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CENTRAL INTELLIGENCE AGENCY

REPORT NO. [REDACTED]

CONFIDENTIAL
INFORMATION REPORT

CD NO.

COUNTRY Bolivia

DATE DISTR. 10 April 1951

SUBJECT Victor Paz Estenssoro

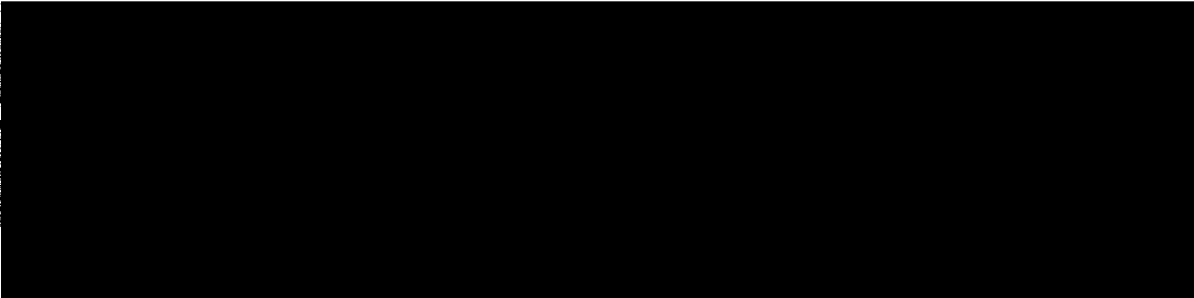
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SUPPLEMENT TO REPORT NO.



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The following background information on the decision of Victor Paz Estenssoro, leader of the Bolivian Movimiento Nacionalista Revolucionario (MNR), to return to La Paz, was told by Paz to a reliable U. S. national [REDACTED] in Buenos Aires. Paz' statements were made on 22 March 1951, soon after his return from a brief visit to Montevideo. It should be borne in mind that Paz' statements may have been made for U. S. official consumption.

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1. Paz said that he had decided to return to La Paz by air to avoid the possibility of meeting with violence, which he suspected might happen if he traveled by rail. He voiced the opinion that the long trip by rail would give his enemies many opportunities to harm him. Although he expected to be met by Bolivian police officials on landing in La Paz, and to be placed under immediate arrest, Paz stated that he preferred that this happen in La Paz, where he had many friends who would ensure his safety.
2. Paz said that a trusted and long-time friend, Emilio Sarmiento, would travel with him and act as his adviser and aide during the coming months.
3. When asked whether or not he was considering throwing his political weight behind the administration candidate, Gabriel Gosalvez, Paz answered that he had been approached by Gosalvez to do just that. According to Paz, Gosalvez had promised that, if Paz backed him, Paz would be named Vice President, provided Gosalvez' faction was victorious in the 6 May elections. In addition, two cabinet posts and one half of the congressional seats would be given to the MNR, and the MNR would have a "free hand" in the finances of Bolivia.
4. Paz declared that he did not like this proposal, and did not relish the prospect of working with the same politicians who had been his political enemies in the past. Also, he did not like the idea of working with Gosalvez during the present campaign, as this would entail spending money doled out by the present government and using its tactics to obtain votes. Source commented that it was not clear whether Paz actually told Gosalvez the same thing.
5. Paz further stated that he was returning to Bolivia to campaign for himself for the presidency in the May elections and had chosen Hernan Siles to run with him for the vice presidency. Siles, according to Paz, was in Santiago, Chile, but would return to La Paz in the near future. Paz said that he would depend heavily upon Siles in the coming months, as well as on Victor Andrade, who is now in

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Guayaquil, Ecuador, and Carlos Salamanca, who is presently living in New York City.

6. Paz made the surprising statement that he expected to lose the election, according to source. He declared that, if the elections were clean and if the votes were counted honestly, he believed that 80 percent of all votes cast would be for him; however, he suspected that votes would be counted rather carelessly, with the result that he would lose by a small minority. Furthermore, Paz said that he had been informed that all members of the MNR were required to apply for good conduct certificates from the Bolivian police authorities before they would be admitted to the voting places. No other voters would require such certificates, according to Paz.
7. Paz added that he had been confidentially advised that some Bolivian Army leaders might attempt a coup before the May elections, and, if successful they would name General Hugo Ballivian Rojas as President.*
8. If he does win the election, Paz declared that the first thing he intended to do would be to reorganize the financial setup of Bolivia and raise the standard of living. Next, he would attempt to import more agricultural machinery and initiate agricultural reforms, such as diversification of crops. He would also try to obtain a larger loan from the United States with which he hoped to extend the Santa Cruz-Cochabamba highway. He would attempt to install hydro-electric transmission lines on the altiplano, by means of which he hoped to supply electric power to other parts of Bolivia. He also promised that he would make no changes in the present cooperative mapping program for aerial and geodetic mapping and would give his support to increasing this program. He stated that he could see no use in building another oil refinery at Sucre, as he feels that the refinery in Cochabamba is sufficient to take care of the present demand.

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Comment. It will be recalled that for months reports have been received indicating that some elements of the Bolivian Army, under the control of the former Chief of Staff Rios Rosel, planned a coup against the present government. For that reason, Paz' information may have some basis in truth; however, Rios was removed from his position some months ago and sent to Madrid as Military Attache in order to get him out of Bolivia.

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