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COUNTRY Bolivia

REPORT NO. [REDACTED]

SUBJECT Reaction of Mining Interests to Barrientos Revolution/Optimistic Mining Investment Atmosphere/Resistance of Private US Businessmen to Encourage Activities of Comibol

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THIS IS UNEVALUATED INFORMATION

SOURCE: [REDACTED]

1. [REDACTED] it is noted that a relatively optimistic atmosphere prevails concerning the prospects of the Barrientos Revolution. The feeling is that the new military government contains able and patriotic men most of whom have had close contact with US authorities either in Bolivia, Panama or the US. The most questionable element is General Rene Barrientos himself.
2. The political tradition of the "Ins and Outs" continues since many exiled politicians have now returned to Bolivia. These individuals form cliques and are very power hungry. They are for the most part anti-communistic and would like to cooperate with the US, probably with the hope of receiving US AID. Juan Lechin Oquendo's group, PRIN, is still intact although the army controlled their activities effectively during the days preceding the "revolution of restoration", as the Barrientos maneuver is popularly known.
3. It is hoped that US recognition will not be withheld too long since the AID program has been suspended as well, pending political clarification. Recognition of the Junta will remove the opinion held by most Bolivians that the dictatorial La Paz government deserved US AID even though using totalitarian methods, while the Junta which presently has substantial popular support does not qualify. Most of the political groups are without financial funds and the National Revolutionary Movement (MNR) is badly split into factions. Under these conditions a small amount of communist influence and financing could do a great deal towards controlling any post-Junta government.
4. Labor conditions have improved slightly and, while they are not excellent in the private mines, workable arrangements can be made. Generally speaking, labor conditions on the Northern Altiplano (La Paz to the border) are poor; south of Oruro (except near Catavi) they are fair; in the extreme south and in the areas east of the Cordillera, they are fairly good.
5. The present climate in Bolivia is believed anti-communistic and the great majority of the population has had a belly full of over-influential unions run or controlled by the Communists. While the political future is unpredictable, there is no reason for pessimism. Mining elements are

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S-Yes

GROUP 1  
Excluded from automatic  
downgrading and  
declassification

U-Yes

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considering the increase of exploration money and prospecting is recommencing [redacted] is entertaining a multi-million dollar investment in a placer tin operation in the Altiplano south of Oruro. The present high antimony price has resulted in a flurry of prospecting, and mineral rights in antimony properties have been run out of sight. [redacted] initiated a plan in this field through its subsidiary M & T Chemicals. Placer tin possibilities across the Bolivian-Brazilian border near Rondonia, Brazil, are very good. [redacted] working for Comibol, is working in the area as of November 1964.

- 6. No US consultants have entered the picture since the Barricentos revolution to operate Comibol mines. Its latest costs for fine tin were US\$1.91/lb. Prospection Ltd does long range prospecting for Comibol under contract. Its working group contains many competent geologists. US investors and geologists working for private companies frown on the use of the US taxpayers' money to develop new mines for Comibol and it is the general feeling that this support money could be spent more effectively through private corporations who are involved in Bolivia.

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