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# BOLIVIA

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Bolivia has a poor record of political stability having had an average of one president for each year of its independent existence. Democratic elections held under an interim president in June 1980 gave a plurality but not an outright majority to the left of Centre Candidate Hernan Siles. A military coup unseated the civilian interim president shortly after. Repression by the military junta under General Meza resulted in major western powers withholding recognition and economic aid to the Meza government. General Meza was forced to resign in August 1981. His successor, General Torrelío Villa, held power for nearly a year and was succeeded by Colonel Foretino Rico Toro, who had a mandate to return the country to civilian rule. On October 10, 1982, Hernan Siles Suazo was sworn in as the 63rd democratically-elected president. The new civilian government has revived hope for a return to economic stability. The government however faces a number of challenges on three fronts — the redirection and control of the military, the resolution of the current economic crisis, and the management of a difficult Congress. The Suazo government has received strong political and economic support from many western governments in their efforts to bolster this new democratic regime.

At the end of 1982, Bolivia was \$250 million in arrears on foreign loan payments of \$540 million. The Siles Suazo government will also have to convince militant mine workers to accept an economic stabilization plan in order to qualify for a \$119 million standby credit from the International Monetary Fund (rejected by the previous military governments) and renegotiate the country's \$3.8 billion foreign debt.

Poor economic performance and political instability over the past two years has resulted in declining trade figures. Bolivia's imports fell to \$691.2 million in 1981 from \$813.8 million in 1980. At the end of 1982, the country's total import bill is expected to amount to no more than \$400 million, a drop of over 40 per cent from last year's already depressed level. In 1981, Bolivia's exports fell by 4 per cent to \$996 million, partially due to the drop in prices of principal export commodities such as tin. (The market price of tin has fallen to \$4.35 a pound, below the \$5.35 a pound it costs to produce it). Oil production has not met export targets and although there has been some growth in this sector, output barely exceeds domestic requirements.