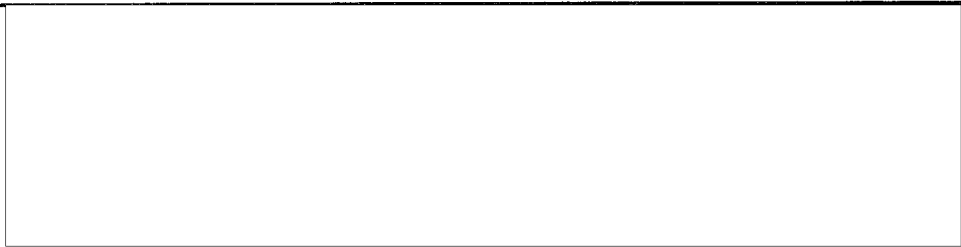
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Articles



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Venezuelan Policy Toward Central America



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President Lusinchi has continued his predecessor's approach of supporting moderate forces in Central America, but he has been somewhat less active because of pressing domestic economic difficulties.



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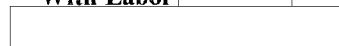
**Venezuela: President Faces Tough Sledding in Relations
With Labor**



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Labor, which provided strong support for the President's election, has been disillusioned by his economic austerity measures and his perceived need to maintain cooperative relations with the private sector, but he is working to retain its loyalty.



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Mexico: Strengthening the Ruling Party



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The Institutional Revolutionary Party has announced it will hold its oft-postponed National Congress in late August, suggesting that party leaders have reconciled their differences over how best to restructure and revitalize party operations.



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Chile: Pinochet Versus the Junta



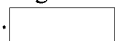
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Since 1973, the four-man military junta had acted as little more than a rubberstamp for President Pinochet's initiatives, but with the onset of massive protests against the regime last year, it began to take a more active role in governmental decisionmaking.



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St. Lucia: Opposition Searches for Leadership [Redacted] 17

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The leader of the opposition St. Lucia Labor Party is stepping down, but he has no clear-cut successor and none of the challengers seems likely to be able to end intraparty squabbling or bring splinter groups back to the fold. [Redacted]

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Articles have been coordinated as appropriate with other offices within CIA. Comments and queries regarding this publication may be directed to the Chief, Production Staff, Office of African and Latin American Analysis, [Redacted]

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Venezuelan Policy Toward Central America

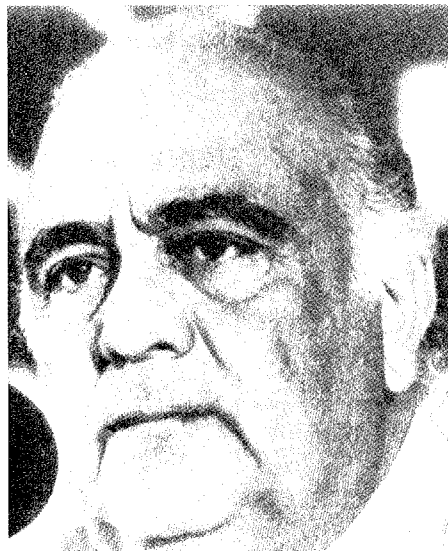
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Since taking office last February, President Lusinchi has continued his predecessor's approach of supporting moderate forces in Central America, but he has been somewhat less active because of pressing domestic economic difficulties. Committed to promoting pluralist democracy in the region and concerned with the spread of Cuban and Soviet influence, Lusinchi generally sympathizes with US policy objectives. He has avoided public identification with the United States on Central American issues, however, because of domestic political considerations and a desire not to compromise Venezuela's position in the Contadora Group.

Lusinchi's belief that Nicaragua's Sandinistas are confirmed Marxist-Leninists has caused him to maintain cool relations with Managua and to offer some assistance to the regime's civilian political opponents. In El Salvador, Venezuela probably will proceed cautiously in aiding President Duarte, but Lusinchi may prove helpful by urging social democrats aligned with the guerrilla coalition to be more flexible in seeking a rapprochement with the government.

Influences on Lusinchi's Foreign Policy

Lusinchi is a moderate social democrat whose views on foreign policy—like those of other members of the ruling Democratic Action (AD) party's orthodox wing—were profoundly influenced by the challenges that the party faced during its early years. Lusinchi's antipathy for rightwing authoritarianism grew out of the party's long struggle against former dictator Perez Jimenez. His deep skepticism of Castro's motives stems from the effort by Cuban-supported guerrillas in the 1960s to topple Venezuela's fledgling democracy. The ability of the Venezuelan political system to withstand the threat from Marxist insurgents, and subsequently to absorb many former guerrilla leaders, reinforced Lusinchi's commitment to democratic politics. The experience also imbued



President Jaime Lusinchi

Wide World ©

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him with a far less romantic view of Marxist revolutionary movements than that embraced, for example, by many senior Mexican officials.

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Mindful of the close cooperation with the United States that has prevailed under previous Democratic Action governments, Lusinchi emphasized from the outset that he would place a high priority on good relations with Washington. This tendency has been reinforced by a desire for US backing as he deals with his government's major concern—renegotiating its foreign debt. During his inauguration, Lusinchi demonstrated his refusal to be stampeded by regional pressures by declining to join seven other Latin American leaders in signing the Declaration of Caracas because of its implied criticism of US policy toward Nicaragua.

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In shaping Venezuelan foreign policy, Lusinchi has had to bear in mind that many members of his party would prefer a more nonaligned approach oriented toward the Third World. His efforts to maintain party unity on Central American policy have been greatly complicated by the fact that former President Carlos Andres Perez, still the party's most charismatic figure, has used his international stature and his position as a regional vice president of the Socialist International to conduct his own foreign policy. Lusinchi has refused to yield to pressure from Perez, however, and his administration occasionally has adjusted its public position to emphasize that the former President does not speak for the government. Nevertheless, as austerity measures erode Lusinchi's popular support, he will have to be more careful not to get too far out of step with party sentiment on Central America. Moreover, some of Lusinchi's senior foreign policy advisers have views similar to those of Perez, and they will continue to look for opportunities to push for a more leftist course.

Policy Toward Nicaragua

Lusinchi told US officials soon after his election that he believed the Sandinista leaders were Marxist-Leninists and that he would press them to live up to their promises to establish a pluralist democracy. In February, Lusinchi set the tone for his dealings with Managua by informing the Sandinistas that he was continuing his predecessor's policy of refusing to resume oil shipments to Nicaragua until past deliveries were paid for. He reportedly angered Sandinista Junta Coordinator Daniel Ortega— by making further economic assistance contingent upon the holding of free elections.

In May, the administration toughened its position by having a senior party official publicly excoriate the Sandinistas for their treatment of the church and their failure to fulfill minimum conditions necessary for conducting a democratic election. Sources of the US Embassy reported that this statement was prompted by Lusinchi's disapproval of the soft line on Nicaragua adopted at the Socialist International meeting in Copenhagen. It was also motivated by a desire to emphasize that Carlos Andres Perez's praise for the Sandinista electoral process did not reflect official party policy.

A second aspect of the Lusinchi government's attempt to promote pluralist democracy in Nicaragua is its support of the nonviolent internal opposition.

Lusinchi had offered financial help to the small Social Democratic Party.

The leader of the Social Democratic Party, however, subsequently expressed disappointment at the failure of AD leaders to agree on a strategy for pressing the Sandinistas. His complaint underscores the domestic constraints on ruling party leaders and the relative lack of priority they assign to the Nicaraguan issue.

Adolfo Calero and other civilian leaders of the Nicaraguan Democratic Force have made several trips to Caracas to meet with senior AD leaders. Venezuelan assistance to this group seems to be confined to advice on how to increase the organization's public appeal. Nevertheless, the willingness of AD officials to host such meetings indicates, in our view, their tacit recognition that military pressure is an important element in trying to promote pluralism in Nicaragua.

The arrival in Caracas in June of anti-Sandinista guerrilla leader Eden Pastora for medical treatment caused the Sandinistas temporarily to recall their ambassador. But, by permitting former President Perez to accept the responsibility for having invited him, the Lusinchi administration attempted to prevent Managua from challenging its integrity as a Contadora Group member. Perez used Pastora's presence to try to form a coalition of anti-Sandinista groups centered around the former revolutionary hero. Perez apparently hoped that by persuading Pastora to eschew the armed struggle against his former compatriots he would strengthen the coalition's appeal to social democrats in Europe and elsewhere. This, in turn, would give Perez new influence in pressing the Sandinistas to moderate their policies. Although Perez's efforts have contributed to improved anti-Sandinista unity, Pastora is vacillating in his willingness to renounce insurgent activities.

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Dealing With El Salvador

Lusinchi deferred a decision on policy toward El Salvador until after the runoff presidential election there in May, then told US officials that he would support President Duarte. Although AD leaders view Duarte as far preferable to his rightist challengers, they have been slow to warm to him because of his strong ideological ties to Venezuela's Social Christian Party, their chief domestic rival. An additional impediment is the obligation ruling party leaders feel toward Salvadoran opposition leader Guillermo Ungo as a result of their shared social democratic orientation.

[Redacted]

Lusinchi repeatedly has insisted that he will not tolerate another Marxist-Leninist government in Central America. At the same time, however, US Embassy sources report that he believes political stability in El Salvador probably can come only through discussions between the government and elements of the guerrilla coalition. Influenced by Venezuela's earlier experience in overcoming a guerrilla challenge, he apparently holds out some hope that Duarte can take advantage of differences within the Salvadoran revolutionary movement to persuade some groups to accept a solution that stops short of power sharing. Toward this end, Lusinchi has urged Duarte to use his electoral mandate to pursue a process of "genuine national reconciliation."

[Redacted]

Policy Toward Contadora

During the Herrera administration, Venezuela played a key role in the Contadora Group by balancing the pro-Sandinista tilt of Mexico. Under Lusinchi, Venezuela remains the Group's strongest proponent of linking internal democracy with the resolution of international security issues. [Redacted] the Venezuelans remain committed to a regional solution that would protect the other Central American countries from

Nicaraguan aggression. Nevertheless, Venezuela's influence in Contadora has been weakened because senior foreign policy officials of the Lusinchi administration were slow to master the intricacies of Contadora diplomacy and are pessimistic about the Group's likely impact.

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Venezuela is especially committed to protecting Costa Rica because of shared democratic traditions and the close personal ties between Lusinchi and President Monge. According to US Embassy sources, Venezuelan Foreign Minister Morales Paul was instrumental in backing President Monge's request for a Contadora observer commission to monitor incidents along Costa Rica's border with Nicaragua.

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Venezuela has been more reserved in supporting Honduras. In April, Morales Paul signed a Contadora foreign ministers' communique sharply critical of Honduras's role in contributing to tensions with Nicaragua. The US Embassy has reported, however, that Venezuela took this action in exchange for Mexico's willingness to accept language sharply critical of the Nicaraguans, and the Venezuelan Foreign Minister subsequently told his Honduran counterpart that Venezuela fully supported Honduras's stand against the Sandinistas.

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Nevertheless, the communique, together with Morales Paul's more recent endorsement of the concept of a Contadora commission to monitor the Honduran-Nicaraguan border—an idea long opposed by Tegucigalpa—underscores Venezuela's susceptibility to being outmaneuvered by the Mexicans in matters relating to Honduras.

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In April the mining of Nicaragua's harbors raised concerns in Caracas that US support for Contadora might be flagging, and Morales Paul was sent to Washington to express his government's unease. Venezuela's decision to remain silent during the UN Security Council debate on Nicaragua that same month probably was also intended as a signal of Venezuelan unhappiness. Soon thereafter, however, Lusinchi told a senior US official that he was reassured by what he labeled a "new opening" in US policy toward Contadora. He emphasized that

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Venezuela would remain a voice of realism in the Contadora Group and would never go along with a treaty partial to Nicaragua.

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Nevertheless, Venezuela seems increasingly committed to reaching quick agreement on a treaty. Morales Paul's recent criticism of Honduras and El Salvador for employing "dilatory" tactics underscores the danger that Caracas will diverge from Washington in protecting the interests of pro-US governments in Central America.

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**Venezuela: President Faces
Tough Sledding in Relations
With Labor** [redacted]

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President Lusinchi was elected with strong support from labor, but he has disappointed those who expected him to be a forceful advocate of working-class interests. Lusinchi's need to implement economic adjustment measures and to maintain cooperative relations with the private sector have forced labor to assume a larger share of the austerity burden than it had anticipated. The relationship has been further strained by rivalries within the ruling Democratic Action Party (AD), where a populist wing led by former President Carlos Andres Perez is trying to capitalize on Lusinchi's worsening ties with labor. We believe the President, who is sensitive to this challenge, probably can make sufficient concessions to labor to retain the loyalty of a majority of the working class. [redacted]

The Ruling Party's Alliance With Labor

The Confederation of Venezuelan Workers, the country's largest and most powerful labor organization, traditionally has been a major element of AD's power base. Representing more than 1 million workers and concentrated in the key oil, transportation, and construction industries, its hierarchy is dominated by AD members, who hold half of the Confederation's leadership posts. By comparison, the Social Christians, Venezuela's other major political party, control only 20 percent of these positions. In addition, trade union leaders are represented in the ruling party through Democratic Action's Labor Bureau. [redacted]

Conscious of the need for labor's support to secure the presidential nomination in 1981, Lusinchi struck a deal with leaders of the Labor Bureau. He agreed to name Manuel Penalver—the head of the Confederation of Venezuelan Workers—as party secretary general and to submit his economic programs for labor's approval. Lusinchi also promised that labor's voice would be heard through a new "social pact," an amorphous program that envisioned discussions among important business, labor, and

government figures in the formulation of key economic policies. Through his election last December, this alliance paid large dividends by allowing Lusinchi's moderate faction to defeat a challenge from a candidate backed by former President Perez, the most prominent spokesman for the party's populist wing. [redacted]

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Since taking office early this year, however, Lusinchi has been confronted with the need to regenerate the economy. To do so, he has had to implement austerity measures and secure private-sector support while maintaining a tenuous balance between the competing demands of various interest groups. In labor's case, the President has succeeded by providing a financial cushion that partially offsets required economic sacrifices. [redacted]

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For example, when workers faced increased prices for basic necessities, Lusinchi pushed through Congress provisions for food and transport subsidies. Similarly, cutbacks in public corporations may be offset by proposed make-work programs and a government-mandated 10-percent increase in private-sector jobs that together could stabilize unemployment around the current 15-percent level. Finally, while there is little likelihood that workers will receive wage increases in the near future, labor won a partial victory with the passage of a law that creates a tripartite commission of representatives from labor, the private sector, and government to advise the President on wage and price levels. The Confederation of Venezuelan Workers views the commission as an institutionalization of the "social pact" concept, even though the government will have majority membership and the President retains ultimate authority. [redacted]

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At the same time, the President has had to deal with a challenge from former President Perez, who is trying to bolster his unofficial drive for the 1988 presidential nomination. Toward that end, Perez attempted to replace Lusinchi-appointee Penalver as party secretary general with a more neutral figure—but one who was still viewed favorably by the labor rank and file. Although Lusinchi's party faction defeated this initiative, we believe over the next three years Perez will continue trying to improve his position. He is especially interested in supplanting Lusinchi as AD chief labor advocate, and the growing impact of austerity on workers may make them more susceptible to Perez's overtures. [redacted]

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Outlook

Despite Lusinchi's success in maintaining the workers' support, his hold on their loyalty remains tenuous and his task will become increasingly difficult in the months ahead. With inflation expected to reach 20 percent by yearend, workers face a continued decline in purchasing power, and Lusinchi's maneuvering room will be circumscribed by the need to adhere to the economic program that the IMF has informally endorsed. Over the next several months, he may try to squeeze through by expanding the current compensatory programs. We do not rule out the possibility, however, that he will resort to more leftist-oriented rhetoric on debt and other foreign policy issues if he senses a decisive loss of labor's support. [redacted]

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[redacted]

Mexico: Strengthening the Ruling Party [redacted]

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Leaders of Mexico's ruling Institutional Revolutionary Party recently announced that the party will hold its national congress from 23 to 25 August. The meeting was postponed several times, apparently because of disputes over how best to restructure and revitalize party operations. [redacted]

Mexico. Fearful of opposition inroads, Mexico's present leaders are not likely to depart greatly from past political practices. [redacted]

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I. Reform and Renovation

Officials recognize that, before campaigning begins in earnest, extensive reforms are necessary to head off opposition gains in local strongholds and to improve the ruling party's appeal to the middle class. Although the party has controlled every state governorship since its founding in 1929, leaders were shaken by center-right National Action Party victories in several important local elections in northern industrial states in 1982 and 1983. Next year nine state governorships, 400 federal congressional seats, and a number of local posts will be at stake. [redacted]

II. Governor Sacked

By forcing the resignation of Enrique Velazco Ibarra, the unpopular Governor of Guanajuato, President de la Madrid has helped improve the ruling party's image in a state where it faces tough competition in the next election. Party bosses have been dissatisfied with the Governor's performance for some time. Embassy sources indicate that his business orientation had alienated workers and peasants, the bulwarks of the ruling party's electoral machine. [redacted]

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As a part of the reform effort, the party's right wing is demanding that business groups be given a more formal role in party matters and that the national government reduce its management role in the economy. The country's powerful labor chief opposes such a move, however, and his continued support is crucial if President de la Madrid is to enforce tough austerity. [redacted]

Embassy sources indicate that ruling party leaders see the Guanajuato governor's race next year as one of the hardest they will face. Guanajuato, an important state in central Mexico, is a traditional center of rightist sympathy. The ruling party lost control of the mayoralty of the state capital in 1982, partly because of public discontent with the party's economic mismanagement. The new Governor, Agustin Tellez Cruces, should benefit from the good will created by Velazco Ibarra's departure, but his political expertise is unproven. The US Embassy reports that Tellez Cruces, although currently a federal senator, has spent the bulk of his career in the judiciary. [redacted]

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The congress is likely to endorse changes extending primaries to more state and local party contests. Earlier this year, an experimental system of party primaries was introduced in the state of Nayarit, where members selected candidates by secret ballot. In the past, the president and senior officials generally chose standard bearers, often on the basis of personal connections. [redacted]

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More generally, the reform effort probably will lead to only modest adjustments designed to help burnish the party's image and to underscore de la Madrid's oft-stated commitment to "moral renovation" in

Velazco Ibarra's removal, following on the heels of de la Madrid's decision to oust Yucatan's incompetent state governor, probably will enhance the President's reputation as a forceful and effective politician. The favorable reaction to the President's action in

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Yucatan suggests that other unpopular or incompetent governors will be forced out of office in coming months. Those in San Luis Potosi, Sonora, and Chiapas appear to be on the weakest footing. De la Madrid, however, will have to balance his desire to revitalize the ruling party by removing corrupt or inefficient officials with the need to avoid alienating party stalwarts who oppose rapid change. [redacted]

[redacted]

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Chile: Pinochet Versus the Junta [redacted]

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Under the 1980 Constitution, President Pinochet (who is also Army commander in chief) governs with a military junta composed of the heads of the Navy, Air Force, National Police (Carabineros), and the deputy chief of the Army. On paper, the Junta possesses a variety of legislative powers, including authority to approve treaties, propose and sanction legislation, and call plebiscites. Pinochet, however, generally has treated it as little more than a rubberstamp. With the onset of massive protests against the regime last year, the Junta began to play a more active role in governmental decisionmaking. The trend has continued through the first half of 1984, with the Junta moderating several of the President's hardline legislative proposals. [redacted]

We believe that the Junta will continue to assert itself, but without challenging Pinochet's authority. Over the next two years, it probably will work to restrain the President's authoritarian predilections and push for a partial return to civilian rule before the constitutional target of 1989. If successful, the Junta could contribute to overall stability in Chile by reducing political polarization and the chances for renewed violent protests. [redacted]

The Military's Political Role

Chile's military government does not fit the classic pattern of collegial decisionmaking by a highly politicized officer corps. Instead, Pinochet has forged a personalist regime that relies heavily on civilian advisers and draws support from numerous sources—including the business community and rightist parties—in addition to the armed forces. Direct military participation in the government is largely restricted to the Junta members. [redacted]

The Junta itself has been anxious not to identify the military institution with the Pinochet regime. For example, earlier this year Defense Minister Carvajal, a retired admiral, implied that some of the administration's political proposals enjoyed the

support of the armed forces. He was publicly castigated by Admiral Merino, the Navy's Junta member, for claiming to speak for the military. Merino reaffirmed the apolitical and purely professional role of the military while asserting that Junta members alone were involved in politics. [redacted]

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Two other factors minimize the extent of military participation in politics below the Junta level. The Chilean armed forces possess a strong tradition of discipline and hierarchy that allows political activity in the highest echelons, but offers junior officers only the choice of obeying their superiors or leaving the service. In addition, the officer corps is a closed, inbred group with a very narrow range of political views, which are readily understood and acted upon by the Junta members. The strong influence of these factors is attested to by the lack of clamor in the military over the past decade for a wider role in the government. [redacted]

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The Junta Flexes Its Muscles

The Junta began to assert itself during the demonstrations last year, generally taking a more flexible line than Pinochet. [redacted] the Junta dissuaded the President from imposing a state of siege before the June 1983 day of protest. [redacted] the Junta also successfully pressed for the appointment of former conservative leader Sergio Jarpa as Interior Minister in August to facilitate negotiations with the opposition. [redacted]

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This year, the Junta has continued to question presidential initiatives. One was a proposal to alter the Constitution to permit Pinochet to call plebiscites without the Junta's approval and to install a congress—either elected or appointed—in 1987. [redacted]

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[redacted] both Merino

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and Air Force Commander Matthei strongly opposed this scheme, arguing that it ceded too much power to the president. [redacted] only General Benavides, the Army Junta member, supported Pinochet on this matter, while Carabinero Chief Mendoza remained noncommittal. As a result of these objections, the President withdrew the plan.

[redacted]

The Junta also had considerable impact on a major antiterrorist bill. Although the military leadership fully supported a tough stance against terrorists, the commanders of the Navy and the Air Force had serious reservations over Pinochet's proposal. According to the press, they believed the bill shifted too much responsibility for prosecuting terrorists to military courts and gave too much free reign to the National Information Center, the regime's secret police. [redacted]

[redacted] by May the entire Junta had accepted this view, forcing Pinochet to accept vesting most prosecutorial power in civilian courts and relegating the secret police to a cooperative investigatory role. [redacted]

The Junta also disputed an initiative by Pinochet on a proposed political parties law. The original version of this bill required 20,000 members to legalize a party. Pinochet, however, upped the figure to 150,000 and, in the process, incurred condemnation from almost all political groups. [redacted]

[redacted] Merino was "enraged" at what he saw as a delaying tactic on the part of Pinochet, and subsequently told the press that he favored a minimum of roughly 30,000 members to form a legal party. The issue is still unresolved, but we suspect Pinochet will have to accept important alterations. [redacted]

Perhaps the most striking illustration of the Junta's evolving independence has been Admiral Merino's public meetings with independent conservative political leaders to discuss their proposal to hold congressional elections in 1986. In our view, this is a clear indication of the Junta's determination to take a major role in the transition process. At the same time, it underscores the Chilean right's view that the Junta is an autonomous branch of the government. [redacted]

The Junta's Motives

We believe there are two main reasons for the Junta's drive toward increased independence. The most fundamental is an overriding concern for the interests of the armed forces and the integrity of the institution. The Junta wants to make certain that the military does not become overly identified with the regime through its role as the guarantor of order. The Junta rejected the original antiterrorist bill because it could have involved the military in repression of the regime's opponents. In addition, the Junta apparently has concluded that the best way to avoid having to repress a resurgent protest movement is to implement a somewhat faster pace of democratization than envisioned by the President and the 1980 Constitution. We believe this view accounts for Merino's open contacts with the civilian right. [redacted]

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A second reason for the Junta's growing assertiveness is its desire not to cede any of its power to Pinochet under current circumstances. In our view, the top military leaders believe that the President and the armed forces took power together and should relinquish it together. This explains their rejection of Pinochet's proposal to call plebiscites and replace the Junta with a congress. [redacted]

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[redacted] Admiral Merino—supported by the Air Force and the Carabinero chiefs—was willing to yield some Junta powers, but only as part of a constitutional realignment that would redefine Pinochet's authority and conserve a role for the Junta after the installation of a congress. [redacted]

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In many respects, of course, the motives and views of the Junta and Pinochet still coincide. For example, both accept the legitimacy of the 1980 Constitution and want to ensure that conservative anti-Marxist forces dominate any future civilian government. Moreover, while the Junta has shown greater flexibility than the President regarding constitutional reform and has deflected some of his more authoritarian impulses, it in no sense has attempted to usurp his right to rule. Instead, the service chiefs have responded to initiatives from Pinochet or the opposition rather than formulating their own proposals concerning the transition. [redacted]

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Furthermore, most Junta opposition to the President's initiatives has emanated from the Navy and Air Force commanders. Chile's principal powerbroker, however, is the Army, which consistently has backed Pinochet. A vivid example occurred last May when the President, implicated [redacted] in a land scandal, was able to orchestrate a public declaration of support from 33 Army generals. We believe that, as long as the Army remains solidly in Pinochet's camp, the President will be able to cope with dissidence from the other services. [redacted]

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Outlook

We believe that the Junta will continue to assert itself over the near term without threatening Pinochet's authority. This probably will continue, resulting in a tempering of Pinochet's hardline stances, and may help assure that he does not rescind the political liberalization measures enacted to date. Over the long-term, however, both Pinochet and the Junta may agree to devolve some powers on a congress—either elected or appointed—installed before 1989. [redacted]

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Two events, in our view, could cause the Junta and the armed forces to split with Pinochet and, if he refused to alter his policies, lead to his removal from office. First, if Pinochet were to forgo changes in the Constitution and crack down on the entire political opposition, the government could become politically isolated. Secondly, the same could occur in the event of massive and continuing riots and demonstrations—stimulated either by the crackdown or a rapid economic slide. We believe that, in such circumstances, the armed forces would not allow themselves to be used by Pinochet to restore order by force. Instead, the Junta—fearing the prospect of eventual Argentine-like trials of top military leaders—would press Pinochet to change his policies. In our view, Pinochet could not survive a direct showdown with the Junta, especially since even his Army support probably would be jeopardized by intransigence toward political reform. [redacted]

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St. Lucia: Opposition Searches for Leadership [redacted]

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The opposition St. Lucia Labor Party will hold a convention in early August to select a replacement for its president, Neville Cenac, who has decided not to seek a second term. Cenac is discouraged by his failure to strengthen the party, which is still suffering from internecine battles that resulted in a party split in 1980. Primary contenders for his position are chairman Peter Josie, a former party president, and the vice chairman, Julian Hunte, who enjoy about equal support. Former interim Prime Minister Mikey Pilgrim appears to be contemplating a return to the party, however, and may challenge them for the party leadership. [redacted]



Peter Josie

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Josie, who was Foreign Minister during the Labor Party's 1979-82 term, bases his claim on previous experience and his position as head of an influential union. He admits that he regards his efforts to strengthen his union support and to regain the party presidency as steppingstones to the prime-ministership. Some observers believe he is having difficulties with the union, however, and may not last long as its leader. [redacted]

can bring seven members of the Progressive Labor Party executive with him, should he decide to return. Pilgrim also claims that he can count on the support of 13 of the 19 members of the St. Lucia Labor Party executive, including Vice Chairman Hunte. [redacted]

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A popular cricketer and businessman, Hunte has been busy in recent months drumming up support in the local constituency where he hopes to secure a parliamentary seat in the next election. Although not involved with organized labor, he enjoys the support of the leader of St. Lucia's largest union. [redacted]

The US Embassy believes that Pilgrim is more concerned with his business interests than with pursuing a political career. Nonetheless, Pilgrim, reputed to be one of the most honest politicians in St. Lucia, could be instrumental in reunifying the two parties—a prospect that might appeal to him. [redacted]

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Pilgrim left the St. Lucia Labor Party with radical George Odlum in 1980 and helped form the Progressive Labor Party. [redacted]

[redacted]

[redacted] Pilgrim believes he

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Julian Hunte Caribbean Personalities ©

Cenac's decision not to push for elections at this time reflects the current unsettled state of the opposition. It is unlikely that Josie or Hunte will be able to stop intraparty squabbling or to draw Progressives back to the fold. If Pilgrim returns before the convention, however, he will have a good shot at the party presidency and ultimately at bringing about a unified opposition to challenge the United Worker's Party.

[Redacted]

[Redacted]

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Meanwhile, Progressive Labor Party leader George Odlum has become increasingly isolated as a political force, and some party members already have defected to the St. Lucia Labor Party. Odlum's popular support began eroding after his defeat in the 1982 elections and was accelerated by his bungled attempt to send St. Lucian students to Libya for terrorist training last year. Moreover, his recent statement of solidarity with striking British dockworkers—whose refusal to unload eastern Caribbean bananas is hurting St. Lucia's mainstay industry—has made him extremely unpopular with the general populace and probably destroyed any chance of an alliance with the St. Lucia Labor Party. [Redacted]

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Although elections are not constitutionally due until 1987, parliamentary opposition leader Cenac has called on the ruling United Worker's Party to follow the regional trend toward early elections. He is urging a return to the polls to give the voters a say in efforts to resolve the country's economic problems, especially that of rising unemployment. Cenac told an Embassy official, however, that he would not demand a vote of no confidence on the issue. [Redacted]

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**Latin America
Briefs**

Chile

Emergency Powers Confirmed [redacted]

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The Chilean Supreme Court has confirmed the constitutionality of President Pinochet's wide-ranging emergency powers, which enable him to suspend constitutional guarantees and judicial appeals and to expel dissidents or banish them to internal exile. The ruling overturned a lower court decision that found the government had overstepped legal bounds in summarily expelling two Communist activists from the country last April. The government also has exercised other exceptional powers recently, including the prosecution of four Communists under a special decree—virtually unused since the political liberalization initiated last year—for illegal political association. [redacted]

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The decision, in our view, significantly strengthens the regime's legal authority and may quash a recent trend toward greater independence by the lower courts. Pinochet now will be able to move against the Communists with little fear of interference by the judicial branch. The President, however, probably will continue to restrict the application of emergency powers to the radical left. To exile or prosecute leaders of the democratic parties, while technically legal, could provoke a strong reaction and possibly provide the catalyst needed to spur opposition unity.

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[redacted]

The Bahamas

Opposition Protests [redacted]

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The moderate opposition Free National Movement boycotted the opening of Parliament on 18 July and staged a march in Nassau to protest the Pindling government's alleged corruption. According to press reports, about 5,000 people were involved in the demonstration. Despite a police ban and threats of "strong and appropriate action," no arrests were reported. Led by opposition politicians, the crowd called for the resignations of the Prime Minister and a number of other officials. [redacted]

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The Pindling government has been implicated in a government-appointed, independent Commission of Inquiry investigation into narcotics and corruption. Although no direct evidence has confirmed the Prime Minister's involvement in payoffs, some government and police officials are being charged. Pindling may call for early elections if some of his ministers are found guilty, but he could simply reshuffle the Cabinet. In either case, we believe Pindling himself will emerge unscathed unless damaging evidence is introduced in the last sessions of the Commission hearings, which have been extended through September. Although the opposition has gained some strength in recent months, it remains weakened by a leadership struggle and is unlikely to pose a significant electoral threat in the near term. [redacted]

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Cuba Chronology

June 1984

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- 7 June** Angolan President dos Santos, in a meeting in Luanda with Zambian President Kaunda, says the presence of Cuban troops in Angola plays a balancing role and serves as a deterrent.
- 8 June** The Central Bank of Argentina grants a \$600 million loan to the National Bank of Cuba to purchase Argentine products. The loan has a 7.5-percent interest rate and will be due in December 1986.
- 11 June** Carlos Rafael Rodriguez and Humberto Perez arrive in Moscow to attend the CEMA meeting. Fidel Castro is the only head of state not to attend.
- Isidoro Malmierca welcomes an Upper Voltan delegation, headed by Foreign Minister Hama Arba Diallo, attending the first session of the joint commission for cooperation between the two nations.
- 13 June** Fidel Castro sends a message to Soviet leader Chernenko expressing full support for the CEMA economic summit.
- 18 June** Cuban sources announce that Col. Pedro Tortolo and 42 other officers were demoted to private and sent to Angola because of their cowardice during the US intervention in Grenada.
- Former Costa Rican President Rodrigo Carazo discusses the situation in Central America with Fidel Castro during a three-hour meeting in Havana.
- 20 June** A Bank of Cuba report says that last year Cuba resold \$600 million of Soviet oil imports to offset its loss of hard currency—a 57-percent increase over 1982.
- Secretary of the CPSU Central Committee Ryzhkov discusses Soviet-Cuban economic cooperation with Carlos Rafael Rodriguez.
- Cuba and Venezuela agree to another five-year extension of an agreement on the hijacking of planes and ships, which was originally signed in July 1973 and renewed in 1979.

Secret

Carlos Rafael Rodriguez and Nicaraguan Junta Coordinator Daniel Ortega meet in Moscow to discuss bilateral questions and the situation in Central America.

22 June

In a press conference in Havana, SWAPO leader Sam Nujoma condemns the Reagan administration's attempts to link Namibia's independence with the presence of Cuban troops in Angola.

24 June

Prensa Latina reports that Cuba's militia begins the first of a series of weekly training exercises to prepare for "possible direct aggression" by the United States.

A US State Department spokesman says that Cuba is willing to hold talks on migration after the Presidential elections in November.

Cuban poet Jorge Valls, arriving in Venezuela after 20 years in prison in Cuba, says he will work to help others still held as political prisoners in Cuba.

25 June

All the persons who have been in the Venezuelan Embassy in Havana for several years leave the Embassy, with the exception of a 60-year-old man.

Politburo members Juan Almeida and Jorge Risquet bid farewell to SWAPO leader Nujoma.

Presidential candidate Jesse Jackson arrives in Havana and is greeted by Fidel Castro, Carlos Rafael Rodriguez, Armando Hart, Flavio Bravo, and Jose Ramon Fernandez at Jose Marti International Airport.

26 June

During a meeting with Jesse Jackson, Fidel Castro agrees to release 22 American prisoners and an accused CIA agent, Andres Vargas Gomez, but not those in jail for hijackings.

In a press conference, Fidel Castro expressed willingness to reestablish relations with the United States, but only if Washington stops its policy of "domination and force."

During the Jesse Jackson visit, Fidel Castro agrees to begin talks with the United States on immigration in the near future rather than wait until after the US elections in November.

27 June

Fidel Castro agrees to free 26 Cubans held for political crimes in response to pleas from Jesse Jackson.

Secret

Fidel Castro and Jesse Jackson attend a religious ceremony dedicated to the memory of US civil rights leader Martin Luther King. Fidel says Jackson is bravest US politician he has met.

Visiting the University of Havana with Fidel Castro, Jesse Jackson speaks of "Dream of Today's Youth," paraphrasing in part the speech given 20 years ago by the late Martin Luther King.

Jesse Jackson leaves for Nicaragua after a 46-hour visit to Cuba.

28 June

US officials say the Reagan administration has turned down Fidel Castro's offer for normalized relations until Cuba gives clear evidence it will stop exporting arms to the revolution.

Jesse Jackson returns to Cuba from Nicaragua to pick up political prisoners including Vargas Gomez, and return to the United States.



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