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# The Situation in Bolivia

Submitted by

*Richard Helms*

DIRECTOR OF CENTRAL INTELLIGENCE

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Authenticated:

*James D. Ladd*  
EXECUTIVE SECRETARY, USIB

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## CONTENTS

	<i>Page</i>
THE PROBLEM .....	1
CONCLUSIONS .....	1
DISCUSSION .....	2
I. THE INSURGENCY .....	2
II. THE POLITICAL BACKGROUND .....	4
III. THE BARRIENTOS REGIME .....	5
IV. THE MILITARY .....	8
V. THE OPPOSITION .....	9
VI. ECONOMIC AND SOCIAL PROBLEMS .....	9
VII. THE OUTLOOK .....	10

[ ]



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## THE SITUATION IN BOLIVIA

### THE PROBLEM

To estimate the situation in Bolivia and the probable impact of the present insurgency on it, over the next year or so.

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### CONCLUSIONS

A. The present insurgency in Bolivia is organized and supported by Cuba. Its seriousness lies in the possibility that the insurgents may eventually provide a rallying point for many disaffected elements which hitherto have been unable to coalesce. [ ]

[ ]  
B. Over the next year or so, there is little chance that the insurgents will be able to bring about the overthrow of the Barrientos regime, but it is also unlikely that the regime will be able to stamp out the insurgency.

C. A prolongation and expansion of the insurgency would impose severe financial and psychological strains on Bolivia, greatly hindering the economic development and social amelioration that are essential to the achievement of stability in that country. Defense costs for a protracted guerrilla war would add heavily to the already serious deficit in the national budget, would further limit public investment, and would threaten the government's stabilization program. [ ]

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[ ]  
D. If the government's counterinsurgency operations are protracted and unsuccessful, that would encourage other disaffected elements to undertake more active opposition to the government. It would also seriously damage the morale of the military. In these circumstances, the tenure of the Barrientos regime would become precarious.

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## DISCUSSION

### I. THE INSURGENCY

1. Armed resistance to central authority has long been commonplace in the Bolivian hinterland. Concern regarding the present insurgency is a consequence of conclusive evidence that it is organized and supported by Cuba. From this source the insurgents have received leadership and training, modern automatic weapons, and a body of revolutionary doctrine. [ ]

2. In March 1967 a Bolivian army patrol clashed with a guerrilla band north of Camiri, in southeastern Bolivia (see map). A month later Jules Regis Debray, a French intellectual, and Ciro Roberto Bustos, an Argentine Communist, were captured in the same area. Debray is a friend of Fidel Castro and a publicist for his revolutionary theories; his arrest in itself ensured worldwide publicity for the Camiri band. Debray and Bustos added to the sensation by declaring that the leader of the guerrilla movement in Bolivia was none other than Ernesto ("Che") Guevara. [ ]

3. "Che" disappeared in March 1965 under circumstances which raised some doubt that he was still alive. Since then there have been scores of conflicting and unconfirmed reports and rumors as to his whereabouts. Somewhat stronger evidence has recently become available: it suggests Guevara's presence in Bolivia at some time during the past year. But whether or not "Che" is in Bolivia, it is clear that the Camiri guerrillas are led by someone who keeps in contact with Cuba and who is well versed in the Guevara doctrine of revolution.

4. A main theme of the Castro-Guevara-Debray doctrine is that city-bred "revolutionary" parties cannot effect a real revolution—that, as in Cuba, the revolution must originate as a guerrilla movement in the remote hinterland. By its survival and continuing defiance, such a guerrilla movement will demonstrate the powerlessness of the regime and will draw to itself true revolutionary spirits. Eventually the guerrilla movement will win the sympathy and support of the oppressed population and will itself constitute the basis for the development of the truly revolutionary political party. This theory is, of course, a recapitulation of the Cuban experience from the Castroist point of view.

5. The available evidence indicates that the Camiri band numbers only about 100 men. Although the nominal commander is a Bolivian, it is evident that the cadre is composed of Cubans and of Bolivians trained in Cuba. [ ]

[ ] It appears that the group had planned to spend more time in recruitment and training, that it was discovered before it was ready to begin active operations, and that its leaders realize that its consequent dependence on its Cuban cadre may prove politically disadvantageous by provoking a nationalistic Bolivian reaction.

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6. Since their discovery these guerrillas have operated in an area extending from Camiri northward for 150 miles to Samaipata on the Cochabamba-Santa Cruz highway (see map). This area lies in the eastern foothills of the Andes; the elevation varies from 1,500 to 9,000 feet. It is sparsely populated; the availability of supplies, especially food, is meager. Access is limited by the north-south pattern of the ridgelines. Moreover, thick foliage on the slopes provides concealment for the guerrillas. They are well protected from observation and attack from the air. Army patrols approaching on foot up rugged streambeds are highly vulnerable to being ambushed.

7. Counter guerrilla operations in such terrain would be extremely difficult for well-equipped, well-trained, and well-motivated forces. [ ]

[ ] The guerrillas have several times managed to ambush army patrols, inflicting casualties without permitting the army units to close. The guerrillas, however, have been compelled to abandon their base camp, and the Bolivian army has recently killed or captured a few of them.

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8. The Bolivian army numbers about 15,000 men, of whom only about 5,000 in MAP-supported units are reasonably well-equipped.<sup>1</sup> Its effectiveness is limited by the fact that its conscripts serve only a one-year tour of duty, leaving a minimal period of service after the completion of basic training. The army has committed more than 2,000 men to containing the 100 Camiri guerrillas, but few of them are from MAP-supported units. [ ]

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9. Several small guerrilla bands, in addition to that in the Camiri-Samaipata area, probably exist in other similarly inaccessible areas (see map). Some may be composed of ordinary, undisciplined Bolivian outlaws, but there are indications that two such bands (those in the Alto Beni and Chaparé areas) may be organizationally connected with the Camiri insurgents. As yet they have engaged in no active operations, but they could of course be used to divert and distract the Bolivian counter guerrilla forces.

10. It is evident that the initiative in launching the Bolivian insurgency came from Havana rather than from any of the three local Communist parties.<sup>2</sup> [ ]

[ ] Since the Camiri band became engaged, the Central Committee of the pro-Soviet party has publicly endorsed the guerrilla

<sup>1</sup> In addition, there are 2,400 men in the air force and 1,400 in the river and lake naval force.

<sup>2</sup> See the table (pp. 6 and 7) for brief descriptions of political organizations in Bolivia.

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movement

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In short, the guerrillas are quite willing to accept local Communist assistance as and when it suits their own plans, but are careful not to identify themselves with or subordinate themselves to any local Communist party. In accordance with Cuban doctrine, they expect to organize the true revolutionary party on the basis of the guerrilla movement itself.

11. It is unclear whether the guerrillas have won the sympathy of the sparse rural population in the areas in which they operate, although it is notable that they have paid well for the food supplies they have taken and have provided medical services to the villages they have entered. Their greatest potential source of recruits is the large number of unemployed and bitterly disaffected tin miners, but the miners are generally reluctant to leave the Altiplano and so far only a small number of them have actually been recruited. The distance of the guerrilla zone from urban centers discourages the participation of disaffected students.

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## II. THE POLITICAL BACKGROUND

13. Bolivia experienced a real political and social revolution in 1952, but the resulting governments made only limited progress toward solving basic political and economic problems. The fervent nationalism of the revolutionary leaders could not transform the country into an integrated nation. More than half the population are Indians who speak Quechua or Aymará rather than Spanish; there are strong geographical and cultural barriers to the development of national unity.

14. Initially the 1952 revolution, sparked by *campesino* and miner militias and directed by the National Revolutionary Movement (MNR), attempted to alter radically the existing social conditions.<sup>3</sup> It nationalized the tin mines, expecting

<sup>3</sup> Although it is a major producer of tin, Bolivia's per capita gross national product (GNP), about \$150, exceeds only that of Haiti and is well below the \$400 average for Latin America. Bolivia's population is about 60 percent illiterate.



[ ]

thereby to gain the means to carry out its other intended reforms. It freed the Indian from the control of absentee landlords, gave him land and the vote, and sought to give him education. But the nationalized tin mines produced deficits instead of profits<sup>4</sup> and agricultural production fell. These factors, combined with fiscal and managerial irresponsibility, produced a staggering inflation. The government's efforts to control inflation and to rationalize tin production were bitterly resisted by the miners, who virtually controlled the mines, as well as by a left-wing faction of the MNR under Juan *Lechin* Oquendo. [ ]

[ ] By running for a third presidential term in 1964, Paz drove a sizable faction of the MNR (including former President Hernan *Siles Zuazo*, 1956-1960) into opposition. Forced thereby to seek military support, Paz grudgingly accepted the Air Force commander, General Rene *Barrientos* Ortuno, as his running mate. Mutual suspicion grew between the two, and Paz, unable to control increasing resistance to his rule, was finally ousted by the military leadership in November 1964.

### III. THE BARRIENTOS REGIME

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15. Although the discredited MNR leadership was thrown out, the military leaders who took control pledged continuance of the MNR revolution. The two main figures in the provisional government were General Barrientos and General Alfredo *Ovando* Candia, who became co-presidents. Barrientos enjoyed considerable popularity, based largely on the bold bearing he had shown in the face of several previous attempts to assassinate him. He prepared for election to the constitutional presidency by presenting himself as an advocate of Christian democracy and by forming a coalition of miscellaneous political fragments called the Bolivian Revolutionary Front (FRB) — see table. In the election held on 3 July 1966 Barrientos won 61 percent of the vote. This impressive victory was as much a tribute to his skillful manipulation of disparate political forces as it was to his popular appeal.

<sup>4</sup> The government tin enterprise, COMIBOL, suffering from low world tin prices and worn equipment, was further plagued by a high level of mismanagement and corruption. As a result, production fell from 27,000 tons in 1952 to 15,000 in 1960 and the mines lost \$1 million a month in the latter year.



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## BOLIVIAN POLITICAL PARTIES

### *The Bolivian Revolutionary Front (FRB)*

(Dissolved, July 1967)

Popular Christian Movement (MPC)	This party was created by Barrientos as his personal vehicle for the 1966 presidential election. It is composed of his personal followers without much regard to ideology; its popular support is drawn almost exclusively from the <i>campesinos</i> of the Cochabamba area.
Authentic Revolutionary Party (PRA)	This party is an off-shoot of the MNR. It is led by Walter Guevara Arze, a moderate who left the party over Paz's decision to seek a second term in 1960. It then polled 100,000 votes, but since then has dwindled.
Party of the Revolutionary Left (PIR)	Although it was started in the 1940's as a Marxist party and still professes those leanings, it is now far more moderate than Lechin's PRIN and among other things recognizes the need for US aid. The PIR has an estimated membership of 2,000 and is strongest among students in Cochabamba.
Social Democratic Party (PSD)	Founded as a discussion group after the MNR revolution, by businessmen and professionals, it is considered conservative in the post-1952 political context. Its present membership is estimated to be 1,000.

### *Non-Communist Opposition*

National Revolutionary Movement (MNR) (Outlawed in 1967)	This is probably still the largest political party in Bolivia, but is split into three factions led by Paz, Siles, and Andrade, with the first two in exile. The Paz faction won 5.5 percent of the vote in the 1966 election; the Andrade faction, 8 percent. The Siles faction did not participate in the election.
Revolutionary Party of the Nationalist Left (PRIN) (Outlawed in 1967)	This party was formed in 1964 as a vehicle for Juan Lechin's aspirations after his expulsion from the MNR. It drew its strength from labor, being most influential among the miners, but its influence has declined since 1965.
Bolivian Socialist Falange (FSB)	Begun by upper and middle class elements in the late 1930's, it originally drew its inspiration from Spanish and Italian fascism. During the MNR era it was constantly plotting against the government, even to the extent of launching an insurgency. It has regained some prestige since the 1964 coup and now is the only opposition party with substantial representation in congress. In 1966 it polled 12 percent of the vote.
Christian Democratic Party (PDC)	Never influential, the party is now bogged down in dialectics between youthful activists and old pragmatists. It has flirted unsuccessfully with Barrientos and with most opposition parties.

[ ]

BOLIVIAN POLITICAL PARTIES (Continued)

*Communist Opposition*

Communist Party of Bolivia  
("Pro-Soviet")  
(Outlawed in 1967)

This party has an estimated membership of 5,000. Politically it has been relatively docile, having been content to cooperate with Paz in the past and being seriously limited by lack of funds at present. Most of its strength is concentrated in La Paz, the region around the mines, and Cochabamba. A leftist front organized by this party received 33,000 votes in the 1966 election, 3 percent of the total.

Communist Party of Bolivia  
("Pro-Chinese")  
(Outlawed in 1967)

This party split from the PCB in 1965, largely because of personal rivalries within the PCB leadership. Subsequently it accepted Chinese recognition and financial aid and so came to be labeled pro-Chinese. Its present active membership is estimated at 500 to 1,000.

Revolutionary Workers' Party  
(POR)  
(Outlawed in 1967)

After being split for several years, this "Trotskyite" organization theoretically has been unified since February 1966. Its total membership is not more than a few hundred. The POR is most influential in the mining region and among La Paz factory workers.

[ ]

16. The electoral arrangement between Barrientos and the FRB proved to be no more than a temporary expedient. Barrientos' sure victory gave patronage and second wind to parties hitherto destined to oblivion. In return he was given political respectability and legitimacy. Despite constant avowals of support for the Front, Barrientos showed little subsequent interest in it. He prefers to rule as a sort of constitutional caudillo. Opposition parties, on occasion, have negotiated with him about joining the government, but he has rejected overtures from both the Bolivian Socialist Falange (FSB) and the Andrade faction of the MNR. As his most crucial support comes from the military, the breakup of the Front in July 1967 and the reshuffling of the cabinet in August were of little real import. The individual parties of the former coalition continue to be aligned with the Barrientos government and their more important leaders are in the new cabinet.

#### IV. THE MILITARY

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18. Both Barrientos and the military realize that they depend on each other. Barrientos could not have become president and could not remain in office without the united support of the military. The military, for their part, doubt that they could control the country without such political and popular support as Barrientos is able to contribute to the partnership. Both the military leaders and Barrientos realize that a split within the military would spell disaster. Both are therefore careful to avoid provoking such a split.

19. [ ]

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20. [ ]

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## V. THE OPPOSITION

21. Cut off from patronage and influence, Bolivian opposition parties are fragmented and powerless. They represent regional or special interests and find co-operation with other parties difficult. Even the MNR is now divided, leaderless, and with little influence in important sectors of the population. Paz is in Peru, Lechin in Chile, and Siles in Uruguay. [ ]

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22. Opposition parties have sought to take advantage of the government's unpopularity among students and miners as well as its inability to end the insurgency. Elements of the FSB have from time to time attempted to form alliances [ ]

[ ] After the outbreak of the insurgency the MNR and PRIN were outlawed along with the three Communist parties.

23. The Bolivian Communists are as fragmented as the non-Communist opposition. During the MNR era the PCB maintained a live and let live relationship with the Paz Administration. [ ]

[ ] it behaved prudently enough to maintain its legal status. [ ]

[ ] The 1964 coup caught the PCB just as it was about to split into "pro-Soviet" and "pro-Chinese" factions. A further blow was dealt to the party in May 1965, when the government occupied the mines and arrested Communist and leftist labor leaders.

## VI. ECONOMIC AND SOCIAL PROBLEMS

24. The revolution in 1952 was followed by a protracted period of economic deterioration and a raging inflation. Since 1962, however, the economy's growth rate has averaged over five percent annually, prices have been relatively stable, and international reserves have climbed from a low of \$4 million in 1962 to \$37 million in June 1967. For the most part, this recovery has been spurred by substantial growth of imports and exports, increased domestic and foreign private investment, and large inflows of economic assistance.

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25. High tin prices have contributed to this improvement, but so has the government's economic policy.<sup>5</sup> Barrientos has pledged his government to a program of stabilization and development and has instituted fiscal policies that seek to bring public revenues in approximate balance with public expenditures. He has also taken advantage of his freedom from doctrinaire political commitments to seek new foreign private investment, a heresy to most Bolivian politicians.

26. Nowhere has this effort to improve the economy been more evident than in Barrientos' policy toward the state enterprises. Prior to the 1964 coup these enterprises constituted a major drain on the economy.<sup>6</sup> Now their efficiency has been increased, and in the case of tin has combined with higher world prices over the last three years to produce an operating surplus which has been used for public investment. On the other hand, the overall fiscal situation has weakened since 1964 because of the growing budgetary deficits of the central government. These deficits have had to be financed increasingly by the central bank since the elimination of US direct budget support. This inflationary form of financing has risen from less than one percent of central government expenditures in 1964 to 10 percent in 1965 and about 16 percent in 1966, but has not yet had a marked effect on prices.

27. For most Bolivians, however, stabilization and development programs have little meaning. The 1952 revolution raised expectations, but did not permanently improve the standard of living for many. Impatience over the lack of progress in fulfilling its goals has created pockets of resentment in urban areas and among students and miners. The 1964 coup not only ended the domination of labor over mine management, but the government's subsequent efforts to achieve efficiency threw hundreds of miners out of work and cut wages drastically. Although Barrientos has subsequently raised miners' wages, their political emasculation by him has left deep hatreds. While it succeeded in forcing the miners back to work, the government's decisive and ruthless suppression of demonstrations in May and June has intensified the miners' disaffection.

## VII. THE OUTLOOK

28. The Castro regime, during the session of the Latin American Solidarity Organization in Havana in July and August 1967, once again publicized its determination to encourage violent revolutions in Latin America. Fidel Castro probably regards the opportunities for the insurgents in Bolivia as more favorable (at least in the long run) than is the case with other active insurgency movements. [ ] Consequently we believe he will make special efforts to sustain the guerrilla operations in Bolivia through financial and technical aid. This does not imply substantial logistical support.

<sup>5</sup> In 1965, tin exports accounted for 72 percent of foreign exchange earnings from commodity exports. The average world price for Bolivian tin rose from \$1.13 in 1963 to \$1.50 in 1964, reached a high of \$1.74 in 1965, and dropped to \$1.61 in 1966 and to about \$1.50 in mid-1967.

<sup>6</sup> In addition to COMIBOL, the most important public enterprises are the National Petroleum Corporation, the Bolivian Development Corporation, and the Bolivian National Railroad Enterprise.

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The guerrillas will be operating in almost inaccessible areas. Moreover, Cuban doctrine anticipates that, once launched, they will live off the country, obtaining even arms by capture. In any case, the ultimate success or failure of the Bolivian insurgency will depend on its ability to win adherents from the already disaffected elements of the Bolivian population.

29. Over the next year or so, there is little chance that the insurgents will be able to bring about the overthrow of the Barrientos government. They themselves contemplate a more prolonged operation. The government is in firm control of the vital areas of the country: La Paz, Cochabamba, and the mines. It will probably continue to receive the united support of the military establishment, on which its tenure of office depends; the fragmented political opposition is not likely to be able to combine effectively against it. But it is unlikely that the government will be able to stamp out the insurgency.

30. The longer the guerrilla movement survives, the more it will tend to undermine the Barrientos government. Up to now guerrilla activity has had little effect on economic performance. Defense costs for a protracted guerrilla war would add heavily to the already serious deficit in the national budget, would further limit public investment, and would threaten the government's stabilization program. Prolonged insecurity would also discourage the foreign capital investment that Bolivia needs to exploit its untapped resources. Moreover, labor unrest, especially in the mines, would hinder production, with widespread economic repercussions.

31. A protracted and futile counter guerrilla campaign would encourage opposition elements to increase their opposition to the government, whether or not they allied themselves directly with the guerrillas. Even some of Barrientos' present political supporters might defect. The government itself could stimulate resentment and opposition (as did the Batista regime in Cuba) if, through its frustration over the insurgency, it reacted brutally to student or miner protests.

1.3(a)(4)(5)

32. Military morale would also be seriously damaged by a long and unsuccessful campaign.

[ ] Repeated failure against the insurgents, combined with strain in maintaining control at the mines, might lead eventually to disaffection in the army, particularly among junior officers.

33. Barrientos will almost certainly seek increasing aid, principally from the US, in coping with the insurgency and with its economic and financial consequences. Although eager to obtain increased technical and material military aid, he would be extremely reluctant to sanction a military intervention in force, by either the already concerned neighboring states or by the OAS, lest that provoke a nationalistic reaction and make patriotic heroes of the insurgents.

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