

MEMORANDUM

Bolivia 2795

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THE WHITE HOUSE
WASHINGTON

INFORMATION
September 26, 1969

MEMORANDUM FOR THE PRESIDENT

FROM: Henry A. Kissinger *K*

Pres has seen
OCT 6 1969

SUBJECT: Bolivian Coup

The Bolivian armed forces under General Alfredo Ovando seized control of the government in the early hours of this morning. The coup had been planned for some time. Plans called for the arrest of President Siles and his exile from the country, but it is not clear from the reports received so far if the President has in fact been seized.

Up to now no significant disorders are reported, and no Americans have been hurt or U. S. property damaged. The military's plans were well established and they should be able to control any opposition to the coup. President Siles does not have great active support, and no serious organized opposition to the coup is expected. Some demonstrations by students and some labor sectors may occur but the military should be able to contain them.

The first proclamation read over the La Paz radio was signed by General Ovando, as "President of the Revolutionary Government". It states the armed forces had to assume control to prevent anarchy and disorder. General Ovando has been in the center of Bolivian politics since 1964 when he helped former President Barrientos overthrow the government of Paz Estenssoro. Ovando remained in the shadow of the more flamboyant Barrientos until Barrientos' death last April. Ovando has long wanted to be President and had planned to run as a candidate to succeed Barreintos. After Barrientos death he continued to work behind the scenes on behalf of his own campaign, but was prepared to assume power by force if he concluded that that was his only path to power. He has now apparently concluded that this was his only recourse and he has also presumably assured himself that he would be able to govern with some degree of popular support.

Fifty-one year old General Ovando is a cautious, deliberate, though somewhat indecisive man. He is strongly anti-Communist. He is friendly to the U. S. and has been cooperative with U. S. officials. But he is also a strong nationalist and likely to want to be "independent" of U. S. influence. A biographic sketch is attached. (Tab A)

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A government under Ovando's leadership is almost certain to be more nationalistic than his predecessors, and Ovando may take some lessons from the Peruvian experience in seeking to consolidate his position with nationalistic issues.

U. S. interests--particularly the mining and oil investments--will undoubtedly be affected by the change of government. Gulf Oil, which has drawn fire in the Bolivian congress and press, will probably be the first to feel pressure at least in the form of requests for greater share of profits through higher taxes, royalties or creation of mixed companies. If he feels necessary, Ovando may also move toward nationalization.

The new cabinet which has just been announced is mixed civilian-military. Three--the new Ministers of Mines, Labor, and Information--are very strong critics of U.S. economic and development policies and strong nationalists, thus Ovando will be under pressure from some of his own supporters to move in an "independent" nationalist direction.

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