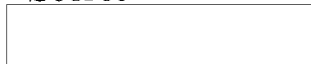




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Latin America Review



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Latin America
Review

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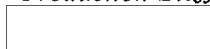
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Articles have been coordinated as appropriate with other offices within CIA. Comments and queries regarding this publication may be directed to the Chief, Production Staff, Office of African and Latin American Analysis, [Redacted]



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Articles

Guatemala: Central American Policy and US Relations



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Overall, Guatemala supports the broad objectives of US policy in Central America. Chief of State Mejia and Foreign Minister Andrade, however, are pursuing a number of specific policy goals that are at variance with US interests and that reflect Guatemalan nationalism, ethnocentric views of Guatemala's role in the region, and growing resentment of Washington in the armed forces. In our opinion, only a normalization of bilateral relations with the United States—to include a restoration of military aid—could move Guatemala to a position substantially more supportive of the particulars of US policy. Guatemalan leaders are likely to continue to pursue closer ties to Mexico to effect the repatriation of Guatemalan refugees in Mexico. In this effort, we believe they will continue to adopt positions at Contadora and on regional issues that may be closer to those of Mexico than to those of Honduras, El Salvador, and the United States.

area of little interest for Mejia—in bilateral relations with Mexico, and in the Belize dispute. The Foreign Minister also has substantial input into the conduct of Guatemalan relations with the United States, although we do not consider him the primary force.



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Makers of Policy

Chief of State Mejia and Foreign Minister Andrade, in our opinion, are the primary architects of Guatemalan foreign policy, particularly regarding Central American issues and relations with the United States. US Embassy reporting indicates that a number of other officials—military and civilian—have varying degrees of influence, but none are consistently consulted on a broad range of domestic, foreign, and national security issues.

Andrade's power stems from Mejia's confidence in him, particularly for his ability to perceive longer term costs and benefits that Mejia, keenly aware of his temporary caretaker status, at times fails to consider. As a result, we believe that Andrade can persuade Mejia to modify foreign policy positions. Andrade probably was instrumental in convincing Mejia, for example, that active participation at Contadora would be more helpful in ending Guatemala's regional isolation and in improving its international image than would Mejia's initial preference for reactivating the Central American Defense Council (CONDECA), a regional military alliance. We judge, however, that Andrade's association with the Mexicans at Contadora is allowed by Mejia and the military because they want Mexican cooperation on the voluntary repatriation of Guatemalan refugees from southern Mexico.

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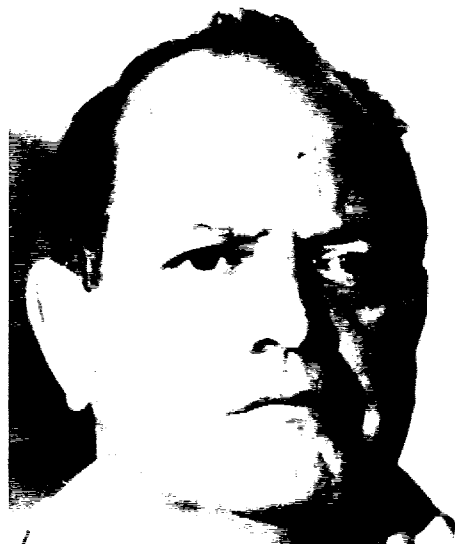
Mejia has delegated substantial authority to Foreign Minister Andrade to design and implement strategies consistent with his overall foreign policy goals. We believe, for example, that Andrade has major influence over Guatemala's role in Contadora—an

Andrade recognizes that political power in Guatemala rests with Mejia and the military and that ultimately he serves at their behest. Knowing his influence is circumscribed by the military, he does not interfere with military issues or other domestic policies. He is not universally trusted by the senior military officers, and we believe that some of the Foreign Minister's

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Chief of State Oscar Humberto Mejia Victores Wide World ©

The substance of Mejia's foreign policy is conditioned by his personal experiences and his perception of Guatemala's domestic needs. A strong nationalist and staunch anti-Communist, Mejia is a military man whose career has been largely devoted to defeating Guatemala's 20-year-old Marxist-led insurgency. Mejia is preoccupied with the guerrilla problem at home and apparently has two primary foreign policy objectives: obtaining foreign assistance to fight the insurgents and, simultaneously, undermining their credibility by restoring legitimacy to the Guatemalan Government.

[redacted]

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against the insurgents are behind its desire to play a more active role in Central America. Guatemalan policy in the region, however, is distinctly colored by three strong perspectives on the current situation in Central America, some of which are not shared by most of the other nations of the area.

[redacted]

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First, Guatemala believes that its size and population, resource base, relative economic strength, geographic location, counterinsurgency success, and historic role in the region argue for its adoption of a more assertive role. Attempts by other countries to obtain Guatemalan backing in disputes with Nicaragua—particularly efforts by the United States and Honduras—have strengthened the national sense of strategic importance. Moreover, statements by Mejia and Andrade over the past several months indicate that this courting of Guatemala has led them to believe that they have leverage with the United States and others.

[redacted]

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statements, particularly those critical of the United States, may be designed to demonstrate his nationalist credentials and to ingratiate himself with the younger senior officers. His public reproofs of Washington, however, also express resentment of the United States that Andrade knows is widespread in the military.

[redacted]

The senior field commanders who placed Mejia in power—loosely called the Council of Commanders—wield substantial power, but both the council as a whole and its most influential member, General Lobos, are much more involved in domestic issues and internal security problems. No council member stands out as an important foreign policy voice, and in general the commanders support Mejia's goals of garnering foreign military and economic aid to bolster their counterinsurgency capabilities and of restoring credibility to the government. We have no evidence that Mejia's foreign policy—including his conduct of relations with the United States—is a divisive issue among his senior commanders.

[redacted]

Second, Guatemala does not see Nicaragua as a direct military threat nor as a critical supporter—much less the lifeline—of its domestic insurgents. Mejia has publicly accused the Sandinistas of supporting the Guatemalan guerrillas, but he views the guerrillas' use of Mexican territory as a more important factor in their survival. Moreover, the Guatemalans consider the spread of Communism in the region, represented by the Sandinistas, as a manifestation of the larger East-West struggle of the superpowers that should be primarily addressed by the United States. Thus, they believe that policies designed to diminish the Nicaraguan threat are of more direct benefit to the United States and Guatemala's neighbors.

[redacted]

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Guatemalan Views of Central America

The Mejia regime's goals of restoring domestic and international legitimacy to the government and gaining material assistance to aid Guatemala's war



Foreign Minister
Fernando Andrade Diaz-Duran

Prensa Libre ©

Third, Guatemala believes Washington is calling the shots in Central America. The Embassy says Mejia and Andrade frequently intimate that "Core Four" unity at Contadora, the attempt to revive the Central American Defense Council, the Regional Military Training Center (RMIC) in Honduras, and the Granadero I military exercises are all US inspired and directed. Thus, they want to deal directly with the United States on such initiatives, not with their Central American neighbors—particularly Honduras—who they believe have little to offer in return for Guatemalan support. [redacted]

Policy Approach to the Region

Guatemala's approach to Central America primarily reflects its desire for a resumption of US military assistance, increased economic aid, and a normalization of relations with Washington. Given Mejia's preoccupation with the counterinsurgency effort, we have little doubt that the Guatemalans view their relations with the United States on a strictly quid pro quo basis. [redacted]

The Mejia government apparently believes that, if the United States wants Guatemalan participation and support strongly enough, Washington will renew military aid. In our judgment, Mejia and Andrade

Andrade covets power and delegates little or no authority to his subordinates, particularly on major foreign policy issues. He appears to be an elitist—even among Guatemala's elite—and prefers to associate with those he considers the prime movers on particular issues. At Contadora, for example, he has developed close rapport with Mexican Foreign Minister Sepulveda. [redacted]

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consistently withhold full cooperation with the United States on Central American initiatives as part of a strategy to exact concessions. They do not want to be so uncooperative, however, that the United States loses interest in obtaining their support and, instead, moves to minimize Guatemala's role and further isolate it in the region. As a result, Guatemala's policy appears inconsistent as the government alternately assures US officials of its support for US objectives, while adopting actual policy positions that at best only halfheartedly support US goals. [redacted]

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We judge that the Guatemalans are likely to maintain their aloofness to elicit tangible benefits from Washington in return for their increased commitment. Meanwhile, they probably will pursue improved relations with other regional actors, particularly Mexico, where Guatemalan efforts may be inimicable to US interests. [redacted]

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Contadora. At Contadora, the Guatemalans are likely to continue their inconsistent and equivocal support of "Core Four" unity. They probably perceive few direct or immediate benefits from unconditional endorsement of hardline positions opposing Nicaragua in the talks. Conversely, Embassy reporting shows they fear that a settlement imposing restrictions on Nicaragua's military and political institutions could infringe on Guatemalan sovereignty by effecting similar constraints on its electoral process, armed forces, and paramilitary civilian defense force program. A more neutral posture in the Contadora proceedings holds some potential gain for Guatemala in terms of improving its standing with an international community keenly focused on the dynamics of the peace process. [redacted]

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The Mexican Angle. Mejia and Andrade also view moderation at Contadora as a means of extracting concessions from Mexico on border issues. The

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Guatemalans are especially interested in the voluntary repatriation of some 40,000 Guatemalan refugees from Mexico. The military hopes to house returnees in new "model villages" it is constructing in the frontier area. In our opinion, the Guatemalans believe that no other single development could so enhance their domestic and international image as the return of refugees who fled previous political violence. The refugee camps in Mexico, according to Mejia, are a continuous source of insurgent propaganda concerning human rights abuses. For other observers, they represent a vivid reminder of past brutal military repression in Guatemala. In statements to US Embassy officials, both Mejia and Andrade have explicitly tied a Guatemalan posture at Contadora consistent with Mexico's to the Mexicans' willingness to assist with a voluntary repatriation program or, at a minimum, their willingness to move the camps away from the border area. [redacted]

Mexican officials announced in early May that they intend to relocate two refugee camps away from the border soon, in the hope of improving the security of the refugees. Guatemalan and Mexican officials reportedly have been negotiating a settlement of the refugee problem since at least February, [redacted]

[redacted]

Regional Military Initiatives. The Guatemalans have not pursued multilateral military cooperation with their northern tier neighbors, El Salvador and Honduras, for similar benefit-cost considerations. In our opinion, General Mejia's initial support for reviving the Central American Defense Council (CONDECA) reflected his belief that it could be an indirect conduit of US military equipment, provide a market for Guatemalan-produced ammunition, and propel him into a leadership role in Central America. Mejia's interest rapidly lapsed when he realized that none of these benefits would materialize. Conversely, the mutual defense pact posed the risk of embroiling Guatemalan troops in potential Honduran-Nicaraguan hostilities. [redacted]

Mejia sees little direct benefit from Guatemalan participation in the Regional Military Training Center or in joint military exercises such as the current Granadero I maneuvers. The Guatemalans continue to waver on the nature and extent of their future involvement in such initiatives, probably as a ploy to exact a quid pro quo for their cooperation. Although they apparently would like to engage in these types of operations to reduce their regional isolation, they view unrecompensed participation as needlessly diverting precious resources from counterinsurgency efforts at home. The presence of two Guatemalan instructors at the RMTTC and Mejia's reluctance to definitively rule out participation in future joint operations are designed to persuade the United States that greater cooperation in regional initiatives would follow if Guatemala had more resources. [redacted]

The Importance of US Assistance

We judge that a renewal of US military aid and increased economic assistance is the only likely incentive—short of a Communist insurgent victory in El Salvador—capable of moving the Guatemalans to a substantially more supportive position behind US objectives in Central America. Even then, however, their strong nationalism, ethnocentrism, and domestic policy focus will ensure that they remain a less-than-pliant ally and wary of multilateral approaches to regional problems. Moreover, their military success against the guerrillas has come without US assistance. As a result, there is resentment in the armed forces toward the United States, particularly among younger officers who have not undergone US training and have had little contact with their military counterparts from the United States. Their growing "go it alone" attitude is likely to impose limits on the extent of future US-Guatemalan cooperation. [redacted]

We believe the Guatemalans place as much symbolic importance on the restoration of aid as they do on its tangible impact on their counterinsurgency program. Mejia views his two foremost policy objectives—obtaining US material support and ending the

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international opprobrium of Guatemala—as closely linked. The removal of US restrictions on military aid to Guatemala, imposed because of human rights abuses, will continue to be viewed by any Guatemalan government as a critical step toward improving its image. [redacted]

Coveting this symbolic support, Mejia and Andrade are likely to insist on a restoration of military aid as the sine qua non of improved bilateral relations and regional cooperation. As if to assist US decisionmaking, they stress economic needs over military and, according to US Embassy reporting, emphasize that Guatemala's military equipment needs are few. Mejia has told US officials that he wants helicopters for medevac purposes, spare parts for inoperative aircraft, heavy construction equipment for civic action projects, financial assistance for "model villages" to house displaced persons and refugees, small patrol boats to interdict arms, and technical and financial assistance with elections.

[redacted]

The Guatemalans see their needs—and requests—as small, and thus are frustrated by Washington's perceived myopia, particularly in light of the large sums of military and economic assistance provided to El Salvador and Honduras. Furthermore, many high-level Guatemalan officials—particularly in the military—believe that the country's record in improving human rights, moving toward elections, and success against the Marxist guerrillas warrants the resumption of US aid. They believe they have earned the acknowledgment of these accomplishments—taken at some domestic political risk—that a resumption of military assistance would imply. In our opinion, Mejia and his senior civilian and military advisers understand the role of Congress in the foreign aid appropriations process but, believing they have done their part, now consider Congressional opposition a problem for the Reagan administration. Moreover, although the Guatemalans appreciate that many in the US Government sympathize with them, they do not recognize that as equivalent—in symbolic terms—to having the support of the US Government.

[redacted]

Little Prospect for Policy Change

We do not expect any substantial change soon in either Guatemalan foreign policy in Central America or in relations with the United States. We believe the policies Mejia and Andrade are following are consistent with their goals of acquiring resources to fight domestic insurgents and of increasing the government's legitimacy abroad. These objectives are widely accepted in the officer corps, and Mejia's strategy to attain them has generated little internal criticism. Guatemalan policy in Central America, in our opinion, is not dependent on the personal orientations of the current policy architects but rather reflects broader national values that have been conditioned over the last few years by counterinsurgency success at home and the nation's sense of international isolation. [redacted]

[redacted]

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Argentina: Radical Party Politics [redacted]

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Economic and political problems have exacerbated longstanding ideological rifts within President Alfonsin's ruling Radical Civic Union Party. These differences have affected government policy on a range of issues as Alfonsin has tried to maintain a balance between competing factions to preserve party unity. Recently, however, the President seems to be moderating his aggressive policy positions in an effort to improve relations with Argentina's traditional power brokers—the military and Peronists. Although the Radicals' internal difficulties are manageable, several factors could deepen splits, erode Alfonsin's ability to govern, and encourage the opposition. [redacted]

Radical Party Factions

[redacted] even before Alfonsin's election, leftists within his Renovation and Change faction formed the "Coordinating Group." Moderate leftists formed the rival Popular Intransigence faction headed by a key Radical legislator, Ruben Rabanal. More politically conservative Radicals had no formal organization, but they gravitated around Julio Saguier, mayor of Buenos Aires and a close Alfonsin confidant. In April, [redacted] this group allied with Popular Intransigence to form the Intransigent Renovation, a label underscoring their adherence to Alfonsin's programs—and aimed at containing the party's left wing. Smaller factions include the moderate "Cordoba Clique," centered in Argentina's second-largest city, from which Alfonsin selected his Vice President, Victor Martinez. The party also has a small group of hardline nationalists, including regional bank president and well-known economist Aldo Ferrer and legislator Luis Leon. [redacted]

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Alfonsin and his left-of-center Renovation and Change faction gained control of the Radical Party in mid-1983 after a 10-year struggle with the more moderate National Line faction, which had dominated the party since the 1940s. Alfonsin formed his group in the early 1970s to move the party toward more progressive stances that could broaden its appeal beyond its traditional middle-class following. [redacted]

After securing the presidential nomination, Alfonsin set out to expand the party's historic 25-percent share of the electorate. He pledged to reactivate the economy, curb the power of the military and the Peronist-dominated trade union movement, defend human rights, and foster open government. Alfonsin won 52 percent of the votes cast last October and took office in December with plans to use his mandate to implement his programs swiftly. [redacted]

projections after a slight dip in January. Human rights advocates in the party were miffed by the President's decision to prosecute only former regime leaders instead of all military officers accused of excesses. Peronist successes in blocking the labor reform bill in late March and in provoking sporadic labor unrest exacerbated the Radicals' squabbling. [redacted]

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Cracks in the Facade

The magnitude of Alfonsin's victory at first obscured the existence of factionalism within the Radical Party, but the problem has grown since the President took office and is manifested in disputes on a range of critical issues. According to press [redacted] reporting, there was considerable internal party debate on economic policy as inflation far outstripped official

In general, the party left has pushed for a tough line in dealing with the Peronists, the military, and the IMF and commercial lenders. Moreover, according to US Embassy reporting [redacted] leftists have pressed for a more Third World-

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In his efforts to maintain party unity, the President faces his greatest challenge from party leftists. Failure to curb them would almost certainly seriously hamper efforts to placate the military and reach an accommodation with opposition labor and political leaders. It would also tend to substitute opposition charges that Alfonsin is an ineffective leader, unable to keep even his own house in order, let alone deal with Argentina's economic and political problems.

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**Cuba: Using Regional Meetings
To Cultivate Latin America** [redacted]

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As part of Cuba's drive to improve relations with Latin American governments—and to better its hemispheric image at a time of heightened animosity between Havana and Washington—the Castro regime has expanded participation in regional meetings during the past year or so. Previously, Cuba had relied mainly on enticing Latin Americans and others to participate in the numerous conclaves it has long sponsored at home. Cuban leaders evidently consider the new activity useful for:

- Facilitating contacts with other governments.
- Displaying Castro's foreign policy "moderation," especially on Central American issues, in contrast to Washington's purportedly aggressive policies.
- Encouraging some Latin American leaders to put forward the notion that Cuba should be reintegrated into the inter-American system.

Despite some improvement in bilateral relations, however, we believe that Havana doubts it will be invited to rejoin the inter-American system any time soon. [redacted]

Cubans Posing as Statesmen

Cuban delegates to recent conferences in Latin America almost invariably portray their participation as a reflection of Havana's "deep" concern over the region's fundamental socioeconomic disparities and its readiness to work collectively to overcome them. In contrast to the usual Cuban assertiveness in such other Third World forums as the Nonaligned Movement, Havana has not sought to dominate or manipulate these meetings. It has been especially cautious toward the regional organizations it expresses greatest sympathy for, such as the Latin American Economic System (SELA) and the Economic Commission for Latin America (ECLA), both of which Cuba views as free of US influence. [redacted]

This tactic apparently is paying off. SELA's permanent secretary visited Cuba in February to review with Castro the results of the just concluded

Latin American Economic Conference in Quito. According to media accounts, Castro reaffirmed his full support for SELA and his "commitment" to strengthening Latin American economic cooperation. A leading Venezuelan newspaper covering this trip reported that Cuban and SELA officials agreed that SELA's role should be enhanced because the Organization of American States is "unable" to resolve regional problems. Subsequently, a SELA meeting was held in Havana to study the "breakdown" of Latin American industries and to coordinate Latin America's position for a forthcoming gathering of the Group of 77 and the fourth UN meeting on Industrial Development in Vienna. [redacted]

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The Cubans have skillfully exploited the high visibility and direct access to many top Latin American figures afforded by the meetings. As the regional solidarity arising from the Falklands war faded, Havana shifted smoothly to the latest cause that could enable it to benefit from hemispheric unity: the need to address collectively the region's mounting economic and social problems and to overcome the "indifference" of the industrialized countries. [redacted]

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Cuba's Multiple Purposes

Attendance at multilateral meetings enables Cuban officials to visit countries with which relations are strained or nonexistent, and to receive invitations that host governments might otherwise find awkward to extend. The Cuban Vice Minister of Foreign Trade, for example, led a delegation to a special meeting of the Latin American and Caribbean Sugar Exporters (GEPLACEA) in Rio de Janeiro in August 1983—the highest ranking Cuban official to visit Brazil since relations were broken in 1964. [redacted]

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Similarly, despite Dominican President Jorge Blanco's animosity toward the Castro regime, two

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Selective List of Cuban Attendance at International Meetings in Latin America, January 1983–April 1984

Date	Place	Event	Cuban Delegation Leader
1983			
January	Montevideo	Eighth Meeting of High-Level Governmental Experts, UN Development Program	Department chief, State Committee for Economic Cooperation
February	Cartagena	Latin American Coordination Meeting for UNCTAD VI	Minister of Foreign Trade
April	Buenos Aires	Fifth Ministerial Meeting of the Group of 77	Minister of Foreign Trade
	Mexico City	18th Plenary Meeting of GEPLACEA	Vice Minister of Foreign Trade
May	Buenos Aires	Fourth Conference of Latin American Planning Ministers	Vice President, State Planning Board
	Bogota	Forum of experts on world economic crisis, sponsored by ECLA and SELA	Vice President
	Cartagena	Celebration of 450th anniversary of the city	Foreign Minister
	Quito	Meeting of ECLA-SELA	Minister-President, State Committee for Economic Cooperation
June	Caracas	Congress on Latin American Political Thought	President, National Assembly of the People's Government
August	Caracas	Ninth Pan American Games	Vice President, Council of Ministers
	Rio de Janeiro	Extraordinary Session, GEPLACEA	Vice Minister of Foreign Trade
	San Jose	World Telecommunications Year Seminar	NA
September	Grenada	First NAM Conference for Small Developing Countries	Directorate chief, Ministry of Foreign Relations
	Lima	Fifth Ibero-American Congress of Education	Director, Central Institute of Education Sciences
	Kingston	Preparatory Committee for the Law of the Sea Convention	Vice Minister of Foreign Relations
November	Quito	Political Commission of Latin American Parliament	Member, National Assembly of the People's Government
	Lima	First Ibero-American Meeting	President, Havana Provisional Assembly of the People's Government
1984			
January	Quito	Latin American Economic Conference	Vice President
February	Santo Domingo	Meeting of Latin American Parliament's Human Rights Commission	Representatives of the National Assembly of the People's Government
April	Lima	20th ECLA Ministerial Session	Minister of Foreign Trade

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Cuban representatives attended a meeting of the Human Rights Commission of the Latin American Parliament in Santo Domingo. The Cuban representatives, who remained relatively quiet and moderate during the proceedings, met with members of the Dominican Congress and received an invitation for a Cuban parliamentary delegation to visit the Dominican Republic. Subsequently, a Latin American Parliament delegation, headed by its Dominican Vice President, traveled to Havana in April to observe elections for the Cuban People's Government. In meetings with senior Cuban officials, according to the Cuban Communist Party official daily, *Granma*, the visitors were assured of Havana's support for the Parliament and told that Cuba hopes to become a full member, instead of an observer. []

Economic gatherings in particular have afforded Havana ample opportunity to blame the United States for its alleged exploitation of Latin America, without the Cubans appearing isolated or in the forefront. Havana has suggested that Latin American governments seriously consider renegotiating their debts as a bloc, but so far Cuba has not been vociferous on the subject nor has it gotten out in front of other delegations on this or other controversial issues. Instead, the Cubans usually portray Havana as disposed to go along with majority views formulated at the meetings. []

Cuban representatives also use regional meetings to explain the alleged moderation of Havana's Central American policy to Latin Americans and occasional Europeans. Although far from uniformly successful, they reportedly have been effective in some cases. For instance, the Dominican Foreign Secretary informed our Embassy in Santo Domingo that he gained the impression from other Latin American officials at the SELA meeting in Caracas last September that Cuba was shifting to a more accommodating stance on Central America and would eventually support a peace formula developed by the Contadora group. Similarly, the US Interests Section in Havana was informed by the Venezuelan Charge that the head of the Cuban delegation to the June 1983 Congress on Latin American Political Thought in Caracas had impressed Venezuelan politicians with the moderation of Cuban views on Central America. []

In addition, the Cubans utilize most of the conferences they attend as forums for interviews on a range of topics outside the scope of the meetings themselves. Last year, for example, at a seminar on world economic problems sponsored by SELA and ECLA, Cuban Vice President Rodriguez used the media to voice criticism of the United States, call for Latin American unity without ideological barriers, and claim that Cuba is not intervening militarily in any Latin American country. []

Other Multilateral Gains

Havana also is expanding its contacts with Latin American governments in other multilateral contexts. It has become more active and sophisticated in soliciting Latin American support for representatives from Cuba or governments it favors on boards or committees of international agencies. In exchange, Havana often has agreed to vote for candidates from countries willing to cooperate. Cuban representatives actively competed last year for positions on the governing body of the World Health Organization and succeeded in placing a Cuban in the vice-chairmanship of the Pan American Health Organization. []

Moreover, Havana has stepped up participation in regional cultural activities. During the commemoration of the bicentennial of Simon Bolivar's birth in 1983, for example, Cuban representatives attended events in several countries, including Colombia and Venezuela. During the year, Cuban media also carried numerous features about the celebrations. These gestures evoked generally positive responses, especially in Colombia and Venezuela where several news stories cited them as evidence of Cuba's desire to rejoin the inter-American system. []

Outlook

Havana has reason to be pleased with reaction to its higher profile and its success in using regional forums to complement its other efforts to improve bilateral relations with hemispheric neighbors. We believe the Cubans will persist, at least over the near term, and especially if the Central American situation remains at a critical level. The Castro regime has little other

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maneuvering room to counter US policies in Central America or to respond to Washington's efforts to persuade Latin American governments to keep Cuba at arm's length.

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On balance, however, we doubt that Havana's more active participation in regional meetings will soon lead to a larger Cuban role in regional organizations or that Latin American governments will be more disposed to follow Havana's guidance. In our view, the Cubans will continue to see their intensified regional activities essentially as a means to advance bilateral relations rather than as a way to gain leadership of the inter-American system.

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Chile: The Socialist Revival

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The Socialists' ambiguous commitment to parliamentary democracy has been a persistent source of political instability in modern Chile. The Socialist Party historically has been divided between advocates of violent revolution and moderates pledged to a legal transition to socialism. Support for armed revolution by a significant sector of the party undermined Salvador Allende's effort from 1970 to 1973 to follow a peaceful road to socialism and helped precipitate the coup that brought General Pinochet to power. The radical/moderate split in Socialist ranks has also weakened the party and reduced its appeal to many workers, thereby enabling the well-disciplined, Moscow-oriented Communists to establish themselves as the major spokesmen for Chile's working class.

nonviolent opposition to Pinochet. This faction has grown wary of alliances with the Communists, especially since they abandoned their traditional opposition to armed struggle in the late 1970s. The Altamirano Socialists have muted the harsh class struggle rhetoric of the Allende years and have publicly begun to advocate a democratic political system and a more equitable distribution of income within a mixed economy.

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We believe that this pattern is changing. A decade of military rule has instilled in many Socialists a new respect for democracy and the rule of law. In our view, there is presently a slightly better than even chance that the party can transcend its checkered past and emerge as a significant force for moderation and reform. The appearance of an explicitly anti-Communist Socialist Party would improve the prospects for a peaceful transition to democracy and enhance the stability of any post-Pinochet regime.

The Almeyda group is the heir of the Socialist Party's radical wing, which prior to 1973 often took stances to the left of the Communists. The faction has publicly pledged to seek the violent overthrow of Pinochet and today works virtually hand in glove with the Communists. Almeyda currently lives in East Berlin, and his faction has adopted a pro-Soviet foreign policy, including refusal to condemn the invasion of Afghanistan. Domestically, the *Almeydistas* espouse revolutionary socialism. Like the Communists, they occasionally adhere to democratic procedures out of expediency, but, in our view, representative democracy is not one of their goals.

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Almeyda Versus Altamirano

Although by 1979 the Socialist Party had splintered into over a dozen factions, the party's fundamental ideological debate is reflected in the confrontation between the factions led by Clodomiro Almeyda and Carlos Altamirano.

Although the struggle between Altamirano and Almeyda epitomizes the basic division within Chilean Socialism, in recent years the party's center of gravity has shifted from these exiled leaders to others inside Chile. Many of the exiled leaders, removed from Chilean political reality, have adopted hardline positions and advocated violent resistance to Pinochet. The party chiefs at home, sensitized to the regime's power, have generally been more cautious, lest armed resistance jeopardize their tenuous semiopen status. The increasing influence of internal over exiled cadres has strengthened the Socialists' moderate wing. The best evidence of this was the formation in 1983 of the Socialist Political Unity Committee, which includes the Altamirano faction.

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Altamirano, a senator during the Allende period and currently living in exile in Mexico City, represents what was the moderate wing of the party before 1973.¹ His followers emphasize the need for

¹ Altamirano and Almeyda have switched roles since the Allende years. At that time, Altamirano was a revolutionary firebrand and Almeyda—Allende's foreign minister—was a relative moderate.

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Carlos Altamirano [redacted] Que Pasa ©



Clodomiro Almeyda [redacted] Neues Deutschland ©

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The Political Unity Committee

The Committee for Political Unity (CPU) brought together seven Socialist groups, united by their distaste for the Almeyda faction's pro-Sovietism, advocacy of violence, and pact with the Chilean Communists. It quickly joined the Democratic Alliance, the opposition coalition dominated by the Christian Democrats. Although the group has formed a central committee with representatives from most of its factions, it suffers from the usual personalist conflicts, quarrels between exiled and internal leaders, and a generation gap between older militants and those who reached political maturity during Pinochet's rule. [redacted]

[redacted] the committee is also divided over its relationship with the Communists. Some members want the committee to serve as a conduit between the Democratic Alliance and the other opposition coalition, the Communist-dominated Popular Democratic Movement. Others prefer distancing the Committee for Political Unity from the Communists and unequivocally aligning with the democratic opposition. [redacted]

Notwithstanding these difficulties, we believe that the committee is becoming a cohesive force with the potential to revitalize the Socialist Party and set it on an unambiguously democratic and reformist course. The committee is more united by its opposition to the

Almeydistas than divided by ideological disputes. Although it includes Marxists, democratic socialists, and social democrats, most members seem satisfied with endorsing Marxism only as an analytic tool while emphasizing commitment to democratic means and ends. Furthermore, [redacted]

[redacted] recent hardline positions taken by the Communists have disillusioned many Socialists, who are becoming less interested in acting as a bridge between the Christian Democrats and the radical left. [redacted]

The latest sign that the Committee for Political Unity is coalescing was the selection last month of Carlos Briones as secretary general and Hernan Vodanovich as his deputy. Briones—exiled following the 1973 coup—was associated with the Socialists' moderate wing under Allende and at that time pushed for an understanding between the government and the Christian Democrats. Vodanovich is from the Altamirano sector and represents the younger Socialist leaders who stayed in Chile after the coup. Although their selection is only valid until a party congress elects permanent officers, it sends a clear message of moderation and may help heal the rift

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The Socialist Factions

Prior to 1973 the Socialist Party was characterized by ideological squabbling, personal rivalries, intense factional infighting, and a near-total lack of disciplined and professional cadres. The repression that followed General Pinochet's coup exacerbated these weaknesses and shattered the party's always precarious unity. Roughly two-thirds of top Socialist leaders were removed by assassination, imprisonment, or exile. Lacking (unlike the Communists) an underground tradition, the party had great difficulty establishing a clandestine organization, and contact between exiled leaders and the rank and file became tenuous. By the late 1970s, factionalism had reached ludicrous levels: according to one press report, in 1979 there were 14 semi-independent Socialist Party factions. These were divided ideologically, along personalist lines, according to organizational disputes, and because of differences over tactics.

The Radical Party was the other main socialist/social democratic force in pre-1973 Chile. Although they never became so fractured as the Socialists, the Radicals were divided over similar ideological and personalist questions. One of the three main Radical factions (Democracia Radical) abjured socialism and shifted to the right. Another (the Radical Party proper) adopted a non-Marxist, anticapitalist stance and was divided between a radical leftist tendency and a more moderate internal wing. A third Radical faction (the Social Democratic Party) tried to mold itself into a European-style social democratic force.

[Redacted]

between exiled leaders and the party directors who emerged in their absence.² [Redacted]

[Redacted]

We believe that there is a reasonable chance that the Committee for Political Unity will consolidate its gains and eventually transform itself into a modern Socialist party along the lines of Venezuela's Democratic Action or the Spanish Socialist Workers Party. In so doing it would be in a position to lay claim in free elections to the 15 to 20 percent of the vote historically won by the Chilean Socialist Party.

[Redacted]

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The Challenge From the Left

Most of the remaining Socialist factions present no effective challenge to the committee's effort to restructure Chilean Socialism. Several minuscule Socialist groups also claim to be the legitimate heirs of the pre-1973 Socialist Party, and the committee's position is further complicated by its ambiguous relationship to three Christian socialist parties, with which it forms the loose Socialist Bloc coalition. We see a bleak future for all these factions, however. All are tiny, internally fractured, and rent by ideological and personalist disputes. The Christian socialist groups are split between segments belonging to the Socialist Bloc and factions that work with the Communist opposition coalition. They may linger on for several years but in the long run are likely to disappear, be absorbed by the Almeyda faction, or join the committee.

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The committee does, however, face a serious rival in the Almeyda group, since 1983 a member of the Communist-dominated opposition coalition. Although in 1982 the US Embassy considered the *Almeydistas* one of the largest Socialist factions, we believe that the group's prestige and influence have declined sharply and that it will be hard pressed to wrest the mantle of socialist legitimacy from the Committee for Political Unity.

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The Almeyda faction is in disarray, and many of its top leaders and some of its rank and file have been expelled by the central committee. Some of the most dynamic internal leaders—such as Julio Stuardo—have since joined the CPU. The *Almeydistas* have also abandoned the venerable Chilean Socialist tradition of independence from foreign influence. The Almeyda faction's connections with the USSR and

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Socialist, Social Democratic, and Radical Party Factions in Chile, May 1984

Faction/Group	Affiliation ^a	Leader(s)
"La Chispa" (The Spark—terrorist group)	MDP	Rafael Ruiz
Almeyda Socialist faction	MDP	Clodomiro Almeyda
Socialist Front	None	Juan Carlos Moraga
Socialist Convergence	BS	
Christian Left (IC)	BS	Sergio Aquilo
MAPU (Christian Socialist)	BS ^b	Blas Tomic
MAPU-OC (Christian Socialist)	BS ^b	Marcello Contreras
Socialist Committee for Political Unity (CPU)	BS/AD	Carlos Briones
"Suizos"		Ricardo Lagos
Altamirano faction		Carlos Altamirano Hernan Vodanovic
Ex-Almeydistas		Julio Stuardo Aquin Soto
"Historic" Socialist Party	None	Manuel Mandujano
MAS/USOPO/MR		Victor Sergio Mena
19 April Convergence		Juan Gutierrez
One sector of "Humanists"		
Social Democratic Movement	AD	Jorge Mario Quinzio
Popular Socialist Union	AD/FSD	Ramon Silva Ulloa
Socialist Democratic Party (PSD) ^c	AD/FSD	Luis Bossay
Radical Party (PR) ^c	AD/FSD	Anselmo Sule Enrique Silva Cimma

^a Key: MDP = Popular Democratic Movement (Communist front)
 BS = Socialist Bloc
 AD = Democratic Alliance
 FSD = Social Democratic Federation

^b Factions of both these parties also belong to the MDP.

^c The PSD and PR are in the process of uniting.

Cuba (via its relationship with the Chilean Communist Party) are very close and, as noted, are reflected in its foreign policy stances. This has blurred the distinctions between Communists and hardline Socialists, since both groups agree on virtually every important issue and appear to be almost equally responsive to Soviet wishes.

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If Chile—as appears increasingly probable—achieves a peaceful transition to democracy that avoids serious polarization, we believe that the extremist, violence-prone *Almeydistas* will become even less attractive to potential Socialist voters. We do not, however, expect the Almeyda faction to vanish soon. It will probably subsist for some time as a Communist appendage, serving that party's interests by masking the full extent of Communist control over the Popular Democratic Movement coalition.

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The Possibility of Socialist Unity

Prior to 1973 Chile's oldest party, the Radicals, espoused non-Marxist democratic socialism, and two of its descendants—the present-day Radical Party and the Social Democratic Party—have retained this orientation within the Democratic Alliance. Last March, these two groups took initial steps toward reuniting under an explicitly social democratic program. The Radical Party appears to have curbed the influence of its exiled extremist titular leader Anselmo Sule and disciplined its unruly youth wing. Although afflicted with the usual problems of personalism and generational conflict, we believe that the still-unnamed new party has a good chance of at least partially reviving the old Radical Party's fortunes. In our view, it may be able to win up to 15 percent of the vote in free elections.

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The leaders of the new party have already evinced interest in cooperating with other socialist and social democratic groups. They have created a loose Social Democratic Federation with a rightwing socialist faction and may seek an understanding with the Committee for Political Unity. This would enhance prospects for an effective electoral force on the

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democratic left, but we do not think that formal fusion is likely in the near term. The Radicals were Chile's quintessentially bourgeois party, and embracing their successors too closely would hamper the committee's efforts to compete with the Communists and the Almeyda Socialists for worker support. [redacted]

A strong, responsible, non-Communist left would be a highly positive innovation in the Chilean party system. The instability of pre-1973 Chile was largely a product of the electorate's division into irreconcilable thirds of left, right, and center. If the Communists can be marginalized and the Socialists retain their devotion to democracy, the way would be open for alternation between center-left and center-right coalitions. Chile might then avoid a replay of the political polarization that brought an end to what was once one of South America's most stable democracies.

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Nevertheless, we judge that democratic socialists and Social Democrats probably will eventually arrive at some form of cooperation. Ideological differences between the two groups are not substantial, and both want to assure that in the future the Chilean left is dominated by democrats rather than Communists. Working together, the committee and the reunited Radicals might garner up to one-third of the vote—enough to constitute a non-Communist, center-left option. [redacted]

[redacted]

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Implications for Political Stability

If the Committee for Political Unity and the Social Democratic Federation emerge as cohesive entities, the most immediate result will be a stronger Democratic Alliance. With a more powerful left wing, the principal democratic opposition coalition will no longer appear a mere facade for the Christian Democrats and would be better placed to compete with the Popular Democratic Movement. Ironically, such a development might also diminish rightist objections to the Alliance. The unification of the committee and the Social Democrats has forced both groups explicitly to reject violence and repudiate revolutionary socialism. Thus, they probably will become somewhat more palatable to rightist sectors, which had feared that the Alliance was a Trojan Horse for the insertion of Communism into the moderate opposition movement. [redacted]

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A stronger Democratic Alliance would be a stabilizing force during the transition to civilian government. With a cohesive Alliance standing between the right and the radical left, Pinochet's argument that Communism is the only alternative to continued military rule would lose credibility. If the Alliance came fully to overshadow the Popular Democratic Movement, the government might even agree to a slightly faster transition schedule. [redacted]

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Uruguay: Alvarez Impedes Election Preparations [redacted]

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Uruguay's 11-year-old military government and civilian politicians have failed to agree on ground rules for national elections scheduled for next November. They also have been unable to resolve key issues, such as the role of the armed forces under civilian rule. The stalemate and the short time left to resolve it, combined with President Alvarez's success in perpetuating a climate of uncertainty, raise doubts that the elections will be held on time. [redacted]

Alvarez, who has long sought to extend his term, appears to be the primary architect of the impasse. He has exploited tensions within and between the major Blanco and Colorado Parties, which partly accounts for their failure to agree on a strategy for bringing about an orderly transition. Moreover, he has thus far prevented the armed forces—which are formally in charge of the transition and reportedly in favor of it—from exercising an effective role by capitalizing on their fear that the election might bring a leftist or antimilitary government to power. [redacted]

Fostering Factionalism and Interparty Strife

[redacted]

Because the military high command designated him as President for a truncated three-and-a-half-year term to effect the transition to civilian rule, Alvarez is publicly committed to the November 1984 elections. US Embassy reporting since before he took office has speculated, however, that he would position himself to continue as President, either by extending his term or by winning election for an additional five years. [redacted]

We agree with the Embassy assessment that Alvarez is pursuing such a strategy primarily by attempting to

postpone a change of government. He has sought to exacerbate dissension within Uruguay's major parties—the progressive-dominated Blancos, and the more moderate Colorados. At the same time, he has tried to prevent these parties from working together to restore constitutional rule. His success appears to be based on an adroit use of his authoritarian presidential powers to keep his political opponents off balance by:

- Alternatively cracking down on civilian leaders or lifting bans on their political activities.
- Regulating the media through censorship decree laws.
- Changing the electoral laws to permit minority party factions to field candidates.
- Granting political favors to conservatives and leftists—including illegal groups—to undercut moderate elements essential to a smooth political transition. [redacted]

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Alvarez's treatment of his political adversaries varies greatly, depending on circumstances and his tactical objectives. For example, he has refused to pardon or to restore the political rights of the Blanco Party's presidential candidate, Wilson Ferreira. Instead, Alvarez insists that, if Ferreira, who now resides in Argentina, returns to Uruguay, he must face a military trial for having maligned the armed forces when they seized power in 1973. [redacted]

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On the other hand, this March the President released Liber Seregni, leader of the illegal leftist Broad Front coalition, who had served 11 years of a 14-year jail sentence for subversion. [redacted]

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[redacted] the liberation of Seregni served the dual purpose of demonstrating that the government was sincere about the political transition while weakening Blanco Party support by siphoning off some of its leftwing followers. Even though Seregni

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President Gregorio Alvarez



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but the Colorados accused Alvarez of favoring the party's small progovernment factions. [redacted]

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Polarizing the Political Scene

Although Alvarez justifies his public initiatives as necessary to move the transition forward, in our view, they often have had the effect of further polarizing political sentiment and reducing the ground for compromise or dialogue between civilians and the military. The closings of newspapers and radio stations have become so frequent as to virtually end coverage of political developments independent of official pronouncements. Some political leaders have privately told US Embassy officials that they believe Alvarez is attempting to weaken or eliminate the centrists by attacking them. As evidence, they note that the government has authorized public demonstrations by leftists, including the May Day celebration this year, that was organized by outlawed, Communist-controlled workers' organizations. At the same time, it has refused permission for legal parties to hold similar rallies. [redacted]

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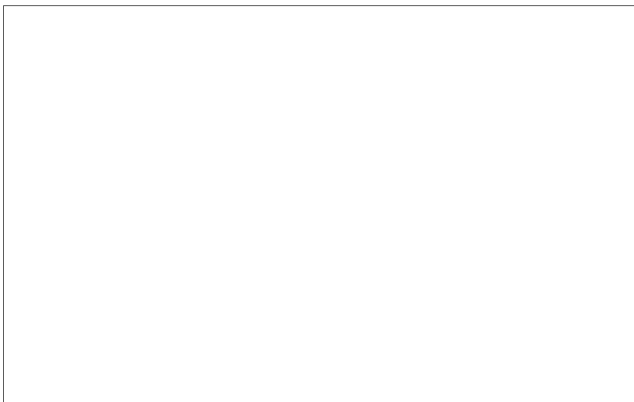
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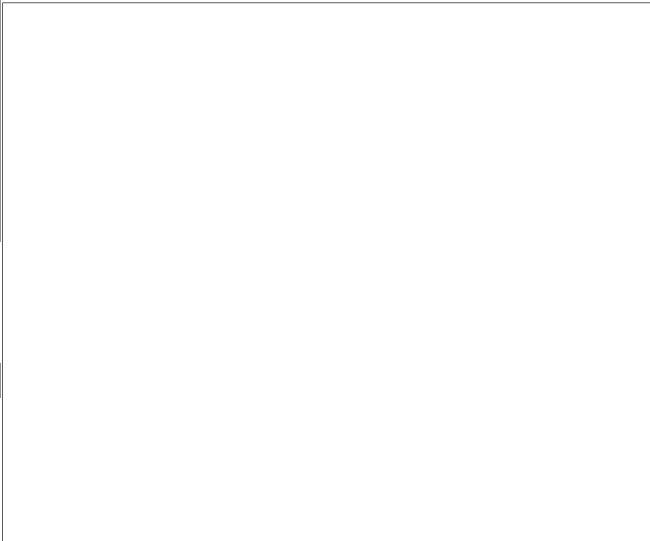
cannot run for public office—because of continuing restrictions on his political activities—he meets freely with various groups and, [redacted] has become a catalyst for the revitalization of the extreme left, including the Communists. [redacted]



We believe that Alvarez's strategy has generally been to ignore moderate Colorado leaders, such as front-runner Julio Sanguinetti, with whom a political dialogue might be possible. Instead, [redacted] government schemes to deepen divisions within the party as well as to undermine Sanguinetti's political strength. In early May, Alvarez modified the electoral law, easing requirements for minority factions to nominate their own candidates. The government asserted that this was a democratic move,

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widespread hatred in the military of Blanco leader Ferreira also works to Alvarez's advantage.

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Institutional Weaknesses

Despite recurrent efforts to reopen discussions with civilian leaders, the military high command seems unable to attract the politicians to the conference table. When the long-awaited draft of a proposal to lay the groundwork for a new constitution was presented last month, it evoked a sharp negative reaction. One Blanco leader, for example, deemed it unacceptable and essentially unchanged from a proposal offered by the military a year ago.

We believe that the military's lack of access to civilian leaders is an obstacle it will not easily overcome. In our view, one of the most crucial factors complicating Uruguay's return to democratic rule relates to the evolution of the military regime itself. Until 1981, when Alvarez assumed office, the Uruguayan generals resisted the emergence of a strong presidential system, preferring to remain the power behind the throne. Consequently, they failed to establish channels of communication with the political parties. Their decision to allow Alvarez to preside over a lengthy transition period reflected their preference to continue to deal with the civilian politicians at arm's length. This situation was tailor-made for the ambitious Alvarez, who has manipulated it to his own advantage.

Moreover, Alvarez has prevented the high command from asserting the unified leadership needed to move the transition forward. He has the support of some senior officers—particularly in the Army—and has been able to neutralize some of his opponents by relegating them to minor posts. He also plays on the armed forces' fears of a terrorist/Communist resurgence or of military trials—similar to those in Argentina—after the civilians return to power. The

Outlook

We believe it is premature to assess the probability that elections will be held on schedule or to predict what the ground rules are likely to be, but the current signs are not favorable. The longer the political impasse persists, the more likely that public demonstrations—already occurring regularly and sometimes attracting hundreds of thousands—will become more frequent and hostile. We believe that politically linked violence—sponsored by both right-wing and leftwing groups—probably will escalate, particularly if elections are postponed. Even if the impasse is broken, the government has failed thus far to shape an environment for elections that would be widely accepted as giving the winners a legitimate mandate to govern.

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Latin America Briefs

Brazil
Military Unhappiness []

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A retired general whose stance appealed to a substantial number of junior officers unhappy with current Brazilian economic policy made a relatively strong showing last month in his losing bid for the presidency of the prestigious Military Club. The challenger had announced his intention of converting the club from its generally social functions into a political forum. He is noted for his rightwing nationalist views, including opposition to the IMF, multinational companies, and US influence in Brazil. Although few officers agree with his extreme political stance,

[] many saw the election as an opportunity to protest the Army budget, inadequate training, and a perceived decline of professional standards. []

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The reelection of the incumbent, the high command's preferred candidate, indicates that the military leadership still retains control over the officer corps and that most officers remain committed to the armed forces' withdrawal from politics. Nevertheless, the challenger's ability to win 40 percent of the vote reveals extensive military unhappiness and raises the danger that the current economic difficulties and the transition to civilian rule could further weaken military unity.

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Chile
Presidential Scandal []

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A Santiago court has begun to investigate allegedly illegal property transactions involving President Pinochet and several close aides. The case, brought by a group of moderate opposition lawyers, has quickly become a major political issue. The government has organized a series of public demonstrations of support for Pinochet that have included Cabinet ministers and Army generals. []

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[] the generals decided to endorse the President publicly only after he agreed to adopt a more collegial governing style and to consult more closely with the ruling military junta. []

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The judicial process, which includes several layers of appeal, will take months to unfold. Conclusive proof that Pinochet or his associates illegally profited from his office would disturb the military, which takes pride in its reputation for integrity. Pinochet's loud protestations of innocence and his hasty mobilization of support indicates his awareness that even the appearance of impropriety can harm him. He may not keep the reported promise to govern in a less autocratic fashion, but the scandal has at least temporarily increased his vulnerability to pressures from inside and outside the government. The opposition has sensed this weakness and will take advantage of it by pressing the government to shorten the schedule for transition to civilian rule. []

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