

~~Top Secret~~

BOLIVIA: Election Outlook

Bolivians will participate on Sunday in the third general election in two years, but a military takeover in the immediate postelection period is possible.

Former chief executives Hernan Siles Zuazo and Victor Paz Estenssoro probably will win the most votes, with former President Banzer running a strong third. If--as expected--none of the 13 candidates achieves a simple majority, the election will be decided by the new Congress when it convenes in July.

Followers of both Siles and Paz have pledged to support the one who gets the most popular votes, although neither candidate has yet committed himself. The three leading contenders, however, have shown interest in negotiating a settlement to avoid any postelection stalemate. The major parties also are considering a coalition government to ensure broad political support for the next civilian administration.

A repeat of last year's electoral deadlock in Congress would tempt military hardliners to lead a coup on the pretext of restoring order and leadership. Investigate armed forces plotters reportedly will accept either Paz or Banzer as president. They consider Siles an extreme leftist, however, and have threatened an immediate coup if he wins the election.

In addition to having to contend with a turbulent political environment and the continual threat of a coup from military conservatives, the new president will have to deal with a depressed economy.

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