

**A Bond that will Permanently Endure: The Eisenhower
administration, the Bolivian revolution and Latin American leftist
nationalism**

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Abstract

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This dissertation examines how Latin American diplomacy helped shape U.S. officials' response to revolutionary movements at the height of the Cold War. It explains the striking contrast between U.S. patronage of the Bolivian revolution and the profound antagonism with similar leftist nationalist movements in Cuba and Guatemala. Although U.S. policymakers worried that "Communists" were infiltrating the Bolivian Government, Bolivian diplomats convinced the Eisenhower administration to support their revolution. The dissertation demonstrates that even during the peak of McCarthyism, U.S. policymakers' vision extended far beyond Cold War dogmatism. This vision incorporated a subtle, if ultimately contradictory, appreciation of the power of nationalism, a wish to promote developmental liberalism, and a desire for hemispheric hegemony regardless of strategic and ideological competition with the Soviet Union. U.S. officials were eager to exploit the emerging force of third world nationalism and employ it to *strengthen* the "inter-American system." The Bolivian revolutionaries presented their political project as copacetic to Washington's wider regional goals, and thus managed to secure considerable freedom of movement to continue to pursue a radical revolutionary agenda and statist program of development, financed and enabled by hundreds of millions in U.S. aid dollars.

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Introduction

The Bolivian revolution of April 1952 saw pitched battle between Marxist miners' unions and the armed forces of Bolivia on the streets of the capital La Paz, during which hundreds died. *Time* magazine initially reported 3,000 dead and 6,000 injured, under a headline: "Bolivia: Blood-drenched comeback" for the "fanatical members of the totalitarian Movement of National Revolution (M.N.R.)."¹ The Bolivian army was roundly defeated and the triumphant miners and peasants welcomed exiled Victor Paz Estensorro back from Argentina to assume the presidency. Having transformed an abortive coup into a successful popular revolution, the MNR's armed allies amongst the unions and peasantry moved to the center of Bolivian political, economic and military power.²

Observers in Washington seemed primed to react badly. According to Embassy, State Department, CIA and NSC reports, "Communists" were "infiltrating into the Bolivian Government."³ Its President and Foreign Minister, supposed moderates within the government, were both Marxists, and there was "little doubt" of their "totalitarian orientation."⁴ In the months

¹ *Time*, 21 April 1952, p. 42. Most estimates now put the toll of the dead at around one thousand or less.

² Radical miners' unions had joined the MNR's attempted coup and transformed it into a revolution, routing the army with their own armed militias, and exercising significant influence on the MNR through the politically powerful Central Obrero Boliviano (COB), an umbrella labor organization. The virtual monopoly on military power wielded by the victorious militias proved crucial in cementing their influence on the ruling government and Bolivian politics in the 1950s.

³ Telegraph from the Embassy in La Paz to the Department of State, 2 February, 1953, NARA, CDF, RG 59, 724.001/2-253.

⁴ Telegraph from Maleady (chargé d'Affaires) to Department of State, April 14, 1952 NARA, CDF, RG 59, RG 59, Box 3307, 724.00/4-1452. See also NIE 92-54, "Probable Developments in Bolivia," Created: 3/16/1954, CIA electronic reading room, p. 4. ONLINE RESOURCE: http://www.foia.cia.gov/browse_docs.asp, accessed 08/04/08; "Analysis of Internal Security Situation in Bolivia and Recommended Action," by the OCB for the NSC, June 17,

immediately following the revolution, the new regime nationalized tin companies owned by U.S. interests and enacted sweeping land reform at the behest of armed peasant groups, drawing inspiration from the Guatemalan agrarian reform.⁵

The Eisenhower administration, like most American presidencies during the Cold War, has been castigated for its “obsess[ive],” “overzealous,” “virulent” and “hardline” anticommunist ideology and stubborn determination to interpret global events “solely within the context of the Soviet-American confrontation.”⁶ Yet Eisenhower and his administration continued to recognize the MNR regime after an abortive falangist counter-coup in January 1953 swung the nation’s politics further leftwards. Even more surprisingly, six months later Eisenhower decided to provide the revolutionary government with large aid packages. Aid to Bolivia totalled \$192.5 million in the Eisenhower years, the vast majority of it in the form of grants. This is almost half of the 400 million dollars of military aid that the whole of Latin America received during the Eisenhower administration.⁷ Bolivia was the second highest per capita recipient of U.S. aid in

1955, p. 4. Dwight D. Eisenhower Library, Abilene, Kansas, White House Office, National Security Council Staff: Papers, 1948-1961. OCB Central File Series, Box 24, OCB 091.Bolivia (2) June 1955-December 1956.

⁵ Paz claimed explicit inspiration from Guatemala’s reforms. Telegraph from Sparks to the Department of State, 23 January, 1953, NARA, CDF, RG 59, Box 3309 724.00 (W)/1-2353. Guatemalan government and press, reporting the success of the MNR revolution and its subsequent reforms, also cheerfully proclaimed “we are no longer alone in the hemisphere.” Telegraph Rowell to the Department of State, 8 May, 1953, NARA, CDF, RG 59, Box 3309, 724.00(W)/5-853.

⁶ Quotes on the Eisenhower administration’s anticommunism are from, respectively, Rabe, *Eisenhower in Latin America*, p. 69; Ira Chernus, *General Eisenhower*, p. 304; Burton I. Kaufman, *Trade and Aid: Eisenhower’s Foreign Economic Policy, 1953-1961*, (Baltimore: Johns Hopkins University Press, 1982), p. 9; Shawn Parry-Giles, *The Rhetorical Presidency, Propaganda, and the Cold War, 1945-1955*, (Westport, Connecticut: Praeger, 2002), p. 161. Quote on the Soviet Union in Rabe, *Eisenhower and Latin America*, p. 32. See also Stephen Rabe, “Dulles, Latin America and Cold War Anticommunism” in Richard H. Immerman (ed.), *John Foster Dulles and the Diplomacy of the Cold War*, (Princeton: Princeton University Press, 1990), p. 162.

⁷ Rabe, *Eisenhower and Latin America*, p. 77.

Latin America (behind Haiti).⁸ By 1957 the United States was providing 34 percent of Bolivia's budget.⁹

Why did the administration evince such commitment to the leftist government? What were U.S. policymakers and officials at various levels of the bureaucracy trying to achieve in Bolivia and the wider region? How can many of the same people have presided over the U.S.-engineered coup in Guatemala in 1954 and the collapse of U.S.-Cuban relations in 1960 (or, for that matter, Iran in 1953)? Jacobo Arbenz' government and the July 26th movement led by Fidel Castro, like the MNR, had Marxist ideological inspiration and enjoyed the backing of radical leftist political groups, including local Communist Parties. All three advocated nationalizing their countries' national resources in defiance of U.S.-owned companies. Each enacted sweeping land reforms. They invoked anti-American rhetoric in the framing of their nationalist search for greater autonomy. And all these movements overthrew governments and traditional ruling oligarchies that had been allies of the United States up until their last moments in power (if not beyond).

Policies towards Bolivia, Cuba and Guatemala in the 1950s have their own histories, but also fit within a broader historiography on Eisenhower, the Cold War and U.S. policy in Latin America. Scholarship on the Eisenhower presidency has largely moved on from debating whether Eisenhower was directly involved in foreign policy formulation and implementation, after the publication of Fred Greenstein's benchmark revisionist history: *The Hidden Hand Presidency*.¹⁰ Some revisionist scholars not only recognized Eisenhower's significant input, but

⁸ Blasier, "The United States and the Revolution" in Malloy and Thorn (eds.), *Beyond the Revolution*, pp. 88-89; Richard Patch, "Bolivia: U.S. Assistance in a Revolutionary Setting," in Richard N. Adams et al., *Social Change in Latin America Today: Its Implications for United States Policy*, (New York: Harper & Brothers, 1960), p. 152.

⁹ Rabe, *Eisenhower and Latin America*, p. 77.

¹⁰ Frederick Greenstein, *The Hidden-Hand Presidency* (New York: Basic Books, 1982).

also praised his restraint and foresight in crafting “the basic elements of a viable cold war strategy.”¹¹

Though Eisenhower’s central role in policy formulation came to attract broad scholarly acceptance, the latent (and sometimes forthright) triumphalism of some revisionist accounts seemed out of place to many scholars writing in the 1980s and 90s on the administration’s policies in the Third World. Robert McMahon’s 1986 critique of the revisionists sets forth a key claim of what became known as “post-revisionism.” McMahon wrote that the revisionists’ failure “to appreciate the centrality of Third World nationalism [in international affairs and U.S. foreign policy interests] has led them to present a distorted and oversimplified view of American foreign relations during a critical eight-year period.”¹² In the Third World post-revisionist scholars saw little sagacious restraint, and more damaging interventionism based on profound misunderstanding of the political projects of Third World nationalists and their role in the international system.¹³ As Richard Immerman put it, “in the Third World... Dulles floundered in an alien sea.”¹⁴ Odd Arne Westad, following the analysis of many regional specialists, also depicted Eisenhower as rather bemused by the Third World, “wondering aloud” in an NSC

¹¹ Andrew J. Goodpaster (U.S. army general), quoted in Bowie and Immerman, *Waging Peace*, pp. v, viii. John Lewis Gaddis wrote that Dulles was also a key partner in developing a “sophisticated, long term strategy” for contesting the Cold War. John Lewis Gaddis, “The Unexpected John Foster Dulles,” in Immerman, (ed.), *John Foster Dulles and the Diplomacy of the Cold War*, p. 67. Aaron Friedberg Bowie and Immerman go further by claiming that Eisenhower’s was also the first “coherent” Cold War strategy, one that was a key dynamic in securing the eventual downfall of the Soviet Union. Bowie and Immerman, *Waging Peace*, p. 3. See also Friedberg, *In the Shadow of the Garrison State*, p. 341.

¹² Robert McMahon, “Eisenhower and Third World Nationalism: A Critique of the Revisionists,” *Political Science Quarterly* Vol. 101, No.3 (1986), pp. 457.

¹³ John Lewis Gaddis, *Strategies of Containment: A Critical Appraisal of American National Security Policy During the Cold War* (Oxford: Oxford University Press, 2005), p. 182.

¹⁴ Immerman, “Conclusion” in Immerman (ed.), *John Foster Dulles and the Diplomacy of the Cold War*, p. 280.

meeting why it was not possible to “get some of the people in these down-trodden countries to like us instead of hating us.”¹⁵

The Cold War, either as a strategic or an ideological concern, provided an explanation of U.S. policy that Eisenhower post-revisionists, as well as Latin Americanists and Cold War scholars, have all seized upon.¹⁶ A common claim is that U.S. policymakers’ anticommunism and preoccupation with containment bred a harmful misunderstanding of Latin American and Third World political movements that flourished in Washington during the 1950s.¹⁷ According to this narrative, which spans Cold War revisionism and Eisenhower post-revisionism as well as scholarship on Bolivia, U.S. officials’ misunderstanding was rooted in Cold War ideology and geostrategy. These intellectual failings bred a toxic combination of support for “stable” dictatorships and an accompanying neglect of socio-economic reform and foreign aid when U.S. policymakers did not see any direct Cold War threat to that “stability,” real or imagined.¹⁸ Because U.S. officials could not interpret these challenges outside of a Cold War context they responded with reactionary interventionism to movements they did not understand in Indonesia,

¹⁵ Westad, *The Global Cold War*, p. 122. For further criticism of misunderstanding in Bolivia, Cuba and Guatemala, see Kenneth Lehman, *Bolivia and the United States: A Limited Partnership*, (Athens, GA: University of Georgia Press, 1999), p. 114. According to Richard Welch, Eisenhower seemed ‘honestly puzzled at the animus shown by Fidel Castro’” Richard E. Welch, *Response to Revolution: The United States and the Cuban Revolution, 1959-1961* (Chapel Hill: University of North Carolina Press, 1985), p. 41.

¹⁶ The Cold War as a strategic concept for policymakers in Washington would fit loosely under the rubric of “containment,” or more broadly geostrategic competition with the Soviet Union. As an ideological construct, the Cold War might be construed from the U.S. perspective as “anticommunism,” which had influence both on political and economic policy. Both provide the explanation for the intervention in Guatemala for the foremost historical account of the decision to intervene: Piero Gleijeses, *Shattered Hope: The Guatemalan Revolution and the United States, 1944-1954* (Princeton: Princeton University Press, 1991).

¹⁷ Lars Schoultz, *National Security and United States Policy Toward Latin America* (Princeton, N.J: Princeton University Press, 1987); Schoultz *Beneath the United States; Rabe Eisenhower and Latin America*.

¹⁸ See Rabe, *Eisenhower and Latin America*; Robert A. Pastor, *Exiting the Whirlpool: U.S. Foreign Policy Toward Latin America and the Caribbean* (Boulder: Westview Press, 2001).

Iran, the Congo, Vietnam, Lebanon, Guatemala, Cuba and beyond.¹⁹ These interventions helped fuel and inspire anti-American nationalist movements across the Third World, whose challenges to American allies and American values created conflicts and political discourses that had important consequences outside of a Cold War framework.²⁰

The above narrative gathered increasing explanatory power in the United States after American intervention in the Vietnam War and the collapse of the Cold War consensus over containment. U.S. policy in the early Cold War seemed to be defined by Washington's monolithic construction of a global communist threat, which led to the "confusion of nationalism with communism."²¹

Yet in Bolivia that confusion seems never to have materialized. Many historians have sought to explain this puzzle. Some see U.S. policymakers' acceptance of the Bolivian revolution as a result of a lack of coherence, a "shotgun approach," or "simplified attributions" of anticommunist intent to the MNR whilst seeing nothing but communist encroachment in

¹⁹ Westad, *Global Cold War*; Robert McMahon, "Eisenhower and Third World Nationalism: A Critique of the Revisionists," *Political Science Quarterly* Vol. 101, No.3 (1986), pp. 453-473; Blanche Wisen Cook, *The Declassified Eisenhower: A Divided Legacy*, (Garden City, NY: Doubleday, 1981). For more recent iterations of this approach, see David F. Schmitz, *Thank God They're on our Side: The United States and Right-Wing Dictatorships, 1921-1965* (Chapel Hill: University of North Carolina Press, 1999); Seth Jacobs, *America's Miracle Man in Vietnam: Ngo Dinh Diem, Religion, Race, and U.S. Intervention in Southeast Asia*. (Durham, NC: Duke University Press, 2004); Stephen Streeter, *Managing the Counterrevolution: The United States & Guatemala, 1954-1961* (Athens, Ohio: Ohio University Press, 2000), p. 4; Lehman "revolutions and attributions," p. 189.

²⁰ Matthew Connelly, "Taking Off the Cold War Lens: Visions of North-South Conflict during the Algerian War for Independence," *American Historical Review*, Vol. 105, No. 3. (June, 2000), pp. 739-769.

²¹ Immerman, "Conclusion" in Immerman (ed.), *John Foster Dulles and the Diplomacy of the Cold War*, p. 280. See also John Lewis Gaddis, *Strategies of Containment: A Critical Appraisal of American National Security Policy During the Cold War* (Oxford: Oxford University Press, 2005), p. 182; David L. Anderson, *Trapped by Success: The Eisenhower Administration and Vietnam, 1953-1961* (New York: Columbia University Press, 1991), p. 22.

For a notable exception, see Vanni Pettinà, "The Shadows of Cold War over Latin America: The U.S. Reaction to Fidel Castro's Nationalism, 1956-59," *Cold War History*, 11: 3 (August 2011), pp. 317-339.

Guatemala.²² Some insist on the importance of unusually sympathetic or enlightened personnel on the ground in La Paz, who were given more responsibility in a backwater like Bolivia.²³ Others emphasize the manipulative reactionary intent at the heart of Washington's approach, using Bolivia's economic dependence to cynically undermine the promise of the MNR's revolution. In doing so, many historians minimize the leftist or revolutionary credentials of the MNR "moderates" who acquiesced to U.S. empire.²⁴

These characterizations miss the broader rationales and purposeful support for Bolivia that ran throughout the administration, from the Embassy and mid-level State Department desk officers to Eisenhower himself. Moreover, close analysis of the Bolivian example has much to contribute to the wider literature of U.S.-Latin American relations and histories of the Cold War and the Eisenhower administration. Previous works either overemphasize the extent and nature of U.S. distrust and antipathy towards regional nationalism, discount the radicalism and agency of the Bolivian revolution and its leaders²⁵, or mischaracterize the nature of U.S. foreign policy

²² Rabe, *Foreign Policy of Anticommunism*; Lehman. "Revolutions and Attributions"

²³ G. Earl Sanders, "The Quiet Experiment in American Diplomacy," *Americas* 33.1, (July, 1976), pp. 25-49; Robert J. Alexander, *The Bolivian National Revolution* (New Brunswick: Rutgers University Press, 1958); Lehman, *Bolivia and the United States*, p. 103.

²⁴ Siekmeier, *The Bolivian Revolution and the United States*, p. 43; Klein, *Bolivia*, p. 232; Lehman, *Bolivia and the United States*, p. 92.

²⁵ Eric Selbin, *Modern Latin American Revolutions* (Boulder, CO: Westview Press, 1993); James M. Malloy, *Bolivia: The Uncompleted Revolution* (Pittsburgh: University of Pittsburgh Press, 1970); Stephen Rabe, *Eisenhower and Latin America: The Foreign Policy of Anticommunism* (Chapel Hill: University of North Carolina Press, 1988); Lehman *Bolivia and the United States*, pp. 92, 110.

as overly dominated by economic interests²⁶, the dogmatic need to contain hostile ideologies²⁷, or infantilizing, racist and gendered assumptions.²⁸

Despite some impressive recent efforts in moving beyond Soviet-U.S. bipolarity, general Cold War historiography has also still not fully delineated the place of Latin American nationalist movements in U.S. policymakers' minds. Many influential accounts, whilst recognizing the importance of Third World nationalism and decolonization as alternative organizing concepts for post-1945 diplomatic and international history, still emphasize the hostile, if not ignorant, desire of North American officials to "contain" or "fight" nationalism in Latin America and beyond.²⁹ Westad, for example, argues that the intervention against

²⁶ Stephen Schlesinger and Stephen Kinzer, *Bitter Fruit: The Untold Story of the American Coup in Guatemala*, (Cambridge, MA: Harvard University Press, 1999). Rabe, *Eisenhower and Latin America*.

²⁷ Be they economic nationalism or communism. James Siekmeier, *Aid, Nationalism and Inter-American Relations: Guatemala, Bolivia and the United States, 1945-1961* (Lewiston, NY: Edwin Mellen Press, 1999); Stephen Streeter, *Managing the Counterrevolution*.

²⁸ Louis A. Pérez, Jr., *Cuba in the American Imagination: Metaphor and the Imperial Ethos* (Chapel Hill: University of North Carolina Press, 2008); Frederick Pike, *The United States and Latin America: Myths and Stereotypes of civilization and nature*. (Austin: University of Texas Press, 1992). Thomas G. Patterson, *Contesting Castro: The United States and the Cuban Revolution* (New York: Oxford University Press, 1994), pp. 254, 257; Amy Kaplan and Donald Pease, *Cultures of United States Imperialism* (Durham: Duke University Press, 1993); Pérez, *Cuba in the American Imagination*. for accounts emphasizing racist assumptions driving U.S. policy see also, George White, *Holding the Line: Race, Racism and American Foreign Policy toward Africa, 1953-1961* (Rowman and Littlefield: Lanham, MD, 2005). Thomas Borstelmann, *The Cold War and the Color Line: American Race Relations in the Global Arena* (Harvard University Press: Cambridge, Massachusetts, 2001), pp. 129-131; Borstelmann, *Apartheid's Reluctant Uncle: The United States and Southern Africa in the Early Cold War* (New York: Oxford University Press, 1993), p. 199.

²⁹ Salim Yaqub, *Containing Arab Nationalism: The Eisenhower Doctrine and the Middle East* (Chapel Hill: University of North Carolina Press, 2004); James Siekmeier, *Aid, Nationalism and Inter-American Relations*, p. 207. See also Herbert Klein, *A Concise History of Bolivia*, Second Edition (New York, Columbia University Press, 2011), p. 218; Siekmeier, *The Bolivian Revolution and the United States, 1952 to the Present* (University Park: Pennsylvania University Press 2011), p. 23. Klein, an authoritative historian of Bolivia, repeats the characterization of the "very conservative and Cold War regime of Secretary of State John Foster Dulles and president Dwight D. Eisenhower" as "hostile to all revolutionary regimes."

Mossadegh represented the death of the idea that the United States should co-opt radical Third World nationalism.³⁰

James Siekmeier is another scholar who focuses on the antinationalist enterprise at the heart of U.S. policy. Siekmeier has done some excellent work to stress the transformative potential of the Bolivian revolution, although he ultimately places greater emphasis on the U.S.-imposed constraints that frustrated this potential. In Latin America, Siekmeier sees the United States as motivated not by Cold War concerns, but by its relationship to Third World nationalism. In his numerous works, Siekmeier consistently argues that the Eisenhower administration was essentially hostile to the Bolivian revolution and saw its economic nationalism as a threat to U.S. interests. U.S. policy therefore forced "Bolivia's powerful left" into "a partial retreat from the revolution," using tin contracts and aid programs to foster and encourage Bolivian dependency and further the interests of U.S. private capital.³¹

Siekmeier is one of many scholars who have focused on the economic leverage the U.S. was able to wield over the nascent revolution, given that it was the only realistic destination for Bolivian tin ores. Some accounts argue for the radicalism of the Bolivian revolution³², though

³⁰ Odd Arne Westad, *The Global Cold War: Third World Interventions and the Making of Our Times*, (New York: Cambridge University Press, 2005), p. 119.

³¹ Siekmeier also emphasizes the dominance of the moderate faction within the MNR from 1952 onwards, and harmful impact of the Eder plan and US military aid to Bolivia (at the Bolivian government's request) later in the decade which ultimately destroyed the revolution. Siekmeier also emphasizes the dominance of the moderate faction within the MNR from 1952 onwards, and harmful impact of the Eder plan and US military aid to Bolivia (at the Bolivian government's request) later in the decade which ultimately destroyed the revolution. Siekmeier, *The Bolivian Revolution and the United States, 1952 to the Present* (University Park: Pennsylvania University Press 2011), pp. 2-3, 8. See also Kenneth Lehman, "Braked but not broken: Mexico and Bolivia- Factoring the United States into the Revolutionary Equation" in Merilee S. Grindle and Pilar Domingo (eds.), *Proclaiming Revolution: Bolivia in Comparative Perspective* (Cambridge, MA: Harvard University Press, 2003), pp. 91-113.

³² Alan Knight argued that there were only four genuine and successful twentieth century social revolutions in Latin America: Mexico in 1910, Bolivia in 1952, Cuba in 1959 and Nicaragua in 1979. All of these revolutions, excepting Bolivia, provoked U.S. serious and sustained military intervention. Alan Knight, "Democratic and Revolutionary Traditions in Latin America," *Bulletin of Latin American Research*, Volume 20, Issue 2, (April 2001), pp. 147-186, also Charles W. Arnade, "Bolivia's Social Revolution, 1952-1959: A Discussion of Sources," *Journal of Inter-*

many doubt the revolutionary commitments of its leadership³³, but the overwhelming historical consensus holds that the effect of the U.S. on this revolution was to stymie, “brake,”³⁴ “diffuse,”³⁵ “moderate”³⁶ and “fight”³⁷ the revolution’s radical economic nationalism, or render it “unfinished” and incomplete.³⁸ Scholarship written after the 1964 military coup that deposed President Paz has emphasized both the coercive and the counterproductive nature of U.S. aid there, and many scholars see U.S. aid as having merely served to reinforce Bolivian dependency whilst stifling economic nationalism and lasting socio-economic reform.³⁹ The fact that the U.S. was willing to accept the nationalization of the tin mines and land reform was the result of the ‘prompt, adequate and effective compensation’ the Bolivians were forced to pay to former mine owners, and the fact that U.S. companies were less directly harmed by the nationalization and land reform.⁴⁰

American Studies, Vol. 1, No. 3 (July, 1959), p. 342; Lawrence Whitehead, “The Bolivian Revolution: A Comparison” in Merilee S. Grindle and Pilar Domingo (eds.), *Proclaiming Revolution: Bolivia in Comparative Perspective* (Cambridge, MA: Harvard University Press, 2003), pp. 25-53.

³³ Herbert Klein, *Bolivia: The Evolution of a Multiethnic Society* (New York: Oxford University Press, 1992), p. 232; Siekmeier, *The Bolivian Revolution and the United States*, p. 43; Lehman, *Bolivia and the United States*, p. 92 [citing numerous others, including James Malloy and Christopher Mitchell].

³⁴ Kenneth Lehman, “Braked but not broken: Mexico and Bolivia- Factoring the United States into the Revolutionary Equation” in Merilee S. Grindle and Pilar Domingo (eds.), *Proclaiming Revolution: Bolivia in Comparative Perspective* (Cambridge, MA: Harvard University Press, 2003), pp. 91-113.

³⁵ Rabe, *Eisenhower and Latin America*, p. 126.

³⁶ Blasier, *Hovering Giant*, p. 238.

³⁷ Siekmeier, *Aid, Nationalism and Inter-American Relations*, p. 83.

³⁸ James M. Malloy, *Bolivia: The Uncompleted Revolution* (Pittsburgh: University of Pittsburgh Press, 1970); Christopher Mitchell, *Legacy of Populism in Bolivia: From the MNR to Military Rule* (New York: Praeger, 1977).

³⁹ Richard Gordon Frederick “United States Aid to Bolivia, 1952-1972” (Unpublished PhD, University of Maryland, 1977); Siekmeier, *Aid, nationalism and Inter-American Relations* and *The Bolivian Revolution and the United States, 1952 to the Present*; Stephen Zunes, “The United States and Bolivia,” *Latin American Perspectives*, Vol. 28, No. 5, Free Trade and Resistance. (September, 2001), pp. 33-49

⁴⁰ For the relative isolation of direct U.S. economic interests from the nationalization and land reform, see Rebecca Scott, “Economic Aid and Imperialism in Bolivia,” *Monthly Review*, 24; 1 (May 1972); Stephen Zunes, *The U.S.*,

Others go further. Kenneth Lehman has argued that there was no considered, strategic rationale for the decision to embrace the MNR whilst simultaneously preparing to overthrow Arbenz. Lehman's line of reasoning shares much with accounts that argue pragmatism and short term mitigation of crisis situations led the U.S. towards an embrace of the Bolivian revolution.⁴¹ Though he does incorporate a combination of "Cold War blinders," a "McCarthyite mood" and hegemonic concerns into his analysis of the wider stakes for U.S. policymakers, he sees little serious reflection on the broader incoherency between Bolivia and Guatemala policy, especially at higher levels of the administration.⁴² Lehman ultimately argues that early assumptions surrounding the personalities of the MNR leadership, aided by MNR contacts with administration officials and key supporters such as Milton Eisenhower, U.S. labor leaders Gardener Jackson, Ernesto Galarza and Serfino Romualdi and sympathetic embassy staff, meant that the administration concluded the Bolivians were trustworthy whereas the Guatemalans were not.⁴³ These calculations were, according to Lehman, made early, and based on limited information and "simplified attributions" of intent, as to the character of the leftist nationalist governments in Guatemala and Bolivia.⁴⁴

Bolivia, and Dependency (2007). ONLINE RESOURCE: <http://stephenzunes.org/2007/11/05/the-u-s-bolivia-and-dependency/>

⁴¹ James Siekmeier and Cole Blasier also describe the early period 1953-56 as one of "stop-gap emergency aid" and "emergency assistance." Siekmeier, *Aid, Nationalism and Inter-American Relations*, p. 247; Blasier, *The Hovering Giant*, p. 134. Both have strong evidence for this interpretation, notably from the language and analysis of top policymakers and policy documents themselves from the end of the 1950s that analyze the period 1953-1956. See Herter to American Embassy Bonn (Enclosure "US Objectives and Programs of Aid to Bolivia"), NARA, CDF, RG 59, RG 59, 824.10/2-1458, Box 4276; RG 59 LOT FILES Bureau of Inter-American Affairs, Office of the Deputy Assistant Secretary, Office Files, 1956-59, Box 25, Folder: Bolivia 1959.

⁴² Lehman "Revolutions and Attributions," p. 213; Lehman, *Bolivia and the United States*, pp. 105-106.

⁴³ Lehman, "Revolutions and Attributions," p. 210.

⁴⁴ *Ibid.*, pp. 210, 211, 213.

It seems historians are reluctant to acknowledge willing and purposeful U.S. support for the revolution, support that gave the MNR real breathing space to pursue its substantial reforms. U.S. behavior is explained either by pragmatism or the extension of coercive economic imperialism by other means. Perhaps an undue significance is given to the “prompt, adequate and effective compensation” required by the United States, which despite public assertions to the contrary from both parties, did *not* occur.⁴⁵ And the MNR’s turn away from expansive social spending in 1956 mandated by the Eder Plan, whilst only partially effective, has nonetheless colored analysis of the revolution’s earlier years where U.S. aid was directly subsidizing nationalized industries, the arming of miners and peasant militias, and expanded social spending without any guarantees as to the direction the revolution was headed.⁴⁶

Siekmeier was, however, right to insist that in Bolivia and Guatemala the Soviet Union and the Cold War played only an indirect role in defining the administration’s response to leftist nationalism in Bolivia and Guatemala.⁴⁷ This goes against the grain of scholarly consensus on the reasons for the intervention in Guatemala and Cuba. Piero Gleijeses’ influential account has argued for Cold War anticommunism as providing a rationale for U.S. policy. For him, by the Eisenhower administration’s accession to power, U.S. policymakers were very *well informed* as to the communist sympathies of Arbenz, even if their wider fear of Soviet intrusion was

⁴⁵ Though Milton Eisenhower agreed with the Big Three mining companies in Bolivia that the compensation levels eventually paid out were unrealistic, he argued that at least the MNR attempted to pay lip service to the principle of compensation. See chapter 6, also Milton Eisenhower, *The Wine is Bitter: The United States and Latin America*, (Garden City, New York: Doubleday and Company Inc., 1963), p. 146.

⁴⁶ There were internal reasons for the Eder Plan too, namely the economic crisis brought about by a declining tin industry that the revolution was unable to reverse.

⁴⁷ Siekmeier, *Aid, Nationalism and inter-American relations*. See also Stephen Zunes, *Decisions on intervention: United States Response to Third World Nationalist Governments, 1950-1957* (unpublished PhD, Cornell University, 1990), p. 204.

misplaced and the Cold War rationale for the June 1954 intervention was a disaster for Guatemala and for U.S. interests.⁴⁸ Similarly, U.S. conclusions that Castro had committed himself to communism forms the central explanation for his fall from grace in U.S. eyes.⁴⁹ In Bolivia too, the granting of U.S. aid is explained by Stephen Zunes as a result of policymakers' ability to force Paz into making a clearer anticommunist stance.⁵⁰

Latin America has a long history of popular interaction and contestation with the power of the United States and traditional elites, and this broader perspective has led some scholars to challenge the centrality of the U.S.-Soviet Cold War conflict over ideology and geostrategy in the region's history.⁵¹ To deal with this broader history some studies have tried to expand outward the meaning of the "Cold War" concept. These scholars seek to use the term to describe a conflict that predates the rise of the Soviet as global superpower, or even the foundation of the Soviet Union itself. For them, the Cold War was the clash of revolutionary (Marxist) and counterrevolutionary (anti-Marxist) social forces, whose violent struggle in Latin America was catalyzed by the onset of the Mexican revolution in 1910.⁵²

Rather than changing definitions of the Cold War, some studies of U.S. international relations and the Eisenhower administration have sought to position international relations, the Third World and nationalist movements in contexts outside of "the Cold War." Salim Yaqub's

⁴⁸ Gleijeses, *Shattered Hope*.

⁴⁹ Patterson, *Contesting Castro*, p. 187; G. Warner "Eisenhower and Castro: U.S. – Cuban relations 1958-1960." *International affairs* 75 (1999), pp. 816-17, 810.

⁵⁰ Stephen Zunes, "The United States and Bolivia," p. 41.

⁵¹ Zheng Yangwen, Hong Liu, and Michael Szonyi (eds.), *The Cold War in Asia: The Battle for Hearts and Minds* (Leiden: Koninklijke, 2010); Gilbert M. Joseph and Daniela Spenser, (eds.), *In from the Cold: Latin America's New Encounter with the Cold War* (Durham: Duke University Press, 2008).

⁵² Gilbert Joseph and Greg Grandin, (eds.), *A Century of Revolution: Insurgent and Counterinsurgent Violence during Latin America's Long Cold War* (Durham: Duke University Press, 2010), pp. 400, 44.

Containing Arab Nationalism is a notable example, which noted some subtlety in policymakers' attitudes towards Arab nationalism.⁵³ Matthew Connelly also noted sophistication in U.S. analyses of Algerian nationalism, and advocated "taking off the Cold War lens" in the process.⁵⁴

But what lens should replace it? If zero-sum Cold War point scoring was not the only calculus in the minds of U.S. policymakers, how did Washington identify its priorities, recognize potential threats and seize possible opportunities? I wish to examine two conceptual approaches: treating U.S. policy towards Latin American revolutions as dominated by a desire for empire which predated and outlived confrontation with the Soviet Union, and influenced by an analysis of Third World nationalisms that transcended the Cold War.

Emphasis on Third World nationalism as an alternative framework for understanding U.S. policies in the twentieth century is not perhaps as new to diplomatic history, nor to historians of U.S.-Latin American relations, as the framing and reception of Westad's influential *Global Cold War* might suggest.⁵⁵ Cold War revisionist and New Left scholars such as Gabriel Kolko and Noam Chomsky have long argued that U.S. Cold War ideology acted as a cipher for the real purpose of U.S. policy. In this narrative, the real purpose of Washington's engagement with the world was a Wallersteinian quest for empire in the global periphery that emphasized economic exploitation and the suppression of Third World nationalisms seeking autonomy from the global

⁵³ Yaqub, *Containing Arab Nationalism*.

⁵⁴ Connelly, "Taking Off the Cold War Lens". Of course, new studies also continue to perpetuate the tendency to use the Cold War as a central organizing concept. See Kathryn C. Statler and Andrew L. Johns (eds.), *The Eisenhower Administration, the Third World, and the Globalization of the Cold War*, (Rowman and Littlefield, Lanham, MD, 2006); Kenneth Osgood, *Total Cold War: Eisenhower's Secret Propaganda Battle at Home and Abroad*, (Lawrence, KS: University of Kansas Press, 2006);

⁵⁵ See Westad, *Global Cold War*, introduction. Westad also argued that the intervention against Mossadegh represented the death of the idea that the United States should co-opt radical Third World nationalism. Odd Arne Westad, *The Global Cold War: Third World Interventions and the Making of Our Times*, (New York: Cambridge University Press, 2005), pp. 122, 119.

capitalist system policed by U.S. power.⁵⁶ The primacy of hegemony or imperialism as a motivation for and explanation of U.S. policy is an assessment that fits particularly well with Latin America (or at least the Caribbean), where the roots of U.S. imperialism are obvious and deep.⁵⁷

The nature and primary purpose of this empire or hegemony is up for debate, and the literature debating it is vast. Perhaps the most productive definition of empire would be the ability for a state to exercise effective control of another nation's sovereignty, whether through formal or informal structures.⁵⁸ Hegemony, a term I prefer in the case of U.S. policy toward Latin America in the Cold War era, represents a desire for dominance, influence and leadership on behalf of policymakers (and non-state actors), but implies not only a significant degree of cooperation on behalf of the dominated, but also negotiation, adaptation and appropriation of dominating ideologies and policy goals for separate and distinct ends.⁵⁹

For those who characterize U.S. policy in Latin America and in the Cold War as empire, the desire for economic domination drove U.S. policy and interventionism more than anything.⁶⁰

⁵⁶ Noam Chomsky, *At War with Asia*, (New York: Pantheon Books, 1970) p. 8. Kolko, *Confronting the Third World*; Walter LaFeber, *Inevitable Revolutions: The United States in Central America* (London: Norton, 1983). See also Andre Gunder Frank, "The Development of Underdevelopment" in *Imperialism and Underdevelopment: A Reader* edited by Robert I. Rhodes (New York: Monthly Review Press, 1970): 4-17.

⁵⁷ Greg Grandin, *Empire's Workshop: Latin America, The United States, and the Rise of the New Imperialism*, (New York, Metropolitan Books, 2006).

⁵⁸ Charles Maier, *Among Empires: American Ascendancy and its predecessors* (Cambridge, Mass: Harvard University Press, 2006). For an influential account positing the idea of informal empire, see John Gallagher and Ronald Robinson, "The Imperialism of Free Trade," *The Economic History Review*, Second series, Vol. VI, no. 1 (1953).

⁵⁹ Julio Moreno, *Yankee Don't Go Home! Mexican Nationalism, American Business Culture, and the Shaping of Modern Mexico, 1920-1950* (Chapel Hill: University of North Carolina Press, 2003); Seth Fein, "Transcultured Anticommunism: Cold War Hollywood in Postwar Mexico," in *Visible Nations: Latin American Cinema and Video*, ed. Chon A. Noriega (Minneapolis: University of Minnesota Press, 2000).

⁶⁰ To the Cold War revisionists of the 1960s and 70s, containment of the Soviet Union was merely a mask for the real purpose of the expansion of U.S. interests in the postwar era- the expansion of capitalism. See Joyce Kolko and Gabriel Kolko, *The Limits of Power: The World and United States Foreign Policy, 1945-1954* (New York: Harper &

These analyses draw epistemologically from Lenin and Hobson, Charles Beard and the later New Left reformulations of American foreign policy as Empire from scholars such as William Appleman Williams and Walter LaFeber.⁶¹ As Major General Smedley Butler, a highly decorated Marine who had served in the Philippines, China and all around the Caribbean Basin, later remarked on his career:

I spent thirty-three years and four months in active military service... And, during that period, I spent most of my time as a high-class muscle man for big business, for Wall Street and the bankers. In short, I was a racketeer, a gangster for capitalism. Thus, I helped make Mexico and especially Tampico safe for American oil interests in 1914. I helped make Haiti and Cuba a decent place for the National City Bank boys to collect revenues in. I helped in the raping of half a dozen Central American republics for the benefit of Wall Street.⁶²

But despite the long lasting appeal of the idea that U.S. empire was principally driven by the quest for markets and economic exploitation, many historians have moved beyond defining U.S. foreign policy as driven by economic interests. Even during the era of high imperialism in the Caribbean, when U.S. marines repeatedly intervened in Cuba, Nicaragua and Santo Domingo to enforce debt payments, take control of customs houses and foreign monetary policy, U.S. policymakers also contended with a plethora of strategic and ideological interests, from

Row, 1972), p. 23; Noam Chomsky, *Year 501: The Conquest Continues* (London: Verso Press, 1993). pp. 65-98. See also Walter LaFeber, *America, Russia and the Cold War. 1945-1980* (New York: Wiley, 1980).

⁶¹ See Williams, *Tragedy of American Diplomacy*. The primacy of economic imperialism informs specific country studies for Bolivia, Guatemala and Cuba also. See Rebecca Scott, "Economic Aid and Imperialism in Bolivia," *Monthly Review*, Volume 24; Number 1 (May 1972), pp. 48-60; Laurence Whitehead, *The United States and Bolivia: A Case of Neo-colonialism*. (Oxford: Haslemere Group, 1969); Stephen Schlesinger and Stephen Kinzer, *Bitter Fruit: The Untold Story of the American Coup in Guatemala*, (Cambridge, MA: Harvard University Press, 1999).

⁶² Smedley Butler, *War is a Racket* (Los Angeles: Feral House, 1935; reprint, 2003), p. 10. Butler forms an important figure in many histories of U.S.-Latin American relations and U.S. foreign relations, and features prominently in many New Left historians' accounts of U.S. imperialism in the twentieth century. See, for example, Walter LaFeber, *Inevitable Revolutions: The United States in Central America*. (London: Norton, 1983), p. 81. Howard Zinn and Anthony Arnove, *Voices of a People's History of the United States* (New York, Seven Stories Press, 2009), pp. 252-255; Noam Chomsky, *Turning the Tide: U.S. intervention in Central America and the Struggle for Peace* (London, Southend Press, 1985), pp. 94-95 .

excluding foreign powers⁶³ or securing the Panama Canal⁶⁴ to promoting stability and the “values of Main Street not Wall Street.”⁶⁵

The focus on ideology and hegemony as a more comprehensive explanation of U.S. policy in the region has fed a growing body of scholarship sometimes described as the ‘cultural turn.’ Recent works focus on cultural hegemony, and the best scholarship in this varied field conceive of it as a process of *exchange* and *contestation*, rather than all-powerful amorphous steamroller that sees any individual tied to the United States by birth, occupation or language to be part of a process of vast and impersonal subjugation from without.⁶⁶ These studies have helped demonstrate that U.S. hegemony also gave room to Latin American political movements to negotiate, adapt and appropriate U.S. ideologies and policy goals for separate and distinct ends.⁶⁷ More subtle and successful works in this tradition also tend to work best when culture is not the sole object of study, but is linked to important parallel economic or political processes.⁶⁸

⁶³ For an account that sees the logic of the Monroe Doctrine as the paramount concern of U.S. policymakers in the mid-twentieth century, from the Germans to the Soviets, see Cole Blasier, *The Hovering Giant: U.S. Responses to Revolutionary Change in Latin America*, (Pittsburgh: University of Pittsburgh Press, 1976).

⁶⁴ See James A. Field, Jr., “American Imperialism: The Worst Chapter in Almost Any Book,” *The American Historical Review* 83, 3 (June, 1978), pp. 644-668, which argues that naval expansion was largely defensive in nature, and had limited importance in spreading capitalism to the Far East.

⁶⁵ Lester Langley, *The Banana Wars: United States Intervention in the Caribbean, 1898-1934* (Lexington: University of Kentucky Press, 2002), p. 219.

⁶⁶ The work of Seth Fein utilizing Mary Pratt’s “zones of contact” or Catherine C. LeGrand and Ricardo Salvatore, (eds.) *Close Encounters of Empire: Writing the Cultural History of U.S.-Latin American Relations* (Durham, NC: Duke University Press, 1998) contrasts favorably with Amy Kaplan and Donald Pease, *Cultures of United States Imperialism* (Durham: Duke University Press, 1993).

⁶⁷ Julio Moreno, *Yankee Don't Go Home! Mexican Nationalism, American Business Culture, and the Shaping of Modern Mexico, 1920-1950* (Chapel Hill: University of North Carolina Press, 2003); Seth Fein, "Transcultured Anticommunism: Cold War Hollywood in Postwar Mexico," in *Visible Nations: Latin American Cinema and Video*, ed. Chon A. Noriega (Minneapolis: University of Minnesota Press, 2000).

⁶⁸ Most successfully accomplished in Emily Rosenberg’s *Financial Missionaries to the World*.

All these analyses of the driving forces behind U.S. policy, interventionism or “hegemony” rely on essentially antinationalist frameworks for understanding U.S. hegemonic designs. It is this antinationalist portrayal that needs to be challenged. Whilst the characterization of animosity between Latin American nationalists and the United States is an accurate description of the *outcome* of the deeper North American involvement in the region, its analysis of the *motivation* and rationale for U.S. policy is insufficient.

References to the “inter-American system” and “regional” or “hemispheric solidarity” certainly pervade U.S. policymakers’ analyses of Latin America, a vital region for the United States’ interests.⁶⁹ U.S. Trade with Latin America was second only to Canada in the 1950s, imports from Latin America were valued at \$3.5 billion per annum, \$0.8 billion less than U.S. exports to the region and over \$33 billion in 2016 dollars.⁷⁰ It had proved a vital source of material and diplomatic support for the United States during the Second World War, and remained strategically important to the United States, if only for reasons of proximity.

In the Eisenhower administration’s first major policy document on Latin America, NSC 144/1, the administration’s top policymakers set out their goals for the region, including

⁶⁹ For more rhetoric on the inter-American system and “hemispheric solidarity,” see NSC 5432/1, April 6, 1956, p.3, White House Office, National Security Council Staff: Papers, 1948-1961, OCB Central File Series, Box 24, OCB 091.Latin America (File#6) (7); “Outline of Plan of Operations against Communism in Latin America,” April 18, 1956 (referencing NSC 5432/1 of November 16, 1954), *FRUS, 1955-57, vol. 6*, pp. 66-67, 75; “Statement of U.S. Policy Toward Latin America,” NSC 5902/1, February 16, 1959, Annex B, *FRUS, 1958-1960, vol. 5, American Republics*, p. 121; “Statement of Policy on U.S. Policy toward Latin America,” (NSC 5631/1), September 25, 1956, *FRUS, 1955-57, vol. 6*, p. 122; “A Study of U.S. Problems and Policy Toward Latin America,” 14 October, 1953, Section II, Part I, p. 8. DDEL, Commission on Foreign Economic Policy: Records, 1953-1954 (Randall Commission), Dr. Mikesell’s Work [Foreign Investments], Box 59, Studies- Study of U.S. Problems and Policy Toward Latin America. For “ultra-nationalism,” see Report on the 369th meeting of the NSC, June 19, 1958, p. 12. DDEL, Eisenhower, Dwight D.: Papers as President, 1953-1961 (Ann Whitman File), NSC Series, Box 10, 369th Meeting of NSC, June 19, 1958.

⁷⁰ “A Study of U.S. Problems and Policy Toward Latin America,” 14 October, 1953, Section II, Part III, pp. 6-7. DDEL, Commission on Foreign Economic Policy: Records, 1953-1954 (Randall Commission), Dr. Mikesell’s Work [Foreign Investments], Box 59, Studies- Study of U.S. Problems and Policy Toward Latin America.

“hemisphere solidarity” supporting U.S. foreign policy. This unity was to be achieved by fostering Latin American political and economic development.⁷¹ The goal of strengthening the inter-American system along these lines was useful within a Cold War context, but one that also transcended that context. As Eisenhower himself declared, in South America he wanted “to establish a healthy relationship that will be characterized by mutual cooperation and which will permanently endure. This will apply whether or not the Communist menace seems to increase or decrease in intensity.”⁷² Latin America was a special preserve for the United States’ foreign policy before, during, and after the Cold War.

This dissertation will analyze U.S. officials’ agenda of “hemisphere solidarity.” It will argue that such an agenda was hegemonic in nature.⁷³ This hegemonic project relied ultimately not upon the rigid structures of economic and military coercion, but a subtler dynamic that relied upon Latin American’s symbolic cooperation with U.S. power. Recognizing U.S. policymakers’ conception of their hemispheric system and “pan-Americanism” as cooperative, benevolent, and mutually beneficial- however hollow such ideas may seem from the perspective of Arbenz or

⁷¹ The paper goes on to mention anticommunist and military concerns, and opposition to communist influence in the hemisphere certainly pervades it. But the fact that the first two objectives listed go well beyond any Cold War agenda belies Stephen Rabe’s blanket assertion that the United States was “solely” concerned with confronting the Soviet Union in Latin America. “Statement of Policy by the NSC” (NSC 144/1), March 18, 1953, *FRUS, 1952-54*, vol. 4, pp. 6-7.

⁷² Letter from Dwight Eisenhower to Milton Eisenhower, 1 December, 1954. DDEL, Eisenhower, Dwight D.: Papers as President, Ann Whitman File, DDE Diary Series, Box 8, December 1954 (2).

⁷³ By this I mean that policymakers sought to control and influence events in sovereign Latin American states, in order to turn them towards national security goals and interests: a project made possible by a dramatic regional power imbalance. Mark T. Berger, *Under Northern Eyes: Latin American Studies and U.S. Hegemony in the Americas, 1898-1990* (Bloomington and Indianapolis: Indiana University Press, 1990), p. xi. Gramsci would refer to these various iterations of U.S. policy objectives simply as “power.” Hegemony, in its original conception, referred to the extension of influence of Greek city states in the ancient world. In the Gramscian sense it refers to the ability of capitalist systems to exert power over other societies, but principally the way in which the ideology of ruling classes (his term) has the ability to influence and co-opt lower classes into serving the material interests of a ruling elite.

Castro- is crucial to understanding how U.S. policy developed in the region as a whole, as well as in Bolivia, Guatemala and Cuba specifically.

Ultimately it proved impossible for Latin American leftists to maintain nationalist appeal to domestic political constituencies or achieve autonomy within the framework of U.S. influence and dominance.⁷⁴ U.S. policy, even given the most generous interpretation of its avowedly benign intentions, provoked animosity from Latin American leftists and nationalists. North American meddling in the region had a long history, and one that regional nationalist sentiment could not easily ignore, especially given events in Guatemala.

Yet despite its numerous failures, the United States proved capable of accepting both radical nationalism and divergent versions of modernization within Latin America, and in Bolivia they even attempted to subsidize them. The lengths to which the administration went to exploit these powerful new political movements in Bolivia demonstrate that the administration was willing and able to play a long-term game from its first moments in power. The administration's commitments to Bolivia followed along similar lines advocated by Walt Rostow and Max Millikan, the very modernization theorists who criticized the administration's lack of long-term thinking.⁷⁵ This long-term perspective and the commitments it engendered went far

⁷⁴ On hearing of one U.S. official's frustration with the Bolivian economic situation, which had led him to confide to a reporter "the only solution to Bolivia's problems is to abolish Bolivia," anti-American riots broke out in several Bolivian cities. Lehman, *Bolivia and the United States*, p. 114.

⁷⁵ "It was quite apparent to me," Max Millikan testified with frustration to Congress in 1957, "that the Treasury has skillfully and effectively sabotaged all efforts to produce a [developing world aid] program that will cost anything." Quoted in James F. Siekmeier, *Aid, Nationalism and Inter-American Relations: Guatemala, Bolivia and the United States, 1945-1961*, (Edwin Mellen Press, Lewiston, NY, 1999), p. 264. See also Kaufman, *Trade and Aid*, p. 5. Rostow and Millikan felt that U.S. aid was parsimonious unless a country became a "cold war hotspot," such as Korea, but it would seem Bolivia policy undermines their analysis.

beyond ad hoc quick fixes or crisis management, or reactionary impulses that favored anti-communist containment over long-term aid and development.⁷⁶

This was a critique that not only contemporaries, but also scholars saw as a central failing of the administration as well as broader U.S. foreign policy both during the Cold War and with respect to Latin America.⁷⁷ Robert Pastor's "whirlpool" model is one such critique. Pastor, a diplomat with decades of experience in public service, holds that the United States, whilst acting as regional hegemon, has remained basically neglectful of Latin America and its economic and social problems, unless crisis situations, usually framed as presaging greater regional influence for hostile powers, spur policymakers into drastic action.⁷⁸ Scholars of the Bolivian revolution also support this general model of U.S.-Latin American and U.S.-Third World relations.⁷⁹ Cold War preoccupations and hegemonic interests combined to "distort" US perceptions and led them to make simplified attributions of intent to Latin American revolutions. Such "simplified" reactions amounted to "quick fix crisis management," and "stop-gap emergency aid."⁸⁰

⁷⁶ The view that developmentalist ideology defined U.S. policy well before the 1960s is a claim with a growing weight of recent scholarship behind it. See David Ekbladh, *The Great American Mission: Modernization and the Construction of an American World Order* (Princeton: Princeton University Press, 2009).

⁷⁷ From its first meetings under the Eisenhower administration, the National Security Council concluded that the United States should "regard this nationalism as an inevitable development which should be channeled not opposed." Progress Report," from NSC to Staats, 29 February 1953, DDEL, White House Office, Office of the Special Assistant for National Security Affairs, Records, 1952-61, NSC Series, Status of Projects Subseries, Box 1.

⁷⁸ Robert A. Pastor, *Exiting the Whirlpool: U.S. Foreign Policy toward Latin America and the Caribbean* (Boulder: Westview Press, 2001). His conclusions are shared by Lars Schoultz's, *Beneath the United States: A History of U.S. Policy Toward Latin America* (Cambridge, MA: Harvard University, 1998) and Rabe in *Eisenhower and Latin America*, p. 77. For an alternative argument that emphasizes constant U.S. involvement in Latin America, see Smith *Talons of the Eagle*, "Introduction." However, all these accounts agree that the Cold War operated as the primary and distorting ideological and strategic influence that led to relative neglect of other interests and regional dynamics.

⁷⁹ Lehman, "Revolutions and Attributions," p. 213; Siekmeier, *Aid, Nationalism and Inter-American Relations*, p. 247; Blasier, *The Hovering Giant*, p. 134.

⁸⁰ Lehman "revolutions and attributions," pp. 189, 213; Siekmeier, *Aid, Nationalism and Inter-American Relations*, p. 247; Blasier, *The Hovering Giant*, p. 134.

In addition to addressing mischaracterizations of the nature and purpose of U.S. foreign policy, this dissertation seeks to examine the crucially important role of Latin American diplomacy in shaping U.S. policy. Taking seriously U.S. policymakers' fantasies of a closer relationship with Latin American nationalists, even the nationalistic left, gave valuable insights that could bring important rewards for Latin American diplomats. These diplomats showed a common understanding of the ideological assumptions lying beneath U.S. policy, and were willing and able to exploit them for their own purposes.

Despite Max Paul Friedman's exhortations for scholars of U.S.- Latin American relations to "retire the puppets;" to move beyond narratives that assume Latin America's passive victimhood at the hands of an all-powerful United States, such narratives remain alive and well in the field today.⁸¹ There are notable exceptions, particularly the work of Ariel Armony and Tanya Harmer examining the inter-American Cold War waged independently of U.S. influence or, at times, knowledge.⁸² James Siekmeier's more recent work puts emphasis on Bolivian diplomacy's success in securing U.S. support for the MNR government, though largely focuses on the influence of one man. He singles out the Bolivian ambassador in Washington, the "charming" Victor Andrade, who golfed with President Eisenhower, befriended many U.S.

⁸¹ Max Paul Friedman, "Retiring the Puppets, Bringing Latin America Back in: Recent Scholarship on United States-Latin American Relations," *Diplomatic History*, Volume 27, Issue 5, (November 2003), pp. 621-636. For counter-examples, see Greg Grandin, *Empire's Workshop: Latin America, The United States, and the Rise of the New Imperialism* (New York, Metropolitan Books, 2006); Kevin Young, "Purging the Forces of Darkness: The United States, Monetary Stabilization, and the Containment of the Bolivian Revolution," *Diplomatic History* Vol. 37, No. 3 (2013), pp. 509-537.

⁸² Tanya Harmer, *Allende's Chile and the Inter-American Cold War* (Chapel Hill: University of North Carolina Press, 2011); Ariel C. Armony, *Argentina, the United States, and the Anti-Communist Crusade in Central America* (Athens, GA: University of Ohio Press, 1997). See also Gilbert M. Joseph, Anne Rubenstein and Eric Zolov, (eds.), *Fragments of a Golden Age: The Politics of Culture in Mexico since 1940* (Durham: Duke University Press, 2001).

officials, and did much to appeal to the administration's conservative and anticommunist tendencies.⁸³

Generally speaking, however, and particularly when it comes to Bolivia scholarship, Latin America is often seen as a helpless victim of its powerful northern neighbor.⁸⁴ Bolivia seems a particularly apt case: one of the region's poorest countries, in need of foreign capital, largely dependent on one commodity export for revenue, whose military weakness and abundant resources have been exploited by powerful outsiders for centuries. One might think that Bolivian leaders had little choice other than to placate the United States to secure their revolution, and were therefore forced to sell out their revolution's basic principles in the search of U.S. financial support. The Guatemalans, labelled as communist from the outset and less susceptible to U.S. economic pressure, were not even given the chance, and suffered the more violent end of coercive U.S. power in the region.⁸⁵

Such a bleak picture of Latin American vulnerability to the careless, "simplified... attributions" of U.S. diplomats gives short shrift to Bolivian diplomacy and the revolutionary achievements of the MNR government.⁸⁶ MNR diplomats managed to sell their North American

⁸³ Siekmeier tries to move beyond mere "charm" as an explanation for Andrade's success, yet spends the majority of his article describing the personal relationships he built with U.S. officials, and the anticommunist appeal to their fear of more radical governments in Bolivia as drivers of U.S. policy. James Siekmeier, "Trailblazer Diplomat: Bolivian Ambassador Víctor Andrade Uzquiano's Efforts to Influence U.S. Policy, 1944–1962," *Diplomatic History*, Vol. 28, No. 3 (June 2004), pp. 387, 400-401.

⁸⁴ Greg Grandin, *Empire's Workshop: Latin America, The United States, and the Rise of the New Imperialism* (New York, Metropolitan Books, 2006); Kevin Young, "Purging the Forces of Darkness: The United States, Monetary Stabilization, and the Containment of the Bolivian Revolution," *Diplomatic History* Vol. 37, No. 3 (2013), pp. 509-537.

⁸⁵ Zunes, Stephen. "The United States and Bolivia: The Taming of a Revolution, 1952-1957," *Latin American Perspectives*, Vol. 28, No. 5 (September, 2001), pp. 33-49.

⁸⁶ Lehman, "Revolutions and Attributions," p. 213. See also Siekmeier, *Aid, Nationalism and Inter-American Relations*, p. 247; Blasier, *The Hovering Giant*, p. 134; Rabe, *Eisenhower and Latin America* p. 31.

counterparts on the righteousness of their task, the nature of the problems they faced, and their willingness to align themselves with the United States despite little substantive action on issues supposedly important to Washington. Though the revolution faced many obstacles, and cooperation with Washington did lead to some problems, the MNR was still able to have a lasting and transformative impact on Bolivian society.

It seemed to some observers that, if anything, Bolivian foreign policy had sold out the interests of the revolution in the service of U.S. hegemony.⁸⁷ To the leaders of the revolution itself, it seemed otherwise. Preoccupied with their “gigantic undertaking” at home, foreign policy had “opened [the revolutionaries’] horizons” and completely transformed the diplomatic corps’ sense of what was possible.⁸⁸ For the Foreign Ministry, their securing of U.S. support had been of “transcendental significance” for the new government and its revolutionary agenda of an expanded social safety net and a diversified and more autonomous economy.⁸⁹

In order to explain how this was done, this dissertation is one of the few scholarly works on the Bolivian-U.S. relationship in the 1950s to make use of Bolivian Foreign Ministry archives. It also looks beyond ambassador Andrade to make significant use of the papers of Walter Guevara Arze. Guevara was a founding member of the MNR and the Bolivian Foreign Minister during the critical years that the party secured support from Washington. These papers were released to the public in 2005, and have not been examined by historians of the Bolivian

⁸⁷ Siekmeier, *Aid, Nationalism and the inter-American system*, p. 203; Stephen Zunes, “The United States and Bolivia: The Taming of a Revolution, 1952-1957,” *Latin American Perspectives*, Vol. 28, No. 5, Free Trade and Resistance. (September, 2001), p. 38; Rebecca Scott, “Economic Aid and Imperialism in Bolivia,” *Monthly Review*, 24; 1 (May 1972).

⁸⁸ Andrade to Guevara, 26 April 1954, WGA Papers, Box 9 EE UU.

⁸⁹ Castrillo [?] to Guevara, “Summary of negotiations with the US,” 20 July 1954, Walter Guevara Arze Papers, Box 6, Folder: Hacienda.

revolution or of U.S. policy towards Bolivia. The Archivo General de Centro América, the Centro de Investigaciones Regionales Mesoamericano, and historical newspapers held at the Guatemalan National Library also provide important evidence concerning Guatemalan approaches to U.S. power.

In telling the story of Bolivian diplomacy's success in identifying and exploiting potential support for ambitious revolutionary movements on the left, the contingent nature of the collapse of U.S. relations with Cuba and Guatemala becomes clearer, and refocuses the attention of historians on the diplomatic approaches of other revolutions. When assessing both Arbenz and Castro, U.S. policymakers were initially highly ambivalent, if not positively hopeful, on the prospects for good relations with these leaders when they first gained power.⁹⁰ Arbenz and Castro did not seem to be communist ideologues or Soviet stooges in the estimation of many administration officials.⁹¹ In fact, U.S. officials in the policymaking bureaucracy were initially much more enthusiastic about the prospect of Arbenz taking power in Guatemala than they were of Paz and the MNR's revolution. Arbenz was an admirer of FDR, and his tolerable, pragmatic non-communist leftism seemed to be a welcome development to the State Department, which

⁹⁰ The first months of the Cuban revolution were marked by relatively cordial relations between Havana and Washington. See Wayne Smith, *The Closest of Enemies: A Personal and Diplomatic Account of U.S.-Cuban Relations since 1957* (New York: W.W. Norton, 1987); Alan Luxenberg "Eisenhower, Castro and the Soviets" in Louis Horowitz and Jamie Suchlicki, *Cuban Communism* (9th edition. London: Transaction Publishers, 1998), pp. 68-93. See also Daniel Braddock, Counselor of the Embassy in Habana to Department of State, 18 February, 1958, NARA, CDF, RG 59, Box 2472, 611.37/2-1858; Memorandum from the Director of the Office of Mexican and Caribbean Affairs (Wieland) to the Assistant Secretary of State for Inter-American Affairs (Rubottom), 19 February 1959, *FRUS, 1958-1960, volume VI*, p. 406. Patterson, *Contesting Castro* takes a more skeptical approach. Policymakers in the United States also viewed Arbenz rather favorably as a moderate centrist nationalist in the months following the 1950 election. Gleijeses, *Shattered Hope*, pp. 126, 143; Wells to the Department of State, 15 November 1950, *FRUS 1950, vol. II*, p. 922.

⁹¹ Report from Cobb to the Department of State, 15 May, 1952. National Archives and Records Administration, Central Decimal File, RG 59, Box 3310, 724.00/5-1552.

had become increasingly frustrated with what they saw as the intransigent independence and the support for destabilizing regional interventions of Arbenz's predecessor, Juan José Arévalo.⁹²

In Bolivia, by contrast, Paz' regime initially seemed much more alarming than Arbenz, violently seizing power with the help of Marxist miners' militias, and then proceeding to give them considerable influence on Bolivian politics and economic policy whilst appearing not to take anticommunism, or the Soviet Union, seriously. According to the CIA and the U.S. embassy "The MNR lacks a true understanding of the subversive nature of Communism," fostered a "general political and intellectual climate...favorable to Marxist economic theories" and dealt with local communists "sporadically" whilst pursuing the "anti-communist" Falangist party with "Gestapo tactics."⁹³

By looking closely at the anticommunist agenda in U.S.-Bolivian relations it is possible to see that, rather than unthinking knee-jerk reactions or merely pragmatic (if begrudging) "toleration," the Eisenhower administration offered the Bolivian revolution a firm embrace *in spite of*, not because of, the anticommunist agenda.⁹⁴ U.S. officials from the Eisenhower brothers to Bolivia desk officers and the embassy team in La Paz sought to perpetuate regional hegemony

⁹² Piero Gleijeses, "Juan Jose Arévalo and the Caribbean Legion," *Journal of Latin American Studies*, Vol. 21, No. 1. (Feb., 1989), pp. 133-145.

⁹³ "Operations Coordinating Board: Analysis of Internal Security Situation in Bolivia and Recommended Action," Report from OCB to Staats (Executive Secretary of the NSC), 22 June 1955, p. 1. DDEL, White House Office, National Security Council Staff: Papers, 1948-1961, OCB Central Decimal File Series, Box 24, OCB 091.Bolivia (2) June 1955-December 1956; "Gestapo tactics" from Telegraph from the Embassy in La Paz to Department of State, 17 July, 1953, p. 2, NARA, CDF, RG 59, Box 3308, 724.00/7-1753.

⁹⁴ Leslie Bethell and Ian Roxborough, eds. *Latin America Between the Second World War and the Cold War* (Cambridge: Cambridge University Press, 1992), p. 30. Many others suggest little serious thought, reflection or consistency in approaches to these movements. Kenneth Lehman argues did not exist. He saw the two divergent policies as a result of unexamined assumptions as to the individual trustworthiness of the respective governments. Kenneth D. Lehman, "Revolutions and Attributions: Making Sense of Eisenhower Administration Policies in Bolivia and Guatemala," in *Diplomatic History*, (Spring 1997, vol. 21, Issue 2), pp. 185-213. See also Rabe's emphasis on the "shotgun approach." Stephen Rabe, "Dulles, Latin America and Cold War Anticommunism" in Richard H. Immerman (ed.), *John Foster Dulles and the Diplomacy of the Cold War*, (Princeton: Princeton University Press, 1990), p. 162.

and control over leftist nationalist movements in a manner that *did* represent an ideologically consistent response.⁹⁵ Its implementation depended heavily on its *reception* in Latin America and the ability of U.S. policymakers to get policy approval from Congress, other branches of the policymaking apparatus, and public opinion.⁹⁶

Despite these institutional obstacles, Eisenhower's hegemonic ideal was ultimately undermined less by external limits and more by the contradictions inherent in policymakers' efforts to co-opt leftist nationalist movements, especially those in Latin America. These movements often defined their worldview and their political appeal in direct opposition to U.S. power. As we shall see, it was therefore not Washington's attitude toward Latin Americans' domestic reforms or their ideological proclivities, but the attitudes of Paz, Arbenz and Castro towards U.S. hegemony that were decisive in determining whether relations would be cooperative or confrontational.

Defining terms

In the Eisenhower years Thomas Mann, a rising star and noted State Department expert on Latin American and economic affairs, was immediately sent to Guatemala following the success of the Castillo Armas coup. Mann would go on to serve as Kennedy's Undersecretary of

⁹⁵ Many others suggest little serious thought, reflection or consistency in approaches to these movements. Kenneth Lehman argues did not exist. He saw the two divergent policies as a result of unexamined assumptions as to the individual trustworthiness of the respective governments. Kenneth D. Lehman, "Revolutions and Attributions: Making Sense of Eisenhower Administration Policies in Bolivia and Guatemala," in *Diplomatic History*, (Spring 1997, vol. 21, Issue 2), pp. 185-213. See also Rabe's emphasis on the "shotgun approach." Stephen Rabe, "Dulles, Latin America and Cold War Anticommunism" in Richard H. Immerman (ed.), *John Foster Dulles and the Diplomacy of the Cold War*, (Princeton: Princeton University Press, 1990), p. 162.

⁹⁶ This domestic context was something that tempered the desire to spread U.S. aid dollars more liberally, creating no small amount of frustration within the State Department and the president himself. See Burton I. Kaufman, *Trade and Aid: Eisenhower's Foreign Economic Policy, 1953-1961* (Baltimore: Johns Hopkins University Press, 1982). However, I would argue that this frustration existed from the first moments of the Eisenhower administration's accession to power and not in 1956 or 1958 as Kaufman and Rabe respectively argue.

State for Inter-American Affairs. Remembering his time at the State Department, he spoke of the “illusion of omnipotence” amongst the foreign policymaking bureaucracy.⁹⁷ After the Second World War had transformed U.S. policymakers’ horizons and the power of the United States to act around the world, U.S. officials in the foreign policymaking bureaucracy felt they “were on the crest of a wave... literally nobody on the hill or anywhere else ever questioned our ability to do anything if we wanted to do it, if we were willing to spend the money and the effort to do it.” Policy received criticism not based on “whether it would work or not, but whether it would cost the taxpayer too much.”⁹⁸

Mann ruefully reflected that this “euphoria was what carried us into Korea, Vietnam and other things,” even domestic welfare spending. Though Mann’s memory might have exaggerated the lack of constraints on U.S. policy, he had tapped into a spirit that permeated the corridors of the State Department and beyond: the sense that “the limits of US foreign policy are on a distant and receding horizon.”⁹⁹ Mann invoked the spirit of Camelot, but claimed that, despite the fears evident in the rise of McCarthyism and the humiliation of Sputnik, that it extended to encompass the entire postwar period. Notably, Mann was of the opinion that Kennedy’s Alliance for Progress had its roots in the Eisenhower years, which represented a “new and more vigorous approach to economic and social development in Latin America.”¹⁰⁰ Here, the Eisenhower

⁹⁷ Maclyn P. Burg interview with Thomas C. Mann 17 December, 1975, p. 14, Eisenhower administration oral history project, Columbia University Rare Books and Manuscripts Library. See also Brockett, “Illusion of Omnipotence.”

⁹⁸ Maclyn P. Burg interview with Thomas C. Mann 17 December, 1975, p. 14, Eisenhower administration oral history project, Columbia University Rare Books and Manuscripts Library.

⁹⁹ Joseph Jones quoted in Odd Arne Westad, *The Global Cold War: Third World Interventions and the Making of Our Times*, (New York: Cambridge University Press, 2005), p. 25.

¹⁰⁰ Maclyn P. Burg interview with Thomas C. Mann 17 December, 1975, Eisenhower administration oral history project, Columbia University Rare Books and Manuscripts Library. For further discussion, see Bevan Sewell, *The*

administration sought to promote grand ideological ambitions, articulated through sweeping, catch-all terms that held broad appeal, in theory, across the foreign policymaking establishment.

One part of that new approach was land reform, an agenda of critical importance to the Kennedy administration anticipated by Eisenhower. This was an important concept that, in no small part because of the MNR's advocacy, won support from figures like the Eisenhower brothers for the MNR's revolutionary nationalism. Land reform, like revolution, nationalism, or democracy, could encompass a rather broad range of ideas. To Mann it meant

everything you need to do to enable a small farmer to make a living on his land, to be self-sufficient, to raise his own family. Essentially I think that was the proper definition of land reform, and I would imagine that was what people would have defined it [as] in those days, was essentially what we've done for the American farmer here in the U.S.¹⁰¹

Land reform meant a more equitable distribution of land and land ownership that, to U.S. observers such as Mann, invoked a Jeffersonian logic of citizenship and economic development. However, during the Kennedy years, Mann came to see more radical divisions in opinion between officials and their understanding of terms such as "land reform."

to say you're in favor of land reform- and one has one's own definition of land reform- is one thing. To have somebody define it in revolutionary terms... [to] set one class against another and... promote political revolution and alteration of the structure of society in the world in which we live today, I think that is an entirely different thing. I guess if, in the light of hindsight, if I would do anything different back in those days, I would have insisted on definitions of words. Now that's always the hardest part of anything to get- the definition of a word. Everybody will agree on a phrase, its more attractive if it means all things to all people, politically attractive. But in terms of

US and Latin America: Eisenhower, Kennedy and Economic Diplomacy in the Cold War (London: I.B.Tauris, 2015).

¹⁰¹ Ibid. p. 24. This statement was not without irony given the postwar consolidation of agribusiness had meant the number of Americans actively engaged in farming was in precipitous decline. See Keith Orejel, *Factories in the Fallows: The Political Economy of America's Rural Heartland, 1945-1980* (unpublished PhD dissertation, Columbia University, 2015).

administering a program, it's the worst thing you can do, and I think misleading, too, to a lot of people.¹⁰²

This problem of vagueness seems to apply to many key concepts that continually crop up in policymakers' language about its goals for Bolivia and Latin America policy. During 1952-54 land redistribution in Guatemala and Bolivia looked very similar: both governments clearly invoked Marxist ideological justification and the notion of class conflict in explaining their programs. In Bolivia it could be imagined as a necessary part of empowering peasants who had previously endured a 'semifeudal' existence. In Guatemala, observers in Washington could construe the cooperation of Guatemalan communists in shaping land redistribution as indicative that Soviet domination of the Guatemalan government was a possibility.¹⁰³ The plasticity of the term "communism" to incorporate a range of attitudes and practices perceived as hostile to U.S. interests has been explored in great detail by many historians, and one that opponents of both the Bolivian and Guatemalan revolutions tried to employ.¹⁰⁴

Communism, perhaps the most radical political philosophy imaginable in the midst of a Cold War setting, was used by traditional elites to castigate both reformism and radicalism. Though skeptics and opponents used the two words to describe similar territory on the political left, reform implies a tendency towards compromise, a desire to use democratic or existing legal and constitutional mechanisms to enact changes. These changes, given their emphasis on

¹⁰² Maclyn P. Burg interview with Thomas C. Mann 17 December, 1975, pp. 25-6, Eisenhower administration oral history project, Columbia University Rare Books and Manuscripts Library.

¹⁰³ Siracusa[?] to Snow, [no date] RG 59 LOT FILES Bureau of Inter-American Affairs, Office of the Deputy Assistant Secretary, Office Files, 1956-59, Box 25, Folder: Bolivia 1959; Bolivian Foreign Ministry, *Mensaje del Presidente de la Republica Dr. Victor Paz Estenssoro al H. Congreso Nacional* (La Paz: 1956), pp. 8-9, 10; *La Nación*, 1 January 1953, p. 1. See chapter 5.

¹⁰⁴ This interpretation is particularly prevalent from critics on the left, from the Arbenz administration to the work of Chomsky, LaFeber and Kolko. See p. 24, n. 81.

legalism, often implied a more gradual pace of change, but could also encompass rapid and profound change pursued through constitutional and democratic means. 'Radical' implies a position which comes from the political extremes, focused on profound and rapid change, which could and perhaps ought to mean a negation of exiting power structures and interest groups. In Cold War lexicon was often attached to Marxist movements.

Though the difference in tone and underlying attitudes in Washington surrounding these two terms might seem apparent, the lines between reformism and radicalism were often blurred. U.S. officials described both Arbenz' political coalition and the MNR government as being both "radical" and "reformist." The Arbenz government's moderate and reformist tendencies could be seen to mask a deeper affinity and toleration for communist infiltration it did not understand or acknowledge, whilst the MNR's desire for radical solutions to Bolivia's structural problems could be praised alongside their gestures towards moderation.

The sense of nationalism as a powerful world-historical force was palpable to many, and Eisenhower himself felt it strongly. Nationalism understood as a positive force by Eisenhower and other policymakers was removed from any notion of resistance to U.S. power beyond pandering to domestic political audiences, and meant the desire to build strong, cohesive national identities and economies that might well destabilize old elites and old (European) empires, but should not flirt with the abolition of private property or diplomatic alignment with the Soviet Union. Nationalism was important within a Cold War context for U.S. policymakers, that could be seen either as a handmaiden to creeping Soviet influence and identification with Leninist prescriptions against imperialism, or it could be embraced as a "third way" that the United States

could try to foster as an effective means of combatting communist ideology and Soviet influence.¹⁰⁵

“Democracy” too was a rather fungible concept in Cold War discourse. In Guatemala the United States, apparently with a straight face, could invoke its defense of “democracy” and continue to promote land reform in Guatemala after it helped Castillo Armas overthrow the democratically elected President Arbenz.¹⁰⁶ Neither Castillo Armas’ government nor the U.S. hegemonic project that lay behind it had much to do with popular will, legality, independently monitored elections, or the functioning of a free press and independent judiciary.

U.S. officials’ justifications of Bolivia policy did not invoke democracy, though they did insist on the popular legitimacy of the MNR. The Bolivian revolution serves as an excellent example of how U.S. notions surrounding land reform, revolution, nationalism and the inter-American system could be invoked and interpreted to serve the needs of the MNR’s political project. These were vague and broad concepts that could mean different things to different people. To focus on nationalism without taking seriously the deep-rooted resentment throughout Latin America at the deleterious influence of the United States on its politics and economic prospects was to underestimate a fundamental contradiction at the heart of the North American hegemonic project that the Arbenz coup, Castroism and policy failures in Bolivia would demonstrate as the decade wore on. Nevertheless, Bolivia was a country whose leaders demonstrated sophisticated understanding of these ideological assumptions and grey areas. They

¹⁰⁵ DDEL, Eisenhower, Dwight D.: Papers as President, 1953-1961 (Ann Whitman File), NSC Series, Box 10, 369th Meeting of NSC, June 19, 1958. p 12. The “Third Way” or “Third Force” preoccupation of U.S. officials was brilliantly captured by Graham Greene’s novel about Vietnam and the passing of the imperial project from Europe to the United States, *The Quiet American*.

¹⁰⁶ Pathé newsreel, “Assassination of President Armas,” 1957. ONLINE RESOURCE: <http://www.britishpathe.com/video/assassination-of-president-armas-of-guatemala/query/aeroplanes> (last accessed 5/22/2016)

would use this understanding to sell their revolution to Washington and garner sympathy and support, whilst at the same time testing the limits of acceptable behavior pursued using these concepts as justification.

Many of the key words and concepts used to bolster or undermine Latin American governments and political movements by officials in Washington, rather than allowing for knee-jerk and simplified categorizations, were vague and open enough to interpretation to be contested. This dissertation seeks to understand how the words were used by the historical actors themselves in the service of their own ideas and agendas. These actors also struggled with their fluid definitions, and at times used that fluidity to their advantage.

Chapter outline

Chapter 1 explores the apparently wild fluctuation in political rhetoric and ideological affiliation of the MNR. Despite the diverse ideological heritage of the MNR, the chapter explores how nationalism and a desire to strengthen the Bolivian state and its control of the country's mineral resources were at the front and center of its political project. Its leaders' borrowing of ideas from the far left and right of the political spectrum might have confused and alarmed observers in the United States, but were only useful to the MNR insofar as they helped further that nationalistic development project. The chapter also emphasizes that land reform, far from an afterthought to the party elite, was a crucial element of their plans for Bolivia's economic development. Land reform was not pushed on a reluctant leadership by the actions of peasants on the ground, but was a central part of MNR philosophy of empowerment, enfranchisement and incorporation of Bolivian peasants into the national economy and the political base of the MNR. Beyond these central goals the party sought to maintain broad appeal, and as a result remained somewhat vague on its relationship to communism or the precise nature of imperialism, a force

which it blamed for poverty and exploitation in Bolivia. Finally, the chapter examines the broad narrative of Bolivian-U.S. relations and explains why the Truman administration, though it eventually recognized the MNR regime, essentially stuck to a 'wait and see' policy over the new Bolivian government that left Eisenhower ample room to take the relationship in either direction.

Many historians cite the cool, level headed pragmatism and subtle understanding of politics in Bolivia. Chapter 2 explores the mounting evidence accumulated by U.S. observers on the ground of communist influence, pro-Guatemala sympathies, a leftward political shift and anti-American rhetoric in the MNR government, even its supposedly moderate leadership, during the first months of the Eisenhower administration's time in office. Such evidence was often presented in alarming and blunt language that more senior officials could easily have seized upon if viewing Bolivia policy with a dogmatically anticommunist mindset. The MNR government's enemies in Bolivia's neighboring countries, the United States, tin mining companies and recently deposed former U.S. allies who had been U.S. allies in power in Bolivia strenuously tried to take advantage of such a discourse, and many proved willing to replace the revolutionary government. Yet their narratives did not convince an administration that supposedly had an inherent reflex towards anti-revolutionary, anti-communist policies.

Chapter 3 explores the role of communism, the Soviet Union and the Cold War in U.S. officials' minds. Despite some symbolic and rather tardy efforts from the MNR to demonstrate goodwill on the anticommunist front, the chapter notes the wealth of evidence of continued communist infiltration and political victories for communism and the radical left, for which the MNR bore significant responsibility according to analyses from the CIA, NSC and State Department. This all took place as U.S. aid continued to flow into the country, suggesting that top policymakers were well aware of the limits of the MNR's superficial gestures towards

anticommunism. This suggests they prioritized agendas other than anticommunism in Bolivia, agendas which Chapter 4 lays out in detail.

Chapter 4 explores the decision to ignore or deemphasize the Cold War and instead posit the primacy of the inter-American system in Washington's view of its policies in Bolivia. Such a mindset explains the administration's embrace of the Bolivian government and their hostility towards the Arbenz government. Bolivian diplomats were able to get U.S. policymakers to replicate their narratives about the revolution's causes and goals for other American officials, suggesting effective diplomacy that often deemphasized anticommunism whilst foregrounding their ambitious plans for economic and social progress in Bolivia. Bolivian diplomats demonstrated keen insight that administration officials were excited by this agenda, and the prospect of yoking ambitious reform, even revolutionary nationalism to the inter-American system. Such desires proved crucial in the Bolivians' bid to gain U.S. sympathy and financial support.

Chapter 5 explores the collapse of relations with Guatemala, using the tenth inter-American conference in Caracas to highlight the importance of the inter-American system to U.S. hegemony. Bolivia and Guatemala took very different understandings of the nature of this hegemonic enterprise with them to Caracas. Armed with these different understandings, they adopted very different diplomatic approaches that help to explain how and why the administration came to view the two movements so differently.

Chapter 6 examines U.S. aid policy in Bolivia, and how enacting the vision of inter-American cooperation with leftist nationalism was hampered by competing bureaucratic interests, political pressures, fiscal conservatism and diplomatic contingencies. However, the program's shortcomings, whilst illuminating some underlying contradictions in the vision of U.S.

policymakers, should not be mistaken for a cynical attempt to enforce Bolivian dependency or U.S. economic empire in Bolivia, nor should they mask the long-range ambition of U.S. policy and the money that was used to serve it.

U.S. policy in Latin America has many critics, and rightfully so: the administration did use anticommunism to justify its hegemonic agenda for the region. Washington brazenly undermined Latin American sovereignty through support for the Guatemalan coup whilst putting the U.S. on a collision course with the Cuban revolution. The path of U.S.-Bolivian relations helps make clear the reasoning that led to these broader failings, reasoning that went beyond doctrinaire Cold War anticommunism. It instead focused on maintaining U.S. hegemony. The MNR's achievement in attracting U.S. support for its revolutionary aims by accepting the symbolic needs of that hegemonic project certainly did not solve Bolivia's structural economic problems, and also created new political headaches and policy pressures for president Paz and his successor, Hernán Siles Zuazo.

But the what the MNR did in Bolivia remains a remarkable achievement that helped secure substantial changes to Bolivian social, political and economic life: changes that U.S. officials were excited to be a part of supporting and shaping. The very notion that the United States might be willing and able to support their revolution was hard for many to swallow, no more so than the Bolivian allies of the Truman administration and the tin mining companies. This was especially true given the MNR's rocky relationship with the United States in its first decade as a political movement. Despite this seemingly hostile environment, the MNR proved adept at framing their revolution for their North American counterparts, and officials in Washington proved eager to align themselves with the revolution in service of their broader vision of U.S. hegemony in Latin America.

Chapter 1

The Movimiento Nacionalista Revolucionario, the building of a revolution, and U.S. responses

From its first moments as a political movement, Bolivia's MNR had attracted enmity from the United States. The party seemed radically nationalistic and disparaging of American imperialism. The party leadership vehemently opposed governments that the United States favored as allies. Prior to the Cold War, observers in Washington saw the MNR as pro-fascist and Peronist, and Washington refused to recognize the government of Gualberto Villarroel (1943-46), whose cabinet contained four MNR members. By the 1950s the MNR had shifted its political rhetoric away from references to corporatist or fascistic visions of modernity and towards a more Marxist-socialist lexicon, just as U.S. strategic concerns were shifting from the defeat of fascism to the containment of communism. This ideological shift, it seems, should have been most troubling to observers in the United States during some of the coldest years of the Cold War.

When the April 1952 revolution catapulted the MNR to power, the initially reticent Truman administration eventually did take important steps that led towards greater acceptance of the MNR. Seeing no clear alternative, Truman approved recognition for the regime in June. The following January, his State Department made a spot purchase of Bolivian tin to relieve some of the economic pressure on the new government. However, despite these positive steps, the Truman administration was ultimately unable to resolve the ambiguous and volatile political and economic situation in Bolivia, leaving Bolivia in diplomatic and economic limbo by the time

Eisenhower came to power. It was Eisenhower, not Truman, who decided to fully embrace the new revolutionary government in La Paz.

This chapter serves three purposes. Firstly, it explains the MNR's ideological fluctuations from right to left, and how it must be viewed as primarily a nationalist party. This perception would become an important point in its favor when the Eisenhower administration confronted a deteriorating economic situation and increasingly strained relations with in Bolivia in the first months of 1953. Secondly, the chapter explains that whilst the Truman administration made important steps towards conciliation with the MNR during Truman's final months in office, critical issues in the U.S.-Bolivian relationship remained unresolved. Securing a tin contract, growing leftist influence in government, and Bolivian need for aid amidst economic turmoil were all left unresolved, leaving Eisenhower scope to push Bolivia policy in either direction. Truman's failure to tie down Bolivia policy imparts great significance to Eisenhower's decision to make the U.S.-Bolivian relationship much closer than ever before. Thirdly, the chapter traces the U.S. relationship with the MNR from pre-revolutionary antagonism to post-revolutionary support, giving a broad narrative overview of the period that subsequent chapters explore in greater detail.¹

The MNR and Ideology: Searching for models of autonomy

Confusingly for some American observers, the MNR underwent a significant ideological shift during its first decade. From an identification with European fascism and Argentinean Peronism in the early 1940s the rhetoric of party officials moved towards a much more leftist,

¹ For an excellent and succinct narrative summary, see Charles H. Weston Jr., "An Ideology of Modernization: The Case of the Bolivian MNR," *Journal of Inter-American Studies*, Vol. 10, No. 1 (January, 1968), pp. 85-101.

often explicitly Marxist approach by 1950.² To one American journalist writing in the *New York Times* the MNR seemed “a little confused about its politics, and the extent of its allegiance to communism.”³ But despite this journalist's confusion, the MNR leadership did retain a coherent sense of purpose centered on economic modernization and autonomy, freeing Bolivia from reliance on mineral exports for precious foreign exchange. The party leadership also sought to develop and extend the power of Bolivian state, and in the process dismantle the power of political and economic “imperialism” that the MNR defined its nationalism against.⁴ It was the economic exploitation and wealth extracted from Bolivia by the large mining companies without investment in Bolivian society that was responsible for Bolivia’s impoverishment and backwardness, something that a strengthened Bolivian state and diversified Bolivian economy might be able to overcome.

It is this nationalistic and developmental emphasis that explains the party’s attraction to radically different visions of modernity during an era in which the very concept was hotly contested, and in a country where the vast majority of Bolivians felt the old liberal capitalistic order had not provided many economic or political benefits. MNR leaders were ambitious for Bolivia’s future, and sought inspiration from revolutionary ideas across the political spectrum, particularly those that seemed to be achieving results. It is therefore helpful to understand the MNR as “essentially a nationalist party,” something that the U.S. State Department would

² The leftward shift of the 1950s and would not be the last ideological change in the MNR’s history, as the party came to embrace neoliberalism in the 1990s. See also Kenneth Lehman, *Bolivia and the United States: A Limited Partnership* (Athens, GA: University of Georgia Press, 1999), p. 99; note 72, p. 18.

³ Sam Pope Brewer, “Anti-US Sentiment Rising in South American Countries,” *New York Times*, April 27, 1953, p. 1.

⁴ Eduardo Arze Cuadros, *Bolivia, el programa del MNR y la revolución nacional: del movimiento de reforma universitaria al ocaso del modelo neoliberal (1928-2002)*, (La Paz, Bolivia: Plural Editores, 2002), p. 72.

eventually come to appreciate.⁵ This appreciation, combined with a desire to shape the modernization process in Bolivia, would gain the revolutionaries a sympathetic ear in Washington during the Eisenhower administration and form the basis of U.S. support for the MNR.⁶

The MNR was a Bolivian political movement that formed in 1941 around intellectuals who had become radicalized and disaffected by the disastrous Chaco War of 1932-35.⁷ The war had been started by Bolivia's elite to secure national prestige in a time of worldwide economic collapse, and to gain access to the oil supplies supposedly hidden beneath the scrubland of the Chaco. Bolivia's defeat in the conflict triggered renewed economic depression and exposed the old political and social order to great criticism.⁸ It was the Bolivian elite who had instigated and encouraged war on patriotic and nationalistic grounds, so when Bolivia's fortunes in the war turned sour its leaders incurred the wrath of nationalist sentiment. Bolivian's discontent led to successive coups by the "military-socialist" regimes of David Toro Ruilova (1936-37) and Germán Busch Becerra (1937-39).⁹ These governments were progenitors of the MNR's

⁵ See Telegraph from Rowell to the Department of State, 26 August, 1952, in which Rowell concludes the MNR is "essentially a nationalist party." National Archives and Records Administration [Hereafter NARA], CDF, Record Group 59, Box 4607, 824.00/8-2652.

⁶ See chapter 4.

⁷ Carlos Montenegro, "Origenes Historicos del MNR" in Carlos Montenegro, Luis Antezana Ergueta and Guillermo Bedregal Guitierrez, *Origen, Fundacion y Futuro del MNR* (Bolivia: Ediciones Abril, 1992), pp. 21, 29; Weston, "An Ideology of Modernization," pp. 87-91.

⁸ The end of the war witnessed a further worsening of already dire economic conditions for Bolivia, with high inflation, budgetary deficits and rampant poverty. The cost of living in Bolivia increased by 1,410 percent between 1931 and 1942. Jerry W. Knudson, "The Impact of the Catavi Mine Massacre of 1942 on Bolivian Politics and Public Opinion," *The Americas*, Vol. 26, No. 3. (January, 1970), p. 255; Herbert S. Klein, "David Toro and the Establishment of 'Military Socialism' in Bolivia," *The Hispanic American Historical Review*, Vol. 45, No. 1. (February, 1965), p. 33-34.

⁹ *Ibid.*

nationalism, pushing for a stronger, state-led economy and for greater control of Bolivia's resources by the Bolivian government.¹⁰ Building on resentment of foreign economic exploitation as the source of Bolivia's impoverishment, Busch nationalized Standard Oil's Bolivian wells in 1937.

Oil nationalization gave rise to calls for the Bolivian state to nationalize the country's large tin mining companies as well: unsurprising in a country whose economy was dominated by the mining industry. By the twentieth century Bolivia's economy was focused almost exclusively on subsistence agriculture at home and selling mineral ores abroad. In 1952, 95 percent of Bolivian exports were ores from Bolivian mines, 70 percent of which were tin ores.¹¹ Three companies, known collectively as the 'Big Three' or *La Rosca*, controlled over 80 percent of the mining industry, and used their economic resources to wield great political power.¹² These three conglomerates-Aramayo, Hochschild, and Patiño-used their significant political influence to oppose successive nationalist governments that attempted to wrest political and economic control of Bolivia from *La Rosca*.¹³ All three owned or had significant financial interests in their own newspapers, and all three had revenues that exceeded the annual budget of Bolivia during the

¹⁰ Constitutional reforms were contradicted and contravened by the authoritarian tendencies of the Army, in particular from Busch, who abandoned any pretence of constitutional government by the last year of his Presidency. Klein, "David Toro and the Establishment of 'Military Socialism' in Bolivia," p. 25. However, Busch also enacted the country's first labor code, and a requirement that mining companies surrender foreign exchange earnings to the Central Bank. Lehman, *Bolivia and the United States*, p. 72.

¹¹ George Jackson Eder, *Inflation and Development in Latin America: A Case History of Inflation and Stabilization in Bolivia*, (Ann Arbor: University of Michigan, 1968), p. 48.

¹² *La Rosca* is a less specific word that also refers to the Bolivian oligarchy in a more general sense. James Dunkerley, *Rebellion in the Veins: Political Struggle in Bolivia, 1952-1982*, (London: Verso, 1984), p. 5.

¹³ As George Ingram noted, it was no coincidence that Toro and Busch had fallen from power so swiftly. George M. Ingram, *Expropriation of U.S. Property in South America: Nationalisation of Oil and Copper Companies in Peru, Bolivia, and Chile*, (New York: Praeger Publishers, 1974), p. 129.

1940s.¹⁴ The Big Three had all started life as Bolivian companies, but by mid-century had expanded their operations across the globe. Bolivian exchange control regulations treated the Big Three as foreign owned, and many in the general public also thought of them as instruments of foreign capitalistic exploitation or “imperialism.”¹⁵

Despite the increasingly global interests of the companies, including moving their headquarters to the United States and Western Europe, their influence on Western governments seems to have been slight.¹⁶ Even the extent of U.S. ownership of the companies was fairly unclear to the State Department in 1952. However, as the pressure for nationalization rose in the twentieth century Patiño made efforts to attract more U.S. investors in the hope of dragging the United States into any potential expropriation fight.¹⁷ At one point the State Department estimated that 20-25 percent of Patiño was owned by U.S. citizens, though by 1952 the figure most often cited by U.S. policymakers and analysts was 52 percent (the figure emphasized by Patiño).¹⁸

Though individual companies may have lacked clout in Washington, Bolivian tin had also been important to the United States, especially during the Second World War, as the only

¹⁴ Jerry W. Knudson, “The Impact of the Catavi Massacre of 1942 on Bolivia and Public Opinion,” *The Americas* 26, 3 (January 1970), p. 256.

¹⁵ Cole Blasier, “The United States and the Revolution” in James M. Malloy and Richard S. Thorn (eds.), *Beyond the Revolution: Bolivia since 1952* (Pittsburgh: University of Pittsburgh Press, 1971), p. 56; Arze Cuadros, *Bolivia* (2002), p. 72.

¹⁶ Dunkerley, *Rebellion in the Veins*, p. 9. See Chapter Two, p. 56.

¹⁷ Ingram, *Expropriation of U.S. Property in South America*, p. 126. For evidence of confusion as to precise nature of U.S. ownership of Patiño, see Barall to Velt Sherman, 5 April 1954, NARA, CDF, RG 59, Box 3308, 724.00/4-554.

¹⁸ Committee on Foreign Affairs, *The Middle East, Africa and Inter-American Affairs* vol. 16 (House: US government printing office, 1980), p. 434; Memorandum from Topping to Holland 4 August 1955, NARA, CDF, RG 59, Box 4279, 824.2544/8-455.

Western Hemisphere supply of a strategic material used by a host of U.S. industries.¹⁹ In this wartime period of scare supply and high demand, the United States was able to keep tin prices relatively low because it had built up a tin stockpile. In December 1940, Washington signed a five-year tin contract with the Government of General Enrique Peñaranda, promising to buy 18,000 tons of tin per annum at 48.5 cents per pound, well below world market prices.²⁰

Though it was central to the Bolivian economy and provided the government with the only significant source of foreign currency, by mid-century the tin industry was in a long, drawn-out decline. As mining continued over the decades the quality of ores increasingly diminished: tin concentrations in extracted ores averaged 6.65 percent in 1925, but by 1970 had plummeted to 0.9 percent.²¹ The ores contained more impurities, which made the refining process more expensive, and as older mines were exhausted newer veins proved more difficult and expensive to access.²²

The MNR sought a radical solution for this problem: nationalization. For the party, nationalization of the mines was a central policy aim that remained constant during the MNR's ideological fluctuations during the 1940s. Nationalization more than any other issue defined the party's agenda, and remained front and center of the political project articulated by the MNR's founding father and leader, economist Victor Paz Estenssoro. Paz and the MNR leadership saw

¹⁹ During World War II Bolivian tin became a crucial resource in the Allies' war effort. With the fall of Malaya and Indonesia to the Japanese by 1942, Bolivia became the West's only source of tin for the rest of the war. This debt was one of the reasons Eisenhower gave in his public decision to grant aid to Bolivia on July 20, 1953. In the White House press release, Eisenhower emphasized that the September tin contract was being granted "at a time when our country has no immediate need for additional tin." "U.S. Aid to Bolivia" in *Department of State Bulletin*, 2 November 1953, Volume 29, p. 585; *New York Times*, January 7, 1953, p. 52.

²⁰ Lehman, *Bolivia and the United States*, pp. 75, 80.

²¹ Dunkerley, *Rebellion in the Veins*, p. 8.

²² *New York Times*, January 7, 1953, p. 52; Truman Library, Federal Records Series, RG 220, Box 28, Tin Folder, President's Materials Policy Commission, 1952, p. 12.

greater state control over economic resources and the distribution of land as being of primary importance to achieving greater economic autonomy and Bolivian prosperity. Instead of enabling mining companies to expatriate profits from mineral exports, nationalization of the country's only significant economic resource and source of foreign exchange would provide the Bolivian revolution with money to redistribute to the population and provide wider social benefits.²³

Nationalization would also symbolically demonstrate that the revolution could run the mines profitably and equitably for the benefit of all Bolivian people. Revenue from the nationalized mines would also, in theory, be made available for developing other industries, particularly agriculture in the relatively unpopulated East. The government, blaming *La Rosca* for expatriating the country's wealth and failing to invest in Bolivia, sought to use the country's mineral wealth to wean the Bolivian economy off tin dependence and render it less susceptible to the fluctuations of the world tin market.

Although the desire to nationalize the tin mines had a developed (if optimistic) economic rationale, it was also borne out of necessity. Bolivian public opinion, and the miners' unions which were an integral support base for the MNR, focused their resentment on the exploitation and suppression of *La Rosca*. Some of the MNR's strongest political support came from miners' unions, particularly the *Federación Sindical de Trabajadores Mineros de Bolivia* (FSTMB), an organization which the MNR had been instrumental in founding.²⁴ The miners advocated improved working conditions, an end to inflation, and nationalization of the tin mines. They had

²³ "Discurso Que Pronuncio S.E. El Señor Presidente de la Republica en Ocasión de Realizar una Visita al Centro Minero de Huanuni," *Libro Blanco de la Independencia Económica de Bolivia* (La Paz: Ministerio de Prensa, Informacion y Cultura, 1952), p. 90. See also Weston, "An Ideology of Modernization," p. 91. Tin exports accounted for seventy percent of foreign exchange earnings and ninety percent of government revenue. Stephen Rabe, *Eisenhower and Latin America: The Foreign Policy of Anticommunism* (Chapel Hill: University of North Carolina Press, 1988), p. 79.

²⁴ Dunkerley, *Rebellion in the Veins*, p. 16.

suffered at the hands of Big Three strikebreakers, often backed by government troops, which had further pushed workers across the country away from the government's leftist allies in government, the PIR.²⁵ Many Bolivians also resented the fact that Bolivian tin companies had moved their profits and operations overseas to foreign tax havens, including in the United States. They felt the mineral wealth of the country was being sent abroad to enrich *La Rosca* and foreign capitalists, whilst the majority of Bolivians remained disenfranchised, illiterate and desperately poor. This growing political pressure was successfully articulated by MNR nationalists, who argued that nationalization of the mines could bring their wealth to the wider population.

The MNR was also strongly pro-*campesino*, seeking to grant maligned and ostracized indigenous Americans full Bolivian citizenship.²⁶ The MNR promised to educate, enfranchise and endow them with land, in a hope that greater economic and political engagement would strengthen the Bolivian economy and promote a healthier, more equitable society. This would aid Bolivia's transition to a more modern nation, whilst simultaneously providing the MNR with a political base.

This pro-*campesino* stance was another product of the profound social changes catalyzed by the Chaco War. Thousands of indigenous peoples had served in the war, exposing them to a different world outside of subsistence agriculture, giving them a greater sense of belonging to a Bolivian nation, and imbuing in many a sense that this nation now owed them better prospects

²⁵ See, for example, the 1942 Catavi Massacre mentioned below, and the struggles of the *sexenio*. Knudson, "The Impact of the Catavi Mine Massacre of 1942 on Bolivian Politics and Public Opinion," p. 255; Guillermo Lora, *A History of the Bolivian Labour Movement, 1848-1971*, edited and abridged by Laurence Whitehead, (Cambridge: Cambridge University Press, 1977), p. 217.

²⁶ Victor Andrade, a key MNR figure who had served as Ambassador to the United States in 1944, expounded these goals when he was inducted into the ambassadorship for the third time in 1960. "Translation of the Remarks of the Newly Appointed Ambassador of Bolivia Victor Andrade Upon the Occasion of the Presentation of his Letters of Credence," in Letter from Wiley Buchanan to Thomas Stevens, February 4, 1960. Eisenhower, Dwight D.: Papers as President, 1953-1961 (Ann Whitman File), International Series, box 4, Bolivia (1).

after their national service. They were increasingly dissatisfied with what many Bolivians and Westerners described as “feudal” servitude on *Altiplano latifundas*, in a system expressly designed to keep them from education or political participation.²⁷ Indigenous Bolivians, who made up the vast majority of the population, were becoming increasingly politicized and attracted to the MNR’s inclusive nationalist ideology, which in turn placed further pressure on the party to move towards more strident land reform.²⁸

Whilst it is true that mine nationalization more than any other issue defined Paz and the party’s agenda, land reform also came to represent an increasingly important part of its program by the end of the 1940s.²⁹ In fact, land reform was a central concern of Paz and the MNR leadership from the beginning of their political careers. Paz and Guevara had, as members of Congress in the 1940s, submitted a “Proposal for Constitutional Reforms of the Agrarian and Campesino Legal System,” calling for the provision of healthcare and benefits to rural workers

²⁷ *Chicago Daily Tribune* April 16, 1952, p.14; Memorandum from Galazra and Jackson to the Department of State, 4 May, 1953, NARA, Central Decimal File, RG 59, 824.00/5-453; Milton Eisenhower, *The Wine is Bitter: The United States and Latin America*, (Doubleday and Company Inc., Garden City, New York, 1963), p. 73; Robert Alexander, *The Bolivian National Revolution*, (New Brunswick, NJ: Rutgers University Press, 1958), p. 4. *Altiplano* refers to the high plateau in the Andes where most Bolivians lived, *latifunda* refers to the large farms systems owned by wealthy landowners, defined by the 1953 Land Reform Act as a “rural property of a large size which... remains idle or is exploited inefficiently...with obsolete tools and with practices which serve to perpetuate the serfdom and submission of the peasant.” Richard Patch, “Bolivia: U.S. Assistance in a Revolutionary Setting,” in Richard N. Adams et al, *Social Change in Latin America Today: Its Implications for United States Policy*, (New York: Harper & Brothers, 1960), p. 127.

²⁸ Klein, “David Toro and the Establishment of ‘Military Socialism’ in Bolivia,” p. 41; Lawrence Whitehead, “Bolivia since 1930,” in Leslie Bethell (ed.), *The Cambridge History of Latin America, Volume 8, Latin America since 1930, Spanish South America*, (Cambridge: Cambridge University Press, 1991), p. 549. When the 1952 revolution was completed, areas like Cochabamba with large indigenous populations became increasingly lawless, and witnessed threatened and actual violence as many Bolivians took land reform into their own hands. Patch, “Bolivia: U.S. Assistance in a Revolutionary Setting,” pp. 121, 123. See also *New York Times*, Jan 26, 1953, p. 6; “Bolivians Seize Crops: Farm Workers Show Impatience in Land Reforms,” *New York Times*, July 2, 1953, p. 8; “Indian Peasants On the Warpath,” resulting in “26 dead and 50 injured,” *New York Times*, July 9, 1953, p. 6.

²⁹ Paz spoke of the centrality of mine nationalization during his first months as president, often receiving repeated bouts of applause when doing so. The cited speech does not have a date, but was made sometime between April and October 1952. Victor Paz Estensorro, “Discurso Que Pronuncio S.E. El Señor Presidente de la Republica en Ocasión de Realizar una Visita al Centro Minero de Huanuni,” *Libro Blanco de la Independencia Económica de Bolivia* (La Paz: Ministerio de Prensa, Informacion y Cultura, 1952), p. 90.

and enforcing squatters' rights. Their last weeks in government saw president Villarroel pass decrees banning debt peonage. Though Villarroel would be removed from power and hung in La Paz' main square, his government's vision of rural reform lived on in the MNR.³⁰

As president Paz insisted from the outset that land reform was Bolivia's "other great problem," "inseparable" from mine nationalization.³¹ Paz, echoing the thoughts of fellow 'moderate' MNR leaders, promised that land reform would help integrate *campesinos* into Bolivian political and economic life on a more equal footing, and thereby make the State stronger. As with their rationale for mine nationalization, MNR leaders saw the ending of debt peonage and the distribution of land titles to the peasants as more than an opportunity for symbolic political opportunism: these were important structural transformations to the economy of the nation, and indeed its very social fabric.

Such emphasis on land reform from the revolution's first moments in power suggests a markedly different image of the MNR leadership than others have suggested.³² Rather than being reluctantly forced to embrace land reform after peasants started seizing land without government approval, the MNR leadership seems to have embraced the idea as central to both the economic progress of Bolivia and the centralization of the Bolivian state from its first moments in power. If the MNR could claim responsibility for achieving them, pursuing land reform and mine

³⁰ Heath, Charles J. Erasmus and Hans C. Buechler, *Land Reform and Social Revolution in Bolivia* (New York: Praeger, 1969), pp. 39, 42.

³¹ Victor Paz Estensorro, "Discurso Que Pronuncio S.E. El Señor Presidente de la Republica en Ocasión de Realizar una Visita al Centro Minero de Huanuni," *Libro Blanco de la Independencia Económica de Bolivia* (La Paz: Ministerio de Prensa, Informacion y Cultura, 1952), p. 90.

³² Herbert Klein, *Bolivia: The Evolution of a Multiethnic Society* (New York: Oxford University Press, 1992), p. 232. See also chapter 4.

nationalization would provide the government with substantial political support at home by striking a blow against the Bolivia's economic elite and foreign economic 'imperialists.'

Beyond its central focus on nationalism and promises of economic development, education, social welfare and popular enfranchisement, the MNR's political rhetoric was in many ways designed to appeal to all. In the process it lost a degree of specificity. The movement sought political support from left and right, working class and middle class elements, illiterate peasants and nationalist intellectuals.³³

The MNR initially borrowed some of its rhetoric, tinged with xenophobic nationalism, from political movements of the right, including Nazi Germany and Peronist Argentina. These were associations not destined to garner the approval of the United States on the eve of American entry into World War II. However, though the MNR's rightist ideology attracted much criticism from the United States, most scholars of Bolivian political history de-emphasize the intensity and significance of rightist influence in the MNR.³⁴ Certainly, the MNR's ideological association with fascism was not uncommon for Latin American nationalists in the 30s and 40s. At the time national socialism seemed to offer a dynamic route to economic development, industrialization and autonomy. The MNR's pro-fascist outlook in the 1940s is undeniable, particularly with regards to anti-Semitism.³⁵ However, too close an association with the Nazis was unrealistic on

³³ See Paz, quoted in memorandum from Rowell to Department of State, 24 April, 1953 NARA, CDF, RG 59, 724.00(W)/4-2453.

³⁴ Alexander, *The Bolivian National Revolution*, p. 27; Cole Blasier, *The Hovering Giant: U.S. Responses to Revolutionary Change in Latin America* (Pittsburgh: University of Pittsburgh Press, 1976), p. 53; Lehman, *Bolivia and the United States*, p. 99; Laurence Whitehead, *The United States and Bolivia: A Case of Neo-colonialism* (Oxford: Haslemere Group, 1969), p. 5. The association with Nazism was partially a measure of convenience; the Peñaranda Government and its supporters in the traditional oligarchy had backed the Allies and signed a long-term tin contract with the United States in 1940 which the MNR had opposed. Stephen Zunes, *Decisions on intervention: United States Response to Third World Nationalist Governments, 1950-1957*, (unpublished PhD, Cornell University, 1990), p. 127.

³⁵ In the 1940s the MNR advocated a total ban on Jewish immigration, and its program retained an undercurrent of anti-Semitism. Paz spoke out against Jewish immigration as "economically unproductive." Blasier, *The Hovering*

practical and ideological grounds given Bolivia's lack of accessibility to Germany and the racially accepting attitudes of the MNR who desired to empower Bolivia's indigenous Americans.³⁶

With fascism discredited by the mid-1940s, and the appeal of Marxism very much on the rise across the world, the MNR shifted its rhetoric to reflect global trends. Days before Eisenhower took office the new MNR Foreign Minister and prominent party intellectual Walter Guevara Arze proclaimed that "the revolution is nationalist, and we are deciding if it should continue on to be socialist too."³⁷ This was in stark contrast to what Paz had said two days earlier about the toxicity of the term "socialism." Paz had said that the revolution was targeted against *la Rosca* to be sure, "but we cannot speak of socialism... Those who propagate and sustain this idea are traitors, just as much as the reactionaries of the right." His comments appear to have been designed to calm the political passions of his enemies after a failed rightist coup on January 6th. On numerous other occasions Paz was more than willing to employ explicitly Marxist analysis to explain Bolivian economic problems, as the State Department pointed out.³⁸

Later in January, Guevara would go even further in an attempt to clarify his party's position on socialism in the pro-government newspaper *La Nación*. The Foreign Minister and leading MNR 'moderate' claimed his baseline philosophical approach was "socialism," which in

Giant, p. 49. See also Carlos Serrate Reich, *Hacia una ideología de los estados dependientes y neocolonizados vanguardismo revolucionario: Como doctrina de liberación y modernización de los países no alineados del tercer mundo* (La Paz: March 1988) ONLINE RESOURCE: <http://www.andesacd.org/wp-content/uploads/2013/03/Hacia-una-ideolog%C3%ADa-de-los-Estados-dependientes-y-neocolonizados.pdf> (last accessed 9/10/2014)

³⁶ According to American MNR devotee Robert Alexander, the MNR also criticized the Nazis as "advanced capitalist oppressors." Alexander, *The Bolivian National Revolution*, p. 31.

³⁷ Guevara interviewed in "El Peronismo del MNR," *La Nacion*, 10 January 1953.

³⁸ *El Diario*, 8 January 1953, p. 6. See chapter 2, n. 3.

practice meant using this theoretical approach to analyses “colonial and semi-colonial countries such as Bolivia.”³⁹ Guevara explained that, in countries such as these, a “socialist,” or as the U.S. embassy would editorialize, “Marxist” perspective would “lead one necessarily to a nationalist conclusion.”⁴⁰ By this Guevara meant that a strong state and strong economy, built in part with private capital, would first be required before Bolivia could embark on a more orthodox socialist project. To the MNR, nationalism meant “social justice,” a “harmonious adjustment between politics and economics.”⁴¹ But at the heart of the MNR’s political message was, as President Paz would tell the sixth MNR convention, the building of a “revolutionary economy for only Bolivian interests.”⁴²

Similar to its somewhat flexible rhetoric surrounding socialism, MNR leaders could mean very different things when describing “imperialism,” a force that the MNR so often set itself against. MNR stalwart, land reform advocate and famous historian Luis Antezana Ergueta posited that anti-colonial third world nationalism was front and center of the MNR’s political ambitions, and as such represented a sizeable contribution to anti-imperialist nationalist movements that would dominate international politics in the decades following the Second World War.⁴³ Criticism of imperialism could be directed at the economic exploitation of Bolivia by the Big Three, the continued legacy of Spanish colonialism on Bolivian racial divisions and

³⁹ *La Nacion*, 24 January 1953, p. 5.

⁴⁰ Telegraph from Rowell to the Department of State, January 26, 1953, NARA, CDF, RG 59, Box 3308, 724.00/1-2653, p. 2.

⁴¹ Writer Fernando Diez de Medina quoted in *Diario de Centro America*, 19 January 1953, p. 5.

⁴² *La Nacion*, 4 February 1953, p. 4.

⁴³ Luis Antezana Ergueta, *Historia Secreta, del Movimiento Nacionalista Revolucionario* volume 3 (La Paz: Juventud, 1985) p. 540.

economic structures or the lingering presence of European colonial projects in Latin America and the rest of the world.⁴⁴ It could and eventually would be used to castigate the ambitions of the Soviet Union in Latin America, in a discourse perpetuated by the United States at the founding of the OAS and the tenth inter-American conference in 1954. MNR party members took note. When Juan Lechín and fellow MNR labor leaders drafted speeches denouncing foreign imperialist influence, his colleagues amended their speeches to clarify that “imperialism” referred to the influence of “Communism and the Stalinist PIR.”⁴⁵

But despite the flexibility of the term “imperialism,” the readiest association for most Latin American observers was the harmful influence of different actors from ‘the U.S.’ on the region, whether it be the U.S. government’s use of gunboat diplomacy and non-recognition to influence Latin American politics, or the exploitative and corrupt behavior of companies associated with the United States, such as United Fruit. Or, as Juan Lechín would put it, the Bolivian people’s hatred for “Yankees and their imperialistic capitalism” came easily.⁴⁶ This easy dovetailing of anti-imperial rhetoric with anti-Americanism was an issue that American policymakers were certainly aware of, and one that MNR leaders were more than willing to exploit, as U.S. observers would make plain to Eisenhower’s State Department.⁴⁷

Different interpretations and emphasis on concepts such as imperialism and communism within the party demonstrate the broad, if ambiguous, appeal of the MNR. The party’s

⁴⁴ Ibid., p. 539. The continued presence of European imperialism on the South American continent was an issue that still animated Latin American diplomacy, as demonstrated at the inter-American conference in Caracas in 1954.

⁴⁵ Glenn J. Dorn, *The Truman Administration and Bolivia: Making the World Safe for Liberal Constitutional Oligarchy* (University Park, PA: Pennsylvania State University, 2011), p. 171.

⁴⁶ Cholin to Sparks, 28 August, 1953, Papers of Walter Guevara Arze, Box 9, Folder: Estados Unidos, Archivo y Biblioteca Nacional de Bolivia.

⁴⁷ See chapter 3.

intellectual flexibility and broad appeal were important assets for the MNR in their years out of power, allowing different factions to agree on an anti-imperialist stance. When a coup against the MNR failed in 1953, Lechín would blame “imperialists” without offering further clarification.⁴⁸ The idea that “imperialism” was a vast and powerful enemy that had kept Bolivia exploited and weak for centuries was one that held broad appeal in Bolivia and beyond. But the question of who or what was responsible for that imperialism would also expose divisions between the more moderate intellectuals within the leadership, and the radical wing of the party largely centered around the miners’ unions. These divisions would come to play an important role in the unfolding of the revolution and U.S. analyses of the MNR. At the forefront of the radical wing was charismatic union leader Juan Lechín, who sought to put miners’ unions front and center of political and economic power within Bolivia and immediate nationalization of the mines without compensation for the owners. At the other end of the spectrum, leading MNR moderate Hernan Siles Zuazo, Paz’s vice president in 1952 and eventual successor as president in 1956, would warn his more radical colleagues in the immediate aftermath of the MNR’s seizure of power that nationalization and land reform were not inevitable.⁴⁹

Yet amidst all of this ambiguity, ideological fluctuation and perhaps even intellectual faddism, the MNR leadership retained an underlying purpose around which its membership was able to coalesce. Despite some contemporary observers in the United States, the MNR retained a coherent set of principles that should be understood with reference to their nationalist desire to transform Bolivia into a modern, prosperous and independent nation state with an educated and economically secure workforce. Central to this mission was the narrative of wresting economic

⁴⁸ *Diario de Centro America*, 22 January 1953, p. 3.

⁴⁹ Dorn, p. 195.

and political power from the mining companies who the MNR viewed as agents of imperialist exploitation taking capital out of the country and failing to reinvest in the nation and its people. Such anti-imperialist rhetoric was largely targeted at the *la Rosca*, but also had scope to be directed at the United States, the ultimate reference point for anti-imperialists in Latin America. This antipathy towards the imperialism of the United States began to intensify as U.S. concerns over the MNR nationalization of the tin mines grew in late 52 and early 1953.⁵⁰

U.S. attitudes towards the MNR

The party endured a series of political misfortunes during its tempestuous rise to power. The MNR was first rocketed to prominence in 1942 for its support of striking miners at Catavi, where Government troops killed and wounded hundreds of protesters.⁵¹ The party came to power in alliance with Major Gualberto Villarroel in a 1943 coup only to be removed from government as a result of U.S. pressure and non-recognition. The party's return to prominence and coalition government in 1944 on the back of electoral gains was also short-lived, as Villarroel was overthrown by an alliance of the Stalinist PIR and rightist forces in 1946, and killed by a mob outside the presidential palace.⁵² The MNR regrouped over the next six years (known popularly as the *sexenio*), dropped its rightist ideology, and began to base its appeal on being the inheritor

⁵⁰*La Nacion* 1January 1953, p. 1.

⁵¹Knudson, "The Impact of the Catavi Mine Massacre," pp. 254-255.

⁵² This surprising alliance was in keeping with Stalinist popular front tactics. Herbert Klein, "Prelude to the Revolution," in James Malloy and Richard Thorn, (eds.), *Beyond The Revolution: Bolivia Since 1952*, (Pittsburgh: University of Pittsburgh Press, 1971), p. 38.

of the martyred Villarroel's legacy.⁵³ Meanwhile, the PIR's complicity with growing government repression fatally damaged its credibility with the Bolivian left, causing the PIR membership to split between the MNR and the newly formed *Partido Comunista Boliviano* (PCB) in 1950.⁵⁴ The MNR was able to take advantage of the political and economic failings of the ruling government to win a plurality in the 1951 elections, supported by the Trotskyist *Partido Obrero Revolucionario* (POR) and Communist PCB. Popular backing, especially from armed miners' militias, was crucial in winning the battles with the Army in the streets of La Paz.

Up until this point, policymakers in the United States had been happy to see the MNR out of power. Washington was quite pleased to see the Villarroel government replaced in 1946, and supported subsequent anti-MNR governments.⁵⁵ To the United States in the 1940s, the MNR had seemed a radical totalitarian movement with unacceptably close links to fascism and Perónism. The Roosevelt administration had publically charged the MNR with "anti-Semitism, hostility to democracy, fascist orientated programs, connections with Nazi groups in Germany and Argentina, and Axis financial support."⁵⁶ This contributed to lasting tensions between the MNR and the U.S. According to John J. Topping of the State Department's Office of South American Affairs (OSA), "Many remarks, both official and private, by leaders of the present Bolivian

⁵³ Villarroel's nationalist agenda anticipated the more lasting reforms of the 1950s: including efforts to nationalise the tin mines, the founding of the Ministry of Labour, the Ministry of Mines and Petroleum, the FSTMB (miner's union), forming a National Indian Congress and issuing a (toothless) ban on involuntary personal service. Klein, "David Toro and the Establishment of 'Military Socialism' in Bolivia," p. 38; Alexander, *The Bolivian National Revolution*, p. 36; Lora, *A History of the Bolivian Labour Movement*, p. 234.

⁵⁴ For more on the repression of the *sexenio*, see Whitehead, "Bolivia since 1930," in Bethell (ed.), *The Cambridge History of Latin America, Volume 8*, p. 541; p. 20, note 79.

⁵⁵ Though Blasier argued that U.S. attitudes to the *sexenio* governments are better described as "at best neutral." Blasier, *The Hovering Giant*, p. 31.

⁵⁶ Quoted in Blasier, "The United States and the Revolution" in Malloy and Thorn (eds.), *Beyond the Revolution*, p. 60.

Government, have clearly shown that they deeply resent[ed]" the U.S. position regarding the Villarroel regime.⁵⁷

Up until the 1952 revolution, the United States continued to fund governments that opposed the MNR as reliably pro-U.S. and anticommunist. Though a State Department policy statement issued in August 1950 found that democracy had "failed" in Bolivia, Embassy chargé d'Affaires James Espy was willing to rationalize in January that Mamerto Urriolagoitia Harriague's regime was "probably one of the most democratic administrations ever enjoyed by Bolivia." He therefore advocated U.S. technical assistance and World Bank and IMF support for Bolivia to combat the "spread of communism."⁵⁸

U.S. backing for anti-MNR governments continued even when the Bolivian military denied the MNR the opportunity to form a government after the party's electoral victory in 1951. It had won a plurality of the popular vote, with support from both the Trotskyite *Partido Obrero Revolucionario* (POR) and the PCB. Rather than allow the Congress to vote in a new government (as mandated in the Bolivian constitution), army officers seized power for themselves. In February 1952 the OSA's William Hudson set out the State Department's position to Edward Sparks, the U.S. Ambassador in La Paz, that even the junta was "preferable to...the MNR," for its more reliable pro-business attitudes, "firmly anti-communist" position, and friendly attitude to the United States.⁵⁹

⁵⁷ Memorandum from John J. Topping of the OSA to William Tapley Bennet, Jr., May 10, 1954, NARA, Central Decimal File, RG 59, Box 2760, 611.24/5-1054.

⁵⁸ "Policy Statement: Bolivia" issued by the Department of State, August 7, 1950, NARA, Central Decimal File, RG 59, Box 2760, 611.24/8-750, pp. 14-15; Memorandum from Espy to Acheson, January 10, 1950, p. 3, NARA, Central Decimal File, RG 59, Box 2760, 611.24/1-1050.

⁵⁹ Memorandum from Hudson to Sparks, February 28, 1952, NARA, Central Decimal File, RG 59, Box 3307, 724.00/2-2852.

Though the United States continued to provide aid and support for the junta, successive U.S. administrations did not display deep affinity for these pre-revolutionary regimes. The protestations of Bolivian government officials over the insidious and imminently threatening nature of communism in their country were taken with a pinch of salt by observers in Washington. When Urriolagoitia told Washington that the MNR was a “recognized cell for Communist Party” and stressed that having these “known communists” in government would have an “adverse” affect on U.S. interests, Acheson commented that his charges were “inaccurate or exaggerated.”⁶⁰ Policymakers also remained unwilling to buy Bolivian tin in a long-term contract because the Bolivian government demanded a price of 1.50 dollars per pound, well above market prices. Lyndon Johnson, Chairman of the Senate Preparedness Investigating Subcommittee, felt that accepting this “unreasonably high price” would be “extremely detrimental for the United States.”⁶¹ This came *before* the additional problems that the MNR revolution’s nationalization would raise in 1952. In fact, the Embassy saw the failure to negotiate a contract as “a running sore” in U.S.-Bolivian relations and later concluded that it had been a significant contributory factor to the fall of the junta in 1952.⁶²

On the eve of the 1952 revolution, Bolivia’s economy continued to suffer. Its GDP of \$118.60 was the second-lowest in all of Latin America, 3 in 10 Bolivian infants died in their first

⁶⁰ Memorandum from Acheson to Hudson, 15 April, 1952, NARA, Central Decimal File, RG 59, Box 2760, 611.24/4-1552.

⁶¹ Letter from Lyndon Johnson to Truman, April 4, 1952, Truman Library, Papers of Harry Truman, White House Confidential File, Box 57, Department of State, Trade Agreements, Negotiations, 1951-52 [3 of 6].

⁶² Memorandum from Thorp (Assistant Secretary of State for Economic Affairs) and Miller (Assistant Secretary of State for Inter-American Affairs) to John Foster Dulles, April 2, 1952, United States Department of State, *Foreign Relations of the United States, 1952-54, Vol.4, The Americas* (Washington DC: United States Government Press, 1983), p. 489 [hereafter referred to as *FRUS*]; Memorandum from Acheson to Truman, May 22, 1952, *FRUS, 1952-54, vol.4*, p. 491.

year of life, and the Bolivian literacy rate was 31 percent.⁶³ The country imported 25 percent of its food due to its unproductive agrarian system.⁶⁴ The added expense of these imports in a desperately poor country helped contribute to an alarming national statistic: average daily calorie intake was 1,612 per capita, compared to the UN recommended allowance of 3,000.⁶⁵ *La Rosca* continued to control 70 percent of the tin industry, whilst the economy's main source of revenue declined further due to the rising extraction costs of increasingly poor quality tin.⁶⁶ Bolivian tin was also becoming more expensive compared to the growing production in other countries with lower asking prices.⁶⁷ Inflation continued to undermine government investment schemes and pay rises, and a multiple-exchange rate system fostered the illegal export of vital goods, speculation and a widespread black market that seriously hampered government policies and tax revenues.⁶⁸

Matters came to a head in early April 1952. Interior Minister Antonio Seleme instigated a coup with the help of Bolivian policemen on April 9, but lost his nerve and sought refuge in the Chilean Embassy. However, his allies in the MNR did not give up. Backed by armed militias in La Paz, revolutionary forces defeated Bolivia's regular army by April 12. A triumphant Paz returned from exile in Argentina to take up the mantle of President, on the basis of the 1951 election results. He promised a radical transformation of Bolivia's society and economy through implementing universal suffrage, land reform, and the nationalization of the Big Three's

⁶³ Dunkerley, *Rebellion in the Veins*, p. 6.

⁶⁴ *New York Times*, June 28, 1953, p. 31.

⁶⁵ Alexander, *The Bolivian National Revolution*, p. 20.

⁶⁶ "Summary statement of relations between the United States and Bolivia" Report by William Hudson, September 29, 1952, NARA, Central Decimal File, RG 59, Box 2760, 611.24/9-2952.

⁶⁷ *Ibid.*

⁶⁸ This problem was perpetuated under the MNR. Eder, *Inflation and Development in Latin America*; Ingram, *Expropriation of U.S. Property in South America*, p. 124.

holdings. Nationalization represented a profound shift in power away from the Big Three and towards the Bolivian state, and a step that might also have important ramifications for the region, as U.S. officials observed. Latin American leaders who might wish to nationalize their nation's strategic resources would follow events in Bolivia closely.⁶⁹

The Truman Administration's reaction

Truman initially subscribed to a "wait and see" policy with regards to the Bolivian revolutionaries, and continued to worry about the nature of the MNR.⁷⁰ A 1951 analysis of the MNR noted that it had "accepted Communist support and might collaborate with the Communists or even fall under their domination if it came to power." They were "dangerous," "intensely nationalistic" and "could not be counted on to refrain from selling to Curtin countries."⁷¹ Nationalization of the tin companies looked almost certain, and the Embassy noted that the MNR leadership and party faithful were prone to using inflammatory anti-U.S. rhetoric, in a country described as "fertile ground" for communism.⁷² These pessimistic analyses

⁶⁹Memorandum from Acheson to Truman, May 22, 1952, p. 3. Truman Library, White House Central File, Department of State File, Correspondence, 1952 [2 of 6].

⁷⁰ "'Wait and see' policy" was a phrase used by the *Wall Street Journal* on April 15, 1952, and by G. Earl Sanders in "The Quiet Experiment in American Diplomacy," *Americas* 33.1 (July, 1976), p. 32. "U.S., Bolivia Silent On How Revolution Will Affect Tin Talks," *Wall Street Journal*, Apr 15, 1952, pg. 3.

⁷¹"Dangerous" was a description used by Republican George Aiken, quoted in Alexander, *The Bolivian National Revolution*, p. 257; Telegraph from Embassy in La Paz to the Department of State, 21 May, 1951, NARA, Central Decimal File, RG 59, Box 3308, 724.00/5-2151.

⁷² Telegraph from Sparks to the Department of State, 21 October, 1952, NARA, Central Decimal File, RG 59, Box 3310, 724.001/10-2152; see also p. 49, note 212. Accounts of rising "anti-American sentiment and Communist influence" laid out in memorandum from Hudson to Atwood, January 14, 1953, NARA, Central Decimal File, RG 59, Box 3308, 724.00/1-1453.

reinforced Acheson's and Sparks' concerns that Bolivia "might develop into another Iran," following the path towards radical anti-Americanism and expropriation without compensation.⁷³

The administration remained unwilling to recognize the new government in La Paz, preferring to let events unfold until it was clear that the MNR was in fact in control and worthy of recognition. The former quickly became apparent, but U.S. policymakers were slow to be convinced of the latter. In fact, Acheson initially recommended the suspension of bilateral technical assistance and military assistance to Bolivia, though some limited economic aid continued to reach La Paz.⁷⁴ Despite rhetoric over the importance of technical assistance and international aid, overall U.S. investment in Bolivia and aid programs *fell* during the Truman presidency.⁷⁵

Other nations were quicker to recognize and indeed embrace the fledgling regime, none more so than Guatemala.⁷⁶ This did not seem to bode well for the MNR, as the Guatemalan government was experiencing serious problems in its relations with the United States over a controversial land reform program that would empower Communists within the government to nationalize lands owned by a U.S. corporation, the United Fruit Company. Guatemala's

⁷³ See Edward Miller, "Memorandum to South American diplomats (excluding Bolivia)," 17 April 1952, NARA, Central Decimal File, RG 59, Box 3310, 724.02/4-1752; *FRUS 1952-54*, vol.4, p. 505.

⁷⁴ For the reduction of aid see Stephen Zunes, "The United States and Bolivia: The Taming of a Revolution, 1952-1957," *Latin American Perspectives*, Vol. 28, No. 5, Free Trade and Resistance. (Sep., 2001), p. 36.

⁷⁵ Gustavo A. Prado Robles, *Ensayos de historia económica* (Santa Cruz, Bolivia: Instituto de Investigaciones Económicas y Sociales Jose Ortiz Mercado, Facultad de Ciencias Económicas Administrativas y Financieras Universidad Autónoma Gabriel René Moreno, 2008), p. 108. See also *Analysis and Projections of Development: IV The Economic Development of Bolivia* (Mexico, UN, February 1958); UN, *Bolivian economic development* book 21, p. 23.

⁷⁶ Brazil was also keen to grant recognition and support to the MNR, though waited for the approval of the United States before doing so. The governments that recognised the MNR government before the United States were a disparate bunch: Guatemala, Argentina, Spain, and Paraguay. Memorandum from Miller to Maleady, 29 May, 1952, NARA, Central Decimal File, RG 59, Box 3310, 724.02/5-2952.

statement recognizing the new Bolivian government expressed ideological affinity with the MNR and proclaimed “we are no longer alone in the hemisphere.”⁷⁷ The signatory to this document Jaime Diaz Rozzotto, was described by the State Department as a “Communist sympathizer.”⁷⁸

Miguel Angel Velasquez, a Guatemalan poet who would go on to win the Guatemalan National Prize for Literature, wrote a series of articles in *Diario de Centro America* on the revolutionary ferment in Bolivia. Reporting on the Guatemalan decision to appoint the former Foreign Minister Manuel Galich as ambassador to Bolivia, Angel noted that Galich became “emotional” over the triumph of “authentic, true democracy” in Bolivia.⁷⁹ The U.S. Ambassador in Guatemala City noticed the clear “sympathy” for the Bolivian revolution amongst the Guatemalan political establishment and press.⁸⁰ According to his counterpart in La Paz, the Bolivian press was attempting to “show that Bolivia and Guatemala are united in their ‘revolutionary’ efforts to restore the rights of the people and establish an ‘authentic democratic’ regime.”⁸¹

Whilst the Guatemalan press and government were reacting favorably to the MNR revolution, commentators in the United States remained more cautious, and were occasionally

⁷⁷ Telegraph Rowell to the Department of State, 8 May, 1953, NARA, Central Decimal File, RG 59, Box 3309, 724.00(W)/5-853.

⁷⁸ Diaz was Secretary General of the Guatemalan political party *Renovacion Nacional*. Telegraph from the Embassy in La Paz to the Department of State, 15 April, 1952, NARA, Central Decimal File, RG 59, Box 3310, 724.02/4-1552.

⁷⁹ *Diario de Centro America*, 21 April 1953, p. 1.

⁸⁰ Telegraph from Ambassador Schoenfeld in Guatemala City to the Department of State, 25 April, 1952, Box 3310, NARA, Central Decimal File, RG 59, 724.02/4-2552.

⁸¹ Telegraph from Sparks to the Department of State, 23 January, 1953, NARA, Central Decimal File, RG 59, Box 3309, 724.00 (W)/1-2353.

quite condemnatory. The *New York Times*' report on Bolivian Vice President Hernán Siles Zuazo's speech on the triumph of the revolution in 1952 left out his more conciliatory phrases directed at the United States, and quoted his insistence that the "Bolivian economy should be Bolivian and not that of the exploiters who live abroad."⁸² The *Washington Post* described the MNR as "the new totalitarian government in Bolivia."⁸³ *Time* magazine editorialized that "fanatical members of the totalitarian" and "blood-drenched" MNR had "clawed their way back" into power and charged Paz with being a "communist of the right."⁸⁴

The U.S. Embassy in La Paz, headed by Sparks, was crucial in arguing for recognition despite the revolution's worrying elements. The influence of communism on the MNR was underplayed: "tolerance" of the Communist Party and other far left organizations was, in the Embassy's eyes, "due to tacit acceptance by MNR of [the] commies [sic] support of its objectives rather than [a] 'liberalistic' attitude."⁸⁵ The Embassy also concluded that there was no evidence connecting any party in Bolivia with the Soviet Union or any "foreign power," and Sparks found Paz to be "intelligently aware of the problem" of nationalization.⁸⁶

⁸² "Rebels in Bolivia Announce Victory; Cease-Fire Signed," *New York Times*, 12 April, 1952, pp. 1, 4. For more conciliatory passages aimed at the United States, see Dunkerley, *Rebellion in the Veins*, p. 41.

⁸³ "U.S. to Recognize New Revolutionary Setup in Bolivia," *Washington Post*, 29 May, 1952, p. 10. This article's analysis was noted by Acheson in a telegraph to La Paz, NARA, Central Decimal File, RG 59, Box 3310, 724.02/5-2952.

⁸⁴ "Bolivia, Blood Drenched Comeback," *Time*, 21 April 1952, p. 42. The article also acknowledged some ambiguity in the MNR's ideology, noting their fascist heritage, but was overwhelmingly negative. See also Lehman, *Bolivia and the United States*, p. 99.

⁸⁵ Telegraph from Sparks to the Department of State, 7 November, 1952, NARA, Central Decimal File, RG 59, Box 3309, 724.00(W)/11-752.

⁸⁶ Report by William Cobb, Jr., 2nd Secretary of the Embassy, to the Department of State, 15 May, 1952, NARA, Central Decimal File, RG 59, Box 3310, 724.00/5-1552; Telegraph from Sparks to the Department of State, 20 June, 1952, NARA, Central Decimal File, RG 59, Box 3309, 724.00(W)/6-2052.

The Truman administration brought out a qualified, even “terse,” recognition of the new government in June, whilst retaining its reservations.⁸⁷ Acheson told Truman that the MNR government was there to stay, and further delay “might augment [the] disadvantages of nonrecognition and start [to] operate against our own interest.”⁸⁸ Acheson felt “continued withholding of recognition is not going to prevent nationalization and may, in fact, have the opposite effect, namely, that of strengthening the radical elements in the government and pushing the government more in the direction of Peron.”⁸⁹ If the administration held back on recognition, the United States would also be accused of opposing a popular revolution on behalf of private business interests. The desire to avoid being tarred as reactionary was hardly a ringing endorsement of the MNR, and represented more of a calculation that it was in America’s best interest to recognize the new regime.⁹⁰ Though Truman told Acheson that he “had been following the [Bolivia situation] closely... had expected this recommendation...and thought it was probably the right course of action” he also felt it merited further thought.⁹¹

The United States also made things easier for the new regime by signing a short-term contract to buy 6,000 tons of tin. This purchase was designed to keep the Bolivian economy

⁸⁷ Sanders, “The Quiet Experiment in American Diplomacy,” p. 33.

⁸⁸ Memorandum from Dean Acheson to Hudson, 27 April, 1952, NARA, Central Decimal File, RG 59, Box 3307, 724.001/4-2752. The Embassy agreed with this assessment, warning against alienating moderate elements within the MNR. Telegraph from Sparks to the Department of State, 6 December, 1952, NARA, Central Decimal File, RG 59, Box 3308, 724.00/12-652.

⁸⁹ Memorandum from Dean Acheson to President Truman, May 22, 1952, *FRUS, 1952-54, vol. 4*, pp. 492-493.

⁹⁰ Telegraph from Sparks to the Department of State, 7 May, 1953, in which Sparks related his conversation with the Bolivian Foreign Minister. Guevara claimed that the United States’ continued restraint in its relations with Bolivia was causing many in Bolivia to accuse the United States of purposely causing “economic chaos” for imperialistic motives. *FRUS, 1952-54, vol. 4*, p 527. This reasoning is echoed in a memorandum from John Foster Dulles to Foreign Operations Administration Director Harold Stassen, September 2, 1953, *FRUS, 1952-54, vol. 4*, p 535.

⁹¹ Memorandum of conversation between Acheson and Truman, 22 May, 1952, Truman Library, Acheson Papers, Secretary of State File, Memoranda of Conversations File, 49-53, Box 70.

afloat temporarily. It did not represent an endorsement of the MNR, as the tin it bought had been produced before the revolution, and had already accumulated on Chilean docks.⁹² The administration remained unwilling to grant its full support to Bolivia by providing the stability that a long-term contract would ensure, an issue that would continue to animate Bolivian diplomacy well into the 1950s. Further negotiations around the long-term contract remained stalled, and made no further progress for the rest of 1952. The short-term contract was nevertheless significant for the Bolivian economy, and at 1.21 dollars per pound was worth 14.52 million dollars of precious foreign exchange to the Bolivian government.⁹³

The nationalization of the tin mines in October provided further cause for alarm and prevented a wider embrace of the MNR. Dean Acheson was “extremely concerned” about the prospect of nationalization without compensation led by the popular leftist Juan Lechín Oquendo, the Minister of Mines and Petroleum.⁹⁴ During the early revolutionary period, officials widely regarded Lechín as a dangerous and powerful radical.⁹⁵

Acheson’s concerns were shared by members of the press, lobbyists and politicians. Former Senator Millard Tydings was at the forefront of the anti-MNR lobbyists who opposed its apparently communistic reform agenda, and decried those who argued against compensating the

⁹² Telegraph from Acheson to the Embassy in La Paz, September 19, 1952, *FRUS, 1952-54, vol. 4*, p. 504.

⁹³ Telegraph from Sparks to the Department of State, 11 April, 1953, NARA, Central Decimal File, RG 59, Box 3308, 724.00/4-1153, p. 3.

⁹⁴ Memorandum from Acheson to Truman, 22 May, 1952, *FRUS, 1952-54, vol. 4*, p. 492.

⁹⁵ Miller was also “extremely concerned over degree of influence Lechín exercises in present government,” and instructed the Embassy to divine his attitude towards American citizens in Bolivia, towards nationalisation, and communism. Memorandum from Miller to Maleady, 21 April, 1952, NARA, Central Decimal File, RG 59, Box 4607, 824.00-TA /4-2152.

private investors with shares in Bolivian tin.⁹⁶ Expropriation without compensation appeared to be a distinct possibility in mid-1952, and as we shall see, the MNR proved more than willing to threaten this during the Eisenhower years over the continued lack of a long-term tin contract with the United States.⁹⁷ The growing power of the left in Bolivia and the prospect of nationalization were a challenge to the security of private property and private investment in Bolivia and beyond. These worrying leftist trends could have led to greater anti-Americanism and possibly pro-Sovietism if left unchecked by the United States.

Organized labor had formed into an influential political and military force in the aftermath of the revolution. The FSTMB played a major role in the expanded and politically powerful *Central Obrero Boliviano* (COB), an umbrella labor organization. The COB wielded strong political influence on the MNR and veto power over policy in the newly nationalized mines, backed by military strength. Having defeated the armed forces in the 1952 revolution, leftists sought to permanently replace the traditional army with citizens' militias. The army had participated in the suppression of labor unrest, and provided muscle for anti-labor and anti-MNR governments during the *sexenio*.

By the end of 1952, the dissolution of the army looked like a distinct possibility, but President Paz resisted pressure from the COB to dissolve the army altogether. Paz did deem the purge of forty generals necessary, and cut funding for the army by fifty percent, but stopped

⁹⁶ Memorandum from Thomas Mann to David Bruce (Undersecretary of State), December 17, 1952, *FRUS vol.4*, p. 515; Victor Andrade, *My Missions for Revolutionary Bolivia, 1944-1962*, (Pittsburgh: University of Pittsburgh Press, 1976), p. 161.

⁹⁷ Weekly report from the Embassy in La Paz to the Department of State, 13 June, 1952, NARA, Central Decimal File, RG 59, Box 3309, 724.00(W)/6-1352.

short of abolishing the armed forces altogether in favor of workers' militias.⁹⁸ This stance was an early indication of the MNR leadership's relatively moderate nature and its independence from more radical MNR leftists, but at the time it was not enough to overcome the uncertainties surrounding the U.S.-Bolivia relationship.

Despite the strain on the U.S.-Bolivian relationship caused by the nationalization, there were more positive developments for the United States. U.S. businessman Glen McCarthy successfully negotiated a contract with the MNR government that gave him permission to construct a match factory in Bolivia and granted him sulfur mining rights. McCarthy also continued to seek a petroleum exploration contract with the Bolivians. These examples of faith in the stability of Bolivia under the MNR, and the profitability of investing there, helped assuage fears over the consequences of the MNR's mine nationalization.⁹⁹ Personal relationships with State Department officials had also built up: Edward Miller personally wrote to the MNR's ambassador in Washington, Victor Andrade, to tell the Bolivian of his "appreciation for our work together and our personal friendship."¹⁰⁰ These indicators demonstrate that the U.S. relationship with the MNR had progressed from the first days of the revolution and was far removed from the attitudes of the early 1940s. This shift had been backed by concrete measures: recognition came in June, and another small spot purchase of tin was agreed in January of 1953.¹⁰¹ Though this

⁹⁸ A step that was not without irony: Paz was removed from office by an army coup in 1964 at the very beginning of his third term as president. Dunkerley, *Rebellion in the Veins*, pp. 48-50.

⁹⁹ Telegraph from Sparks to the Department of State, 9 January, 1953, NARA, Central Decimal File, RG 59, Box 3309, 724.00 (W)/1-953.

¹⁰⁰ Letter from Edward Miller to Victor Andrade, 31 December, 1952, Truman Library, Edward Miller Papers, Box 1, Assistant Secretary of State Correspondence file, 1949-52).

¹⁰¹ Rowell also noted in a communication with the Department of State on the 22 April, 1953, that spot purchases were recommended by the Department of State in September 1952, and again in January 1953, when they were approved. Telegraph from Sparks to the Department of State, 11 April, 1953, NARA, Central Decimal File, RG 59, Box 3308, 724.00/4-1153, p. 3.

contract had no long-term impact, it could be seen as significant because it was the first agreement signed by the U.S. that purchased tin produced in nationalized mines, and hence implicitly endorsed the move's legitimacy. There was, however, little mention of the wider symbolic importance of this step on either side.

Some historians have argued that "by the time Truman left office, the key simplifications had been made" in the minds of U.S. officials.¹⁰² Lehman emphasizes that the MNR's essential pragmatism was their defining feature for State Department officials, who concluded that the MNR, particularly Paz, Siles, and Guevara, were moderates and non-communist, and certainly better than any viable alternative governing coalition. As long as the MNR moderate leadership pragmatically accepted their "dependency" on the United States they would remain within the bounds of acceptability.¹⁰³

Whilst there was analysis emphasising the MNR the most likely to be able to forestall a swing further leftwards in Bolivian politics, by the spring of 1953 it seemed that the MNR was failing to do so. Its leaders' use of anti-American, even pro-Soviet rhetoric intensified as a long term U.S. tin contract failed to materialize. The key assumption of MNR moderation and non-communist status, though having been voiced in the Embassy and State Department before Eisenhower took office, were still by no means widely accepted or consistently substantiated in Washington. To credit Truman-era policymakers and analysts with essentially placing the U.S.-Bolivian relationship on a friendly footing would be an overstatement, and discount the substantial problems the relationship would face in 1953.

¹⁰² Kenneth Lehman, "Revolutions and Attributions: Making Sense of Eisenhower Administration Policies in Bolivia and Guatemala." *Diplomatic History* (Spring 1997, vol. 21, Issue 2), pp. 200, 213.

¹⁰³ For more on this see chapter 6.

Despite the positive steps of a short term tin contract and a somewhat begrudging recognition of the revolutionary government, there was still much left unresolved in the U.S.-Bolivian relationship. A long-term tin contract was desperately needed to give any semblance of economic and political stability to the MNR government. Despite rhetoric over the importance of technical assistance and international aid, investment in Bolivia and aid programs *declined* under Truman.¹⁰⁴ Hudson's summary of U.S.-Bolivian relations humbly claimed the United States had prevented a "serious deterioration in relations" with "greatest patience, firmness, and tact." However, he still believed that serious problems continued to surround nationalization, the tin contract, "the rise of anti-American sentiment and Communist influence," debt settlement, and the closing of the anti-MNR, anti-nationalization newspaper *La Rázon*.¹⁰⁵

Opponents of the MNR sought to capitalize on concerns in Washington over the nature of the regime. These concerns were voiced particularly over the MNR's plans for the newly confiscated mines and the compensation claims of their foreign owners, as well as rising communist influence in Bolivian society and government. As Eisenhower prepared to enter office these crucial concerns had not been assuaged, and the MNR government was under renewed pressure from the powerful far-left. Vice President-elect Richard Nixon, along with incoming Secretary of State John Foster Dulles, seem to have taken these concerns to heart.

¹⁰⁴ Gustavo A. Prado Robles, *Ensayos de historia económica* (Santa Cruz, Bolivia: Instituto de Investigaciones Económicas y Sociales Jose Ortiz Mercado, Facultad de Ciencias Económicas Administrativas y Financieras Universidad Autónoma Gabriel René Moreno, 2008), p. 108. See also *Analysis and Projections of Development: IV The Economic Development of Bolivia* (Mexico, UN, February 1958); UN, *Bolivian economic development* book 21, p. 23.

¹⁰⁵Hudson also pointed out that the securing loans for the Bolivian government agencies responsible for mineral and petrochemical extraction had yet to be resolved. Memorandum from Hudson to Atwood, January 14, 1953, NARA, Central Decimal File, RG 59, Box 3308, 724.00/1-1453. *La Rázon* was a daily La Paz newspaper owned by the Aramayo group. Blasier, "The United States and the Revolution" in Malloy and Thorn (eds.), *Beyond the Revolution*, p. 63.

Nixon wrote to then assistant Secretary of State Jack McFall that he had “recently had some very disturbing reports, from sources I consider to be reliable, concerning the situation in Bolivia.”¹⁰⁶

A long term tin contract remained unsigned. It appeared that the limited gains of the Truman era had the potential to crumble away.

Major developments under Eisenhower

Despite this seemingly bleak picture, President Eisenhower chose to support the MNR. After months of uncertainty, Eisenhower personally approved a one-year tin contract and an aid package for the MNR during the summer of 1953.¹⁰⁷ The aid, formally announced in October, amounted to a five million dollar allocation of U.S. agricultural surpluses under Public Law (PL) 480, four million dollars of aid under the Mutual Security Act, and a doubling of funding for Point IV technical assistance programs.¹⁰⁸ At “a time when our country has no immediate need for additional tin,” Eisenhower also authorized a substantial increase of the tin contract, which, though it would only last for one year, would pump 17.9 million dollars directly into the Bolivian government’s coffers.¹⁰⁹ This large contract would not be the last, and neither would the increase in aid payments to Bolivia. By the end of Eisenhower’s presidency aid to Bolivia would total

¹⁰⁶ Nixon to McFall, 20 May 1952, NARA, Central Decimal File, RG 59, Box 3307 724.00/5-2052.

¹⁰⁷ For details of the increase in U.S.-MNR tensions under Eisenhower, see Chapter Two. For Eisenhower’s decision, see memorandum from Robert Murphy to Harold Stassen, November 23, 1954. *FRUS, 1952-54, Vol.4, The Americas*, p. 567.

¹⁰⁸ The Point IV program had been initiated by Truman in 1949, but had seen little use in the developing world during his presidency. President Eisenhower, in fact, expanded the program, especially in Bolivia. Blasier, *The Hovering Giant*, p. 135.

¹⁰⁹ “U.S. Aid to Bolivia” in *Department of State Bulletin*, 2 November 1953, Volume 29, p. 585; Telegraph from Rowell to the Department of State, 10 July, 1953, NARA, RG 59, Box 4607, 824.00/7-1053.

\$192.5 million.¹¹⁰ On top of this, the United States agreed to buy increasingly large amounts of tin direct from the Bolivian government in yearly contracts, from 10, 000 tons of tin in June 1953, to 23, 000 tons the following year.¹¹¹ This level of support for Bolivia was extensive and unusual for U.S. policy in Latin America, and represented “a great investment of economic aid and *norteamericano* interest.”¹¹² By 1957, the United States was providing over 24 million dollars in aid and 34 percent of Bolivia’s budget.¹¹³ 178.8 million of U.S. aid was in the form of grants direct from the government, through the International Cooperation Agency, Point IV assistance, donation of food surpluses under the Mutual Security Act, and various technical assistance programs.¹¹⁴ U.S. government assistance was accompanied by contributions from the United Nations, International Monetary Fund, Export-Import Bank and International Bank for Reconstruction and Development.¹¹⁵

The substantial amounts of aid offered by the Eisenhower administration were not without conditions, but for the first two years of Eisenhower’s presidency this aid allowed the MNR to carry out the aims of its revolution. The tin contract helped keep the nationalized mines running,

¹¹⁰ This is almost half of the 400 million dollars of military aid that Latin America received during the Eisenhower administration. Rabe, *Eisenhower and Latin America*, p. 77.

¹¹¹ Telegraph from Rowell to the Department of State, 10 July, 1953, NARA, Central Decimal File, RG 59, Box 4607, 824.00/7-1053; Telegraph from Sparks to the Department of State, 15 July, 1954, NARA, Central Decimal File, RG 59, Box 4607, 824.00/7-1554.

¹¹² Siekmeier, *Aid, Nationalism and Inter-American Relations*, p. 325. See also p. 84, note 5.

¹¹³ Blasier, “The United States and the Revolution” in Malloy and Thorn (eds.), *Beyond the Revolution*, pp. 88-89; Patch, “Bolivia: U.S. Assistance in a Revolutionary Setting,” in Adams et al., *Social Change in Latin America Today*, p. 152; Rabe, *Eisenhower and Latin America*, p. 77.

¹¹⁴ Rabe, *Eisenhower and Latin America*, p. 77. Under PL 480, the food surpluses were supposed to be resold by the Bolivian government to support economic diversification.

¹¹⁵ Lehman, *Bolivia and the United States*, pp. 122-123; Siekmeier, *Aid, Nationalism and the inter-American system*, pp. 200-202, .

although the expense of extraction in poor quality, high altitude veins combined with subsidies for workers meant that COMIBOL (the government-run mining company) ran at a loss. The MNR was also given free-reign to enact universal suffrage and sweeping land reform in August 1953, led by organized *campesino* groups. Technical assistance and PL 480 aid were designed specifically to help the Bolivian government diversify its tin-dependent economy.¹¹⁶ U.S. aid helped maintain the revolutionary project of greater wages and benefits for Bolivian workers, and more spending on health, education, social security and welfare.

However, U.S. hegemony also circumscribed the Bolivian revolution. The MNR's room to maneuver was already restricted given its need for aid and a tin contract. Bolivian autonomy had been chipped away by pressure to adopt a more "actively anti-communist policy" in late 1953.¹¹⁷ The MNR agreed on the amount of compensation for former mine owners in June 1953 in order to smooth the procurement of U.S. aid. The revolutionary government also voted with the U.S. at Caracas against its Guatemalan friends and partners in spreading the gospel of land reform through Latin America.

Yet, as we will see, these concessions to U.S. hegemony were largely symbolic. The superficiality of these concessions to Washington's ideas about compensation and effective anticommunism would go on to frustrate the Eisenhower administration even as U.S. aid to Bolivia increased.

Conclusion

¹¹⁶ Though Siekmeier argues that PL 480 also acted to harm the Bolivian economy by undercutting Bolivian farmers, reducing Bolivia's ability to provide enough food to meet domestic demand and breeding dependency. *Ibid.*, p. 203. See Chapter 6 for a further discussion.

¹¹⁷Memorandum from William Bennett to John Foster Dulles, 7 December, 1953, NARA, RG 59, Box 3308, 724.00/12-753. See Chapter Two, pp. 59-61.

Despite some confusion amongst contemporaries in the United States over the MNR's attitudes towards Nazism and Marxism, it makes sense to understand the party primarily in terms of its nationalism. Throughout the ideological fluctuations of the 1940s, the MNR consistently adhered to nationalist goals of achieving greater autonomy for all of the Bolivian population and their proxy: the Bolivian state. Using state-led economic development, a desire for foreign capital, the integration of the indigenous population into the political economy, and a more equitable redistribution of wealth through social reform and education, the MNR leadership hoped to provide political stability and attract political loyalty. U.S. analysts' and their superiors' appreciation of the MNR's moderate nationalism and their ambitious, transformatory program would be a key factor in determining the nature of the U.S. response to the MNR government under Eisenhower.

Whilst broadly accepting of the revolution, the Truman administration retained significant doubts over the nature of the MNR, and thus its relations with Bolivia were restrained. This led to a rather non-committal recognition of the new government and a slight reduction in aid.¹¹⁸ With the onset of nationalization in October 1952, and the apparent drift leftwards of Bolivian political power, the U.S. was given further cause to pause and reconsider its relationship with the MNR. This meant that, though a limited tin purchase had been negotiated in January 1953, by the time Eisenhower entered office, Bolivia was still in desperate need of aid and a long-term tin contract to provide financial security in the face of grave economic problems. These problems would only be exacerbated by a precipitous fall in world tin prices in the spring of 1953, placing the MNR leadership under increasing pressure to placate their far-left political base. Despite important strides in normalizing relations with Bolivia and dampening the immediacy of the

¹¹⁸ Gustavo A. Prado Robles, *Ensayos de historia económica* (Santa Cruz, Bolivia: Instituto de Investigaciones)

revolution's impact for Eisenhower, Truman ultimately left his successor an ambivalent legacy. The first months of 1953 witnessed growing economic and political instability which led to more radical and anti-American rhetoric from La Paz. Given new administration's attitudes towards state enterprise, its fiscally conservative agenda, rhetorically rampant anticommunism, and the continued adverse reaction of sections of business, press and political interests to the Bolivian revolution, Eisenhower had a mandate to push Bolivia policy towards confrontation with the MNR.

Chapter 2

Communism, emotionalism and irresponsibility: the potential for conflict between the MNR and the Eisenhower Administration

On the eve of Eisenhower taking the oath of office, Guatemalan Vice President Julio Estrada de la Hoz stepped forward to address the Bolivian Congress on the subject of land reform. He gave the assembled legislators, journalists and intelligentsia details of Guatemala's recent agrarian reform, "the most modern and notable experience in the continent." He explained how his government, like its Bolivian counterpart, sought "the liquidation of the feudal" in a country with a predominately indigenous population and a history of "imperialist oppression." Using popular front tactics, Estrada advised that land reform could be achieved within a democratic framework. Echoing the rhetoric of the apparently "Marxist" Bolivian Foreign Minister Walter Guevara Arze, he also advised Bolivians to be wary of "revolutionary extremism" and an immediate rush to socialism given its economy's backwardness.¹ Estrada counseled the Bolivians to rely instead on the bourgeoisie to create the "conditions of capitalist production" before progressing towards a socialist future.²

¹ "Marxist" taken from a US embassy analysis of Guevara's ideological predilections. Telegraph from Rowell to the Department of State, January 26, 1953, NARA, CDF, RG 59, Box 3308, 724.00/1-2653, p. 2.

² *La Nación*, 21 January 1953, p. 4. All translations by the author. According to the Bolivian Foreign Ministry, the newspaper *La Nación* was independent of government, but also served as an important place to voice MNR concerns. It contained editorials and regular opinion pieces from many government spokespeople, and responded to the MNR government's desire for the paper to switch to a less anti-American news service in 1959). Bolivian Foreign Ministry to Bolivian Embassy in Washington, 29 April 1959, Bolivian Foreign Ministry Archives, *Cables: Washington 1959*.

President Paz, a man the U.S. Embassy also believed used Marxist theories “as intellectual tools in an attempt to grapple with problems related to the development of Bolivia,” remarked that the “land reform program of Guatemala is a step of great importance in achieving the economic liberation of the country” and added that “Bolivia was greatly interested in the Guatemalan revolutionary movement.”³

In the midst of Estrada's tour, the MNR government issued a decree establishing a commission to study land reform in an effort to end “feudal oppression” for two million peasants.⁴ The decree explicitly blamed Bolivia's “unequal economic development” on “imperialist penetration” throughout the century, which had spawned a “capitalist mining industry” that grew fat on Bolivia's natural resources whilst strengthening “feudal forms of property and landholding” and impoverishing its citizens.⁵ Six months later President Paz would sign Bolivia's Agrarian Reform Act into law, leading *Time* magazine to observe the following year that Bolivia's program “had moved unquestionably well beyond the more publicized land reform of Guatemala.”⁶

Time magazine and other U.S. publications had already done much to chronicle the collapse in U.S.-Guatemalan relations, strained since the 1940s, that had been catalyzed by

³ “President Paz’s Ideological Position,” memorandum from Rowell to the Department of State, 12 January, 1953, National Archives and Records Administration (hereafter NARA), Central Decimal File (hereafter CDF), Record Group (hereafter RG) 59, Box 3310, 724.11/1-1253. Telegraph from Sparks to the Department of State, 23 January, 1953, NARA, CDF, RG 59, Box 3309 724.00 (W)/1-2353. See also Ministerio de Prensa, Informacion y Cultura, *Libro Blanco de la Independencia Económica de Bolivia* (La Paz: Ministerio de Prensa, Informacion y Cultura, 1952), p. 150; *Diario de Centro America*, 15 January 1953.

⁴ Decreto Supremo 3301, 20 January 1953, *Anales de Legislación de Bolivia* vol. 16, enero-marzo 1953 (La Paz: Universidad Mayor de San Andreas), p. 42.

⁵ The decree also blamed colonial encomiendas for originating the “feudal system of private property.” Ibid.

⁶ *Time*, 30 August 1954, Centro de Investigaciones Regionales Mesoamericanas, colección álbum de la contrarrevolución, recortes de periódicos, p. 153b.

President Arbenz' Decree 900: a program of land reform conceived and implemented with the help of Guatemalan communists in the *Partido Guatemalteco de los Trabajadores* (PGT). Arbenz refused to distance himself from the communist PGT and eventually legalized the organization and welcomed it into his governing coalition, withdrew from the Organization of Central American States, and became increasingly vocal in their criticism of U.S. pressure on Guatemala to alter course. Less than six months after Estrada's speech, the Eisenhower administration would task the CIA with removing the elected Arbenz government from power.⁷

In Bolivia, where the radical left continued to gain momentum, the stage seemed set for a similar showdown. U.S. officials and journalists, already alarmed by the MNR's overthrow of a reliable anticommunist government, were noting a worrying “rise of anti-American sentiment and Communist influence” in Bolivia.⁸ The embassy, often credited for its positive and enlightened response to the Bolivian revolutionaries, continued to report alarming evidence of MNR toleration of communist activities, sympathy for Marxist ideology, and vulnerability to communist “infiltration.”⁹ Whilst certainly more tempered than the partisan, some of the

⁷ For a further discussion of this see chapter 5, as well as Gleijeses, *Shattered Hope*. Eisenhower later remembered that the Guatemalan withdrawal from ODECA was one of the principal reasons for the collapse in relations with the United States. Dwight D. Eisenhower, *Mandate for Change: The White House Years, 1953-1956* (Garden City, NY: Doubleday and Co., 1963), p. 421.

⁸ Memorandum from William Hudson to Rollin Atwood (Director Office of South American Affairs), January 14, 1953, NA, Box 3308, 724.00/1-1453. Note this is Hudson, a Bolivia desk officer, not an embassy official: the negative image of the MNR and their influence on Bolivian politics was replicated by U.S. officials in both La Paz and Washington.

⁹ Report on “President Paz’ Ideological Position,” Chargé d’Affaires Edward Rowell to the Department of State, 12 January 1953, NA, RG 59, Box 3310, 724.11/1-1253; Telegraph from the Embassy in La Paz to the Department of State, 2 February, 1953, NA 724.001/2-253; Telegraph from Rowell to the Department of State, January 26, 1953, NA, RG 59, Box 3308, 724.00/1-2653, p. 2; Telegraph from Ambassador Edward Sparks to Department of State, 7 November, 1952, NA, RG 59, Box 3309, 724.00(W)/11-752. See also “Operations Coordinating Board: Analysis of Internal Security Situation in Bolivia and Recommended Action,” Report from OCB to Staats (Executive Secretary of the NSC), 22 June 1955, p. 1. DDEL, White House Office, National Security Council Staff: Papers, 1948-1961, OCB CDF Series, Box 24, OCB 091.Bolivia (2) June 1955-December 1956.

Embassy's language when describing the situation in Bolivia might have given the State Department ample ammunition to recommend a more combative approach to La Paz.

Counselor to the Embassy (and later Chargé d'affaires) Rowell noted that "a parallel to...the expropriation of the United Fruit properties in Guatemala... might also have been found in Bolivia's nationalization of the Big Three Mines and the attending problems of compensation for American shareholders."¹⁰ The former mine owners remained out of pocket and distraught at the leftist nationalist political ascendency in Bolivia.¹¹ And as trade talks with the U.S. remained stalled support in Bolivia for the sale of mineral ores to the Eastern bloc increased.

The U.S. embassy observed darkly that Estrada and his entourage of military advisors were engaged in a "campaign of political indoctrination." Not only were they showing "MNR militants revolutionary techniques and concepts of land reform" that seemed even more radical than Guatemala's Decree 900, the Guatemalan visitors were claiming common cause against "colonialism' and 'imperialism'" in an attempt to "unite [nationalistic revolutionary] forces into a regional bloc."¹²

In submitting his report to the Department of State, Counselor of the Embassy Edward Rowell ignored the Guatemalan diplomats' more temperate remarks about the dangers of

¹⁰ The "Big Three" of Patiño, Hochschild and Aramayo were the three international mining companies that had exercised dominant economic and political influence in Bolivia for decades in Bolivia. Rowell to State, 27 March 1953, NARA, CDF, RG 59, Box 3309, 724.00 (W)/3-2753. A more detailed discussion over the nature of nationalization and its impact on US-Bolivian relations, can be found in chapter 6.

¹¹ Though Truman had granted a begrudging recognition to the Paz government after almost two months and made spot purchases of Bolivian tin, these measures had been designed to prevent chaos in Bolivia for the immediate future. They left both sides uncertain as to the prospect of a long term tin contract that we see the Bolivian economy beyond the next few months. The availability of U.S. aid for a revolution that had barely begun its sweeping program of reform was also very much in doubt, especially given Eisenhower's stated intent for a policy of "trade not aid."

¹² Telegraph from the Embassy in La Paz to the Department of State, 2 February, 1953, NARA, CDF, RG 59, Box 3308, 724.00/2-253.

authoritarianism and extremism.¹³ His report appears to have relied heavily on the accounts of Bolivian landowners, who described the MNR's proposals as even less moderate, democratic and sensitive to the need for compensation in comparison to Guatemala's reforms.

The U.S. embassy's negative take on leftist revolutionary ferment in Bolivia and their sympathy towards members of a pro-U.S., anti-communist oligarchy seems reminiscent of disquiet over leftist revolutionary leaders in countries such as Iran, Guatemala, Vietnam, Cuba, the Congo, (the list goes on). Given Eisenhower's historical reputation for blinkered and dogmatic anticommunism in 'the third world,' and his enthusiasm for covert intervention against similarly inclined governments, his administration's reaction to the Bolivian revolution is striking. After a few months of uncertainty, the administration announced a substantial tin purchase and doubling of Bolivian food aid and technical assistance. The massive increase in U.S. aid went ahead despite continued Congressional and State Department concerns about the MNR's economic agenda and its radical leftist, nationalist and possibly pro-Soviet sources of political and diplomatic support.

Historians of the U.S.-Bolivian relationship seeking to explain why hostilities failed to materialize between the two countries have emphasized the administration's anticommunism as a key determinant of policy. Scholars see "simplified" calculations as to the character and intent of Latin American political movements determining U.S. policy. Such simplifications and "attributions" of intent were made all the more opaque by the "McCarthyite mood of the

¹³ The Bolivian press seems to have detected much less "extremism" in the tenor of Estrada's remarks. Marion Rolon Anaya had concluded the speech's main thrust was that land reform could be achieved within a democratic framework, and that the Bolivians should be wary of "revolutionary extremism" and an immediate rush to socialism. Estrada had counselled the Bolivians to rely instead on the bourgeoisie to create the "conditions of capitalist production" in a previously "feudal" society. *La Nación*, 21 January 1953, p. 4.

times.”¹⁴ In this line of reasoning, emphasized by scholars of the Eisenhower administration and of US foreign relations, it was the Cold War “blindness” and a “foreign policy of anticommunism” that drove US policy and that caused the misunderstanding and hasty overreaction that doomed the moderate, reformist Arbenz regime.¹⁵

Other historians reject a Cold War framework for interpreting U.S. motivations, preferring to focus on the economic nationalism of movements like the MNR, but ultimately see a similarly reactionary impulse behind US policy that sought to quash any efforts towards economic autonomy or any challenge to U.S. hegemony.¹⁶ Third World Nationalism, in some historians' version of events, was another enemy for U.S. power to “contain” or to “fight.”¹⁷ Such “intellectual prejudice crippled American policymakers from understanding nationalism, social democracy, and other progressive ideas.”¹⁸

According to existing scholarship, the Paz government was spared from Arbenz' fate, because U.S. officials and policymakers deemed the MNR government sufficiently anticommunist and “moderate.” Whether through their flirtation with fascism in the 1940s¹⁹,

¹⁴ Lehman, *Bolivia and the United States*, pp. 105-106. See also Schoultz, *National Security and US policy toward Latin America*; Rabe, *Eisenhower and Latin America*.

¹⁵ Kenneth Lehman, “Revolutions and Attributions: Making Sense of Eisenhower Administration Policies in Bolivia and Guatemala.” *Diplomatic History* (Spring 1997, vol. 21, Issue 2), p. 213.

¹⁶ Siekmeier, *The Bolivian Revolution and the United States 1952 to the Present* (University Park: Pennsylvania University Press 2011).

¹⁷ James Siekmeier, *Aid, Nationalism and Inter-American Relations*, p. 207; Salim Yaqub, *Containing Arab Nationalism: The Eisenhower Doctrine and the Middle East* (Chapel Hill: University of North Carolina Press, 2004). See also Herbert Klein, *A Concise History of Bolivia*, Second Edition (New York, Columbia University Press, 2011), p. 218; Siekmeier, *The Bolivian Revolution and the United States*, p. 23.

¹⁸ Jeremy Suri on Max Paul Friedman's *Rethinking Anti-Americanism: The History of an Exceptional Concept in American Foreign Relations*. Jeremy Suri, “The Myths and Realities of Anti-Americanism,” Review Published on H-Diplo (June, 2013). (ONLINE RESOURCE last accessed 20 July 2013).

¹⁹ Laurence Whitehead, *The United States and Bolivia: A Case of Neo-colonialism* (Oxford: Haslemere Group, 1969); Dunkerley, *Rebellion in the Veins*

their close personal relationships with US officials²⁰, their commitments to protecting foreign capital²¹, rhetorical and substantive support for US anticommunism or even their curtailing the power of the left within Bolivia and the radicalism of the revolution itself, the MNR did enough to convince U.S. observers of their moderation, and even their status as “reluctant revolutionaries.”²² The lack of obvious counterweights to leftist parties in Bolivia, made all the more obvious by the failure of the FSB coup in January and the routing of the Bolivian army in April 1952, limited U.S. officials' room for maneuver, and underlined their status as the most effective anticommunist force for the foreseeable future. Fearing economic collapse in Bolivia, recognizing MNR moderation and seeing no alternative, the administration made the hasty calculation that the MNR top leadership's “moderate” faction were “sincere” anticommunists and the best available vehicle to further U.S. “neo-colonial” and anti-leftist interests in Bolivia and the wider world.²³

The following two chapters seek to challenge these representations. Though anticommunism did form an important rhetorical touchstone of U.S. policy and the Cold War

²⁰ G. Earl Sanders “The Quiet Experiment in American Diplomacy,” *Americas* 33.1, (July, 1976), p. 35. See also Alexander, *The Bolivian National Revolution*; Lehman, “Revolutions and Attributions.”

²¹ Stephen Zunes, “The United States and Bolivia: The Taming of a Revolution, 1952-1957,” *Latin American Perspectives*, Vol. 28, No. 5, Free Trade and Resistance. (September, 2001), p. 41.

²² Siekmeier, *The Bolivian Revolution and the United States*, p. 43; Klein, *Bolivia*, p. 232; Lehman, *Bolivia and the United States*, p. 92.

²³ “Sincere” from John Moors Cabot, “Inter-American Cooperation,” October 26, 1953, in *Department of State Bulletin*, volume 29, (1953), p. 555. For “neo-colonial” see Whitehead, *The United States and Bolivia*. Kevin Young argues that U.S. officials saw the MNR as “counterweight to radicalism,” that the administration helped the Paz and Siles governments “guarantee the suppression of radical leftist and nationalist initiatives.” Young implies that US opposition to expropriation without compensation and widespread land reform demonstrate an underlying reactionary opposition to radicalism that could only be fully realised once the Bolivian economic “crisis” of 1956 presented an opportunity to intervene more directly in the Bolivian economy.²³ Kevin Young, “Purging the Forces of Darkness: The United States, Monetary Stabilization, and the Containment of the Bolivian Revolution,” *Diplomatic History* Vol. 37, No. 3 (2013), pp. 514, 520-21.

remained an important strategic context in which the Bolivian revolution played out, U.S. officials remained less than convinced of the MNR's effectiveness in promoting anti-radicalism and anticommunism. Those officials who were ultimately sympathetic to the MNR leadership faced opposition from within the Eisenhower administration and without. State Department and Embassy officials were much less sanguine or “enlightened” about the MNR's political orientation and its commitment to anticommunism than some scholars have suggested, even when it came to the 'moderate' leadership.²⁴ These officials gave their superiors ample reason to distance themselves from the MNR at the same time they were presenting arguments in favor of aid to Bolivia, suggesting an important role for top policymakers as well as Embassy staff and State Department desk officers.

The MNR's many opponents in Bolivia, the United States and surrounding countries were only too eager to augment these concerns amongst officials in the Embassy and in Washington. Exiles and lobbyists working on behalf of the previous owners of the now nationalized mines railed against the new regime's communistic tendencies in Washington, whilst organizing armed rebellion from within and without the borders of Bolivia. The level of opposition to the new Bolivian regime and the influence that the political opposition to the MNR sought to wield in the U.S., have been underestimated by much of the existing scholarship on Bolivian-U.S. relations, which tends to emphasize the limited nature of U.S. economic interests in Bolivia and the lack of influence exercised by the tin companies in Washington.²⁵ In the process historians have often

²⁴ The MNR's reputation for radicalism has also dimmed somewhat given their gravitation towards neoliberal after the 1970s. G. Earl Sanders “The Quiet Experiment in American Diplomacy,” *Americas* 33.1, (July, 1976), p. 35. See also Alexander, *The Bolivian National Revolution*; Lehman, “Revolutions and Attributions.”

²⁵The one exception being James Siekmeier, though he does not seek to draw conclusions from his observations of the extent of the tin companies' efforts Siekmeier, *The Bolivian Revolution and the United States*, p. 62. Levels of press opposition to the MNR have also been examined in Lehman, *The United States and Bolivia*. However, many

ignored both the strenuous effort of the anti-MNR lobby and the ambivalence, skepticism and even outright hostility of U.S. officials towards the type of dogmatic anticommunism and the “reactionary” Cold War reasoning employed by the MNR’s opponents.²⁶

Tin diplomacy: the free market and the iron curtain

The initial policy of the Eisenhower administration towards Bolivia appeared rather frosty, though not as a result of anticommunism or Bolivian identification with Guatemalan land reform. The administration, following the advice of the Reconstruction Finance Corporation, informed Ambassador Andrade on the 12 March 1953 that the U.S. had “no interest” in buying Bolivian tin due to the size of the American strategic tin stockpile.²⁷ Treasury Secretary George Humphrey, who would be a longtime opponent of aid to Bolivia, argued that the tin stockpile was supporting “inefficient” production and cost U.S. tax payers too much.²⁸ The Reconstruction

other accounts discount the influence of the Big Three in the United States and the lack of foreign land holders in Bolivia. See, for example, the work of Stephen Zunes and James Dunkerley.

²⁶ Carlos Alzugaray Treto, *Cronica de un fracaso imperial* (Havana: Editorial de Ciencias Sociales, 2000), p.

²⁷ Telegram from John Foster Dulles to Embassy in La Paz, March 12, 1953. *FRU.S., 1952-54, Vol. 4*, pp. 522-523. The tin stockpile stood at 60,000 tons in 1955. Holland to Acting Secretary Hoover, 21 January 1955, NARA, CDF, RG 59, Box 4279, 824.2544/1-1055. For a good account of the Bolivian-U.S. relationship that emphasises the role of tin, see Kenneth Lehman, *Bolivia and the United States: A Limited Partnership* (Athens, GA: University of Georgia Press, 1999), pp. 103-106.

²⁸ Summary of NSC Meeting Regarding Milton Eisenhower’s Report on Latin America, January 16, 1954, National Archives and Records Administration[Hereafter referred to as NA], CDF, Record Group 59, Box 513, 120.220/1-1654, p. 2; Memorandum from Robert Johnson for Mr. Anderson, August 14, 1956, DDEL, White House Office, NSC Staff: Papers 1953-61, CFEP Series, CFEP--Chron Jan/56 to Dec/56 (1), Item 3. Milton Eisenhower repeatedly bemoaned the fiscal conservatism of Humphrey and Commerce Secretary Sinclair Weeks. Letter from Milton Eisenhower to Dwight Eisenhower, January 14, 1954, DDEL, Eisenhower, Dwight D.: Papers as President (Ann Whitman File), Name Series, Eisenhower, Milton S., 1954(3); Letter from Milton Eisenhower to Dwight Eisenhower, October 25, 1954, DDEL, Eisenhower, Dwight D.: Papers as President (Ann Whitman File), Name Series, Eisenhower, Milton S., 1954(1). Memcon Andrade, Holland, Atwood, Topping, 7 April, 1954, NARA, CDF, RG 59, LOT FILES, Bureau of Inter-American Affairs, Office of the Assistant Secretary of State for Inter-American Affairs, Country Files, 1953-56, Box 2, Bolivia 1953-55.

The Bolivian government had reason to resent the stockpile. Bolivia had provided the U.S. with cheap tin throughout the Second World War when Malaysian and Indonesian tin were inaccessible to the Allies. As Walter

Finance Corporation also announced its intention to close its unprofitable Texas City tin smelter, which was the by far best equipped to deal with the declining purity of Bolivian tin ores.²⁹

These announcements from the United States caused consternation in La Paz. Obtaining a secure market for Bolivian tin was central to the new government's ability to run the newly nationalized mines: it would allow them to obtain precious foreign exchange and bolster the faltering Bolivian economy in the process. The pro-government newspaper *La Nación*, already skeptical of the Republican Party's "conservative and imperialist" outlook, had reported on the U.S. cessation of tin contract talks under the headline, "The United States Proposes to Starve the Bolivian People to Death."³⁰ Minister Walter Guevara asked Ambassador Edward Sparks, "was the U.S. trying [to] force Paz out of office?"³¹

President Paz not only complained forcefully to Washington about the administration's seeming desire to distance itself from Bolivia; he also began to explore other avenues. Half of Bolivia's tin ore output had already been promised to the William Harvey company, whose British smelter was still owned by the Patiño group.³² But 30,000 tons remained to be sold, and it

Guevara charged at the Caracas conference, in the post-war environment the U.S. was able to use its stockpile to leverage producing countries into disadvantageous contracts and prevented them from setting up effective producer cartels. In his words to the assembled delegates from across Latin America, "there is *no* free market in tin." *Boletín del Ministerio de Relaciones Exteriores* vol. 28 and 29, (enero-diciembre 1954), p. 252.

²⁹ Laurence Whitehead, *The United States and Bolivia: A Case of Neo-colonialism* (Oxford: Haslemere Group, 1969), p. 6.

³⁰ Memorandum from Rowell to the Department of State, 19 December, 1952, NARA, CDF, RG 59, Box 3309, 724.00(W)/12-1952. The Embassy, reporting on increased communist activity, also noted that *Ultima Hora* takes "dim view of president elect Eisenhower re improvement of Latin American policy." *La Nación* viewed republicans as "conservative and imperialist." Rowell to Department of State, 7 November 1952, NARA, CDF, RG 59, Box 3309, 724.00(W)/11-752.

³¹ Telegram from Edward Sparks to the Department of State, March 20, 1953. *FRU.S., 1952-1954, vol.4*, p. 524.

³² *El Diario*, 20 January 1953, p. 6.

seemed no buyer was too small, even the Czech government.³³ According to the U.S. Embassy this move followed the Bolivian “communist party line,” but primarily served as a symbolic measure to reveal the seriousness of the situation to the United States. It also demonstrated for domestic opinion in Bolivia that Paz was doing something to secure Bolivia’s economic future in the face of Washington's inaction.³⁴

The Embassy's analysis was broadly correct: the moderates in the MNR leadership were much more interested in the U.S. than the Soviet Union as a partner and benefactor. However, it does appear that Paz made concrete steps to forge closer relations with the Soviet bloc, endangering closer relations with the Western world.³⁵ In fact, Bolivia signed a contract with the Czechs for silver, lead and antimony (though this was only after seeking approval from the Eisenhower administration).³⁶ Furthermore, though the record remains partial, there are some enticing hints in the Bolivian archives that the MNR government's strategy could have been

³³Memorandum from William Hudson to Department of State, 11 May, 1953, NARA, CDF, RG 59, Box 2760, 611.24/5-1153.

The revolutionary government did not have formal relations with the Soviets, though the Bolivian Foreign Minister and Ambassador Andrade would occasionally meet with Soviet officials. The MNR government had also been quick to establish relations with the Soviet Bloc: Czechoslovakia on 5 September 1952, Yugoslavia on 14 August 1952 and Hungary on 29 September 1952. *Boletín del Ministerio de Relaciones Exteriores* vol. 28 and 29, (julio-diciembre 1952), p. 257.

³⁴ Rowell, Weekly Report to the Department of State, 19 June, 1953, NARA, CDF, RG 59, Box 3309, 724.00(W)/6-1953. For “party line” analysis see from Charles Bridgett (U.S. Commercial Attaché in La Paz) to State NARA, CDF, RG 59, Box 4606, 824.00/11-553. See also Lehman, *Bolivia and the United States*

³⁵ The Czech deal would “destroy the hopes of certain circles in Western Germany over the possibility of conducting trade negotiations in the Bolivian market.” Bolivian embassy in Bonn to Bolivian Foreign Ministry, 9 November 1953, *Presidencia* 794, 2 (Ministerio de Relaciones Exteriores, 1953) Archivo y Biblioteca Nacional de Bolivia.

³⁶ Guevara to Bolivian Embassy in Washington, 9 June 1953, Bolivian Foreign Ministry Archive, *Cables Dirigidos y Recibidos Washington y Embolivia 1953*, CL-354. The State Department later told Andrade that the sale of lead, antimony and silver to Czechoslovakia was acceptable “only if the quantities involved are not too great.” [underlined in original]. Andrade to Foreign Ministry 12 June 1953, Bolivian Foreign Ministry Archive, *Cables Dirigidos y Recibidos Washington y Embolivia 1953*, CL-354. In pleading its case the Bolivian Foreign Ministry emphasized the metal ores were to be exchanged for agricultural machinery “for the program of diversification” of the Bolivian economy. See chapter 6.

more than a rhetorical bluff designed to pander to its leftist base. The Bolivian government was certainly in touch with Soviet officials during its first months in power.³⁷ And there are references amongst Bolivian diplomatic dispatches to Andrade's several talks with the Russian diplomats and the possibility of negotiating a tin contract with the Soviets.³⁸ Foreign Minister Guevara also makes reference to a letter and packet he received that had been brought from (or via) Moscow in early 1953, though the letter and packet are not to be found in the Bolivian archives today.³⁹

Despite Paz' courting of the Soviets, in the end the Soviet Union and its allies did not represent a realistic replacement for the United States as a tin market, because Soviet demand for tin paled in comparison with that of the United States.⁴⁰ The United States was the world's

³⁷ Bolivia also signed trade agreements with Yugoslavia on 8 January 1953 (and 8 October 1954), but was unwilling to sell them tin. The Banco Minero Boliviano informed Ramon Castrillo (the Bolivian Undersecretary for Foreign Affairs) that it was unable to send any tin to Yugoslavia because all its tin was tied up in "pending" tin contracts. Banco Minero to Ramon Castrillo (Undersecretary of Foreign Relations), 14 January 1953, Bolivian Foreign Ministry Archive, Bolivian Foreign Ministry Archive, Banco Minero- Minisertio de Relaciones Exteriores 1953-54 ED-1-20, p. 72.

The Czechoslovakian government continued to seek mineral purchases from Bolivia, promising to buy under one million dollars of low grade tin ore in 1953 and 1.5 million dollars of lead, but the Banco Minero advised that the Ministry should be careful given that Bolivia failed to meet its October contract for tin with American Smelting and Philipp Brothers Incorporated. President of Banco Minero to Foreign Ministry, 25 April 1956, Bolivian Foreign Ministry Archive, Banco Minero- Ministerio de Relaciones Exteriores 1955-56 ED-1-21, p. 1; President of Banco Minero to Foreign Ministry, 30 October 1953, Bolivian Foreign Ministry Archive, Banco Minero- Ministerio de Relaciones Exteriores 1953-54 ED-1-20, p. 182.

³⁸ Guevara to Andrade, 26 February 1953, Bolivian Foreign Ministry Archives, *Claves Originales de Cables Expedidos enero 1953* CL-944, p. 144. In addition to these early instances of diplomatic dalliance, an unnamed Russian diplomat also sought on multiple occasions to advise the Bolivians on legislation regarding peasant matters and agrarian reform and congratulate them on the mine nationalization. Bolivian Embassy in Washington to Bolivian Foreign Ministry, 8 January 1953, Bolivian Foreign Ministry Archives, *Cables Dirigidos y Recibidos 1953* CL-354; Andrade to Foreign Ministry, 5 March 1953, Ibid.

³⁹ Guevara to Bolivian Embassy in Lima, 3 February 1953, Bolivian Foreign Ministry Archives, *Claves Originales de Cables Expedidos enero 1953* CL-944, p. 19. The corresponding packet does not appear in records of communications between the Ministry and the Embassy in Lima.

⁴⁰ The Soviet Union and the Peoples' Republic of China consumed 17,700 tons of tin in 1951. The Western World consumed 140,700 that same year. Bolivia was trying to sell 32,000 tons a year Guevara, [untitled] 3rd draft of speech on foreign relations to COB, p. 8. Walter Guevara Arze Papers, Box 31, Informes.

largest tin consumer, and its government still owned the world's largest tin smelter.⁴¹ After the U.S. aid package had been confirmed, the Bolivian government laid its cards on the table. The "U.S. and England" were the "only market buyers" for Bolivian tin in 1953 according to the Foreign Ministry.⁴² José Fellman Velarde (Paz' secretary) revealed in the pro-government daily *La Nación* that the Czechs could not pay for minerals with the dollars so precious for Bolivia's foreign exchange and that Iron Curtain countries "do not need our tin."⁴³ He was right. The Soviets, suffering from a glut of tin, decided to dump their tin stockpile on the world market in 1958 causing a sharp decline in world market prices and considerable resentment in Bolivia. The Czechs were never a realistic replacement for the U.S. as a market, and were only willing to purchase a tenth of what the U.S. would.⁴⁴

⁴¹ The U.S.' Texas City Smelter was the most suitable for refining Bolivia's more adulterated tin ores. Memorandum from Charles Bridgett (U.S. Commercial Attaché in La Paz) to the Department of State, 5 October, 1953, NARA, CDF, RG 59, Box 3308, 724.00/10-553, p. 2. Truman Library, Federal Records Series, RG 220, Box 28, Tin Folder, President's Materials Policy Commission, 1952, p. 2; "Resources for Freedom Vol. II: The Outlook for Key Commodities," President's Materials Policy Commission, December 11, 1952, p. 51. Truman Library, Federal Records, RG 220, President's Materials Policy Commission, Published Report, Box 8, Tin Folder. British smelters owned by the Patiño group were also significant consumers of Bolivian tin. National Intelligence Estimate 92-54, March 19, 1954, *FRU.S., 1952-54, vol. 4*, p. 548.

⁴² This was state of affairs that the Bolivian government blamed on "the [Big Three] companies that were never interested in investing in [Bolivian] smelters, preferring to invest their profits in European smelters." *Boletín Del Ministerio Relaciones Exteriores* enero-diciembre, vol. 26-27 (La Paz, 1953), p. 64.

⁴³ Paz presumably chose Fellman Velarde to spread this message because it had been his *La Nación* columns earlier in the year that had been most strident in their critique of Washington's "economic aggression," and in their calls for closer trade ties with the Eastern bloc. Charles Bridgett, U.S. Commercial Attaché in La Paz surmised (correctly) that Fellman Velarde's arguments now reflected government thinking on the issue. Memorandum from Charles Bridgett to the Department of State, 5 October, 1953, NARA, CDF, RG 59, Box 3308, 724.00/10-553.

⁴⁴For U.S. tin consumption figures, see Telegram from John Foster Dulles to Embassy in La Paz, March 20, 1953, *FRU.S., 1952-54, vol. 4*, p. 526. The Banco Minero had conducted a feasibility study in the summer of 1953 that suggested the Bolivians could sell up to 2.5 million dollars worth of tin to the Czechs. In fact, the Czech were only offering to buy around 1,500 net tons of tin for 1953-54, a tenth of what the Americans ended up buying in the same period and less than five percent of Bolivia's annual tin output (the Czechoslovak government also bought 1.5 million dollars worth of lead from the Bolivians between 1953 and 1954). President Banco Minero to Guevara 22 July 1953, Bolivian Foreign Ministry Archive, Bolivian Foreign Ministry Archive, *Banco Minero- Minisertio de Relaciones Exteriores 1953-54* ED-1-20. President of Banco Minero to Guevara, 30 October 1953, *Ibid.* See also Guevara, [untitled] 3rd draft of speech on foreign relations to COB, p. 8. Walter Guevara Arze Papers, Box 31, Informes.

Yet Paz's strategy of public (and private) flirtation with the Soviet bloc in early 1953 was risky and could have had disastrous consequences for the budding revolution. There was a distinct possibility that a deal with Czechoslovakia could be construed as a violation of the United States' Mutual Defense Assistance Act of 1949, which stipulated that U.S. aid could not go to countries who traded strategic materials with Eastern Bloc nations.⁴⁵ Arbenz's attempt to secretly buy arms from the Czechs in May 1954 provided the United States with a final justification for approving an exiles invasion led by Castillo Armas. Trading strategic materials like weapons with the Czechs was portrayed by the administration as proof of Arbenz's affiliation with international communism and his intent to radically destabilize the region by arming local militias, and guerrilla groups across Latin America.⁴⁶ Had they chosen to, it seems the Eisenhower administration could have spun events in Bolivia in a similar fashion by treating trade with the Eastern Bloc as Soviet interventionism.

Other international comparisons and statements of affinity presented the possibility of further North American disquiet with the MNR's trajectory. Celebrating the first anniversary of the revolution, Paz openly compared the MNR's nationalization program with Mossadegh's state takeover of the Anglo-Iranian Oil Company, arguing that in both countries nationalist leaders

⁴⁵The act was commonly referred to as the Battle Act. DDEL, White House Office, Office of the Special Assistant for National Security Affairs: Records, 1952-61, NSC Series, Policy Papers Subseries, Box 4, "NSC Progress Report by the Undersecretary of State on the Implementation of United States Objectives and Courses of Action with Respect to Latin America. (NSC 144/1)," November 20, 1953, p. 7; Memorandum From Undersecretary of State Smith to James Lay (Executive Secretary of the NSC), November 20, 1953. *FRU.S., 1952-1954, vol.4*, pp. 30-31.

The State Department later told Andrade that the sale of lead, antimony and silver to Czechoslovakia was acceptable "only if the quantities involved are not too great." [underlined in original]. Andrade to Foreign Ministry 12 June 1953, Bolivian Foreign Ministry Archive, *Cables Dirigidos y Recibidos Embolivia Washington 1953*, CL-354.

⁴⁶ Piero Gleijeses, *Shattered Hope: The Guatemalan Revolution and the United States, 1944-1954*, (Princeton: Princeton University Press, 1991), pp. 303-4; Robert Pastor, *Exiting the Whirlpool: U.S. Foreign Policy toward Latin America and the Caribbean* (Boulder: Westview Press, 2001), pp. 227-8.

wanted to prevent the profits derived from natural resources leaving the country.⁴⁷ Paz had already sought to lend his government's support to such economic nationalism by co-sponsoring a UN resolution allowing nations to nationalize resources of "vital national interest." *La Nación* argued that the resolution demonstrated that Bolivia and Latin America were "not an instrument nor would they relinquish to anybody." Furthermore, the paper argued that in making the proposal Paz and Siles had "won a battle for Mossadegh."⁴⁸ The U.S. vetoed the resolution that would otherwise have passed the General Assembly 36-4.⁴⁹

The Embassy also noted Paz's provocative identification with Chinese communists, which the President touted to the COB as a sign of the MNR's *moderation*: "Paz insists that [the MNR] is no more reactionary than the current position of Mao Tse Tung," who also wanted to "encourage private capital activities" until his country was developed enough to sustain "social revolution."⁵⁰ And of course similarities between the Guatemalan and Bolivian revolutions stood

⁴⁷*New York Times*, January 30, 1953, p. 6.

⁴⁸*La Nación*, 1 January 1953, p. 1.

⁴⁹Total UN membership at this time was 60. *New York Times*, December 22, 1952, p. 3. Though *La Nación* claimed in January there had been a "transcendental triumph at the UN" over the joint Uruguayan-Bolivian resolution. *La Nación* 9 January 1953. The final resolution (626), which passed the General Assembly on 21 December 1952, invoked "the right of peoples freely to use and exploit their natural resources" as "inherent in their sovereignty" and in accordance with the Charter of the United Nations. The resolution also recommended all Member States maintain due regard for maintaining the flow of capital in conditions of security, mutual confidence and economic co-operation among nations." ONLINE RESOURCE: <http://www.un.org/documents/ga/res/7/ares7.htm> (last accessed 4/5/13)

⁵⁰ It is important to note that the Embassy provided a wider context to this statement. Rowell explained to Washington that the purpose of Paz's comparison of Communist China and Bolivia was to explain MNR support of private capital as a potential agent of growth for Bolivia. Paz sought to assuage the fears of supporters to his left that might otherwise have interpreted this as "reactionary" or pandering to *La Rosca*. He sought to position himself in the moderate center, even going so far as to suggest the far left had. Memorandum from Rowell to the Department of State, January 12, 1953, NARA, CDF, RG 59, Box 3308, 724.00/1-1253. Nonetheless, the comparison, which MNR officials made repeatedly, is striking. It seems especially so when the administration was so concerned at the time that conditions in Latin America mirrored those present in China in the 1930s, when Mao employed national front tactics to gain greater access to legitimacy and power for the CCP. Ingrid Flory and Alex Roberto Hybel, "To Intervene or Not To Intervene: A Comparative Analysis of U.S. Actions Toward Guatemala and Bolivia in the Early 1950s," *Journal of Conflict Studies*, Volume XV, Number 2, (Fall 1995), pp. 1-2. Andrade to Bolivian Foreign

as a source of disquiet with the potential to exacerbate the MNR's worsening relations with Washington.

Whilst Arbenz and Paz seemed to share many attributes that State Department officials could interpret with a degree of sympathy, they also shared many more troubling attributes in the eyes of the administration.⁵¹ Both governments undertook a clampdown on rightist opponents whilst tolerating political activity further to the left, even allowing suspected communists governmental positions and following Communist Party prescriptions.⁵² Both advocated redistribution of land through State confiscation, and explicitly sought to use their nationalization efforts and redistributive land reform as an inspiration to others across the region.⁵³

So, despite Paz and many within the MNR firmly believing that the United States was the most able to purchase Bolivian tin and therefore the most realistic prospect for economic security, his government's rhetoric and private diplomacy had made clear overtures towards the Soviet Union and, in the eyes of U.S. officials, had provoked unwelcome comparisons to Cold

Ministry, 9 May 1955, Bolivian Foreign Ministry Archives, *Cables Dirigidos y recibidos Embajada Washington 1955*, CL 359.

⁵¹ The positive appraisals of Arbenz in 1950 are elaborated in detail in chapter 5.

⁵² Rowell to State, 2 January 1953, NARA, CDF, RG 59, Box 3309, 724.00 (W)/1-253. "Lechín has no doubts about the meaning of agrarian reform. His peasant-worker front idea has been for some months a program of the POR and also may fit in with PCB's Front for National Liberation concept." Rowell also noted "Further evidence that communist and communist-line activities have no fear of official suppression."

Like the Bolivians, the Guatemalans also seemed to State Department observers to be clamping down on rightist parties whilst tolerating the far left. The government in Guatemala was banning anti-communist meetings whilst communists operated uninhibited in Guatemala. Thomas Mann to ambassador Nufer, 18 July 1951 NARA, CDF, RG 59, 714.001/7-1851 Box 3248.

⁵³ For a more detailed discussion of this, and a parsing of the two Government's "united front" on land reform at the Caracas OAS conference, see chapter 4.

War enemies of the United States, from the Soviet Union and China to Guatemala and Mossadegh's Iran.

Communism, emotionalism and irresponsibility: the potential for conflict between Bolivia and the United States

Although some international comparisons were cause for alarm, there were plenty of local sources of concern for U.S. policymakers observing Bolivia. The growth of anti-American sentiment had been fuelled by Washington's miserly approach to the tin contract and the continuing leftward swing of Bolivian politics. This shift leftward was catalyzed by events that took place weeks before Eisenhower was sworn into office. On the morning of January 6, 1953, rightist members of the MNR working in conjunction with the Falange Socialista Boliviana (FSB) launched a coup in order to purge the revolutionary government of its leftist influence. Worried by the prospect of land reform led by radical peasant militias and a nationalized mining industry run by powerful unions, the counterrevolutionaries arrested Nuflo Chavez, the Minister for Indian and Peasant Affairs, and sought to apprehend Juan Lechín Oquendo. The charismatic and powerful Minister of Mines, Lechín, represented the radical, predominantly Trotskyist miners unions of the newly formed Central Obrera Boliviana (COB) and the radical left wing of the MNR.⁵⁴

Lechín and Chavez, who also worried the U.S. State Department, represented powerful and “radical” political interests that were poised to transform Bolivia, and they embodied the Bolivian right's fears of growing leftist influence within the new governing party.⁵⁵ Chavez, a

⁵⁴Robert Alexander, *The Bolivian National Revolution* (New Brunswick: Rutgers University Press, 1958), p 53. The revolutionary government instituted the COB on 17 April 1952.

⁵⁵Telegraph from Rowell to the Department of State, January 26, 1953, NARA, CDF, RG 59, Box 3308, 724.00/1-2653, p. 2. Lechín and his allies were described by an “extremely concerned” U.S. Embassy as prone to “violent methods” and amongst the “most radical elements of the [MNR],” Hudson to Miller, Mann, Atwood, William Tapley

vocal proponent of land reform, provoked fears from the right of an official government embrace of the armed peasant militias across the country that jeopardized large landholdings. These militias had already started expropriating land without formal government sanction, and American analysts in the Operations Coordinating Board (OCB) described them as “loosely organized, poorly trained, undisciplined” and therefore “particularly vulnerable to Communist subversion.”⁵⁶

Lechín supported expropriation of the Big Three mining companies (which his government had nationalized just ten weeks previously) without compensation for the former owners. He also served as a figurehead for the powerful radical unions in the newly formed COB, an umbrella labor organization inspired by the Fourth Communist International with significant political influence on the MNR government. The COB maintained its own militias, and many of their membership had been crucial in defeating the armed forces and winning power for the MNR during the revolution the previous April. Lechín and the COB now sought to extend their influence by disbanding the Bolivian armed forces entirely and formalizing the unions' economic influence in the newly nationalized mines.⁵⁷

Bennett, Jr., Bernbaum, Barall, 5 May 1952, NARA, CDF, RG 59, Box 3307 724.00/5-552. For similar concerns over Lechín, see also Memorandum from Acheson to Truman, 22 May, 1952, FRU.S., 1952-54, vol. 4, p. 492; Miller to Maleady, 21 April 1952, NARA, CDF, RG 59, Box 3310, 724.02/4-2152; Senator Richard Nixon to Jack McFall, Assistant Secretary of State, 20 May 1952, NARA, CDF, RG 59, Box 3307 724.00/5-2052.

⁵⁶ Malloy, *Beyond the Revolution*, p. 126. OCB quote from “Operations Coordinating Board: Analysis of Internal Security Situation in Bolivia and Recommended Action,” Dwight D. Eisenhower Library (hereafter DDEL), White House Office, National Security Council Staff: Papers, 1948-1961. OCB Central File Series, Box 24, OCB 091.Bolivia (2) June 1955-December 1956.

⁵⁷ The COB had been first envisioned by the Trotskyist Partido Obrero Revolucionario, in the *Tesis de Pulacayo*. Guillermo Lora, *Historia del Movimiento Obrero Boliviano*, Capitulo V, p. 1. ONLINE RESOURCE: <http://www.masas.nu/Historia%20del%20Mov.Obrero%20Boliviano/Tomo%20VI/5-%20Cap.%20V.%20El%20control%20obrero.pdf> (last accessed 9 April 2012). See also James Malloy, *Bolivia: The Uncompleted Revolution* (Pittsburgh: University of Pittsburgh Press, 1970), pp. 185-187.

The coup that tried to halt the rise of Lechin and Chavez was a failure, and within a day it was all over and its participants disgraced. The anti-MNR forces had lacked both political legitimacy and military muscle since the April 1952 revolution, a revolution that had smashed the junta (and the army behind it) that had blocked the MNR's democratic victory in 1951. In its nine short months in power the MNR had solidified its support amongst the miners unions and newly enfranchised indigenous people, who took to the streets with “speed and discipline” to support President Paz and the MNR.⁵⁸

Mobilized by the COB, crowds thronged the streets of the capital and the Plaza Murillo, cheering on President Paz, Lechín and Vice President Siles.⁵⁹ “We are going to purge all reactionary and unpatriotic elements from the army,” Paz promised them, as he reiterated his intention not to retreat from the revolutionary program. He set the MNR in direct opposition to the intransigent “Anticommunism and militarism” of the FSB, the oligarchy and “international interests, though he also qualified this by stating he was “not pro-Communist.”⁶⁰ Vice President Siles promised action on agrarian reform even if it meant civil war, somewhat misconstruing the nature of FSB opposition to his government.⁶¹

⁵⁸ *El Diario*, 9 January 1953, p. 4.

⁵⁹ *La Nación* claimed that the crowds supporting the government numbered 120,000 people. *La Nación*, 8 January 1953, p. 4. The U.S. Embassy put the number at 10,000. Rowell to Department of State, 27 June 1953, NARA, CDF, RG 59, Box 3308, 724.00/6-2753.

⁶⁰ *Ibid*; Telegraph from Embassy to Department of State, 24 June 1953, NARA, CDF, RG 59, Box 3308, 724.00/6-2453; Kenneth Lehman, “Braked but not broken: Mexico and Bolivia- Factoring the United States into the Revolutionary Equation” in Merilee S. Grindle and Pilar Domingo (eds.), *Proclaiming Revolution: Bolivia in Comparative Perspective* (Cambridge, MA: Harvard University Press, 2003), p. 100; *New York Times*, January 10, 1953, p. 3.

⁶¹ Though the MNR sought to tar the FSB as a proxy of the oligarchy, the party was not so retrograde as its opponents portrayed it. Fearing the rising power of left-wing parties like the POR and the MNR, the FSB sought to appeal to the Bolivian middle class as Christian and anticommunist whilst arguing that Bolivia needed to limit suffrage to only the literate. And yet the party was avidly pro-land reform and even seemed unlikely to undo the

Not only was the path towards more rapid and comprehensive redistribution of land titles backed by the legal authority of the government now assured, but the miners' unions and their accompanying militias were in an even stronger position. Far from limiting the influence of the COB, the failed coup pushed the MNR government to solidify the unions' political power. Paz announced the COB as an institution of "co-government," and granted the organization power to nominate influential government ministers (Mines and Petroleum, Labor, and Peasant Affairs).⁶²

Siles' speech celebrating the defeat of the January coup also noted that the nationalization of the tin mines "has not been consolidated on the international level."⁶³ This last remark was a dig at the U.S. government's unwillingness to sign a long term tin contract and a politically popular reminder that other potential markets existed beyond the West.⁶⁴ In the pages of the *New York Times* things seemed even starker. The paper reported that Paz promised a crowd of "thousands" that "we will not compromise nor will we consent to any deals prejudicial to Bolivia in order to sell our tin." The crowd cheered in response, and bayed "Death to Yankee imperialism."⁶⁵

U.S. analysts at the Embassy, like the would-be *golpistas*, had also noted the growing influence of Lechín and radicals within the COB since the nationalization of the tin mines. The

MNR's nationalization of the mines. Rowell to U.S. Embassy in La Paz, 7 May 1953, NARA, CDF, RG 59, Box 3308, 724.00/5-753.

⁶² Gustavo A. Prado Robles, *Ensayos de historia económica* (Santa Cruz, Bolivia: Instituto de Investigaciones Económicas y Sociales Jose Ortiz Mercado, Facultad de Ciencias Económicas Administrativas y Financieras Universidad Autónoma Gabriel René Moreno, 2008), p. 97; Malloy, *Bolivia*, pp. 185-187.

⁶³ *La Nación*, 8 January 1953, p. 4.

⁶⁴ *El Imparcial*, 6 January 1953, p. 7. *El Imparcial* was a Guatemalan newspaper that opposed the Arbenz Government.

⁶⁵ The article also reported radical leftist Sergio Almaraz's presence at the rally, and noted his condemnation of U.S. interference in Bolivia and Latin America. *New York Times*, January 8, 1953, p. 5.

intellectual and political climate in Bolivia had long fostered radical leftist ideas, and the MNR revolution gave hope to voices on the reformist and radical left: from the Arbenz government in Guatemala to Pablo Neruda and Salvadore Allende. Allende, then a Chilean senator attended the Bolivian revolution's anniversary celebrations and gave a talk celebrating its achievements.⁶⁶ Following the revolution, Pablo Neruda believed that "Bolivia is the drama of America...we are all obliged morally to help Bolivia own her own resources and her destiny."⁶⁷ "Overt friendship" from such a figure as Neruda, a communist, had proven evidence enough to illustrate Guatemalan President Arévalo's communist sympathies to the American Embassy in Guatemala.⁶⁸

Having already noted the supportive climate for leftist discourse in Bolivia, U.S. analysts identified a further leftward shift in the Bolivian political climate after the failed January coup. Paz, Siles and Lechín's "extreme bitterness" and "polariz[ing]" speeches denouncing the coup presaged a shift further leftwards, contributing pressure for Paz to flirt openly with closer ties to the Soviet bloc as the prospect of U.S. assistance under Eisenhower seemed dim.⁶⁹ The MNR

⁶⁶ Bolivian government pamphlet "8th Anniversary of the National Victory" (9 April 1960), International Institute of Social History, Movimiento Nacionalista Revolucionario (Bolivia) Collection, microfiche 63.

⁶⁷ *El Libro Blanco de la Independencia Económica de Bolivia* (La Paz: Undersecretaria de Prensa, Informaciones y Cultura, 1952), p. 155. International Institute of Social History, Movimiento Nacionalista Revolucionario (Bolivia) Collection, microfiche 23.

⁶⁸ Wells to Department of State, 15 November 1950, NARA, CDF, RG 59, Box 3248, 714.001/11-1550.

⁶⁹ Rowell to Department of State, 27 June 1953, NARA, CDF, RG 59, Box 3308, 724.00/6-2753. Paz, Siles and Lechín's speeches after the coup collapsed had a "general tone of ...extreme bitterness" and promised "to carry the revolution through to its ultimate conclusion (i.e. the accomplishment of agricultural reform) even if it involved a blood bath and civil war." The speeches represented a "further polarization of forces in Bolivia."

On pressure from the Bolivian left, see Kenneth Lehman, *Bolivia and the United States: A Limited Partnership* (Athens, GA: University of Georgia Press, 1999), p. 104. Paz and Siles both faced much pressure from miners unions and the MNR's own youth congress to form closer economic and political relations with the Soviet Union, especially after 1956 when the Soviets made their first offer of loans and help building a tin smelter in Bolivia. Bulletin from second National Congress of the MNT Youth, *Confederacion y Sindicatos MNR* 1960, pp. 331-2, Bolivian Foreign Ministry Archive; On May 1 the COB demanded that Bolivia find "new markets" to

government also appeared to the Eisenhower administration to step up police actions against rightist anti-government forces, even to the extent of using “Gestapo methods,” as Andrade reported to his superiors in La Paz.⁷⁰ Bolivian police actions left “no question” in American officials’ minds that government troops had, “on occasions, been reported to have been rough and tough” when “ferreting out conspiracy elements.”⁷¹ Some accounts have suggested a note of approval here that I do not detect.⁷² If anything ambassador Sparks’ report felt the comparison with the Gestapo might please the MNR for suggesting its efficacy, but there is no language suggesting that it was pleasing to the Embassy (the implication perhaps being that the MNR still harbored an affinity towards fascism from the Villarroel era). John Foster Dulles would congratulate Andrade on the reestablishment of order after the failed subversion of another FSB coup, but it is perhaps too much of a stretch to equate this with wild enthusiasm for brutal police suppression of political opposition. In fact, the State Department did start raising somewhat belated concerns about political prisoners in Bolivia through official channels in late 1953 and 1954.⁷³

“escape from the pressure of the RFC” and the “economic and political aggression from outside the country.” Quoted in Crespo, *El Rostro Minero de Bolivia*, p. 201.

⁷⁰ Andrade to Bolivian Foreign Ministry, 11 November 1953, Bolivian Foreign Ministry Archives, *Cables Dirigidos y Recibidos Washington y Embolivia*, CL-354. The subject of political suppression and internment camps proved to be a sensitive one, and MNR figures including Paz have proved quick to take issue and offence at suggestions that its tactics during and preceding the revolution were heavy-handed. Jerry Knudson, *Bolivia, press and revolution, 1932-1964* (Lanham, MD: University Press of America, 1986), introduction.

⁷¹ Telegraph from the Embassy in La Paz to Department of State, 17 July, 1953, p. 2, NARA, CDF, RG 59, Box 3308, 724.00//7-1753.

⁷² Laurence Whitehead, *The United States and Bolivia: A Case of Neo-colonialism*, (Oxford: Haslemere Group, 1969).

⁷³ Sparks to Topping 27 August 1954, NARA, CDF, RG 59, Box 3308, 724.00/8-2754.

The MNR's right wing was disgraced as a result of complicity with the coup, and many left the party, leaving an environment where “only the Partido Comunista Boliviana, the [Trotskyist] Partido Obrero Revolucionario and the Movimiento Nacionalista Revolucionario are openly engaged in political activities.” The POR and PCB continued to operate unfettered, and along with many on the left of the MNR, called for the dissolution of the army, withdrawal from compensation negotiations with the Big Three, and the sale of minerals to the Eastern bloc.⁷⁴

Meanwhile the COB and the miners' militias had solidified their political and military power. In June of 1953 the COB voted Lechín as the Commander in Chief of the militia forces, and provisioned the growing “proletarian army” with “tanks, artillery and other motorized equipment.”⁷⁵ To many, including the counsellor of the U.S. Embassy in La Paz Edward Rowell, it seemed this “proletarian army” was “commie inspired.”⁷⁶ Further striking parallels with the Russian revolution and the Soviet model presented themselves with “control obrero,” a right hard-won by the miners, which gave the COB effective veto power over policy in the nationalized mines.⁷⁷ Holding this level of influence in a country so dependent on tin revenues

⁷⁴ Rowell to State, 2 January 1953, NARA, CDF, RG 59, Box 3309, 724.00 (W)/1-253; Rowell to Embassy, NARA, CDF, RG 59, Box 3308, 724.00/5-753. Though some of the disgraced MNR rightists would return to government later in the decade. Alexander, *The Bolivian National Revolution*, p. 53, n.1.

⁷⁵ Crespo, *El Rostro Minero de Bolivia*, p. 198. President Paz became the civilian leader of the militias.

⁷⁶ “Proletarian army” taken from a newspaper article cited by Rowell: “La COB Organizará un Ejército Proletario,” *La Nación*, 11 June 1953; Rowell to Department of State, 26 June 1953, NARA, CDF, RG 59, Box 3308, 724.00/6-2653. See also Rowell to Embassy in La Paz, 22 January 1953, NARA, CDF, RG 59, Box 3308, 724.00/1-2253.

⁷⁷ Control Obrero was not without controversy, and had its opponents in the more moderate wing of the MNR. The president of the Mining Bank, Humberto de Villar, complained to Guevara that Andrade and the diplomatic corps were taking over negotiations over the tin contract and overriding the interests of COMIBOL. He reminded the Foreign Minister that COMIBOL was an equal partner with the government and not “subalterna” as Andrade had suggested. Villar to Guevara, 13 April 1953. Bolivian Foreign Ministry Archive, Banco Minero- Ministerio de Relaciones Exteriores 1953-54, ED-1-20, p. 37.

For reference to the frequent comparisons of Bolivian and Russian revolutions, see Rene Ruiz Gonzalez, *La Administracion Emperica de las Minas Nacionlizadas* (2nd edition, La Paz, Bolivia, 1980), p. 296.

gave the COB immense power over the economic fate of Bolivia and the political fortunes of the MNR. Despite refusing to completely disband the army and eventually reinstating the *colegio militar* over violent protest, the Embassy initially noted that “Paz sided with Lechín on Army reorganization.” The Embassy suggested, somewhat prematurely as its own staff would later recognize, that the “Lechín group may now dominate the government.”⁷⁸

Evidence for MNR susceptibility to anti-Americanism and radicalism under this pressure from its grassroots and those to its political left continued to crop up during the Eisenhower administration’s first months in power.⁷⁹ A National Intelligence Estimate (NIE) found that “extremism which poses potential threats to U.S. security interests will probably be strongest in...Bolivia.”⁸⁰ As a tin contract failed to materialize, Undersecretary of State for Inter-American Affairs John Moors Cabot noticed worrying examples of MNR “emotionalism and agitation of public opinion” against private capital and foreign companies.⁸¹ Rowell noted that an

organized campaign is underway, in mine labor circles, at least, to make the United States the clearly identified scapegoat for Bolivia’s impending economic ills...as the demagoguery against the United States increases, it will become increasingly

⁷⁸ Rowell to Acheson, 6 January 1953, NARA, CDF, RG 59, Box 3308, 724.00/1-653. The Embassy would later tell Washington that, though Lechín and his allies had gained in strength, the moderates remained in power. 11 January, 1953, NARA, CDF, RG 59, Box 3308, 724.00/1-1153, in which Sparks concluded there was “no (rpt no) appreciable shift in power” after the coup. In the reform of the armed forces Paz did deem the purge of forty generals necessary, and cut funding for the army by fifty percent, but stopped short of abolishing the army altogether. Paz’ compromise on this issue sowed the seeds for the growing Bolivian militarism in the 1960s that would eventually witness the overthrow the elected MNR government in 1964. See the work of Thomas Field and Dunkerley, *Rebellion in the Veins*, pp. 48-50.

⁷⁹ Although it is also true that more encouraging signs of moderation in policy and in tone were simultaneously being noted by policy analysts in Washington and La Paz.

⁸⁰ Bolivia was listed amongst several other countries. NIE 99, October 23, 1953, *FRU.S. 1954-52, vol 2, part I*, p. 562.

⁸¹ Memorandum of Conversation between William Hudson, Walter Guevara Arze, Victor Andrade and John Moors Cabot, November 4, 1953, *FRU.S. 1954-52, vol.4*, p. 539.

difficult for the Bolivian Government to engage in acts of conciliation vis-à-vis the United States.⁸²

This analysis reached Washington the day before May Day, 1953, which marked the height of tension between the United States and Bolivia.⁸³ On this day of workers' marches and trade union rallies, top government officials delivered a round of openly anti-U.S. speeches to receptive crowds nationwide. Paz and Lechín charged the United States with aiming to bring the revolution down by holding back aid and refusing to grant a new tin contract. In a move very popular with the miners' unions, Paz also promised to sell Bolivian tin wherever there was a market, "whether to the United States or the popular democracies."⁸⁴

President Paz's address, in the eyes of Ambassador Sparks, followed a "demagogic, dishonest, and malicious tone." Juan Lechín, gave a speech that was "even worse, both in tone and content."⁸⁵ It seemed to William Hudson of the OSA that in castigating the United States the "Bolivian Government is building up a case, with its own people and other Latinos, for blaming on us the consequences of its own incompetence and irresponsibility."⁸⁶ Hudson thought it was "possible" that the anti-American campaign of labor unions was "entirely communist inspired," but "more probable that certain Bolivian Government officials are behind it."⁸⁷ On May 4,

⁸² "Anti-U.S. campaign stepped up in Labor Circles," Memorandum from Rowell to the Department of State, 30 April, 1953, NARA, CDF, RG 59, Box 2760, 611.24/4-3053.

⁸³ Kenneth Lehman, *Bolivia and the United States: A Limited Partnership* (Athens, GA: University of Georgia Press, 1999), p. 104.

⁸⁴ By taking advantage of the "contradictions of capitalism," Paz also vowed to squeeze a higher price for metal ores out of the United States. Quoted in Memorandum from William Hudson to Department of State, 11 May, 1953, NARA, CDF, RG 59, Box 2760, 611.24/5-1153.

⁸⁵ *Ibid.*

⁸⁶ *Ibid.*

⁸⁷ *Ibid.* Though certainly not all government officials supported ratcheting up anti-American rhetoric: to Guevara "anti-American feeling, considerably aggravated in public opinion, only serves to delay these negotiations [for a

Sparks noted the approval of many Bolivian newspapers of what he described as either “deliberately provocative” or unsophisticated rhetoric, and described the very worrying consequences of the MNR granting the Soviet Union a “reputableness to which they are not entitled.”⁸⁸

In such an atmosphere, growing influence of communist ideology as a result of the revolution seemed a distinct and concerning possibility to U.S. officials.⁸⁹ In many instances the continued stewardship of the moderate faction did not appear to guarantee against this. The Embassy, along with the CIA and cabinet members voiced concern over MNR “toleration” of communist activities.⁹⁰ Ambassador Edward Sparks portrayed the MNR government as the “first

long-term tin contract].” Telegram from Guevara to Bolivian Embassy 8 May 1953, Bolivian Foreign Ministry Archives, Claves Originales de Cables Expedidos mayo 1953 CL-946.

⁸⁸ Dispatch 699 from Sparks to the Department of State, forwarded by Hudson 11 May, 1953, NARA, CDF, RG 59, Box 2760, 611.24/5-1153. See also reference to “Stalinist...and Trotskyite” press granting these developments “hearty endorsement” in “Anti-U.S. campaign stepped up in Labor Circles,” Memorandum from Rowell to the Department of State, 30 April, 1953, NARA, CDF, RG 59, Box 2760, 611.24/4-3053.

⁸⁹ Memorandum from Hudson to Atwood, January 14, 1953, NA, Box 3308, 724.00/1-1453; “Statement of Policy by the NSC” (NSC 144/1), March 18, 1953, *FRUS, 1952-54, vol. 4*, pp. 4-5; NIE 99, October 23, 1953, *FRUS 1954-52, vol 2*, part I, p. 562. James Siekmeier rightly points out that this attention to communism was not the most significant part of analysis and discussion of United States policy in Bolivia, and was certainly less prevalent when compared to discussions of Guatemala. Siekmeier, *Aid, Nationalism and Inter-American Relations*, p. 237. This relative lack of emphasis on communism was less a result of greater U.S. concern with radical economic nationalism and the desire to maintain Bolivia in a state of dependency, as Siekmeier argued, and more a result of policymakers’ appreciation of the MNR’s amenability to the long-term goals of U.S. policymakers. *Ibid.*, p. 160. See chapter 4.

⁹⁰ Rowell to the Department of State, 10 November 1952, NARA, CDF, RG 59, Box 3310, 724.001/11-1052. Rowell to Dept of State, 13 January 1954, NARA, CDF, RG 59, 724.00/1-1354; Rowell to the Department of State, 24 November 1953, NARA, CDF, RG 59, Box 3308, 724.00/11-2453. Yet Rowell on other occasions played down the significance of this “tolerance of political activities,” seeing this as rather a limited achievement for communists in Bolivia, and a result of Paz’s bowing to political expediency. Rowell to Department of State, NARA, CDF, RG 59, Box 3310, 724.001/12-453. “Operations Coordinating Board: Analysis of Internal Security Situation in Bolivia and Recommended Action,” Report from OCB to Staats (Executive Secretary of the NSC), 22 June 1955, p. 1. DDEL, White House Office, National Security Council Staff: Papers, 1948-1961, OCB Central Decimal File Series, Box 24, OCB 091.Bolivia (2) June 1955-December 1956; H. W. Brands, Jr., *Cold Warriors: Eisenhower’s Generation and American Foreign Policy*, (Columbia University Press, New York, 1988), p. 34.

in Bolivia to tolerate this Soviet-inspired 'front.'⁹¹ On the 2nd of February 1953, Rowell relayed to Washington information from rightist opposition members. His report outlined forty-four pieces of evidence that made it appear that "Communists" were "infiltrating into the Bolivian Government," evidence which was partially corroborated by "other sources."⁹²

Though charges of communist infiltration often referred to the COB, Lechín and grassroots party membership, even the moderate faction came under scrutiny. Leninist lexicon permeated every level of government and how it framed Bolivia's problems politically, it was not just the rhetorical touchstone of the left wing and grassroots of the MNR. For Paz, Guevara, Andrade, Siles and other moderates land reform and mine nationalization *defined* the MNR. These reforms represented victories for the "vanguard of the proletariat" in its fight against "feudalism" and "imperialism," and stepping stones towards the "economic liberation of the people:" a more diversified and productive economy.⁹³ According to the U.S. Embassy, when the MNR leadership sought to understand and explain Bolivian problems they relied heavily on "concepts

⁹¹ Telegraph from Sparks to Department of State, 7 November, 1952, NARA, CDF, RG 59, Box 3309, 724.00(W)/11-752. Sparks clarified that "Tolerance is due to tacit acceptance by MNR of communist support of its objectives rather than "liberalistic" attitude."

⁹² Telegraph from the Embassy in La Paz to the Department of State, 2 February, 1953, NARA, CDF, RG 59, Box 3310, 724.001/2-253. For forwarding of similar claims of "communist infiltration," see Rowell to Embassy 22 January 1953, NARA, CDF, RG 59, Box 3308, 724.00/1-2253.

⁹³After his first term as President, Paz clarified the MNR's agenda as "economic independence" and an "intensive social policy." The revolution aimed first and foremost to "liquidate the old order" and the "injustice of a semi-feudal" agrarian economy and mining "caste," replacing them with "social justice." Bolivian Foreign Ministry, *Mensaje del Presidente de la Republica Dr. Victor Paz Estenssoro al H. Congreso Nacional* (La Paz: 1956), pp. 8-9, 10; *La Nación*, 1 January 1953, p. 1. Paz, in a speech at the Ministry of Education, reiterated the basic goals of the revolution as nationalization and agrarian reform. Paz also quoted Lenin in his speech, claiming that "electrification is revolution." Yet at the same time, he rejected the label of anti-capitalism, emphasizing the Bolivian need for capital to drive the revolution forward. *El Diario* 9 January 1953, p. 4.

of legislation and social justice” and an “economic determination of history” both infused with “Marxist doctrine.”⁹⁴

Ideological emphasis on Marxism from the MNR ‘moderate’ leadership was more than a rhetorical flourish or intellectual preoccupation. From ideological re-training for the diplomatic corps to the content of educational reform, the project to promote greater economic independence and “social justice” in Bolivia was more than a rhetorical flourish designed to relieve pressure from the MNR's leftist base.⁹⁵ With the party undergoing a second year of “national liberation from imperialist domination,” the Political Committee of the MNR passed eight resolutions which aim at “cleansing the Government administration of all non-MNR elements” and “convert the Army from a 'military caste' into an instrument of economic reconstruction.”⁹⁶ Bolivian diplomats, meanwhile, were to be thoroughly retrained to view all political and economic problems from a nationalist and “revolutionary basis,” in a historically “scientific” manner directly inspired by Leninist political doctrine and “the Russian revolution of 1917.”⁹⁷

U.S. officials took note of this leftist influence in Bolivia. Rowell’s report on “President Paz’ Ideological Position” explained the basis for this, arguing that:

⁹⁴ Rowell to Department of State, 15 February 1953, NARA, CDF, RG 59, Box 3309, 724.00 (W)/2-1353. See also Sparks to Holland 17 September 1954, NARA, CDF, RG 59, LOT FILES, Bureau of Inter-American Affairs, Office of the Assistant Secretary of State for Inter-American Affairs, Country Files, 1953-56, Box 2, Bolivia 1953-55.

⁹⁵ Bolivian Foreign Ministry, *Mensaje del Presidente de la Republica Dr. Victor Paz Estenssoro al H. Congreso Nacional* (La Paz: 1956), p. 12. See also pp. 7-8. On educational reform, see Isaac Arce Torres (Universidad Mayor de San Andreas) to Walter Guevara Arze, 24 February 1954, *Presidencia* 822, 1 (Ministerio de Relaciones Exteriores, 1954) Archivo y Biblioteca Nacional de Bolivia.

⁹⁶ Rowell to State 3 March 1953, NARA, CDF, RG 59, Box 3308, 724.00/3-3053.

⁹⁷ Instituto de Estudios de Política Internacional, *Fundamentos, Síntesis de Organización y Plan de Estudios Inicial del Instituto de Estudios de Política Internacional* (no date), Archivo y Biblioteca Nacional de Bolivia, Papers of Walter Guevara Arze, Box 6, Folder Ministerio de Relaciones Exteriores.

in terms of economic theory and theory of the course of social development, he is influenced by Marxist and neo-Marxist ideologies... It appears to the Embassy that the one real danger in the situation from the United States' point of view is that the inclination toward Marxism may make him particularly susceptible to the advice and support of communist groups in Bolivia.⁹⁸

The MNR's appointment of government officials included many figures to the far left, not just Lechín and Chavez. In the first year of the revolution Paz appointed Jorge Ballón Sanjines as his press secretary and as the director of the MNR School of Political Instruction. Ballón, according to the U.S. Embassy, was "a Communist."⁹⁹ Paz' personal secretary and top MNR figure and political commentator Jose Fellman Velarde, along with Minister Nuflo Chavez, seemed to the U.S. embassy amongst the "most radical elements of the party" and U.S. policymakers were highly suspicious of his attitudes towards the U.S.¹⁰⁰ U.S. policymakers worried that Paz was using Fellman to stoke the radical and anti-American passions of the electorate through his column in *La Nación*, which had excoriated imperialism and the insidious influence of "yankee and English" corporations across Latin America.¹⁰¹ Paz was certainly convinced that Fellman was of use in positions of power: he promoted him as Undersecretary for Press and Propaganda

⁹⁸ Rowell goes on to qualify this by saying that the communists' objectives "differ from" those of President Paz, and that Paz's attraction to Marxist theories was forged purely from a desire to help Bolivia develop into a prosperous, well educated and healthier country. Report on "President Paz' Ideological Position," Rowell to the Department of State, 12 January 1953, NARA, CDF, RG 59, Box 3310 724.11/1-1253.

⁹⁹ Rowell to the Department of State, NARA, CDF, RG 59, Box 3310, 724.001/11-2552.

¹⁰⁰ "Weekly Report on Bolivia," Telegraph from Rowell to the Department of State, January 26, 1953, NA, RG 59, Box 3308, 724.00/1-2653. Box 3308, 724.00/1-654. His column in *La Nación* "El Fracaso Chico" under pseudonym Carlos Velarde drew considerable attention from observers in the U.S. Embassy, who were "suspicious of Fellman's attitude toward the United States." Embassy in La Paz to Department of State, 6 January 1954, NARA, CDF, RG 59, Box 3308, 724.00/1-654.

¹⁰¹ "Departments concern over attitude of Bolivian Government" Memcon Andrade, Mann and Hudson, NARA, CDF, RG 59, Box 2760, 611.24/4-2953. See also Rowell to Department of State, NARA, CDF, RG 59, Box 3310, 724.11/2-2653

and interim Secretary General of the MNR party, and also refused his resignation from the cabinet in 1953.¹⁰²

Foreign Minister Walter Guevara Arze was another MNR moderate whose centrist credentials seem clear to observers after his public fallout with Lechín during the first Paz administration. At the party conference in 1956 Guevara received censure from the leftist party base that dominated proceedings, and resigned as a result, going on to form a splinter group of “autenticos,” centrist politicians who aligned themselves with the revolution but not the MNR’s Lechín wing. Yet Guevara, like Paz, was also suspect at the early stages of the revolution for his ideological predilections. According to the Embassy, Guevara was once a “theoretical communist” and “there [was] little doubt of his totalitarian orientation.”¹⁰³ Rowell felt Guevara “would describe himself as a socialist (Marxist).”¹⁰⁴

No doubt a speech by Guevara two days earlier had aided this analysis. In it the Foreign Minister described himself as a proponent of “socialism” and an advocate of greater theoretical rigor to combat “revolutionary infantilism.” He decried the “capitalist system,” which “generates fascism [in developed nations] and imperialism [in undeveloped nations].” Guevara went on to trace Bolivian history back to the Incas. In the party’s official narrative of the nation’s past, the indigenous empire presided over “a communist regime,” promoting “efficient organization that

¹⁰² Fellman also served as Government employees' representative on the COB. He eventually resigned in early January 1954. Rowell to Department of State, 6 January 1954, NARA, CDF, RG 59, Box 3308, 724.00/1-654

¹⁰³ After resigning in 1956, Guevara would form his own 'autentico' wing of the party in opposition to Lechín. Telegraph from Thomas Maleady (chargé d'Affaires) to Department of State, April 14, 1952 NARA, CDF, RG 59, Box 3307, 724.00/4-1452. Guevara would serve in the Barrientos administration that removed Paz from power in the coup of 1964

¹⁰⁴ “(Marxist)” bracketed in original. Rowell also noted that Guevara also “tempers his ideology by the exigencies of contemporary circumstances.” Telegraph from Rowell to the Department of State, January 26, 1953, NARA, CDF, RG 59, Box 3308, 724.00/1-2653, p. 2.

assured the wellbeing of millions of inhabitants.”¹⁰⁵ This contrasted to foreign-dominated governments of later periods: the “feudalism” of Spanish colonialism and over a century of governance by a “weak middle class” under liberalism that quickly became “the instrument of imperialism.”¹⁰⁶ For Guevara and other MNR leaders and ‘moderates’ the nationalist discourse was strongly infused with Marxist analysis.¹⁰⁷

During 1953, the MNR developed policy measures that seemed to follow the prescriptions of the PCB’s manifesto, issued after the 1952 revolution. The Embassy’s “full analysis” of the manifesto concluded that it “follow[ed] almost exactly the line... laid down by the 19th Congress of the Communist Party at Moscow.” The Bolivian Communists advocated the “sale of Bolivian minerals on the free market,” which was, somewhat ironically, a coded reference “to countries behind the Iron Curtain.” Paz had used similar rhetoric, denouncing the “criminal boycott American imperialists have imposed against Bolivia,” and made concrete steps towards the sale of minerals to the Czechs.¹⁰⁸ The PCB called for “[a]grarian reform by means of the liquidation

¹⁰⁵ The idea of the Incas and other indigenous cultures as a unifying nationalist and communist/collectivist symbols was by no means unique, and was in fact included in one of the MNR’s foundational documents: *Las Bases y principios de Accion Inmediatamenta del MNR*. Eduardo Arze Cuadros, *Bolivia, el programa del MNR y la revolucion nacional*, p. 72. See also Felix Eguino Zaballa speech to “MNR militants,” quoted in *La Nacion* 30 April 1953, p. 4; Also speeches by Estrada de la Hoz and Miguel Angel Vazquez (a Guatemalan journalist and poet who accompanied the Guatemalan diplomatic mission to Bolivia in January 1953, and ran a series of reports praising the Bolivian revolution in the Guatemalan paper *Diario Centro America*) on Mayan culture, *Ibid*, p. 9, *La Nacion* 18 January 1953.

¹⁰⁶ *La Nacion*, 24 January 1953, p. 5. Due to this history of exploitation, Guevara argued that Bolivia could not achieve socialism immediately: it first needed a national revolution bringing prosperity, sovereignty and autonomy, before completing a social revolution.

¹⁰⁷ This interpretation of Bolivian history and wealth distribution has been challenged by scholars. See Dwight B. Heath, Charles J. Erasmus and Hans C. Buechler, *Land Reform and Social Revolution in Bolivia* (New York: Praeger, 1969), p. 31.

¹⁰⁸ Memorandum from Rowell to Department of State, 24 April, 1953 NARA, CDF, RG 59, 724.00(W)/4-2453;

Memorandum from William Hudson to Department of State, 11 May, 1953, NARA, CDF, RG 59, Box 2760, 611.24/5-1153.

of latifundism via confiscation,” a policy espoused by the MNR from the beginning that came to fruition in August 1953. To Rowell it was clear that “Lechín has no doubts about the meaning of agrarian reform. His peasant-worker front idea has been for some months a program of the POR and also may fit in with PCB’s Front for National Liberation concept.”¹⁰⁹ The Communists called for a state monopoly on foreign commerce, and though the MNR insisted that it desired a strong private sector and that nationalization was a one-off measure, the result of nationalization was to give the state a virtual monopoly over the country’s only major export. The MNR had also incorporated PCB goals of “effective worker control” in the nationalized mines through the Soviet-inspired “control obrero,” as well as “greater participation in the Government by the Working Class.”¹¹⁰

John Foster Dulles focused detailed attention on the possible communist inclinations of the MNR, after having received information from pro-FSB sources on communist influences in the government. Though he recognized the irrelevance and “polemical nature” of many of the charges, “he stressed that several of them, “if verified... would be cause for serious concern.” These important examples included “the holding of government posts by ‘known’ communists,” “intensified trade with Curtain countries,” Lechín’s attendance at “a course of communist indoctrination in Santiago,” Chile, “required reading of ‘communist books’” by MNR party members and even the leadership’s studying of the Russian language.¹¹¹

¹⁰⁹ Telegraph from Rowell to Department of State, NARA, CDF, RG 59, Box 3309, 724.00 (W)/1-253.

¹¹⁰ Telegraph from Rowell to the Department of State, 31 December, 1952, NARA, CDF, RG 59, Box 3310, 724.001/12-3152.

¹¹¹Memorandum from John Foster Dulles to the Embassy in La Paz, 2 February, 1953, NARA, CDF, RG 59, Box 3310, 724.001/2-253. See also John Foster Dulles to Embassy in La Paz, 6 March, 1953, NARA, CDF, RG 59, 724.001/3-653, FOIA Doc Id 146378, in which Dulles notes Paz's close friendship with Argentine communist Rudolfo Puiggrós. Dulles emphasised that Puiggrós was “impressed by the revolutionary spirit” of Bolivian officials and believed that Paz was “anti-imperialist and anti-United States.”

All of this evidence, coming from across the policymaking establishment but often from supposed enlightened moderates such as the Embassy staff, is striking. It seems plausible that the evidence could have been interpreted by anticommunist-minded policymakers as indicative not only of communist influence in the MNR's rhetoric and ideology, but also of communist influence on key government policy measures and infiltration of government. One such policymaker was Allen Dulles, CIA head and younger brother of the Secretary of State. He seemed to take these alarmist analyses of supposed MNR "moderates" on board. On November 27, 1953, Dr. Milton Eisenhower suggested to Dulles that the MNR was non-communist and relatively moderate, and hence worthy of U.S. support. The CIA director was "frank to say that there are different points of view regarding the leadership [of Bolivia]."¹¹² To Dulles, it seemed there was a "deteriorating" relationship with Latin America, both in terms of "cordiality" and in "the economic and political spheres." The four major trends in Latin America toward "economic nationalism, regionalism, neutralism, and increasing Communist influence... posed a direct danger to United States sources of supply for such strategic materials as copper, petroleum and tin."¹¹³

Within the administration there was substantial evidence pointing towards the MNR becoming even more radical and aligning away from the United States. The MNR's domestic political opponents and the dispossessed mine companies sought to exploit these developments and turn Washington towards a more hostile approach to the MNR.

¹¹² Quoted in H. W. Brands, Jr., *Cold Warriors: Eisenhower's Generation and American Foreign Policy*, (Columbia University Press, New York, 1988), p. 34.

¹¹³ These comments are from an early National Security Council meeting. The President was "deeply disturbed" and wanted Latin America policy "expedited." Eisenhower, Dwight D.: Papers as President, 1953-1961 (Ann Whitman File), NSC Series, Box 4, 132nd Meeting of the NSC, 18 February 1953.

The anti-MNR lobby

Dulles, like his brother and like Vice President Nixon, seems to have been influenced by the anti-MNR propaganda circulating in Washington after the revolution. Throughout the 1950s, advocates outside of policymaking circles made a substantial effort to get the administration to oppose the MNR or at least reduce Bolivian aid. Perhaps their arguments had less effect given Bolivia's low profile in international affairs, the relative lack of influence of *La Rosca* in the United States, and the absence of domestic political pressure regarding Bolivia policy. Nonetheless, their persistence and tenacity in arguing their case and their access to top State Department and Embassy officials is hard to deny.¹¹⁴

In April 1953, John Moors Cabot reminded Bolivian officials that “the United States policy of assistance to Bolivia had already provoked considerable criticism,” despite its still limited nature.¹¹⁵ Cabot also mentioned to the Bolivian Ambassador Victor Andrade that lobbyists were still trying “to discredit the Bolivian government as Communist-oriented.”¹¹⁶ One such lobbyist was former Senator Millard Tydings, who Aramayo and Hochschild retained for years to

¹¹⁴ For an account that emphasizes these mitigating factors, see George Jackson Eder, *Inflation and Development in Latin America: A Case History of Inflation and Stabilization in Bolivia*, (University of Michigan, Ann Arbor, 1968), p. 159.

¹¹⁵ Memorandum of Conversation between William Hudson, Walter Guevara Arze, Victor Andrade and John Moors Cabot, November 4, 1953, *FRU.S. vol.4*, p. 539. Point IV assistance only amounted to 0.6 million dollars a year at the time this statement was made. “Plan for early assistance to Bolivia,” Telegraph from Department of State to Embassy in La Paz, 13 May, 1953, NARA, CDF, RG 59, Box 4607, 824.00/5-1353.

¹¹⁶ Memorandum summarising meeting between Eisenhower, Cabot, Atwood, Siles and Andrade, 23 November, 1953, NARA, CDF, RG 59, Box 4607, 824.00/11-2353; Memorandum from Thomas Mann to David Bruce (Undersecretary of State), December 17, 1952, *FRU.S.vol.4*, p. 515; Victor Andrade, *My Missions for Revolutionary Bolivia, 1944-1962*, (Pittsburgh: University of Pittsburgh Press, 1976), p. 161. Tydings himself had recently suffered at the polls, in part as a result of Joseph McCarthy's anticommunist smear tactics, losing his Senate seat in November 1952.

spearhead what ambassador Andrade called an “intensive campaign” against the MNR in the wake of the mine nationalization.¹¹⁷ Tydings represented Patiño during the first year of the revolution, and was retained by Hoschild and Aramayo from April 1953. According to *Hanson's Latin American Letter*, 31 January 1953, the tin barons had set aside 100,000 dollars plus expenses to pay for PR in the U.S. Millard Tydings received 24,000 plus fees for his efforts.¹¹⁸

The Bolivian government, in contrast, hired Selvage Lee and Chase (and later on just Selvage when he left the firm) for 25,000 dollars a year including expenses.¹¹⁹ According to the Bureau of Labor Statistics, this amounts to 219,000 dollars in 2013. Selvage continued to advise MNR government officials well into the 1950s, combatting the efforts of Tydings and the anti-MNR interests he represented.¹²⁰

¹¹⁷ Andrade to Bolivian Foreign Ministry, 11 May 1956, Bolivian Foreign Ministry Archives, *Cables Dirigidos y recibidos Embajada Washington 1956*, CL 361.

¹¹⁸ Siekmeier, *Bolivian revolution and the United States*, p. 62; Memorandum from Topping to Holland 4 August 1955, NARA, CDF, RG 59, Box 4279, 824.2544/8-455.

¹¹⁹ Andrade to Bolivian Foreign Ministry, 25 January 1954, Bolivian Foreign Ministry Archives, *Cables Dirigidos y recibidos Embajada Washington 1954*, CL 356.

¹²⁰ See Barrau to Bolivian Embassy in Washington, 13 June 1956, Bolivian Foreign Ministry Archives, *Embol Washington cables dirigidos y expedidos 1956* CL 361; ONLINE RESOURCE: http://www.bls.gov/data/inflation_calculator.htm (last accessed 23/9/13). Selvage's former colleagues Lee and Chase were later observed by a friend of Andrade's having lunch in New York restaurant Voisin with Spruille Braden, a former US diplomat notorious for his denunciations of Peronism and of communist influence in Guatemala under Arbenz. Andrade to Guevara, 7 January 1954, Papers of Walter Guevara Arze, Archivo y Biblioteca Nacional de Bolivia, Box 9.

Tydings promised the Eisenhower administration he was prepared to use his “full influence with Congress” to prevent Bolivia receiving aid, loans or a tin contract.¹²¹ In repeated letters and meetings with administration officials and members of Congress, Tydings and his colleagues sought “to expose the true situation:” not only would the MNR not pay just compensation to the former mine owners and waste U.S. aid on inefficient nationalized industries and welfare programs, but that many Bolivians believed “the MNR government to be Communist dominated and to be following Communist policies.”¹²²

Tydings adoption of anticommunist rhetoric was not without irony: Tydings had been the target himself of Joseph McCarthy. The Tydings Committee had clashed with McCarthy and dismissed his accusations that communists had infiltrated the United States Congress. McCarthy claimed him as a significant scalp in the 1952 elections, helping fuel the Wisconsin senator's seemingly burgeoning career. But whatever his personal motivation, Tydings proved to be a persistent adversary of the MNR regime, working in conjunction with lawyer and PR man Win Nathanson to argue that the MNR were radical leftists who would damage the Bolivian economy, U.S. business interests, and provide an example to the wider region that would damage the U.S.' desire to maintain stable, U.S.-orientated regimes in the hemisphere.

Though they enjoyed access to top policymakers and expense accounts backed by large corporations, theirs were by no means the only voices from outside policymaking circles clamoring for United States policy to shun the MNR. Coverage in the U.S. press was generally

¹²¹ Memcon Holland, Tydings, Win Nathanson, Claude Kemper (Aramayo representative), NARA, CDF, RG 59, LOT FILES, Bureau of Inter-American Affairs, Office of the Assistant Secretary of State for Inter-American Affairs, Country Files, 1953-56, Box 2, Bolivia 1953-55. [NO DATE- sometime between April and June 1954].

¹²² Topping is paraphrasing Tydings' charges on communism in an internal memo. Memorandum from Topping to Holland, 5 January 1955, NARA, CDF, RG 59, Box 4279, 824.2544/1-555. Memcon Silverstein (Nathanson and Associates), John Topping, 5 May 1955, NARA, CDF, RG 59, Box 4278, 824.25/5-555.

less opposed to the new government than it had been in April 1952 and increasingly identified the MNR as separate from communists in Moscow and in Bolivia. Reporting was not extensive, which is unsurprising given that it concerned an isolated and impoverished South American nation.¹²³ Nonetheless, the press in the United States did highlight the dangers of anti-American and communist advances in Bolivia. The *New York Times* documented the MNR's use of radical leftist and anti-imperialist propaganda under the headlines "U.S. Is Denounced At Bolivian Rally" and "Bolivian Assails U.S. Policy."¹²⁴ The *Wall Street Journal* warned that "Bolivia will bring extremism" to the hemisphere, whilst the *American Legion Magazine* charged the Bolivian government with being "thoroughly infiltrated by Communist subversives" and "going down the crimson path of Guatemala."¹²⁵ The *Chicago Daily Tribune* described the "increasing leftist domination of that country's government."¹²⁶ As Kenneth Lehman has noted, these were not insignificant charges to make in public in 1953, given the continued prominence of Senator Joseph McCarthy, whose accusations of communist influence had the ability to destroy the

¹²³ Journalist James Reston's quip that "[t]he American public will do anything for Latin America but read about it" seems particularly apt. Lack of interest and knowledge of Bolivia was such that during one press conference, John Moors Cabot felt compelled to spell the name of Bolivia's third largest city "Cochabamba" for reporters. L. Ronald Scheman, "Rhetoric and Reality: The Inter-American System's Second Century," *Journal of Interamerican Studies and World Affairs*, Vol. 29, No. 3 (Autumn, 1987), p. 2. "Press and Radio News Conference," Department of State transcript sent to John Moors Cabot, July 31, 1953. DDEL, Cabot, John Moors, Papers 1929-78, Reel 14, 00800.

¹²⁴ *New York Times*, January 8, 1953, p. 5; *Ibid.*, April 30, 1953, p. 2.

¹²⁵ *WSJ* quoted in Guevara to Bolivian embassy in Washington, 22 June 1953, Bolivian Foreign Ministry Archives, Bolivian Embassy cables to Bolivian Foreign Ministry, CL-355; *American Legion* quoted in memorandum from Milton Barall to William Hudson, 27 January, 1954, NARA, CDF, RG 59, Box 3308, Folder 2, 724.00/1-2754.

¹²⁶ Jules Dubois, "Hear Catholic Church Wars On Reds In Bolivia," *Chicago Daily Tribune*, April 26, 1953, p. B3.

careers of public servants, appeared to swing election results, and sent shockwaves through American society that reverberated long after McCarthy's fall from grace.¹²⁷

The Bolivian Catholic Church and some Latin American governments made clear their opposition to the MNR for its "domination" by "leftist[s]," its susceptibility to "Communist ideology," and its fostering of "communist sectarianism."¹²⁸ Bolivian exiles and other Latin American governments decried the purported influence of "Soviet citizens" and "communist" ideologues in Bolivia, warning that the MNR were "putting arms in the hands of communistically indoctrinated groups with the result that the center of power was now shifting toward the extreme left."¹²⁹ Former presidents J. Enrique Hertzog Garaizabal and Urriolagoitía, as well as other Bolivian opposition figures, wrote repeated letters to Washington and major newspapers denouncing the MNR's anti-American and communistic tendencies, whilst officials

¹²⁷ Kenneth D. Lehman, "Braked but not broken: Mexico and Bolivia- Factoring the United States into the Revolutionary Equation" Grindle, Merilee S. and Domingo, Pilar (eds.), *Proclaiming Revolution: Bolivia in Comparative Perspective* (Cambridge, MA: Harvard University Press, 2003), p. 107.

¹²⁸ Jules Dubois, "Hear Catholic Church Wars On Reds In Bolivia," *Chicago Daily Tribune*, April 26, 1953, p. B3; Memorandum from State Department to Embassy in La Paz, 8 January, 1953, NARA, CDF, RG 59, Box 3308, 724.00/1-853; Arturo Crespo Enriquez, *El Rostro Minero de Bolivia: Los Mineros, Mártires y Héroes*, (La Paz, Bolivia: Sygnus, 2009) pp. 198-199.

¹²⁹ The charges of the Peruvian government over the influence of "Soviet citizens" in the Czech legation were later dismissed by the OCB. Report from the OCB to Lay, September 19, 1956, DDEL, White House Office, National Security Council Staff: Papers, 1948-1961, OCB CDF Series, Box 24, OCB 091.Bolivia (3) [June 1955-December 1956]. See also memcon Roberto Arce, Hudson, Topping, 7 December 1953, NARA, CDF, RG 59, Box 3308, 724.00/12-753; William Sanders (counselor U.S. embassy in Santiago) to Milton Barall (OSA Chile Desk Officer), NARA, CDF, RG 59, Box 3308, 724.00/1-1454. Alberto Ostria Gutiérrez, the former Bolivian Foreign Minister, showed the U.S. Embassy in Chile the "text of the Paz Estenssoro pact with the Communists" and warned that his brand of communism was even more insidious than that in Guatemala, because Paz hid his intentions behind a façade of moderation. Despite his efforts Sanders concluded Gutiérrez shed "no new light" on the situation. Barall to Burgin (Department of State Office of Intelligence Research division of research for American Republics), NARA, CDF, RG 59, Box 3308, 724.00/5-754 More charges from Bolivian opposition (given to Undersecretary Holland at Caracas by Guillermo Cespedes Rivera), seemed to differ little from similar charges he made to Cabot on 20 October, 1953, NARA, CDF, RG 59, Box 3308, 724.00/10-2053.

like former Foreign Minister Ostria met with U.S. officials in private, distributing anti-MNR propaganda.¹³⁰ Hertzog's letter to the *New York Times* set out a polemical case against the MNR:

“American Imperialism” has been made the favorite target of all members of the Government, while the Government wages the most ruthless class warfare... The army has been disbanded and armed bands of miners and farmers, in true Bolshevik style, have been organized to take its place; foreign Communist experts have been engaged to teach the people their doctrines... the police forces are instructed to persecute democratic citizens and to give all their support to Communists... The Communist program is carried out systematically with a view to establishing a Soviet structure in the very heart of the Continent.¹³¹

Hertzog did not stop at strongly-worded letters to the *New York Times* or the Senate Foreign Relations Committee.¹³² According to the Bolivian Foreign Ministry he and fellow exiles were behind continued attempts to “raise the political temperature to white hot” in Bolivia.¹³³ Not only were they organizing public protests in Bolivia and lobbying in Washington, they appeared to be behind multiple schemes to overthrow the Bolivian government by force. The Ministry received warnings of a Falange plot, hatched with the help of the Peruvian government and some army officials and infantrymen. The Ministry also received reports that former Bolivian generals were acquiring arms and drumming up support for an invasion of Bolivia in neighboring Peru

¹³⁰ Hertzog's letters contained in memos from the Embassy in La Paz to the Department of State: 23 November, 1953, NARA, CDF, RG 59, Box 3308, 724.00/11-2353; 20 November 1953, NARA, CDF, RG 59, Box 3308, 724.00/11-2053; Urriolagoitia's letter in memorandum from Sparks to Department of State, 15 April 1952, NARA, CDF, RG 59, Box 3307, 724.00/4-1552. Also see the letter from the former Bolivian Minister of Foreign Affairs, quoted in a memorandum from the Embassy in La Paz to the Department of State, April 26, 1954, NARA, CDF, RG 59, Box 2760, 611.24/4-2754. See also Pedro Zilveti Arze and Alberto Ostria Guitierrez (former Bolivian foreign minister), “Bolivia: A Dagger in our Back,” in Ramon Castrillo to Bolivian Embassy in Washington, 27 January 1954, *Cables dirigidos y recibidos OEA Washington 1954*, CL 549, Bolivian Foreign Ministry Archives.

¹³¹ *New York Times*, November 11, 1953, p. 30.

¹³² Andrade to Guevara, 18 May 1955, Walter Guevara Arze Papers, Box 9 Folder Correspondencia EEUU-Bolivia.

¹³³ Bolivian Foreign Ministry to various Bolivian Embassies (London, Washington, Madrid, Paris, Mexico and South American Capitals), 9 March 1960, Bolivian Foreign Ministry Archives, *Circulares 1958-60*, CL 613.

and Chile.¹³⁴ By 1955 focus had shifted to Venezuela, where Andrade was concerned over “subversive elements who conspire inside and outside of Bolivia.” The Bolivian government was convinced enough to protest this to both the Venezuelan ambassador and the State Department (which asked for more evidence before making a formal complaint).¹³⁵ Fears over an exiles invasion or FSB coup attempts sponsored by the old oligarchy and foreign governments, though at times exaggerated or unsubstantiated by corroborated evidence, were rife in the Foreign Ministry during the 1950s. The archival record demonstrates numerous coup attempts or plans by the FSB throughout the 1950s: 6 January 1953, June 1953, November 1953, 14 May 1958, 21 October 1958, 19 April 1959, and 18 March 1960.¹³⁶ Some were perhaps less fully formed than others, but all were taken very seriously by the MNR.¹³⁷

Such persistent efforts from rightist opposition figures seem potentially very enticing; especially for an administration emboldened by covert operations successes in Iran and with similar plans for Guatemala. It was certainly true that the armed forces in Bolivia, a common vehicle for U.S. counterrevolutionary operations, were virtually non-existent and in no shape to provide a counterweight to the power of the armed militias of the COB, unlike the situation in

¹³⁴ Quiroga circular memorandum, 25 June 1953, Bolivian Foreign Ministry Archives, *Cables Dirigidos y Recibidos Embolivia Washington*, CL-354. Perez Castillo to Foreign Ministry, 24 March 1953, Bolivian Foreign Ministry Archives, *Cables Dirigidos y Recibidos Embolivia Washington* 1953, CL-354. Guevara to Bolivian Embassy in Washington, 23 March 1954 and 27 March 1954, Bolivian Foreign Ministry Archives, *Cables Dirigidos y recibidos Embajada Washington* 1954, CI 356.

¹³⁵ Andrade to Bolivian Foreign Ministry, 17 January 1955, Bolivian Foreign Ministry Archives, *Cables Dirigidos y recibidos Embajada Washington* 1955, CL 359; Guevara to Andrade, 8 January 1955, Ibid.

¹³⁶ Memorandum from Rubottom to Murphy, 24 October 1958, NARA, CDF, RG 59, LOT 59 D 573, Roy R. Rubottom Papers, Box 5, Folder: 1958 Bolivia; Bolivian Foreign Ministry to various Bolivian Embassies (London, Washington, Madrid, Paris, Mexico and South American Capitals), 14 May 1958, 19 April 1959 and 9 March 1960, Bolivian Foreign Ministry Archives, *Circulares 1958-60*, CL 613. See also Lehman, *Bolivia and the United States*, p. 110.

¹³⁷ Rowell to State 21 May 1954 NARA, CDF, RG Box 3308, 724.00/5-2154.

Guatemala.¹³⁸ Yet in the “golden age” of covert operations, it does not seem implausible that foreign policymakers had more than enough inflammatory material and willing Bolivian allies at their disposal to justify an embrace of a counterrevolutionary insurgency, even one whose chances of success appeared highly improbable to some at the South America Desk.

Many historians have dismissed these efforts as highly unlikely to succeed given the extremely weakened state of the national army, the political weakness of both the FSB and the tin oligarchy in the wake of the 1952 revolution, and the failed coup of January 1953 that saw the right wing of the MNR purged from government. They are quite correct, but lack of feasibility for opposition groups as governing coalitions or the credibility of their accusations seems to have done little to stop the US from backing similar efforts in Guatemala and in Cuba (and indeed, many other countries). The Bay of Pigs invasion was a well-established failure on almost every level. Moreover, the operation to remove Arbenz from power was a rather haphazard affair which in retrospect also seems fairly unfeasible. It also seemed so to planners in the CIA in 1953.¹³⁹ Arbenz could well have defeated Castillo Armas' exiles invasion had the army's loyalty not been swayed by U.S. support for the coup, which was succinctly demonstrated at Caracas in March 1954, and by unmarked CIA planes strafing Guatemala city and dropping propaganda materials in June.¹⁴⁰ Had the United States stayed out of the conflict, it seems probable that Armas would never have attempted his invasion in the first place, but if he had, it certainly

¹³⁸ Thomas C. Field, Jr. “Ideology as Strategy: Military-led Modernization and the Origins of the Alliance for Progress in Bolivia.” *Diplomatic History* 36:1 (January 2012), pp. 147-183.

¹³⁹ Cullather, *Secret History*, pp. 44, 46. See also Eisenhower, *Mandate for Change 1953-1956: The White House Years*, (New York: Doubleday and Co., 1963), p. 425. Eisenhower remembers Dulles suggesting the likelihood of success as having been about twenty percent.

¹⁴⁰ Gleijeses, *Shattered Hope*, p. 342. Though Gleijeses discounts the psychological impact of the planes, he argues they provided the perfect excuse for the army to defect and remove Arbenz.

seems likely that he would have gone down in defeat. The military defeats for the exile army at Gualán and Puerto Barrios, and a similar uprising at Salamá in March 1953, seem to indicate the real feasibility of Armas' forces' ability to 'liberate' the country and inspire popular revolt and loyalty.¹⁴¹ Furthermore, the inability of Armas to govern Guatemala and create a credible governing coalition created disastrous consequences for Guatemala, contributing to a political polarization that fueled an increasingly violent civil war that killed hundreds of thousands of Guatemalans by the end of the century.¹⁴²

If the Guatemalan coup of 1954 can be considered feasible, it did not seem so to U.S. observers during the first days of the exiles' invasion, similar to the initial chaos and confusion of operation Ajax to remove Mossadegh as Iranian Prime Minister.¹⁴³ The fact that it finally did come off demonstrated the importance of U.S. power in the minds of Guatemalan army officers, creating great feelings of confidence and self-satisfaction in Washington. It was precisely this hubris that contributed to overconfidence in the planning and execution of the Bay of Pigs invasion at the end of the decade.

Dulles and other policymakers were well aware that there were other options available to the administration, especially given the power of U.S. aid to promote or frustrate economic and political stability in Bolivia. W. Park Armstrong, the special assistant to the Secretary of State, sent Dulles a summary of NIE 92-54 on Bolivia. His summary interestingly omitted the report's references to MNR contributions to the consolidation of communists in Bolivia, noting that the

¹⁴¹ Gleijeses, *Shattered Hope*, p. 336. "NIE-84 Probably Developments in Guatemala" 19 May 1953, *FRUS 1952-54*, vol 6, Document 422, ONLINE RESOURCE: <https://history.state.gov/historicaldocuments/frus1952-54v04/d422> last accessed 10/12/2014.

¹⁴² For further discussion of this see chapter 5.

¹⁴³ Gleijeses, *Shattered Hope*, p. 337.

current, moderate dominated government was the most stable for the foreseeable future provided U.S. aid continued. He did however, emphasise the report left open other options to the US: namely the withdrawal of aid. This denial of aid might lead to a more radical leftist government taking over in the short term, given the MNR's successful efforts to weaken the FSB and the power wielded by MNR leftists like Lechín and the COB, arguments often seen as crucial to securing support for the MNR. However, Armstrong went on to emphasise that, if this eventuality should come about, the FSB would probably be able to eventually "amass a sufficient backing to bring off a successful coup." The FSB would still, however, ultimately be in a similar position to the current MNR government: dependent on U.S. aid for its survival. It seems that backing a rightist alternative to the MNR might not have been so far-fetched a proposal for top policymakers to consider.¹⁴⁴ Had the MNR's politics and diplomacy been seen as intolerable, it seems policymakers did have other options at their disposal.

Conclusion

The rhetoric of the MNR and its actions during its first year in power gave U.S. officials much cause for alarm. The analyses of officials often credited for their pragmatic or enlightened understanding of the MNR repeatedly reproduced these alarming words and events for more senior officials in Washington, which could have easily lent themselves to adverse interpretation and resultant "hardline anticommunist policies" if they had been viewed through a dogmatically

¹⁴⁴ Memorandum from W. Park Armstrong, Jr. To Dulles 23 March 1954, NARA CDF, RG 59, FOIA request, NW 34472, declassified in full, 724.00/3-2354 CS/S.

anticommunist lens.¹⁴⁵ Policymakers also had potential allies to work with to undermine or remove the revolutionary government, and who were demonstrably eager and willing to organize and spend money to do so. These enemies of the MNR appear very similar to the anti-revolutionary groups that the administration embraced in Guatemala and Cuba.

Should the administration have chosen to take a narrowly anticommunist reading of statements from across the foreign policymaking establishment like the “MNR lacks a true understanding of the subversive nature of communism,” the “MNR regime has benefited the Communists,” or “[Paz] is influenced by Marxist and neo-Marxist ideologies,” it could have pursued a course of action along the lines of policy towards Guatemala.¹⁴⁶ But dogmatic Cold War anticommunism was not the principal motivation for policymakers confronting the complex array of political forces in Bolivia.

¹⁴⁵ Shawn Parry-Giles, *The Rhetorical Presidency, Propaganda, and the Cold War, 1945-1955*, (Westport, Connecticut: Praeger, 2002), p. 161.

¹⁴⁶ “Operations Coordinating Board: Analysis of Internal Security Situation in Bolivia and Recommended Action,” Report from OCB to Staats, p. 1. DDEL, White House Office, National Security Council Staff: Papers, 1948-1961, OCB CDF Series, Box 24, OCB 091.Bolivia (2) June 1955-December 1956; NIE 92-54, “Probable Developments in Bolivia,” Created: 3/16/1954, CIA electronic reading room, p. 4. ONLINE RESOURCE: http://www.foia.cia.gov/browse_docs.asp, accessed 08/04/08; Report on “President Paz’ Ideological Position,” Rowell to the Department of State, 12 January 1953, NARA, CDF, RG 59, Box 3310 724.11/1-1253. Policy in Guatemala was centrally concerned with getting the Guatemalan government to reverse its “tolerant policy toward Communist influence.” Draft Policy Paper prepared in the Bureau of inter-American Affairs, August 19, 1953, *FRU.S., 1952-54, vol. 4.*, p. 1075.

Chapter 3

Eisenhower and the MNR: Avoiding “overzealous anticommunism”

MNR radicalism in both the party rank and file *and* throughout its leadership provoked much “soul searching” from U.S. diplomatic staff, State Department bureaucrats and White House officials.¹ Yet despite their strenuous efforts, the MNR's opponents were unable to convince the Eisenhower administration of their version of events in Bolivia. U.S. policymakers and analysts avoided applying McCarthyite methods like the “duck test” to Bolivian leftists in the MNR.² Instead they demonstrated a balanced and pragmatic assessment of Bolivian economic and political conditions. Analysts also considered the party leadership separate from domestic and international communists, even if their government might be furthering the interests of local communists and fellow travelers.

Policymakers' ability to distinguish between the party leadership and communists was aided by Bolivian diplomats' appreciation of U.S. concerns, which included anticommunism.

¹ Sparks to Holland 17 September 1954, NARA, CDF, RG 59, LOT FILES, Bureau of Inter-American Affairs, Office of the Assistant Secretary of State for Inter-American Affairs, Country Files, 1953-56, Box 2, Bolivia 1953-55.

² Ambassador to Guatemala Richard Patterson argued in 1950 that if Guatemalan politicians sounded like communists and acted like communists then they were communists. He described this phenomenon with a self-assuredly erudite duck metaphor. If someone were to see a bird that “wears no label,” yet “looks like a duck...swims like a duck...and quacks like a duck,” then that person should logically conclude that “the bird is a duck, whether he is wearing a label or not.” This rhetorical device seems to have captured the imagination of many Americans at the time, and was also employed by U.A.W. Treasury-Secretary Emil Mazey to characterize communism in the labor movement. Fifth draft of speech to the Rotary Club, 24 March, 1950, p. 4. Truman Library, Papers of Richard C. Patterson, Jr., Ambassador to Guatemala (A-R) Box 5, ‘Crisis’ Folder. See also Richard Immerman, *The CIA in Guatemala*, p. 102. See also John Peurifoy’s analysis of Arbenz, that even “if the President is not a Communist, he will certainly do until one comes along.” Ambassador Peurifoy to Department of State, 18 December 1953, quoted in Gleijeses, *Shattered Hope*, p. 255.

However, though the MNR leadership recognized the importance of anticommunism and the Cold War to U.S. policymakers, their commitment to this agenda was seen in Washington and the U.S. Embassy in La Paz as shallow at best. MNR dedication to the cause was so questionable that many at the USIA, CIA and State Department felt the communists and the radical left were growing in strength under the MNR.

Both in public and in private, U.S. policymakers continued to justify aid to Bolivia in Cold War terms. The administration's post-facto justifications held that U.S. aid had prevented more radical, pro-Soviet anti-U.S. and even pro-Soviet groups within the MNR and to its left from taking power. This emphasis on the Cold War as a rhetorical touchstone for American officials is hardly surprising given that the Cold War was such a prevalent strategic and political preoccupation for American elites.

Invoking the Cold War as a justification for support of the MNR was a rationalization made to appease skeptics and bolster support for policies that had been embraced at a time when anticommunism was not the primary focus for U.S. policymakers. Their decision to support the Bolivian revolution with a tin contract and a massive increase in aid levels came in months when MNR radicalism and flirtation with closer relations with the Soviet bloc seemed undiminished. The MNR's appeal did not lie in its anticommunist credentials. Nor was it their relative moderation that attracted aid from a pragmatic hegemon keen to promote stability. Rather it was its leaders' radical vision for Bolivia's social and economic development and their willingness to submit, if only symbolically, to U.S. policymakers' ideal of their dominant role in the region that garnered U.S. support and even enthusiasm for a regime led by intellectual Marxists. If that regime could convince Washington of its popularity, stability, and ultimately its revolutionary

vision to transform and stabilize Bolivia in cooperation with the United States, the MNR might secure much needed U.S. aid.

Some scholars have posited the MNR's brief identification with fascism and Peronism in the 1940s made Paz and the moderates' shift towards leftist-nationalist rhetoric in the 1950s seem less genuine and therefore less threatening from Washington's perspective.³ Perhaps this did encourage U.S. officials to think of the MNR leaders as opportunistic and “plastic” rather than as doctrinaire leftists in Moscow's thrall.⁴ There is certainly no evidence to suggest that U.S. policymakers and officials ever thought of Bolivian leftists within the MNR as beholden to Moscow. But there is no direct evidence to indicate that U.S. officials were sympathetic towards the MNR, or at least confident in its anti-communist credentials, as a result of its flirtation with fascism. Such ideas are markedly absent from U.S. diplomatic communiqués.

Explanations that emphasize Bolivia's remoteness, economic insignificance and public disinterest as a reason for policymakers' reluctance for the United States to intervene against the MNR also fall flat in an era when it U.S. global interests had expanded rapidly. Certainly the mid-1950s were in many ways a time of concern over the limits of U.S. power; that the U.S. was falling behind the Soviets, especially in psychological warfare, in appealing to developing nations, and the race for predominance in space and nuclear weaponry.⁵ Whilst a very tangible

³ Blasier “The United States and the Revolution” in Malloy and Thorn (eds.), *Beyond the Revolution*, p. 64; Lehman, *Bolivia and the United States*, pp. 95, 108; Klein, *Bolivia*, p. 233.

⁴ The impression of opportunism was fed by a diplomat of the sexenio era. Memorandum of conversation between Luis Fernando Guachalla (former ambassador of Bolivia to OAS), Hudson and Miller, NARA, CDF, RG 59, Box 3307, 724.00/4-2552. “Plastic” from Memcon Jackson, Galarza, Fishburn, Hudson, NARA, CDF, RG 59, Box 4606, 824.00/4-2353. This line of reasoning that saw the MNR as an essentially opportunistic and conservative political movement became accepted by the British ambassador. FO 371/109225 Lomax to M. C. G. Man, Esq. (American dept. of Foreign Office in London).

⁵ John Lewis Gaddis, *Strategies of Containment: A Critical Appraisal of American National Security Policy During the Cold War* (Oxford: Oxford University Press, 2005); Jerry W. Sanders, *Peddlers of Crisis: The Committee on the Present Danger and the Politics of Containment* (Boston: Southend Press, 1983); Ambrose and Brinkley, *Rise to*

part of popular and institutional culture, these concerns over weaknesses and limitations coexisted with an ebullient spirit of optimism and positive faith in U.S. power, in an era when it seemed to many involved in the foreign policymaking process that the spatial and conceptual limits on U.S. policy were rapidly receding. One such voice was Joseph M. Jones, who had recently retired from the State Department. To Jones, writing in 1955, it seemed “the limits of US foreign policy are on a distant and receding horizon; for many practical purposes they are what we think we can accomplish.”⁶ U.S. policymakers were prepared to intervene on Cold War grounds across the globe in seeming backwaters, from Guatemala to Laos and the Congo.

Backing local elites of a more enthusiastic anticommunist and pro-U.S. persuasion had a clear risk of creating political instability, but the administration still often elected to intervene in support of such groups using an apparently dominant Cold War framework. Remoteness thus seems that it would have been an ineffectual defense for nations like Bolivia in the era of global Cold War. In fact, U.S. analysts could and did envision a Cold War logic forcing them to intervene in Bolivia. A 1959 Summary and Policy Review of Bolivia used just such rhetoric. Its analysis invoked the warning example of Guatemala, even as Castro was preparing to unveil his Agrarian Reform Act ten days later:

It is doubtful that the overall security interests of the U.S. could tolerate a Soviet inclined government in the heart of South America. The political and economic costs of dealing effectively with such a situation, particularly in an atmosphere of Latin American

Globalism, p. 159; Kenneth Osgood, *Total Cold War. Eisenhower's Secret Propaganda Battle at Home and Abroad* (St Lawrence: Kansas University Press, 2008).

⁶ Joseph Jones had been present at the meetings that formulated the Marshall plan. Quoted in Odd Arne Westad, *The Global Cold War: Third World Interventions and the Making of Our Times*, (New York: Cambridge University Press, 2005), p. 25.

sympathy for Bolivia, would be great. In effect, we would be faced with another, and probably more serious, 'Guatemala.'⁷

In Bolivia, administration figures and critics used standard Cold War rhetoric to question and justify policy internally and externally, preaching “constant vigilance” against the communist threat.⁸ Eisenhower's first Undersecretary of State for Inter-American affairs John Moors Cabot justified cooperation with the Bolivian government in the pages of the Department of State

Bulletin:

[because it was] sincere in desiring social progress and in opposing Communist imperialism. We are therefore cooperating with it, for history has often described the fate of those who have quarreled over nonessentials in the face of mortal peril.⁹

Cabot, Eisenhower and Dulles' pronouncements seem to fit into interpretations that frame the U.S. reaction to the Bolivian revolution as a product of “pragmatic” or “realistic,” if not enlightened, anti-communism.¹⁰ These interpretations emphasize U.S. policymakers' belief that the MNR was the best of limited options for maintaining stability in Bolivia, which also seemed

⁷ “Summary and Policy Review of Bolivia”, May 7, 1959 (SNIE-92-59),” NARA, RG 59, General Records of the Department of State, Bureau of Inter-American Affairs, Records Relating to Bolivia; 1958-1960 LOT 62 D 429 Folder: Summary and Policy Review of Bolivia (Political) 1959

⁸ Telegraph from Sparks to the Department of State, 23 October, 1953, NARA, CDF, RG 59, Box 3308, 724.00/10-2353; Testimony of Edward Sparks, 16 May 1955, *Mutual Security Act of 1955* (Washington DC: U.S. government printing office, 1955), p. 292, NARA, RG 287, Y4.F76/2:M98/2/955. See also, Richard Rubottom to Dillon 15 July 1959, RG 59 LOT FILES Bureau of Inter-American Affairs, Office of the Deputy Assistant Secretary, Office Files, 1956-59, Box 25, Folder: Bolivia 1959.

⁹ John Moors Cabot, “Inter-American Cooperation,” October 26, 1953, in *Department of State Bulletin*, volume 29, (1953), p. 555.

¹⁰ Vanni Pettinà, *Cuba y Estados Unidos, 1933-1959. Del compromiso Nacionalista al conflicto* (Madrid, Libros de la Catarata, 2011), p. 18; Siekmeier, *The Bolivian Revolution and the United States*. For “enlightened” see Stephen Zunes, *Decisions on intervention: United States Response to Third World Nationalist Governments, 1950-1957* (unpublished PhD thesis, Cornell University, 1990), p. 448; Robert Alexander, *The Bolivian National Revolution* (New Brunswick: Rutgers University Press, 1958). Also note criticisms of Kevin Young, who argues against viewing U.S. policy as enlightened, and instead sees harmful economic ideology and self-interest at the heart of U.S. policy in Bolivia. Kevin Young, “Purging the Forces of Darkness: The United States, Monetary Stabilization, and the Containment of the Bolivian Revolution,” *Diplomatic History* Vol. 37, No. 3 (2013), pp. 509-537.

more remote than the Caribbean basin. Despite the FSB's animus and enthusiasm for counterrevolutionary activity, the alternative to the relatively moderate MNR leadership was, according to Milton Eisenhower and State Department officials, most likely the “chaos” caused by successive governments fighting to maintain control in a rapidly declining economic situation. If a stable government were to emerge, it would most likely be a government headed by Lechín and the MNR Left, or a perhaps a POR/PCB coalition: all scenarios that might well lead to “communism” for Bolivia, and certainly a more hostile stance towards the United States.¹¹

Using fear of the alternatives to MNR rule as a baseline for understanding U.S. policy, it would seem that the administration's embrace of the MNR makes sense within a Cold War anticommunist framework. This is certainly how it seemed to observers in the British Foreign Office: “in view of the just strictures on Dr. Paz’s regime [summarized by British Ambassador Lomax] this grant to Bolivia is a good yardstick with which to measure the State Department’s fear of communism.”¹² According to Lomax, U.S. officials' feared the triumph of a “Lechín-moscovite alliance [sic],” in Bolivia, and so hastily jumped to support a government that was “unconstitutional: oppressive, an avowed destroyer of private enterprise, anti-American, Nazi/Fascist in origin, and now Marxist and tolerant of Moscow’s friends.”¹³ Such a misstep

¹¹ Memorandum From Rowell to Department of State, 21 October, 1952, NARA, CDF, RG 59, Box 3310, 724.001/10-2152; “Conference on U.S. Foreign Policy,” memorandum from John Moors Cabot to P. C. Friedman, 6 April, 1953, DDEL, Cabot, John Moors, Papers 1929-78, Reel 15, 00782; Milton Eisenhower, Report to the President on Latin America trip, 11 January, 1954, NARA, CDF, RG 59, Box 513, 120.220/1-1154, pp. 8-9; Testimony of Edward Sparks, 16 May 1955, *Mutual Security Act of 1955* (Washington DC: U.S. government printing office, 1955), p. 292, NARA, RG 287, Y4.F76/2:M98/2/955.

¹² Sir J Lomax to Eden, 1953, FO 371/103633, ax1103/6.

¹³ *Ibid.*

made it seem to Lomax and his colleagues in the Foreign Office that Washington policymakers were “ignorant of local conditions.”¹⁴

But this British analysis missed the breadth of motivations at work in U.S. policy toward Bolivia, the quality of U.S. intelligence on Bolivia, and the extent to which the line between the radical and moderate within the MNR was blurred in U.S. analyses. The British Ambassador and his Foreign Office colleagues smugly observed that American officials had “got little for their money” if U.S. policy was based merely on a fear of Lechín and preventing communist gains.¹⁵ U.S. policy might have helped prevent Lechín from gaining the presidency, and helped craft Bolivian legislation on oil codes in 1955 and currency stabilization in 1956 that drove the Lechín faction into open revolt, but the radical wing of the MNR still remained in a position to “dominate” Bolivian politics according to Undersecretary of State for Inter-American Affairs Henry Holland.¹⁶ Though Bolivian diplomacy was able to elicit sympathy for Paz and the 'moderates' from U.S. policymakers, officials throughout State and the CIA realized the influence of radicalism within the MNR remained strong throughout 1950s.¹⁷ But the administration decided to “just let it pass.”¹⁸ They had other priorities.

¹⁴ Reflecting on Lomax’s cable, M. S. Young opined that “Washington, in advocating anti-Communist representations, are [sic] ignorant of the local conditions.” Note by M.S. Young added to telegram from Lomax to Foreign Office, 28 November 1953, FO 371/103633, ax1103/7.

¹⁵ Sir J Lomax to Eden, November 1953, FO 371/103633, ax1103/6. For the blurred line between MNR moderates and see chapter 2.

¹⁶ Holland to W. Park Armstrong, Jr. (Special Assistant to the Secretary of State for Intelligence), 6 March 1956, NARA, CDF, FOIA NW 37465, declassified 1 March 2012.

¹⁷ Though by the end of the decade the Bolivian armed forces had begun to re-emerge as a counterweight to the power of COB militias and the MNR left had been chastened by its inability to prevent the Eder stabilization plan of 1956 (more on this later). See Thomas C. Field, Jr. “Ideology as Strategy: Military-led Modernization and the Origins of the Alliance for Progress in Bolivia.” *Diplomatic History* 36:1 (January 2012), pp. 147-183.

¹⁸ Herbert Thompson (head of the Embassy's political section in La Paz) interviewed by Thomas J. Dunnigan, *The Association for Diplomatic Studies and Training Foreign Affairs Oral History Project* (Initial interview date: April

Explanations for Washington's embrace of the MNR that focus on pragmatic anticommunism rooted in fear of the alternatives to the Paz government are in many ways accurate, but remain unsatisfactory by themselves. Not only do they fail to acknowledge that the radical left continued to influence the MNR and Bolivian politics, but they miss the positive qualities that attracted U.S. policymakers to the MNR independent of their intellectual Marxism and leftist political base of support. The MNR leadership's nationalism and their apparent capability to provide "social progress" were just as important to Cabot, Eisenhower and their colleagues as was the MNR's rhetorical commitment to resisting communism and support for the United States on the international stage.¹⁹

Continuing Cold War tensions and strategic preoccupation permeated U.S. politics, policy and culture, to be sure. However, to understand the new president's response to the declining situation in Bolivia in mid-1953 it is first crucial to understand that the administration's appraisal of the situation in Bolivia went beyond "overzealous anticommunism."²⁰ In fact, it conscientiously rejected it. The administration and the State Department refused to equate revolutionary leftism with communism. In Bolivia, it seems Eisenhower was able to follow the advice of his younger brother and trusted advisor, Dr. Milton Eisenhower, that

it is harmful in our own country and devastatingly harmful throughout Latin America for us to carelessly or maliciously label as "Communist," any internal efforts to achieve changes for the benefit of the masses of the people... We should not confuse each move in Latin America toward

19, 1996) <http://memory.loc.gov/service/mss/mssmisc/mfdip/2005%20txt%20files/2004tho04.txt> (last accessed 6/2/2012)

¹⁹ John Moors Cabot, "Inter-American Cooperation," October 26, 1953, in *Department of State Bulletin*, volume 29, (1953), p. 555

²⁰ Chernus, *General Eisenhower*, p. 304.

socialization with Marxism, land reform with Communists, or even anti-Yankeeism with pro-Sovietism.²¹

Though he never held an official cabinet post, Dr. Eisenhower was a close and influential confidante and advisor to the President.²² He was thought of by contemporaries and the president himself as a more liberal-minded counterpoint to those in the Republican Party and Eisenhower's cabinet, like Vice President Richard Nixon or Secretary of the Treasury George Humphrey, who possessed stronger conservative and anti-communist reputations. Milton Eisenhower was not only the president's brother, but his "most intimate general adviser."²³ The president recorded in his diary that he thought his brother was "the most knowledgeable and widely informed of all the people with whom I deal" and "the most highly qualified man in the United States to be president. This most emphatically makes no exception of me."²⁴ And it seems Ike took his brother's advice on board, conceding that expropriation of land "in itself does not, of course, prove communism."²⁵

On two occasions Dr. Eisenhower undertook high profile diplomatic missions to Latin America for the Eisenhower administration. Widely regarded as a Latin America expert, Dr.

²¹ Milton S. Eisenhower, *The Wine is Bitter: The United States and Latin America*, (Doubleday and Company Inc., Garden City, New York, 1963), pp. 67-68. President Eisenhower expressed similar thoughts in his memoir: "expropriation in itself does not, of course, prove Communism; expropriation of oil and agricultural properties years before in Mexico had not been fostered by Communists. From Dwight D. Eisenhower. *Mandate for Change, The White House Years, 1953-1956*(Garden City, NY: Doubleday and Co., 1963), pp. 241-242.

²² Thomas Mann remembered that Milton had the ear and respect of the President, and of Richard Roy Rubottom, who in turn had considerable influence with Dulles and Herter. Thomas C. Mann interviewed by Maclyn P. Burg 17 December, 1975, p. 20 Eisenhower administration oral history project, Columbia University Rare Books and Manuscripts Library.

²³ Brands, *Cold Warriors*, p. 20. The visit also put the administration's mark on the region, to contrast what the Eisenhower campaign had characterised as Truman's neglectful "Poor Neighbor Policy."

²⁴Quoted in Stephen Rabe, *Eisenhower and Latin America*, p. 28.

²⁵Dwight D. Eisenhower, *Mandate for Change, The White House Years, 1953-1956* (Garden City, NY: Doubleday and Co., 1963), p. 421.

Eisenhower visited the region during the summer of 1953 in the administration's "outstanding instance of high-level sympathetic attention to Latin American problems."²⁶ After meeting top government officials and embracing the cause of agrarian reform in Bolivia, his findings were given effusive praise by the president and "crystallized the transformation of United States policy toward Bolivia to one of open support."²⁷

The Embassy in La Paz agreed with the two Eisenhower brothers' reluctance to equate leftist reform and revolution with communism.²⁸ Though it continued to report on radicalism in the MNR government throughout the 1950s the Embassy also parsed the Bolivian political landscape. The MNR's ideology was indeed seen to be radically leftist and inherently nationalist, but the Embassy still "concluded that neither the MNR party in the mass, nor its most important leaders, are communist or crypto-communist in spite of some obvious Marxist ideological taints...and ingrained suspicion of the United States and its motives."²⁹ It was "obvious" to the U.S. ambassador in La Paz, Edward Sparks, "that there is a lot of anti-United States sentiment in the membership of the MNR," but it was "doubtful if this can be automatically be equated with

²⁶ The administration designed the mission to demonstrate its importance to the United States. "Outline of talk on Latin America, April 12, 1953. DDEL, Milton Eisenhower Papers, 1938-1973, Box 4, 1953[Speeches, Articles] (1).

²⁷ For praise of the Milton Eisenhower report, see Memorandum from Dwight Eisenhower to Milton Eisenhower, October 31, 1953, DDEL, Eisenhower, Dwight D., Papers as President, Ann Whitman File, Name Series, Box 12, Eisenhower, Milton, 1952 through 1953 (3); For "crystallized..." see Drew to Department of State, "United States Tin Purchasing Policy," 4 March 1955, NARA, CDF, RG 59, Box 4279, 824.2544/3-455.

²⁸ Lehman argues that the impact of his visit to Bolivia on the course of policy was limited and perhaps more symbolic, as the State Department's policy analysis was already approaching the conclusion that the United States should provide the MNR government with aid. Lehman, "Braked but not Broken," in Grindle and Domingo (eds.), *Proclaiming Revolution*, p. 102.

²⁹ Memorandum from Sparks to the Department of State, 23 October, 1953, NARA, CDF, RG 59, Box 3308, Folder 1, 724.00/10-2353.

Communism.”³⁰ Edward Rowell, the counselor of the Embassy, concurred. It seemed to him that, although the Communists in Bolivia had made symbolic and concrete gains after the revolution, “tolerance of the Communist parties cannot necessarily be equated with an acceptance of even their immediate programs” by the MNR leadership.³¹ As for Paz's “Marxist inclinations,” “they are of a personal nature and used as intellectual tools in an attempt to grapple with problems related to the development of Bolivia.”³² Though Marxism was orthodoxy in “intellectual and labor circles,” Paz and “the right wing of the MNR” were “endeavoring to carry out the Government’s program... independent of Communist pressure and infiltration.”³³

In fact, the State Department had always identified the MNR as separate from the Communist PCB and Trotskyite POR, though policymakers appreciated that these leftist parties had all cooperated and shared many goals during the first year of the revolution.³⁴ Analysts had hyperbolically predicted in 1950 that, despite its embrace of a leftist popular front that included communists, “the MNR, should it come to power even with the aid of communists, would turn against its allies and liquidate them.”³⁵ The embassy, even whilst demonstrating Paz' affinity

³⁰ Memorandum from the Embassy in La Paz to the Department of State, 17 July, 1953, NARA, CDF, RG 59, Box 3308, 724.00/7-1753.

³¹ Memorandum from Sparks to Department of State, 23 October, 1953, NARA, CDF, RG 59, Box 3308, 724.00/10-2353.

³² “President Paz’s Ideological Position,” memorandum from Rowell to the Department of State, 12 January, 1953, NARA, CDF, RG 59, Box 3310, 724.11/1-1253.

³³ *United States Technical Assistance and Related Activities in Latin America: Hearings Before a Subcommittee of the Committee on Government Operations* (Washington DC: Government Printing House, 1955), p. 386, NARA, CDF, RG 287, Y4.G74/7:T22/2; Memorandum from the Embassy in La Paz to the Department of State, 24 June, 1953, NARA, CDF, RG 59, Box 3308, 724.00/6-2453.

³⁴ Rowell’s Report on “President Paz’ Ideological Position” to the Department of State on 12 January 1953, found that the President did not have “any organizational affiliation or leanings toward Communist parties, whether of a Stalinist or Trotskyite nature.” NARA, CDF, RG 59, Box 3310, 724.11/1-1253.

³⁵ Memorandum from Murgin (Division of Research for American Republics, Department of State) to Krieg (NWC), “Survey of communism in Bolivia,” 30 March 1950, NARA, CDF, RG 59, Box 3310, 724.001/3-3050.

with Marxist ideology and his willingness to tolerate or even promote communist infiltration and activism in government, still concluded that the objectives of communist groups “differ from his own.”³⁶ National Intelligence Estimate (NIE) 92-54 supposed that “Bolivia’s small and divided, but vociferous, Communist groups have been a source of both support for and opposition to the MNR,” but ultimately “the MNR has tended to recognize the fundamental rivalry between itself and the Communists.”³⁷

The Embassy concurred with a more upbeat analysis that reflected the new “era of good feelings” between the two countries at the end of 1953: “the Paz Government has believed it to be in the interest of political stability and its own survival not to break openly with the minority Communists, but rather to utilize them and allow them to have their say up until the final vote when the MNR Government imposes its policy.” Given what happened to the Arbenz regime this might well seem a dangerous game, but it was certainly one in which the MNR seemed entirely distinct from domestic communism.³⁸

U.S. officials also saw Bolivian communism as independent from a relatively disinterested and uninvolved Soviet Union.³⁹ Policymakers at the beginning of the 1950s described the efforts

³⁶ Report on “President Paz’ Ideological Position,” Rowell to the Department of State, 12 January 1953, NARA, CDF, RG 59, Box 3310 724.11/1-1253.

³⁷ NIE 92-54, “Probable Developments in Bolivia,” Created: 3/16/1954, CIA electronic reading room, p. 4. ONLINE RESOURCE: <http://www.foia.cia.gov/search.asp>, Accessed 09/03/08.

³⁸ Memorandum from Hudson to Barall, Bennett and Cabot, 23 October 1953, NARA, CDF, RG 59, 724.MSP/10-2353, quoted in Zunes, *Decisions on intervention: United States Response to Third World Nationalist Governments, 1950-1957* (unpublished PhD, CornellUniversity, 1990), p. 209.

³⁹ Stalin felt Latin America was an unlikely prospect for socialist revolution, as it was firmly within the U.S. sphere of influence. Aleksandr Fursenko and Timothy Naftali, *One Hell of a Gamble: Khrushchev, Castro, and Kennedy 1958-1964*, (New York: W. W. Norton & Company, 1997), p. 25; *The Mitrokin Archive II: The KGB and the World* (2006), p. 26, cited in Michael Reid, *Forgotten Continent*, p. 85. This runs somewhat contrary to Blasier’s general survey of U.S. motivations in the conduct of its Latin America policy. Blasier, *The Hovering Giant*, pp. 148, 225, 236.

and influence of the Soviet Union in Latin America as minimal and “probably waning.”⁴⁰ Even as late as 1959, months after the Cuban revolution, it seemed that “Latin America is more remote from the threat of Communist aggression than our other allies.”⁴¹ This downplaying of Soviet ambitions in the region was also true of analyses of Soviet endeavors in Bolivia.⁴² Though policymakers certainly wished to exclude the Soviet Union from the hemisphere, this concern did not play a significant role in the discussions over Bolivia policy. William Cobb, Jr., the 2nd Secretary of the Embassy, analyzed the relationship between the Soviets and the far left parties in mid-1952, and reported that “the Embassy has not found any [evidence]... Indicating that the local parties, the [PIR], the [POR], or the Communist Party are connected with or owe allegiance to a foreign power.”⁴³

In a remarkably nuanced public analysis, the State Department was even willing to describe the MNR as “Marxist rather than communist” when briefing Congress.⁴⁴ This analysis was

⁴⁰ Edward Miller, Truman’s Undersecretary for Inter-American Affairs confessed to British diplomat Roderick Barclay that he “did not think the influence of trained agents of the Kremlin was very great in Latin America and that their influence was probably waning.” Quoted in Stephen Zunes, *Decisions on intervention: United States Response to Third World Nationalist Governments, 1950-1957* (unpublished PhD, Cornell University, 1990), p. 204.

Carl W. Strom (U.S. ambassador to Bolivia) to Herter, 3 September 1959, NARA, CDF, RG 59, Box 2598 624.61/9-359.

⁴¹ Though U.S. officials would also worry that Latin Americans were complacent about the communist threat, and instead Snow to Smith 23 September 1958, NARA CDF RG 59 LOT FILES Bureau of Inter-American Affairs, Office of the Deputy Assistant Secretary, Office Files, 1956-59, Box 25, Folder: Policy 1958. See also “U.S. Policy Toward Latin America,” NSC 5092/1, Memorandum from James Lay to the National Security Council, February 16, 1959. DDEL White House Office, Office of the Special Assistant for National Security Affairs: Records, 1952-61, NSC Series, Policy Papers Subseries, Box 26, NSC 5092/1, p. 2. The administration concluded that Latin Americans viewed “Sino-Soviet power” and “Communist infiltration...as remote from their affairs” and that “none of the Latin American nations faces an immediate threat of overt Communist aggression or takeover.”

⁴² SNIE-92-59, “Summary and Policy Review of Bolivia,” May 7, 1959, National Archives and Records Administration, CDF, Lot Files, LOT 62 D 429.

⁴³ Report from Cobb to the Department of State, 15 May, 1952, NARA, CDF, RG 59, Box 3310, 724.001/5-1552.

⁴⁴ Quoted in G. Earl Sanders, “The Quiet Experiment in American Diplomacy,” *Americas* 33.1 (July, 1976), p. 43; U.S. Senate, *Critical Materials*, Senate Document 83, 84th Congress, 1st Session, Serial set vol. 11834, session vol. no. 7, 1956, p. 116.

buried in a report on the status of strategic materials throughout the world for the Senate Foreign Relations Committee, but nonetheless resembles a startling analysis for the State Department to be giving to members of Congress. Clearly, even at the height of the Cold War, policymakers could appreciate and perceive differences in left wing thought and not reject and oppose all leftists out of hand. To the administration, leftist political views did not automatically denote an affinity towards the international communist conspiracy or the Soviet Union. Those who sought to rely on such “smear” tactics attracted a great deal of skepticism from U.S. policymakers, many of whom had experienced similar attacks on their own department from one Senator Joseph McCarthy.⁴⁵

With this subtle appreciation of national and international leftist politics in mind, the State Department and embassy demonstrated a healthy skepticism of the MNR’s political opponents’ charges of communist and Soviet influence in Bolivia. Investigating these charges of communist influence at the behest of John Foster Dulles, Sparks wrote that some seemed either to be “complete nonsense” or “so vague that the Embassy has been at a loss as to how to approach” them.⁴⁶ Peruvian charges against the MNR were of “dubious value” and represented the “dregs of rumor mongering that has been prevalent in Bolivia ever since the revolution of April 9.”⁴⁷ In May 1954, the former CIA head and then Undersecretary of State Walter Bedell Smith aptly summed up the Department’s attitudes to these continued accusations. When forwarding

⁴⁵ John J. Topping (OSA) to Bennett, 10 May 1954, NARA, CDF, RG 59, Box 2760, 611.24/5-1054.

⁴⁶Memorandum from Sparks to the Department of State, 27 January, 1953, NARA, CDF, RG 59, Box 3310, 724.001/1-2754, pp. 4-5. This was at Dulles’ insistence. Telegraph from the Embassy in La Paz to the Department of State, 2 February, 1953, NA 724.001/2-253.

⁴⁷ Telegraph from Sparks and Rowell to the Department of State, September 17, 1953, NARA, CDF, RG 59, Box 3308, 724.00//7-1753.

Amarayo's petitions to address the MNR's communism, Smith thought it best "to throw them away."⁴⁸

Similar frustrations crept into other officials' language when dealing with Big Three lobbyists.⁴⁹ Undersecretary of State for Inter-American Affairs Henry Holland pointed to the fact that Tydings "frequently used 'we' in a way which implied a mutuality of interest between his principals and the U.S. government." He then brusquely stated that neither Aramayo nor Hochschild mining companies "involve U.S. interests."⁵⁰ Gerald Drew, who replaced Sparks as U.S. ambassador to Bolivia in 1954, went further. After a meeting with businessmen ostensibly eager to invest in Bolivia under more favorable conditions, ambassador Drew wrote "the proposal of the Lehman Corporation to recapitalize the Bolivian petroleum industry seemed ... to contain the 'cloven hoof of Patiño et al.'" In a line that seems straight out of a Bolivian Foreign Ministry press release, he accused the Big Three's lobbyists and proxies of seeking to "strike at the very heart of Bolivian social and labor policies" and return Bolivia to pre-revolutionary conditions. This was a Bolivia in which vast companies with inordinate economic clout and little accountability to the government could ship in their own skilled workers, pay and support

⁴⁸ Letter from Walter Bedell Smith to M. Draper (OS S/S-RO), 13 May, 1953, NARA, CDF, RG 59, Box 3310, 724.001/5-1354. This might be placing undue emphasis on the "throw away" comment- it is not clear if Smith just wants to throw them away because by this point they were common knowledge amongst U.S. officials interested in Bolivia. Even so, the phrase seems to reflect a wider lack of faith in the charges and the people making them, and a certain amount of disdain for their content.

⁴⁹ Memcon Tydings, Nathanson, Kemper, Bowers, Holland and Belton, 8 August 1955, NARA, CDF, RG 59, LOT FILES, Bureau of Inter-American Affairs, Office of the Assistant Secretary of State for Inter-American Affairs, Country Files, 1953-56, Box 2, Bolivia 1953-55..

⁵⁰ Patiño was the only nationalized company with a majority of U.S. investors, and by mid-1953 they had secured an interim agreement from the MNR government that recognized Patiño's right to compensation. Memcon Tydings, Nathanson, Frankel (Hochschild representative), Kemper (Aramayo representative), Holland and Belton (OSA), 13 June 1955, NARA, CDF, RG 59, LOT FILES, Bureau of Inter-American Affairs, Office of the Assistant Secretary of State for Inter-American Affairs, Country Files, 1953-56, Box 2, Bolivia 1953-55.

Bolivian workers less, and allow profits to leave the country: the very things that had contributed to Bolivia's chronic instability and what the MNR fought so hard against.⁵¹

U.S. diplomats' increasing annoyance at those who continued to insist the MNR were communist stooges reflected that they had concluded the MNR were not communists, nor were they likely to gravitate towards the Soviet Union. The conclusion that the MNR were not proxies for the Soviet Union, and that those who suggested they were had dubious motivations, hint at the efficacy of MNR diplomacy. Rather than buying into the narratives, MNR diplomats and officials managed to get their North American counterparts, from Embassy staff and South America desk officers at the State Department to the Eisenhower brothers, to see things from their point of view.⁵² This convergence of understanding between U.S. and Bolivian officials helps to explain why the Eisenhower administration was willing to look beyond a narrow, doctrinaire anticommunist agenda in Bolivia. It helped U.S. officials to identify the “Marxist” and “revolutionary nationalist” MNR leaders as “moderates,” distinct from domestic and foreign communists.

It might seem easy to conclude, therefore, that administration officials and the State Department demonstrated a pragmatic and nuanced ability to parse leftist politics in Bolivia, and which supports theories that U.S. policy was successful example of pragmatic anticommunism, which the Bolivians seemed eager to reward with action in late 1953.⁵³ Yet whilst the

⁵¹Drew to Topping, 18 July 1955, NARA, CDF, RG 59, Box 4278, 824.25/7-1855. See also testimony of Robert F. Woodward, acting Assistant Secretary of State for Inter-American Affairs, to the Committee on Foreign Affairs on 16 July 1953. Committee on Foreign Affairs, *The Middle East, Africa and Inter-American Affairs* vol 16 (Washington DC: US government printing office 1980), pp. 429-30.

⁵² For more discussion of this, see chapter 4.

⁵³ Rabe, *Eisenhower and Latin America*. See also Carlos Navia Ribera, *Los Estados Unidos y la revolucion Nacional: entre el pragmatismo y el sometimiento* (Cochabamba, Bolivia: Centro de Información y Documentación para el Desarrollo Regional, 1984).

administration began to justify its embrace of the revolutionaries along anticommunist lines, citing MNR moves towards a more actively communist agenda, numerous analyses in the decade came to show the Bolivian commitment to anticommunism was superficial at best.

A move in the right direction? Bolivia adopts an “actively anticommunist policy”

As a result of increased U.S. pressure following the granting of aid and a tin contract in the fall, by the end of 1953 it seemed to the Bolivia Desk at the State Department that the MNR was “moving toward an actively anticommunist policy.”⁵⁴ Domestically, although Lechín remained as Minister of Mines and Petroleum, those close to Paz suspected of communist sympathies by some (such as Ballón and Fellman) were, according to Sparks either “no longer in favour” or no longer in government, though some still remained in the party.⁵⁵ This analysis does not seem accurate in the case of Fellman, who continued to serve as Paz’s secretary and then go on to fill top ministerial positions in the late 50s/early 1960s. Nevertheless, a “cleanout” of communists in the COB seemed possible to Embassy officials after the MNR secured Guillermo Lora's exit from the organization, and Bolivian authorities arrested the editor of the communist newspaper *El Pueblo* on October 26.⁵⁶

Despite having shared the left wing ticket with the PCB and POR in the general election of 1951, the MNR openly pitted itself against the Communist party in the November 1953

⁵⁴ Bennett to Secretary of State, 7 December, 1953, NARA, CDF, RG 59, Box 3308, 724.00/12-753

⁵⁵Memorandum from Sparks to the Department of State, 27 January, 1954, NARA, CDF, RG 59, Box 3310, 724.001/1-2754, pp. 4-5. Bennett also noted the removal of Fransisco lluch (a “notorious Spanish Communist” at the colegio militar) and Pereyra (a teacher’s union representative)from official positions after U.S. pressure. Bennett to Embassy in La Paz, 7 December 1953, NARA, CDF, RG 59, Box 3308, 724.00/12-753.

⁵⁶Bridgett to Department of State, 11 December 1953, NARA, CDF, RG 59, Box 4606, 824.00/12-1153.

FSTMB elections, and did very well at the expense of “the Lechín group.”⁵⁷ The Communist Party, in turn, disavowed any common aim with the MNR, which by 1954 lead Rowell to the conclusion that in their “three major pieces of legislation,” the MNR Government had taken positions “considerably to the right of those advocated by the Communist parties.”⁵⁸

The MNR made this move towards a more openly anticommunist policy partially in response to U.S. pressure to “dispel strong suspicions, still held by some sectors of American opinion, that the Bolivian Government is dominated by communist influence.”⁵⁹ The MNR’s leaders were well aware of such suspicions and had already consulted with U.S. labor leaders to lobby on their behalf to refute such allegations.⁶⁰ The revolutionary government were also in desperate need of aid and a tin contract to stabilize their economy.⁶¹ The MNR leadership’s experiences of non-recognition from Washington in the 1940s had also helped shape their attitudes to the United States, reinforcing Paz’s realization, made as far back as 1941, that

⁵⁷After a poor showing in the labor elections Lechín had attempted to resign, but Paz did not accept his resignation. To the Embassy, at least for the moment, Lechín appeared to have been mollified: another “indication of the increasingly moderate character of the MNR regime.” Embassy to Department of State, Box 3308, 724.00/2-2354.

⁵⁸According to Rowell, the three major policies were the nationalization of the mines in October 1952, the economic stabilization program of May 1953, and the Agrarian Reform Decree of August 2, 1953. Telegraph from Rowell to the Department of State, 13 January, 1954, NARA, CDF, RG 59, Box 3308, Folder 2, 724.00/1-1354; Rowell to Department of State, NARA, CDF, RG 59, Box 3310, 724.001/10-854.

⁵⁹ Memorandum from Cabot to Dulles, 19 November, 1953, Quoted in Zunes, “The United States and Bolivia,” p. 41.

⁶⁰ Bennett to Secretary of State, 7 December, 1953, NARA, CDF, RG 59, Box 3308, 724.00/12-753.

⁶¹ Walter Guevara Arze wrote to Andrade on the 7th of September that Bolivia's economy was in dire straits: the stabilization plan might be undone in under two months without food aid without “immediate results” and “above all the signing of a new tin contract,” as well as follow-through on promised aid. To secure this, Guevara advised Andrade adopt a “vigorous attitude,” presumably both through advocating for Bolivia and addressing U.S. concerns. Guevara to Andrade, 7 September 1953, WGA I.1.a/18/2646, Walter Guevara Arze papers, Box 9, Folder: Correspondencia EEUU.

Bolivia “could not and cannot be against the United States,” if only for pragmatic reasons.⁶² The calamitous drop in world tin prices from over 1.21 dollars a pound to 80 cents a pound in March 1953 made placating the United States even more of a practical necessity. The cost of this price collapse to the Bolivian economy was \$26 million per annum.⁶³ Driven by the need for American support to bolster the Bolivian economy, the party leadership therefore sought to demonstrate careful appreciation of their potential benefactor's concerns openly and behind closed doors whilst orientating its foreign policy towards the West.⁶⁴

Bolivian diplomats were certainly aware of the stakes for the new government in seeking U.S. approval, and were attentive to the anticommunist agenda. Bolivian Ambassador Victor Andrade was present when Eisenhower gave his State of the Union address on 7 January 1954, and wrote back to Foreign Minister Walter Guevara with his reflections. In part of his report, Andrade noticed the strong positive reaction from Congress to Eisenhower's denunciation of “communist conspiracy” and his desire to remove citizenship rights from any domestic communists.⁶⁵ In their fight against communism, Andrade observed, the U.S. was “willing to go to extremes.” With this in mind, Andrade reemphasized the importance of the anticommunist issue for the United States, reminding the Foreign Minister that:

We would not have created the favorable atmosphere [in Washington] necessary to resolving our problems without me... destroying our adversaries' truly diabolical

⁶²Paz quoted in Robert J. Alexander, *The Bolivian National Revolution* (New Brunswick: Rutgers University Press, 1958), p. 33.

⁶³Memorandum from Embassy in La Paz to the Department of State, 24 June, 1953, NARA, CDF, RG 59, Box 3308, 724.00/6-2453.

⁶⁴Sparks to Holland 17 September 1954, NARA, CDF, RG 59, LOT FILES, Bureau of Inter-American Affairs, Office of the Assistant Secretary of State for Inter-American Affairs, Country Files, 1953-56, Box 2, Bolivia 1953-55. For more see chapter 5.

⁶⁵ Though his understanding of the U.S. and how it could aid Bolivia rested more on the desire to develop and cooperate with regional nationalism within a hegemonic framework, Andrade still astutely recommended that the MNR needed to remove the communist question from relations with Washington to the greatest extent that it could.

accusations tying us to communist influence. Today they continue with the same activities, trying to sell the idea that the headquarters of communism in Latin America for 1954 will have shifted from Guatemala to Bolivia.⁶⁶

Andrade took his own advice to extremes, to the extent of provoking some considerable concern from the rest of the Bolivian diplomatic corps. One Bolivian UN delegate complained to the Foreign Minister that Andrade was putting himself out on a limb unnecessarily to prove his government's commitments to anticommunism. Andrade had gone so far as to make a public defense of Senator McCarthy, something that “very few North American conservatives” had done, as one of his colleagues stressed. Some MNR officials worried that Andrade's praise of the Senator from Wisconsin might have a negative impact “not only on our international position, but also our internal politics. I want good relations with the U.S., but this is too much!”⁶⁷

Whether Andrade's strategy was useful or not, McCarthy certainly seemed uninterested in, or at least uninformed, as to the nature of MNR radicalism. Though a staunch critic of those sympathetic to the Bolivian revolution such as “extreme radical” Milton Eisenhower, McCarthy referred to the Bolivian government as an enemy of Latin American communists. In a *New York Times* article in the summer of 1953, McCarthy claimed communists in Latin America had plans to overthrow Bolivian government.⁶⁸

⁶⁶ Andrade to Guevara, 7 January 1954, Papers of Walter Guevara Arze, Archivo y Biblioteca *Nacional* de Bolivia, Box 9.

⁶⁷ The author also complained that Andrade was overstepping his mark on UN politics, and asked that Andrade be restrained from making remarks on the UN in future. Letter from Cruze [?] Quiroga to Guevara, 23 December 1953, Walter Guevara Arze Papers, Box 7 Folder 6.

⁶⁸ “US Guns Reported Run to Latin Reds,” *NYT* 8 June, 1953, p. 12. For McCarthy-Milton Eisenhower antipathy, see Michael S. Mayer (ed.), *The Eisenhower Years* (New York: Facts on File, Inc. 2010), p. 205. McCarthy also attacked pro-MNR journalist Donald Grant. Letter from Renán Castrillo, Undersecretary of Foreign Relations to Guevara, 4 May 1954. Papers of Walter Guevara Arze, Box 9, Folder: Correspondencia Estados Unidos-Bolivia, Archivo y Biblioteca *Nacional* de Bolivia.

The Bolivian revolution's avoidance of McCarthy's ire seems somewhat strange given the U.S. press reaction to the revolution in 1952 and continued rumblings into 1953. Although McCarthy did not attack U.S. policy toward Bolivia, this did not remove the need to address the charges of communist influence in Bolivia. Sharing Andrade's concern that the revolution might fall foul of the U.S. in the same way that Guatemala had done, Siles and Guevara promised U.S. officials that they would stop consulting Guatemalans on land reform.⁶⁹ Whenever dealing directly with the United States, they were always careful to present themselves as independent from both domestic and Soviet communism.⁷⁰ Paz claimed his government was in fact the “last bulwark against Communism” and was independent of Moscow, Buenos Aires and Washington.⁷¹ He had stressed this point in a letter to the State Department written in exile from Argentina, two years before the MNR rose to power, and reiterated it to any American that would listen.⁷² Guevara, having made his speech on agrarian reform that had helped earn him the label of “Marxist” at the Embassy, recognized that his government’s measures to remove “feudalism” from Bolivia through land redistribution without compensation were “considered communism” by many in the U.S. He therefore set out to carefully expose this as “a gross misconception,” emphasizing that both “Peron and Stalin represent the negation of the MNR.”⁷³

⁶⁹ A promise to which the Bolivians showed limited commitment as its stance at the Caracas conference would prove. See chapter 5.

⁷⁰ Hybel and Flory see these different attitudes in La Paz and Guatemala City as “pivotal” in determining the different U.S. responses in Bolivia and Guatemala. Flory Hybel, “To Intervene or Not to Intervene, p. 9; Lehman concurs, borrowing from Hybel’s *How Leaders Reason*. Lehman, “Revolutions and Attributions,” pp. 185-213.

⁷¹ Quoted in *New York Times*, May 4, 1952, p. 29.

⁷² Paz stressed that the MNR was “anti-communist, anti-Nazi and non-Peronista.” Memorandum from Miller to Maleady, 17 April, 1952, NARA, CDF, Central Decimal File, RG 59, Box 3310, 724.02/4-1752.

⁷³ This contrasted with the Arbenz regime’s stance, which was, in the initial stages, more brazen over U.S. charges over communist infiltration and domination. *New York Times*, 30 January, 1953, p. 6. “El Peronismo del MNR,” *La Nación*, 10 January 1953, p. 4.

In addition to their appreciation of the potential for conflict with the United States over communism, Paz also recognized that its desire for U.S. aid and tin contracts would push it into conflict with the POR and PCB, both of which had supported his candidacy in the thwarted elections of 1951, but who also favored non-alignment or a pro-Soviet orientation. Once U.S. aid was secured, the shift toward greater conflict with the far left became a foregone conclusion as these groups began to criticize the revolution's betrayal to U.S. imperialism.

Administration officials used the MNR's drift away from the far left in late 1953 and 1954, and further ruptures in 1956 over the adoption of a U.S.-backed austerity plan, as proof of the effectiveness of their aid package and support for the Bolivian government. Testifying before a congressional committee in 1955, ambassador Sparks reassured Senator Aiken “frankly and categorically that our assistance to Bolivia changed the attitude of the Bolivian Government 180 degrees from antipathy toward the United States to friendship toward the United States. Having made the supplies available to the country, it saved Bolivia from chaos. It saved them from communism and the extreme left.”⁷⁴ In a briefing paper from later in the decade, Assistant Secretary for Latin American Affairs Roy Rubottom noted that “to help Bolivia overcome the threat of imminent economic collapse and resulting political chaos, the US government decided in 1952 to extend grant aid to that country thus far prevented “penetration by international communism.”⁷⁵

However, the shift towards a more “actively anticommunist policy” by “moderate” centrists in the MNR was not obvious in the months when the Eisenhower and his State

⁷⁴ Testimony of Edward Sparks, 16 May 1955, *Mutual Security Act of 1955* (Washington DC: U.S. government printing office, 1955), p. 292, NARA, RG 287, Y4.F76/2:M98/2/955.

⁷⁵ Rubottom to Dillon 15 July 1959, RG 59 LOT FILES Bureau of Inter-American Affairs, Office of the Deputy Assistant Secretary, Office Files, 1956-59, Box 25, Folder: Bolivia 1959.

Department decided to provide aid to Bolivia. Quite the opposite was true if anything, as the MNR's opponents were at pains to point out.⁷⁶ And furthermore, for all the Bolivians' understanding of U.S. concerns over communism and the steps they took to demonstrate this, officials from across the foreign policy bureaucracy in the United States quickly came to the conclusion that the commitment of the MNR to anticommunism was superficial at best.

The MNR and radical leftism: “we just let it pass”

Bolivia was firmly aligned with Washington by the spring of 1954, having voted for the U.S.-sponsored anticommunist resolution at the inter-American conference at Caracas, a clear test of regional loyalties that John Foster Dulles insisted upon in no uncertain terms.⁷⁷ Bolivia had also already received a substantial aid package from the United States the previous autumn. To secure this aid the MNR had promised to compensate the former owners of the now nationalized mines over the summer of 1953, which had proved a significant sticking point in U.S.- Bolivian relations during the revolution's first year. Furthermore, by the end of 1953 the MNR appeared to the State Department to be embracing a more “actively anticommunist policy.”⁷⁸

The appearance of progress on the issue of anticommunism was quickly undermined. A National Intelligence Estimate declared that the “advent of the MNR regime has benefited the Communists in Bolivia and they enjoy a considerable degree of government toleration of their

⁷⁶ See chapter two.

⁷⁷ For further discussion of the Caracas conference, see chapter 5.

⁷⁸ William Tapley Bennett, Jr. (ARA) to Secretary of State, 7 December, 1953, NARA, CDF, RG 59, Box 3308, 724.00/12-753.

activities.”⁷⁹ Streibert of the U.S. Information Agency (USIA) reported in 1954 that “his people and the CIA representative both agree that Communism is growing steadily stronger in Bolivia, emphasizing the “great deal of teaching of Marxist doctrine in schools.”⁸⁰

The U.S. was not alone in making these observations. Ambassador Victor Andrade himself admitted as much in a letter to Foreign Minister Walter Guevara at the end of 1955. Andrade noted that in the Cold War era the U.S. was now even freer to intervene throughout Latin America, and could thus determine the “rules of conduct established by the big brother of this continent.” Andrade admitted that, under the rules of this hegemon “we haven't exactly been circumspect children.”⁸¹ As Ambassador clarified in his argument for Holland for U.S. support for the MNR to continue, the party leadership accepted without reservation the need to oppose “international communism” whilst, demonstrating “a partial tolerance of domestic communists.”⁸² Bolivians had been able to play test the limits of the hegemon's patience over maintaining discipline in the Cold War struggle, including proposing the sale of tin on the wrong

⁷⁹ NIE 92-54, “Probable Developments in Bolivia,” Created: 3/16/1954, CIA electronic reading room, p. 4. ONLINE RESOURCE: http://www.foia.cia.gov/browse_docs.asp, accessed 08/04/08.

Interestingly enough, this apparently alarming piece of analysis was not highlighted in W. Park Armstrong's report to Dulles on the NIE's principal findings. Armstrong's summary emphasized that the MNR government was essentially “left-of-center,” “Nationalist,” and in fact had “circumscribed the influence of the Communists.” Armstrong tapped into the main thrust of the report, which presented strong arguments in favor of the MNR for pragmatic reasons. W. Park Armstrong, Jr. To Dulles 23 March 1954, NW 34472, no FOIA DocId, declassified in full. 724.00/3-2354.

⁸⁰ Memorandum from Holland to Atwood, 19 October 1954, NARA RG 59, CDF, 824.00/10-1954, FOIA Document ID 166410, NW# 37481, declassified 16 April 2013. The USIA was a new agency created by Eisenhower to conduct public diplomacy and disseminate pro-U.S. propaganda around the world.

⁸¹ Letter from Andrade to Guevara, 28 December 1955, Papers of Walter Guevara Arze, Box 9, Folder: Correspondencia Estados Unidos-Bolivia, Archivo y Biblioteca Nacional de Bolivia.

⁸² Sparks to Holland 17 September 1954, NARA, CDF, RG 59, LOT FILES, Bureau of Inter-American Affairs, Office of the Assistant Secretary of State for Inter-American Affairs, Country Files, 1953-56, Box 2, Bolivia 1953-55.

side of the iron curtain, and the president explicitly singling out American imperialism as the source of Bolivia's economic problems during the spring of 1953.⁸³

Whilst American officials also continued to recognize reassuring signs in the MNR of moderation and amenability to U.S. objectives, they were by no means completely convinced of this moderation.⁸⁴ U.S. officials continued to be concerned over MNR radicalism and far left influence throughout the 1950s. To both policymaking and academic elites in the United States and beyond, it seemed leftists in the MNR retained substantial influence on the Bolivian polity. The British ambassador in Bolivia, Sir John Lomax, laid out his complaints in no uncertain terms. Venting his frustration over U.S. support for the MNR for his superiors in Whitehall, Lomax lambasted the naive Americans for being duped by the irredeemably radical MNR, which had allowed “the Marxist-dominated labour movement” to gain power, intimidating public officials and dominating government ministries. If left unchecked ambassador Lomax warned that, as soon as “next year [1955]... Bolivia will become half sovietised. The proletariat dictate: and their dictation rests upon overwhelming force.”⁸⁵

The Operations Coordinating Board (OCB), which Eisenhower founded to study the implementation of NSC directives, echoed Lomax's concerns for the Eisenhower administration's top policymakers. The OCB concluded in its 1955 study that

⁸³ See chapter 2.

⁸⁴ This argument runs contrary to the arguments of Siekmeier and Lehman, who find the MNR's moderate wing to have been a constant source of comfort for the U.S. officials worried about a slide further leftwards in the absence of Paz, Siles and other moderate MNR leaders. James Siekmeier, *The Bolivian Revolution and the United States, 1952 to the Present* (University Park: Pennsylvania University Press 2011); Kenneth Lehman, “Revolutions and Attributions: Making Sense of Eisenhower Administration Policies in Bolivia and Guatemala.” *Diplomatic History* (Spring 1997, vol. 21, Issue 2), pp. 185-213.

⁸⁵ Sir John Lomax, “Annual Review of Events in Bolivia for 1953,” 5 January 1954, Public Records Office, FO 371/109218, paragraph 7.

The MNR lacks a true understanding of the subversive nature of Communism. It operates sporadically against communist subversive forces but does so largely on the basis of political expediency, regarding the Communists merely as domestic political rivals for mass support. The general political and intellectual climate, especially in educational and labor circles, is favorable to Marxist economic theories; this is reflected in the presence of Communist fellow travelers, and allegedly reformed Bolivian and foreign communists in the MNR itself. Widespread poverty, the political immaturity of the population, the existence of a large working class militia susceptible to Communist subversion, and the low morale of the much smaller national army and air force provide opportunities for subversive exploitation and manipulation.⁸⁶

A later draft of the study emphasized the “disturbing situation” in Bolivia, where “it is not widely realized that there is a serious threat [to internal security] and U.S. military programs are non-existent.” Whilst the MNR might have the money and power necessary for more concerted anticommunist measures, the OCB concluded the MNR's “will” to do so remained seriously in question.⁸⁷

The following year Undersecretary Holland made a similar analysis as to the extent of leftist influence in Bolivia, though he did not make the alarmist connection to the Soviet Union or the forces of international “Communism,” as the OCB had.⁸⁸ Analyzing the MNR's

⁸⁶ “Operations Coordinating Board: Analysis of Internal Security Situation in Bolivia and Recommended Action,” Report from OCB to Staats (Executive Secretary of the NSC), 22 June 1955, p. 1. DDEL, White House Office, National Security Council Staff: Papers, 1948-1961, OCB CDF Series, Box 24, OCB 091.Bolivia (2) June 1955-December 1956. Similar transgressions against U.S. attitudes towards communism were central factors in the removal of Arbenz, according to Piero Gleijeses’ definitive study of United States policy in Guatemala. Kenneth Lehman also argued that Arbenz’s personal identification with communist ideology led to his use of pro-communist rhetoric and appointment of a few Communist Party members in government positions. See Gleijeses, *Shattered Hope*; Kenneth D. Lehman, “Revolutions and Attributions: Making Sense of Eisenhower Administration Policies in Bolivia and Guatemala,” in *Diplomatic History*, vol. 21, Issue 2 (Spring 1997), pp. 185-213.

⁸⁷ OCB report to NSC pursuant to NSC action 1290-d, 23 September 1955, pp. 12, 14, DDEL, White House Office, National Security Council Staff: Papers, 1948-1961. OCB Central File Series, Ocb 014.12 [internal security] (file #2) (1) Oct-Dec 55, Box 17. See also OCB “Analysis of Internal Security Situation in Bolivia and Recommended Action,” 21 December 1955, DDEL White House Office, National Security Council Staff: Papers 1948-61, Box 24, OCB 091.Bolivia(2) {June 1955-December 1956}, p. 7.

⁸⁸ The capitalization of “Communist” in the OCB report is perhaps instructive. Official “Communist” party influence seems clearly linked to the Soviet Union, or at least ‘international communism’, and is directly juxtaposed with the idea of domestic communism or communist ideas unaffiliated directly to an organized political party or national entity. Or perhaps this is just a typographical error.

convention in the run-up to the 1956 election, Holland believed that “[e]ven though a 'moderate' was nominated presidential candidate, the leftists dominated the convention and secured an overwhelming majority in the party's political committee.” This committee was responsible for writing the party platform for the coming election, and was thus in a position of significant power for MNR leftists to utilize. Holland concluded that the “MNR leftists” were “now in a good position to dominate the new administration.”⁸⁹

Holland's observation was not an isolated case. Throughout the administration's dealings with the MNR, the radical wing of the party exerted powerful influence on Bolivian politics. According to the Bolivian Foreign Ministry's own analysis, the government's principal supporter and mouthpiece in the Bolivian press *La Nación* gave nominal support to U.S. aid programs whilst still employing “subversives” and providing a platform for their anti-American agenda.⁹⁰ The MNR left was able to use the threat of strikes in the nationalized mines to secure concessions for Bolivian workers (and in the process undermined the government's anti-inflationary stabilization strategy).

The extreme left, along with “identifiable communists,” continued to fuel anti-Americanism in Bolivia that would explode in lethal anti-American riots in 1959. The riots, directed against the US embassy, began the publication of an article quoting an Embassy official proposing the solution to Bolivia's problems would be to “abolish Bolivia.”⁹¹ In reaction to this

⁸⁹ Holland to W. Park Armstrong, Jr. (Special Assistant to the Secretary of State for Intelligence), 6 March 1956, NARA, CDF, FOIA NW 37465, declassified 1 March 2012. Robert Alexander wrote in 1958 that the left authored the MNR platform in 55-56, dominated the 6th party conference, exerted great influence in nominating candidates for the Bolivian Congress, and in determining the path of land reform, where “generally the left wing won out.” Robert Alexander, *The Bolivian National Revolution*, (New Brunswick: Rutgers University Press, 1958), pp. 53-54.

⁹⁰ Bolivian Foreign Ministry to Bolivian Embassy in Washington, 29 April 1959, Bolivian Foreign Ministry Archives, *Cables: Washington 1959*.

⁹¹ “Chaos in the Clouds,” *Time*, 2 March 1959, p. 27; Lehman, *Bolivia and the United States*, p. 114.

disturbing evidence of anti-Americanism, Wymberly De Coerr at the State Department's Americas desk complained of the increasingly brazen passivity of the MNR leadership when faced with their own party grassroots and increasingly influential Orthodox and Trotskyite Communists, who continued to launch “incendiary attacks” against the United States.⁹² Ambassador Carl W. Strom agreed: to him it seemed that the MNR showed disquieting “passivity” in the face of the “growing leftward drift in internal affairs.” The MNR accommodated the “threats and demands from Communist-controlled labor sectors,” leaving Washington to “bear the political and public relations burden.”⁹³ Herbert Thompson, who had arrived to serve as the head of the Embassy's political section in La Paz the year before the riots, also agreed with Strom that oftentimes the Bolivians would do the bare minimum to confront voices on the far left. Taking a markedly more conciliatory tone, Thompson remembered “there certainly had been government participation in putting the riot in motion,” but the MNR government “had gone through the motions of trying to protect us from this incident... they had given us fair warning that they could no longer protect us and to some extent helped us evacuate. So I think we just let it pass.”⁹⁴

As officials repeatedly emphasized, they were concerned at the MNR's shortcomings on promoting anticommunism and concerned that its approach was superficial, counterproductive and even subversive actions. Yet U.S. monetary support for the regime intensified over the course of the 1950s. Clearly substantive progress on anticommunism was not a central concern

⁹² Wymberly DeR Coerr to Ernest Siracusa, 9 March 1959, NARA, CDF, RG 59 LOT FILES Bureau of Inter-American Affairs, Office of the Deputy Assistant Secretary, Office Files, 1956-59, Box 25, Folder: Bolivia 1959.

⁹³ Strom to Herter, 3 September 1959, NARA, CDF, RG 59, Box 2598, 624.61/9-359.

⁹⁴ Herbert Thompson interviewed by Thomas J. Dunnigan, *The Association for Diplomatic Studies and Training Foreign Affairs Oral History Project* (Initial interview date: April 19, 1996) <http://memory.loc.gov/service/mss/mssmisc/mfdip/2005%20txt%20files/2004tho04.txt> (last accessed 6/2/2012)

of policymakers in determining their level of support for the MNR government. Instead, U.S. officials were willing to “just let it pass.”

Conclusion

During the early 1950s MNR diplomats and officials had, at times, tried to demonstrate their anticommunist credentials to the Eisenhower administration rhetorically. As U.S. aid dollars began to flow more freely, they also took symbolic actions to placate its anticommunist proclivities, and those of other interest groups looking on from the United States. This helped the administration to rationalize its embrace of the MNR as having been an effective, perhaps even ‘enlightened’ method of waging the Cold War, by empowering MNR moderates to resist a further swing leftwards in Bolivian politics, even if this shift had not been apparent in the months leading up to the decision to provide aid to the MNR government.

For all the MNR’s rhetoric and subsequent action on the anticommunist agenda, the administration got very little results, as the British Foreign Office smugly observed. Leftists like Fellarde, Lechín and Chavez still remained at the heart of governmental power, whilst the miners’ militias and COB had further solidified their military, political and economic influence.⁹⁵ As the next chapter will demonstrate, whatever the ‘moderate’ leadership’s underlying attitudes towards communism were, U.S. policymakers and analysts still had strong indicators from within their own ranks that communists might still be able to influence MNR policy and were

⁹⁵ Chavez and Lechín would strenuously oppose the Siles administration, which succeeded Paz in 1956, over its embrace of a plan of austerity conceived of and funded by the U.S. Chavez, Siles’ vice president, would eventually resign in 1957, but would later serve as Minister for Mines and Petroleum when the previous minister, Lechín, assumed the vice presidency.

growing in strength politically. The 'moderate' MNR's intellectual affinity for Marxism and their passivity towards leftist radicals within the MNR and COB was especially provocative given that Bolivia's general political, economic and intellectual climate appeared to the OCB, Embassy and State Department to be very favorable to communists. Thus, despite U.S. officials' public self-congratulation for the efficacy of anticommunism in Bolivia, we must look elsewhere to find the wellsprings of support for the MNR within the Eisenhower administration.

Chapter 4

The Movimiento Nacionalista Revolucionario's appeal in Washington: nationalism, the inter-American system and revolutionary diplomacy

The MNR's superficial approach to anticommunism had, according to U.S. analyses, allowed radical leftists to gain power and influence in Bolivia.¹ Concerns over the continued strength of communist elements in Bolivia echoed through the foreign policymaking establishment during the entirety of the 1950s, though some officials also saw the MNR as leftist nationalists preferable to an explicitly communist and pro-Moscow government. In spite of Bolivian fostering of radical leftist influence, U.S. policymakers chose to continue to support the MNR with increasingly large and long-term aid packages. To understand why U.S. policymakers chose to overlook MNR transgressions of Cold War ideological divides, it is essential to understand how important the rise of third world nationalism was to U.S. officials' outlook, and their understanding of their role in the region as guardians of the “inter-American” system. Policymakers and analysts described this system as a mutually beneficial partnership. In fact, it served as a vehicle to both secure American interests and propagate American values.

When viewed from the perspective of maintaining U.S. hegemony, the MNR's radical and transformative vision for Bolivian society was less of a worry and more of a potential boon for U.S. regional leadership in the minds of key administration and State Department figures. Bolivian leaders recognized this mindset in their North American counterparts, and they framed

¹ As was demonstrated in chapters 2 and 3.

their revolution as one seeking cooperation with the United States. This framing garnered acceptance and support from U.S. policymakers who saw an opportunity in Bolivia to align with the most popular government in the Americas; a government that seemed to many in the State Department and beyond to be on the right side of history.² In accepting the symbolic importance of cooperating with Bolivia, and the long-term opportunities it seemed to afford, foreign policymakers were willing to stretch the limits of acceptable behavior within that system surprisingly far. This flexibility became especially clear with regards to the MNR's commitment to anticommunist policies and the propagation of free-market principles.

The appeal of the MNR: moderation and revolutionary zeal

The Eisenhower administration was still able and willing to look beyond knee-jerk anticommunism in Bolivia, and treated continued MNR leftist radicalism as an annoyance rather than a threat to hemispheric security. This challenges existing narratives of U.S. policy in Latin America and the third world during the early Cold War, which describe administration officials as marked by “obsess[ive],” “overzealous,” “virulent,” “reactionary” and “hardline” anticommunist ideology.³ In these narratives, such a mindset led policymakers to interpret global

² Holland remarked during a visit to Guatemala with Vice President Nixon that Paz Estenssoro had the greatest popular mandate in all of the Americas. Eduardo Arze Quiroga to Guillermo Albero Velasco, 4 March 1955, Bolivian Foreign Ministry Archives, *Correspondencias: Embajada Boliviana en Guatemala a Ministerio de Relaciones Exteriores mayo 1952-febrero 1957*.

³ Quotes on the Eisenhower administration's anticommunism are from, respectively, Rabe, *Eisenhower in Latin America*, p. 69; Ira Chernus, *General Eisenhower*, p. 304; Burton I. Kaufman, *Trade and Aid: Eisenhower's Foreign Economic Policy, 1953-1961*, (Baltimore: Johns Hopkins University Press, 1982), p. 9; Shawn Parry-Giles, *The Rhetorical Presidency, Propaganda, and the Cold War, 1945-1955*, (Westport, Connecticut: Praeger, 2002), p. 161. See also Carlos Alzugaray Treto, *Cronica de un fracaso imperial: la politica de Eisenhower contra Cuba y el derrocamiento de la dictadura de Batista* (Havana: Editorial de Ciencias Sociales, 2000), p. 4.

Bolivia scholars also portray the president as “a fervent ‘cold warrior’ with anticommunist beliefs nurtured by the McCarthyite mood of the times” and the administration's evaluation of the communist threat as “exaggerated

events “solely within the context of the Soviet-American confrontation,” which in turn meant a “hostil[ity] to all revolutionary regimes” and an embrace of right wing dictatorships.⁴

The suggestion that the administration was guilty of a “simplified” and knee-jerk “attribution” of moderate and anticommunist intentions to Paz and the MNR leadership not only underestimates United States policy, analysis, and the opposition it faced, it also gives short shrift to the Bolivian diplomatic initiatives that helped shape U.S. appraisals.⁵ When understood as a Bolivian diplomatic coup in the face of considerable opposition, the Eisenhower administration's embrace of the Bolivian revolutionaries seems less a result of a knee-jerk attribution or the charisma of Bolivian ambassador to the U.S., Victor Andrade, and Milton Eisenhower. Instead it seems more of a positive response to the program of the MNR as framed by Bolivian diplomats. Their program’s appeal was not centered around its anticommunist bona

or incorrect, in keeping with the dominant tendency in the foreign service at this stage in the cold war.” Lehman, *Bolivia and the United States*, pp. 105-106; Blasler, *The Hovering Giant*, p. 227.

⁴ Quote on the Soviet Union in Rabe, *Eisenhower and Latin America*, p. 32. See also Stephen Rabe, “Dulles, Latin America and Cold War Anticommunism” in Richard H. Immerman (ed.), *John Foster Dulles and the Diplomacy of the Cold War*, (Princeton: Princeton University Press, 1990), p. 162.

On hostility to revolutions, see Herbert Klein, *A Concise History of Bolivia*, Second Edition (New York, Columbia University Press, 2011), p. 218; David F. Schmitz, *Thank God They're on our Side: The United States and Right-Wing Dictatorships, 1921-1965* (Chapel Hill: University of North Carolina Press, 1999). See also Odd Arne Westad's argument that the Iranian intervention represented the death of the idea that the United States should co-opt radical Third World nationalism. Odd Arne Westad, *The Global Cold War: Third World Interventions and the Making of Our Times*, (New York: Cambridge University Press, 2005), pp. 122, 119. For a more polemical account that see U.S. policymakers as motivated by a desire to eliminate or “combat” economic nationalism in the Third World, see Gabriel Kolko, *Confronting the Third World: United States foreign policy, 1945-1980* (New York, NY: Pantheon Books, 1988).

⁵ Such well-designed and executed diplomacy has only recently begun to be explored in detail by historians, but has yet to articulate the nature and purpose of U.S. policy in the region (See chapter three). Accounts have long emphasized the access to Eisenhower afforded to ambassador Andrade, who was able to golf with President Eisenhower. But it is the work of James Siekmeier that has sought to put Bolivian diplomatic initiatives front and center of our understanding of how the MNR won and maintained high levels of U.S. support. Siekmeier, *The Bolivian Revolution and the United States*; James Siekmeier, “Trailblazer Diplomat: Bolivian Ambassador Víctor Andrade Uzquiano’s Efforts to Influence U.S. Policy, 1944–1962,” *Diplomatic History*, Vol. 28, No. 3 (June 2004), pp. 385-406.

fides or even its direct impact on the role of the Soviet Union in the region.⁶ Neither was it a result of moderation or conservative tendencies on behalf of the MNR. The vision of leaders in the 'moderate' wing like Paz and Guevara was far more ambitious than merely managing the revolutionary expectations of the miners' unions and the peasants. The MNR appealed to U.S. officials and policymakers because their revolutionary nationalism promised to transform Bolivia and had potential to serve as an example of both good conduct and the U.S.' hegemonic beneficence within the inter-American system.

Bolivian diplomats certainly emphasized their understanding and affinity for anticommunism for U.S. policymakers. Yet they also sought to downplay the importance of an actively anti-communist policy at crucial junctures, instead focusing on MNR reforms as the keys to promoting development and stability in Bolivia when soliciting U.S. support. In the face of Washington's renewed interest in communist activity during late 1953, President Paz and Foreign Minister Guevara explained to U.S. ambassador Sparks that the MNR's leftist members were "competent...[and] react well under responsibility." They were "at worst Marxists and not International Communists" according to the president, whose justification mirrored those being made by U.S. diplomats and analysts behind closed doors.⁷

Months previously, a group of U.S. officials met with top Bolivian government leaders. After addressing Cabot's concerns about the influence of Guatemalans on Bolivian agrarian reform in a meeting with other U.S. policymakers, Guevara and Siles "proceed[ed] to downplay the importance of communism." They highlighted Bolivia's need for aid, which represented a

⁶ The communist superpower's regional presence was very limited in the early 1950s. Stalin had been dismissive of the prospects for challenging U.S. hegemony in Latin America, and renewed Soviet attention to the region did not begin until 1956 with the arrival of a Soviet economic offensive and Khrushchev's ability to secure his position at home.

⁷ Rowell to Department of State, 2 October 1953, NARA CDF RG 59, Box 3308, 724.00/10-253, p. 5.

relatively small portion of the U.S. aid budget. Both parties ended the meeting “somewhat pessimistically,” with a “frankness and appreciation of each others’ difficulties.”⁸

Andrade would later make the same effort to minimize the importance of communism when the State Department complained that Juan Lechín, the Minister for Mines and Petroleum and leader of the MNR's left faction, had made a speech invoking the French, Russian and Chinese revolutions and proclaiming a desire for *control obrero* to extend to foreign capital investments as well as nationalized industries. The Bolivian ambassador reminded the Americans that the key concern in Bolivia was providing economic stability and controlling inflation.⁹

Such concerns over social and political stability might have had a wider applicability to the Cold War struggle for diplomatic influence and the hearts and minds of the world's peoples, but certainly not in the immediate, overt and politicized anticommunism that one might associate with the Cold Warriors of the Eisenhower administration. Ernesto Galarza was another U.S. official at the C.I.O. with special interest in Bolivia that saw the potential in a friendly relationship with the MNR government, along with A.F.L. Latin America representative Serafino Romuldi.¹⁰ As a former Pan American Union representative who had worked in Bolivia amongst the tin miners, Galarza advised South America Desk officers in the State Department that, although

it was difficult to spot Communists in a situation like that of Bolivia... the best procedure in such a situation was to leave in abeyance the question whether certain leaders might be communist and to proceed with whatever course of action was dictated by the other

⁸ Memcon Paz, Siles, Guevara, Gutierrez (Bolivian Economics Minister), Barrau (President Comibol), Milton Eisenhower, Sparks, Cabot, Oscar Powell, and Andrew Overby, 8 July 1953, NARA, CDF, RG 59, Box 4606, 824.00/7-853.

⁹ Andrade to Foreign Ministry 9 May 1955, Bolivian Foreign Ministry Archive, *Cables Dirigidos y Recibidos Embolivia Washington 1955*, CL-359; Andrade to Foreign Ministry 11 May 1955, Ibid.

¹⁰ See Lehman, “Revolutions and Attributions”; Siekmeier, *The Bolivian Revolution*, p. 60.

circumstances of the case. The Communists would then...have to reveal their true attitude by their actions.¹¹

The administration seems to have agreed with Galazra's approach, and the positive report on the MNR he co-authored circulated widely in Washington, convincing potential skeptics as it did so.¹² In a letter from Senator J. William Fulbright to John Moors Cabot, the Arkansas senator who would become a prominent critic of the Vietnam War during the Johnson administration, confessed the report "rather surprised me."¹³

The "other circumstances" of the case dominating U.S. concerns in 1953 that Galazra alluded to were Bolivia's chronic economic and political instability.¹⁴ According to ambassador Sparks and like-minded colleagues at the State Department, "the MNR, for the future, offers the brightest, if not the only, possibility for any political grouping in Bolivia eventually to bring about enduring political stability and expanding economic progress."¹⁵ William Hudson at the Bolivia desk at the State Department concurred:

Despite its ineptitude, irresponsibility, and recent attacks on the US, the MNR government is preferable to any successor which is in sight, including a government of the

¹¹ Memcon Jackson, Galarza, Fishburn, Hudson, NARA, CDF, RG 59, Box 4606, 824.00/4-2353. For more see Galarza to Gardner Jackson and Andrade, 26 April 1953, WGA papers Box 7 Folder 5, I.1.a/10/1415. Galarza was a former Pan American Union representative, who had written pieces on labor conditions in Bolivia, helped organize strikes and had worked as a consultant for the sexenio-era Bolivian government. He also clashed with the Roosevelt administration over what he saw as attempts to undermine Bolivian labor legislation in 1942. From Guide to the Ernesto Galarza Papers, 1936-1984 (Stanford University. Libraries. Dept. of Special Collections and University Archives), ONLINE RESOURCE: <http://www.oac.cdlib.org/findaid/ark:/13030/tf2290026t/admin/?query=Bolivia> (last accessed 16 April 2013). See also Richard Chabran, "Activism and Intellectual Struggle in the Life of Ernesto Galarza, University of California Riverside, ONLINE RESOURCE: <http://egarc.ucr.edu/about.html> last accessed 9 July 2013).

¹² H. Alexander Smith to Cabot, 4 May 1953, NARA, CDF, RG 59, Box 4607, 824.00/5-453.

¹³ Fulbright to Cabot, 13 May 1953, NARA, CDF, RG 59, Box 4607, 824.00/5-1353.

¹⁴ Milton Eisenhower, Report to the President on Latin America trip, 11 January, 1954, NARA, CDF, RG 59, Box 513, 120.220/1-1154, pp. 8-9.

¹⁵ Sparks to Holland 17 September 1954, NARA, CDF, RG 59, LOT FILES, Bureau of Inter-American Affairs, Office of the Assistant Secretary of State for Inter-American Affairs, Country Files, 1953-56, Box 2, Bolivia 1953-55.

Falange and other discredited opposition parties, because it alone comes near combining the *will*, the *ability*, and the *popular support* requisite for a successful attack on fundamental Bolivian economic problems.¹⁶

These prescriptions certainly contain pragmatic concessions to the limitations of the MNR and what was achievable in the Bolivian political and economic context. The willingness to overlook the ideological transgressions of the MNR demonstrates U.S. officials' appreciation and endorsement of the MNR's apparent potential to transform Bolivia's society, economy and political stability: a positive embrace of the MNR's project that went beyond pragmatic acquiescence.¹⁷ This positive embrace was made much easier by a shared understanding of the constraints Bolivian leaders were under, constraints that MNR diplomats had done well to demonstrate to their North American counterparts.

Previous accounts emphasize that the appeal of the moderate MNR rested on a “handful of top leaders” who looked moderate to U.S. observers, especially in comparison to their political allies.¹⁸ In some accounts this apparent moderation made the MNR leadership appealing because they seemed “reluctant revolutionaries,” and appealed to an inherently conservative,

¹⁶ “Premises on ‘Bolivian problem,’” Memorandum from Hudson to Atwood, April 30, 1953, NARA, CDF, Central Decimal File, RG 59, Box 4607, 824.00/4-3053. [Emphasis in original].

¹⁷ For more on the MNR's plans to use supposed profits from the nationalized mines to pay for an expanded social safety net, and a diversified economy, see chapter one.

¹⁸ Sparks to Holland 17 September 1954, NARA, CDF, RG 59, LOT FILES, Bureau of Inter-American Affairs, Office of the Assistant Secretary of State for Inter-American Affairs, Country Files, 1953-56, Box 2, Bolivia 1953-55.

Memcon Gardener Jackson (CIO), Ernesto Galarza (AFL), Fishburn (ARA), Hudson (OSA), 23 April 1953, NARA, CDF, RG 59, Box 4606 824.00/4-2353: Jackson and Galarza, although “aware of the widespread corruption and inefficiency of the MNR Government, they had been greatly impressed with the sincerity of the principle MNR leaders “

even “reactionary,” Eisenhower administration seeking to “brake” revolutionary zeal wherever possible.¹⁹

Historians who emphasize the appeal of the MNR as a conservative or even a moderate political force have identified a common theme in justifications of U.S. support for the MNR. But in doing so, their analyses have missed crucial elements of the MNR's appeal to U.S. policymakers. According to Sparks, the MNR's “essential characteristics” were “its *intense nationalism* and its *bona fide revolutionary nature*.” The Embassy emphasized that the MNR leadership wanted to “destroy the feudal structure in agriculture”, diversify the Bolivian economy, and free the body politic from the tin oligarchy's domineering and exploitative control.²⁰

The government's economic approach to Bolivian problems, largely independent of an explicit communist threat, provided a key selling point for the MNR in its courting of U.S. support. In a plan summarizing the government's long range plans that was presented to Milton Eisenhower during his visit to Bolivia in the summer of 1953, Guevara emphasized that the “Bolivian people want development, a stable national economy, and to be able to rely on both

¹⁹ Klein, *Bolivia*, p. 232; Lehman, *Bolivia and the United States*, p. 92; Carlos Alzugaray Treto, *Cronica de un fracaso imperial* (Havana: Editorial de Ciencias Sociales, 2000), introducion. See also Kevin Young, “Purging the Forces of Darkness: The United States, Monetary Stabilization, and the Containment of the Bolivian Revolution,” *Diplomatic History* Vol. 37, No. 3 (2013), pp. 514, 520-21; Kenneth D. Lehman, “Braked but not broken: Mexico and Bolivia- Factoring the United States into the Revolutionary Equation” Merilee S. Grindle and Pilar Domingo (eds.), *Proclaiming Revolution: Bolivia in Comparative Perspective* (Cambridge, MA: Harvard University Press, 2003), pp. 91-113.

²⁰ [emphasis added]. Sparks to Holland 17 September 1954, NARA, CDF, RG 59, LOT FILES, Bureau of Inter-American Affairs, Office of the Assistant Secretary of State for Inter-American Affairs, Country Files, 1953-56, Box 2, Bolivia 1953-55. See also Holland's description of the MNR as a “radical, nationalistic reform government.” Memorandum from Holland to Hoover, “Proposed Joint Program for Bolivia,” 1 June 1955, NARA, CDF, RG 59, LOT FILES, Bureau of Inter-American Affairs, Office of the Assistant Secretary of State for Inter-American Affairs, Country Files, 1953-56, Box 2, Bolivia 1953-55.

their own efforts and the financial and technical aid of the United States.”²¹ This pitch, developed in collaboration with top MNR politicians, economic advisors, unions and industry leaders was expressly designed to appeal to the U.S. and attract aid, yet within the government's plans lay a transformative and state-centered solution to Bolivian long-term economic problems.²²

The MNR planned to enfranchise the indigenous population, making them landowners through agrarian reform and making them full citizens with voting rights. Miners would be supported through state employment and extended benefits through subsidized food in *pulperias* (government-run grocery stores), a voice in the running of the mines through *control obrero*, and greater investment in healthcare, education and pensions. The MNR planned to use the remaining profits from the mines, bolstered by a heavy investment of U.S. aid, to develop and diversify the Bolivian economy, particularly in the East.²³

It was this radical vision that defined the MNR, and that held the key for Sparks, Hudson and Topping at OSA, the Eisenhower brothers, and Undersecretaries of State for Inter-American Affairs Henry Holland and John Moors Cabot.²⁴ These officials provided a receptive audience for

²¹ Walter Guevara Arze, *Plan inmediato de política económica del gobierno de la revolución* (La Paz: Ministerio de Relaciones de Exteriores y Culto: December 1954), p. iii.

²² *Ibid.*, p. ii.

²³ “Estatutos de la Confederación Nacional de Trabajadores,” International Institute of Social History, Movimiento Nacionalista Revolucionario (Bolivia) Collection, microfiche 767; Donald C. Stone and Associates, “National Organization for the Conduct of Economic Development Programs” August 1953, Papers of Walter Guevara Arze, Box 28, Comisión Nacional de Coordinación y Planeamiento Folder; The nationalization of mines was a “vehicle..to pay for social reforms.”Edmundo Flores “The Bolivian Agrarian Reform” Paper for FAO (UN) December 26, 1953. p 8, Papers of Walter Guevara Arze, Box 30 Reforma Agraria.

²⁴ See also Luis Antezana Ergueta, *Victor Paz Estenssoro* (La Paz: 2001), pp. 53-54.

MNR diplomacy and their framing of the Bolivian economic and political context, as well as Bolivia's role in the inter-American system as "a radical, nationalistic reform government."²⁵

MNR diplomacy and emphasis on the *causes* of Bolivia's economic and political instability clearly found a receptive audience from U.S. officials. In the midst of castigating the MNR's irresponsible and demagogic pandering to the radical left in May 1953, the Embassy conceded that Paz' criticisms stemmed from a "not entirely irrational view of the situation."²⁶ Ambassador Sparks, briefing the new Undersecretary of State for inter-American affairs, went further. Sparks warned Henry Holland that "the tendency... to stress difficulties or questionable orientation [of the MNR] and then to explain the mitigating circumstances... tends to leave a wrong impression." Holland should instead bear in mind that Bolivia's "feudal" history had left "85% of its human population... isolated from the economic and political life of the country." Meanwhile, the oligarchy, "largely concerned with its own immediate welfare, had created "endemic and chronic political and economic illnesses" in Bolivian society.²⁷ Ambassador Drew would later echo these sentiments when referring to Patiño's "cloven hoof" making itself felt in Bolivia.²⁸

²⁵ Holland to Hoover, 1 June 1955, NARA, CDF, RG 59, LOT FILES, Bureau of Inter-American Affairs, Office of the Assistant Secretary of State for Inter-American Affairs, Country Files, 1953-56, Box 2, Bolivia 1953-55.

²⁶ Rowell to Department of State, 8 May 1953, NARA, CDF, RG 59, Box 3309, 724.00(W)/5-853.

²⁷ Milton Eisenhower also placed emphasis on the corrosive impact of "feudalism" and oligarchy on Latin American polities. See *The Wine is Bitter*, p. 73. Hostility towards Bolivian oligarchs seems to have been a recurrent theme running through analyses at the U.S. embassy in La Paz. See Drew to Topping, 18 July 1955, NARA, CDF, RG 59, Box 4278, 824.25/7-1855; Sparks to Holland 17 September 1954, NARA, CDF, RG 59, LOT FILES, Bureau of Inter-American Affairs, Office of the Assistant Secretary of State for Inter-American Affairs, Country Files, 1953-56, Box 2, Bolivia 1953-55; Alexander Smith to Cabot, 4 May 1953, NARA, CDF, RG 59, Box 4606, 824.00/5-453-H.

²⁸ Drew to Topping, 18 July 1955, NARA, CDF, RG 59, Box 4278, 824.25/7-1855. See also Alexander Smith to Cabot, 4 May 1953, NARA, CDF, RG 59, Box 4606, 824.00/5-453-H. In this message Smith argues that the MNR represented "a symbol of hope for the mass of the workers not alone in the country itself but throughout Latin-

The fact that there was very little space between the Embassy's analysis and the prescriptions of MNR leaders as to the motivation for their revolution and the nature of their enemies stands as a testament both to the effectiveness of Bolivian diplomacy and its diplomats' ability to recognize an agenda beyond anticommunism that might motivate their North American counterparts.²⁹ As Andrade noted, the American desire to provide aid and technical assistance was strong, especially in the service of cementing the “unity of the hemisphere” using “constructive nationalism.”³⁰ This was a desire that the MNR government should use to help frame its goals and actions for observers in the United States: by presenting themselves as ambitious nationalists seeking to transform their country’s economy and social stratification, whilst seeking a constructive and cooperative relationship with Washington and the broader regional system it presided over.

Philip Bonsal, a Republican businessman sent to Bolivia as ambassador in 1956, also emphasised the value of the United States aligning itself with the Bolivian revolution along the lines Andrade had identified in Eisenhower’s rhetoric. The “profound” nature of Bolivia’s “social, political and economic revolution” merited U.S. attention, understanding and support. The Cold War had raised the stakes for the United States confronting movements such as these, and now the U.S. had “become identified with a current of historical change in Bolivia which seeks to broaden the long-restricted horizons of the Bolivian people.”³¹ Looking back on U.S.

America- a symbol of nationalism with positive social content seeking to realize itself after throwing off the grossest kind of exploitation which had robbed the country for many decades”

²⁹ See “cloven hoof” comment, Drew to Topping, 18 July 1955, NARA, CDF, RG 59, Box 4278, 824.25/7-1855.

³⁰ *La Nación*, 15 December 1953, p. 5. See also Letter from Andrade to Guevara, 7 January 1954. Papers of Walter Guevara Arze, Box 9, Folder : Estados Unidos, Archivo y Biblioteca Nacional de Bolivia.

³¹ “Summary and Policy Review of Bolivia”, May 7, 1959 (SNIE-92-59),” Lot Files 62 D 429, Folder: Summary and Policy Review of Bolivia (Political) 1959, p. 3.

policy towards the revolution, State Department officials reflected that “we have succeeded in identifying ourselves with what we believe to have been an inevitable and deeply rooted effort of the Bolivian people to better themselves.”³² What the administration then sought “to do is demonstrate that our system is good for Bolivia and can solve its problems,” to Bolivians, Latin Americans, and particularly to the United states' communist detractors.³³

Though Embassy staff could be written off as having contracted a case of ‘localitis,’ their shared appreciation of Bolivian problems found sympathetic reception beyond cocktail receptions in La Paz.³⁴ At the first high level discussion of aid to the MNR regime in June 1953, Undersecretary of State for Inter-American Affairs John Moors Cabot described the aid program devised by the Department of State as “designed both to meet the immediate economic crisis in Bolivia and to provide a stimulus to economic diversification, which appears to be the only long term solution for the basic Bolivian problem” of tin dependence.³⁵ By mid-1953 the Embassy staff had helped convince colleagues back the Bureau of Inter-American Affairs (ARA) and the Office of South American Affairs (OSA) in the State Department that the MNR could “bring

³² Siracusa[?] to Snow, [no date], NARA, RG 59 LOT FILES Bureau of Inter-American Affairs, Office of the Deputy Assistant Secretary, Office Files, 1956-59, Box 25, Folder: Bolivia 1959.

³³ Bonsal admitted, however, that the United States had “not yet demonstrated” this successfully. Memorandum from Bonsal to the Department of State, 11 February, 1959, NA, Box 4607, 824.00-TA/2-1159. See also Siracusa[?] to Snow, [no date], pp. 8-9, NARA, RG 59 LOT FILES Bureau of Inter-American Affairs, Office of the Deputy Assistant Secretary, Office Files, 1956-59, Box 25, Folder: Bolivia 1959.

³⁴ Localitis refers to the tendency to focus in on the problems of officials’ immediate surroundings at the expense of the 'big picture,' often leading to sympathy with their local counterparts.

³⁵ Memorandum of conversation between Hudson, Mr. de Beers (Treasury), General Edgerton (Exim Bank), Mr. Cravens (RFC), Mr. Southard (IMF), Cabot, Samuel Waugh, Mr. Corbett, Mr. Bramble, and Atwood (Department of State), June 3, 1953, *FRUS, 1952-54, vol. 4*, p. 529.

about enduring political stability and expanding economic progress. Only with such development can domestic tranquility and democratic political forms have any hope for emergence.”³⁶

It was therefore the MNR's economic vision for Bolivia that justified the U.S.' “positive approach” and even, as one Bolivian official remembered, provoked “visible excitement” in the U.S. Embassy.³⁷ The MNR's revolutionary vision and their “intense nationalism,” combined with its leaders' recognition that they had to demonstrate willingness to deal with the United States within the framework of the inter-American system, explains the Eisenhower administration's positive embrace of the Bolivian government.³⁸ This embrace was forthcoming despite U.S. officials' “soul searching” over “the brutalities and injustices inherent in a revolutionary movement,” the “lack of a fully implemented program against communism” and even widespread “ineptitude, confusion and dishonesty.”³⁹

Nationalism, the Eisenhower administration and Bolivian diplomacy

³⁶ Sparks to Holland 17 September 1954, NARA, CDF, RG 59, LOT FILES, Bureau of Inter-American Affairs, Office of the Assistant Secretary of State for Inter-American Affairs, Country Files, 1953-56, Box 2, Bolivia 1953-55. See also

Memorandum from Hudson to Atwood, 30 April 1953, NARA, CDF, RG 59, Box 4606, 824.00/4-3053.

³⁷ In a meeting between the Bolivian cabinet and the U.S. Embassy staff, Charge d'Affaires Thomas J. Maleady seemed to Bolivian cabinet members to be “visibly interested” whilst explaining the Eisenhower administration's “agreement to allocate budgetary resources to a country like Bolivia, which was beginning to develop.” Castrillo [?] to Guevara, “Summary of negotiations with the US,” 20 July 1954, Walter Guevara Arze Papers, Archivo y Biblioteca Nacional de Bolivia, Box 6, Folder: Hacienda.

³⁸ “we have succeeded in identifying ourselves with what we believe to have been an inevitable and deeply rooted effort of the Bolivian people to better themselves. We have thus demonstrated, not only to the Bolivians, but all Latin America as well, the fact that the United States is not the reactionary devil which communist propaganda portrays, and that it is more willing to help legitimate movements of peoples seeking to emerge from semi-feudal societies.” Siracusa[?] to Snow, [no date] RG 59 LOT FILES Bureau of Inter-American Affairs, Office of the Deputy Assistant Secretary, Office Files, 1956-59, Box 25, Folder: Bolivia 1959.

³⁹ Sparks to Holland 17 September 1954, NARA, CDF, RG 59, LOT FILES, Bureau of Inter-American Affairs, Office of the Assistant Secretary of State for Inter-American Affairs, Country Files, 1953-56, Box 2, Bolivia 1953-55.

Though the Embassy and officials back at State offered top policymakers often pragmatic and subtle analysis of the MNR and the wider political context that they operated under, they also presented plenty of alarming evidence as to the push towards radicalism in Bolivia and within the MNR itself. The Embassy's efforts to secure support for the MNR would not have been effective if the administration had not been prepared to treat Bolivia's situation with sympathy.

Why was this sympathy from the Eisenhower administration so forthcoming? Other historians have argued that the administration seemed befuddled by the violence and radicalism of Third World revolutions, seeing them as naive or even willing pawns in Moscow's bid for global domination. Odd Arne Westad sees Eisenhower's "wondering aloud" at an NSC meeting in March 1953, why it was not possible to "get some of the people in these down-trodden countries to like us instead of hating us" as particularly indicative of the administration's mindset.⁴⁰ Richard Immerman holds that, in the Third World, Dulles "floundered in an alien sea."⁴¹

Other historians have also recognized the antagonism for third world nationalist movements that Westad identified, but they reject the Cold War as the primary reason for U.S. opposition to Third World nationalists and revolutionaries. These explanations seek to explain the real basis for and motivations of U.S. policy in Bolivia, Guatemala and beyond as a result of

⁴⁰ Westad, *The Global Cold War*, pp. 122, 119. See also Robert McMahon, "Eisenhower and Third World Nationalism: A Critique of the Revisionists," *Political Science Quarterly* Vol.101, No.3 (1986), pp. 457; Richard Welch, *Response to Revolution*, p. 41; Perez, *Cuba in the American Imagination*, p. 222. Historians of Bolivia have also picked up on U.S. misunderstanding of Bolivian problems. G. Earl Sanders argues the Embassy in La Paz retained a decent appreciation of the MNR, though he felt analyses also missed wider truths about "the complex of factors which formed the basis of Bolivian society." Sanders, "The Quiet Experiment in American Diplomacy," pp. 25-49; Kenneth Lehman, *Bolivia and the United States: A Limited Partnership*, (Athens, GA: University of Georgia Press, 1999), p. 114.

⁴¹ Immerman, "Conclusion" in Immerman (ed.), *John Foster Dulles and the Diplomacy of the Cold War*, p. 280.

U.S. officials' desire to quash economic nationalism as a threat to Washington's hegemony.⁴² For Siekmeier and others, anticommunism was merely a reformulation of this broader antinationalist agenda.⁴³

But administration leaders and top foreign policy officials recognized nationalism as a vital regional and global force that would profoundly shape the coming decades, and sought to act on this knowledge in Bolivia. Rather than insisting on a Cold War frame of reference, policymakers in Washington sought not to “contain” or “fight,” but rather to *co-opt* leftist and reformist nationalism.⁴⁴ Though they recognized the potential for hostility between these groups in the Third World and the United States, if possible many U.S. officials during the Eisenhower administration sought to work with these groups, symbolically aligning Washington with popular calls for national empowerment and development whilst integrating them into the ‘Free World’ economically and diplomatically. Cold War opportunism and nationalist intransigence might have made this project highly tendentious. Yet it was a project close to the hearts of many policymakers, and when they saw its contours being reflected back at them by Bolivians, they took comfort.

⁴² Siekmeier, *Fighting Economic Nationalism: U.S. Economic Aid and Development Policy Toward Latin America, 1953-1961* (unpublished PhD thesis, Cornell University, 1993) and *The Bolivian Revolution and the United States*, pp. 4-5, 52, 77, 83. See also Stephen M. Streeter, “Campaigning against Latin American Nationalism: U. S. Ambassador John Moors Cabot in Brazil, 1959-1961”. *The Americas* 51: 2 (October 1994), pp. 193–218. See also Kevin Young, “Purging the Forces of Darkness: The United States, Monetary Stabilization, and the Containment of the Bolivian Revolution,” *Diplomatic History* Vol. 37, No. 3 (2013). 509-537. Matt Loyaza, “A Curative and Creative Force”: The Exchange of Persons Program and Eisenhower’s Inter-American Policies, 1953–1961,” *Diplomatic History* (November 2013; published online April 2013).

⁴³ Gabriel Kolko, *Confronting the Third World: United States foreign policy, 1945-1980* (New York, NY: Pantheon Books, 1988).

⁴⁴ Yaqub, *Containing Arab Nationalism*; Siekmeier, *Fighting Economic Nationalism: U.S. Economic Aid and Development Policy Toward Latin America, 1953-1961*. unpublished PhD thesis, Cornell University, 1993.

To Eisenhower nationalism was so important it meant embracing and even nurturing Latin American nationalism. This held true even for ‘extreme,’ or “ultra-nationalism.”⁴⁵ Eisenhower sought to bring these political movements into closer cooperation with what administration officials described as the “inter-American system” (and what many others have termed “hegemony” or “empire”).⁴⁶ Analyses of U.S. hegemony in Latin America have focused on the dominant role of free markets, anticommunism, race and gender, all of which emphasize an explicitly antinationalist purpose behind U.S. policy. It is simple enough to acknowledge that hegemonic designs, whether expressed through covert operations or diplomatic pressure that accompanied U.S. investment capital and aid, would antagonize Latin American leftist nationalists. But this conclusion misses the *motivation* and rationale for U.S. policy: and understanding these motivations had important consequences for those on the receiving end of that hegemony.

The U.S. relationship with Latin America was important to Eisenhower, who though he may well have been distracted by other problems and hampered by domestic constraints, by no means “gloss[ed] over” Latin America.⁴⁷ He conceived of support for Bolivia and the wider

⁴⁵ Report on the 369th meeting of the NSC, June 19, 1958, p. 12. DDEL, Eisenhower, Dwight D.: Papers as President, 1953-1961 (Ann Whitman File), NSC Series, Box 10, 369th Meeting of NSC, June 19, 1958.

⁴⁶ For further discussion of the categories of hegemony and empire, see the historiography section of the introduction. For more rhetoric on the inter-American system and “hemispheric solidarity,” see NSC 5432/1, April 6, 1956, p.3, White House Office, National Security Council Staff: Papers, 1948-1961, OCB Central File Series, Box 24, OCB 091.Latin America (File#6) (7); “Outline of Plan of Operations against Communism in Latin America,” April 18, 1956 (referencing NSC 5432/1 of November 16, 1954), *FRUS, 1955-57, vol. 6*, pp. 66-67, 75; “Statement of U.S. Policy Toward Latin America,” NSC 5902/1, February 16, 1959, Annex B, *FRUS, 1958-1960, vol. 5, American Republics*, p. 121; “Statement of Policy on U.S. Policy toward Latin America,” (NSC 5631/1), September 25, 1956, *FRUS, 1955-57, vol. 6*, p. 122; “A Study of U.S. Problems and Policy Toward Latin America,” 14 October, 1953, Section II, Part I, p. 8. DDEL, Commission on Foreign Economic Policy: Records, 1953-1954 (Randall Commission), Dr. Mikesell’s Work [Foreign Investments], Box 59, Studies- Study of U.S. Problems and Policy Toward Latin America.

⁴⁷ Gleijeses, *Shattered Hope*, p. 235. See also Richard Welch, *Response to Revolution: The United States and the Cuban Revolution, 1959-1961* (Chapel Hill: University of North Carolina Press, 1985), p. 33.

region as key for the United States regardless of the Cold War. In a time he recognized as destined to be marked by considerable nationalist ferment, Eisenhower sought “a healthy relationship” with Latin American nations, one that could embrace the possibilities of cooperation with reformist and even revolutionary nationalists, and thus cement a bond within the Americas that would “permanently endure.”⁴⁸

In January 1953, as he prepared to enter office, Eisenhower met with Winston Churchill to discuss the special relationship. The president-elect recorded in his diary that Churchill’s “old fashioned and paternalistic” attitude displayed an “almost childlike faith that all of the answers are to be found merely in British-American partnership... Winston is trying to relive the days of World War II.” For Eisenhower, the old colonial order was over: “Nationalism [was] world-wide and undoubtedly the strongest political emotion of our day,” and “world Communism [was] taking advantage of that spirit of nationalism to cause dissention in the free world.”⁴⁹

Though Eisenhower worried that too speedy a transition from colonial dependency to independence could engender anarchy and destructive (anti-American) radicalism, he believed that the transition had to take place to allow the United States to continue its role as world superpower. In the post-war world of rapid modernization, Third World aspirations could not be contained; they had to be met and addressed. This realization shared much in its thinking with the analyses and assumptions of the proponents of modernization theory, somewhat ironic given that the modernization theorists were amongst Eisenhower’s strongest critics on foreign policy and foreign aid.

⁴⁸Letter from Dwight Eisenhower to Milton Eisenhower, 1 December, 1954. DDEL, Eisenhower, Dwight D.: Papers as President, Ann Whitman File, DDE Diary Series, Box 8, December 1954 (2).

⁴⁹ Letter from Eisenhower to Arthur Hays Sulzberger of the *New York Times*, July 8, 1960, DDEL, Papers as President (Ann Whitman File), DDE Diary Series, Box 51, DDE Dictation, July 1960; Diary Entry, 6 January 1953, DDEL, Eisenhower, Dwight D.: Diaries, December 1952 to 19 August 1953 (4).

At one meeting of the NSC on 19 June, 1958, the president revealed how important Third World nationalism was to his view of the United States' global interests. His statements were perhaps a product of frustration with Latin America's most recent bout of violent anti-Americanism during Nixon's tour of the region, when the vice president had been harassed by angry mobs in Caracas and Lima during his tour of Latin America. Eisenhower's words nonetheless demonstrated the depth of his feeling on the issue. He "wished to emphasize" that the United States should "go to our Latin American neighbors and preach ultra-nationalism to them, insisting that the goals of their nationalism can only be achieved in conjunction with us."⁵⁰ Further along in the discussion, Eisenhower interjected on two occasions to expound the importance of his "ultra-nationalism" formula. He concluded his remarks on the subject by arguing that the United States "must exploit this force in Latin America rather than try to fight it."⁵¹

Though Eisenhower did not elaborate a precise definition of ultra-nationalism, his passion for the subject during this particular meeting of the NSC seems in keeping with a broader tendency within his administration seeking to support nationalism as a 'Third force' to bolster the 'Free World.' Supporting Latin American nationalism meant appropriating and their drive for modernization and their dedication to the creation of a functioning, cohesive and all-inclusive state. These nationalist states would mobilize popular loyalties, manage their own affairs and

⁵⁰ This displayed a fundamental problem with his thinking: "ultra-nationalists" did desire economic progress, but they also desired autonomy and independence from the United States. This contradiction is explored in full in the conclusion.

⁵¹ Report on the 369th meeting of the NSC, June 19, 1958, p. 12. DDEL, Eisenhower, Dwight D.: Papers as President, 1953-1961 (Ann Whitman File), NSC Series, Box 10, 369th Meeting of NSC, June 19, 1958.

“stand on their own economic feet,” provide stable trading partners and cooperative diplomatic support for the United States.⁵²

Eisenhower was not alone in his appreciation of the importance of nationalist movements. John Moors Cabot, his first Undersecretary for inter-American Affairs, emphasized that when the ultra-nationalist talks of exploitation and colonialism and gutted national resources and unfair terms of trade, do not let us forget there are times when he is right...Do not let us reject his arguments with a contemptuous snort, but rather let us seek his understanding.⁵³

According to the recollections of one “top MNR leader,” the president's brother Dr. Milton Eisenhower “fell in love” with the cause of agrarian reform after visiting Bolivia in the summer of 1953, and wrote after completing his tour of the region of the need to destroy the Bolivian “feudal” oligarchy” in his report to the president.⁵⁴ President Eisenhower, though highly enthusiastic about his brother's report and its general findings, worried that the initial draft’s passages criticising “ultra-nationalism” would “cause resentment” and should be removed to “save the feelings of our South American friends.”⁵⁵ The OCB absorbed these concerns in its work, emphasizing that “we must constantly bear in mind the necessity for avoiding offense to

⁵² Letter from Bonsal to Senator Green, February 21, 1958, NA, RG 59, General Records of the Department of State, Records of the Bureau of inter-American Affairs, Lot Files, LOT 62 D 16, Box 27, Folder 21.1. See also Memorandum of a Conversation between Holland, Ohly, Atwood, Trigg, Sandri, Kittredge, Williams, Sayre, May 11, 1956, *FRUS, 1955-57, vol. 6*, p. 389; Memorandum from Holland to the Acting Secretary of State, September 2, 1955, *FRUS, 1955-57, vol. 6*, p. 333.

⁵³ DDEL, Cabot, John Moors, Papers, 1929-78, Microfilm reel 16, 00820, “Statement for the Press,” October 6, 1953, no. 544, pp. 1, 4. This echoes similar sentiments Cabot expressed about the underlying social conditions in Argentina. Quoted in Glenn J. Dorn, “Peron's Gambit: The United States and the Argentine Challenge to the Inter-American Order, 1946-1948,” in *Diplomatic History* 26 (Winter 2002), note 28.

⁵⁴ From a 1969 interview with an unnamed MNR official quoted in Blasier, *The Hovering Giant*, p. 135.

⁵⁵ Memorandum from Dwight Eisenhower to Milton Eisenhower, 31 October, 1953, DDEL, Eisenhower, Dwight D., Papers as President, Ann Whitman File, Name Series, Box 12, Eisenhower, Milton, 1952 through 1953 (3).

the strong nationalistic sentiments common to all segments of the MNR.”⁵⁶ Though Milton Eisenhower had cautioned against the excesses of extreme nationalism, he also advised that regional nationalists had positive contributions to make. This force could be used to further “general adherence, even devotion, to the guiding principles of inter-American conduct.”⁵⁷

Milton Eisenhower’s reference to the role of nationalism within the inter-American system demonstrates the core of the MNR’s appeal, and it was here that Bolivian diplomacy secured American assistance and friendship for the long haul. Bolivian diplomats, most notably Andrade, perceived there were issues beyond Cold War anticommunism and exclusion of the Soviet Union that could attract American diplomatic and financial support.

Andrade's account of Eisenhower's state of the union address in 1954, which had focused on U.S. attitudes towards communism, also identified other more important factors independent of the anticommunist crusade in securing U.S. aid. Andrade wrote to foreign Minister Walter Guevara:

From our point of view, and aligning with our interests, there are certain indications that the president is thinking of continuing his policy of cooperation... The phrase of highest importance [was] 'the policy of friendship and mutual cooperation with all our American neighbors is a foundation stone of the foreign policy of the United States.'⁵⁸

Andrade felt that this sentiment, coupled with stated a desire to promote technical aid and Eisenhower's reference to using agricultural surpluses to support countries in “crisis situations,”

⁵⁶ OCB “Analysis of Internal Security Situation in Bolivia and Recommended Action,” 21 December 1955, DDEL, White House Office, National Security Council Staff: Papers 1948-61, Box 24, OCB 091.Bolivia(2) [June 1955-December 1956], p. 7.

⁵⁷ Press release for Milton Eisenhower’s “Report to The President on U.S.-Latin American relations,” Memorandum from James Hagerty to Milton Eisenhower, 19 November, 1953,” DDEL, Eisenhower, Dwight D.: Papers as President (Ann Whitman File), Name Series, Box 13, Eisenhower, Milton, So. Am. Rpt., 1953 (3), pp. 3, 5.

⁵⁸ Letter from Andrade to Guevara, 7 January 1954. Papers of Walter Guevara Arze, Box 9, Folder: Estados Unidos, Archivo y Biblioteca Nacional de Bolivia.

meant that Bolivia could expect further aid from the United States. Furthermore, Andrade's emphasis on Eisenhower's need for "congressional authorization" seems to suggest he understood the U.S. political context in a similar way to Eisenhower and his State Department.⁵⁹ Both Andrade and Eisenhower appreciated that the political climate in the United States demanded the framing of foreign aid policy as crisis management and therefore essentially short term.

But it was Andrade's speech at Denison University which perhaps most eloquently laid out his appreciation of alternative dynamics at work that would allow his government to appeal to US policymakers. Andrade called for the "unity of the hemisphere" in working towards a "constructive nationalism" that would follow the MNR's lead and "destroy reactionary forces." Citing "the importance of the inter-American system," as well as the growth of nationalism in the region, Andrade felt that Latin Americans would "have to help support the United States in the role of leader that destiny has imposed upon it." He added "this is why South Americans will have to talk about the foreign policy of the United States as if it were their own." Whilst the destiny of civilization seemed to ride upon this commitment, it also suggested a level of reciprocity from the United States.⁶⁰ In private, while he emphasized the necessity of towing the line with American foreign policy, he also admitted that Bolivia had been able to push the boundaries of acceptable behavior and acquiescence to U.S. foreign policy, particularly the Cold War agenda.⁶¹

⁵⁹ For more on the administration's difficulties with Congress, see chapter 6.

⁶⁰ *La Nación*, 15 December 1953, p. 5.

⁶¹ Letter from Andrade to Guevara, 28 December 1955, Papers of Walter Guevara Arze, Box 9, Folder: Correspondencia Estados Unidos-Bolivia, Archivo y Biblioteca Nacional de Bolivia.

Such a posture from the Bolivian government explains how it came to be accepted and embraced by the Eisenhower administration. Andrade, Guevara and the MNR leadership worked hard to emphasize the potential for the U.S. in supporting a popular nationalist revolution that, though infused with domestic Marxism and anti-imperialism, could still work in partnership with the U.S. on the international stage. Bolivia would furthermore serve as an example of the benefits of cooperation with the United States in nations seeking to modernize and develop their economies. Bolivians demonstrated this on numerous occasions, but always seemed to manage to preserve a surprising degree of independence while doing so. Bolivia's stance at the Caracas conference saw it ambivalently accepting the U.S. resolution on communism whilst still articulating an independent line on land reform.⁶² Accepting the label of “anticommunism” whilst doing little in practice to further the cause did not stop the administration from deepening its rhetorical and financial commitment to Bolivia. And as chapter six will show, the MNR managed to accept the need for compensation for nationalized mines while failing to provide it, and embracing the need for private capital investment whilst cementing state control of the vast majority of the Bolivian economy backed by U.S. soft loans.

Eisenhower’s emotional outburst that the United States should “preach *ultra*-nationalism” to the Latin Americans raised some eyebrows at the 19 June, 1958 meeting of the NSC.⁶³ John Foster Dulles and Allen Dulles spoke later that day on the telephone, concurring that they “did

⁶² See chapter 5.

⁶³ Report on the 369th meeting of the NSC, June 19, 1958, p. 12. DDEL, Eisenhower, Dwight D.: Papers as President, 1953-1961 (Ann Whitman File), NSC Series, Box 10, 369th Meeting of NSC, June 19, 1958. [emphasis added].

not agree on what the pres[ident] said on [ultra-]nationalism.”⁶⁴ Though officials throughout the administration recognised the importance of nationalism and the desirability of co-opting it, they were not prepared to accept political movements that were overtly challenging the United States and its desire to determine the bounds of acceptable behaviour within bilateral relations and the inter-American system.⁶⁵ Thus “ultra-nationalism” was actually referred to with much disdain and hostility by policymakers at times, when they used it to refer to the passionate anti-Americanism that often accompanied calls for greater national autonomy. Milton Eisenhower described the force as “a major retrogressive influence...with its blindness to true long-term interests” and resisted the president’s suggestion that his report’s “paragraph on ultra-nationalism” be omitted, because “nationalistic laws of several countries are proving to be a serious deterrent to the flow of private capital.”⁶⁶ Henry Holland too was highly critical of “extreme nationalism,” and the USIA felt it to be “inimical to US interests, along with neutralism, totalitarianism and racialism.”⁶⁷ Underlying these concerns was the potential for the

⁶⁴ Memorandum of Telephone Conversation between John Foster Dulles and Allen Dulles, June 19, 1958. DDEL, Papers of John Foster Dulles, Telephone calls series, Box 8, Memoranda of Telephone Conversations-Gen. June 2, 1958 to July 31, 1958 (5).

⁶⁵ The NSC highlighted the bad reputation of “ultra-nationalism,” and claimed that it was often mistakenly equated with Peronism or anti-americanism. Report by Walter Bedell Smith to President Eisenhower, July 23, 1953, “NSC Progress Report by the Undersecretary of State on the Implementation of United States Objectives and Courses of Action with Respect to Latin America. (NSC 144/1),” DDEL, White House Office, Office of the Special Assistant for National Security Affairs: Records, 1952-61, NSC Series, Policy Papers Subseries, Box 4, NSC 144/ (1), pp. 11, 13.

⁶⁶ Milton Eisenhower, “Report to The President on U.S.-Latin American relations,” 19 November, 1953,” DDEL, Eisenhower, Dwight D.: Papers as President (Ann Whitman File), Name Series, Box 13, Eisenhower, Milton, So. Am. Rpt., 1953 (3), p. 3; Memorandum from Milton Eisenhower to Dwight Eisenhower, November 5, 1953, DDEL, Eisenhower, Dwight D., Papers as President, Ann Whitman File, Name Series, Box 12, Eisenhower, Milton, 1952 through 1953 (2).

⁶⁷ Memorandum from Henry Holland to John Foster Dulles, 28 August, 1956, Papers of John Foster Dulles, 1951-59, Subject Series, Box 5, Holland Material on Foreign Policy Issue in 1956 Campaign; USIA policy paper, 15 January 1954, p. 4. DDEL, White House Office, National Security Council Staff: Papers, 1948-1961. OCB Central File Series, Box 70, OCB 091.4, Ideological Programs (File#1) (1) Dec 1953-Dec 1954.. “to weaken objectively the

Soviets to exploit independent ultra-nationalism for their own designs, undermining the United States.

The key to understanding Eisenhower's seemingly incongruous outburst was his insistence that "the goals of their [Latin Americans'] nationalism can only be achieved in conjunction with us." Though he saw nationalism, even "ultra-nationalism," as a potential asset in America's quest for global strength, nationalists could not be allowed to pursue independent goals to the point of challenging U.S. national interests. When the United States deemed its interests were at risk, all rhetoric surrounding the inter-American system, non-intervention and embracing change and progress to combat radicalism was quickly set aside.⁶⁸ Policy towards Guatemala served as a prime example: policymakers recognised the destabilising impact of their interventionism, but felt that the U.S.' "purpose should be to arrest the development of irresponsibility and extreme nationalism" and their proponents' "belief in their immunity from the exercise of United States power."⁶⁹ To the CIA, if the Guatemalans were "unhappy about being in the US sphere of influence, they might be reminded that the US is the most generous and tolerant taskmaster going, that cooperating with it is studded with material rewards, and that the US permits much more sovereignty and independence in its sphere than the Soviets."⁷⁰ Demonstrating this

intellectual appeal of other doctrines which may be hostile or inimical to American or free world objectives, e.g. extreme nationalism, neutralism, racialism and other aspects of residual totalitarianism"

⁶⁸ Rabe, *Eisenhower and Latin America*, p. 42; Blasier, *The Hovering Giant*, p. 232.

⁶⁹ "A Report to the National Security Council on United States Objectives and Courses of Action with Respect to Latin America. (Annex to NSC)," Report forwarded by Lay to President Eisenhower, March 6, 1953, p. 10. White House Office, Office of the Special Assistant for National Security Affairs: Records, 1952-61, NSC Series, Policy Papers Subseries, Box 4, NSC 144 (2). For appreciations of damaging interventionism, see Memorandum from Louis Halle, Jr. (Policy Planning Staff) to Bowie (Director of Policy Planning Staff), 28 May, 1954, *FRUS, 1952-54, vol. 4*, pp. 1148-9; NIE-80-54, August 24, 1954, *FRUS, 1952-54, vol. 4*, p. 389.

⁷⁰ Quoted in Westad, *The Global Cold War*, p. 148; Nick Cullather, *Secret History: The CIA's Classified Account of its Operations in Guatemala, 1952-1954* (Stanford: Stanford University Press, 1999), p. 69.

benevolent hegemony was something the administration tried to demonstrate in post-Arbenz Guatemala, and it was also a key component of Bolivia policy.

Andrade's rhetoric on the necessity for "constructive nationalism" to work in concert with the U.S. and its regional system meshed tightly with ideas that held significant currency in the foreign policymaking bureaucracy and at the highest levels of the Eisenhower administration: the importance of nationalism and the necessity for the United States to strengthen its leadership of the "inter-American system."⁷¹ The administration's acceptance of the MNR was not a pragmatic acknowledgement of its effective anticommunism at home, as others have argued, but a recognition that its domestic politics were not of concern as long as compliance with the inter-American system was ensured.

The "inter-American system"

When Eisenhower entered the White House, his administration inherited a policy priority in Latin America: retaining its effective hegemonic presence in the region. Latin American nationalism presented itself as a dynamic force which had the potential to wreak havoc on what policymakers and officials dubbed the "regional," "hemispheric" or "inter-American system." Policymakers described this system principally as a cooperative diplomatic system, formalized in the OAS, to further U.S. foreign policy concerns, such as the exclusion of the Soviet Union and its agents from the hemisphere. Though bolstering the system's effectiveness took on added significance in the face of growing global competition with the Soviet Union, this system of U.S. regional dominance was valued by policymakers, irrespective of the existence of superpower

⁷¹ The support of "constructive nationalist and reformist movements" was a key goal set out in NSC 5501 concerning basic national security policy, issued on 7 January 1955. *FRUS 1955-57* vol. 19, (Washington DC: Government printing office, 1990) pp. 24-38, quoted in Robert Raskove, *Kennedy, Johnson and the Non-Aligned World* (Cambridge, Cambridge University Press, 2012), pp. 3-4.

conflict. Not only did U.S. officials demand close cooperation and loyalty from fellow American states, they also saw such cooperative relationships as a vehicle to propagate their values and their vision for development and political stability. Such developments would, they believed, provide for more stable allies in a country and a region that often seemed synonymous with political instability, economic weakness and hence unreliability.

On 18 March, 1953 the NSC drafted a paper on the new administration's Latin America policy: NSC 144/1. Though anticommunist concerns certainly pervade the document, to describe its analysis as "solely" within the Cold War framework is misleading.⁷² After a short preamble outlining the rise of regional nationalism and its accompanying calls for "immediate improvement" in living standards, the document sets out general regional objectives:

- a) Hemisphere solidarity in support of our world policies, particularly in the UN and other international organizations.
- b) An orderly political and economic development in Latin America so that states in the area will be more effective members of the hemisphere system and increasingly important participants in the economic and political affairs of the free world.⁷³

The paper goes on to mention anticommunist and military concerns, and opposition to communist influence in the hemisphere certainly pervades it. But the fact that the first two objectives listed fit within wider regional goals seems significant, and belies the blanket assertion that the United States was "solely" concerned with confronting the Soviet Union in Latin

⁷² The document is given significant attention by Stephen Rabe, who underplays the significance of its calls for economic development in Latin America. Rabe, citing Walter Bedell Smith, concludes that NSC144/1 represented a "shotgun approach" that interpreted U.S.-Latin American relations "solely within the context of the Soviet-American confrontation." Stephen Rabe, "Dulles, Latin America and Cold War Anticommunism" in Richard H. Immerman (ed.), *John Foster Dulles and the Diplomacy of the Cold War*, (Princeton: Princeton University Press, 1990), p. 162. For references to economic development, see "Statement of Policy by the NSC" (NSC 144/1), March 18, 1953, *FRUS, 1952-54, vol. 4*, pp. 6, 8, 9.

⁷³ "Statement of Policy by the NSC" (NSC 144/1), March 18, 1953, *FRUS, 1952-54, vol. 4*, pp. 6-7.

America. The main policy goal of “hemisphere solidarity” was repeated in every declaration of policy objectives for the region issued by the administration.⁷⁴

NSC 144/1 concluded that, rather than a “disastrous...Policy of compulsion” or a “Policy of detachment,” the US should pursue a “Policy of cooperation.” This cooperative stance would help “to create a true hemisphere community, each nation contributing to the whole the best of its ability. At first, U.S. assistance would be required; later each country could do its full share and also assist the U.S.”⁷⁵

This desire to maintain U.S. hegemony was an agenda that both pre-dated and outlived the Cold War. As Eisenhower himself declared to his brother Milton, in South America he wanted “to establish a healthy relationship that will be characterized by mutual cooperation and which will permanently endure. This will apply whether or not the Communist menace seems to increase or decrease in intensity.” In Eisenhower’s eyes, South America was not “directly open to assault” from international communism. This contrasted with the situation in Asia, where Eisenhower argued the United States was “largely concerned with meeting a crisis...[if] the Communist menace should recede in the area, we would consider ourselves still friendly, but we would feel largely relieved of any obligation to help them economically or militarily.”⁷⁶

⁷⁴ NSC 144/1, March 18, 1953, *FRUS, 1952-54, vol. 4*, pp. 6-7; NSC 5432/1, April 6, 1956, p.3, White House Office, National Security Council Staff: Papers, 1948-1961, OCB Central File Series, Box 24, OCB 091.Latin America (File#6) (7); “Outline of Plan of Operations against Communism in Latin America,” April 18, 1956 (referencing NSC 5432/1 of November 16, 1954), *FRUS, 1955-57, vol. 6*, pp. 66-67, 75; “Statement of U.S. Policy Toward Latin America,” NSC 5902/1, February 16, 1959, Annex B, *FRUS, 1958-1960, vol. 5, American Republics*, p. 121.

⁷⁵ Report forwarded by James Lay, Executive Secretary, to President Eisenhower, 6 March, 1953, “A Report to the National Security Council on United States Objectives and Courses of Action with Respect to Latin America. (Annex to NSC),” White House Office, Office of the Special Assistant for National Security Affairs: Records, 1952-61, NSC Series, Policy Papers Subseries, Box 4, NSC 144 (2), p. 10.

⁷⁶ Letter from Dwight Eisenhower to Milton Eisenhower, 1 December, 1954. DDEL, Eisenhower, Dwight D.: Papers as President, Ann Whitman File, DDE Diary Series, Box 8, December 1954 (2). Also quoted in Siekmeier, *Aid, Nationalism and Inter-American Relations*.

In this analysis, Eisenhower displayed an affinity for the idea that America's neighbours to the south occupied a special place in U.S. foreign policy, for their strategic location, strong economic ties to North America, supply of raw materials, and perceived "common values" with the United States.⁷⁷ Latin America also provided a useful political bloc at the UN, though Washington continued to hold that the regional organization of the OAS took precedence over the UN when seeking to pass an anticommunist resolution that served as a de facto mandate to intervene in Guatemala.⁷⁸ Various analyses of regional policy emphasise that attracting regional loyalties was crucial to reinforcing U.S. hegemony.⁷⁹ The Randall Commission's study of economic foreign policy concluded that "the inter-American system" was "one of the main achievements of American policy." According to its analysis, "effective support of the system" and ensuring "adherence to it" was a "continuing objective of U.S. policy" that "constitute[d] one of our major political commitments."⁸⁰

⁷⁷ Thomas Patrick Maleady, "A Review of Inter-American Economic Relations," *The Americas*, Vol. 12, No. 3. (January, 1956), pp. 285-298. For references to common values, see Milton Eisenhower interviewed by John Luter, 21 June, 1967, Columbia University Oral History Project, Dwight D. Eisenhower Library, Abilene, Kansas, OH-292, p. 5 (hereafter DDEL); John Moors Cabot, "Inter-American Cooperation and Solidarity," *Department of State Bulletin*, volume 29, October 26, (1953), p. 555; Dwight Eisenhower, speech to the Pan-American Union, 12 April, 1953, DDEL, Eisenhower, Dwight D.: Papers as President (Ann Whitman File), Name Series, Box 12, Eisenhower, Milton 1952 Through 1953 (2); Milton Eisenhower, "Report to The President on U.S.-Latin American relations," 19 November, 1953," DDEL, Eisenhower, Dwight D.: Papers as President (Ann Whitman File), Name Series, Box 13, Eisenhower, Milton, So. Am. Rpt., 1953 (3), p. 3.

⁷⁸ Dulles felt that "developing a more effective and useful Organization of American States" would "have repercussions not only through this hemisphere but also throughout the world." Memorandum from John Foster Dulles to Eisenhower, DDEL, Eisenhower, Dwight d.: Papers as President (Ann Whitman File), Dulles-Herter Series, Box 7, Dulles, John Foster, Sept. '56 (2). Memcon Dulles, Barrau, Andrade, Terry B. Sanders (Acting Director OSA) 3 October 1957, NA RG 59, Box 4278, 824.25/10-357.

⁷⁹See "Statement of Policy on U.S. Policy toward Latin America," (NSC 5631/1), September 25, 1956, *FRUS, 1955-57, vol. 6*, p. 122. The Randall Commission also described Latin America as a useful "psychological" and "political" resource. "A Study of U.S. Problems and Policy Toward Latin America," 14 October, 1953, Section II, Part I, p. 8. DDEL, Commission on Foreign Economic Policy: Records, 1953-1954 (Randall Commission), Dr. Mikesell's Work [Foreign Investments], Box 59, Studies- Study of U.S. Problems and Policy Toward Latin America.

⁸⁰ "A Study of U.S. Problems and Policy Toward Latin America," 14 October, 1953, Section I, Part II, p. 1. DDEL, Commission on Foreign Economic Policy: Records, 1953-1954 (Randall Commission), Dr. Mikesell's Work [Foreign Investments], Box 59, Studies- Study of U.S. Problems and Policy Toward Latin America.

Policymakers perceived that the strength of the U.S.' special "healthy relationship" with Latin America was under threat in the 1950s, not just from communism but also from nationalism.⁸¹ In fact, Eisenhower felt that "world Communism is *taking advantage* of that spirit of nationalism," and the NSC believed that the "growth of nationalism is facilitated by historic anti-U.S. prejudices and *exploited* by Communists."⁸² After the disastrous Nixon visit to Latin America in 1958, even Allen Dulles conceded that "there would be trouble in Latin America even if there were no Communists."⁸³ Undersecretary of State C. Douglas Dillon agreed, arguing that "our foreign aid programs would exist even if Lenin had never been born."⁸⁴ Latin American nationalism was, in these renditions, a more fundamental cause of friction that was exacerbated by communists, not caused by them. These concerns were voiced well before the dramatic attacks on Nixon across the region in 1958, which seemed to some observers to be the catalyst for greater U.S. investment in Latin America.⁸⁵ Eisenhower felt from the beginning that this

The Randall Commission on foreign economic policy advised the United States had to "foster economic conditions which will contribute to the strategic strength, political stability, and pro-US orientation of this area." "A Study of U.S. Problems and Policy Toward Latin America," 14 October, 1953, Section IV, Part I, p. 1. DDEL, Commission on Foreign Economic Policy: Records, 1953-1954 (Randall Commission), Dr. Mikesell's Work [Foreign Investments], Box 59, Studies- Study of U.S. Problems and Policy Toward Latin America.

⁸¹ Letter from Dwight Eisenhower to Milton Eisenhower, 1 December, 1954. DDEL, Eisenhower, Dwight D.: Papers as President (Ann Whitman File), DDE Diary Series, Box 8, December 1954 (2).

⁸² Emphases added. Diary entry, January 6, 1953. Eisenhower, Dwight D., Diaries 1935-38, 1942, 1948-53, 1966, 1968, 1969, Eisenhower, Dwight D.: Diaries, Dec. 52--8/19/53 (4); "A Report to the National Security Council on United States Objectives and Courses of Action with Respect to Latin America (Annex to NSC 144)," forwarded by Lay to President Eisenhower, March 18, 1953, p.1. DDEL, White House Office, Office of the Special Assistant for National Security Affairs: Records, 1952-61, NSC Series, Policy Papers Subseries, Box 4, NSC 144 (2).

⁸³ Memorandum of Telephone Conversation between John Foster Dulles and Allen Dulles, June 19, 1958. DDEL, Papers of John Foster Dulles, Telephone calls series, Box 8, Memoranda of Telephone Conversations-Gen. June 2, 1958 to July 31, 1958 (5).

⁸⁴ C. Douglas Dillon, "The Challenge of Economic Growth in the Free World," *Department of State Bulletin*, vol. 40, (1959), p. 956.

⁸⁵ Eisenhower told John Foster Dulles in December, 1957, that a visit to South America was "urgently" needed, even suggesting that he himself take part. John Foster Dulles agreed there was a "real need" for the United States to assuage regional concerns. See memorandum from Eisenhower to John Foster Dulles, 31 December, 1957. DDEL, Eisenhower, Dwight D.: Papers as President (Ann Whitman File), Dulles-Herter Series, Box 9. For a view of the

challenge had to be met by appealing to nationalists, even the MNR's "ultra" or "intense nationalism." Though potentially dangerous and volatile, U.S. policymakers were ready to sympathize with and co-opt such movements as long as they were willing to submit to U.S. patronage and pay symbolic deference to its diplomatic concerns.

The idea that Bolivia might serve as an example to the region of U.S. benevolence was not just an afterthought or a rationalization for other calculations; it won converts in the U.S. press and within Bolivia. Andrade clearly believed this was an important part of how U.S. support was conceived and defended by the administration, and MNR diplomats noted with pleasure that U.S. journalists and academics believed that Bolivia was "the United States' answer to the charge" that "the US was considerably less opposed to totalitarianism on the right than communism."⁸⁶

The MNR's usefulness for promoting inter-American cohesion was of particular relevance for the administration at a time when the regional system was under increasing strain. The post-war hope of progressive Latin Americans that liberal democracies would spread faded as dictatorships seized power at the expense of leftist, nationalist and democratic regimes in Cuba (1952), Venezuela (1952), and Guatemala (1954). All three replacement leaders, Fulgencio Batista, Marcos Pérez Jiménez and Castillo Armas, were given U.S. political support and military aid. The shift towards support of dictatorships was calculated to strengthen pro-U.S.,

U.S. reacting belatedly to Latin American nationalism, see Rabe, *Eisenhower and Latin America*, pp. 100, 134. Burton Kaufman sees strands of this policy shift developing earlier in the administration, around 1955-56. Burton I. Kaufman, *Trade and Aid: Eisenhower's Foreign Economic Policy, 1953-1961* (Baltimore: Johns Hopkins University Press, 1982).

⁸⁶Alexander, Andrade *My Missions for Revolutionary Bolivia*, Letter from Renán Castrillo to Guevara, 4 May 1954. Papers of Walter Guevara Arze, Box 9, Folder: Correspondencia Estados Unidos-Bolivia, Archivo y Biblioteca Nacional de Bolivia.

anti-communist regimes. As John Foster Dulles commented publically, Latin American dictators were “the only people we can depend on.”⁸⁷

The image created by Dulles’ statement or Pérez Jiménez receiving the Medal of Honor also caused disquiet amongst administration officials.⁸⁸ Policymakers worried about their pro-dictatorship image in Latin America and raised the problem repeatedly in NSC meetings and reports, often tinged with frustration that Latin Americans also demanded observance of non-intervention by the United States.⁸⁹ It seemed Bolivia policy could be useful in countering charges that the United States supported regional dictatorships and opposed reformists. To State Department officials, the Bolivian revolution presented the United States with “an opportunity for possible successful cooperation with a popular government, as distinguished from various dictatorial governments which we are accused of favoring.”⁹⁰ This argument was echoed more forcefully by the Embassy in a message to the State Department five days later:

The Bolivian situation presents a sharp choice...between support of a clearly nationalist, home-grown force determined to pull the nation out of its feudal condition or benevolence toward an old and brutal power structure that has kept the country in that condition.⁹¹

⁸⁷Westad, *The Global Cold War*, p. 148.

⁸⁸ Smith, *Talons of the Eagle*, p. 131.

⁸⁹ Milton Eisenhower was “deeply disturbed” by the charge that the United States supported dictators. Milton Eisenhower’s Report to the President, 27 December, 1958, p. 5. DDEL, Milton Eisenhower Papers, 1938-1973, Box 7, US-Latin American Relations; “Third Progress Report on NSC 144/1, United States Objectives and courses of Action with Regard to Latin America,” Report from OCB to NSC (via Staats), 28 May, 1954, p. 6. DDEL, White House Office, NSC Staff Papers, 1948-61, OCB Central File Series, Box 72, OCB91.4 Latin America (File#1) (5), p. 11; NIE-80-54, August 24, 1954, State Department paper on the “Tenth Inter-American Conference, March 1954,” *FRUS, 1952-54, vol. 4*, pp. 381-2, 389.

⁹⁰ Office memo, Hudson to Atwood, 30 April 1953, NA, RG 59, Box 4607, 824.00/4-3053. The economic situation in Bolivia combined with the reality that the support of the United States was the only viable way to obtain substantial and stable aid. These facts defined the U.S.-Bolivian relationship, a view that is supported by James Siekmeier, Stephen Zunes and Rebecca Scott.

⁹¹ Though the State Department felt the analysis to be somewhat hyperbolic, it was not rejected in substance. Quoted in Lehman, “Braked but not Broken,” in Grindle and Domingo (eds.), *Proclaiming Revolution*, p. 102

John Foster Dulles argued that holding back aid to Bolivia would have been interpreted as punishment of the revolution for nationalizing the tin mines. Dulles felt the threat “to the United States position in the Western Hemisphere which would be posed by the spectacle of United States indifference to the fate of another member of the Inter-American community” was significant and should be strenuously avoided.⁹² The revolution had already, as the State Department noted, “attracted the sympathetic attention of many of her Latin American neighbors, and any collapse in Bolivia would be widely believed to be the result of pressure by ‘American Imperialism.’” This would cause a “very dangerous current propaganda situation, and one very dangerous for our future Latin American relations.”⁹³

Such an image of U.S. hegemonic beneficence at work in Bolivia became almost cliché throughout the foreign policymaking apparatus. In 1959, the intelligence community described U.S. policies in Bolivia as having “sought to demonstrate that people in social revolutions can make effective gains through cooperation with the U.S.”⁹⁴ The idea that Bolivia might serve as an example to the region won converts amongst academics who advised on policy like Robert Alexander and Carter Goodrich. Victor Andrade also believed that aid to Bolivia had been designed to improve Eisenhower’s image as “a reactionary, inflexible Republican” and prove he “could support a revolution” that challenged a traditional Latin American oligarchy.⁹⁵

⁹² Memorandum from John Foster Dulles to Foreign Operations Administration Director Harold Stassen, September 2, 1953, *FRUS, 1952-54, vol.4*, p 535.

⁹³ “Premises on the Bolivia Problem,” Memorandum from Hudson to Atwood, 30 April 1953, NA, RG 59, Box 4607, 824.00/4-3053.

⁹⁴ “Summary and Policy Review of Bolivia, May 7, 1959 (SNIE-92-59),” NA, Lot Files, LOT 62 D 429.

⁹⁵ Blasier, *The Hovering Giant*, p. 136.

The administration's attempt to seize this opportunity therefore undermines the argument that "questioning the rule of elites would only," in the minds of Washington officials, "destabilize Latin America and make it harder to foster an inter-American system."⁹⁶ In fact, the administration recognized that the inter-American system's continued appeal depended on attracting exactly these kinds of nationalist, reformist and moderate movements. John Moors Cabot, Milton Eisenhower, William Hudson and the Embassy staff all argued that Bolivia could demonstrate that the United States was not a reactionary punisher of nationalism, as it appeared in Vietnam, Iran and Central America.⁹⁷

Milton Eisenhower believed that "rapid peaceful social change," as advocated by the MNR, was "the only way to avert violent revolution in Bolivia," which might very well have given "the Communists control."⁹⁸ Cabot argued that technical assistance programs demonstrated that "we do value [Bolivia's] friendship," and "want them to rise in the constellation of nations." They also showed "the ignorant peon that communist propaganda is clap-trap and that democracy is the path of progress for the great mass of humanity."⁹⁹ These policymakers framed the stakes of Bolivia policy within the Cold War struggle with communist ideology, in the broadest possible terms of 'long-haul' ideological struggle with the Soviet Union. This framing was unavoidable given the wider political, and indeed strategic context of the 1950s. But the fact that the Cold

⁹⁶ Siekmeier, *Aid, Nationalism and Inter-American Relations*, p. 208. This description of U.S. support for Latin American anticommunist dictatorships over more popular leftist forces is echoed in Westad's, Smith's and Rabe's analyses. Westad, *The Global Cold War*, p. 148; Smith, *Talons of the Eagle*, p. 1; Rabe, *Eisenhower and Latin America*, p. 84.

⁹⁷ Premises on "Bolivian problem," Memorandum from Hudson to Atwood, 30 April 1953 NA, RG 59, Box 4670, 824.00/4-3053.

⁹⁸ Milton Eisenhower, *The Wine is Bitter*, pp. 67-68.

⁹⁹ DDEL, Cabot, John Moors, Papers, 1929-78, Microfilm reel 15, frame 00777 "Conference on U.S. Foreign Policy," Memorandum to Mr. Friedman, 4 June, 1953, p. 20.

War context permeated foreign policy and domestic politics should not obscure how other agendas, such as maintaining U.S. hegemony in the Americas and placing the United States in the right side of history vis-à-vis third world nationalism and development, did not depend necessarily upon that Cold War competition. Moreover, the Cold War context most certainly did not mean that U.S. policy shied away from revolutionary change and the rhetoric of the left due to an *a priori* fear of global communist conspiracy.

Similar to policy justifications using a Cold War lexicon, language emphasizing MNR moderation helped smooth the way toward greater support of the Bolivian government. But this emphasis on moderation also masked the revolutionary potential that observers in Foggy Bottom and the U.S. embassy in La Paz noted with excitement as a potential boon the future of Bolivia and a U.S.-Bolivian partnership.

By supporting the MNR, the administration would show the United States could not only accept a reformist regime that was both nationalist and leftist, but could also bring real benefits to other developing nations if they were willing to follow Bolivia's example of pro-U.S. nationalism. This was intended to attract the interest and sympathy of other Latin American nations, which would guide them towards similar friendship towards the United States and desire for foreign capital, thus cementing the inter-American system and ushering in what Milton Eisenhower described as a “new era of Pan-American dynamism.”¹⁰⁰

Conclusion

¹⁰⁰ Milton Eisenhower, “A Frank Talk with Latin Americans for Life,” 6 October, 1958, p. 29. DDEL, Milton Eisenhower Papers, 1938-1973, Box 6. This is also what Robert Alexander argued in his early account of U.S. policy in Bolivia. Alexander, *The Bolivian National Revolution*, p. 260.

The MNR, despite possessing dedicated enemies and seeming in many ways similar to the agrarian reformers and Marxist collectivizers in the Arbenz government, avoided attracting U.S. reactionary opposition. Amidst the early turmoil of the Cold War, and with McCarthyism raging at home, U.S. officials sought to shore up their position in Bolivia by backing a regime that seemed the most stable and pro-U.S. for the foreseeable future. U.S. officials saw the source of that stability as rooted not in the MNR's essential conservatism, but in its ambitious program to transform a country that had witnessed more governments than years of existence. Bolivian diplomats helped create the impression in Washington that their government was led by popular revolutionaries seeking to transform Bolivia's fortunes whilst orientating its foreign policy towards Washington. Bolivian diplomats were ultimately successful because they demonstrated the profound nature of their revolution and their genuine nationalism to their U.S. counterparts. U.S. officials, eager to exploit the emerging force of third world nationalism and employ it to *strengthen* the inter-American system, were gratified to hear their own ideals and sense of purpose reflected back at them.

The Bolivian revolution demonstrates that U.S. hegemony was flexible enough to incorporate a movement that consciously identified itself as inspired by Marxist ideology and Guatemalan land reform, as long as its leaders identified their revolution with the United States and its leadership of the hemisphere by symbolically accepting the anticommunist resolution at Caracas, the principle of compensation for expropriated properties and the desirability of seeking U.S. assistance in developing its economy. The fact that such a partnership was so rare is a testament to the United States' history of intervention and interference in Latin American affairs, making leftist movements reluctant if not overtly hostile to the notion of cooperation with such politically toxic interference.

Chapter 5

Guatemala: Testing the limits of the inter-American system

The Eisenhower administration had proved to be remarkably flexible over Bolivia's behavior within the inter-American system, but its response to the Guatemalan revolution demonstrated the essential nature of that system. The Arbenz government defied the U.S. by openly defending the proliferation of communist ideas and communist politicians in positions of power, against Washington's explicit requests. This principled defiance continued long after the U.S. had decided Arbenz had to be removed, and if anything Guatemalan rhetoric started to intensify in the face of growing U.S. pressure. Arbenz welcomed communists into the governing coalition government in January 1953, and charged the U.S. with using anticommunist rhetoric to mask its economic imperialism on behalf of the interests of United Fruit, ironically confirming U.S. suspicions of communist influence in Guatemala in the process. Guatemala also cast the sole vote against an anti-communist resolution at the Organization of American States' conference in Caracas: a resolution widely understood to provide a veneer of legality to an impending U.S. intervention. Barely three months later, Castillo Armas would lead a small contingent of armed exiles to invade Guatemala, given final permission by the CIA after Guatemala had been caught attempting to buy arms from Czechoslovakia. The invasion was no military threat on its own, but its tacit support from the U.S. led the Guatemalan military to demand Arbenz' resignation, paving the way for Castillo Armas to take power and undo the reforms of the revolution.¹ The CIA marveled at its power, Guatemala quickly fell off of Washington's radar, and the country

¹ See Gliejeses, *Shattered Hope*, chapter 14.

returned to rule by a narrow set of economic and military elites who waged increasingly violent campaigns against the Guatemalan left for the remainder of the century. The democratic, redistributive and revolutionary hopes of the generation of 1944 had been shattered, and it would take until the 1990s and over 100,000 lives before the civil war born of the political conflicts fueled by the U.S. intervention would move towards resolution.²

Or so the story goes. Yet this well-known narrative overlooks some important truths about U.S. policy towards Guatemala, whilst also demonstrating an important difference between the diplomatic positioning of Bolivia and Guatemala vis-à-vis their powerful Northern neighbor and its broader hemispheric agenda. The Arbenz government's crime in the eyes of U.S. officials had its roots more in its uncompromising defiance of Washington and its vision of the inter-American system, and less in preoccupation with the Cold War and dogmatic anticommunism. By examining the Caracas conference through the eyes of Bolivian diplomats, it becomes clear how the MNR government's approach to the United States was fundamentally different from Guatemala's, even as the MNR embraced common cause with the Arbenz government on land reform and expressed no small degree of skepticism regarding U.S. aims at Caracas.

Furthermore, contrary to the charges of the Arbenz government and many historians, U.S. officials did not understand their role in promoting the Castillo Armas regime as meaning they supported the forces of reaction. Nor did they view his regime as merely a tool to secure a climate suitable for foreign capital investment.³ The Eisenhower administration, State

² For death toll of Guatemalan civil war, see Charles Brockett, "An Illusion of Omnipotence: U.S. Policy toward Guatemala, 1954-1960," *Latin American Politics and Society*, Vol. 44, No. 1 (Spring, 2002), p. 92. See also Richard Immerman, *The CIA in Guatemala: The Foreign Policy of Intervention* (Austin: University of Texas Press, 1982); Cullather, Nick. *Secret History: The CIA's Classified Account of its Operations in Guatemala, 1952-1954* (Stanford: Stanford University Press, 1999).

³ James F. Siekmeier, *Aid, Nationalism and Inter-American Relations: Guatemala, Bolivia and the United States, 1945-1961*. Lewiston, NY: Edwin Mellen Press, 1999 p. 345.

department and Congress, did not demand a return to business as usual. They recognized the importance of Guatemalan nationalism, indeed “leftist nationalism,” and sought to yoke these important political forces to the now more compliant Castillo Armas government. They continued to hold out hope that Castillo Armas could be a unifying, “middle of the road” nationalist who would modernize the Guatemalan economy whilst remaining respectful of U.S. hegemony, a role similar to the one that many U.S. officials had initially hoped that Arbenz might have played in 1950 or that presidents Paz and Siles would occupy in Bolivia.

Their hopes were spectacularly misconceived. Leftist nationalists would never forget the injustice of Arbenz’ downfall and the illegitimacy of the Castillo Armas presidency. Indeed, a young medical student who was in Guatemala City at the time of the Castillo Armas coup was so incensed by the U.S.’ actions that he dedicated his life to inspiring a new generation of left-wing revolutionaries. He sought to promote social justice whilst explicitly rejecting U.S. hegemony as an enemy of third world nationalism and better, fairer ways of organizing society. His name was Ernesto “Che” Guevara.

But despite Washington’s misconceptions that Arbenz’ non-communist allies could be won over to cooperate with Castillo Armas and a pro-U.S. government, such attitudes draw into focus the real nature of the inter-American system in the eyes of U.S. officials. They also bring into focus the real limits of that system. Understanding that vision helped Bolivia obtain U.S. support whilst still advocating for many of the same political projects that Arbenz had. It also refocuses our attention on Latin American diplomacy as an important influence in shaping U.S. policy and the nature of U.S. hegemony.

Arbenz comes to power: a “New Dealer” for Guatemala

In 1950 Colonel Jacobo Arbenz Guzman ran to succeed Juan José Arévalo as president of Guatemala and inheritor of the revolutionary legacy of 1944. Arévalo's program of "spiritual socialism" had also emphasized Guatemalan nationalism: what he would later define as "customs barriers, independent industry, protection of the native citizen, exaltation of creole life; and also just prices for raw materials...insistence on commercial equality, defense of our money, reciprocity, respect, dignity."⁴

By the late 1940s, Arévalo had already made important enemies. The United Fruit Company opposed his legislation on organized labor and road building campaigns as inimical to their rail monopoly and profit margins. And the Truman administration had become increasingly concerned by Arévalo's efforts to spread revolution by equipping and sheltering pro-democracy exiles attempting to overthrow dictatorships in Nicaragua and the Dominican Republic, in an effort U.S. journalists would label "the Caribbean Legion."⁵ The US State Department White Paper justifying the overthrow of the Guatemalan revolution years later would cite this "campaign of assassination" aided and abetted by Arévalo as justification for the overthrow of Arbenz.⁶ Guatemala had chosen an independent and destabilizing approach to inter-American affairs that was deeply troubling to the State Department. Furthermore, there were the inevitable aspersions cast about Arévalo's attitudes towards communism given his embrace of "socialism," spiritual or otherwise. Although the State Department complained about radical and communist

⁴ Piero Gleijeses, *Shattered Hope: The Guatemalan Revolution and the United States, 1944-1954* (Princeton: Princeton University Press, 1991), chapter 5, Siekmeier, *Aid, Nationalism and Inter-American Relations*, p. 6.

⁵ Piero Gleijeses, "Juan Jose Arévalo and the Caribbean Legion," *Journal of Latin American Studies*, Vol. 21, No. 1. (Feb., 1989), pp. 133-145.

⁶ Foreign Ministry Internal Memo circulating US White Paper on Guatemala, 14 May, 1954, p. 11. Papers of Walter Guevara Arze, Box 28, Guatemala Folder, Archivo y Biblioteca Nacional de Bolivia.

influence within the Guatemalan government, Arévalo had refused to remove these people from power.⁷

In 1950, Arévalo's term came to an end, and Guatemala held new presidential elections. The State Department reflected that “[f]or several years there has been developing in Guatemala a situation which the Department has viewed with concern. Excessive nationalism, manifested by a hostile attitude toward private U.S. companies” combined with “an enigmatic and crusading President” and communist penetration of government to cause friction in relations with the United States. “We could have been concerned with any tendency towards excessive nationalism in Guatemala,” the report continued, “but we are the more deeply concerned because the Communists have been able to distort this spirit to serve their own ends.”⁸ Much like Eisenhower, U.S. officials distinguished between ultra-nationalism and radical leftism, but worried that Arévalo's “excessive” and anti-American nationalism could be exploited by the communists.⁹

When considering Arévalo's potential successors, officials at the Embassy and State Department felt Colonel Arbenz a likely and not unwelcome prospect. A military figure committed to the Guatemalan nationalist revolution, there were initial hopes that he might prove more amenable to a rapprochement with Washington. U.S. diplomats welcomed Arbenz's apparent role in the banning of the Communist publication *Octubre*, and in causing Manuel Pinto Usaga and José Manuel Fortuny (“communists and outspoken enemies of the United States”) to resign from the Partido Acción Revolucionaria (PAR) in the run-up to the election. Embassy

⁷ Cullather, *Secret History*, p. 15.

⁸ Department of State, “Guatemala,” 2 May 1951, *FRUS, 1951*, vol. 2, pp.1415-16.

⁹ See chapter 4.

officials “believed that Arbenz insisted that campaign speeches be less anti-American and less pro-communist.” State Department bureaucrats at the Latin America desk argued that, with the transition of the 1950 elections “Guatemala is now beginning to take serious cognizance of the communist problem,” in part due to “Cuban and Costa Rican pressure... to dissociate [the] Government from the communists.”¹⁰

In a later cable, the Chargé of the Embassy Milton Wells argued that Washington could afford “restrained optimism as to the long range policies of the coming Arbenz regime.” Wells made allowances for Arbenz, arguing that Washington could not “logically” expect “effective steps toward curbing the influence of communists” given the immediate political climate and necessity for less divisive political stance going into an election.¹¹ But at heart, Wells judged Arbenz to be a “realist,” “rather than a devotee of ideological principles.”¹² Even as late as October 1952, a CIA report argued that Arbenz could still be convinced to cooperate with the United States: “although President Arbenz appears to collaborate with the Communists and extremists...he personally does not agree with the economic and political ideas of the Guatemalan or Soviet Communists.” Arbenz's ideas seemed to stem “from the US New Deal” and “FDR is his personal idol.”¹³

¹⁰ Memorandum from Mr. Clark (Office of Middle American Affairs) to Tapley Bennett (Deputy Director of the OSA) and Edward Miller (Undersecretary of State for Inter-American Affairs), 15 June 1950, NA Central Decimal File, RG 59, Box 3248, 714.001/6-150.

¹¹ Memorandum from Milton Wells (Charge d'affaires) to State Department, 15 November 1950, NA, Central Decimal File, RG 59, Box 3248, 714.001/11-1550.

¹² Milton Wells to State Department 15 November 1950, NA, 714.001/11-1550 Box 3248. See also, for similar sentiments, cable from Wells to State Department, 19 October 1950, NARA, CDF, RG 59, Box 3248 714.001/10-1950.

¹³ “Personal Political Orientation of President Arbenz,” CIA Information Report No. 00-B-57327, 10 October 1952, *FRUS 1952-54, Guatemala* (2003), pp.38-40. Arbenz also led “a strong national movement to free Guatemala from the military dictatorship, social backwardness, and 'economic colonialism'” according to “Present Political Situation

Arbenz's association with communism, clear and worrying to some in Congress, the State Department and the Press, was still unclear to many U.S. officials in the early 1950s. Undersecretary of State James E. Webb even went so far as to claim that there were "no communists in Guatemala" as Arbenz came to power.¹⁴ Like early analyses of Fidel Castro, the degree of communist influence on him and his government was unclear in the initial years to many in Washington: it was only *after* the U.S. attempted to overthrow these leaders using Cold War rationales that this narrative became entrenched and universally accepted in official thinking.¹⁵ But back during 1950-52, though Arbenz was denouncing domestic anticommunists and "foreign interests" (United Fruit), using similar rhetoric to the PGT, the Embassy also described Arbenz as advocating "capitalist" and "progressive" stances, and welcoming foreign capital.¹⁶

These analyses of Arbenz' tolerable, pragmatic non-communist leftism seem remarkably similar to rhetoric surrounding the Bolivian president, a figure who was initially much more worrying to US observers than Arbenz as president. Both had ideological affinity for Marxism, but the State Department emphasized that the MNR contained pro-capitalist and moderate inclinations also. Paz and fellow MNR leaders, like Arbenz, seemed to be "calculating and primarily interested in political survival." But unlike Arbenz, Paz had calculated that political

in Guatemala and Possible Development During 1952" NIE 62, 11 March 1952, *FRUS 1952-54*, vol. 4, (Washington DC: United States Government Press, 1983), p. 8.

¹⁴ Letter from Edward Clark to Milton Wells, NARA, CDF, RG 59, Box 3248, 714.001/6-1450.

¹⁵ Cabot's testimony to Congress in 1953 that "the [Guatemalan] President and the cabinet are not communist" became "the communist party actively controlled the presidential palace" in Mann's remembrance in 1968. Committee on Foreign Affairs, *The Middle East, Africa and Inter-American Affairs* vol 16 (Washington DC: US government printing office 1980), p. 426; Thomas Mann interview 23 February 1968 by Ed Edwin, p. 50, Eisenhower administration oral history project, Columbia University Rare Books and Manuscripts Library.

¹⁶ Memorandum from William Krieg (Depute Chief of Mission, Guatemala City) to State Department, 24 October 1951, NARA, CDF, RG 59, Box 3248 714.001/10-2451.

survival was “dependent upon economic survival, and economic survival is dependent on the United States. Hence, the foreseeable future for Bolivia in the eyes of practical politicians must be linked to the United States and not the Soviet Union.”¹⁷ Paz agreed with their analysis: arguing to a crowd of supporters in La Paz “we need dollars for our subsistence.”¹⁸

The similarities between the two movements did not end there. Both, channeling Marx, advocated land reform to transform their countries from the “feudal” to the “modern and capitalist.”¹⁹ Both nationalized U.S.-owned property. Both demonstrated tolerance of communists, though the Guatemalans were initially much more reluctant than the MNR to engage in a clampdown on their opponents to the right in the press.²⁰ Both explicitly saw their revolutions as anti-imperialist and as inspiration for others, and sought to promote the spread of revolution, land reform, and rights for indigenous Latin Americans through word and deed.

Yet, as this dissertation has argued, these political goals were not necessarily at odds with U.S. hegemony. Leftist nationalism provoked some ambivalence, and worries for the U.S., to be sure. In 1950 charge d’affaires Milton Wells maintained that “even should the communists disappear from the governmental scene, leftist nationalism would... remain to carry forward the 1944 revolution, and, no doubt, will produce its quota of problems for United States-Guatemalan

¹⁷ Memorandum from Sparks to the Department of State, 27 January, 1953, NA, Central Decimal File, RG 59, Box 3310, 724.001/1-2754, pp. 4-5.

¹⁸ *El Diario*, 8 January 1953, p. 6.

¹⁹ “Discursos del Doctor Juan Jose Arévalo y del Teniente Coronel J. Arbenz G. en el acto de la transmisión de la presidencia de la República,” 15 March 1951, p. 26. Archivo General de Centro América, Memorias, legación 1183.

²⁰ Rowell to State, 2 January 1953, NA RG 59, Box 3309, 724.00 (W)/1-253. Rowell noted “Further evidence that communist and communist-line activities have no fear of official suppression.” Thomas Mann to Ambassador Nufer, 18 July 1951, NARA, CDF, RG 59, Box 3248, 714.001/7-1851. Arbenz would later restrict the opposition press, but not until the eve of his resignation in the face of the U.S.-sponsored invasion.

relations”²¹ But leftist nationalism also excited many officials as an important world historical force and important ally, both in the Cold War and in U.S. efforts to maintain its hemispheric leadership.²²

Though both Guatemala and Bolivia wanted to spread revolution, land reform and social democracy across the region, the ways they went about achieving these aims were markedly different. Their diplomatic approaches demonstrated a crucial difference in their attitudes towards the United States and its position as hegemonic arbiter of acceptable behavior within the inter-American system. Thus it was not merely “simplified” U.S. “attributions” of intent to these movements, but concrete differences within their diplomatic approach to U.S. power that determined how the Eisenhower administration would react to revolutionaries in Guatemala and Bolivia.²³ These differences were clear at the tenth inter-American conference at Caracas, where the Bolivians and Guatemalans would embrace similar causes, but articulate their support for those causes in very different ways.

Overthrowing Arbenz: Caracas and the Inter-American system

Despite some initial enthusiasm for the incoming president, Arbenz quickly disappointed the U.S. officials. His landmark land reform, enacted by presidential decree 900, distributed large plots of uncultivated land to landless tenant farmers, in a country where 2.2 percent of the

²¹ Wells to Department of State 15 November 1950, NARA, CDF, RG 59, Box 3248, 714.001/11-1550.

²² See chapter 4.

²³ Kenneth Lehman, “Revolutions and Attributions: Making Sense of Eisenhower Administration Policies in Bolivia and Guatemala,” *Diplomatic History* (Spring 1997, vol. 21, Issue 2), pp. 185-213.

population owned 70 percent of the land.²⁴ In doing so Arbenz clashed with the U.S. corporation United Fruit, which controlled vast swathes of Guatemala's arable land and kept much of it fallow. Lobbied intensively by United Fruit, the U.S. government became increasingly worried by the presence of communists within the Arbenz administration, and put increasing pressure on Arbenz to distance himself from what they saw as dangerous radicals that might begin to pave the way towards Soviet influence in Guatemala.

On point of principle, the Guatemalan government rejected the very notion that the United States had any business in determining the path of its domestic reforms or the internal political dynamics of its governance: principles that were supposedly enshrined in the Good Neighbor Policy, and the OAS charter agreed upon in Bogota in 1948.²⁵ U.S. officials were less interested in these points of principle, and more concerned with the Guatemalan refusal to take seriously their anxieties regarding the influence of communism as a potential vehicle for encroaching Soviet influence. The Guatemalan government was unwilling to accept the basic premise of what was at stake for the U.S. This meant the revolution could not be seen as a responsible member of the U.S.-led inter-American system.

The Guatemalans were intent on trying to articulate a different version of pan-Americanism, one that rejected anticommunism as a cover for right-wing governments committed to silencing dissent and pressure for redistributive reform, and one increasingly independent from the United States. Arbenz had sought to use the Central American regional organization, ODECA (the Organización de Estados Centroamericanos) to promote the values

²⁴ "Informe del Cuidadano Presidente de la Republica TEniente Coronel Jacobo Arbenz Guzman en su primer period de sesiones ordinaries del año de 1952." Archivo General de Centro América, Memorias, Jacobo Arbenz Guzman, Registro 2348.

²⁵ See Gleijeses, *Shattered Hope*.

and policies of the revolution: democracy, land reform; and to advocate for the promotion of a more independent foreign policy line seeking a common “definition of aggression.”²⁶

Guatemala’s goals for ODECA proved difficult to achieve, given that countries such as Nicaragua and Honduras continued to be ruled by right wing military governments allied to the United States and hostile to Guatemala’s land reform. Potential allies in democratic Costa Rica also proved elusive, with President Jose Figueres in Costa Rica reluctant to align himself with measures that might destabilize the region.²⁷ Frustrated by the lack of traction in the organization, the Arbenz government decided to withdraw from ODECA in April 1953. This decision stuck in the memory of Eisenhower, and is a principal reason he gave in his memoirs for the decision to oppose Arbenz.²⁸ Guatemala was disengaging from regional organizations on terms that the United States saw as directly challenging of its agenda and leadership.

In the weeks after the Guatemalan withdrawal from ODECA John Moors Cabot, Undersecretary of State for inter-American affairs and keen supporter of the Bolivian revolution, visited Guatemala and had an audience with President Arbenz. He made the U.S. position plain to the president, explaining,

I am not trying to interfere in your internal affairs but you have got to make a choice. You have either to cooperate with us or you can cooperate with communism, but you cannot do both. If you want any cooperation from us you have to make a clean break with the communists and no fooling.

²⁶ *El Imparcial*, 7 April 1952

²⁷ Kyle Longley, *The Sparrow and the Hawk: Costa Rica and the United States During the Rise of José Figueres* (Tuscaloosa: University of Alabama Press, 1997).

²⁸ Dwight D. Eisenhower, *Mandate for Change, The White House Years, 1953-1956* (Garden City, NY: Doubleday and Co., 1963), p. 422. See also US State Department White Paper in Papers of Walter Guevara Arze, Box 28, Guatemala Folder, 14 May 1954; Report by Walter Bedell Smith to President Eisenhower, “NSC Progress Report by the Undersecretary of State on the Implementation of United States Objectives and Courses of Action with Respect to Latin America. (NSC 144/1),” 23 July, 1953, DDEL, White House Office, Office of the Special Assistant for National Security Affairs: Records, 1952-61, NSC Series, Policy Papers Subseries, Box 4, NSC 144/ (1).

Communism had become the sticking point in relations between the two countries, and “it was quite clear that he was not prepared to make that choice at the present time,” as Cabot explained to Congress on May 22nd upon his return. And yet, Cabot insisted that “the situation is not hopeless although it is very bad.” He elaborated, echoing other State Department officials:

There is rather complete Communist infiltration and strong Communist influence in all government decisions. There is close friendship between the president and the communists. There is strong intellectual domination in the government of communist ideas. It is a bad situation. *Yet, the President and the cabinet are not communist, and I presume the government could still kick the commies out, if it chose to.*²⁹

Arbenz was not a communist, but he was publically defying U.S. requests to distance himself from the communists. His crimes were not those of a dissembling communist skill, but of a principled nationalist who refused to accept the U.S. vision of the inter-American system.³⁰ Anti-communism had to be accepted in principle, especially when the United States insisted upon it. But this was not a case of a confusion of nationalism and communism, but an articulation of how one could be manipulated by the other.³¹

Given his perceptions of the Arbenz government’s intransigently independent attitude, Eisenhower instructed the CIA to begin planning to remove Arbenz in the summer of 1953.³² This decision was a serious step, and marked how far relations had collapsed between the two countries. But this decision was not irreversible and there was much in the diplomatic realm still

²⁹ [emphasis added] Committee on Foreign Affairs, *The Middle East, Africa and Inter-American Affairs* vol 16 (Washington DC: US government printing office 1980), pp. 426, 404-5.

³⁰ Telegram from the Ambassador in Guatemala (Peurifoy) to the Department of State, December 17, 1953. ONLINE RESOURCE: <http://www.state.gov/r/pa/ho/frus/ike/iv/20210.htm>, last accessed 04/15/08.

³¹ For more rhetoric on the confusion of communism and nationalism, which continues to influence recent histories, see, for example, Patrick Iber, *Neither Peace Nor Freedom*, chapter 4. Gleijeses, *Shattered Hope*, pp. 102, 253.

³² Lehman “Revolutions and Attributions: Making Sense of Eisenhower Administration Policies in Bolivia and Guatemala.” *Diplomatic History* (Spring 1997, vol. 21, Issue 2), p. 185.

to play for. Much as with the administration's attitudes towards Castro during 1959, policymakers saw clear differences between the non-communist nationalism of Arbenz, and though his government seemed dangerously susceptible to communist influence, he still had the potential to alter course.

The U.S. sought to implement an anticommunist resolution at the inter-American conference scheduled for Caracas in March, 1954. The administration did this to send a clear message to the Guatemalans, particularly the military, which had already defeated an abortive exiles invasion at Salamá the previous year: the United States was willing to use its considerable power to bring about a change in government in Guatemala. The new resolution also gave the United States, in the view of its diplomats, a modicum of legality and legitimacy whilst enforcing regional solidarity behind any upcoming change in Guatemala's government.

The Bolivian government understood the stakes at Caracas. Foreign Minister Guevara argued to his colleagues that the Eisenhower administration saw the Arbenz government's refusal to hove to the US line on communism represented a "test of inter-American regionalism," which would in turn have implications for the U.S.' other regional defense organizations, such as SEATO.³³ Yet at the same time, the Bolivian Foreign Ministry wanted to emphasize to the rest of the world that Bolivia could "contribute to the inter-American system." The U.S. demanded adherence to its hegemonic leadership, and its desire to police acceptable behavior within it, but the Bolivians still saw an opening for pan-American diplomacy "helping to foster democratic

³³ Guevara to Bolivian embassy in Washington, 4 June 1953, Bolivian Foreign Ministry Archives, Bolivian Embassy cables to Bolivian Foreign Ministry, CL-356.

institutions,” “social justice” and “individual liberty.”³⁴ And there might even be possibility of aligning with the Guatemalan government at Caracas in order to achieve this.

Some accounts of the MNR’s relationship to the Arbenz regime emphasize that the Bolivian government was largely isolated from the Guatemalan revolution. These narratives hold that the MNR sought common cause with Guatemala only briefly in March and April of 1953 as a product of “frustration” with the United States. At that time Washington was proving unwilling to grant aid and a more comprehensive tin contract, and the MNR was becoming increasingly desperate for funds.³⁵ But identification and cooperation with the Guatemalans went beyond temporary frustration or as a negotiation tactic. The MNR sought identification with the Guatemalan revolution from the first moments of the revolution to the last months of the Arbenz administration, and displayed this enthusiasm at the Caracas conference even as it voted for the anticommunist resolution that would help undermine the Guatemalan government.³⁶

During preparations for the conference the Bolivian foreign ministry was well aware of regional sympathies for the Guatemalan government in the face of a U.S.-backed anticommunist resolution designed to undermine Guatemala’s position in the region. The Ministry asked its ambassadors in neighboring countries to “find out discreetly” if other governments supported Guatemala, and if so could they contemplate supporting the Guatemalans at Caracas?³⁷ The Cabinet and Foreign Ministry also discussed the likely domestic political fallout, particularly

³⁴ Barrau to various Bolivian Embassies (London, Washington, Madrid, Paris, Mexico and South American Capitals), 24 April 1959, Bolivian Foreign Ministry Archives, *Circulares 1958-60*, CL 613.

³⁵ Lehman, *Bolivia and the United States*, p. 110.

³⁶ “Bolivia Franterna en Relaciones con Guatemala” *El imparcial* 31 July 1953. See also chapter 2

³⁷ Quiroga to Embolivia Buenos Aires, Santiago and Quito [date missing] Bolivian foreign ministry archive, cl 950 cables expedidos Septiembre 1953.

from organized labor, should the Bolivians be seen to be cooperating with the U.S. against Guatemala.³⁸

Reflecting on Washington's briefing papers sent to the Bolivian government in the run-up to the conference, Walter Guevara summarized the thinking of the Cabinet and the Foreign Ministry.³⁹ These papers from the Eisenhower administration outlined the need of a resolution providing for OAS intervention should any nation in the hemisphere be subject to "communist infiltration." The definition of "communist infiltration" was very unclear to the Foreign Ministry and the Cabinet: a problem that would be made clear during the conference itself. But beyond discomfort at the broad remit behind such vaguely-crafted treaty language, the Foreign Ministry recognized the clear U.S. "preoccupation" with the military power of Guatemala. This preoccupation "did not seem to have sufficient relation to the problem of communist infiltration." To Guevara, the US' worries over the "preponderance" of Guatemalan power in Central America were "very much linked to the problems, difficulties and differences of political orientation" and had "no relation to communist infiltration."⁴⁰

What Guevara meant by "differences of political orientation" is unclear. Perhaps he meant that Guatemala's crime had less to do with Soviet encroachment in the hemisphere (i.e. "communist infiltration") and more to do with political differences between the United States and Guatemala over domestic policy. Yet these political differences, which U.S. officials also

³⁸ Guevara to Bolivian Embassy in Washington, 8 June 1954, Bolivian Foreign Ministry Archives, *Cables Dirigidos y recibidos Embajada Washington 1954*, CI 356.

³⁹ Walter Guevara, "Preliminary observations on the Department of State Resolution" [no date, sometime in the run-up to the Caracas Conference, between autumn 1953 when the agenda was set and March when the conference was held]. Papers of Walter Guevara Arze, Box 28, Guatemala Folder.

⁴⁰ Ibid.

clearly identified between the U.S. and Bolivia, did not stop the Bolivian government from being accepted and even embraced by Washington.⁴¹

The unclear wording of the resolution and its disproportional treatment of Guatemalan behavior certainly did its part to cause confusion over the true motivations of the United States, but its more sinister implications were clear. Washington would not tolerate Guatemalan attempts to defy and discredit the U.S. The Eisenhower administration warned of danger of having the Soviets “deprive [Guatemala] of its independence” to the point where it will “become subordinated to the international communist conspiracy to achieve world domination through violence and subversion.”⁴² Months later, exiles recruited, funded, armed and supported by the U.S. would use violence and subversion to overthrow the democratically elected Arbenz government and carry out summary executions of political activists and labor leaders following his removal.

At the Conference itself, the anticommunist resolution dominated proceedings. The Guatemalan Foreign Minister, and former ambassador to the United States Guillermo Toriello Garido, gave an impassioned address that openly charged the United States with trying to undermine their government. The Guatemalan foreign minister “said many things some of the rest of us would like to say if we dared,” according to one delegate’s confession to a New York Times reporter.⁴³ Toriello went on to dismantle the intellectual premise behind the anticommunist resolution. He charged that Washington’s invocations of the right to intervene in

⁴¹ See chapter 3.

⁴² Walter Guevara, “Preliminary observations on the Department of State Resolution” [no date, sometime in the run-up to the Caracas Conference, between autumn 1953 when the agenda was set and March when the conference was held]. Papers of Walter Guevara Arze, Box 28, Guatemala Folder.

⁴³ Max Paul Friedman, “Fracas in Caracas: Latin American Diplomatic Resistance to United States Intervention in Guatemala in 1954,” *Diplomacy & Statecraft*, 21:4. (2010), p. 674.

sovereign nations to prevent the encroachment of “communism,” loosely defined, in practice served as a mask for U.S. imperialism.⁴⁴ Toriello worried that the resolution “might be intended to fight...nationalism” and frustrate the “struggle for independence.” Appealing to his fellow Latin Americans, he warned that this might be used to justify interventions to prevent “establishing diplomatic or commercial relations with the Soviet Union, anti-imperialism, the struggle against economic privilege, control of natural resources...the fight for peace, social and union movements or the expropriation of oil, tin, copper or land.”⁴⁵

Dulles found it “worrying” that a Latin American foreign minister could pose such a question as to trying to define the nature of “international communism,” and decried Toriello's “injurious attack” on the United States (to which Toriello replied Guatemala was a “friend of the United States,” and that he had only attacked the monopolistic practices of the United Fruit Company).⁴⁶ In the minds of US policymakers, they were more than capable of supporting Latin American nationalism and reform. Any Guatemalan attempt to criticize US policy as supportive of reactionary oligarchies and imperialism, especially in the forum of the OAS, added weight to the interpretation that Arbenz was a dangerous and destabilizing force in the hemisphere system. As Undersecretary of State John Moors Cabot explained, though the Guatemalans were nationalists with their own agenda, they had never-the-less “play[ed] the Russian game.”⁴⁷

⁴⁴ Guillermo Toriello Garido, Discurso pronunciada en la X Conferencia Interamericana, Archivo General de Centro América, Memorias, registro 6660.

⁴⁵ Ibid.

⁴⁶ *El Imparcial*, 10 March 1954; *El Imparcial*, 6 March 1954. Centro de Investigaciones Regionales Mesoamericano, Antigua, Guatemala, Publicación Diario *El Imparcial*, Serie: La Morgue, Tema: Conferencia Internamericana Caracas.

⁴⁷ John Moors Cabot misquoted in *New York Times*, 8 November 1953, p. 9. In his published version of the speech Cabot accuses Guatemala of “playing the *communist* game.” John Moors Cabot, “The Political Basis for Continental Solidarity,” *Toward Our Common American Destiny: Speeches and Interviews on Latin American Problems* (Medford, MA: Fletcher School of Law and Diplomacy, 1955), p. 86.

In fact, Guatemala's critiques of U.S. power as complicit with exploitative corporations and imperialism seemed to suggest that the Arbenz government had bought into Soviet and communist propaganda and its arguments against US power in the region. Toriello seemed to have fulfilled the predictions of Thomas Corcoran, United Fruit's PR director and former brain trustee for FDR, who had emphasized: "whenever you read 'United Fruit' in Communist propaganda you may readily substitute 'United States.'"⁴⁸ The administration was keen to reject close association with United Fruit, and in fact Eisenhower decided to proceed with antitrust hearing against United Fruit even before the coup took place.⁴⁹ To equate U.S. interests with the forces of reaction, the business interests of specific companies, or even as a challenge to "the very foundations of Pan-Americanism" was to confront administration officials with an image they not only rejected, but one that undermined the intellectual underpinnings of their project for the entire region in a manner not dissimilar from Communist propaganda.⁵⁰

Thus Toriello's speech, though widely popular throughout Latin America, intellectually compelling, symbolically powerful and in many ways poignantly prescient, represented a diplomatic failure. According to the Guatemalan opposition paper *El Imparcial* and commentator Clemente Marroquin Rojas, Toriello showed "unnecessary belligerence" at Caracas, and though he was given a hero's welcome and might have appeared "macho," his intransigence was "bad

⁴⁸ Quoted in Cullather *Secret History*, p. 16.

⁴⁹ NARA, CDF, RG 273, Box 11, 202nd Meeting of the NSC, 17 June, 1954 p 3. The administration had decided to postpone the filing date until July 2nd, for reasons that remain somewhat opaque. Holland described the logic behind the move as designed to alleviate potential "adverse effects on United States security interests," without further clarification. Holland to "the Undersecretary of State," 14 October 1954, NARA, CDF, RG 59, 814.054/10-1454.

⁵⁰ "Non-Intervention, Theme at Caracas" in *Guatemala* (Guatemala City: Government Information Bureau, 15 March 1954).

form,” “bad politics” and “bad diplomacy.”⁵¹ Even the Mexican Communist Party chided their Guatemalan counterparts for poor tactical decisions before the conference: their “childish squabbles with vast American interests” were counter-productive. To the Mexican Communists it seemed the Guatemalans should play a subtler, more hard-headed game in subverting American imperialism.⁵²

With promises of U.S. aid in return for support, the resolution passed 17-1. There were two abstentions from Argentina and Mexico, countries more willing and able to turn down U.S. economic incentives to provide a yes vote.⁵³ Though the Guatemalan failure seemed complete, recent scholarship has begun to question the meaning of the vote. All but three Latin American nations initially had opposed the U.S. resolution, which called for “appropriate action” in the face of “ideological intervention,” until its language could be substantially altered. The final draft only authorized a “meeting of consultation to consider the adoption of appropriate action,” suggesting to many Latin American delegates that interventionism had not been enabled or legitimized by their vote.⁵⁴ This semantic battle certainly allowed face-saving on behalf of Latin American delegates, but to observers in the the United States, their victory was clear. The

⁵¹ *El Imparcial*, 26 March 1954. See also *El Imparcial* 11 March 1954.

⁵² This was quoted in *Intelligence Digest* (a London publication put out by Kenneth de Courcy) and forwarded to the State Department in a letter from John McClintock to Thomas Mann, 8 May 1952, NA, RG 59, Box 3248, 714.001/5-852. Gleijeses contradicts this analysis, using interviews with Fortuny, Pellecer and Guerra Borges to claim that the PGT “never sought and never received any guidance” from the Mexican Communists, unlike the Cuban Partido Socialista Popular. Gleijeses, *Shattered Hope*, pp 184-5.

⁵³ The U.S. gave bilateral economic concessions, but the administration’s promises of more comprehensive regional aid programs failed to materialize at the Rio economic conference later that year. See Max Paul Friedman, “Fracas in Caracas: Latin American Diplomatic Resistance to United States Intervention in Guatemala in 1954,” *Diplomacy & Statecraft*, 21:4. (2010), pp. 677-8; Rabe, *Eisenhower and Latin America*, p. 71.

⁵⁴ Max Paul Friedman, “Fracas in Caracas: Latin American Diplomatic Resistance to United States Intervention in Guatemala in 1954,” *Diplomacy & Statecraft*, 21:4. (2010), p. 680.

resolution it fought for and that clearly targeted the Guatemalan government had been approved.⁵⁵

The Bolivians understood the U.S. agenda at Caracas, and the mentality that lay behind it. The Bolivian delegation, led by Foreign Minister Walter Guevara Arze, chose a different approach to the defiance of the Guatemalans. Guevara agreed with Toriello's critique of the anticommunist resolution, but he was more circumspect in his articulation of that critique. In his final speech at the conference he gingerly avoided trying to provide a precise definition of communism.⁵⁶ Defining communism had absorbed much of the delegates' time during the conference, and both Guatemala and Bolivia had expressed fears that reactionaries would use anticommunism as a "pretext" for further "oppression," which would "impede the economic and social development of peoples fighting for their internal liberation."⁵⁷ Though Guevara was unwilling to go as far as Guatemala and tie these forces of oppression directly to the United States, in the OAS he decried the tendency of the Bolivian oligarchy to "pretend to defend democracy from Nazi fascism and communism" whilst they allowed oligarchs to amass great fortunes and subject the Bolivian people to "the most inhumane domestic exploitation and the most disgraceful international deceit." By this Guevara meant the attempt to "internationalize"

⁵⁵ Ibid.

⁵⁶ For Guevara, "without defining what international communism is, one can describe the characteristics of its agents and organizations." *Boletín del Ministerio de Relaciones Exteriores* vol. 28 and 29, (enero-diciembre 1954), p. 258.

⁵⁷ "Pretext" for further "oppression" from Guevara's speech, "pretext" and "impede...liberation" from Toriello's speech. *Boletín del Ministerio de Relaciones Exteriores* vol. 28 and 29, (enero-diciembre 1954), pp. 243, 258; Guillermo Toriello Garido, Discurso pronunciada en la X Conferencia Interamericana biblioteca de AGCA, Memorias, registro 6660.

the tin mines and get American investors on the books in order to prevent nationalization of the mines or provoke U.S. intervention.⁵⁸

Guevara was willing, however, to make a crucial distinction between “international communism” and “genuinely progressive social and political movements of the continent.”⁵⁹ International communism conspicuously “renounced nationality” and was ultimately interested in its own agenda “rather than solving the problems of the country it is in.”⁶⁰ Progressive movements, “*conceived on a nationalist basis,*” represented for Guevara and his government the best “middle path” between reactionary stagnation the millenarian promises of international communism. Progressive nationalism also provided the best method of addressing the “causes that made international communism a threat,” to Latin American sovereignty: namely “underdevelopment.”⁶¹

Guevara was again tapping into the language and rhetoric that provoked “visible excitement” from U.S. officials and the Eisenhower administration: the need to support third world nationalism, economic development and social reform, even revolution, to shore up the inter-American system. Leftist nationalists could fulfill this role as well as rightist nationalists in the eyes of U.S. officials.⁶² If the US could engage with and nurture these powerful forces, it could develop the “healthy relationship” Eisenhower, his advisors and the State Department

⁵⁸ *La Nación*, 12 November 1953, p. 4; *La Nación*, 13 November 1953, p. 4.

⁵⁹ *Boletín del Ministerio de Relaciones Exteriores* vol. 28 and 29, (enero-diciembre 1954), p. 256.

⁶⁰ *Ibid* p. 258.

⁶¹ *Boletín del Ministerio de Relaciones Exteriores* vol. 28 and 29, (enero-diciembre 1954), p. 257.

⁶² Contrary to the analysis of many, including Schmitz, *Thank God They're on Our Side* and Bethell and Roxborough, *Latin America*. For a counterargument, see Longley, *The Sparrow and the Hawk*.

sought.⁶³ The MNR leadership understood this, and not only cultivated personal relationships, but conscientiously framed their revolutionary projects in ways that would make them seem ambitious and radical, but also responsible, and amenable to US hegemony.

Bolivia wanted the 10th Inter-American conference to “condemn feudal regime[s] in the agrarian economy” and Guatemala seconded the proposal, seeking a resolution to “liberate the peasants.” Bolivia and Guatemala proclaimed themselves to be “united on the goal of land reform,” and proposed that the OAS consider setting up a body of technical experts to advise member states on land reform projects. The Bolivian and Guatemalan governments called for “solidarity” and “unit[y]” in reaching the “final goal” of land reform and asked the OAS to “condemn the feudal regime in the agrarian economy” and “liberate the peasants.”⁶⁴ At the heart of their critique was the observation that land and wealth were concentrated in the hands of a few economic elites, who as a result wielded inordinate political and economic power in their respective countries. But whilst the Guatemalans advocated outright expropriation, Bolivian proposals were much vaguer. The MNR government recommended member states do everything possible to “implement systems of agrarian reform,” adapting this principle to “their particular characteristics” in order to modernize their societies and economies.⁶⁵

The united front on land reform was remarkable. Land reform was the very issue that had sparked renewed and intensive U.S. interest in the position of communism in Guatemala. And both Guatemala and Bolivia articulated the need for land reform in strikingly Marxist language.

⁶³ See chapter 4.

⁶⁴ *El Imparcial* 16 March 1954. See also *El Imparcial*, 15 April 1953; 10 March 1954; Centro de Investigaciones Regionales Mesoamericanas [hereafter CIRMA], Serie: La Morgue, Tema: Conferencia Interamericana Caracas.

⁶⁵ *El Imparcial* 16 March 1954.

Yet the United States did not react, in part because of the Bolivians' softer framing of their agenda, but also in part because land reform in and of itself was no bad thing.

The MNR leadership, in its 'semi-official' newspaper *La Nación*, made it clear during their "propaganda campaign" in the US that they wished to spread revolutionary ideals "by example" whilst "respecting sovereignty."⁶⁶ Modifiers like these made the MNR seem more responsible members of the hemispheric system to the likes of Milton Eisenhower, who exhibited "extraordinary understanding and sympathy" for the MNR and unbridled enthusiasm for its program of land reform.⁶⁷

Arbenz did not believe such enthusiasm was possible, seeing US hegemony as dominated by the desire to support US monopolies seeking to quash Guatemalan economic nationalism, and sought to continue to support efforts to create more democratic, prosperous and just societies covertly and overtly, but outside of U.S. auspices. As U.S. National Intelligence Estimate 84 observed in May 1953, the Arbenz government "frequently [took] occasion to demonstrate its independence of US leadership and in general has been less cooperative than could be desired, particularly in hemispheric affairs."⁶⁸

Arbenz's government underestimated the potential reach of U.S. hegemony, but also misunderstood its basic purpose. The United States demanded symbolic deference to its leadership within the regional system, and Arbenz failed to satisfy this requirement. In fact, his government increasingly represented an outright challenge to Washington's narratives about the nature of the Cold War and the community of interest in the Western hemisphere. One

⁶⁶ *La Nación*, 13 November 1953, p. 4.

⁶⁷ From a 1969 interview with an unnamed MNR official quoted in Blasier, *The Hovering Giant*, p. 135.

⁶⁸ CIA, NIE-84, 8 May 1953, CIA electronic reading room, ONLINE RESOURCE: <http://www.foia.cia.gov/docs/DOC_0000914889/DOC_0000914889.pdf> last accessed 19 April 2012.

Guatemalan government official told New York *Herald-Tribune* journalist A. T. Steele that “communism is your problem, not ours.”⁶⁹ In such a climate, Arbenz’ refusal to eject communists from his governing coalition presented a strong challenge to U.S. hegemony. After the communists entered coalition government in January 1953, Arbenz proceeded to lead the Guatemalan parliament in a minute’s silence for the death of Stalin, withdrew from ODECA, and rejected the right of the United States to interfere with national sovereignty and the “will of the people” whilst castigating its subservience to the United Fruit Company.⁷⁰ Guatemalan Vice President Estrada believed “if we are called communists because our principles are derived from the popular will, then it is not our fault.”⁷¹

Such attitudes betrayed the fact that the Guatemalan government did not respect U.S. views on communism within the inter-American system, which in turn displayed a lack of respect for the United States as the arbiter of acceptable behavior in the region. The Guatemalan government seemed remarkably unconcerned at the prospect of U.S. intervention until very late in the day, according to the Mexican Communist party, Guatemalan newspaper *El Imparcial* and journalist Clemente Marroquin Rojas. As the purpose of the United States became clear Arbenz did make some efforts to placate Washington. Arbenz tried to explain to the ambassador Puerifoy that “there were some Communists in his Government...but they were ‘local’ ...[They] followed Guatemalan not Soviet interests. They went to Moscow...merely to study Marxism, not

⁶⁹ A. T. Steele, “Communism in Latin America,” *New York Herald-Tribune*, 1 June 1954.

⁷⁰ Memorandum from Edward Rowell to the Department of State, February 2, 1953, NA, Central Decimal File, RG 59, Box 3308, 724.00/2-253.

⁷¹ *Ibid.*

necessarily to get instructions.”⁷² Given Guatemala’s continued defiance of direct requests from the U.S., these explanations very late in the day were insufficient to alter U.S. perceptions. The Bolivians, sensitive to the travails of non-recognition the MNR government had suffered in the 1940s, anticipated this problem and addressed it to a much greater extent, albeit more rhetorically than substantively.⁷³

The Bolivian and Guatemalan governments shared broadly similar political views, and sought to use the OAS to spread those views. The two governments articulated common interests on land reform, the dangers of a loosely defined anticommunist resolution, critiques of imperialism, and shared a skepticism of U.S. policy at Caracas. Yet whilst the Guatemalans chose principled defiance of U.S. hegemony, the Bolivians demonstrated loyalty towards the United States and its desire for regional leadership whilst still pursuing their revolution.

After Arbenz: US hegemony, land reform and leftist nationalism

The Eisenhower administration had confronted Arbenz’ intransigent nationalist independence because it worried his politics might become a vehicle for communist subversion, but more importantly because they already posed as a direct challenge to Washington’s hemispheric leadership. The Guatemalans had raised some uncomfortable charges against the United States, charges that helped convince U.S. policymakers that Arbenz was in thrall to the communists. However, these charges needed addressing by U.S. policy which, going forward, would try to demonstrate the benevolence of its hegemony and reassert values that were more

⁷² Telegram, US Ambassador in Guatemala (Peurifoy) to Department of State, 17 December 1953, *Foreign Relations of the United States, 1952-1954*. Vol. 4 (Washington D.C.: U.S. Government Printing Office, pp. 1091-92.

⁷³ See Chapter 3.

comforting to themselves. Guatemala would provide the United States with a blank slate, an opportunity to modernize Guatemala's society and economy. In their undertaking of this project they hoped, vainly, to attract the support of non-communist leftist nationalists in Guatemala. This effort in Guatemala was markedly similar in intent to they were attempting in Bolivia, albeit from a very different starting point.

Explaining the U.S.' reasoning in the weeks before the fall of Arbenz, Undersecretary of State for Inter-American Affairs Henry Holland told Bolivian Ambassador Andrade that "if Guatemala paid the United Fruit Company tomorrow the full amount claimed by that company as compensation for the properties of which it had been deprived, the views and proposals of the United States... would not change one iota." Communism was "separate and apart from the question of the protection of private foreign investment in the Hemisphere." Andrade accepted the "extreme seriousness" of the situation, but emphasized that "collective corrective action would be extremely difficult for his Government and would create delicate and dangerous internal problems" given the unpopularity of U.S. interventionism amongst the Bolivian public, politically influential and armed miners' unions. Andrade insisted that Bolivia needed a "positive program" to combat communism aimed at "improving the conditions of life for the under privileged groups of the world." Holland agreed.⁷⁴

Weeks later, at the same time Castillo Armas was entering into Guatemala to overthrow the government, Holland's colleague at the State Department's American Republics desk, Robert Woodward, wrote a memorandum on the State Department's plans for Guatemala's future. In it Woodward emphasized that "the great mass of people want some form of agrarian reform to

⁷⁴ Memcon Andrade, Topping, Holland, 3 June 1954, NARA, CDF, RG 59, LOT FILES, Bureau of Inter-American Affairs, Office of the Assistant Secretary of State for Inter-American Affairs, Country Files, 1953-56, Box 2, Bolivia 1953-55.

continue... this is the issue above all others which will shape the Guatemalan people's support for the new government." Whilst the U.S. did not endorse Arbenz' decree 900, it should "express in strong terms that the U.S. is in sympathy with genuine agrarian reform and is willing to help Guatemala work out their [sic] problems."⁷⁵ Though unwilling to acknowledge the "genuine" achievements of increased productivity and land under cultivation after Arbenz' widespread redistribution of land titles to individual Guatemalan peasants, the State Department clearly saw much merit in the reasoning behind the reforms. They merely disliked the politicians who advocated for them.⁷⁶

Land reform, in fact, could become a useful vehicle to prevent communist politics from gaining traction. Nationalist "measures such as land reform are the most effective means of combating communism in Latin America, and that without such reforms there is a very real danger of revolution as the industrial way of life seeps down to the village level."⁷⁷ Milton Barall at the State Department's Office of South American Affairs found this reasoning "exceptionally interesting and soundly conceived," much like the president he served, who said it was "often heard" within policymaking circles that "the only force in the modern world capable of effectively combating communism is nationalism."⁷⁸

⁷⁵ Memorandum from Woodward to Hill (MID), 27 June 1954, NARA, CDF, RG 59, LOT FILES, LOT 57 D 85 Box 5, Guatemala April-June 1954.

⁷⁶ Gleijeses, *Shattered Hope*, p. 150, 159.

⁷⁷ Memorandum from Woodward to Hill (MID), 27 June 1954, NARA, CDF, RG 59, LOT FILES, LOT 57 D 85 Box 5, Guatemala April-June 1954.

⁷⁸ Milton Barall to Hudson, 27 January, 1954, NARA, CDF, RG 59, Box 3308, 724.00/1-2754; DDEL, Eisenhower, Dwight D.: Papers as President, 1953-1961 (Ann Whitman File), NSC Series, Box 10, 369th Meeting of NSC, June 19, 1958. p 12.

Castillo Armas was a nationalist, and his vision of Guatemala's future he spoke of fit, in theory, very neatly with U.S. visions of the inter-American system and the politics it was trying to nurture and align with. Firstly, Castillo Armas was a willing lieutenant for U.S. power, the complete opposite of Arbenz. Sneered at by some U.S. officials for his inexperience, Castillo Armas was nonetheless clearly subservient to U.S. power. On one occasion Castillo Armas demonstrated this very bluntly to Nixon, who was visiting Guatemala to congratulate Castillo Armas on his rescuing of Guatemalan "democracy" from putative communist tyranny. He looked to Nixon, and said "tell me what to do and I will do it."⁷⁹

The idea that Castillo Armas was representative of a return to democracy in Guatemala was difficult for many to swallow, but one that the United States was keen to believe and promote throughout the region. The CIA supplied the funding to help create the Congress for Cultural Freedom (CCF) to support and promulgate the ideas of non-communist leftists. At a meeting sponsored by the CCF, Latin American delegates reacted with hostility to the notion that the Congress should support Castillo Armas as a liberal democrat and even an ally of "reformist socialism."⁸⁰

This more pro-leftist nationalist image of Castillo Armas, so hard for Latin Americans to accept, was the very thing that U.S. officials were keen to promote. In Guatemala, the United States had become attached to the fate of the new regime, and as such the State Department saw it as a "priority country," a place, like Bolivia, where American rhetoric about its role in the

⁷⁹ Report of the Vice President on Latin America Trip", memorandum of discussion of the 240th meeting of the nsc, 10 march, 1955, *FRUS* vol. 19, p. 618.

⁸⁰ Iber, *Neither Peace nor Freedom*, p. 104.

region was on trial.⁸¹ Dulles sent Edward Sparks, the ambassador who had demonstrated support and understanding of the Bolivian MNR, to Guatemala City to serve as the Ambassador. As in Bolivia, U.S. officials sought not to be seen as lackeys of exploitative oligarchies, but as siding with ambitious and popular reform movements that aimed to transform Latin American societies for the better.

One such arena of social reform was land reform: the issue that had precipitated the breakdown in relations with Arbenz and the issue that Milton Eisenhower had fallen “in love” with.⁸² Though the Castillo Armas years saw the return of the land expropriated from United Fruit in 1952, dictatorial rule through “emergency powers” and violent clampdowns on political dissidents, the President was also keen to promote land reform as a path towards political and economic stabilization of the country. In fact, almost half of the land that the government returned to United Fruit was then returned by the company to the state to help Castillo Armas carry out further land reform, though much of it was of marginal value for cultivation.⁸³ This desire to promote efforts to reapportion land remained a rhetorically “important” part of the new government’s plans, expressed in Castillo Armas’ presidential Decree 170. The Agriculture Minister, Lazaro Chacon, wrote to Guatemalan regional governors emphasizing the importance of Decree 170 to apportion land to peasants (who were not tenant farmers, or *colonos*).⁸⁴ This,

⁸¹ J. B. Robinson, “FOA program summary,” 20 January 1955, NND 867409, CIRMA, Coleccion de Documentos Declasificados del Departamiento de Estado de EE UU sobre politica nacional.

⁸² Blasier, *The Hovering Giant*, p. 135.

⁸³ The memo mentioning this makes no reference to the quality of that land. Thruston B. Morton (Assistant Secretary of State) to Patrick Hillings (House of Representatives) 7 March 1955, NARA, CDF, RG 59, 714.00/3-755.

⁸⁴ Chacon to regional governors, 10 December 1954, Archivo General de Centro América, Guatemala City, Circulares Varias: Ministerio de Agricultura y Caminos 1947-1955, Mueble 21, Gaveta 22, Legación 1984.

according to the Minister, was for the good of the Guatemalan economy: to rationalize production whilst also promoting social “harmony and understanding” that would hopefully seep through to influence the political realm.

In the view of the State Department, Castillo Armas’ drive for greater stability through advocating land reform was especially vital in the political climate he faced in Guatemala, where the “spirit of 1944” was still in the ascendancy a year into Castillo Armas’ presidency.⁸⁵ As Cavlin Hill prepared to leave his posting at the U.S. Embassy in Guatemala on the anniversary of Castillo Armas’ coup, his valedictory analysis of the Guatemalan political situation was forwarded to Foggy Bottom by Thomas Mann. Mann, the Charge d’Affaires and future Undersecretary of State, emphasized that he was in “complete agreement” with Hill’s analysis.⁸⁶

Hill argued that the United States had to align itself with the “democratic nationalistic principles of the 1944 revolution,” and push Castillo to maintain a broad coalition from the “nationalistic left to the far right.” This desire to co-opt the (non-communist) “authentic revolution” of the “nationalistic left” depended very much upon the allegiance of the “unions,” the “middle and 'intellectual' classes.” The Guatemalan government and the United States had to understand and appeal to their “desire for freedom,” uniting behind the goals of national autonomy, social reform and prosperity.⁸⁷ These were the very groups that had flocked to Arbenz

⁸⁵ “The New Phase in Guatemalan Political Life and Its Relation to US Policy” John Calvin Hill, Jr., Second Secretary of the Embassy in Guatemala City to Department of State, 24 June 1955, NA, RG 59, 714.00/6-2455.

⁸⁶ Mann was also Eisenhower’s Assistant Secretary of State for Economic Affairs before replacing Richard Roy Rubottom as Assistant Secretary of State for Inter-American Affairs in 1960. Thomas C. Mann interviewed by Ed Edwin, 23 February 1968, p. 30, Eisenhower Administration Oral History project, Columbia University Rare Books and Manuscripts Library.

⁸⁷ “The New Phase in Guatemalan Political Life and Its Relation to US Policy” John Calvin Hill, Jr., Second Secretary of the Embassy in Guatemala City to Department of State, 24 June 1955, NA, RG 59, 714.00/6-2455. See also [NIE 62, 11](#) March 1952.

and Arevalo before him, but they also represented powerful and important potential allies to U.S. officials. Hill and his colleagues worried that nationalism could become extreme and become expressed in explicitly anti-U.S. tones. Washington therefore needed to channel these “leftist nationalist” forces into less antagonistic directions, and to push its client governments to take heed of that need too.⁸⁸

Attempting to curry favor with the nationalistic left, Castillo Armas tried to side with the peasants against large landholders during the spring and summer of 1955. Though he put a halt to expropriations, Castillo Armas publically announced he would allow peasants to remain on lands they had been given by Decree 900. The president embraced “middle-of-the-road” rhetoric (whilst failing to follow up with rigorous enforcement from the state), in a move designed to placate a domestic audience and the United States.⁸⁹ Such middle of the road posturing was all very well in theory, but given his lack of a strong base of organized political support, and the story of how he rose to power, Castillo Armas lacked authority and legitimacy.⁹⁰ If anything, according to the U.S. Embassy, this middle of the road posturing was interpreted as weakness by observers on the right, and as completely inauthentic by observers on the left.⁹¹

Despite Washington’s desire to see Castillo Armas’ co-opt some of the language of progressive land reform, his government oversaw the rollback of Arbenz’s Law of Forced Land Rental and Decree 900, and the imprisonment, torture and murder of rural and labor organizers,

⁸⁸ See also Yaqub, *Containing Arab Nationalism*

⁸⁹ U.S. Embassy Guatemala City to Department of State, 31 March 1955, NARA CDF RG 59, 714.00/(W/3-3155). For more on “middle-of-the-road” rhetoric, see also US Embassy Guatemala City to Department of State, 11 May 1955, 814.00/5-1355.

⁹⁰ “OCB Outline of Operations for Guatemala,” 1 June 1955, DDEL, White House Office, NSC, Staff Papers, OCB Central File, Box 34, Folder 0.91 Guatemala (5).

⁹¹ US Embassy Guatemala City to Department of State, 11 May 1955, 814.00/5-1355.

activists and officials who had tried to implement the redistribution of land to peasants. His Department of Agricultural Affairs largely sided with large landholders in returning land that had been redistributed, despite the president's promises they would be able to stay on the land.⁹² Large landowners proceeded to plant cash crops for export, reversing the trend in increased productivity for staple crops that Arbenz's reforms had catalyzed, bringing up food prices for Guatemalans.⁹³ U.S. hopes that he might capture the 'spirit of 1944' were fantastical and perhaps only conceivable in the abstract, but their somewhat surreal quality only serves to highlight the extent to which these ideas pervaded official thinking, and how far they could be twisted in an effort to support a broader ideological view of the nature and purpose of U.S. policy within the inter-American system.

Castillo Armas sought to use not only advice from Washington, but also its money, to try and maintain political power. The State Department was eager to embark on a program of aid in Guatemala to try and demonstrate the beneficence of its hegemony and the benefits of cooperating with Washington and spread "the American ideal of progress."⁹⁴ Keen to capitalize on this mood in Washington, the newly installed Castillo Armas regime requested 260 million from a shocked and condescendingly skeptical U.S. State Department.⁹⁵ Washington ended up giving 138 million dollars to Guatemala during the Eisenhower years, amidst significant back-

⁹² Berger's evidence for the scale of land return is somewhat vague: she cites "*El Imparcial* 1955-56" as her source for this claim. Susan A. Berger, *Political and Agrarian Development in Guatemala* (Boulder: Westview Press, 1992), p. 88. See also Greg Grandin, *The Last Colonial Massacre: Latin America and the Cold War* (Chicago: University of Chicago Press, 2004).

⁹³ Gleijeses, *Shattered Hope*, p. 158; Berger, *Political and Agrarian Development in Guatemala*, p. 89.

⁹⁴ Memorandum from Us Embassy Guatemala to Department of State, 13 May 1955, NARA CDF RG 59, 814.00/5-1355.

⁹⁵ Norman Armour (Ambassador to Guatemala), Mann and Holland, 25 January 1955, NND 867215, Colecion de Documentos Declasificados del Departamiento de Estado de EE UU sobre politica nacional, CIRMA

and-forth within Congress and the foreign policymaking bureaucracy.⁹⁶ Whilst the U.S. embassy expressed frustration at the economic recession caused by Governmental incompetence and large Guatemalan landowners' speculation and hoarding, much of its initial round of aid failed to make it to Guatemala through bureaucratic inefficiency, and heavy expenditure on materials and salaries for officials based outside of Guatemala itself.⁹⁷

U.S. officials had grand hopes that they might help shape Guatemalan modernization and development, but, as was the case in Bolivia, they often found it difficult to define priorities and identify feasible development projects in Guatemala. Some at the Embassy and the International Cooperation Administration began to blame the inexperienced government. These frustrations would boil over into outright contempt at times. Six months into the Castillo Armas presidency, the Embassy fumed at the "pathetic" government that had to be "literally led by the hand step by step," something that was difficult to do "without nationalistic reactions."⁹⁸ Within this context of U.S. interventionism and lack of improvements in Guatemalan life, U.S. officials saw rising nationalism as an increasing problem, a problem that if anything was being exacerbated by the promises of "U.S. promoters, carpetbaggers and others" in Congress and the press.⁹⁹

⁹⁶ Equivalent to over a billion dollars in 2016 according to the US Board of Labor Statistics. Siekmeier, *Trade, Aid and inter-American Relations*, p. 340; Norman Armour (Ambassador to Guatemala), Mann and Holland, 25 January 1955, NND 867215, Coleccion de Documentos Declasificados del Departamento de Estado de EE UU sobre politica nacional, CIRMA.

⁹⁷ Memorandum from Us Embassy Guatemala to Department of State, 13 May 1955, NARA CDF RG 59, 814.00/5-1355. For more detail on initial bureaucratic inefficiency, see Brockett, "Illusion of Omnipotence", pp. 108-9.

⁹⁸ U.S. Embassy in Gautemala City to John Foster Dulles, 25 January 1955, NARA, CDF, RG 59, 814.00/1-2555.

⁹⁹ J. B. Robinson, "FOA program summary," 20 January 1955, NND 867409, Coleccion de Documentos Declasificados del Departamento de Estado de EE UU sobre politica nacional, CIRMA; Norman Armour (Ambassador to Guatemala), Mann and Holland, 25 January 1955, NND 867215, CIRMA, Coleccion de Documentos Declasificados del Departamento de Estado de EE UU sobre politica nacional.

Such promises and commitments to improving Guatemalan society led the State Department to over-commit resources in situations where they saw no viable projects to invest in. However, to deny the funds requested by Congress would be politically undesirable giving the Guatemala boosters an opportunity to accuse the administration of abandoning “little Guatemala.”¹⁰⁰ Given the higher profile of the Guatemala coup in the United States, Congressional attention could put pressure on U.S. policy to invest further resources in Guatemala. And indeed it did: Republican Congressmen convened a committee to investigate why funds had taken months to arrive in Guatemala, and Senator McCarthy began to blame the State Department’s communist sympathies for the delays.¹⁰¹

Nevertheless, as it would also prove to be in Bolivia, Congress’ support for the economic travails of the Latin American nation ended up being rather lukewarm. “The knife wielders” in Congress cut proposed aid packages to ribbons, despite the complaints of senior foreign policy officials and even some in Congress, such as William Fulbright.¹⁰² Enthusiasm for aid to Guatemala quickly died down, with aid budgets for Guatemala shrinking to 12.4 million dollars for FY 1959.¹⁰³ Frustrated U.S. officials resorted to sermons about avoiding Guatemalan dependence on the U.S. through trade and loans rather than grant aid.¹⁰⁴

¹⁰⁰ Edward Sparks to John Foster Dulles, 12 June 1956, NARA, CDF, RG 59, 714.5-MSP/6-1256.

¹⁰¹ *NYT*, 31 October 1954, p. 26.

¹⁰² Memorandum from Raymond Leddy to U.S. Embassy in Guatemala, NARA, CDF, RG 59, LOT 57 D 95, File Central America, Box 6, Guatemala 1955-56; Raymond Leddy to Thomas Mann, 27 May 1955, NARA, CDF, RG 59, 714.11/5-2755; Fulbright reference from the testimony of Henry Holland to Senate Foreign Relations Committee, *Mutual Security Act of 1954* (Washington D.C.: U.S. Government Printing Office, 1954), pp. pp 366-67.

¹⁰³ Siekemeier, *Trade, Aid and inter-American Relations*, p. 342.

¹⁰⁴ Mallory to Department of State, 11 August 1958, NARA, CDF, RG 59, 714.5-MSP/8-1158.

The United States had tried to imagine itself at the forefront of an effort to transform and modernize Guatemala's society and economy whilst combating communism, and tried to fit Castillo Armas into this mold. They were, unsurprisingly, unsuccessful in this endeavor. Castillo Armas' reign was cut short by an assassin's bullet in 1957. The government blamed the communists, though some historians have suggested that this was the act of political rivals to Castillo Armas' right. Despite the State Department's hopes for his putative "middle of the road" approach, his rhetoric on anti-communism and the continuation land reform, he had inspired no confidence from either the Guatemalan right or left: he was an inexperienced, vacillating and illegitimate puppet of the U.S.

Conclusion

As their joint positions on land reform help reveal, Bolivia and Guatemala demonstrated a common agenda and sources of political motivation and support, but their attitudes and behavior towards U.S. hegemony were fundamentally different. U.S. Policy towards Guatemala and Bolivia in the 1950s demonstrated that there was coherency to U.S. policy, but not based primarily on anticommunism.¹⁰⁵ The Bolivians were not effective anticommunists, but demonstrated symbolic adherence to the notion that it was an important cause for the hemisphere as a whole.¹⁰⁶ Neither was Arbenz a communist, but he refused to publically disassociate himself with the communists. Initially this could be explained away as political expediency by U.S.

¹⁰⁵ Lehman, "Revolutions and Attributions," p. 210.

¹⁰⁶ See chapter 3.

officials with dreams of a more cooperative relationship with the political impulses behind the Guatemalan revolution. Eventually, however, his intransigent resistance to U.S. interference in Guatemalan domestic politics was increasingly recalibrated as bullish independence which boded ill for hemispheric unity under Washington's leadership.

Once the threat to U.S. hegemony had been removed, U.S. officials demonstrated a coherent, if ultimately unrealistic, purpose behind their approach to revolutionary politics in Guatemala and Bolivia. They wanted to appeal to nationalist movements to maintain a U.S.-led inter-American system. Under Armas, they continued to promote land reform and seek cooperative relationships with "leftist nationalism" in Guatemala. In this effort, and by supporting the Bolivian revolution, the United States was attempting to engage with and nurture the powerful political forces of Latin American nationalism to develop the "healthy relationship" Eisenhower, his advisors and the State Department sought within the hemisphere.¹⁰⁷

This is not to suggest that Castillo Armas and Arbenz were cut from the same political cloth, far from it. The crucial point is that the United States believed that both could be co-opted into North American hegemony along similar lines. U.S. policy tried to mold both into allies they could rely upon, but also be proud to be associated with: examples to the wider region of the American brand of progress and the benefits of cooperation with Washington. That rhetoric was self-serving and strained beyond credibility, but it remains vital to understand nonetheless. To appeal to leftist nationalism, and demonstrate its benevolent hegemony U.S. officials needed compliant leaders willing to demonstrate symbolic deference the United States. U.S. officials also needed cooperation from Congress to supply the aid dollars to maintain their influence, and a competence and political legitimacy that the Castillo Armas government lacked.

¹⁰⁷ See chapter 4.

Perhaps most importantly, the very act of overthrowing Arbenz whilst continuing to wield substantial influence on its client regimes made the notion of a U.S. appeal to the “authentic revolution” or “leftist nationalism a very tall order indeed. But it was nonetheless an order that policymakers and officials wished to fulfill, and this wish was exploited by the MNR in ways that the successive Guatemalan regimes in the 1950s could not. President Paz in Bolivia was more than willing to demonstrate understanding of North American attitudes, whilst continuing with a series of domestic and inter-American policies that tested the limits of Washington’s hegemony. The Arbenz government, by contrast, sought to pursue similar policies to the MNR whilst forcefully and openly rejecting North American interference in Latin American domestic policy.

Chapter 6

Eisenhower, Congress and Bolivian aid: 'trying to do something intelligently about South America'

President Eisenhower, in an interview conducted seven years after he left office, vented his frustration at Congress for stymieing his efforts in foreign aid:

*...Congress has very little interest in foreign relations except that it treasures its power of the purse... You try to do something intelligently about South America, but... [t]he demagogue or even the ordinary politician thinks... 'I'd rather spend the money on helping my farmers right here in Abilene, Kansas, then I would on helping Bolivia.'*¹

Eisenhower, who had grown up in Abilene and had chosen the town to host his Presidential Library and museum, had never been to Bolivia. Yet he came to believe aid to the country that promoted long-term economic prosperity and political stability was of great importance for the United States' wider strategic needs. There were many like-minded officials within his administration, but also many dissenters and competing agendas throughout the policymaking apparatus. These obstacles hampered the realization of the type of aid programs that the administration hoped might cement the special bond that the president perceived between the United States and Latin America. Such hopes were strikingly ambitious, and perhaps needed to be so in order to combat political opposition, but they ultimately failed to deliver on their promise.

By the end of his time in office, Eisenhower appeared to be making good on the promises of paying more attention to Latin America he had made as a candidate for president in 1952.

¹ Dwight D. Eisenhower, interviewed by Ed Edwin on 20 July, 1967, OH-11, p. 73. DDEL, Oral Histories.

The administration helped to create a regional development bank and oversaw an increase in aid that laid the groundwork for the Alliance for Progress, Kennedy's flagship program of aid for Latin America.²

Modernization theorists like Walter Rostow criticized these efforts as too little, too late, and pointed to the rise of Castroism the year following the disastrous Nixon visit to Latin America in 1958 that provoked widespread rioting in many of the cities he visited.³ This obvious blow to the prestige of the United States helped garner political capital for the administration to achieve some of its officials' vision for a more comprehensive regional approach. But despite the failures of the Eisenhower years in the wider region, from the administration's first moments in power the Bolivian revolution represented an opportunity for policymakers in Washington to confront Latin American political and economic instability. Policymakers working on aid to Bolivia came up with a similar set of solutions that the administration would advocate for post-Arbenz Guatemala and, after 1958, the wider region. Convinced of the MNR's nationalist promise to address Bolivia's underlying economic and social problems, the administration sought to enable the cooperative MNR government's revolutionary agenda⁴ Eisenhower was

² Matt Loayza sees this as a move to head off further Latin American requests for aid, which had already been denied earlier in the decade despite promises made at Caracas in March 1954. Matt Loayza, "An Aladdin's Lamp for Free Enterprise: Eisenhower, Fiscal Conservatism, and Latin American Nationalism, 1953-1961," *Diplomacy and Statecraft* 14:3 (September 2003), pp. 83-105. For an alternative view, see Thomas Mann's contention that the Eisenhower years marked a "new and more vigorous approach to economic and social development in Latin America." Maclyn P. Burg interview with Thomas C. Mann 17 December, 1975, Eisenhower administration oral history project, Columbia University Rare Books and Manuscripts Library.

³ David Milne, *America's Rasputin: Walt Rostow and the Vietnam War* (New York: Hill and Wang, 2008), p. 47. Robert Packenham, *Liberal America and the Third World: Political Development Ideas in Foreign Aid and Social Science* (Princeton: Princeton University Press, 1973), pp. 49-50. James F. Siekmeier, *Aid, Nationalism and Inter-American Relations: Guatemala, Bolivia and the United States, 1945-1961*, (Edwin Mellen Press, Lewiston, NY, 1999), p. 264.

⁴ "Premises on 'Bolivian problem,'" Memorandum from Hudson to Atwood, April 30, 1953, NARA, CDF, Central Decimal File, RG 59, Box 4607, 824.00/4-3053.

able to do so in spite of political, bureaucratic and ideological disquiet in the U.S. because Bolivia was a cooperative government seeking American patronage, and represented a “crisis” situation dire enough that it could be used to leverage Congress for money it was reluctant to appropriate.

Given these circumstances, the administration was able to move towards providing substantial aid packages well before the rise of open anti-Americanism and Castroism in 1958-60, or the wider shift towards 'trade-and-aid' in response to a more ambitious Soviet approach to the Third World under Khrushchev after 1956.⁵ By providing economic aid and support for the popular revolutionary movement, the administration hoped to revitalize the inter-American system and diminish the type of anti-American radicalism so prevalent after what many Latin Americans saw as decades of political and military intervention and economic exploitation and neglect.⁶ Bolivia, like the crisis of 1958 and the Nixon visit, gave the administration the opportunity to act upon deeper beliefs about the potential for U.S. policy in the region.

Accordingly, the U.S. sponsored increasingly substantial aid packages to Bolivia from 1953 onwards. After an initial period of apparently “stop-gap” aid from 1953-55, between 1956 and 1961 the United States provided \$145.5 million to Bolivia (averaging \$24.25 million per year), compared to \$34.3 million between 1953 and 1955 (averaging \$11.4 million per year).⁷

⁵ Kaufman argues for a pivot from “trade not aid” sermons from the administration to the rest of the world up until 1956 and more aggressive Soviet moves towards foreign aid. Burton I. Kaufman, *Trade and Aid: Eisenhower's Foreign Economic Policy, 1953-1961* (Baltimore: Johns Hopkins University Press, 1982).

⁶ See chapter 4.

⁷ Richard Patch, “Bolivia: U.S. Assistance in a Revolutionary Setting,” in Richard N. Adams et al., *Social Change in Latin America Today: Its Implications for United States Policy*, (New York: Harper & Brothers, 1960), p. 152, table 1; Eder, *Inflation and Development in Latin America*, p. 596; Siekmeier, *Aid, Nationalism and Inter-American Relations*, p. 357. UN technical assistance also doubled from 250,000 dollars in 1953 to 640,000 dollars in 1956. Bolivian Foreign Ministry, *Mensaje del Presidente de la Republica Dr. Victor Paz Estenssoro al H. Congreso Nacional* (La Paz: 1956), pp. 148-49.

Total aid to Bolivia came to almost half of the 400 million dollars in military aid that Latin America received during the Eisenhower administration, well over a billion in 2016 dollars.⁸ The United States also contributed millions to inter-American technical assistance programs, programs that President Paz presented to the Bolivian Congress as the most valuable in furthering the progress of the revolution.⁹

Whilst providing this aid, the administration also sought to further manipulate Bolivian economic policy with its own advisors and agenda. Advisors from Washington played a direct role in drafting the Bolivia's petroleum codes in 1955, from the consulting firm of Meyers and Batzel. Batzel would also go on to help craft oil codes in Guatemala that same year.¹⁰ In 1956 Washington dispatched businessman George Jackson Eder to La Paz, to overhaul the currency stabilization plan the MNR was attempting with the guidance of the UN's Arthur Karaz. The Eder Plan of austerity and currency stabilization attempted to curb rampant inflation and attract more private capital investment in Bolivia, whilst, as Eder remembered it, also striking a blow against the Keynesian ideas at the heart of the Karaz approach.¹¹

The administration's long term strategic goal of cementing U.S. hegemony through patronage of the Bolivian government had to contend with considerable fiscal conservatism and criticism of Bolivia aid from Congress, the General Services Administration and the Treasury.

⁸ Rabe, *Eisenhower and Latin America*, p. 77.

⁹ In 1955 Bolivia received a total of 13.766 million dollars in cash and 37.336 million dollars worth of equipment through the Servicio Agrícola Interamericano, Servicio Cooperativo Interamericano de Salud Pública and Servicio Cooperativo interamericano de Educación. Bolivian Foreign Ministry, *Mensaje del Presidente de la República Dr. Víctor Paz Estenssoro al H. Congreso Nacional* (La Paz: 1956), p. 150.

¹⁰ Cable from Hoover to U.S. Embassies in Guatemala La Paz, NARA, CDF, RG 59, Box 4213, 814.2553/2-455.

¹¹ See George Jackson Eder, *Inflation and Development in Latin America: A Case History of Inflation and Stabilization in Bolivia* (Ann Arbor: University of Michigan Press, 1968); Richard Patch, "Bolivia: U.S. Assistance in a Revolutionary Setting," in Richard N. Adams et al., *Social Change in Latin America Today: Its Implications for United States Policy*, (New York: Harper & Brothers, 1960), p. 153.

The tension between pressure to support the Bolivians' revolutionary agenda and cutting back on aid commitments more generally led the administration to grant aid packages and tin contracts on a rather short-term basis, leading many to conclude that U.S. policy was essentially "stop-gap," crisis management that found policymakers reluctantly supporting the MNR to stave off an economic collapse that might benefit those further to the left in Bolivia.¹²

At the same time as preventing Bolivian economic collapse, U.S. officials designed their support of the revolution to push forward other American interests and values: austerity, and oil codes that favored U.S. capital. Such an approach was, in the view of some historians, essentially antinationalist in conception and execution. These historians argue that the Eisenhower administration was more interested in the MNR's nationalism than its attitudes towards communism, but they ultimately see a reactionary, antagonistic impulse behind US policy towards Bolivian nationalism. In these histories, U.S. policy was primarily concerned with quashing meaningful Latin American reform, autonomy or challenges to U.S. hegemony, and reinforcing Latin America's economic dependency on the United States.¹³

This chapter argues otherwise. Bolivia did increasingly depend on U.S. aid during the 1950s, and made many hard sacrifices and symbolic gestures, in part to placate the United States.

¹² Herter to American embassy Bonn (Enclosure "US Objectives and Programs of Aid to Bolivia") "NA RG 59, 824.10/2-1458 250/43/17/6 Box 4276. Lehman, "Revolutions and Attributions," p. 213; Siekmeier, *Aid, Nationalism and Inter-American Relations*, p. 247; Blasier, *The Hovering Giant*, p. 134. For references to "stop-gap" see Herter to American embassy Bonn (Enclosure "US Objectives and Programs of Aid to Bolivia") "NARA, CDF, RG 59, Box 4276, 824.10/2-1458; Memorandum of Conversation between Siles, VP Frederico Alvarez, Barrau, Hugo Moreno Cordoba (Finance minister), Jorge Tamayo (Minister of Economy), Nixon, Bonsal, Rubottom, Waugh, Bernbaum (director OSA). 5 May 1958, NA, RG 59, LOT FILES, LOT 59 D 573, Box 5, Folder: 1958 Bolivia, Roy R. Rubottom Papers.

¹³ Siekmeier, *Aid, Nationalism and Inter-American Relations*, Gabriel Kolko, *Confronting the Third World: United States foreign policy, 1945-1980* (New York, NY: Pantheon Books, 1988). See also the more recent scholarship of Matt Loayza. "A Curative and Creative Force': The Exchange of Persons Program and Eisenhower's Inter-American Policies, 1953-1961," *Diplomatic History*, vol. 37, issue 5 (Fall 2013) pp. 946-970, and Kevin Young, "Purging the Forces of Darkness: The United States, Monetary Stabilization, and the Containment of the Bolivian Revolution," *Diplomatic History* Vol. 37, No. 3 (2013), pp. 514, 520-21.

However, the influence of the U.S. in forcing these policies on an unwilling MNR has been overstated, and U.S. policymakers' Machiavellian intentions to undermine the revolution's search for greater economic autonomy is wholly inaccurate.¹⁴ Many at the State Department, Bolivian Foreign Ministry, and Eisenhower himself were keenly aware of domestic opposition to expanding foreign aid programs (or at least able to come up with such opposition as a plausible excuse). But their conceptual approach to US policy in Bolivia and the potential gains the United States could make there went much deeper and broader than a reluctant program of “stop-gap” aid or “crisis management” along the lines of Robert Pastor’s whirlpool model of inter-American relations.¹⁵

In narratives that emphasize U.S. antinationalism in its approach to Bolivia, one mechanism for preventing economic nationalism was Washington's insistence on a program of generous compensation for nationalized mines formerly owned by the Patiño group. This compensation placed a substantial burden on the Bolivian economy and the MNR's revolutionary project, according to this argument.¹⁶ Yet despite the extensive pressure the U.S. put on the MNR to compensate former mine owners, Washington's key concern was not to punish the revolutionaries through punitive reparations, but to make a symbolic gesture towards the wider position of private capital investment in Latin America as a whole. Once the revolutionary government agreed to provide compensation in principle, the matter became relatively

¹⁴ In the words of Eder “a rejection, at least tacitly, of virtually all the revolutionary government had done.” Eder quoted in Lehman, *Bolivia and the United States*, p. 123. See also Dunkerley, *Rebellion in the Veins*, pp. 86-87; Rebecca Scott, “Economic aid and imperialism in Bolivia,” *Monthly Review* 24:1 (1972), pp. 48-60.

¹⁵ Robert Pastor, *Exiting the Whirlpool: U.S. Foreign Policy Toward Latin America and the Caribbean* (Boulder: Westview Press, 2001).

¹⁶ Dunkerley, *Rebellion in the Veins*, p. 58. See also Siekmeier, *Aid, Nationalism and the Inter-American System*.

unimportant to U.S. officials. In fact, these officials repeatedly complained at lack of follow-through from La Paz on the issue, even as their aid spending in Bolivia continued to increase.

A second mechanism to enforce economic dependency, according to some, was U.S. aid and development policy. Some historians describe U.S. officials' explicit desire to use aid policy as leverage not only to secure Bolivian cooperation with the United States, but to also further entrench Bolivian economic dependency. Using doctrinaire free market principles and fiscal conservatism, they argue that U.S. policy achieved its agenda of undermining economic nationalism and statism.¹⁷ The narrative emphasizing the underlying anti-nationalist purpose of U.S. aid programs and the advice of its economic experts, Public Law 480, the role of U.S. officials in drafting Bolivian legislation on petroleum industry codes, and the stabilization plan of 1956 form key elements in the U.S. struggle to contain economic nationalism.

Whilst U.S. aid programs did undercut Bolivian food production and coincided with Bolivia's increased need for outside financial aid and greater food imports for the period 1952-64, this was not the design and underlying purpose of the officials such as Holland, the Eisenhowers, Bolivia Desk officers and embassy officials. Aid programs for Bolivia, including PL480, were designed to transform the Bolivian economy, diversify it, and help Bolivia to “stand on its own economic feet.”¹⁸ U.S. officials' desire to aid in the diversification of the Bolivian

¹⁷ This is one of James Siekmeier's key arguments, which remains constant throughout his extensive writings on Bolivia: the administration's aid programs were expressly designed to promote Bolivian dependency and combat economic nationalism. For Siekmeier, Milton Eisenhower displayed consistent “ardour in fighting economic nationalism” in keeping with administration policy. In particular, Siekmeier emphasized the administration’s coercive aid policies, policies which “hindered the Bolivians from reaching their often-articulated goal of economic diversification.” Siekmeier, *Aid, Nationalism and Inter-American Relations*, pp. 207, 352; James Siekmeier. “Latin American Economic Nationalism and United States-Latin American Relations, 1945-1961.” *The Latin Americanist* 52:3 (October 2008): 59-76

¹⁸ Letter from Bonsal to Senator Green, February 21, 1958, NA, RG 59, General Records of the Department of State, Records of the Bureau of Inter-American Affairs, Lot Files, LOT 62 D 16, Box 27, Folder 21.1. See also Memorandum of a Conversation between Holland, Ohly, Atwood, Trigg, Sandri, Kittredge, Williams, Sayre, May

economy should be seen as *empowering* the MNR revolution, not as its nemesis or a “brake.”¹⁹ And in that effort to diversify trading partners, export revenues and the internal economy, at least by the 1970s, they enjoyed a moderate level of success in growing and diversifying the Bolivian economy, lessening dependence on tin exports and on the U.S. as the primary market for that tin.²⁰

In making the error of attributing meaningful intent behind the growing dependence of Bolivia on the United States in this era, and by ignoring the considerable friction and divergence of interests between U.S. policymakers and business elites desperate to quash the Bolivian revolution, historians have misunderstood the fundamental underpinnings of the American hegemonic impulse. U.S. officials saw no conflict between greater Bolivian economic autonomy under the MNR and the extension of U.S. hegemony. Bolivia would represent a reliable partner less susceptible to overthrow by communist or anti-American malcontents if it maintained the ability to feed itself, a stable rate of inflation, and a diversified economy less dependent on the price of a single commodity on the world market. The economic stabilization of Bolivia served two main purposes: ensuring political stability, and providing an example to Bolivia and the wider world of the benefits of cooperation with the United States.

Bolivian officials recognized the desire of the administration to provide more assistance to Bolivia and support the MNR in its attempts to transform and diversify the Bolivian economy.

11, 1956, *FRUS, 1955-57*, vol. 6, p. 389; Memorandum from Holland to the Acting Secretary of State, September 2, 1955, *FRUS, 1955-57*, vol. 6, p. 333.

¹⁹ Kenneth D. Lehman, “Braked but not broken: Mexico and Bolivia- Factoring the United States into the Revolutionary Equation” Grindle, Merilee S. and Domingo, Pilar (eds.), *Proclaiming Revolution: Bolivia in Comparative Perspective* (Cambridge, MA: Harvard University Press, 2003), pp. 91-113; Siekmeier, *Aid, Nationalism and Inter American Relations*, p. 354.

²⁰ Wilkie, “U.S. Foreign Policy and Economic Assistance in Bolivia,” pp. 605-606. See also

MNR diplomats, as they had done with gestures towards anticommunism, made symbolic deference to the administration's concerns over compensation and economic policy even as they delivered little substantively.

Observers in the United States recognized this, but advocates of expanded aid programs to Bolivia were hampered not by the innate fiscal conservatism of the administration as a whole, nor dissatisfaction with the MNR government. Cabinet and State Department officials' more expansive vision of what U.S. policy might be able to achieve over the long haul was held back by bureaucratic infighting and congressional squabbling over the nature and extent of the foreign aid budget. Congressional resistance encouraged bureaucratic inertia and forced the administration to hide its efforts behind an 'emergency aid' formula, even as many U.S. officials recognized that they would need long term solutions for Bolivian problems that were expected to be there for years to come.

Expropriated mines: “prompt, adequate and effective compensation” or “nothing but words and no action”?

One of the key sticking points in relations between the Eisenhower administration and the MNR from their first interactions was the issue of compensation for the recently expropriated mines of the Patiño group. Patiño was the only expropriated company with a majority of U.S. shareholders, and U.S. officials brought significant pressure to bear on the government to prove that they were not anti-capitalist by providing “prompt, adequate and effective” compensation to American investors.²¹ According to ambassador Andrade's analysis, at the beginning of 1953

²¹ William Hudson, “Summary statement of relations between the United States and Bolivia,” September 29, 1952. NA, RG 59, Box 2760, 611.24/9-2952

compensation for American shareholders seemed the “sole objective of the power of the U.S. government.”²²

If the issue of compensation was such a vital issue, it seems U.S. officials did not get much of what they asked for. Negotiations dragged out for almost a year. The agreement eventually reached between the MNR and Patiño in the summer of 1953 left the total amount of the indemnity to be decided at a later date.²³ Though payments continued somewhat sporadically over the following years, the slogan of “prompt, adequate and effective compensation” does not seem an accurate description of Bolivian behavior, despite their initial commitments.²⁴ The Bolivian government quieted U.S. concerns and demonstrated symbolic and rhetorical deference to the preservation of a positive environment for private capital and private enterprise, whilst preserving an essentially state-centered economy and failing to follow through on providing compensation to the satisfaction of the State Department.

As quickly as six months after the agreement's conclusion, the compensation issue seemed to the British ambassador in La Paz to still be a “sore” on U.S.-Bolivian relations.²⁵ Compensation payments made based on the initial agreement only lasted until April 1955, provoking a flurry of activity from Big Three lobbyists in Washington and Bolivian negotiators.

²² Andrade to Foreign Ministry, 10 January 1953, Bolivian Foreign Ministry Archives, *Cables Dirigidos y recibidos 1953 Embol Washington* CL-354.

²³ The total the 1952 provisional agreement between The Big Three and the Bolivian government valued Big Three investment at 342 million Bolivianos and 16.7 million dollars, two fifths of the company's total self-appraisal. The parties agreed to gradual payment of 2% of tin exports to pay it off (1.25 million annually). Memcon Alexander B Royce (Vice President Patiño Mines and enterprises), Holland, Sparks and OSA officials (Atwood, Bennett, Barall, Topping) NA RG 59, Bureau of Inter-American Affairs, Office of the Assistant Secretary of State for Inter-American Affairs, Country Files, 1953-56, Box 2, Bolivia 1953-55

²⁴ Blasier, *The Hovering Giant*, p. 76.

²⁵ Sir John Lomax “Annual Review of Events in Bolivia for 1953,” 5 January 1954, Public Records Office, FO 371/109218. See also A. T. Steele, “Bolivian-American Relations,” *New York Herald-Tribune* 19 February 1954.

The two sides tried to arrange a series of patchwork arrangements in the absence of the MNR's willingness to offer a long term formula for compensation. The Bolivians agreed to pay five percent of all sales into a compensation fund without finalizing what the final amount should be. The two sides recognized "the Bolivian Government was not in a position to make any large payment toward compensation at this time, or for some time to come," but disagreed profoundly on what the final amount should be. Negotiations dragged on for years, over American investments in expropriated companies totaled between 5 and 15 million dollars (the larger number mirroring the United Fruit Company's claims against the Arbenz government in Guatemala).²⁶ The archival record remains unclear on the final amounts paid out.²⁷ But although the impact of Bolivian payments to former mine owners was not insignificant on the Bolivian economy, to observers in the US it seemed only minimally adequate in fulfilling the spirit of the agreement.

In a 1958, as the U.S. program of aid in Bolivia hit unprecedented levels, Philip Bonsal was "deeply disturbed that after so long" compensation arrangements were "still so preliminary." Bonsal concluded that he had seen "nothing but words and no action" from the Bolivian government on finalizing the compensation agreement.²⁸ Even Milton Eisenhower, champion of

²⁶ Memcon Silverstein (Nathanson and Associates), John Topping, 5 May 1955, NA RG 59, Box 4278, 824. 25/5-555.

Memorandum from Hudson to Atwood (OSA), 14 January 1953, NARA, CDF, RG 59 Box 3308, 724.00/1-1453.

²⁷ According to James Dunkerley, consistent U.S. pressure over the extended compensation negotiations helped secure 27 million dollars for the former mine owners, or two thirds of Bolivia's foreign exchange reserves in 1952. He provides no source for these figures. James Dunkerley, *Rebellion in the Veins: Political Struggle in Bolivia, 1952-1982*, (Verso, London, 1984), p. 58.

²⁸ Memcon Bonsal and Barrau (Bolivian Foreign Minister) 26 June 1958, NA RG 59, Box 4276, 824.10/6-2758.

the MNR revolution and its land reform, conceded in his memoir that the settlement of the Bolivian compensation agreement had not been based upon “a realistic formula.”²⁹

Such foot-dragging over the payment of compensation was hardly surprising given Bolivia's ongoing economic woes and the political outrage directed at the Big Three for its exploitation of Bolivian workers and expatriation of capital earned off of the back of Bolivians' labor. Though U.S. officials exhibited much sympathy for Bolivia's economic plight as articulated by the MNR, the Eisenhower administration remained stubbornly unwilling to grant the Bolivian government the long term tin contracts they so desperately wanted and persistently asked for. As a result, the Bolivian government could not count on tin revenues from the nationalized mines' entire output for more than a year, or a year and a half, over the entirety of the 1950s.

Why did the U.S. repeatedly back away from giving the Bolivians a long term contract? Was the reluctance based on a moralistic reciprocity for the Bolivians' lack of traction on settling the compensation issue and sympathy for the recently dispossessed tin companies? Was this the innate fiscal conservatism of the Eisenhower years at work, holding back from buying large amounts of tin to pile on top of the already excessive U.S. stockpile? Or perhaps it was a result of competing bureaucratic interests stymieing the desire of some at the State Department to provide more long term support. The government agencies responsible for operating the smelter (the Reconstruction Finance Corporation and later the General Services Administration) and many in Congress were keen to shut down the Texas City Smelter, which made it difficult for the

²⁹ Milton Eisenhower appreciated that “compensation had been offered, at least in principle, if not in a realistic formula” by the Bolivian government, which contrasted most favorably with Castro’s “theft” of almost a billion dollars worth of American assets in 1959. Milton Eisenhower, *The Wine is Bitter: The United States and Latin America*, (Garden City, New York: Doubleday and Company Inc., 1963), p. 146.

administration to commit to purchasing more Bolivian tin ores. Perhaps most persuasive of all explanations, the parceling out of tin contracts in shorter durations was an effort to maintain a degree of leverage with which to influence Bolivian behavior whilst notionally pushing the MNR towards greater economic independence.

North American officials did not think their pressure on Bolivia over compensation for nationalized companies meant they were serving as an instrument of individual private companies.³⁰ Nor did they really aim to protect individual stockholders: the State Department never even definitively calculated the extent of U.S. ownership of Patiño stocks and was not terribly responsive to *La Rosca's* lobbying efforts to oppose the MNR. In fact, Acheson explained to Truman that the State Department's "extreme concern" over the nationalization of Bolivian tin "did not arise so much out of sympathy for the Patiño and Hochschild interests." The companies were, according to Acheson, "in a large part responsible for their present predicament."³¹

Despite U.S. disquiet over the doubtful prospects for adequate compensation and Bolivia's subsequent poor record on the issue, Washington insisted on it because the precedent of providing compensation was more important than saving U.S. investors between five and fifteen million dollars. William Hudson of the Office of South American Affairs noted as much even before the agreement was concluded.³²

³⁰ As has been charged in the case of United Fruit in Guatemala or the International Telegraph and Telephone Company in Chile Stephen Schlesinger and Stephen Kinzer, *Bitter Fruit: The Untold Story of the American Coup in Guatemala*, (Cambridge, MA: Harvard University Press, 1999). For more on the Allende coup as an extension of business interests in Chile, see James Petras and Morris Morley, "On the U.S. and the Overthrow of Allende: A Reply to Professor Sigmund's Criticism," *Latin American Research Review*, Vol. 13, No. 1 (1978), p. 207.

³¹ Memorandum from Acheson to Truman, May 22, 1952, p. 3. Truman Library, White House Central File, Department of State File, Correspondence, 1952 [2 of 6].

³² Memorandum from Hudson to Atwood (OSA), 14 January 1953, NARA, CDF, RG 59 Box 3308, 724.00/1-1453.

This precedent mattered for the overall health of the inter-American system. U.S. officials wanted to preserve the principal of compensation in order to promote a favorable investment climate for foreign capital in Latin America. The administration repeatedly emphasized that foreign capital was what Latin America needed in order to spur growth and modernization across the region. Central to Eisenhower's foreign policy vision for Latin America, indeed the whole non-communist world, was a vibrant U.S. economy leading a global system of free trade. It was this dynamic "corporate commonwealth" that would compete with and defeat the Soviet Union in the long run.³³ Private capital was Eisenhower's preferred engine for economic development in the specific case of Bolivia, and as a general model for the region.³⁴ Private capital-led development would also ease the burden on the foreign aid budget (and hence the U.S. taxpayer), and ideally strengthen both the U.S. and the Third World.³⁵

With such stakes in mind, the State Department noted that Chile was watching the U.S. reaction closely, given that there were similar demands for it to nationalize its copper mines.

³³ Griffith, "Dwight D. Eisenhower and the Corporate Commonwealth," pp. 87-122. See also Thomas Zoumaras, "Eisenhower's Foreign Policy: The Case of Latin America," in Richard A. Melanson and David Mayers (eds.), *Reevaluating Eisenhower: American Foreign Policy in the 1950s*, (Chicago: University of Illinois Press, 1987), p. 156; Osgood, *Total Cold War: Eisenhower's Secret Propaganda Battle at Home and Abroad* (Lawrence: University of Kansas Press, 2006). This was certainly not exclusive to Eisenhower: President Truman's President's Materials Policy Commission had also emphasized that private capital was "the most efficacious" method of resource development and creating prosperity. "The Objectives of United States Material Resources Policy and Suggested Initial Steps in their Accomplishment," Report by Jack Gorrie based on the President's Materials Policy Commission, December 16, 1952, p. 7. Truman Library, Papers of Joel D. Wolfsohn, HC103.7 A52 1952.

³⁴ Burton Kaufman, *Trade and Aid: Eisenhower's Foreign Economic Policy, 1953-1961* (Baltimore: Johns Hopkins University Press, 1982). Eisenhower supported numerous government initiatives designed to augment direct private U.S. investment into Latin America by agreeing to share the financial burden of losses. See Cole Blasier, *The Hovering Giant: U.S. Responses to Revolutionary Change in Latin America* (Pittsburgh: University of Pittsburgh Press, 1976), p. 98; Marina Von Newmann Whitman, *Government Risk Sharing in Foreign Investment* (Princeton: Princeton University Press, 1965), p. 84.

³⁵ "A Study of U.S. Problems and Policy Toward Latin America," 14 October, 1953, Section II, Part III, p. 11. DDEL, Commission on Foreign Economic Policy: Records, 1953-1954 (Randall Commission), Dr. Mikesell's Work [Foreign Investments], Box 59, Studies- Study of U.S. Problems and Policy Toward Latin America.

Also watching was Venezuela, where pressure to nationalize oil resources was ever-present.³⁶

Milton Eisenhower argued that “we cannot overemphasize that all of South America is concerned with [the] problem of strategic materials and is watching what we do with respect to the Bolivian situation,” repeating almost verbatim the concerns President Eisenhower himself expressed to his cabinet: “South America is watching closely what we do in Bolivia.”³⁷

The goal of promoting private capital investment in Latin American development was reflected across the administration. Cabot agreed with Milton Eisenhower’s influential report on Latin America that the fundamental assumption of U.S. policy was that “to develop, Latin America must have capital,” which should, wherever possible, be private.³⁸ NSC 5432/1 reasoned along similar lines, calling for U.S. policy to:

encourage [Latin American governments] by economic assistance and other means to base their economies on a system of private enterprise, and, as essential thereto, to create a political and economic climate conducive to private investment, of both domestic and foreign capital, including:

- (1) Reasonable and non-discriminatory laws and regulations affecting business.
- (2) Opportunity to earn, and in the case of foreign capital, to repatriate them at a reasonable rate of return...
- (5) Respect for contract and property rights, including assurance of prompt, adequate and effective compensation in the event of expropriation.³⁹

³⁶ Given this wider context, Acheson warned that supporting Bolivia might be interpreted “as a green light to revolutionary nationalism,” creating “a bad effect in other countries where U.S. property rights are at stake.” Memorandum from Acheson to Truman, May 22, 1952, p. 3. Truman Library, White House Central File, Department of State File, Correspondence, 1952 [2 of 6].

³⁷ Louis Galambos and Dan Van EE, *The Papers of Dwight David Eisenhower: The Presidency; Keeping the Peace, vol. XIX*, (Johns Hopkins University Press, Baltimore, 1996), p. 376. For President Eisenhower’s remarks, see Kenneth D. Lehman, “Revolutions and Attributions: Making Sense of Eisenhower Administration Policies in Bolivia and Guatemala,” in *Diplomatic History*, (Spring 1997, vol. 21, Issue 2), p. 208.

³⁸ Quoted from Milton Eisenhower’s “Report to The President on U.S.-Latin American relations,” 19 November, 1953,” p. 3. DDEL, Cabot, John Moors, Papers 1929-78, Reel 14, 00657. See also “Informal Meeting of American Foreign Ministers, Washington, September 23-24, 1958, Position Paper: Use of Private Capital,” prepared by Hoffenberg, cleared by Treasury, Commerce and Department of States, September, 1958. DDEL, Eisenhower, Dwight D.: Records as President, White House Central File (Confidential File), 1953-61, subject series, Box 76, State, Department of (Sept. 1958) (1).

³⁹ “A Study of U.S. Problems and Policy Toward Latin America,” 14 October, 1953, Section IV, Part I, p. 13. DDEL, Commission on Foreign Economic Policy: Records, 1953-1954 (Randall Commission), Dr. Mikesell’s Work [Foreign Investments], Box 59, Studies- Study of U.S. Problems and Policy Toward Latin America; “Note by

Creating an environment conducive to private investment was a prevalent component of policy towards Bolivia. Policymakers insisted that the MNR reach a concrete compensation settlement with the tin companies affected by government policy, and display “fair treatment” towards private capital and property.⁴⁰ Washington officials were willing to give the MNR room to nationalize the Big Three’s tin mines because they accepted that nationalization had been a political necessity for the MNR. However, policymakers still retained misgivings over the “unwisdom of nationalization *per se*” and concerns over the likelihood of the MNR providing “prompt, adequate and effective compensation.”⁴¹

In keeping with the administration’s specific concerns and wider aims for the region, the Bolivian government tried to demonstrate that it was receptive to foreign and domestic investment and the symbolic importance of gesturing towards expropriation with compensation.⁴² This was whilst its leaders were nationalizing the private mining concerns that dominated the Bolivian economy and attempting to create a far-reaching welfare state, including subsidized government-run grocery stores, or *pulperias*, for miners employed by the state. As reported in the *New York Times*, Andrade’s opening statement to the U.S. upon being installed as ambassador was that his government would respect private property rights, and he took great

Acting Secretary--US policy Toward Latin America--5432/1” 3 September 1954, White House Office, Office of the Special Assistant for National Security Affairs, NSC Series, Policy Papers Subsidiaries, Box 13, “Policy Toward Latin America (NSC 5432/1),” DDEL; Siekmeier, *Aid, Nationalism and Inter-American Relations*, pp. 168-9.

⁴⁰ Memorandum of conversation between Cabot, Hudson, Guevara and Andrade, November 4, 1953, *FRUS, 1952-53, vol. 4*, p. 538.

⁴¹ Memorandum from Hudson to Atwood, January 14, 1953, p. 3. NA, RG 59, Box 3308, 724.00/1-1453. [Italicized in original]. 41 Hudson, “Summary statement of relations between the United States and Bolivia,” September 29, 1952. NA, RG 59, Box 2760, 611.24/9-2952

⁴² Andrade to Guevara, 7 November 1952, p. 3. Papers of Walter Guevara Arze, Archivo y Biblioteca Nacional de Bolivia, Box 9, folder: correspondencia EE UU.

pains to explain to the administration that “we intend to pay the former owners every cent that is due to them.”⁴³ The Bolivians also stressed that nationalization of the Big Three was a special case that did not reflect wider government attitudes towards private capital. The administration followed this promise carefully and ensured that other companies were not subjected to what policymakers felt was unfair treatment.⁴⁴ Paz made repeated efforts to attract private capital to Bolivia, described dismissively as “frantic” by the unsympathetic *Barron's Magazine*.⁴⁵ He also emphasized the significance of the Glen McCarthy contract, which granted permission to construct a match factory and sulfur mining rights to a U.S. company even as the Big Three’s mines were being nationalized.⁴⁶

Bolivian diplomatic efforts to calm U.S. concerns over their economic approach seem to have worked, despite some evidence of anticapitalist rhetoric from moderate MNR leaders.⁴⁷ Paz appeared “intelligently aware of the problem” of nationalization to U.S. officials.⁴⁸ Because the MNR leadership had convinced U.S. officials of their desire to preserve “a basically capitalist economic system,” the United States was willing to grant it leeway to attempt to cement “substantial social welfare concepts and with few inhibitions on state controls and state

⁴³ Dunkerley, *Rebellion in the Veins*, p. 58; Blasier, *Hovering Giant*, p. 82; *New York Times*, April 13, 1952, p. 11.

⁴⁴ Memorandum of conversation between Cabot, Hudson, Guevara and Andrade, November 4, 1953, *FRUS*, 1952-53, vol. 4, p. 538.

⁴⁵ *Barron's Weekly*, 27 September, 1954, p. 5.

⁴⁶ Telegraph from Embassy in La Paz to the Department of State, 9 January, 1953, Box 3309, 724.00 (W)/1-953.

⁴⁷ In a speech to the Panamerican Union, Hernan Siles Zuazo argued that capital investment in Bolivia had meant “collective impoverishment” for Bolivia and the creation of an “economic empire outside of its territory run by a global elite.” 10 October 1952, *Presidencia* 764, 2, RREE Correspondencia (Ministerio de Relaciones Exteriores, 1952) Archivo y Biblioteca Nacional de Bolivia.

⁴⁸ Report by William Cobb, Jr., 2nd Secretary of the Embassy, to the Department of State, 15 May, 1952, NARA, Central Decimal File, RG 59, Box 3310, 724.00/5-1552; Telegraph from Sparks to the Department of State, 20 June, 1952, NARA, Central Decimal File, RG 59, Box 3309, 724.00(W)/6-2052.

intervention.”⁴⁹ The administration seems to have absorbed the advice of the Randall Commission, which emphasized that, whilst it was “beyond the competence of U.S. policy to arrest or reverse the current revolutionary trend, some of whose manifestations we find so distressing” it was “within reach of our power to influence the course of events” towards outcomes “favorable to us in the long run.”⁵⁰ By promoting a private-capital led development model in a nationalist revolution in the heart of South America, the administration hoped to provide the rest of the hemisphere with a success story that could be emulated.⁵¹

The idea that private capital would flood into Bolivia and push the revolution away from statist economic models might have held some appeal to conservative skeptics of the administration's support for Bolivia, but these hopes were not borne out. In fact, U.S. policy, whilst on the one hand helping push through austerity measures that some saw as distinctly antirevolutionary, on the other was becoming more deeply committed to providing soft loans to support Bolivia's state-led economy. Political pressure from lobbyists like Tydings and fiscal conservatives in Congress and the cabinet meant that the U.S. government shied away from open collaboration with or support for the nationalized mining industry, but through providing aid to

49 “Bolivian highlights, 1953” by Rowell, January 13, 1954, p. 2. NA, RG 59, Box 3308, Folder 2, 724.00/1-1354.

⁵⁰ DDEL, Commission on Foreign Economic Policy, Dr. Mikesell’s Work [Foreign Investments], Box 59, Studies, “Study of U.S. Problems and Policy Toward Latin America,” October 14, 1953, Section VI, Conclusions, p. 17.

⁵¹ Holland to W. Park Armstrong, Jr. (Special Assistant to the Secretary of State for Intelligence), 6 March 1956, NARA, FOIA NW 37465. This effort was not a complete anomaly, and was mirrored the administration’s efforts in post-Arbenz Guatemala. Ambassador Sparks was moved to Guatemala City in October, 1954, and was accompanied by significant amounts of aid. U.S. policy attempted to demonstrate, much as in Bolivia, that its developmental model was viable and rewarding, and that under U.S. tutelage, Guatemala could become a stable and prosperous democracy. See Charles D. Brockett, “An Illusion of Omnipotence: U.S. Policy toward Guatemala, 1954-1960,” *Latin American Politics and Society*, Vol. 44, No. 1 (Spring, 2002), pp. 91-126; Nick Cullather, *Secret History: The CIA’s Classified Account of its Operations in Guatemala, 1952-1954* (Stanford: Stanford University Press, 1999), p. 63. Unfortunately for Guatemalans, and contrary to this vision, the following decades witnessed rampant violence and instability, including campaigns of political assassination and the widespread targeting of indigenous populations by government forces.

the Bolivian government that is exactly what it ended up doing.⁵² In its desire to support the Bolivian revolution, the administration ended up indirectly subsidizing the nationalized mines through aid to the Bolivian government. By the end of the decade officials previously hostile to the very idea of COMIBOL (the state-run mining company) began to call for this support to become more direct. Assistant Secretary of State for Inter-American Affairs Richard Roy Rubottom, in a cable to ambassador Bonsal, vented his frustration at the Bolivian government's handling of the economy, yet ended up recommending a direct loan to the state company that ran the mines:

As regards Comibol, while a government agency is not the best medium for running a mining enterprise, and while we strongly dislike to see a government expropriate private holdings without even considering how or when just compensation will be provided, it is undeniable that mineral production is still the mainstay of the Bolivian economy and therefore I am forced to agree that it is desirable, in the absence of any practical alternative, to review our policy toward COMIBOL.⁵³

As U.S. aid efforts increased towards the end of the decade, ambitious statist solutions remained at their heart. US technical and financial assistance in FY 1958 aimed to “facilitate the rational reallocation of labor in that new employment opportunities, both temporary and permanent, will be made available through land clearing, resettlement, road building program[s].”⁵⁴ Although efforts were made to curb the use of *pulperias* after the stabilization plan of 1956, U.S. aid was still, in the words of Deputy Assistant Secretary of State for Inter-American Affairs, William P.

⁵² Holland to Acting Secretary Hoover, 21 January 1955, NA RG 59, Box 4279, 824.2544/1-1055.

⁵³ Rubottom to Bonsal, 12 December 1957, NA RG 59, Box 4278, 824.25/12-1257.

⁵⁴ Herter to American Embassy Bonn (Enclosure “US Objectives and Programs of Aid to Bolivia”) “NA RG 59, 824.10/2-1458 250/43/17/6 Box 4276

Snow, “primarily a vehicle for keeping one political party, the National Revolutionary Movement, in power in Bolivia. We are in little more than an expensive holding operation.”⁵⁵

The strong pressure that the United States placed on the MNR to provide compensation for the mine owners betrayed a concern for keeping up appearances for the wider region to insure a more favorable climate for private capital investment. These pro-capital ideas furthered the administration's wider vision of the economic developments that would secure U.S. regional hegemony. The MNR leadership paid symbolic deference to U.S. shareholders and accepted the need for compensation in principal, and framed their plans for Bolivia's mines as politically necessary but not at odds with foreign capital in general. Both gestures were explicitly designed to placate Washington and lessen their concerns over U.S. regional hegemony, despite there being no need for such maneuvers within the context of Bolivian law or politics in the judgment of Paz and Guevara.⁵⁶ Yet once that symbolic deference had been secured, the Bolivians were able to push the limits of acceptable behavior within that framework relatively far. The MNR provided minimal cooperation on the provision of compensation and continued to pursue statist economic projects contrary to the free market, 'trade not aid' maxims of the Eisenhower administration whilst receiving unprecedented amounts of economic support from Washington.

Public Law 480: dependency and the U.S. Congress

⁵⁵ Snow to Dillon (no date, between August 8 and September 19), NARA, RG 59, General Records of the Department of State, Bureau of Inter-American Affairs, Records Relating to Bolivia; 1958-1960 lot file no. 62 d 16, Folder 89

⁵⁶ Memorandum from Guevara to Bolivian Embassy in Washington, 16 Jan 1953, Bolivian Foreign Ministry Archives, *Claves Originales de Cables Expedidos*, CL 942.

In addition to pressure for compensation for the former mine owners, a central piece of the dependency critique of U.S. policy is its extensive use of Public Law 480 to provide food aid to the Bolivians. Indeed, Eisenhower and others justified PL 480 to Congress in those terms. Eisenhower claimed the law, designed to help sell U.S. agricultural surpluses abroad and thus stabilize prices for American farmers flooding the world market, would “lay the basis for a permanent expansion of our exports of agricultural products with lasting benefits to ourselves and peoples of other lands.”⁵⁷ The law also provided for the provision of food aid in cases of “famine” or “emergency situations,” which would enable policymakers to make use of it heavily in the Bolivian case, where the perception of an “emergency situation” was widespread.⁵⁸

Year	Food aid (millions US dollars)	Food aid as a percentage of total Bolivian imports
1953-54	10.9	17
1954-55	18.3	22
1955-56	17.5	25

Source: Gustavo A. Prado Robles, *Ensayos de historia económica* (Santa Cruz, Bolivia: Instituto de Investigaciones Económicas y Sociales Jose Ortiz Mercado, Facultad de Ciencias Económicas Administrativas y Financieras Universidad Autónoma Gabriel René Moreno, 2008), p. 111.⁵⁹

As the table above demonstrates, food aid to Bolivia increased during the Eisenhower administration. Some historians have argued persuasively that such a massive influx of aid only

⁵⁷ Dwight D. Eisenhower, “Statement by the President Upon Signing the Agricultural Trade Development and Assistance Act of 1954,” July 10, 1954. Online by Gerhard Peters and John T. Woolley, *The American Presidency Project*. <http://www.presidency.ucsb.edu/ws/?pid=24605> last accessed 11/11/14

⁵⁸ Memcon Assistant Secretary of the Treasury Overby, de Biers, EXIM: General Edgerton, Sauer, Stambaugh, RFC: Cravens, McKinnon, IMF: Southard, State: Cabot, Waugh, Corbett (OFD) and Bramble (OMP), 3 June 1953, NARA, CDF, RG 59, Box 4606, 824.00/6-353. When Overby and Southard questioned the immediacy of the crisis in Bolivia, their colleagues convinced them that the situation was in fact “almost hopelessly bad.”

⁵⁹ See also Siekmeier, *Aid, Nationalism and the Inter-American System*, chapter 5.

served to harm the Bolivian economy by undercutting Bolivian producers, reducing Bolivian farmers' ability to provide enough food to meet domestic demand and thus deepening Bolivian dependency.⁶⁰ Perhaps Gandhi's warning proved apt, that "the import of food grains is the worst kind of slavery."⁶¹

In the 1950s, however, this dependency critique was not prevalent, certainly not from the Bolivian government. Food aid through PL 480 did not seem to be an insidious form of imperialism to senior MNR diplomats. These Bolivian officials thought the food aid would help "accelerate" the revolution, and help its leaders achieve their objectives.⁶² Far from acting as a 'brake' on the revolution, it seemed to top MNR diplomats that the "economic collaboration of the United States had transcendental significance" for the new government and its revolutionary agenda of an expanded social safety net and a diversified and more autonomous community.⁶³ To Andrade it was clear that US policy was "aiding the diversification of the Bolivian economy."⁶⁴ Diversifying the economy was the principal path MNR leaders saw to *breaking free* of dependency: on a single export whose unstable prices on the world market left the Bolivian economy particularly vulnerable, and on the smelters able to refine the lower quality Bolivian ores.

⁶⁰ Ibid., p. 203.

⁶¹ Mahatma Gandhi, *Selected Political Writings* (Indianapolis, IN, USA: Hackett Publishing Company, 1996), p. 137.

⁶² Renán Castrillo to Walter Guevara Arze, 6 September 1954, Walter Guevara Arze Papers, Archivo y Biblioteca Nacional de Bolivia, Box 9.

⁶³ Castrillo [?] to Guevara, "Summary of negotiations with the US," 20 July 1954, Walter Guevara Arze Papers, Box 6, Folder: Hacienda.

⁶⁴ Andrade to Guevara 9 August 1954, Walter Guevara Arze Papers, Box 9, Correspondencia EEUU-Bolivia.

From its first beginnings, U.S. officials saw the increased aid to Bolivia under Eisenhower as a buttress to the revolutionary project to diversify and stabilize the Bolivian economy, not a vehicle for promoting dependency.⁶⁵ Such a task was seen as essential given the “almost hopeless” economic situation dependency on tin exports had fostered, especially in an era when Bolivian tin was becoming less competitive on the world market, where prices for tin were collapsing.⁶⁶ Milton Eisenhower's report on Latin America, made after his high-profile fact-finding mission in the spring of 1953, also included private recommendations on policy deemed unsuitable for wider publication. According to these restricted passages, assistance to Bolivia was “emergency aid” to prevent economic collapse, but it was also designed to promote “diversification of the Bolivian economy.” In his report Dr. Eisenhower placed great emphasis on *increasing* Bolivian food production through technical assistance.⁶⁷

Not only was U.S. policy attempting to increase food production, policymakers also saw it as a subsidy to the wider Bolivian economy and revolutionary project, not as a method of enforcing dependency. In theory, providing food aid would free up precious foreign exchange reserves that Bolivia was using to import a quarter of its food, and allow the government to invest instead in the diversification projects so central to its government's long term economic plan. This plan sought to restructure land ownership and increase participation in market relations. It also sought use revenue from the nationalized mines not only as “a vehicle to pay for

⁶⁵ According to Hudson one of the purposes of US aid would be “A positive and powerful impulse to the economic diversification of Bolivia” Memorandum from Hudson to Atwood “Premises on ‘Bolivian problem,’” April 30, 1953, NARA, CDF, Central Decimal File, RG 59, Box 4607, 824.00/4-3053.

⁶⁶ Memcon Assistant Secretary of the Treasury Overby, de Biers, EXIM: General Edgerton, Sauer, Stambaugh, RFC: Cravens, McKinnon, IMF: Southard, State: Cabot, Waugh, Corbett (OFD) and Bramble (OMP), 3 June 1953, NARA, CDF, RG 59, Box 4606, 824.00/6-353.

⁶⁷ Memorandum from Milton Eisenhower to John Foster Dulles, 11 January 1954, NARA, CDF, RG 59, Box 513, 120.220/1-1154.

social reforms,” but to also diversify the economy.⁶⁸ The revolutionary leaders made their intentions clear to U.S. officials, who again recognized the importance of the MNR’s efforts to transform the Bolivian economy. Walter Guevara Arze, Ambassador Andrade and William Hudson met on the 4th of November, 1953 in John Moors Cabot’s office at the State Department. According to Guevara’s record of the meeting, Cabot “recognized the merit” in Bolivia’s plan to “leave dependency” through its diversification plan and “expressed his sympathy [for it].”⁶⁹

Five years on, little had changed. If anything the administration was more deeply committed to the success of the MNR, for reasons that went well beyond Bolivia, and tapped into policymakers’ vision of the grand purpose of U.S. policy. Such an expansive vision of the potential to transform Bolivia created more momentum behind increasing aid commitments. The worldview behind the growing program of aid to Bolivia serves as a striking juxtaposition to rhetoric concerning U.S. promotion of Bolivian independence, “so that we will be able to cease our financial assistance as soon as possible.”⁷⁰ In a meeting with the Bolivian president and senior officials from both countries, Vice President Richard Nixon articulated this contradiction with apparently little sense of irony. The vice president praised Bolivia for “courageously helping herself,” thus serving as an

⁶⁸ Walter Guevara Arze, *Plan inmediato de política económica del gobierno de la revolución* (La Paz: Ministerio de Relaciones de Exteriores y Culto: December 1954); Edmundo Flores “The Bolivian Agrarian Reform,” Paper prepared for FAO (United Nations) 26 December, 1953, p. 8, Walter Guevara Arze Papers, Box 30, Reforma Agraria. See also Drew to Department of State, 4 March 1955, NA RG 59, Box 4279, 824.2544/3-455.

⁶⁹ Cabot also seemed encouraged by the Bolivian effort to limit spending and balance the budget. An untitled record of this meeting from a Bolivian perspective, as well as the other meetings Walter Guevara undertook in Washington during his November trip can be found in Walter Guevara’s papers, Bolivian embassy in Washington memorandum, 7 December 1953, Box 9, Folder EEUU Correspondencia. The State Department’s record of this particular meeting can be found here: Memorandum of conversation between Cabot, Hudson, Guevara and Andrade, November 4, 1953, *FRUS, 1952-53, vol. 4*, pp. 537-42.

⁷⁰ Letter from Bonsal to Senator Green, February 21, 1958, NA, RG 59, General Records of the Department of State, Records of the Bureau of inter-American Affairs, Lot Files, LOT 62 D 16, Box 27, Folder 21.1.

example to the world on what could be done by a country in difficulties to help itself and thereby merit the assistance of others. [He] felt it greatly important that the present Bolivian Government and its policies be vindicated by success. Its policies were the basis for the assistance already rendered Bolivia and for the additional assistance in the future to make certain that the great experiment would not fail. Failure under such circumstances would be a tragedy not only from the viewpoint of Bolivia itself but also from that of other countries which were watching Bolivia's example of intelligent self help.⁷¹

Nixon made these justifications in the midst of increasing disquiet in the U.S. at rising aid budgets for Bolivia. Journalists' and politicians' concern over the MNR's relationship to communism and totalitarianism had diminished by mid-decade, by which point U.S. aid to the government increasingly became the principal topic for criticism. Opponents of U.S. policy criticized supporting what they saw as an economically wasteful and corrupt regime with taxpayers' money.⁷² A *Wall Street Journal* article denigrating U.S. aid to the MNR on these grounds caused La Paz to issue a sharp rebuttal to the State Department.⁷³ In the autumn of 1954, *Barron's* magazine decried the administration's use of "the U.S. taxpayer [to preserve] a misgoverned, impoverished" nation.⁷⁴ *Time* magazine disparaged the "left-wing elements in [the] M.N.R. led by Labor Boss Juan Lechín, who have helped turn Bolivia's biggest dollar earner, tin mining, into a mismanaged, worn-out featherbed for his followers."⁷⁵ Criticism came from within the foreign policy bureaucracy as well. State Department official William P. Duruz wrote

⁷¹ Memorandum of Conversation between Siles, Vice President Frederico Alvarez, Barrau, Hugo Moreno Cordoba (Finance minister), Jorge Tamayo (Minister of Economy), Nixon, Bonsal, Rubottom, Waugh, Bernbaum (director OSA). 5 May 1958, NA, RG 59, LOT 59 D 573, Box 5, Folder: 1958 Bolivia, Roy R. Rubottom Papers.

⁷² *Hanson's Latin American Letter* 4 May 1957. no. 633. "ICA reports that social-security payments are absurdly high." Briggs to Bonsal 13 May 1957, NA, RG 59, LOT 59 D 573, Box4, Folder: 1957 Subcommittee on Latin America, Roy R. Rubottom Papers

⁷³ *Wall Street Journal*, November 4, 1953, p. 18; Memorandum from Bennett to Sparks, 23 November, 1953, Box 3308, 724.00/11-2353.

⁷⁴ *Barron's Weekly*, 27 September, 1954, p. 5.

⁷⁵ "Presidential Thanks," *Time*, August 19, 1957, p. 25.

to President Eisenhower on 28 June, 1958, complaining about the ICA's "inadequate, indifferent and incompetent" handling of aid to Bolivia.⁷⁶ Duruz's was not the only voice of concern raised at the ICA's failings and the ambitious overreach of State Department officials', who lacked the logistics and personnel to deliver on their projects.⁷⁷

Fiscal conservatives from within the administration shared these concerns: particularly Treasury Secretary Humphrey and Commerce Secretary Sinclair Weeks, who repeatedly questioned aid increases to Bolivia and Latin America.⁷⁸ Both men served the president as advocates for a fiscally conservative agenda that was close to Eisenhower's heart.⁷⁹ Humphrey and Weeks believed private capital was the *only* effective way to develop the economies of the United States and of foreign countries, and as a result, they fought to limit government spending in all spheres, especially that of foreign aid.⁸⁰ Frustrated by Humphrey's influence, prominent modernization theorist and former assistant CIA director Max Millikan testified to a Special

⁷⁶ Louis Galambos and Dan Van EE (eds.), *The Papers of Dwight David Eisenhower: The Presidency; Keeping the Peace, vol. XIX*, (Baltimore: Johns Hopkins University Press, 1996), pp. 1019-1020.

⁷⁷ Letter from Bonsal to Rubottom, 7 November 1958, NA, RG 59, LOT 59 D 573, Box 5, Folder: 1958 Bolivia, Roy R. Rubottom Papers.

⁷⁸ Milton Eisenhower repeatedly bemoaned this type of conservatism in the Latin American in letters to the president. Letter from Milton Eisenhower to Dwight Eisenhower, January 14, 1954, DDEL, Eisenhower, Dwight D.: Papers as President (Ann Whitman File), Name Series, Eisenhower, Milton S., 1954(3); Letter from Milton Eisenhower to Dwight Eisenhower, October 25, 1954, DDEL, Eisenhower, Dwight D.: Papers as President (Ann Whitman File), Name Series, Eisenhower, Milton S., 1954(1).

⁷⁹ Eisenhower himself was also a fiscal conservative, who opposed the expansion of "statism and socialism," and railed at the expense of the defense budget even whilst he maintained the need for an internationalist and interventionist foreign policy in the Cold War era. Dwight Eisenhower, "Chance for Peace Speech" to the American Society of Newspaper Editors, April 16, 1953. ONLINE RESOURCE: <http://www.eisenhowermemorial.org/speeches/19530416%20Chance%20for%20Peace.htm>. Last accessed 28/04/08; Dwight Eisenhower, "Farewell Address," 17 January, 1961, ONLINE RESOURCE: <http://www.eisenhowermemorial.org/speeches/19610117%20farewell%20address.htm>. Last accessed 28/04/08.

⁸⁰ Milton Eisenhower complained that the Treasury "was never happy." Memorandum from Milton Eisenhower to Dwight Eisenhower, 22 October, 1954, DDEL, Eisenhower, Dwight D.: Papers as President (Ann Whitman File), Name Series, Box 12, Eisenhower, Milton 1954(1).

Congressional Subcommittee that “it was quite apparent to me that the Treasury has skillfully and effectively sabotaged all efforts to produce a [developing world aid] program that will cost anything.”⁸¹ Humphrey and Weeks felt that federal government aid, if left unchecked, would be thrown into a massive Third World sinkhole that could make billions disappear through graft and misguided, unprofitable projects, whilst simultaneously dragging down the U.S. economy. They also feared that generous aid schemes would breed dependency in America’s allies, and in their eyes, the “corrupt” Bolivian government fit the mould.⁸²

The conflicting interests within the U.S. federal government were also of note. The State Department sought to secure Bolivian economic and political stability through purchasing Bolivian tin, whilst the General Services Administration, again under pressure from Congress, wanted to close the Texas City smelter capable of refining low-grade Bolivian ores. The GSA and Congress wanted the U.S. government out of the business smelting unprofitable tin ores and of competing with private companies.

Congress proved a constant thorn in the side of the administration and the State Department's desire to support the Bolivian government. The administration and the State Department constantly tried to push for higher levels of aid to Bolivia, only to be rebuffed by Congress.⁸³ Promises of help in building a Bolivian tin smelter had to be withdrawn, and to some it appeared that the administration was only too aware its aid programs designed to stabilize the

⁸¹ Quoted in Siekmeier, *Aid, Nationalism and Inter-American Relations*, p. 264.

⁸² Memorandum from Milton Eisenhower to Dwight Eisenhower, 22 October, 1954, DDEL, Eisenhower, Dwight D.: Papers as President (Ann Whitman File), Name Series, Box 12, Eisenhower, Milton 1954(1).

⁸³ Harold Stassen replied frankly to Henry Holland's request for more aid to Bolivia that Congress would not authorize any more: this would simply be “impossible.” Memcon Stassen and Cabot, 8 October 1954, NARA, CDF, RG 59, 824.00-FA/10-854. See also Burton I. Kaufman, *Trade and Aid: Eisenhower's Foreign Economic Policy, 1953-1961* (Baltimore: Johns Hopkins University Press, 1982)

inter-American system were politically sensitive.⁸⁴ Congressman Chipperfield “said he had the impression the Department was afraid of Congress and didn't ask for all it wanted.”⁸⁵ Certainly, Congress cut appropriations for every proposed package of aid for Latin America, as it did for other parts of the world.⁸⁶ Congressional leaders called for “drastic foreign aid cuts,” even spoke of eliminating foreign aid entirely, and the 83rd Congress denied Latin America a proposed \$13 billion aid program akin to the Marshall Plan.⁸⁷

To the Bolivians, the importance of the U.S. Congress in determining U.S. aid levels was clear, if sometimes frustrating.⁸⁸ Arthur Karasz, the U.N. economic advisor overseeing the Bolivian economic stabilization program between 1953 and 56, emphasized to MNR leaders that Bolivia's economic needs on multiple fronts were all “subject to complex negotiations, each one

⁸⁴ The Undersecretary of State told Andrade, who had been given encouragement by ambassador Sparks that the U.S. wanted to support Bolivia's efforts to construct a tin smelter and thus reduce its dependency, that the U.S. ambassador in La Paz had been “premature.” U.S. private capital did not see a Bolivian smelter as technically or financially viable, and the U.S. government could not get the money for it from Congress. Andrade to Bolivian Foreign Ministry, 3 July 1953, Bolivian Foreign Ministry Archive, *Cables Dirigidos y Recibidos, Embol Washington 1953*, CL-354.

⁸⁵ The Congressman was speaking about aid for post-Arbenz Guatemala, where the U.S. was engaged in a similar mission to demonstrate the benevolence of its hegemonic project. For more see chapter 5. Department of State Memorandum for the Record, 27 February 1957, NA, RG 59, LOT 59 D 573, Box 2, Folder: 1957 Guatemala, Roy R. Rubottom Papers.

⁸⁶ The \$3.8 billion secured for mutual security programs in financial year 1957, was a full billion less than Eisenhower requested, and Congress also pruned appropriations for financial year 1958 and 1959 by 652 million and 704 million respectively. Kaufman, *Trade and Aid*, pp. 68, 110, 174. See also Undersecretary Foreign Ministry to General Secretary of the President, 12 March 1956, *Presidencia 764*, 2, RREE Correspondencia (Ministerio de Relaciones Exteriores, 1952) Archivo y Biblioteca Nacional de Bolivia.

⁸⁷ *New York Times*, Jan 26, 1953, p. 7; Kaufman, *Trade and Aid*, p. 4; Thomas Zoumaras, “Eisenhower’s Foreign Policy: The Case of Latin America,” in Richard A. Melanson and David Mayers (eds.), *Reevaluating Eisenhower: American Foreign Policy in the 1950s*, (University of Illinois Press, Chicago, 1987), p. 163.

⁸⁸ Guevara thought Cabots friendly demeanor during an important meeting with Bolivian officials, combined with his emphasis on “unfavorable” attitudes in Congress, meant that he did not know what the real powerbrokers had decided for Bolivia, and that his excuses were not convincing given the “vast resources available to the Department of State and the Eisenhower government.” Bolivian embassy in Washington, untitled memorandum, 7 December 1953, Papers of Walter Guevara Arze, Box 9, Folder EEUU Correspondencia.

depends on the domestic politics of the United States.”⁸⁹ The foreign ministry informed President Paz that “the final decision [on U.S. aid levels] will depend exclusively on Congress, and to get the sought-after success, the State Department needed to have decisive arguments to convince Congress.”⁹⁰

The reluctance of Congress and some cabinet members to cooperate provoked considerable frustration from Eisenhower at times, who called Congress' cuts to foreign aid “pennywise and pound foolish,” “deplorable and short sighted,” even “bordering upon tragic stupidity.”⁹¹ The president rebuked his Treasury Secretary’s lack of vision whilst discussing Latin America: “of course it was all very well to say that we should not ‘finance socialism’, but the sad fact of the matter was that in many parts of the world the United States had to deal with situations as it actually found them rather than with situations which it would like to find.”⁹² By 1957, shortly before Humphrey left the cabinet, Eisenhower wrote that Humphrey and similarly minded conservatives were “out of touch with reality,” and unaware of the importance of appealing to “the spirit of nationalism.”⁹³ Sinclair Weeks, meanwhile, was “so completely conservative in his

⁸⁹ Arthur Karasz (Technical Advisor to the Bolivian Central Bank) to Guevara, 15 December 1953, WGA Papers, Box 7 Folder 6.

⁹⁰ G. Quiroga G. to General Secretary to President Paz, 16 March 1954, *Presidencia* 822, 1 (Ministerio de Relaciones Exteriores, 1954) Archivo y Biblioteca Nacional de Bolivia.

⁹¹ Kaufman, *Trade and Aid*, p. 14; Diary entry by Dwight Eisenhower on July 2, 1953, quoted in Griffith, “Dwight D. Eisenhower and the Corporate Commonwealth,” p. 117.

⁹² Eisenhower, Dwight D.: Papers as President, 1953-1961 (Ann Whitman File), NSC Series, Box 6, 240th Meeting of the NSC, March 10, 1955. “Report by the Vice President on Latin American Trip.”

⁹³ Quoted in Kaufman, *Trade and Aid*, p. 103; Memorandum from Eisenhower to George Humphrey, 27 March 1957, DDEL, Eisenhower, Dwight D.: Papers as President (Ann Whitman File), Administration series, Box 21, Humphrey, George M. 1957-58 (4).

views that he seems to be illogical.” Eisenhower privately chided Weeks and hoped “that he will soon become a little bit more aware of the world as it is today.”⁹⁴

Eisenhower's frustration reflected the significant concessions the administration had to make to this conservative body of opinion.⁹⁵ As the First Secretary to the Ambassador in La Paz commented, the United States was always facing the “delicate problem” of “endeavoring continuously to strike a proper balance between the economically desirable and politically feasible.”⁹⁶ The administration also had to justify its Bolivia policy as “emergency aid” in a “special situation” to Congress and skeptical Washington bureaucrats, stressing their policies’ stabilizing effect on an otherwise volatile economic and political situation.⁹⁷ Indeed, the State Department retrospectively described its aid packages during 1953-56 as “stop-gap” in internal memos.⁹⁸

⁹⁴ Michael S. Mayer (ed.), *The Eisenhower Years* (New York: Facts on File, Inc. 2010) p. 814.

⁹⁵ Diary entry on 34 July, 1957, quoted in Griffith, “Dwight D. Eisenhower and the Corporate Commonwealth,” p. 117. See also Maclyn P. Burg interview with Thomas C. Mann 17 December, 1975, Eisenhower administration oral history project, Columbia University Rare Books and Manuscripts Library.

⁹⁶ Memorandum from William Gray to the Department of State, 7 May 1959, NA, RG 59, 824.00TA/5-0759.

⁹⁷ Report by Milton Eisenhower to Dwight Eisenhower, 11 January, 1954, NA, RG 59, Box 513 120.220/1-1154; Memorandum of conversation between Frank Newbury (Assistant Secretary of Defense) and John Foster Dulles, 22 March, 1954, NARA, CDF, RG 59, Box 513, 120.220/3-2254; “Third Progress Report on NSC 144/1” OCB to NSC 28 May 1954, pp. 1,2. DDEL, WHO, NSC Staff Papers, 1948-61 OCB Central File, Box 71, OCB 091.4 Latin America (File #1) (5)

Eisenhower used terms like “special situations” and “critical situations” when selling government grants to Bolivia, Haiti and post-Arbenz Guatemala. These countries were in “crisis” situations, but there too the United States was attempting to demonstrate the benevolent nature of its hegemony. Eisenhower, “Annual Budget Message to the Congress: Fiscal Year 1956, January 17th, 1955,” in John Woolley and Gerhard Peters, *The American Presidency Project*, (Santa Barbara, CA, University of California); Eisenhower, “Special Message to the Congress on the Mutual Security Program, April 20th, 1955,” *Ibid.*; Charles Brockett, “An Illusion of Omnipotence: U.S. Policy toward Guatemala, 1954-1960,” *Latin American Politics and Society*, Vol. 44, No. 1 (Spring, 2002), pp. 91-126.

⁹⁸ Herter to American embassy Bonn (Enclosure “US Objectives and Programs of Aid to Bolivia”) “NA RG 59, 824.10/2-1458 250/43/17/6 Box 4276.

Given the political climate in Congress, Administration officials also emphasized that large aid levels to Bolivia were temporary, and the U.S. goal was to allow Bolivia to “stand on its own economic feet, so that we will be able to cease our financial assistance as soon as possible.”⁹⁹ Secretary Holland “hoped to eliminate [aid to Bolivia]...as soon as it was possible to cut the country loose.”¹⁰⁰ Top officials worried about widely publicizing aid to Bolivia, and Eisenhower and Dulles explicitly wanted to keep the extent of assistance to Bolivia out of press releases in 1954, though other policymakers were proud of the “considerable amount of publicity” the State Department had given to U.S. aid to Bolivia.¹⁰¹ This desire to underemphasize aid levels in Bolivia had its roots in Humphrey-style conservatism and fear that other Latin American governments would come looking for similar extensive grants and soft loans, created unwanted diplomatic pressure and a possible domestic political backlash.¹⁰²

Though concessions were made to fiscal conservatism, they were not strong enough to overrule the arguments for more spending in Bolivia: not only to stabilize a crisis situation, but to provide the revolution with the long-term economic stability necessary to diversify its

⁹⁹ Letter from Bonsal to Senator Green, February 21, 1958, NA, RG 59, General Records of the Department of State, Records of the Bureau of Inter-American Affairs, Lot Files, LOT 62 D 16, Box 27, Folder 21.1.

¹⁰⁰ Memorandum of a Conversation between Holland, Ohly, Atwood, Trigg, Sandri, Kittredge, Williams, Sayre, May 11, 1956, *FRUS, 1955-57, vol. 6*, p. 389. He had repeated this desire on September 2, 1955, along with worries over the precedent of soft loans. Memorandum from Holland to the Acting Secretary of State, September 2, 1955, *FRUS, 1955-57, vol. 6*, p. 333.

¹⁰¹ Memorandum for the OCB working group from Charles Norberg, March 17, 1954, DDEL, White House Office, NSC Staff Papers, 1948-61, OCB Central File Series, Box 71, OCB 091.4 Latin America (File #1) (2); Memorandum from Eisenhower and Cabot to Dulles, July 1, 1953 Eisenhower, Dwight D.: Papers as President, 1953-1961 (Ann Whitman File), International Series, box 4, Bolivia (3). For the contrasting view, see Holland to W. Park Armstrong, Jr. (Special Assistant to the Secretary of State for Intelligence), 6 March 1956, NA, FOIA NW 37465, declassified 1 March 2012.

¹⁰² This concern was voiced by major administration figures, including Dulles and Herter, who wished to avoid Latin American conferences for fear of creating more pressure for aid and technical assistance. Kaufman, *Trade and Aid*, p. 163.

economy and achieve a greater degree of self sufficiency and economic autonomy. The OSA's William Tapley Bennett, Jr. argued in November, 1953, that "economic development of Bolivia...is in fact now our primary policy objective," and "to make rapid progress toward economic diversification Bolivia requires large sums of foreign capital. It will not be possible to obtain all of this from private sources." Bennett went on to say that economic development "rank[ed] ahead of our present strategic interest in Bolivia's tin and tungsten."¹⁰³

U.S. officials realized that Bolivia was destined to be "a problem child in South American affairs and at best will probably be something of an international ward" for the foreseeable future.¹⁰⁴ Yet the administration went ahead with substantial aid packages anyway, aid packages designed not simply to prevent immediate crisis, but to support Bolivian efforts to restructure and diversify the Bolivian economy over years if not decades.¹⁰⁵ These perceptions and commitments to Bolivia for the long-haul undermine policymakers' public protestations that Bolivia aid was a simply a temporary expedient. Eisenhower calculated that, in Bolivia, wider goals could be served by relatively inexpensive aid programs, in order to demonstrate to Latin America that cooperation with the United States and accepting its economic expertise (as well as largesse) could solve Bolivia's underlying and deep-rooted problems.¹⁰⁶

¹⁰³ Memorandum from William Tapley Bennett, Jr., to Hudson, 3 November, 1953, NA, RG 59, Box 2760, 611.24/11-353.

¹⁰⁴ "Bolivian highlights, 1953" by Rowell, January 13, 1954, p. 2. NA, Box 3308, Folder 2, 724.00/1-1354; Box 4607 Oscar.M. powell, director technical cooperation administration to State Department "Justification FY 1954 Budget" 824.00-TA /8-1352. See also Telephone call from John Foster Dulles to Richard Roy Rubottom, February 1959, DDEL, Papers of John Foster Dulles, Telephone calls series, Box 9, Telephone Memoranda Gen.- Jan. 4 1959-May 8, 1959 (2).

¹⁰⁵ Airgram from Charles Bridgett (Commercial Attaché of the Embassy in La Paz) to the Department of State, "Development of the Bolivian Agricultural Economy," 8 March 1956, NA RG 59, Box 4278, 824.20/3-856

¹⁰⁶ As Bolivian leftist Sergio Almaraz Paz wryly noted: 'in their eyes and for their pocketbook; a Bolivian costs less than an Argentine or a Chilean.' Quoted in Cole Blasier, "The United States and the Revolution" in James M. Malloy and Richard S. Thorn (eds.), *Beyond the Revolution: Bolivia since 1952* (London: University of Pittsburgh

Despite placing rhetorical emphasis on the need for private capital-led development, the administration in fact supported the revolution's goal of a strengthened role for the state in the economy.¹⁰⁷ The OSA's William Tapley Bennett, Jr. argued in November, 1953, that "economic development of Bolivia...is in fact now our primary policy objective," which would require "large sums of foreign capital. It will not be possible to obtain all of this from private sources."¹⁰⁸ Other administration officials, including John Foster Dulles, also advocated substantial direct governmental assistance to Bolivia, even if it meant shoring up a statist economic development model.¹⁰⁹ Dulles, Eisenhower and administration officials repeatedly emphasized that continued high levels of aid were desirable for "political" reasons.¹¹⁰ They rejected the narrow use of Humphrey-style economic arguments, which would suggest that Bolivia was a poor investment given its dire economic situation, political instability and

Press, 1971), p. 92. Memorandum from Bonsal to the Department of State, 11 February, 1959, NA, Box 4607, 824.00-TA/2-1159.

¹⁰⁷ In a study commissioned from Donald C. Stone and Associates by the Bolivian government to promote public relations in the United States, the firm emphasized that the "accomplishment of economic development objectives generally requires a government to enlarge its traditional sphere of activities and to engage in business type undertakings such as lending money, constructing and operating pilot plants and industrial enterprises, buying and selling commodities." Committee on Administrative Practices, International Institute of Administrative Sciences, "National Organization for the Conduct of Economic Development Programs," August 1953 Walter Guevara Arze Papers, Box 28, Folder: Comisión Nacional de Coordinación y Planeamiento, Archivo y Biblioteca Nacional de Bolivia, Calle Dalence # 4, Sucre, Bolivia.

¹⁰⁸ Memorandum from William Tapley Bennett, Jr., to Hudson, 3 November, 1953, NA, RG 59, Box 2760, 611.24/11-353.

¹⁰⁹ Memorandum from John Foster Dulles to Harold Stassen (Foreign Operations Administration), September 2, 1953, *FRUS, 1952-54, vol. 4*, p. 535.

¹¹⁰ Letter from Dwight Eisenhower to Duruz, July 25, 1958 in Louis Galambos and Dan Van EE (eds.), *The Papers of Dwight David Eisenhower: The Presidency; Keeping the Peace, vol. XIX* (Baltimore: Johns Hopkins University Press, 1996), p. 1019. See also Bennett to Cabot, November 3, 1953, NA, RG 59, Box 2760, 611.24/11-353, p. 2; Memorandum from Hudson to Atwood, 14 January, 1953, NA, RG 59, Box 3308, 724.00/1-1453; "A Study of U.S. Problems and Policy Toward Latin America," 14 October, 1953, Section II, Part III, p. 14. DDEL, Commission on Foreign Economic Policy: Records, 1953-1954 (Randall Commission), Dr. Mikesell's Work [Foreign Investments], Box 59, Studies- Study of U.S. Problems and Policy Toward Latin America; Eder, *Inflation and Development in Latin America*, p. 124.

declining mineral wealth. As John Foster Dulles pointed out, “it might be sound banking to put Latin America through the wringer, but if you do it might come out red.”¹¹¹

This thinking seems to have been behind Eisenhower's impassioned outburst at one NSC meeting in the summer of 1958; an outburst that also goes far towards undermining the idea that U.S. policy was designed to combat economic nationalism and foster Bolivian dependency:

We want these Latin American republics to be sovereign associates of ourselves. In a sense we are ultra-nationalists, so why not preach the same doctrine to our neighbors? Under this umbrella we could attempt to deal with the concrete economic problems faced by Latin America, either by ameliorating these problems or at least by fuzzing up our own connection with these problems. In short we ought to exploit the ultra-national feelings in the neighboring republics along the line of the slogan that if you can't beat them, join them... we must try the formula of ultra-nationalism. We must exploit this force in Latin America rather than try to fight it.¹¹²

Austerity and Plan Eder

Although under significant pressure to promise compensation for U.S. shareholders and attract private capital investment, the revolution had a relatively free hand from 1953-56 in formulating its own economic policy, guided by U.N. economic advisor Arthur Karasz. With inflation rapidly rising in 1955, the Bolivians decided to welcome in an economic advising team from the U.S., that swiftly did away with multiple exchange rates and championed a program of austerity to curb inflation.¹¹³ The arrival of the chief U.S. advisor, businessman George Eder of the International Telephone and Telegraph company, did mark a curtailing of Bolivian governmental spending and autonomy over economic decision making, especially in the

¹¹¹ Quoted in Siekmeier, *Aid, Nationalism and Inter-American Relations*, p. 184.

¹¹² Report on the 369th meeting of the NSC, June 19, 1958, p. 12. DDEL, Eisenhower, Dwight D.: Papers as President, 1953-1961 (Ann Whitman File), NSC Series, Box 10, 369th Meeting of NSC, June 19, 1958.

¹¹³ Lehman, *Bolivia and the United States*, p. 119; Sikemeier, *The Bolivian Revolution and the United States*, pp. 74-5.

pulperias, but it did not fundamentally undermine the revolution. Universal suffrage remained, as did the nationalized mines, for which the Paz government had hired 10, 000 new workers in 1952-53.¹¹⁴ The government managed to protect employment in the state- run mines, which U.S. policymakers continued to subsidise despite believing they were run on a “social[, rather than economic,] basis.”¹¹⁵ The pace of agrarian reform and land redistribution increased during the 1950s, and the new government achieved a “drastic redistribution of wealth.”¹¹⁶

The plan did inflict much economic hardship on one of the world’s poorest countries. It also did much to combat inflation where the Karasz period had failed, and inflation levels approaching two hundred percent represented a greater threat to the stability and achievements of the revolution than did the strictures of the Eder plan or reliance on U.S. aid.¹¹⁷ As Paz and Guevara realized, inflation had the potential to “destroy [its] social policies” and unravel its diversification drive.¹¹⁸

The United Nation’s Economic Commission on Latin America and the Caribbean (ECLAC, or CEPAL in the more commonly used Spanish acronym), agreed with the MNR government’s assessment. Bolivia had to first tackle inflation to realise its necessary long-term plan to diversify

¹¹⁴ J. Wilkie. "Bolivia: Ironies in the National Revolutionary Process, 1952-86" (1987). During its most labor intensive period, tin mining employed a total of 50, 000 workers according to James Malloy. James Malloy, *Bolivia: The Uncompleted Revolution* (Pittsburgh: Pittsburgh University Press, 1970), p. 26.

¹¹⁵ René Ruiz González, *La Administración Emperica de las Minas Nacionalizadas* second edition (La Paz, Bolivia: 1980), pp. 161, 181. Robles

¹¹⁶ Heath et al, *Land Reform in Bolivia*, p. 384. See also Kelley and Klein, *Revolution and the Rebirth of Inequality*, pp. 182-3, 142.

¹¹⁷ The cost of living between January and November 1956 rose by 167% according to UN figures. CEPAL, *Economic Survey of Latin America* (New York: United Nations, 1957), p. 10.

¹¹⁸ “Aide Memoir” compiled by the Foreign Ministry for President Paz, 12 December 1955, Papers of WGA, Box 6 Hacienda.

exports and increase food production.¹¹⁹ Furthermore, the U.S. led stabilization plan had met with more success than the plan led by the UN's Arthur Karaz that had preceded it. CEPAL's economists argued that the stabilization fund of 25 million dollars, provided by the United States and IMF, helped Bolivia pursue policies to curb inflation and virtually eliminate the black market and speculation fueled by pre-1956 multiple exchange rates. The shift to a single exchange rate helped free up commodities and reduced the shortages that had plagued the Bolivian economy. Deprived of smuggling and speculation opportunities, many rural workers who had moved to the cities to take advantage of the multiple exchange-rate economy now returned to the land, a vital step necessary to boost domestic food production whilst also curbing inflation.¹²⁰

Despite some economic experimentation and structural shifts towards a more state-centered economy, and eventual successes in curbing inflation, the revolution was unable to transcend wider Bolivian macroeconomic problems during its tenure in power. Tin prices remained low, diversification projects were unable to significantly lessen the economy's dependence on mineral exports, and petroleum exports were slow to get off the ground. The principal problem facing the Bolivian economy was inflation, which despite currency exchange reform continued to rise during the revolution's first years in power. An important contribution to this was the declining price of tin, the high cost of producing tin in Bolivian mines, manipulated foreign exchange rates that forced COMIBOL to sell its foreign reserves to the government at cheap rates, and the revolution's commitment to providing a wider social safety net and high levels of employment. Particularly significant in driving government borrowing and printing of money was the cost of

¹¹⁹ CEPAL, *Economic Survey of Latin America*, p. 10.

¹²⁰ *Ibid.*, pp. 10-12.

maintaining the state-run mines suffered from absenteeism, and the rising cost of the pulperias which provided subsidized goods for employees of the State-owned mines.¹²¹ The effective salary for miners increased fivefold between 1950 and 1955 (not adjusted for inflation).¹²² Productivity in the mining and agricultural sectors declined briefly in the 1950s, unsurprising in a period of revolutionary reorganization.¹²³

The revolution faced tough structural economic problems, but ultimately the 1950s were a “lost decade” in terms of economic growth, mostly as a result of inflation and the woes of the Bolivian tin industry.¹²⁴ The painful process of curbing that inflation did involve significant sacrifices and provoked considerable political turmoil, shattering the cooperative relationship between the left and moderate wings of the MNR.¹²⁵ But neither alienating the left nor securing Bolivian dependence on the United States was the purpose of austerity: inflation was a problem that had to be solved, as Paz and his successor Siles recognized. Its solution was shaped by the continued slump in tin prices, and ideological and structural forces outside of the MNR’s control. In the mind of the solution’s key architect, the stabilization plan was a testing ground for the anti-Keynesian economic philosophies that would go on to transform global economic thought and policy in the 1970s and 80s.¹²⁶ But its solution, however harsh and antithetical to the

¹²¹ René Ruiz González, *La Administración Emperica de las Minas Nacionalizadas* second edition (La Paz, Bolivia: 1980), p. 181.

¹²² Ruiz González, *La Administración Emperica de las Minas Nacionalizadas*, p. 190

¹²³ Jonathan Kelley and Herbert S. Klein, *Revolution and the Rebirth of Inequality: A Theory Applied to the National Revolution in Bolivia* (Berkeley: University of California Press, 1981), p. 142.

¹²⁴ Flavio Machiado Saravia, *Historia Económica de la República de Bolivia 1952-2009: Comentarios y reflexiones* (La Paz: Creativa, 2010).

¹²⁵ Sikemeier, *Bolivian Revolution and the United States*, p. 75.

¹²⁶ George Jackson Eder, *Inflation and Development in Latin America: A Case History of Inflation and Stabilization in Bolivia* (Ann Arbor: University of Michigan, 1968).

principles of the MNR revolution, did also stabilize the economy, keep the MNR in power and protected its core achievements insuring that the mines remained nationalized, land titles in the hands of campesinos, education and health spending could remain a priority, and significant amounts of wealth redistributed throughout Bolivian society during the 1950s.¹²⁷

Conclusion

Descriptions of ill-thought through, “quick-fix” “crisis management” are perhaps persuasive as critiques of U.S. policy, but have more to do with the nature of the policymaking process itself than the conceptual limits of its policymakers. U.S. policymakers thought their aid to Bolivia was subsidizing economic diversification and thus tackling long term, structural problems, using policy instruments that existed and were politically acceptable. Bureaucratic competition and political differences between different arms of the policymaking apparatus hindered the prioritization of Latin American aid and led to an often poor record of follow-through on commitments and periods of relative financial and diplomatic neglect. Yet there was a rationale for the significant support of the Bolivian revolution under Eisenhower: the support of “a radical, nationalistic reform government,” and one that had at least demonstrated for the wider region that it would make symbolic deference to U.S. concerns over the position of private capital.¹²⁸ The Bolivian MNR, with its cooperative leadership able to elicit much sympathy from

¹²⁷ Kelley and Klein, *Revolution and the Rebirth of Inequality*, pp. 182-3, 142; Heath et al, *Land Reform in Bolivia*, p. 384.

¹²⁸ Holland to Hoover, 1 June 1955, NARA, CDF, RG 59, LOT FILES, Bureau of Inter-American Affairs, Office of the Assistant Secretary of State for Inter-American Affairs, Country Files, 1953-56, Box 2, Bolivia 1953-55.

US policymakers, presented American officials with a crisis they could sell to Congress whilst enacting their visions of benevolent hegemony for the wider region and, perhaps most importantly, for themselves.

Conclusion

U.S. officials, from Eisenhower himself down to embassy workers, imagined a world where they did not have to "fight" leftist and reformist nationalism, but rather would be able to foster and *co-opt* it.¹ To Eisenhower this possibility meant embracing and encouraging even Latin American "ultra-nationalism," and bringing it into closer cooperation with what administration officials described as the "inter-American system," and what many other observers have termed "hegemony" or "empire."² As Eisenhower insisted "we must exploit this force in Latin America rather than try to fight it."³ To appeal to and channel these movements towards cooperation with the United States, they pursued ambitious aid packages in the face of Congressional opposition.

Cuba, Bolivia and Guatemala would all demonstrate the limits of this approach's feasibility. In Bolivia the *Time* magazine riots demonstrated the depth of popular resentment at U.S. influence. Nationalists seethed over the comments of an unnamed U.S. official who claimed Bolivian problems to be so intractable it might be easier to "abolish" Bolivia altogether. This episode triggered riots which claimed the lives of two and caused 70,000 dollars' worth of

¹ Contrary to the arguments of Siekemer and Kolko. Sikemeier, *Aid, Nationalism and Inter-American relations*, p. 207; Kolko, *Confronting the Third World*.

² NSC 5432/1, April 6, 1956, p.3, White House Office, National Security Council Staff: Papers, 1948-1961, OCB Central File Series, Box 24, OCB 091.Latin America (File#6) (7); "Outline of Plan of Operations against Communism in Latin America," April 18, 1956 (referencing NSC 5432/1 of November 16, 1954), *FRUS, 1955-57*, vol. 6, pp. 66-67, 75; "Statement of U.S. Policy Toward Latin America," NSC 5902/1, February 16, 1959, Annex B, *FRUS, 1958-1960*, vol. 5, *American Republics*, p. 121; "Statement of Policy on U.S. Policy toward Latin America," (NSC 5631/1), September 25, 1956, *FRUS, 1955-57*, vol. 6, p. 122; "A Study of U.S. Problems and Policy Toward Latin America," 14 October, 1953, Section II, Part I, p. 8. DDEL, Commission on Foreign Economic Policy: Records, 1953-1954 (Randall Commission), Dr. Mikesell's Work [Foreign Investments], Box 59, Studies- Study of U.S. Problems and Policy Toward Latin America. For "ultra-nationalism," see Report on the 369th meeting of the NSC, June 19, 1958, p. 12. DDEL, Eisenhower, Dwight D.: Papers as President, 1953-1961 (Ann Whitman File), NSC Series, Box 10, 369th Meeting of NSC, June 19, 1958.

³ Report on the 369th meeting of the NSC, June 19, 1958, p. 12. DDEL, Eisenhower, Dwight D.: Papers as President, 1953-1961 (Ann Whitman File), NSC Series, Box 10, 369th Meeting of NSC, June 19, 1958.

damage, demonstrated that Bolivian nationalism, like much of the nationalistic sentiment in Latin America, still had a firm grounding in anti-American sentiment.⁴ The condescension so apparent in the comment of the Embassy official, and the apparently coercive use of U.S. economic influence to secure unpopular domestic austerity and compensation for former mine owners, sparked resentment over Washington's influence on Bolivian domestic affairs.

As Eisenhower left office, it was hard to avoid the conclusion that U.S. aid had reinforced Bolivian economic dependency on U.S. aid and tin contracts, albeit unintentionally. The administration's policies had also contributed to the downfall of the revolutionary era it had such high hopes for. The United States, wary of the influence of armed Trotskyist and Marxist miners' militias in Bolivia after the revolution, sought to rebuild the Bolivian army, which the 1952 revolution had nearly abolished. U.S. policy remained committed to rebuilding the institution, both as a counterbalance to the armed wing of the C.O.B., but also as an important vehicle to provide labor for infrastructure and development projects.⁵ The Bolivian army, built up with U.S. aid and shielded by President Paz from Lechín's calls for its dissolution in 1952, would put an end to the twelve-year democratic era ushered in by the MNR in a 1964 coup.

Bolivian economic hardships during the 1950s coupled with growing resentment at the clear influence of the U.S. on Bolivian affairs manifested by the Eder stabilization plan and Washington's refusal to grant longer-term tin contracts contributed to many Bolivian's resentment of Washington's influence over La Paz. But it was ultimately the relationship of the United States to other leftist nationalist movements that would determine the attitude of

⁴ Lehman, *Bolivia and the United States*, pp. 114-115.

⁵ James Malloy, *Bolivia: The Uncompleted Revolution* (Pittsburgh: Pittsburgh University Press, 1970), p. 296; Thomas C. Field, Jr., "Ideology as Strategy: Military-led Modernization and the Origins of the Alliance for Progress in Bolivia," *Diplomatic History* Vol. 36, No. 1 (January 2012), pp. 147-183.

observers on the left in Latin America towards the Northern Colossus as well as the feasibility of cooperative relationships between Washington and non-communist leftist movements in Latin America. Bolivia might have been an opportunity for U.S. policymakers to play the role of white knight, but such posturing was fatally undermined by the very logic of the regional hegemony it was designed to support.

Castro was aware of these fundamental tensions within the U.S.' hegemonic project, even as he also played a coy game with the United States. He hinted that cooperation might well be possible between Havana and Washington into 1959.⁶ In the end Castro knew he would need to confront U.S. power in order to secure domestic political support for the revolutionary restructuring of Cuba's economy and society he desired. Furthermore, in accordance with his anti-imperialist ideology (further cemented by the U.S. complicity in the removal of Arbenz), there was in his mind little option but to completely reject the United States as a reactionary imperialist aggressor, not only domestically, but on the international stage also. It was the international implications of Castroism that provoked the hostility in Washington that would lead to the Bay of Pigs. According to retired U.S. diplomat Wayne Smith, who served in Havana from 1957 through to the 1980s, it was not Castro's radical domestic agenda or the ambiguous influence of communism and Marxism on domestic policy that determined the collapse of U.S.-Cuban relations in 1959-60.⁷ This is not to blame Castro for the Bay of Pigs and the U.S. embargo, but to demonstrate how his vision of Cuban nationalism was specifically designed to

⁶ Vanni Pettinà, "The Shadows of Cold War over Latin America: The U.S. Reaction to Fidel Castro's Nationalism, 1956-59," *Cold War History*, 11: 3 (August 2011), pp. 317-339.

⁷ Wayne Smith, *The Closest of Enemies: A Personal and Diplomatic Account of U.S.-Cuban Relations since 1957* (New York: W.W. Norton, 1987). A more recent account fundamentally disagrees with Smith's argument. See G. Warner "Eisenhower and Castro: U.S. – Cuban relations 1958-1960." *International affairs* 75 (1999), pp. 816-17, 810.

clash with the U.S.' vision of the inter-American system. Castro's vocal criticism of the OAS, influenced by the Caracas conference and the subsequent Guatemala coup, proved central to his fall from grace in U.S. policymakers' eyes, and was an important political tool for him to cement political support for his reforms of the Cuban economy.⁸

Castro's calculation that the United States would never be a feasible partner was fundamentally shaped by his understanding of the Guatemala coup in 1954. To Castro and many other Third World nationalists, Washington could be clearly seen as responsible for the removal of Arbenz, the most prominent symbol of leftist nationalism in Latin America, and a democratically elected leader who advocated legalistic reform. The Castillo Armas coup did terrible damage to the prospect of U.S. cooperation with "Third Way" movements that, in the imaginations of U.S. officials, was still possible in Guatemala and elsewhere after 1954.

Similar to Castro's rejection of U.S. hegemony, Arbenz's vision for Guatemala's future included a program of massive redistribution of land which, he insisted, the United States had no right to influence or shape. His conception of reformist nationalism explicitly rejected U.S. hegemony. He withdrew from the Organization of Central American States, a move which Eisenhower later emphasized as critical in demonstrating his radical threat to the administration.⁹ Arbenz would not compromise and assuage U.S. fears over the extent of influence communism held in Guatemala, holding a minute's silence for the death of Stalin at a time of heightened tensions with the U.S. government and refusing to dismiss communists from his government.

⁸ Welch, *Response to Revolution*, p. 37. See also p. 22.

⁹ Dwight D. Eisenhower, *Mandate for Change, The White House Years, 1953-1956* (Garden City, NY: Doubleday and Co., 1963), pp. 421-22.

These were perfectly legitimate actions for a sovereign leader to take, and redolent with powerful symbolism, but ones not best designed to placate observers in Washington.¹⁰

In the end, U.S. interventionism helped to discredit the notion of U.S. support for leftist nationalism in a way that support for Bolivian revolutionaries could never hope to contend with. The Cuban gravitation towards the Soviet Union would mark the intensification of Latin America's Cold War, leaving leftists drawn towards movements, from Castroism and Maoism to the non-aligned movement.¹¹ In the 1960s, 70s and 80s, as the superpowers explored détente with the Soviets, the Cold War's violence would rage throughout the continent. The violence was fuelled by the United States and Latin American anticommunist dictatorships eager to combat communist ideology and Cuban interventionism, however inflated or exaggerated.¹² The symbolism of the U.S. intervention in Guatemala, and the radical path that Ché Guevara advocated in response to this intervention, was much more powerful than the sometimes ambivalent and ultimately ineffectual cooperation between Washington and La Paz in the 1950s.

U.S. officials' ideological assumptions about the nature and purpose of their foreign policy "distorted" their view of revolutionary and reformist movements- how could it be otherwise?¹³ The distortion, or shaping, of the administration's perceptions in Latin America

¹⁰ In the early 1950s the Mexican Communist Party chided their Guatemalan counterparts for poor tactical decisions: their "childish squabbles with vast American interests" were counter-productive and needlessly risked antagonizing a powerful adversary. Quoted in *Intelligence Digest* (a London publication put out by Kenneth de Courcy) and forwarded to the State Department in a letter from John McClintock to Thomas Mann, 8 May 1952, NARA, CDF RG 59, Box 3248, 714.001/5-852.

¹¹ Recent scholarship has sought to redefine the Cold War as an ideological struggle between Marxist and anticommunist philosophies that predated the invention of the Soviet Union. Greg Grandin and Gilbert Joseph (eds.), *A Century of Revolution: Insurgent and Counterinsurgent Violence during Latin America's Long Cold War* (Durham: Duke University Press, 2010), introduction.

¹² Westad, *Global Cold War*; Hal Brands, *Latin America's Cold War* (Cambridge, Mass.: Harvard University Press, 2010).

¹³ Lehman "revolutions and attributions," p. 189.

went beyond narrow Cold War reasoning, according to Eisenhower's perception of a bond "that will permanently endure" between the U.S. and Latin America.¹⁴ In the effort to promote U.S. hegemony in Latin America and "persuade Latin American Governments and peoples to adhere to our political and economic philosophies," Eisenhower administration officials went as far as incorporating the nationalism and state-centered economic reforms of the Bolivian revolution.¹⁵ They proved flexible enough to tolerate and materially support ideologies and policies that, to contemporaries, seemed to threaten free market or anticommunist principles. Administration officials were not merely cynical practitioners of *realpolitik*, nor were they thoughtless, knee-jerk reactionaries.

The lengths to which U.S. hegemony could be aligned with leftist nationalism, at least in the minds of its authors, have been underappreciated by scholars of U.S.-Latin American relations and even of U.S.-Bolivian relations. Most of these scholars tend to argue that U.S. power did much to thwart the ambitions of the Bolivian revolution rather than enable many of its achievements: substantial redistribution of land and wealth, the nationalization of the tin mines and the incorporation of indigenous Bolivians more completely into the body politic.

In pursuit of these goals the MNR leadership and diplomatic corps demonstrated sophisticated understanding of their counterparts in the U.S. and demonstrated a symbolic willingness to work with Washington. Bolivian diplomats succeeded in presenting the aims of their revolution and the problems that it was trying to overcome. Their presentation was successful in garnering a sympathetic response, evident in the remarkably similar ways in which

¹⁴ Letter from Dwight Eisenhower to Milton Eisenhower, 1 December, 1954. DDEL, Eisenhower, Dwight D.: Papers as President, Ann Whitman File, DDE Diary Series, Box 8, December 1954 (2).

¹⁵ Memorandum from Holland to Dulles, December 13, 1955, in *Foreign Relations of the United States, 1955-57, vol. 6, American Republics: Multilateral; Mexico; Caribbean*, p. 354. [hereafter *FRUS*].

Bolivian and U.S. officials articulated their understandings of Bolivian problems and the aims of the MNR regime when speaking privately to colleagues. Although scholarly works tend to emphasize the coercive, all-powerful and reactionary nature of that hegemony in Latin America, the Bolivians managed to bend U.S. power towards the enthusiastic rhetorical and financial support for a leftist, statist revolution that profoundly transformed the country's economic and social structures.

The Bolivian example stands in sharp contrast to U.S. relations with other Third World nationalists and revolutionaries. MNR leaders demonstrated remarkable willingness to make both symbolic and substantive concessions to align themselves with the United States. This set them apart from so many other movements that faced the pressure to define their nationalism explicitly in opposition to U.S. power and interests. The path chosen by MNR leaders created its own set of problems, and did not diminish resentment at U.S. interference and the disparities of wealth, influence and power between Bolivia and the United States. But it did demonstrate that, given a cooperative supplicant and a 'crisis' situation that could be sold to Congress, there was sufficient desire within the ranks of the U.S. foreign policymaking bureaucracy to align Washington symbolically and substantively with transformative and even revolutionary change in Latin American economies and societies. This desire could be used to bolster nationalist movements on both left and right, provided they were willing to align themselves with the United States as patron and arbiter of inter-American relations.

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