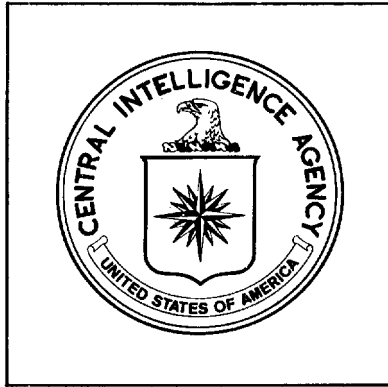


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Latin America

REGIONAL AND POLITICAL ANALYSIS

State Department review completed

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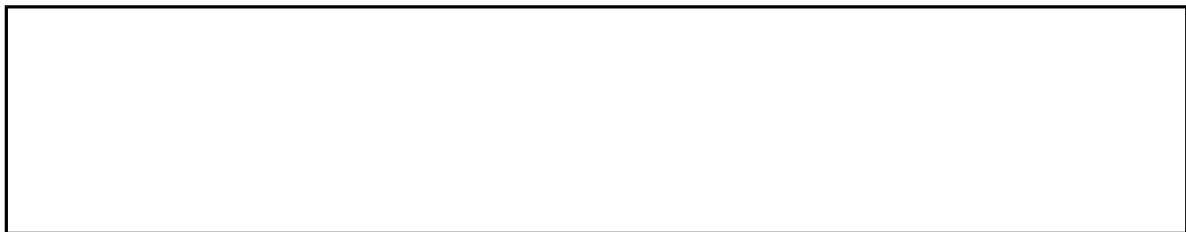


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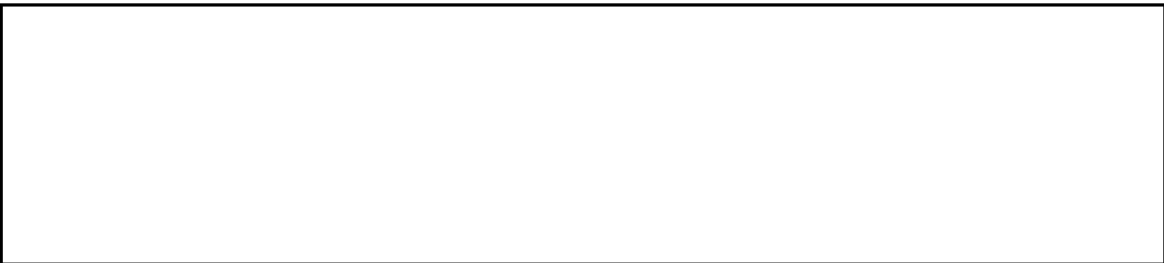
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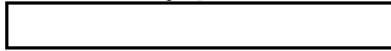
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This publication is prepared for regional specialists in the Washington community by the Latin America Division, Office of Regional and Political Analysis, with occasional contributions from other offices within the Directorate of Intelligence and 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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Focus on Human Rights

This is the first in a series of monthly articles that will appear in this publication dealing with human rights on a regional basis. Today's commentary was written by ORPA's

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[Redacted] We hope that this and subsequent articles will generate a dialogue among readers of this publication. Questions and comments may be addressed to the author.

7
After six months of quiet diplomacy, public statements, and implied warnings of possible reductions in military and economic assistance, Latin American government leaders have become convinced of the sincerity of the US commitment to the defense of human rights. More importantly, they are beginning to respond to the policy and are, at least, sensitized to the principle that rule of law and human liberty are values shared universally by all peoples and individuals regardless of governmental institutions. This does not mean that North American democratic institutions will immediately become the norm in all of Latin America. On the contrary, the military in most countries will remain in power in one form or another for the foreseeable future. What it does mean, however, is that most governments now appear ready and able to curb and possibly even to prevent the abuse of human rights that has occurred in the past.

5,6
The most dramatic new breakthrough occurred last week in Chile when President Pinochet announced his decision to abolish the National Intelligence Directorate (DINA). New guidelines suggest that most of DINA's personnel will be absorbed by a National Information Center which will be subordinate to the Interior Ministry. In addition, DINA's arrest and detention powers are being transferred to the national police (Carabineros) and the Judicial Police within the Defense Ministry. While illegal activity is still possible under this arrangement, it appears that opportunities for repressive practices will be greatly reduced.

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-- The new agency will not report directly to the president.

-- Both the Carabineros and the Judicial Police are highly regarded professional law enforcement organizations.

25X1 -- [redacted] Pinochet is now convinced that the Marxist threat to his regime has diminished significantly.

3, 7 Pinochet's decision on DINA closely follows his announcement earlier last week that Chile would begin a phased transition of power to civilian rule culminating in limited popular elections by 1985. Chile thus joins the governments of Ecuador, Bolivia, Peru, and Uruguay that have announced their intention to hold elections in the next several years.

25X1 Meanwhile, Brazilian President Geisel has renewed his warnings to the military high command that torture and other abuses of human rights will not be tolerated in the treatment of prisoners. [redacted]

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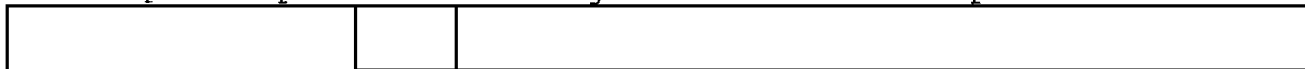
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In El Salvador, during the past few weeks the new Romero administration has shown signs of a more light-handed treatment of the political opposition and other government critics. The President has initiated discussions with the major opposition Christian Democrats in an effort to establish the ground rules for their participation in the legislative and municipal elections

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A small leftist demonstration was permitted late last month, and most political exiles in voluntary exile have been told that they may return. It is too early to know if these favorable signs are merely window-dressing or if they represent new governmental policy. Opposition leaders, clergy, and exiles are still skeptical, and there are still indications that the White Warriors Union--believed to be connected with the security forces--is still functioning.

Reasons for Change

1,4,7 There are a variety of reasons for Latin America's changing view of the US human rights policy. In particular, there is a growing belief in the region that Washington's defense of human rights has become the major focus of US foreign policy. In that context, many Latin Americans believe that it is useless to try to change the global strategy of a super power, which in the past has paid little attention to their arguments or existence.

The Chileans, for example, have been debating whether the risks of internal subversion are so great that they have to risk jeopardizing their traditional good relations with the US, especially when there is no alternative benefactor. Thus, defending internal security raises the question of external security--particularly regarding the possibility of war with Peru. A

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June editorial in the Chilean newspaper *El Mercurio* summed it up best: "One does not have to stand fast nor ask for understanding from a wave breaking over him. One must duck and let it pass over. So it is in small countries' relations with large ones."

7 Another factor in the changing outlook is that the internal security threat in the countries under military rule has diminished. Chilean President Pinochet and Argentine President Videla, for example, both appear to be confident that subversives, while they can cause isolated incidents, can no longer challenge the authority of the government or the process of forming new institutions. The Uruguayans and Paraguayans appear somewhat less confident in this regard. Brazil, Bolivia, Ecuador, and Peru have shown that they can handle potential disruptions. The El Salvadoreans have not yet been seriously challenged.

7 The argument would seem to follow that if draconian measures are no longer needed to maintain the security of the state, the country can move toward a full rule of law and normal political activity. Ecuador's announced return to civilian rule in 1978 and the subsequent announcements by Peru and Bolivia that they also would hold elections in coming years seems to have had a positive effect on Chile and Uruguay in that neither country wants to be isolated from a prevailing political trend. Moreover, none of the military governments wants to admit that a return to the rule of law would weaken its ability to maintain internal security.

7 In addition to these positive factors for change on the human rights issue, there are several bilateral and multilateral problems among the South American nations that have continued to work against closer relations in general and anti-US attitudes in particular. The threat of war in the Andes, resulting primarily from Lima's acquisition of large quantities of sophisticated Soviet arms, still inhibits full cooperative relationships among Ecuador, Bolivia, Chile, and Peru. There is also the continuing problem of Bolivian access to the sea. Chilean-Argentine relations, in general,

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have been good, but now there is some irritation because of the territorial dispute over the Beagle Channel. Argentine-Brazilian relations had been improving, but controversy over problems associated with the Itaipu Dam on the Parana River are causing difficulty. Brazil, in any case, has true international aspirations and does not want to get bogged down in any regional squabbles.


Outlook: Change, but No Change

7 Most Latin American governments are demonstrating that they are ready to accept the new US policy on human rights at least in theory, even though there may be some backsliding in some countries if security or other problems arise. The issue of democratic government, however, is another story. Most of the countries under military domination have come through some rough, unpleasant times combatting insurgency, disorder, and the "old politics." The military probably is not ready or willing to allow this situation to recur.

7 In any case, Latin Americans have not had much experience with national representative government. Democracy in the area, in fact, has always been more accurately described as elite government with lip service being paid to the terms "popular suffrage" and "parliamentary government." The urge to play at being "democratic" and creating institutions that suggest self-government has forever been present. The bottom-line in Latin America, however, has always been prosperity and economic security over democratic institutions.

7 Right now, and for the foreseeable future, the military seems to be the only traditional institution with the discipline, power, and ability to provide a framework for economic and political stability in Latin America. The type of government that develops during the next decade--the time frame for the projected return to "democracy" in most countries--will have some similarities to North American democratic institutions, but will have some significant differences. The most important variance probably will be that significant

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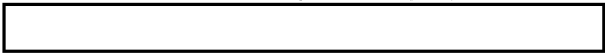
policies and decisions will be made by the military either as direct participants in government or as back-ground directors. 

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* * *

BRIEF

NICARAGUA

3 Nicaraguan Government officials have reacted strongly to the recently released Amnesty International report concerning alleged human rights violations. Official commentary thus far has centered largely on disparaging Amnesty International's sources of information and political motives, rather than refuting specific charges. Judging by press commentary on the report's content, however, it appears that much of the information is at least a year old. 

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Panama: Likely Reactions to Canal Treaty

In contrast to the official Panamanian media's trumpeting of the new canal treaty agreement, politically astute people in Panama are awaiting details before taking a stand, and significant public reaction is yet to come. The government expects criticism--especially from student radicals and ultranationalists--for its neutrality pact concessions allowing US intervention after the year 2000. Most Panamanians, however, are likely to be relieved and satisfied that an agreement has been reached after 13 years of negotiations. General Torrijos is confident enough to allow relatively open debate, and his control of the government machinery and most public media should facilitate a popular--and if necessary carefully controlled--endorsement in the constitutionally required plebiscite. The other required step for ratification--approval by the General's hand-picked legislative assembly--is not likely to pose any problem.

Torrijos and the new treaty are vulnerable to criticism from several articulate and vocal groups in Panama. Ultranationalists, many of them business-oriented lawyers and professionals, will focus on the separate treaty in which the US and Panama agree to maintain neutrality of the canal after the year 2000. The US press has already billed this as a perpetual right to intervene. Panamanian government spokesmen had publicly promised "never to sanction the first US intervention of the 21st century."

Students, one of Torrijos' greatest concerns because of their willingness to take to the streets, will attack the legitimization of a US military presence until the year 2000. A far-left university group has already come out against the accord. The Panamanian legislature's rejection of a proposed 1947 treaty providing US base rights has been a landmark of Panamanian nationalism, and "Bases No" is a student rallying cry.

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Some members of the conservative business community-- still suspicious of Torrijos' ultimate political aims-- may give some backing to treaty foes. They have always worried that if the Panamanian leader successfully negotiated a new pact, he would be entrenched in power and freed from any domestic restraints.

Finally, Torrijos' political foes in exile and at home will use the opportunity for even limited public debate to generate as much opposition to the treaty--and the General--as possible. In addition to attacking particulars of the treaty, they will try to attract US congressional attention to the Torrijos administration's alleged violations of human rights, leftist political leanings, and chummy relationships with Cuba and Libya, among others. Calls for the return of all exiles for a truly national debate are likely to gather force.

Torrijos' "worst case" concern is that the disparate opposition groups might find common ground in opposition to the treaty and spark demonstrations by drawing upon latent public dissatisfaction with Panama's economic recession and government corruption.

Opposition Weaknesses

The ranks of the ultranationalists, however, have been thinned. The exiling of more than a dozen outspoken figures on both the left and right in January 1976--most of whom have not been permitted to return-- also serves as a reminder to those who remain.

The far-left student groups are typically badly factionalized, and this hampers their effectiveness. The government has used a combination of dialogue and the threat of military muscle to deal effectively with radical fringe elements.

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The apprehensions of the business elite, although real, are likely to be muted. After suffering through more than two years of unaccustomed economic slump, the businessmen will be hopeful that the improved investment

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climate surrounding a new treaty will rescue the country from its doldrums. One leading businessmen's organization has already spoken out in favor of the new pact.

Government Strategy

The government, previously preoccupied with the negotiations, has only now begun to focus on its ratification strategy. The administration apparently hopes to expedite public debate; Education Minister Royo indicated the required plebiscite on the accord will be held six weeks after the signing of the new treaty. The government over the short term will apparently seek to:

- Take advantage of the momentum generated by the successful conclusion of lengthy negotiations.
- Lessen the opportunity for poorly organized opponents--opposition parties have been banned since 1969--to counterattack.
- Minimize the impact of the inevitable highlighting of Panamanian concessions during debate in the US.
- Place the onus for possible treaty rejection by the US Congress and the consequences squarely on the US.

Despite Royo's statement, the government's customary ad hoc political approach will apply, and the timing of the plebiscite could be modified to take into account the course of domestic debate and the ratification process in the US. Torrijos will be sensitive to charges that, after 74 years of attempts to abrogate the 1903 treaty, he is attempting to squelch debate.

Chief negotiator Escobar set the tone for the government's defense of the treaty in a major address to a student group last Friday. Escobar admitted the pact was far from perfect--he characterized some aspects as "ugly"--but stressed that other paths, such as confrontation, would yield far less. To help make their case, he and other government spokesmen can also point to substantial gains in the new agreement, including:

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- Abrogation of the 1903 pact and its perpetuity clause--the unfulfilled aspiration of all previous Panamanian governments.
- Substantial economic compensation--a \$50- to \$60-million annuity, a \$295-million loan-and-guarantee package, and \$50 million in military aid to replace the present \$2.3-million annual payment.
- An end to the Canal Zone's government structure and recovery of more than half of the zone's territory.
- A sharing of defense responsibilities, cooperation in administrative decisionmaking, and an end to the US military presence by the year 2000.

1, 3
Torrijos is confident enough of his own position and the outcome of the plebiscite to allow relatively open debate, provided his regime itself is not attacked. His self-assurance is boosted by the fact that he controls most of the media and can intimidate the rest.

In the weeks before treaty agreement was reached, the ultranationalist Independent Lawyers Movement began to criticize the government's conduct of the negotiations in one of the semi-independent newspapers. As it has in the past, the government appointed a temporary censor for sensitive articles.

Leftist Allies

Torrijos also has his allies on the left. The Communist Party, in exchange for being allowed to operate relatively freely, has backed the Torrijos revolution since 1970 and mobilized public support for it. The largest student organization, whose leaders eat from the government's hand, is subject to official manipulation.

Many past and present government officials--such as chief negotiator Escobar, Labor Minister Ahumada, and others--have nationalist leftist credentials and will be rallying support to back the government's expected media blitz.

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The government will also be able to marshal impressive international backing for the treaty. Almost all Latin American leaders will be willing to provide a public seal of approval, perhaps at a regional ceremony. The five heads of state--from Venezuela, Mexico, Costa Rica, Colombia, and Jamaica--who gathered in Bogota earlier this month to back Torrijos' treaty stand will provide even warmer support.

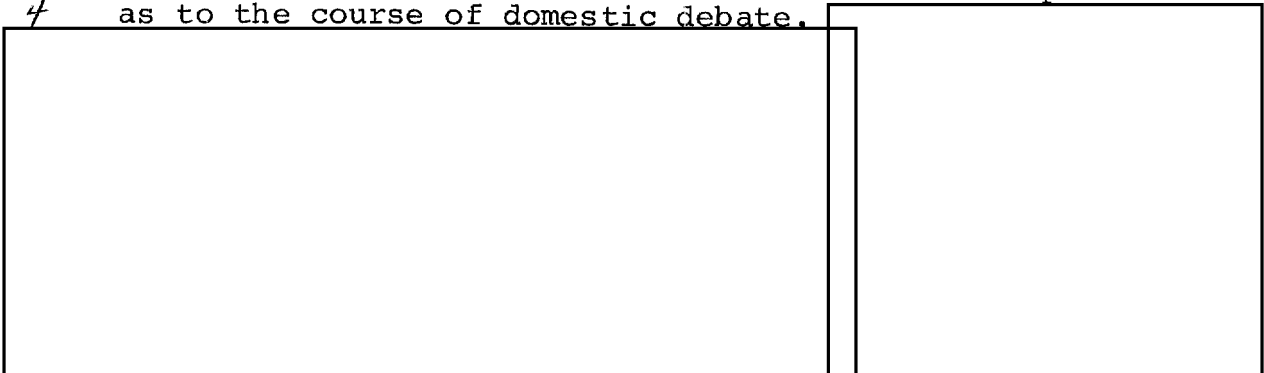
The Panamanian leader could secure Fidel Castro's endorsement to help fend off domestic leftist criticism--if he judges it expedient when balanced off against the possibly counterproductive impact in the US. The Cuban leader has publicly backed Torrijos' negotiating strategy in the past.

The Latin American press has accorded the conceptual agreement initially favorable treatment. It can be expected to throw solid support behind a treaty that will be billed as a symbol of a new Latin American - US relationship.

On the domestic front, Torrijos and his negotiators met over the weekend with three ex-presidents of Panama to brief them on the treaty. Although the presidents delayed taking a public stance at this early date, Torrijos will probably be able to win their endorsement.

Outlook

Torrijos apparently believes the real test for the treaty will be in the US Congress, and he appears to have devoted at least as much attention to that problem as to the course of domestic debate.



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At home, the government expects criticism for its concessions but probably foresees a reasonably convincing public vote of confidence. Nearing nine years in power, this is as close as Torrijos will have come to submitting his rule to a public test, and, although that invites some dangers and almost certain rough spots, most of the cards are stacked in his favor. If [redacted]

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[redacted] General Torrijos harbors ambitions to be elected president in his own right, the referendum could also serve as a jumping off point for the 1978 campaign. [redacted]

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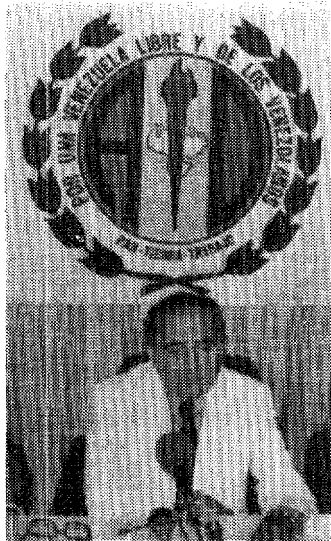
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Venezuela: Democratic Action Party Chooses a Candidate*Luis Pinerua Ordaz*

Later this month, the governing Democratic Action Party (AD), Venezuela's oldest and largest political party, will formally ratify primary election winner Luis Pinerua Ordaz as its nominee for president.

The 55-year-old Pinerua became virtually the certain choice of his party once ex-President Romulo Betancourt signified his preference for the former interior minister and secretary general of the party. Betancourt's backing was enough to secure Pinerua 62 percent of the vote cast in the AD's first presidential preference primary last month. His only opponent, Senator Jaime Lusinchi, reportedly the favorite of President Carlos Andres Perez, won nearly 34 percent of the vote. Of more concern to senior party officials was the unexpectedly high abstention rate among registered party members--nearly 40 percent. To many, it signified a dangerous level of apathy and possible disaffection with a candidate who was being pushed by Betancourt and the party establishment.

In the weeks since the primary election, it has become clear that Betancourt intends to play a dominant role in Pinerua's election campaign and will, among other things, chair the party's platform committee. In a recent press conference, Pinerua outlined the principal themes of his campaign--themes which are very much in keeping with Betancourt's emphasis on social justice, militant anticommunism, discipline, and populism. Although Pinerua has praised the present administration, he has carefully avoided giving the impression that his administration would continue the basic policies of the Perez administration.

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*Romulo Betancourt (r.) Luis Pinerua Ordaz (c.)
Jaime Lusinchi (l.)*

In fact, Pinerua could not do otherwise. It has been clear for some time that President Carlos Andres Perez and the AD old guard, led by Betancourt, have not seen eye-to-eye on a number of domestic and foreign policy issues. Betancourt has made no secret of the fact that he is appalled by what he considers the increasing amount of corruption in the government. He distrusts Perez' ties with leading figures in the business community, including the so-called "12 Apostles"--new rich industrialists who reportedly have been involved in corrupt dealings with the government.

Moreover, Betancourt views with disfavor some of Perez' initiatives in the field of foreign policy such as the reestablishment of diplomatic relations with Cuba--broken during Betancourt's administration--and the extension of economic assistance in Latin America to democratic and military regimes alike. Betancourt sees Pinerua as the man who will return the AD to the true path, purge the party of corrupt and ideologically weak elements, aggressively promote the AD's basic tenets of social and agrarian reform, and stand firm in opposition to dictatorships of the left and right.

Betancourt's analysis of domestic and foreign policy may not be as sharp as it once was; there are suggestions of senility in his most recent proposal that

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the American democracies unleash their armed forces to wipe out all "the dictatorial governments that are the scourge of the hemisphere" and replace these regimes with democratic governments. Nevertheless, Betancourt still rules with an iron hand in the house that Romulo built, and will not permit either the party or its candidate to espouse policies not in keeping with his own simplistic philosophy,

Betancourt's increasing role in the Pinerua campaign, in fact, could put the party and its nominee in the embarrassing position of publicly advocating policies diametrically opposed to those pursued by President Perez. There is little possibility of a party split, however, similar to the one that occurred in 1967, which in large measure contributed to the AD election defeat the following year.

The nagging problem of presenting a united party in the face of an expected aggressive challenge from the opposition Social Christian Party still remains. The party at the same time must attempt to agree on a philosophy that takes into account the antecedents of the AD and the great economic and social changes that have occurred in Venezuela as a result of the massive oil revenues that have poured into the country.

For AD party leaders the problem is to determine how much the country has changed since the last general election and how many have changed with it. If the party is to continue to claim to represent the Venezuelan average man, it will have to decide who he is. Betancourt and his protege Pinerua believe the party's future still rests with its traditional basis of support among labor and the peasants. Perez, primary candidate Jaime Lusinchi, and younger party leaders believe it must broaden its appeal to other groups. This struggle is unlikely to be resolved by Betancourt's olympian pronouncements or the issuance of a party platform; it will persist until the question of party leadership is resolved after Romulo Betancourt dies.

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Guyana: Poor Economic Record

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Guyana's economic difficulties, brought on by a tightening foreign exchange squeeze, have worsened markedly in recent weeks. With an election due by next July, these problems, including industrial layoffs and labor strife, spell trouble for the ailing Prime Minister Burnham.

1
Guyana's balance-of-payments problems began to intensify last year as a result of falling sugar prices and production shortfalls in bauxite and rice. Sugar, bauxite, and rice together account for about 80 percent of Guyana's export earnings. Guyana achieved a record spring rice crop this year, but low sugar prices, which the government says are below production costs, and the continuing lackluster performance in bauxite production will prevent any improvement in the balance-of-payments situation. Early this year, the government was forced to resort to drastic import restrictions and other austerity measures.

1,3 2
The inability to import needed materials has led many private and state businesses--some of which are themselves foreign exchange earners--to make major cut-backs in work forces and in some cases to talk of shut-downs. Labor-intensive industries, such as garment making and food processing, have been particularly hard hit. Spare parts shortages, moreover, are hampering the maintenance of production equipment. A government official stated recently that inability to import spare parts has kept more than half of the government's transportation equipment out of operation.

2
Austerity measures already on the books are likely to cut imports this year to 16 percent below the 1976 level. Finance Minister Hope indicated last week, however, that further import cuts will be required if new loans are not forthcoming soon. In order to maintain even the current low level of imports for the rest of this year, Guyana needs at least \$50 million in new financing. The country's gross foreign exchange holdings are reportedly

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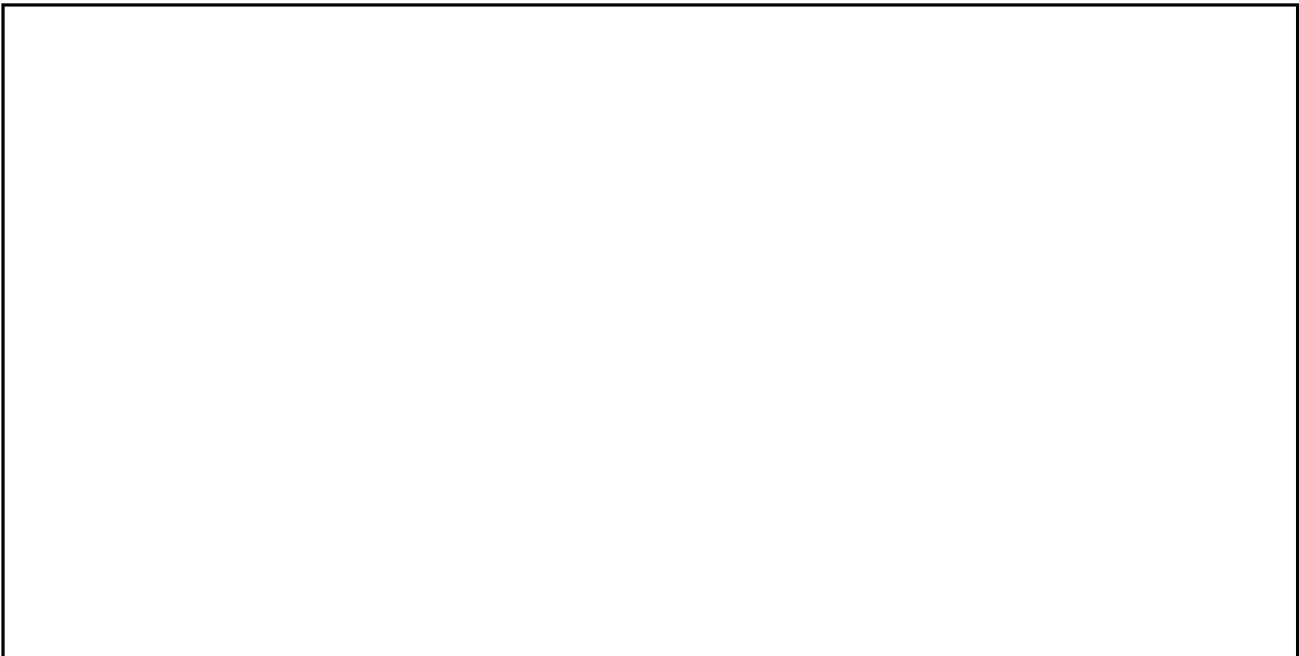
less than \$20 million--enough to cover only three weeks' imports.

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7. Guyana's economic difficulties have resulted in mounting political problems for Burnham. In recent months his support, particularly among workers, has begun to erode. The opposition People's Progressive Party, led by Cheddi Jagan, has been quick to try to exploit the situation by striking alliances with radical splinter parties that have had some recent success in appealing to Afro-Guyanese workers hitherto loyal to Burnham.

8. On 9 August, Jagan moved to take advantage of Burnham's difficulties and the divisions within the ruling party by calling for the creation of a national patriotic front. This appeal is apparently directed at the left wing of Burnham's People's National Congress in an effort to woo members who are dissatisfied with the more moderate course he has recently pursued. It is unlikely that any members of the ruling party would be willing to join such a front, but Jagan's gambit will increase pressure on Burnham to shift leftward.



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Colombia: New Role for Judicial Police in Narcotics Control

1/ Legislation was introduced recently in the Colombian Congress authorizing President Lopez to reform the Judicial Police (JP), an investigative and prosecuting body within the Ministry of Justice. At present, the JP has elements attached to the country's various security and enforcement organizations, but the force lacks a cohesive and separate identity of its own. Under the proposed reform, the JP will assume all criminal investigative authority, including narcotics control.

2/ Attorney General Jaime Serrano, who has a reputation for cooperating with the US on bilateral narcotics investigations, will be in charge of the reconstituted JP unit. The new group will consist of volunteers and will be modeled after the US Federal Bureau of Investigation. According to Serrano, this "highly trained, disciplined, and elite force" is scheduled to begin operating no later than August 1978.

2/ In the past, narcotics control has primarily been the responsibility of the Department of Administrative Security (DAS). Drug interdiction and enforcement, however, has also been spread out among competing organizations such as the Military Police, Customs, the Attorney General's office, and the intelligence section (F-2) of the uniformed National Police.



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Lopez apparently believes that a reorganization of the JP will not only eliminate confusion and inefficiency by centralizing drug enforcement efforts, but will also serve to dismantle the venal F-2, thereby enabling him to reduce, at least partially, the level of narcotics-related corruption. Both actions appear to be a follow-up to Lopez' meeting with a US delegation in Bogota last month to discuss the drug problem in Colombia.

1
2
The change, if it can be effected, will mark an important step forward in future drug control efforts. There are, however, still a number of serious problems to overcome. For example, although the preliminary plans for the reorganization are impressive in concept and scope, they were hastily conceived and fail to address the complex issues of logistics and orderly transition. Indeed, during the changeover there is likely to be an increase in trafficking as drug smugglers take advantage of the bureaucratic and administrative disarray.

1
Perhaps even more important is the political sensitivity and unpopularity of the reorganization itself. The military command, which has control over the National Police, does not favor reducing or eliminating the F-2. It is not known, however, to what extent military leaders are prepared to resist the reorganization, but Lopez is admittedly concerned about their opposition.

2
It is interesting to speculate why Lopez, particularly at this point in his administration, would endorse a project of this magnitude, sensitivity, and potential for failure when he faces a number of other economic and political problems. The government is bracing for a general strike as the labor unions, angry over wage-devouring inflation, prepare to call a nationwide work stoppage, a situation that is likely to force Lopez to reimpose a state of siege. In addition, the presidential campaign is heating up as the date for party primary elections draws nearer. Lopez could well devote the remainder of time in office working on economic and other domestic issues, or he could play party politics, enhancing his position of leadership within the Liberal Party in preparation for his departure from the presidency in August 1978.

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Peru: Reconciliation With APRA?

1
2 The leader of Peru's largest political party, Victor Raul Haya de la Torre, told the US and British Ambassadors in Lima on 12 August that he has agreed to talks with President Morales Bermudez--perhaps as early as this week. The 82-year-old founder of the American Popular Revolutionary Alliance (APRA) has been despised by Peru's military establishment for more than four decades.

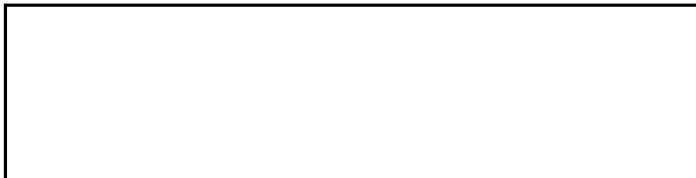
2 Recently, however, both sides have been cautiously exploring reconciliation, and both hope to gain something: Morales Bermudez needs support to overcome serious economic and labor troubles facing his government; Haya wants a role for his party in future elections promised by the President.

1 Haya told the ambassadors that he anticipates an appeal from Morales Bermudez for APRA support, particularly on the labor front, the major source of APRA's organized strength. Haya said he had given due warning that he intends to raise with the President two of his principal current preoccupations: Communist influence in the government and press and administrative corruption. Although Haya would not commit himself, the ambassadors were left with the impression that he intended to give cautious encouragement to Morales Bermudez' efforts to keep the country on an even keel and that he was prepared to indulge in some hard bargaining with the Peruvian Government.

1 If the meeting with Haya comes off, the ensuing dialogue would encourage hopes for broad-based civilian-military cooperation during the transition to civilian rule. The President will probably face stiff criticism, however, from the military which still retains a long historical memory of violent confrontations with APRA during the 1930s and opposes any reconciliation with an archenemy. 

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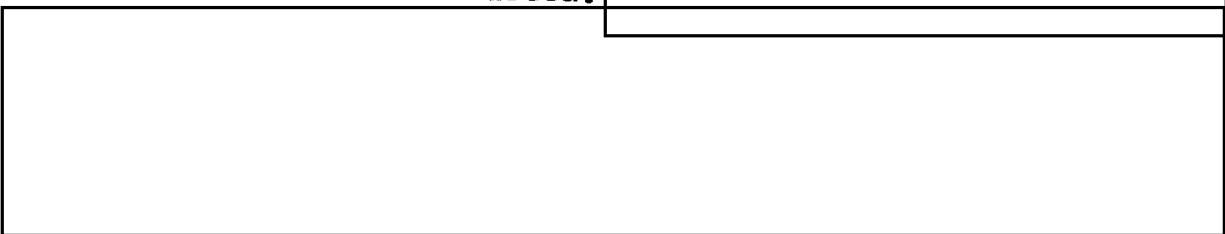


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2
Lopez, however, is a complex, determined, and often enigmatic individual. His concern over Colombia's drug problem and his desire to do something about it may be greater than many realize. He will make a significant contribution to drug control efforts if, during his remaining time in office, he can see to it that the reorganization of the Judicial Police is completed and operational. His successor, however, will also have to lend presidential backing to the narcotics issue if other reforms and innovations needed to solve Colombia's drug problem are to be enacted.

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Uruguay: Elections in 1981

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President Mendez' announcement last week that national elections will be held in 1981 is not likely to hasten the return anytime soon of normal political activity. According to the presidential communique, political parties will continue to be banned until 1980. Mendez' speech marks the government's first formal commitment, however, to an election timetable.

1
2
Mendez' message provides little detail on the electoral structure other than that "traditional parties" will participate and there will be universal suffrage. This and earlier government statements indicate that only the Blanco and Colorado parties will have official sanction to resume political activity, while "Marxist" groups probably will be banned.

1
2
The military-dominated government no doubt will closely supervise the period of political transition. Mendez, in fact, cautioned in his speech against "excessive and inopportune political activities." The President's use of the phrase "preserving [Uruguay] from subversion and from previous political practices which have now been overcome" signals the government's intention to prevent a return to former political practices. Moreover, Navy chief Admiral Marquez recently stated that after the election in 1981 the military will retain control while the country progresses "toward the installation of a political government through several steps."

2
3
Constitutional elections normally would have been held last November at the end of former President Bordaberry's term of office. A controversy between Bordaberry and the military over the latter's continued role in politics, however, led to Bordaberry's ouster last summer. The ensuing government immediately suspended elections and issued an institutional act depriving a large segment of the population of their political rights. Mendez--named on 1 September as a figurehead president for a five-year term--at the same time spoke

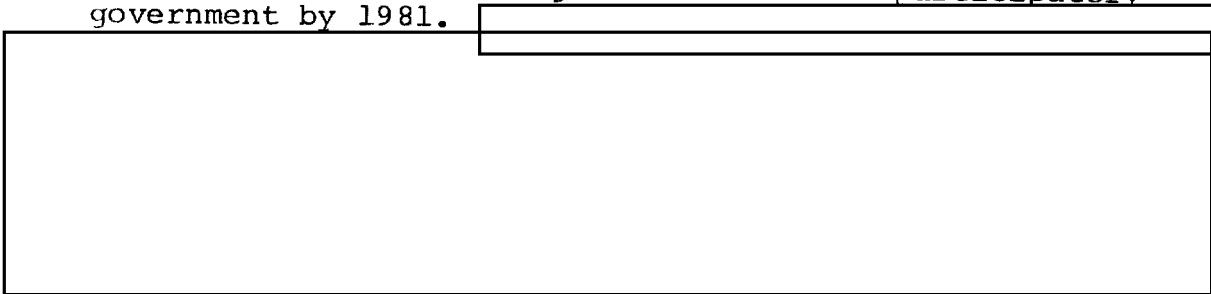
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of an eventual transition to democracy. Army commander General Vadora last October outlined a vague plan for returning the country to civilian rule beginning in 1981.

1
2
3
Mendez' latest announcement--although provisional and well-hedged--represents at least a sidestep in the direction of a return to democracy. It was probably timed to coincide with Assistant Secretary of State Todman's visit to Uruguay this week. Despite the timing and the vagueness of the announcement, the government no doubt considers it has met its commitment to begin the process leading to some form of participatory government by 1981.

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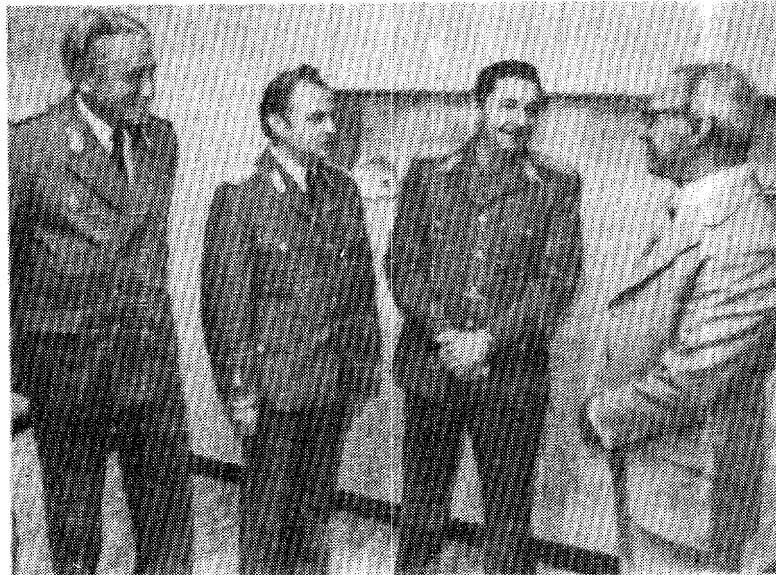


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Cuban Travelers

1,2 Raul Castro and Carlos Rafael Rodriguez, the second- and third-ranking members of the Cuban leadership, are both traveling abroad on unspecified missions. The two trips by high-level Cuban Government officials could indicate that Havana is seeking additional backing from the USSR for its aid programs in the Third World, wishes to consult with its allies regarding Cuban activities in Africa, or is merely attempting to maintain its high profile among radical members in the Third World.

1,2 Raul Castro is on the road for the third time this year. He traveled to Bulgaria in January and made a trip to Angola in early June. On 18 July Tass reported that Castro and his wife Vilma Espin (a Central Committee member and president of the Cuban Women's Federation) had arrived in Moscow for an "official" visit. The report stated that Raul was responding to an invitation by his counterpart, Soviet Defense Minister Dimitriy



Raul Castro in East Germany 9 Aug 77

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Netherlands Antilles: Confrontation over Aruban
Separatism

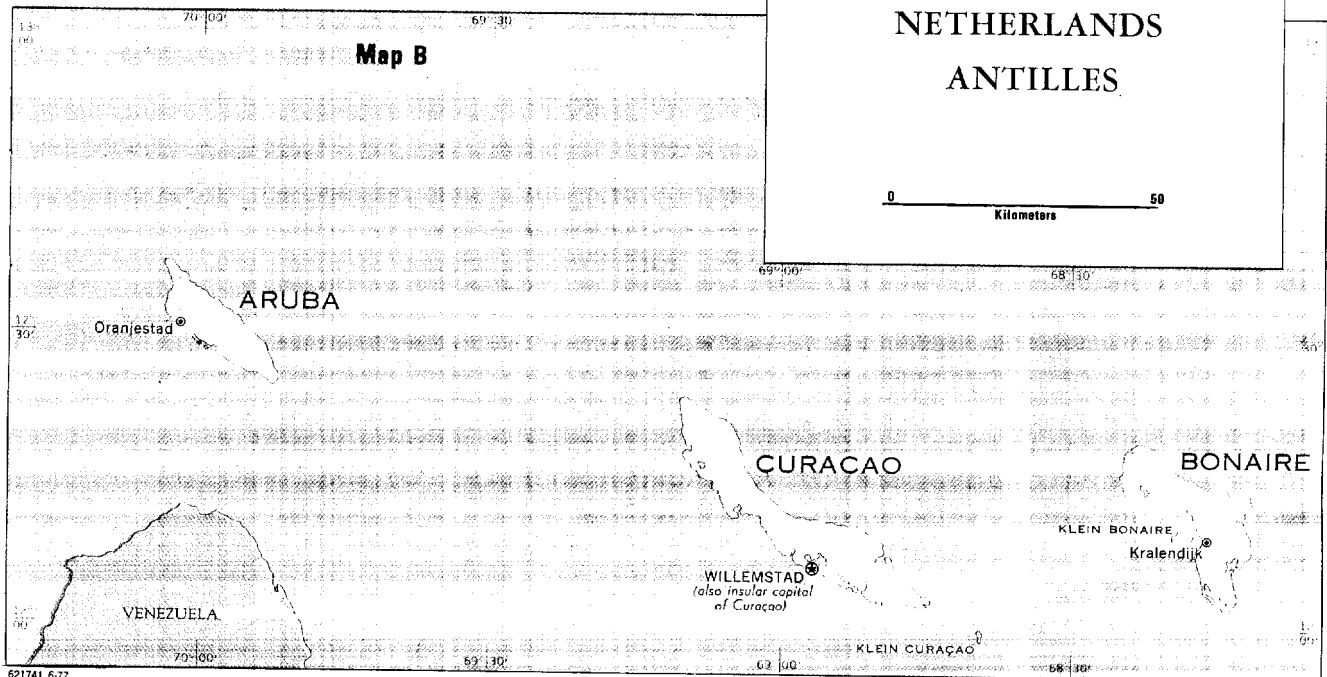
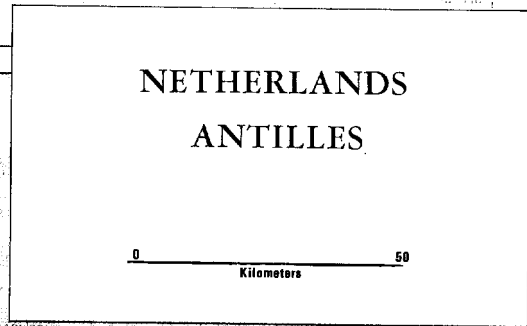
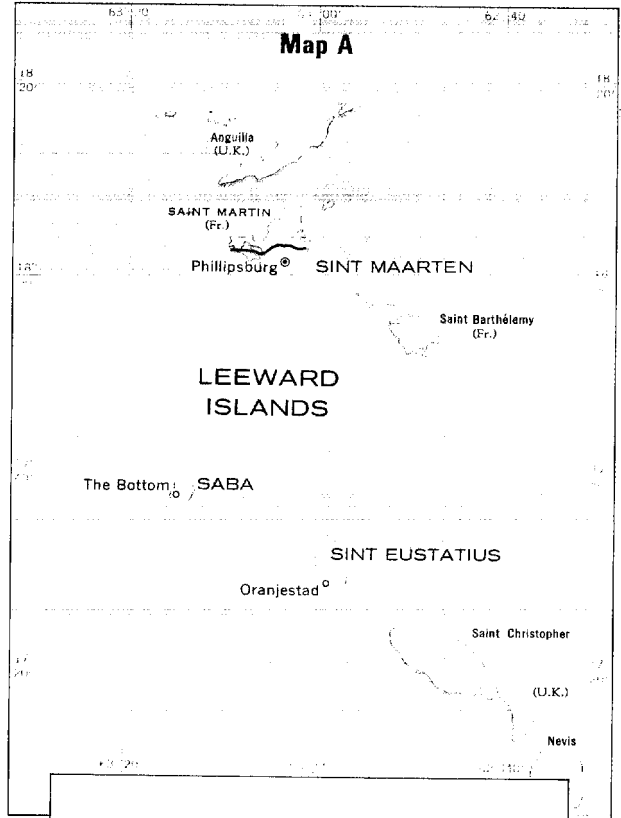
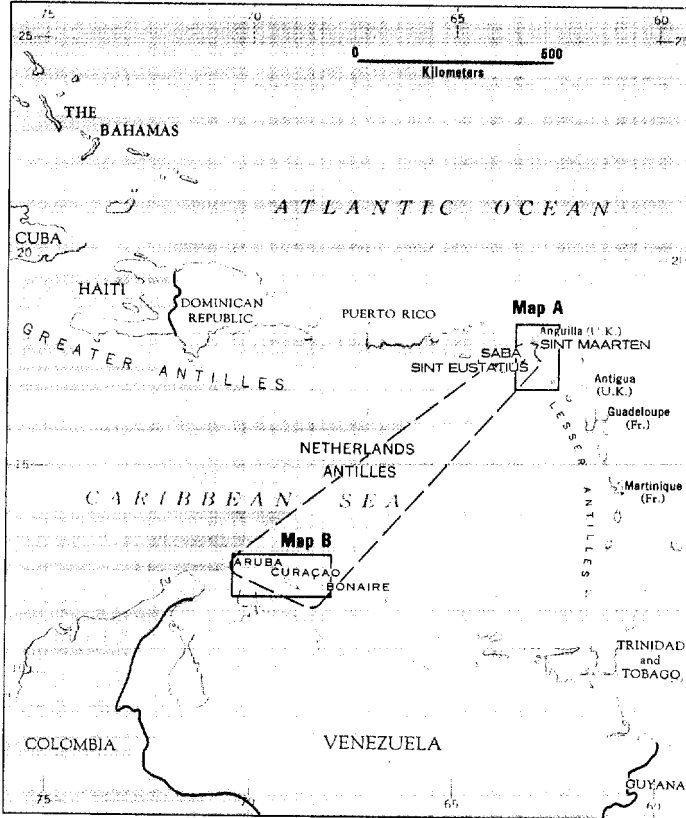
/ Gilberto "Betico" Croes, the leading proponent of Aruban separation from the six-island Netherlands Antilles federation, has provoked a confrontation designed to force the new Minister-President, S.G.M. "Boy" Rozendal, to include Croes' party in the new coalition and to dramatize Aruban desires for independence.

/ In the 19 June national election, Croes' People's Electoral Movement (MEP) won five of Aruba's eight seats in the 22-member Staten of the Netherlands Antilles federation. While willing to grant greater local autonomy to the individual islands, Rozendal has been determined to keep the federation together. Convinced that his concessions would not satisfy Croes, the Minister-President made it clear that he would exclude the MEP from the new governing coalition and instead would invite Aruba's second largest party, the Aruban Patriotic Party (PPA), to join.

1, 2 When Rozendal's intention to exclude the MEP became apparent, Croes called a mass rally on 2 August to demonstrate his strength to the central government and to intimidate leaders of the PPA from accepting Rozendal's offer to join the ruling coalition. The participation of some 2,500 people in the rally indicated--as did the Aruban separatist referendum last March that passed with nearly 84 percent of the vote--that the issue of greater Aruban autonomy from the central government in rival Curacao has wide popular appeal.

1, 2 It is not at all clear, however, that the majority of Arubans want to move as far or as rapidly as Croes. For example, the MEP leader's fiery oratory at the rally drew only a modest reaction from the crowd. Moreover, the challenge to Croes by a former supporter and more moderate advocate of Aruban separatism to explain the lengths to which he was willing to go in pursuit of his objectives seemed to strike a responsive chord with the audience.

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3, 4
The confrontation with the central government intensified on 12 August. The anger of MEP supporters was fueled by the announcement the previous day of a new cabinet that excluded the MEP while granting the PPA three ministries. A small riot was touched off by the arrest of two Aruban union leaders--who apparently support the MEP--for sponsoring a pamphlet that threatened the lives of PPA leaders. In addition, brief sympathy strikes were declared in several key industries, and several hundred tourists were temporarily stranded in Aruba as the airport was closed and the telephone system was shut off.

5, 6, 7
By the beginning of this week, the airport was operating normally, and most workers had returned to their jobs. The crisis has abated, but Croes--who has a long history of intransigence and erratic behavior--will continue to try to challenge the government. Most recently, in what is probably a bluff, the MEP leader hinted that he may unilaterally declare independence from the federation. He sent messages asking for moral and material support to many countries in the Caribbean basin, including Cuba, as well as to the US. These messages emphasized that, "the Aruban people possess the inalienable right to self-determination."



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