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BOLIVIA: Challenges to Interim President

Interim President Gueiler's seven-week-old administration has weathered its initial challenges in the face of continuing opposition from military coup plotters and querulous political factions.

General Luis Garcia Meza, commander of the military academy in La Paz, presented the government with its first serious problem by inspiring conservative officers to reject a Gueiler-chosen high command. The President replaced her Army commander with one more acceptable to Garcia Meza's group but stood firm on her other appointments. Garcia Meza, the focus of numerous coup rumors, epitomizes Gueiler's dilemma: how to formulate policy decisions without antagonizing conservatives in the military.

By implementing a necessary but politically unpopular economic austerity program--including a 25-percent peso devaluation and price increases for certain key goods and services--Gueiler has secured needed international financial assistance. She used her friendship with key labor leader Juan Lechin to help calm violent opposition to these moves from labor and peasant groups, and compromised on some price increases without jeopardizing the stabilization program. Nonetheless, new increases or opposition attacks on the economic package could threaten the domestic calm. Anti-US demonstrations could occur as well because of Bolivian opposition to planned sales of tin from US stockpiles.

Gueiler has called for elections in July, and she must now address issues crucial to the election process. She favors general elections, but those Congressmen who took office only last summer oppose them. Gueiler must also prod Congress to establish clearer criteria for the selection of a new chief executive to serve a full four-year term. A prolonged deadlock over this issue would endanger the timetable for this year's contests and could prompt further coup plotting.

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