

Pandora's Box:
The Nixon Administration and Bolivia, 1969-1972

by

Nicole Rae Day-Luore

A thesis submitted in partial fulfillment of the requirements
for graduation with Honors in History

Whitman College
2018

Certificate of Approval

This is to certify that the accompanying thesis by Nicole Rae Day-Lucre has been accepted in partial fulfillment of the requirements for graduation with Honors in History.

David F. Schmitz
Robert Allen Skotheim Chair of History

Whitman College
May 9, 2018

Table of Contents

Acknowledgments	iv
Introduction	1
Chapter 1: America's Stepchild in the Andes	9
Chapter 2: Pandora's Box	38
Chapter 3: Gambits	75
Chapter 4: A New Optimism	137
Bibliography	155

Acknowledgments

First I would like to thank Professor David Schmitz for his help and guidance with this thesis over the past year, as well as for his teaching over the past three. His dedication is a testament to his scholarship and his character, and I am very grateful.

I can truthfully say that I have loved every professor I've met at Whitman, so I thank them all as well. I especially would like to thank the professors of the History Department for teaching me over the past four years, not to mention providing funding for me to research at the Nixon Library, which was crucial for this thesis. I also want to thank my fellow history majors, for their engagement and wit in all of our classes.

I want to thank my friends and housemates for filling my life with happiness and laughter. My parents and sisters, who are the kindest and smartest people I know, deserve the same thanks for their support and good humor. I am lucky to have them all. Finally, I want to thank my twin sister, Jessie, who has been with me through everything and has made it all so much better.

Introduction

On April 27, 1969, Bolivian President René Barrientos Ortuño finished his visit to a village where he was examining the progress of government development projects. As his helicopter took off from a baseball stadium, it collided with telephone wires and plunged down into fiery wreckage, killing the president.¹ Barrientos had been in power since his successful military coup in November 1964, but by the later years of his regime, rumors of another coup had grown rampant.² His death left a power vacuum that his vice president, Louis Adolfo Siles Salinas, could not fill. Between 1969 and 1972, Bolivia witnessed three successful military coups, and the short-lived regimes of each of Barrientos's next three successors, Siles (five months), General Alfredo Ovando Candía (twelve months), and General Juan José Torres (ten months), were plagued with instability.

This instability presented problems for the administration of U.S. President Richard Nixon, as it confronted questions of how to approach relations with each successive leader and how to react when Generals Ovando and Torres proclaimed themselves leftist reformers. Washington viewed their nationalist rhetoric and actions with suspicion and wariness in the context of the Cold War, a long-standing American policy of anticommunism, and concerns about Bolivia's instability. Taking into account each of these factors, this thesis seeks to explain how and why the Nixon administration formed its policy toward Bolivia from 1969 to 1972.

¹ "President Barrientos of Bolivia is Killed in Crash of Helicopter," *New York Times*, April 28, 1969.

² Malcolm W. Browne, "Threat Of A Coup Strong In Bolivia," *New York Times*, September 1, 1969.

Ever since the 1952 Bolivian revolution, Bolivian leaders had attempted to achieve economic development, land reform, and stability for their country. Their different attempts to achieve these goals led them to vacillate between accepting U.S. trade and financial aid as critical to success, and rejecting such funding due to fears of economic dependence on the United States. These pendulum swings led to periodic surges of anti-American sentiment among the Bolivian public.³ The status of U.S.-Bolivian relations rose and fell on these waves, as Bolivian leaders instituted different policies and sometimes employed anti-American rhetoric. Relations between the two countries were also impacted by Bolivia's chronic economic, political, and social instability.

Each Bolivian coup provided an opportunity for President Nixon to apply his ideas about U.S.-Latin American foreign relations. The central tenets of his policy were anticommunism, reflected in distrust and fear of left-leaning movements, and support for authoritarian governments as guarantors of stability.⁴ During the reigns of the leftist Generals Ovando and Torres, these foundational concepts came into conflict with each other. The Nixon administration became concerned that both Ovando and Torres were on the edge of disaster because of their leftist policy shifts, which included the nationalization of the Gulf Oil Company, support for labor unions, and actions against the U.S. presence in Bolivia. To Washington, these policies pointed to a growing risk of communist takeover in the country. This concern was exacerbated by the economic

³ See James F. Siekmeier, *The Bolivian Revolution and the United States, 1952 to the Present* (University Park: Pennsylvania State University Press, 2011), 118-121 and 126-128.

⁴ David F. Schmitz, *The United States and Right-Wing Dictatorships, 1965-1989* (Cambridge: Cambridge University Press, 2006), 92-93.

nationalism of Ovando and Torres, which was seen as damaging to Bolivia's economy and thus detrimental to its stability, besides being a threat to existing American investments. For these reasons, Nixon's policy of anticommunism led to a cautious distrust in U.S. relations with Bolivia under Ovando and Torres.

Yet the Nixon administration also initially believed that Ovando and Torres were the best available alternatives to radical or communist rule, and it knew that Bolivia's strongest institution was the military.⁵ As military leaders, Ovando and Torres were seen as more likely to be able to maintain stability. Therefore, the administration settled on maintaining cautious and cordial relations with each president. In an attempt to resolve the conflict between its anticommunist policy and its support for military governments, the Nixon administration set out to use U.S. influence to moderate Ovando and Torres away from leftist policies and anti-American rhetoric.⁶

Nonetheless, the administration certainly never fully embraced Ovando or Torres, and it continued to hope that a moderate or right-wing opposition group would take power and shift Bolivia away from its leftward course. In fact, by mid-1971, the Central Intelligence Agency (CIA) had decided to pass funds to anti-Torres opposition forces.⁷ As Torres's rule continued, his repeated concessions to leftist pressure led to increased right-wing plotting against the government, ultimately resulting in another military coup by the rightist General Hugo Banzer Suárez in August 1971. The Nixon administration was quick to recognize the new government and to offer aid, a choice it made easily

⁵ Department of State, *Foreign Relations of the United States, 1969–1976, Volume E–10, Documents on American Republics, 1969–1972: Bolivia*, Document 97. (Hereafter, FRUS).

⁶ Ibid.

⁷ Ibid., Document 108.

because the authoritarian right-wing *Banzerato* fit with the central tenets of Nixon's foreign policy for Latin America. Under Banzer, Nixon's anticommunism and support for right-wing authoritarian dictatorships were once again in harmony, thus resolving the tensions between the two policies that Washington had attempted to balance during the Ovando and Torres periods.

Several historians have examined the foundations of President Nixon's foreign policy with regard to Latin America, emphasizing his preference to rely on authoritarian regimes as guarantors of regional stability. One of the first authors to draw attention to this policy was former Assistant Secretary of State William Bundy, who in 1975 criticized the Nixon administration for "making a vice out of necessity" by "condoning and cultivating dictatorial regimes" all over the world.⁸ That "necessity" referred to the anticommunist imperative that also drove Nixon. Bundy expanded on this in his later book, stating that Nixon's policy in Latin America aimed "to keep any Latin American country...from becoming a base for Soviet military power; and to deal as harshly as possible with any emergent leftist regime judged likely to cooperate with worldwide Communist organizations."⁹ David F. Schmitz has explained this dual foundation of Nixon's foreign policy more explicitly, arguing that the Nixon administration's twin commitments to containment and order in the Cold War world created a great "reliance upon authoritarian regimes to maintain regional stability." Particularly in Latin America, where threats from any communist regime would be uncomfortably close to home and

⁸ William P. Bundy, "Dictatorships and American Foreign Policy," *Foreign Affairs* 54, no.1 (Oct., 1975): 57.

⁹ William Bundy, *A Tangled Web: The Making of Foreign Policy in the Nixon Presidency* (New York: Hill and Wang, 1998), 203-204.

damaging to American credibility, both anticommunism and shoring up stability with authoritarian leaders were considered crucial to U.S. national security interests.¹⁰

Other scholars, including Mark Atwood Lawrence, have characterized the Nixon administration's policy in Latin America as "low-key," seeking to avoid provoking anti-American upheaval and, in pursuit of that goal, occasionally making concessions to Latin American initiatives despite its disapproval.¹¹ For instance, Hal Brands argued that initially Nixon restrained official U.S. reaction against expropriations in various Latin American countries as part of an effort to quiet growing anti-American sentiment in the region. However, eventually fears of spreading economic nationalism and leftist gains led Nixon to institute a more hardline policy on the expropriation issue.¹² Thus, as Lawrence also acknowledged, the Nixon administration's low-key approach did not eliminate its anticommunist imperative or, for that matter, its frequent "reliance on friendly dictators to squelch unrest and protect U.S. interests."¹³

While Nixon's policies toward Latin America have received a good deal of scrutiny, especially with Chile, there has been little scholarship on the subject of how the Nixon administration applied these foreign policy imperatives to Bolivia. In fact, the

¹⁰ Schmitz, *The United States and Right-Wing Dictatorships*, 73.

¹¹ Mark Atwood Lawrence, "History from Below: The United States and Latin America in the Nixon Years," in Fredrik Logevall and Andrew Preston, eds., *Nixon in the World: American Foreign Relations, 1969-1977* (Oxford: Oxford University Press, 2008), 270. Laurence Whitehead, in his contemporary analysis written before the Torres coup, also identified a "low-key" policy in Nixon's reaction to Bolivia, arguing that "under-reacting to Ovando" had "allowed the steam to go out of the external conflict" between the United States and the Ovando regime. See Laurence Whitehead, "Bolivia's Conflict with the United States," *The World Today* 26, no.4 (Apr., 1970): 178.

¹² Hal Brands, "Richard Nixon and Economic Nationalism in Latin America: The Problem of Expropriations, 1969-1974," *Diplomacy & Statecraft* 18, no.1 (March 2007): 220-22.

¹³ Lawrence, "History from Below," 270.

historiography of American-Bolivian relations in general after World War II is relatively thin. Most scholars who have focused on American-Bolivian relations during the administrations of Presidents Harry Truman, Dwight D. Eisenhower, John F. Kennedy, and Lyndon B. Johnson, have concluded that U.S. policy primarily used economic leverage to extend its influence over internal Bolivian affairs. According to these analyses, the United States restrained itself to a relatively light touch in terms of direct intervention in Bolivia. However, U.S. influence, both direct and indirect, was a significant factor in Bolivian history. For instance, Glenn J. Dorn argued that during the Truman administration, U.S. national security interests, in the form of a strategic need for tin, and resulting economic policies, ultimately “hastened an anticapitalist revolution” in Bolivia.¹⁴ Later, according to James Siekmeier, the Eisenhower administration used military and economic aid to Bolivia in an attempt to stop a drift toward communism and leftist nationalist governments.¹⁵ Finally, Thomas C. Field, Jr. argued that the Kennedy and Johnson administrations’ Alliance for Progress helped “justify authoritarianism and encourage the rise” of the armed forces and played a role in increasing divisions in Bolivia that ultimately led to the Barrientos coup of 1964.¹⁶ Thus, even the restrained U.S. involvement in Bolivia has been important and at times decisive.

Two broader studies of U.S.-Bolivian relations briefly examined the results of the Nixon administration’s policy toward Bolivia under the governments of Ovando and Torres. Kenneth Lehman’s survey of the history of American-Bolivian relations argued

¹⁴ Glenn J. Dorn, *The Truman Administration and Bolivia: Making the World Safe for Liberal Constitutional Oligarchy* (University Park: Pennsylvania State University Press, 2011), 25.

¹⁵ Siekmeier, *The Bolivian Revolution and the United States*, 55.

¹⁶ Thomas C. Field, Jr., *From Development to Dictatorship: Bolivia and the Alliance for Progress in the Kennedy Era* (Ithaca: Cornell University Press, 2014), 4.

that Nixon's policy was indirect but deliberately undermined the Ovando and Torres governments by blocking or delaying loans. Lehman also pointed out that growing anti-American sentiment, as well as anti-imperialism more generally and a desire for economic independence, were important to domestic support for Ovando and Torres within Bolivia.¹⁷ James Siekmeier, in his book on American-Bolivian relations since 1952, followed a similar argument to Lehman. He, too, wrote that U.S. military and economic aid (and the lack thereof) was used to undercut Ovando and Torres, also noting that the Nixon administration provided covert assistance to an anti-Torres group.¹⁸ Both Lehman and Siekmeier referenced Nixon's foreign policy focus on anticommunism, and Siekmeier also briefly noted "the tragic embrace of right-wing dictatorship by U.S. policymakers," but Nixon's foreign policy objectives were not foregrounded or explored as a framework for U.S. policy toward Bolivia by either author.¹⁹

A number of historians of Bolivia, particularly those focusing on the 1952 revolution and later *coups d'état*, briefly discussed U.S. reactions as a factor in how events unfolded in Bolivia. For example, James Dunkerley argued that as leftist pressure moved Torres down a more radical path, the situation increasingly worried the United States, which was particularly concerned with the Bolivian attitude toward private enterprise.²⁰ James Malloy and Eduardo Gamarra wrote that the Nixon administration saw Ovando and Torres as "undoing its carefully crafted policies" of controlling labor and feared the government would "veer in a socialist direction," therefore leading Nixon

¹⁷ Kenneth Duane Lehman, *Bolivia and the United States: A Limited Partnership* (Athens: University of Georgia Press, 1999).

¹⁸ Siekmeier, *Bolivian Revolution*, 132.

¹⁹ *Ibid.*, 131.

²⁰ James Dunkerley, *Rebellion in the Veins: Political Struggle in Bolivia, 1952-82* (London: Verso, 1984), 182.

to welcome Banzer's coup.²¹ Fredrick Pike, meanwhile, argued that Nixon adopted a "low-profile policy" in Bolivia. Instead of overt government actions, the United States relied on the CIA, other Latin American governments, and multinational agencies to exert a more indirect influence over the course of events.²² Pike thus fit with the consensus among American historians on U.S. policy toward Bolivia as restrained, but still impactful, as well as the argument about the "low-key" nature of Nixon's Latin America policy in general.

Thus, there is a considerable gap in the scholarship on American-Bolivian relations during the Nixon administration. Few have examined in any depth the actions of the Nixon administration with regard to Bolivia, and none have focused on the impact of Nixon's foreign policy objectives on relations with and attitudes toward Bolivia. This thesis seeks to fill that gap by examining how Nixon's anticommunist imperative and support of authoritarian regimes, along with the tensions between those two commitments, shaped diplomatic, political, and economic attitudes and actions toward Bolivia during the governments of Ovando and Torres.

²¹ James M. Malloy and Eduardo Gamarra, *Revolution and Reaction: Bolivia, 1964-1985* (New Brunswick: Transaction Books, 1988), 63 and 68.

²² Fredrick B. Pike, *The United States and the Andean Republics: Peru, Bolivia, and Ecuador* (Cambridge: Harvard University Press, 1977), 341-42.

Chapter One:

America's Stepchild in the Andes

The course of events in Bolivia between 1969 and 1972 and the Nixon administration's response to them had roots in Bolivian history, past U.S. policies toward the country, and the Nixon administration's approach to foreign policy in Latin America as a whole. Many of the issues that came to a head during this period in Bolivia, as well as the political figures involved, had played significant roles in Bolivian history as far back as the 1930s. These issues included economic difficulties, growing radicalization of leftists and labor, attempts at economic and political reforms, and several coups and countercoups. Bolivia never really overcame its economic difficulties and growing dependence on the United States, two factors that ultimately became powerful motivators for change as the country repeatedly turned to leftism and revolution. American policymakers used different approaches to these issues, often exhibiting a kind of economic paternalism in efforts to promote Bolivian development while also protecting U.S. national interests. In the world of the Cold War, the desire to prevent any type of communist takeover in Bolivia was never far from policymakers' minds, though administrations differed in their assessments of the severity of the threat and the best way to address it. This concern over communism was paramount by the time of the Nixon administration, which faced a dilemma in how to apply its foreign policy favoring right-wing dictatorships as guarantors of stability to Bolivia.

Bolivia's shift leftwards began after the Chaco War (1932-35), a conflict with Paraguay over control of the Chaco region in Southeast Bolivia, which was thought to be rich in oil. Bolivia lost the war, ceding the majority of the Chaco territory to Paraguay,

and the ensuing humiliation and devastation prompted public hostility toward Bolivian leaders. The country had traditionally been dominated by a small elite class, which included military leaders, large landholders, and the heads of mining companies, collectively nicknamed *la Rosca*. The post-Chaco War hostility toward this group created pressure for social, economic, and political reform and resulted in a military coup in 1936. Bolivia's next two presidents, David Toro Ruilova (1936-37) and Germán Busch Becerra (1937-39), inaugurated a system of "military socialism."¹ They instituted various reforms, including a new labor code and the 1937 nationalization of the Standard Oil Company of Bolivia. This was the continent's first confiscation of a major North American company. The firm's holdings were given to the state oil company formed in 1936, *Yacimientos Petroliferos Fiscales de Bolivia* (YPFB), without any compensation.² Such actions meant that the two military socialist governments took important steps in shifting the political culture and economic power away from the traditional oligarchy, while also providing historical precedent for leftist military government in Bolivia.

Several political parties that were formed during the 1930s and early 1940s remained important for decades to come. First, the Trotskyist *Partido Obrero Revolucionario* (POR, or the Revolutionary Worker's Party) was founded in 1934 by a small group of exiled radicals. Its goals were summed up by the slogan coined by one of its early leaders: "Land to the Indian, mines to the state."³ Another radical leftist party emerged in 1940, the *Partido de la Izquierda Revolucionario* (PIR, or the Party of the

¹ Herbert S. Klein, *A Concise History of Bolivia*, 2nd ed, (Cambridge: Cambridge University Press, 2011), 195.

² *Ibid.*, 190.

³ Tristán Marof, quoted in Waltraud Q. Morales, *A Brief History of Bolivia* (New York: Infobase Publishing, 2010), 120.

Revolutionary Left). Led by Marxist intellectuals, the PIR took a pro-Soviet position and supported nationalizing the mines and liberating the Indians.⁴ On the other end of the spectrum was the fascist *Falange Socialista Boliviana* (FSB, or the Bolivian Socialist Falange), founded in 1937 and committed to conservative nationalism and the Catholic Church.⁵ Finally, after national elections in 1940, in which moderate leftists took control of the new Congress, another important political party emerged. The *Movimiento Nacionalista Revolucionario* (MNR, or Nationalist Revolutionary Movement) was led by Víctor Paz Estenssoro and Hernán Siles Zuazo. It supported the labor movement and the nationalization of tin mines, though it was more moderate than the POR and PIR, being mostly a white middle-class party.⁶

During the early 1940s, the MNR consolidated labor support, particularly from miners. In 1944 a new labor union emerged with help from the MNR, POR, and existing unions. The *Federación Sindical de Trabajadores Mineros de Bolivia* (FSTMB, or Federated Union of Bolivian Mine Workers) was led by the POR's Juan Lechín Oquendo. The FSTMB was radical, calling for violent class struggle.⁷ Brutal strikebreaking by government forces at tin mines in 1942 and 1949 further radicalized the workers, many of whom supported the MNR. However, after a brief partnership in a military government (1943-46), the MNR lost power and was left as the main opposition party during a period of conservative rule known as the *sexenio* (1946-52). Chronic economic troubles led to increasing unrest and leftist agitation. The Bolivian government failed to deal with rising inflation during a post-World War II fiscal crisis, refusing to

⁴ Klein, *Concise History of Bolivia*, 197.

⁵ Morales, *Brief History of Bolivia*, 120.

⁶ Klein, *Concise History of Bolivia*, 198.

⁷ *Ibid.*, 204.

raise taxes on the wealthy. The crisis, which stemmed from growing debt and falling tin prices on the international market, meant that MNR members were sometimes antagonistic toward the United States. Relations between the two countries centered around the sale of Bolivian tin as a war resource for the United States, which often undermined nationalist economic ideas within the MNR and led it to criticize U.S. trade deals as exploitative.⁸

Growing hostility toward the *sexenio* governments was expressed in a number of ways. In 1949, in response to government repression and economic decline, the MNR led a civilian revolt, which was put down by the military but exhibited the wide base of support the party had cultivated. In 1950, young PIR radicals dissatisfied with their party, which to their dismay had allied with the government, broke away to form the *Partido Comunista de Bolivia* (PCB, or Bolivian Communist Party). Then, in May 1951, the MNR and its presidential candidate Víctor Paz won the national elections on a program of universal suffrage, nationalization of tin mines, and agrarian reform.⁹ Hoping to avoid the MNR taking the presidency, President Mamerto Urriolagoitia Harriague resigned and handed power to a military junta, which annulled the elections and branded the MNR a communist organization. The MNR subsequently launched an armed revolt, distributing weapons to the public. Civilian militias of miners and other workers took control of the capital on April 9, 1952, causing the collapse of the military and state police. Proclaiming a nationalist social revolution, the MNR set off down a path of reform.

⁸ Ibid., 197.

⁹ James M. Malloy and Richard S. Thorn, *Beyond the Revolution: Bolivia Since 1952* (Pittsburgh: University of Pittsburgh Press, 1971), 117. The discredited PIR received less than ten percent of the vote in the elections, and the MNR received over 70 percent. See Klein, *Concise History of Bolivia*, 206.

The MNR government under President Paz quickly instituted various changes. First, it established universal suffrage by removing the literacy requirement for voting, which nearly quintupled the voting population. It also significantly reduced the size of the military, allowing the civilian militias to take over military and police duties. Soon after taking power, the MNR allowed the creation of the *Central Obrera Boliviana* (COB, or the Bolivian Workers' Central), a new radical workers' union, to be led by Juan Lechín of the POR and the FSTMB. The COB demanded the nationalization of tin production and agrarian reform. These positions had influence in the government partly because the COB was allowed to name three of its members to the new cabinet.¹⁰ In October 1952, the government acquiesced to the COB's pressure and expropriated the so-called "Big Three" tin mining companies.¹¹ With this confiscation, two-thirds of the tin mining industry were turned over to the newly created state-run *Corporación Minera de Bolivia* (COMIBOL, or the Bolivian Mining Corporation).¹² In August 1953, the MNR fulfilled another promise designed to get more political support by issuing a decree of agrarian reform, partly in response to rural peasant uprisings.¹³ Under the decree, the government confiscated *hacienda* lands and redistributed them to the indigenous peasants, restructuring what had been a highly unequal land-holding system.¹⁴ The decree was enough to solidify general peasant support for the MNR.

¹⁰ Klein, *Concise History of Bolivia*, 213.

¹¹ The Big Three companies were owned by the Patiño, Aramayo, and Hochschild families. See Robert J. Alexander, *A History of Organized Labor in Bolivia* (Westport: Praeger Publishers, 2005), 76.

¹² Klein, *Concise History of Bolivia*, 213.

¹³ Malloy and Thorn, *Beyond the Revolution*, 241.

¹⁴ *Ibid.*, 243 and Klein, *Concise History of Bolivia*, 215.

These reforms, however, were ultimately somewhat limited. The Bolivian government assured the United States that its nationalization of tin was a unique case, promising compensation and soliciting foreign private investment in other industries, particularly oil.¹⁵ In any case, the country continued to experience economic difficulty, buffeted by repeated budget crises, food shortages, and rising inflation. Throughout the decade, Bolivia received aid from the United States, including military funds starting in 1958, at which point fully one-third of the country's budget was being paid for directly by U.S. funds.¹⁶ This aid drew leftist ire, as it was often linked to requirements for austerity or anti-labor measures. Two examples of this were the Stabilization Plan of 1956 and the Triangular Plan of 1961.¹⁷ The Stabilization Plan, set up at the behest of the International Monetary Fund (IMF) and designed by an American economist, aimed to stop rising inflation with austerity measures and exchange rate changes. The later Triangular Plan was funded by the U.S. and West German governments and the Inter-American Development Bank, and it was designed to overhaul and refinance COMIBOL, again requiring austerity in the mines in exchange for loans. Such conditions were often viewed as foreign interventions in internal Bolivian affairs, and they were blamed for the ensuing contractions of the Bolivian economy.¹⁸ As a consequence, the Bolivian left came to strongly oppose the regime of the MNR's President Hernán Siles Zuazo (1956-60).

By the end of Siles's term, increasing tensions within the MNR were causing difficulties in planning for the next election. Leftist pressure had seemed to ensure that

¹⁵ Dunkerley, *Rebellion in the Veins*, 58.

¹⁶ Klein, *Concise History of Bolivia*, 218.

¹⁷ Dunkerley, *Rebellion in the Veins*, 84 and 103-108.

¹⁸ *Ibid.*, 88-89.

Juan Lechín would be the next MNR nominee, but divisions within the party and U.S. pressure against Lechín led to a different compromise in 1960, and Paz returned as the presidential nominee with Lechín as his vice president. This arrangement was preferred by the U.S. government, particularly in the wake of violent anti-American protests in March 1959.¹⁹ During his earlier term, Paz had exhibited his willingness to follow U.S. ideas of economic development, and he was poised to do so again.

In his second term, Paz solicited increasing levels of aid from the United States, while espousing his support for private investment and economic development. Paz argued that during his first term, the Stabilization Plan “had to be carried out and [now] we must continue it,” and he claimed that accepting loans, particularly from the United States, was the best way to achieve development.²⁰ This technique conveniently dovetailed with President John Kennedy’s Alliance for Progress, which sought to give loans and encourage investment in Latin America in order to promote development and counter communism. In 1961, soon after the Alliance program was announced, Paz sought to confirm Bolivian involvement and increase American aid by flirting with making new ties to the Soviet bloc. In 1960, he had received a Soviet proposal of \$150 million in direct assistance, including funding for a Bolivian tin smelter, which would have reduced Bolivian dependence on foreign smelters.²¹ While there is no evidence Paz seriously considered taking the offer, just the possibility was enough to entice more loans from Washington, which sought to keep Bolivia within its influence.²²

¹⁹ *FRUS, 1958-1960*, Vol. V, Document 229.

²⁰ Dunkerley, *Rebellion in the Veins*, 104.

²¹ Lehman, *Bolivia and the United States*, 133-34.

²² *FRUS, 1958-60*, Vol. V, Document 229.

Meanwhile, Paz continued to rebuild the military, a process that had started under President Siles in 1958 with the resumption of U.S. military funding. At the end of his term, Siles had increasingly used the military to maintain order.²³ Paz embraced the military even more, proclaiming it to be an arm of the revolution.²⁴ This was an important shift from the events of the 1952 revolution, which had nearly destroyed the military by sharply reducing its manpower. Paz's newly strengthened army, which was restored to its pre-1952 strength by 1964, began to take on development projects in the countryside, a function that helped to increase the popularity of the institution. Yet at the same time, Paz increasingly used the military as a brutal tool of repression against leftist labor organizations. For example, in 1963, when strikes broke out at the Siglo XX mining camp in response to austerity measures required by the Triangular Plan, Paz sent in a militia armed with U.S. weapons to resolve the conflict, resulting in several deaths.²⁵ With this display of state-sponsored violence against the miners, the U.S. State Department judged that Paz had proved himself "committed to the economic development of Bolivia under the Alliance for Progress."²⁶ Paz's shift toward authoritarianism also represented his growing alienation from leftists within his own party. He not only enforced policies that hurt or antagonized many laborers, but also sought to marginalize famed labor leader Juan Lechín's influence in the lead-up to the 1964 elections.

²³ Lehman, *Bolivia and the United States*, 150.

²⁴ Field, *Development to Dictatorship*, 12.

²⁵ *Ibid.*, 93. It should be noted that Paz maintained his resolve to impose the Triangular Plan in part because the U.S. ambassador threatened that U.S. aid would otherwise be frozen.

²⁶ Quoted in *ibid.*, 97.

At the MNR convention in January 1964, interparty tensions came to a head. Paz expelled the Lechín-led leftist wing and, frustrated by Paz's authoritarianism, former president Siles abandoned the MNR altogether. For their part, Lechín and his followers created a new political party, the *Partido Revolucionario de la Izquierda Nacionalista* (PRIN, or the Revolutionary Party of the Nationalist Left).²⁷ Paz had generated significant opposition from both the left and the right due to the very fact that he was running for a second consecutive term, which before 1961 had been constitutionally prohibited.²⁸ In the following months, growing pressure from peasants and the military forced Paz to change his original vice presidential nominee and instead accept the candidacy of the popular and ambitious air force chief René Barrientos Ortuño. This nomination illustrated the growing influence of both the military and the peasantry in the political sphere.²⁹

While Paz won reelection in May 1964, his grip on power was tenuous. Rising resistance to the regime, including a series of miners' strikes in the summer of 1964, led Paz to call out the military and peasant militias to enforce order.³⁰ A military coup seemed imminent, as Paz was engendering opposition from all parts of the political spectrum, and Barrientos (partly at the behest of several political figures) plotted to take power.³¹ Meanwhile, another influential military figure, Alfredo Ovando Candía, was also looking for a chance to take power from Paz. Ultimately, an opportunity came with

²⁷ Malloy and Thorn, *Beyond the Revolution*, 143.

²⁸ Rex A. Hudson, Dennis Michael Hanratty, and Thomas E. Weil, eds., *Bolivia: A Country Study*, 3rd ed. (Washington, D.C.: Federal Research Division, Library of Congress, 1991), 165-68. Paz's opponents believed that he had changed the constitution specifically so he could run again.

²⁹ Malloy and Thorn, *Beyond the Revolution*, 144.

³⁰ *Ibid.*

³¹ Lehman, *Bolivia and the United States*, 142.

rising unrest on November 3, 1964. The military rebelled, creating a junta that declared Barrientos president.³² Ovando remained in the mix, becoming co-president in May 1965 and president in January 1966, when Barrientos was constitutionally obliged to resign in order to run for president. In July 1966, Barrientos was officially elected president, while Ovando returned to his position as Commander in Chief of the Armed Forces.

After his 1964 coup, Barrientos claimed that he had restored the revolution of 1952 (“*revolución restauradora*”).³³ In practice, this claim actually meant he planned to pursue economic development as had long been defined in U.S. terms. Barrientos took a decidedly pro-United States position, while also acting to counter the left. He liquidated the FSTMB and COB in May 1965, jailing or exiling many of the union and political leaders, including Juan Lechín.³⁴ Barrientos enforced the final stages of the Triangular Plan, instituting wage cuts and firing several thousand miners. At the same time, the Barrientos government sought to encourage more foreign investment with a new investment code, which allowed U.S. Steel to rent a zinc mine from COMIBOL and granted more concessions to the company Gulf Oil.³⁵ Meanwhile, Barrientos upheld two revolutionary measures from 1952, universal suffrage and agrarian reform. Both of these measures appealed to rural peasants, fitting with Barrientos’s strategy of cementing peasant support, a goal he achieved in large part through his own charisma and paternalistic connections to the *campesinos*. In 1966, he formalized the so-called *Pacto Militar-Campesino* (the Military-Peasant Pact), by which the peasants pledged to defend the military against the left while the Armed Forces promised to protect the gains made

³² Dunkerley, *Rebellion in the Veins*, 121.

³³ Barrientos quoted in Lehman, *Bolivia and the United States*, 152.

³⁴ Dunkerley, *Rebellion in the Veins*, 123-24.

³⁵ Klein, *Concise History of Bolivia*, 224.

for the peasants, including the agrarian reform decree.³⁶ This alliance provided most of the support for the Barrientos regime.

Leftist opposition continued during the presidency of Barrientos, manifested in its most extreme form in the activities of a guerrilla insurgency led by the *Ejército de Liberación Nacional de Bolivia* (ELN, or National Liberation Army of Bolivia). The ELN emerged in connection with the 1966 arrival of Ché Guevara, who had hoped to launch a revolution in Bolivia. With the help of U.S. military funding and training in counter-insurgency techniques, Guevara was captured and killed in 1967 by Bolivian forces, and the military worked to crack down on the ELN. Meanwhile, there was yet another clash at the mines in June 1967, when the military massacred miners, who had been agitating for reform, in front of their families. In justification, Barrientos claimed the miners were supporting the guerrillas.³⁷

Throughout 1968, Barrientos's hold on power became increasingly tenuous, particularly after the so-called Arguedas affair, when the former Minister of the Interior Antonio Arguedas announced that he had been a CIA informant and claimed that the CIA had influence at all levels of the Bolivian government.³⁸ Widespread suspicion fell upon the Barrientos government, while the Arguedas incident enflamed anti-American sentiment, which had already been growing as Bolivians blamed the United States for falling tin prices and declining financial assistance.³⁹ In this context, Barrientos's ties to Washington had become a political liability. Military backing of Barrientos had also begun to fragment, with an abortive coup attempt by a Bolivian general in late 1968. It

³⁶ Quoted in Dunkerley, *Rebellion in the Veins*, 132.

³⁷ Dunkerley, *Rebellion in the Veins*, 149.

³⁸ Malloy and Thorn, *Beyond the Revolution*, 150.

³⁹ Siekmeier, *Bolivian Revolution and the United States*, 121.

was increasingly rumored that Ovando intended to launch his own attempt. The question was briefly resolved in April 1969, when Vice President Luis Adolfo Siles Salinas (half-brother of former president Hernán Siles Zuazo) became president after Barrientos was killed in a helicopter accident. Siles faced discontent in the military and Ovando's personal ambition to attain the presidency, along with the need to balance leftist pressure against relations with the United States, which had often been precarious over the past decades.

The U.S.-Bolivian relationship as it stood in the late 1960s and early 1970s had its roots in the countries' partnerships and conflicts over economic and strategic interests after World War II. During and immediately after the war, these conflicts primarily centered on tin, Bolivia's major mining export and a key strategic resource for the United States. American officials aimed to acquire tin at the lowest possible price without destabilizing the economic, social, and political situation in Bolivia. Meanwhile, Bolivia hoped to sell its tin at the highest possible price and in the process earn enough revenue to achieve economic diversification and stability.

Upon entering WWII, Washington urgently needed to buy Bolivian tin. Japanese forces had seized control of tin sources in the Pacific, leaving seventy percent of global tin production in Axis hands.⁴⁰ Bolivia was the only secure source of tin accessible to the Allies. Despite some opposition from Bolivian nationalists in the MNR, in 1942 Bolivian producers agreed to a tin contract with the United States. Negotiations over the contract were carried out by both the U.S. State Department and a U.S. agency called the Reconstruction Finance Corporation (RFC). The contract was renewed repeatedly over

⁴⁰ Dorn, *Truman and Bolivia*, 20.

the next several years—war damage in the Pacific and the demands of reconstruction in Europe combined to keep U.S. demand for tin high and to maintain Bolivia’s central role in tin production.⁴¹ During the war, U.S.-Bolivian relations were generally friendly, as Bolivia’s relationship with the United States was seen as mutually beneficial. Bolivia was part of the lend-lease program, sold quinine, rubber, and metals to the United States, and officially declared war against Germany in 1943.

As the war drew to a close, however, many Bolivians grew concerned about the renegotiation or potential cancellation of U.S. purchasing agreements. Two important contracts were not renewed. The first was for Bolivian quinine, isolated from the bark of the cinchona tree. This natural source had lost importance when a synthetic version of quinine was developed in April 1944. In January 1945, the U.S. Acting Secretary of State Joseph Grew claimed that Bolivia could sell cinchona bark to its neighboring countries and that, therefore, “the Bolivian economy would not be injured by our discontinuance of these purchases.”⁴² Another blow came several months later, when the State Department declined to extend the U.S. rubber contract with Bolivia.⁴³ The quinine and rubber precedents worried Bolivian officials, who feared losing the tin contract upon which the nation’s economy depended. Later Bolivian reaction to conflicts over tin were anticipated by a warning from the U.S. Ambassador in Bolivia in January 1945 that:

The abrupt, *ex parte* cancellation of those arrangements or arbitrary reduction of prices cannot but disturb the economies of the countries concerned, provoke resentment, and ratify the suspicion that a large part of our good neighbor policy, at least in its economic aspect, is simply a

⁴¹ Ibid., 22.

⁴² *FRUS, 1945*, Vol. IX, Document 441.

⁴³ Ibid., Document 451.

matter of expediency or at best limited to the duration of the war pressure.⁴⁴

For the next several years, U.S.-Bolivian relations became more fraught as officials haggled over tin prices and the internal situation in Bolivia worsened.

The tin contract was entangled with other issues, including Bolivia's economic development and political stability and its relationship with the United States. During the Truman presidency, Bolivian diplomats based arguments for higher tin prices on all of these issues. Typical of their arguments was an August 1945 conversation between the State Department and the Bolivian ambassador Victor Andrade. Andrade insisted that a U.S. proposal of reduced tin prices was both "unjust, from his point of view, and unwise" from the U.S. perspective. It was unjust because the Bolivian economy, and thus any chance of its economic diversification and self-sufficiency, relied on revenues from the U.S. purchase of tin.⁴⁵ Further, Andrade argued, reducing prices was unwise because nationalization of the tin mines might be the only political and economic alternative if Washington refused to allow higher prices, though he admitted his opinion that nationalization would mean "the country would be in a more chaotic condition than ever and without any reasonable likelihood of rapid recovery." Meanwhile, the United States needed tin, and "Bolivia's strategic location in South America justifies the United States' underwriting her economy in order to preserve it." The U.S. insistence on lowering tin

⁴⁴ *Ibid.*, Document 440.

⁴⁵ Later Bolivian arguments linked this reliance to the moral argument that after Bolivia's cooperation during WWII, Washington was "under a moral obligation to help out Bolivia now." See *FRUS, 1946*, Vol. IX, Document 331.

prices could “only be interpreted as a form of economic sanction,” and thus could potentially damage U.S-Bolivian relations and Bolivians’ perceptions of Washington.⁴⁶

Such reasoning appealed to a major tenet of the Truman administration’s policy toward Bolivia, which aimed to foster economic development in the country. Proposals for development had started in the administration of President Franklin Roosevelt, including a 1942 report known as the Bohan plan. The plan, largely accepted by most Bolivian officials for the next several years, offered long-term assistance to promote construction projects, agricultural diversification, mineral production, and currency stabilization.⁴⁷ Under the Truman administration, Bolivia received loans to build a highway from Cochabamba to Santa Cruz and to expand its nascent petroleum industry.⁴⁸ These loans were viewed as steps to diversification, but concerns about repayment gave one reason for the United States to keep purchasing tin—neither diversification nor repayment of loans could occur if the Bolivian economy collapsed.

Another important policy goal for Washington was the maintenance of Bolivian stability and friendly relations. In 1951, the State Department argued that “a principal aim of our foreign programs is to build up strength rather than weakness in the free world” and warned that “nationalization or other radical steps” might “set an undesirable precedent in other Latin American countries,” which often already believed that the United States was exploiting them.⁴⁹ Providing aid, loans, and favorable trade deals might bolster relations in the face of rising nationalism and stave off a wave of nationalizations. The twin desires for good relations and stability allowed some flexibility

⁴⁶ *FRUS, 1945*, Vol. IX, Document 450.

⁴⁷ Lehman, *Bolivia and the United States*, 78 and 117.

⁴⁸ *FRUS, 1945*, Vol. IX, Document 455.

⁴⁹ *FRUS, 1951*, Vol. II, Document 689.

on the part of the State Department. When the Bolivian government ultimately nationalized its tin industry in late 1952, the State Department advocated approving a tin deal anyway (provided American stockholders were compensated for the nationalization), because it hoped to set a precedent on the continent for compensation after nationalization and it believed that “a collapse of the Bolivian economy might lead to the seizure of power in Bolivia by persons of extreme anti-United States orientation.”⁵⁰

Notably, the Truman administration’s policy toward Bolivia was not primarily guided by anticommunism, although at various points Bolivian officials put their requests in those terms. In 1947, Bolivian President Enrique Hertzog warned that “Bolivia is a fertile field for Communism unless the economy of the country can be maintained,”⁵¹ and in 1952 Ambassador Andrade asserted that, for the Bolivian government, “the most effective ammunition” against communism would be a long-term tin contract.⁵² However, as of 1951, a State Department policy statement asserted that “while the US remains alert to the possibility of dangerous communist penetration of Bolivia, it also remains to be convinced that the problem is of the immediately serious proportions [as] represented by the Bolivians.” The policy statement concluded that the “communist problem in Bolivia” was “essentially a long-term one” that required programs of economic development and improving ties between the two countries. Rather than focusing on anticommunism or forcing democratic change, the Truman administration preferred to act indirectly through these economic programs. The 1951 policy statement concluded that:

The Bolivian experience should prove to us that we cannot export the US type of democracy to be superimposed on a backward country. Rather we

⁵⁰ *FRUS, 1952-1954*, Vol. IV, Document 147.

⁵¹ *FRUS, 1947*, Vol. VIII, Document 288.

⁵² *FRUS, 1952-1954*, Vol. IV, Document 146.

must help Bolivia to create within that country economic conditions and educational levels which will allow the gradual development of democratic principles.⁵³

Despite this avowedly benevolent aim of U.S. foreign policy, the difficulties of the U.S.-Bolivian economic partnership often stoked leftist opposition to the Bolivian governments, along with anti-American sentiment, which ultimately contributed to the outbreak of the 1952 revolution.

The Eisenhower administration dealt with similar issues over the next eight years, as its policy revolved around the two aims of maintaining stability in Bolivia and promoting economic development. Relations with Bolivia were threatened after the 1952 revolution and the later worsening of the Bolivian economic situation. The October 1952 nationalization of the Big Three tin companies and subsequent difficulties in negotiating compensation for stockholders of the expropriated firms meant that in March 1953 the RFC declined to offer Bolivia a long-term tin contract. American officials defended the decision as pragmatic, but it was taken as a “bombshell” by the Bolivian government.⁵⁴ This marked the start of a decline in U.S. interest in Bolivian tin, as administration officials preferred to give direct assistance in the form of grants and loans, as opposed to “propping up” the tin industry.⁵⁵

This shift to direct aid was part of the U.S. effort to promote economic development and thus maintain stability in Bolivia. President Eisenhower had been influenced by recommendations from his brother and adviser Dr. Milton Eisenhower, an early advocate of aid, who believed assistance could prevent “Bolivia’s rapid descent into

⁵³ *FRUS, 1951*, Vol. II, Document 695.

⁵⁴ *FRUS, 1952-54*, Vol. IV, Documents 152-53.

⁵⁵ Lehman, *Bolivia and the United States*, 113.

economic chaos.”⁵⁶ Responding to his brother, the president noted that “I am struck by the fact that in a number of cases, a very small loan or investment on our part might reap very definite and extensive advantages for us.”⁵⁷ For Bolivia, some of this aid took the form of emergency loans and provision of foodstuffs to mitigate revenue and food shortages. It was generally believed in both countries that emergency aid starting in November 1953 saved the country from total economic collapse and, in turn, the MNR from fragmentation and rebellion.⁵⁸

The Eisenhower administration also turned to more direct pressure to reform the Bolivian economy with the “Joint Program,” which established a stabilization plan meant to counter growing inflation. The Joint Program, going into effect in December 1956, opened the oil industry to private investment and changed to a single exchange rate. In return, the United States promised to negotiate another tin contract and send more technical assistance.⁵⁹ However, the stabilization program and later devaluations of Bolivian currency caused opposition and anger when prices increased but wages remained fixed.⁶⁰ Changing U.S. policies toward the purchase of Bolivian raw materials also wreaked havoc. When the only tin smelter in the United States was closed by Congress in 1957, Bolivia was forced to find new buyers, and the United States proceeded to end its tungsten subsidy and raise the tariff on lead and zinc.⁶¹ The reduction in Bolivian revenue was severe. The combination of increased U.S. involvement in Bolivia’s internal affairs with the Joint Program and the refusal to extend

⁵⁶ Milton Eisenhower, January 1954, quoted in *ibid.*, 120.

⁵⁷ *FRUS, 1952-54*, Vol. IV, Document 171.

⁵⁸ *FRUS, 1955-1957*, Vol. VII, Document 260.

⁵⁹ *Ibid.*, Document 253.

⁶⁰ Lehman, *Bolivia and the United States*, 123-25.

⁶¹ *Ibid.*, 124.

important trade contracts opened Washington to criticisms of self-interested economic imperialism.

Waves of anti-American sentiment followed such policy decisions. As a later ambassador put it, American officials had come to view Bolivia as “America’s stepchild in the Andes,”⁶² thereby justifying their involvement in the country. Washington hoped that assistance to Bolivia could demonstrate that “people in social revolution” could benefit from cooperation with the United States.⁶³ Yet when U.S.-sanctioned policies caused economic hardship, many Bolivians heavily criticized U.S. involvement in their country. Labor leader Juan Lechín summed up common sentiment by blaming U.S. tin policies for Bolivia’s economic troubles and stating that “the United States has been exploiting Bolivia for the past 50 years. Now do you not think it is time for you to compensate us for this exploitation?”⁶⁴ For its part, the State Department recognized that U.S.-Bolivian relations had become largely dependent on Bolivia’s economic well-being and perception of U.S. aid, acknowledging that “should the government come to feel that the US was not supporting it, active anti-US feelings would almost certainly increase.”⁶⁵ Particularly during times of anti-American protest, U.S. officials worried that economic deterioration in Bolivia would cause the overthrow of the MNR either by leftists within the party or by rightist opponents.

This worry was amplified by growing concern in the Eisenhower administration about communist influence in Bolivia. These fears were stoked by the threat of Bolivia

⁶² Telegram, Siracusa to Secretary of State, October 12, 1970, NSC Files, CF—LA, Box 770, RNPL.

⁶³ Siekmeier, *Bolivian Revolution and the United States*, 84.

⁶⁴ *FRUS*, 1955-57, Vol. VII, Document 260.

⁶⁵ *FRUS*, 1952-54, Vol. IV, Document 165.

reaching out to the Soviet bloc: in May 1953, reacting to the RFC's withdrawal of the tin deal, President Paz publicly criticized the United States, promising to sell tin wherever he could, including the Eastern bloc.⁶⁶ While U.S. aid programs kept this promise from being realized, later in the decade the Soviet Union itself began making overtures, offering loans to the state-owned YPFB in 1958 and 1960.⁶⁷

At various times U.S. officials attempted to tie plans for economic development to an emphasis on anticommunism. The Joint Program, for example, had included as a condition the intensification of Bolivian efforts to "eradicate the influences of international Communism."⁶⁸ Generally, the United States did not believe that the two small communist parties in Bolivia had enough strength to take power, but their presence was unsettling. There was some thought of developing the Bolivian military as a back-up in case the MNR fell or communists attained greater influence. In 1956, the State Department's Ernest Siracusa (a future ambassador to Bolivia) wrote a memo suggesting that the United States should help strengthen the Bolivian army, believing there had to be some noncommunist institution ready to fill the void if the Bolivian government collapsed. This was despite the acknowledged possibility that a strengthened military might itself overthrow the government.⁶⁹ Siracusa's proposal illustrated just one of the precarious balancing acts the administration faced as it attempted to guide Bolivia in the direction the United States preferred without sparking rebellious anti-Americanism or leftist-nationalist domination.

⁶⁶ *Ibid.*, Document 156, and Lehman, *Bolivia and the United States*, 105.

⁶⁷ Lehman, *Bolivia and the United States*, 133 and *FRUS, 1958-1960*, Vol. V, Document 229.

⁶⁸ *FRUS, 1955-57*, Vol. VII, Document 253.

⁶⁹ *Ibid.*, Document 263.

The Kennedy and Johnson administrations took Eisenhower's ideas about economic assistance even further with the Alliance for Progress, which aimed to use economic assistance to foster the development and stability of noncommunist governments in Latin America. Bolivia was something of a test case for the Alliance, as a country that had undergone a nationalist social revolution yet maintained a relatively close relationship with the United States.⁷⁰ Friendly U.S.-Bolivian relations and the goals of the Alliance combined to result in a 600 percent increase in U.S. aid to Bolivia between 1960 and 1964. Again, the aid was often attached to certain conditions, such as austerity in the mining industry.⁷¹

Much of this increased U.S. aid went to the Bolivian military, both to build up the institution and to create manpower and assistance for development projects. The Kennedy administration created a program called Civic Action, under which military members in Bolivia carried out developmental functions: they led literacy campaigns, constructed roads, built schools, and offered medical services. This program allowed Bolivians to address some of the goals of the MNR and the 1952 revolution, though it also had the side effect of convincing many in Bolivia and the United States that the military could serve as an effective institution of development, perhaps more so than the civilian government.⁷² Meanwhile, military aid also went toward training officers and providing materials for the armed forces, ultimately restoring the army's strength and fulfilling Siracusa's 1956 proposal.

⁷⁰ Siekmeier, *Bolivian Revolution and the United States*, 92.

⁷¹ For example, in October 1963, President Kennedy met President Paz in person and pressured him to better financially manage the tin mines. *FRUS, 1964-1968*, Vol. XXXI, Document 149.

⁷² Lehman, *Bolivia and the United States*, 150.

Both the Kennedy and Johnson administrations remained disturbed by the presence of communists in Bolivia, despite their obvious weakness. Washington was particularly concerned by the power of Lechín over the leftist wing of the MNR and the communist-leaning labor unions. This worry had become acute after the Cuban Revolution in 1959; two years later, Kennedy's special assistant Arthur Schlesinger, Jr. warned that "Bolivia might well go the way of Cuba" and that, therefore, the United States needed to "create the conditions which would drive Paz to take an anticommunist line."⁷³ As mentioned, the increase in military aid was one method of countering communist influence. Another method was economic aid and development projects themselves, which sought to undermine the MNR left wing and its labor support by requiring austerity and anticommunist policies. In Bolivia, one implicit goal of the Alliance for Progress was to cause a break between Lechín and Paz, which was finally achieved in 1964 with Lechín's expulsion from the MNR after extensive labor unrest.⁷⁴ Washington's policy had successfully brought the centrist wing of the MNR under U.S. influence, but at the cost of growing leftist power.

The other key element of the Kennedy and Johnson administrations' policies toward Bolivia was covert financial assistance from the CIA, particularly in the face of growing leftist opposition. Covert subsidies of the MNR were designed to get leftists out of influential positions in the Bolivian government and to "try to break Communist and ultra-leftist control over certain trade union, student groups, and *campesino* organizations."⁷⁵ This policy evolved in reaction to changing circumstances. When, in the

⁷³ Arthur Schlesinger, Jr., quoted in Field, *Development to Dictatorship*, 14.

⁷⁴ Field, *Development to Dictatorship*, 136.

⁷⁵ *FRUS*, 1964-68, Vol. XXXI, Document 147.

context of growing unrest, the military turned against Paz, the U.S. government recognized the new military regime of General Barrientos and shifted its focus to covertly supporting his rule.⁷⁶ Washington was flexible because it viewed Barrientos as a friend and as the best non-communist alternative available in Bolivia. Therefore, the United States subsidized Barrientos's election campaign through 1966, sent Special Forces to train Bolivian soldiers in anti-guerrilla tactics, and materially aided in their 1967 capture of Che Guevara.⁷⁷

However, these types of actions ultimately did little to stop the periodic surges of anti-American sentiment, instead spurring it on in some cases, and the programs of financial assistance ultimately did not save Bolivia from its economic problems.⁷⁸ The military regime of Barrientos was not particularly sturdy, and despite his 1966 electoral victory, the Johnson administration was not at all optimistic that Barrientos would survive his term.⁷⁹ Given this, U.S. officials focused on keeping Barrientos and his ambitious co-president Ovando from feuding, fearing that their disagreements would split the armed forces and lead to a civil war.⁸⁰ While the two generals agreed to “stick together,” Washington did little to stop growing leftist and rightist opposition to Barrientos.⁸¹ Ultimately, although the United States had significant influence over Barrientos himself—the CIA Station Chief in Bolivia at the time boasted that “nothing

⁷⁶ Ibid., Documents 151-53.

⁷⁷ Ibid., Documents 157-61 and 163-70.

⁷⁸ James Siekmeier argued that aid from the Alliance for Progress mostly benefited elites while also raising expectations among the Bolivian public, so that the Alliance was ultimately disillusioning for non-elites. See Siekmeier, *Bolivian Revolution and the United States*, 85.

⁷⁹ *FRUS, 1964-68*, Vol. XXXI, Document 161.

⁸⁰ Ibid., Document 158.

⁸¹ Ibid., Document 157.

happened in Bolivia without our involvement”⁸²— its programs for improving economic and political stability in Bolivia ultimately failed, leading to growing anti-Americanism and instability just as President Nixon was taking office.

At the start of Nixon’s presidency, policymakers in Washington fully believed several of the axioms of the Cold War. One in particular was important for their thinking about Latin America, namely that communism was international and imposed by external interests. In other words, communism could not be nationalist and communists never had the true interests of any given nation at heart. Implicit in this truism was the belief that those seeking to spread communism took advantage of nationalist interests, twisting them for their own aims. Thus, leftist nationalists in Latin America were at risk of being pushed into communism, endangering both their own countries and the United States. The United States was under threat within the larger Cold War framework of a bipolar opposition between communists and non-communists, but Latin American communism was also believed to pose a particular threat because of its geographical proximity to the United States. This fear of communism on America’s doorstep had been greatly intensified by the emergence of a communist Cuba in 1959. The U.S. government came to view Cuba as a threat to the stability of non-communist Latin America, fearing that by sending propaganda or guerrilla fighters to other countries, Cuba could successfully export communism. Countries that were unstable or led by leftists were seen as being particularly threatened.

At the same time, however, the Vietnam War had led President Nixon to believe that direct overt U.S. intervention in other nations to stop the spread of communism was

⁸² Larry Sternfield quoted in Field, *Development to Dictatorship*, 194.

not a workable solution, as it was too expensive and too controversial. The alternative option was laid out in the Nixon Doctrine, which promised that the United States would continue to provide material aid to nations resisting communism, but would no longer send its own troops to do the fighting. In Latin America, this shift in tactics ultimately meant that the Nixon administration relied on covert funding and overt political support for regimes that it believed could maintain stability.⁸³

Soon after Nixon's inauguration, he ordered his staff to reevaluate U.S. foreign policy toward Latin America. Nixon publicized this policy review in an address to the Inter American Press Association on October 31, 1969. The speech drew on two major sources, National Security Study Memorandum 15 (NSSM 15) and the Rockefeller report of 1969. The Rockefeller report came out of a presidential mission to Latin America from May to July 1969 led by New York Governor Nelson Rockefeller. The mission visited twenty different countries. One of the major problems it identified was a rising wave of anti-Americanism, associated with increasing nationalist sentiment. This was evident in the response of many Latin Americans to the mission itself: in Bolivia, the group's visit was cut drastically short to avoid violent demonstrations. As it was, students marched through La Paz shouting "Bolivia sí, Yankees no!"⁸⁴ Other governments, including those of Chile and Peru, requested that the mission not visit their countries.⁸⁵ Throughout Latin America, particularly among leftists, resentment had been growing toward American interventions, both direct and indirect. American officials had long acted paternalistically

⁸³ Schmitz, *The United States and Right-Wing Dictatorships*, 73-76.

⁸⁴ Juan De Onis, "Rockefeller Cuts His Bolivian Visit," *New York Times*, June 1, 1969.

⁸⁵ Nelson A. Rockefeller, *The Rockefeller Report on the Americas: The Official Report of a United States Presidential Mission for the Western Hemisphere* (Chicago: Quadrangle Books, 1969), 8.

in their relations with Latin Americans, prescribing and partially funding economic programs that often were perceived as hurting rather than helping, sometimes for the benefit of the United States. For its part, the Rockefeller report argued that the failures of past American policy, along with inherent difficulties in Latin American societies, had helped cause the rise of anti-Americanism, leftist nationalist governments, and the danger of communist subversion.⁸⁶

The Rockefeller report and NSSM 15 explained that maintaining stable countries in Latin America and ensuring a good relationship with them was crucial to the U.S. national interest. Rockefeller warned that if the continent dissolved in chaos or was overtaken by leftists, the United States would lose credibility and prestige, in addition to putting its economic and national security interests at stake.⁸⁷ Similarly, NSSM 15 noted that “rising nationalism posed a significant threat to U.S. interests, particularly when taken in conjunction with a Soviet presence and willingness to offer itself as an alternative to Latin dependence on the U.S.”⁸⁸

The Rockefeller report, NSSM 15, and Nixon’s speech offered a few solutions for these dangers. The rhetorical foundation of the Rockefeller report and Nixon’s October speech was the idea of a “special relationship” defined by partnership rather than paternalism.⁸⁹ Nixon claimed that he sought “a more mature partnership in which all

⁸⁶ Ibid., 21-24.

⁸⁷ Department of State, *Department of State Bulletin* December 8, 1969 (Washington, D.C.: Government Printing Office, 1969), 507.

⁸⁸ Quoted in Schmitz, *The United States and Right-Wing Dictatorships*, 91.

⁸⁹ Rockefeller, *The Rockefeller Report*, 21. The cynical political motives for this rhetoric is clear given Nixon’s private assertion that “the Latins know they are not special. When you say they are, they like it.” Minutes of the NSC Meeting on Latin America, October 15, 1969, NSC Minutes Originals 1969, Box H-109, NSC Institutional Files, Richard Nixon Presidential Library and Museum, Yorba Linda, CA (hereafter RNPL).

voices are heard,”⁹⁰ a goal that aimed to ameliorate Latin American resentment of U.S. influence. In this vaunted “special relationship,” Latin Americans would have their desire for independence acknowledged but would remain within the orbit of the United States (and therefore out of the Soviet sphere of influence). This type of rhetoric along with some policy changes, including “untying” American aid so that recipients were not required to purchase U.S. products, aimed to maintain American influence by countering charges of self-interested interference.

Another major element of this revamped Latin America policy centered on the issue of authoritarian governments and the role of the military in Latin American countries. In essence, the Nixon administration believed that authoritarian governments were acceptable, even preferable, because they could better guarantee stability and anti-communism. In his report, Governor Rockefeller emphasized that good relations with military dictatorships were “merely practical conveniences and not measures of moral judgment,” calling arguments against working with dictatorships “arbitrary ideological stereotypes.”⁹¹ He also suggested that in Latin America, military governments could become “a major force for constructive social change” by first creating stability.⁹² Of course, the flipside of this was that such military governments could “become radicalized, statist, and anti-US.” Nonetheless, military governments, specifically right-wing ones,

⁹⁰ Richard Nixon, “Remarks at the Annual Meeting of the Inter American Press Association, October 31, 1969,” The American Presidency Project, accessed September 14, 2017, <http://www.presidency.ucsb.edu/ws/index.php?pid=2302>.

⁹¹ Rockefeller, *The Rockefeller Report*, 58-61.

⁹² *Ibid.*, 32

could generally be counted on to guard against instability and communist takeover, even if the cost was authoritarian repression.⁹³

Privately, Nixon supported this acceptance of military governments, saying, “don’t be overwhelmed by fashionable and popular arguments that the military in Latin America are bad. It is not so. They are good. They play an important part in internal security.”⁹⁴ For the purposes of public policy, this concept was put in terms of respect for Latin American independence, as historically democracy was “a very subtle and difficult problem for most” of Latin America, and the best the United States could do was “hope that each government” would move toward democracy on its own.⁹⁵ This rhetoric allowed the Nixon administration to justify its support for dictatorships as a form of nonintervention and even cultural respect.

For Nixon’s foreign policy, anticommunism, stability, and authoritarianism were closely connected. Therefore, military governments that were leftist-oriented presented a dilemma in which the established policy of supporting dictators as protectors against leftism did not fit. The question remained how to best maintain stability in such a situation, which required determining whether the military was susceptible to communist influence or leftist pressure, how strong its hold on power was, and whether there were any viable alternatives who could take over. If policymakers concluded that the leftist military leader was the best option, they might seek to influence him away from ideals and goals perceived as counter to U.S. interests. Doing so entailed a balancing act

⁹³ Ibid., 33.

⁹⁴ Minutes of the NSC Meeting on Latin America, NSC Minutes Originals 1969, Box H-109, NSC Institutional Files, RNPL.

⁹⁵ Rockefeller, *The Rockefeller Report*, 58, and Nixon, “Remarks at the Press Association.”

between achieving the desired outcome and not provoking even more unrest and anti-Americanism. All these issues would come to a head in Bolivia under Ovando and Torres.

Chapter Two:

Pandora's Box

In early 1969, turmoil was on the horizon in Bolivia. In its first year in office, the Nixon administration would witness three different Bolivian presidents and ultimately be confronted with what it perceived as a slow-moving crisis when the third, Ovando, came to power in September. Ovando was a self-proclaimed leftist nationalist and a military general who depended on the Bolivian armed forces for his power. His ideological stance made the Nixon administration keen to formulate a way to steer Bolivia away from leftism, which was generally viewed as a path to communism, and back to (authoritarian) stability. Soon after Ovando took power and nationalized the property of the Bolivian branch of the Gulf Oil Company, the Nixon administration decided to follow a policy of persuading Ovando to moderate his positions. It did this by working to encourage a compensation deal for Gulf and by using aid and U.S.-Bolivian relations as leverage to influence Ovando. Though this policy nominally succeeded, as Ovando ultimately did not institute far-reaching leftist policies, it failed to promote stability in Bolivia or stem the increasing anti-American resentment in the country. Instead, divisions in the military and among the populace grew, as Ovando satisfied neither the left nor the right and achieved little improvement of Bolivia's economic and political instability.

The crisis began while President Barrientos was still in power. By 1969, the political situation in Bolivia was growing tumultuous. Barrientos had been earning the opposition of leftist labor groups, a problem exacerbated in January 1969 when he suddenly declared a state of siege in an attempt to prevent unrest during planned meetings

of factory workers and teachers' unions.¹ Certain members of the military had also been expressing discontent, as some officers criticized Barrientos's economic policies. This emerging military faction of economic nationalists was headed by General Juan José Torres, who had begun to push Armed Forces Commander Ovando to overthrow President Barrientos.² The widespread knowledge that Ovando wished to be president created persistent rumors that he would launch a coup.

In the midst of these tensions, on April 27, 1969 President Barrientos was killed in a helicopter accident. His death threw Bolivia into a political vacuum that was poorly filled by Vice President Louis Adolfo Siles Salinas. Siles, a former lawyer and member of the moderate *Partido Demócrata Cristiano* (PDC, or Christian Democratic Party), had been elected vice president alongside the more popular Barrientos in 1966. From the moment Siles took power, he became engaged in a struggle for political survival for which he was ill-prepared. After Barrientos's death, the military announced that it would guarantee constitutional presidential succession, thus providing the backing that Siles needed to take over the presidency. Yet this backing did little to strengthen Siles's precarious position in the face of growing tensions and Ovando's ambitions.

For their part, American officials viewed Siles's succession with apprehension, partly because Barrientos had been such a strong ally of the U.S. government. The day after Barrientos's death, the American Ambassador Raúl Castro cabled his superiors to advise that "formidable representation" be sent to the funeral. Acknowledging that President Nixon would be unavailable, Castro hoped that Vice President Spiro Agnew

¹ Telegram, Ambassador Raúl Castro to Secretary of State, January 21, 1969, National Security Council (NSC) Files, Country Files—Latin America, Box 770, RNPL.

² Dunkerley, *Rebellion in the Veins*, 155.

might attend. Such a high-level delegation was meant to publicly express “US appreciation of Bolivian friendship,” though it also reflected Castro’s conviction that the “US has lost its best friend in LA [Latin America].” He complimented Barrientos for cultivating a close relationship with the United States and for consistently publicly praising U.S. assistance and investment in Bolivia.³ To U.S. policymakers, losing such a close ally was cause for concern as they contemplated what might come next.

Washington had two other reasons to be uneasy about Siles taking the presidency. First, U.S. officials knew little about how he would form policy with respect to U.S. wishes. In an April 27 memo, National Security Adviser Henry Kissinger informed Nixon that Siles was “somewhat erratic, neither very pro-US nor very hostile.”⁴ Siles was publicly known for his “insistence on following the laws and Constitution (sic),” but it was not clear whether he would be nearly as cooperative with Washington as Barrientos had been.⁵ In the meantime, U.S. officials were also aware that Siles was bound to be a weak leader, as he had no wide base of political support and essentially depended on the “sufferance of the military and specifically of Ovando” to remain in power. Considering Ovando’s overriding ambition to become president, this was weak ground on which to stand. Kissinger believed that Ovando, preferring to attain the presidency constitutionally, would back Siles and bide his time as “the power behind the throne” until he was able to win the elections in May 1970.⁶ Yet the possibility of a military coup hung over the duration of the Siles presidency. During this time, U.S. policy was not significantly

³ Telegram, Ambassador Raúl Castro to Secretary of State, April 28, 1969, NSC Files, CF—LA, Box 770, RNPL.

⁴ *FRUS, 1969-1976*, Vol. E-10, Document 77.

⁵ Paul L. Montgomery, “Bolivia’s New Leader,” *New York Times*, April 30, 1969.

⁶ *FRUS, 1969-1976*, Vol. E-10, Document 77.

changed, as American diplomats watched closely to see what Ovando and Siles would do.

Tensions between Ovando and Siles grew quickly as Siles began to show signs of seeking to build a stronger political base. Bolivian military leaders told U.S. officials that Siles was pursuing the backing of miners and students who were pressing for changes in policy toward foreign investments.⁷ Siles supported, for example, a natural gas nationalization bill.⁸ Reportedly, Ovando saw Siles's maneuvering as part of a larger campaign to undermine him, a perception that further damaged their already-strained relationship. American analysts attributed that strain to the clash between "Siles' (sic) ambitions, fears, and general political ineptitude" and "Ovando's determination to keep the new president on a short rein."⁹ Ovando's personal ambitions for the presidency were further threatened when the popular mayor of La Paz, General Armando Escobar Uría, declared that he would run for president, and Siles moved to support him over Ovando.¹⁰ Fearing he was losing popular support, Ovando began to employ more anti-American rhetoric, attacking the U.S.-owned Gulf Oil Company and praising the new leftist military regime in Peru.¹¹ Yet Ovando was slipping, and he still feared that Siles was turning against him. In August 1969, Ambassador Castro reported that Ovando was convinced Siles would "rig [the] electoral machinery against him."¹² This conviction

⁷ *FRUS, 1969-1976*, Vol. E-10, Document 78; Laurence Whitehead, "Bolivia's Conflict with the United States," *The World Today* 26, no. 4 (1970): 173.

⁸ Telegram, Ambassador Castro to Secretary of State, August 29, 1969, NSC Files, CF—LA, Box 770, RNPL.

⁹ *FRUS, 1969-1976*, Vol. E-10, Document 78.

¹⁰ James M. Malloy and Eduardo Gamarra, *Revolution and Reaction: Bolivia, 1964-1985* (New Brunswick: Transaction Books, 1988), 44.

¹¹ Malloy and Thorn, *Beyond the Revolution*, 152.

¹² Telegram, Castro to Secretary of State, August 29, 1969.

meant that Ovando could no longer rely on constitutional means to attain power and provided the justification to start preparing a coup.

To build American good will toward the potential coup, pro-Ovando figures emphasized to American diplomats that there was a danger of communist takeover if Siles stayed in power. On August 29, 1969, Ambassador Castro cabled the State Department reporting that an ex-Barrientista had approached him saying that Ovando had recruited him for a planned coup. The recruit, lawyer Mario Catacora Landivar, passed on criticisms of the Siles regime, claiming that if Ovando and the military did not intervene, there would be “an eventual “MNR/communist” takeover.”¹³ The warning was somewhat ambiguous, appearing to imply either that Siles himself had drifted leftward in his quest for popular support, or that the Siles government was so weak it could not effectively combat a “resurgence of guerrillas, [and] ‘MNR/communist’ sponsored urban conflict.” In reality, there was little evidence of any major communist danger, and the warning did not seem to turn Washington strongly against Siles. Ambassador Castro gave no encouragement to Catacora, seeking to make clear “our position [on] behalf [of] constitutionalism” and to warn Ovando against “miscalculation.” Yet the impulse for the conspirators to point the finger at communism was evident, and Catacora insisted that Ovando and his allies had made up their minds to act, “with or without US support.”¹⁴

The opportunity to take action came as September drew to a close. Even while secretly considering a coup, Ovando had publicly insisted that Siles would only be overthrown “if he abandoned the Bolivian revolution,” arguing that the military should

¹³ This was an odd combination considering how reactionary and divided the MNR had become by the end of Víctor Paz’s presidency in 1964.

¹⁴ Telegram, Castro to Secretary of State, August 29, 1969.

take over the government “only if it is threatened by enemies of the people.”¹⁵

Ultimately, Ovando and his followers identified guerrilla activity as one such threat. The ELN had recently reemerged and began launching raids in the capital. Military leaders like Colonel Hugo Banzer Suárez, Chief of Bolivian Army Intelligence, condemned Siles for not effectively combatting the ELN. Banzer claimed that while “urban terrorism by Castroists and leftists was growing,” Siles had delayed legal action against the ELN members.¹⁶ Consequently, Ovando publicly declared that a campaign of national pacification was necessary, and under this umbrella he launched a bloodless coup in the early hours of September 26, 1969. Over the next day his new government arrested dozens of political opponents, including sixty members of the right-wing FSB.¹⁷

American officials kept a close eye on the coup’s progress, while intelligence memoranda and situation reports throughout the day speculated as to the character of the incoming government. An early-morning CIA report asserted that an Ovando government was “almost certain to be more nationalistic than his predecessors” and guessed he might “take some lessons” from the leftist Peruvian military government, predictions supported by Ovando’s recent history of criticizing Gulf Oil and praising Peru. The CIA believed that Ovando would “make a show of being a revolutionary leader” and find popular issues to justify his rule and gain support. It noted that Bolivia’s 1952 revolution had

¹⁵ Associated Press, “Bolivian Troops Support Take-Over of Government by Military Leader,” *New York Times*, September 27, 1969; Malcolm W. Browne, “Threat Of A Coup Strong In Bolivia,” *New York Times*, September 1, 1969.

¹⁶ Memo, State Department to Henry Kissinger, “Situation Report in Bolivia as of 3:00 p.m.,” September 26, 1969, NSC Files, CF—LA, Box 770, RNPL.

¹⁷ Intelligence Memorandum, CIA Directorate of Intelligence, “Situation Report in Bolivia As of 6:00 A.M.,” September 27, 1969, NSC Files, CF—LA, Box 770, RNPL; Malcolm W. Browne, “Bolivia Espouses New Nationalism,” *New York Times*, September 28, 1969.

accomplished several typical revolutionary reforms, including agrarian reform and nationalization of tin production, so the next step for Ovando was likely to be some pressure on other U.S.-owned companies in Bolivia.¹⁸ Chief among the likely targets was Gulf Oil, and officials in Washington waited to find out whether Ovando would follow through on his earlier hints that he might nationalize the company.

American analysts took the composition of Ovando's new cabinet as a sign that the government would act in ways counter to American desires. The State Department was disturbed to find out that it included "some of Bolivia's bitterest Yankee-baiters," most of them young radical civilians. These included Mario Rolon Anaya (Minister of Labor), Alberto Bailey Gutierrez (Minister of Information, Culture, and Tourism), and Marcelo Quiroga Santa Cruz (Minister of Mines and Petroleum).¹⁹ Quiroga receiving a position of power over the oil industry was particularly concerning to American diplomats, as he had a history of sharply criticizing Gulf Oil and American financial involvement in Bolivia. Meanwhile, another economic nationalist, General Torres, was named Commander in Chief of the Armed Forces, a move that increased the influence of his leftist faction of military officers. The composition of this mixed civilian-military cabinet led the State Department to believe that the Ovando government would "allow and even encourage increasingly critical attacks against the US," which would only

¹⁸ Intelligence Memo, CIA Directorate of Intelligence, "The Situation in Bolivia (As of 0700 EDT)," September 26, 1969, NSC Files, CF—LA, Box 770, RNPL.

¹⁹ Telegram, American Embassy (La Paz) to Secretary of State, September 26, 1969, NSC Files, CF—LA, Box 770, RNPL.

exacerbate public resentment of U.S. influence. “It seems clear,” the State Department concluded, “that the US is in for a rough time.”²⁰

In the early hours of the coup, American officials also pondered the possible position toward communism that an Ovando government might hold. It seemed clear that Ovando would institute nationalist economic policies and continue to employ anti-American rhetoric as he consolidated his power. However, American analysts acknowledged that anti-American nationalism and leftist overtures did not automatically mean Ovando was especially vulnerable to communist influence. Multiple CIA reports on the day of the coup noted that while Ovando would likely try “to demonstrate greater independence from the US government,” he would not abandon his predecessors’ positions on “the major world issues,” meaning the Cold War. In fact, Ovando and his top military officers were said to “profess strong anti-Communism and will no doubt continue their struggle against what they see as Castro-sponsored attempts to subvert the country,” referring to the ELN insurgency. In any case, the CIA believed that though Ovando might allow a Soviet embassy to open in La Paz, the country’s economic dependence on the United States meant the Ovando government would probably “only go as far with nationalism as it feels it can without having the flow of official US aid and private investment cut off.”²¹

The Ovando regime began to demonstrate the extent of its nationalism on its first day in power. Its initial pronouncements had a strong anti-American tone. On September

²⁰ Intelligence Note, “Bolivia: Problems for US Seen with new Government,” September 26, 1969, NSC Files, CF—LA, Box 770, RNPL.

²¹ Intelligence Memo, Central Intelligence Agency Directorate of Intelligence, “The Situation in Bolivia (As of 1300 EDT),” September 26, 1969, NSC Files, CF—LA, Box 770, RNPL.

26, Ovando promised a group of student leaders that the country would not be “mortgaged at any time” because his government would have “no contact with imperialism.”²² The anti-American overtones were obvious. On the same day, the government published the *Mandato Revolucionario de las Fuerzas Armadas de la Nación* (Revolutionary Mandate of the Nation’s Armed Forces). The document, written by General Torres, was signed by several senior officers, including the powerful conservative Army Commander General Rogelio Miranda.²³ The *Mandato* announced a policy in which the armed forces would “place themselves at the service of the revolution and commit themselves to the struggle for social justice, for the greatness of the *Patria* and for authentic national independence, today in risk of foreign subjugation.” It also declared the new government to be “truly revolutionary” and promised a “rapid and profound transformation of economic, social, political, and cultural structures to confront the dependency, poverty, disorientation and the Vietnamization of Bolivia.”²⁴ This rhetoric amplified the anti-American resentments that had been circulating in Bolivia since the 1952 revolution, implicitly condemning the U.S. government for intervening in Bolivian affairs and engendering lasting dependence on American assistance.

The *Mandato* also indicated the economic direction that Ovando sought. The document asserted that development could not be based

on an exclusively capitalist system nor upon a completely socialist system but only on the national revolutionary model where there is a coexistence

²² Intelligence Memo, “The Situation in Bolivia (As of 0700 EDT),” September 26, 1969.

²³ In getting Miranda’s signature and releasing the document, Ovando was actually overruling protests by Miranda and others that the *Mandato* was “too communist.” See Dunkerley, *Rebellion in the Veins*, 161-62.

²⁴ Quoted in Dunkerley, *Rebellion in the Veins*, 162.

between state property, social, cooperative and communal means of production, and private property.²⁵

Ovando presented an eighteen-point plan to achieve this goal. The plan promised to defend national sovereignty, protect national resources, raise wages, and follow “an independent commercial policy including relations with Communist countries,” while also retaining guarantees for foreign investment.²⁶ In a sense, these promises were emblematic of the Ovando government as a whole—it was not communist and hoped to avoid completely alienating the United States (hence the promise to encourage foreign investment), but it also sought to undermine U.S. dominance and end Bolivian dependence while instituting programs counter to U.S. desires. This balancing act was certainly perceived in Washington, where officials hoped that at the very least Ovando would maintain the balance and keep from veering further leftward.

In the first weeks of his rule, Ovando took several actions that seemed designed to reverse the policies of Barrientos and to establish a system of economic nationalism. These measures included legalizing the leftist political parties, lifting censorship, and rescinding Barrientos’s Law of State Security, which had been used to hamper the labor unions. Ovando also allowed Juan Lechín’s workers’ union, the COB, to form again, promised to raise miners’ wages, and announced that all troops would be withdrawn from mining areas.²⁷ This last action had particular symbolic value as a gesture toward the leftist laborers, as the mines had a long history of violent conflict with state agents and

²⁵ Quoted in Dunkerley, *Rebellion in the Veins*, 162-63.

²⁶ Intelligence Memo, “The Situation in Bolivia (As of 1300 EDT),” September 26, 1969.

²⁷ Malloy and Gamarra, *Revolution and Reaction*, 48-49, and Dunkerley, *Rebellion in the Veins*, 166-67.

had been focal points of armed resistance to the repression and anti-labor policies of the Barrientos government.

The most important reforms of the Ovando government, however, centered on the oil industry. Oil had long served as a nationalist symbol, stretching as far back as the nationalization of the U.S.-owned Standard Oil in 1937 and the creation of the state-owned oil corporation YPF. The earlier nationalization had ensured that, by the 1950s, YPF was producing most of the oil needed in Bolivia. Even after the 1955 petroleum code opened the industry to private investment and granted concessions to the American-owned Gulf Oil Company, as of 1964 YPF still produced ninety-five percent of the nation's oil. In 1961, however, Gulf had made a major oil discovery in its sector in Santa Cruz, while YPF had begun to reach the limits of its existing wells and exploration, and the balance between the two companies began to shift.²⁸ Under the policies of Barrientos's government, Gulf had started producing over 80 percent of all Bolivian petroleum exports by 1968,²⁹ and it had more than five times the oil reserves of YPF. Meanwhile, Gulf represented by far the largest foreign investment in Bolivia, yet its agreement with the Bolivian government allowed it to pay a very low tax rate, retaining the right to repatriate 79.3 percent of its profits.³⁰ The company had a close relationship with Barrientos (it was eventually discovered that the helicopter that had killed him was a gift from Gulf), which for many Bolivians provoked lasting suspicion of Gulf's power.³¹ This suspicion, in conjunction with the financial imbalance, resulted in mounting popular pressure during the late 1960s to nationalize the company. On September 26, 1969,

²⁸ Dunkerley, *Rebellion in the Veins*, 112.

²⁹ Lehman, *Bolivia and the United States*, 159.

³⁰ Dunkerley, *Rebellion in the Veins*, 128.

³¹ Malloy and Gamarra, *Revolution and Reaction*, 27.

Ovando annulled the 1955 petroleum code, a move viewed as a possible precursor to nationalization. This expectation was supported by the fact that both President Siles and Ovando had already hinted they might nationalize the oil industry, and by the ever-increasing leftist pressure for expropriation.

The dam broke on October, 17, 1969, when Ovando announced the nationalization of Gulf Oil and sent troops to occupy its offices and properties. He declared the occasion “*Día de Dignidad Nacional*” (Day of Dignity), reflecting Bolivian resentment of foreign domination and his own promise to restore the endangered national sovereignty. In announcing the nationalization, Ovando called Gulf “an enterprise that has acquired an economic and political dominance similar to that of the tin barons,” a politically charged comparison given the nation’s revolutionary history of attempting to break the *Rosca*’s hold on power in 1952.³² The day after the expropriation, hundreds of students celebrated in La Paz by demonstrating in front of the American Embassy, while 150 students in Cochabamba attacked the American Consulate and First National City Bank and started a fire at the USAID building.³³ In La Paz, the COB, students, and even refinery workers paraded through the streets and listened to Ovando tell them that “we are at war to win back Bolivia’s national dignity.”³⁴ Yet Ovando was careful to stress that Gulf Oil was a unique case that only merited nationalization because of its enormous economic power. Ovando insisted that the government would still fully guarantee private

³² Quoted in Dunkerley, *Rebellion in the Veins*, 165.

³³ Intelligence Memo, Central Intelligence Agency Directorate of Intelligence, “Bolivian Gulf Oil Nationalization Situation Report as of 8:00 a.m.,” October 18, 1969, NSC Files, CF—LA, Box 770, RNPL.

³⁴ “Bolivia Celebrates Take-Over Of Gulf,” *New York Times*, October 21, 1969.

investment and promised that Gulf would be fairly compensated for the expropriation. This promise became a key issue in U.S.-Bolivian relations for the next year.

In the United States, reaction to the nationalization was decidedly negative. The chairman of Gulf Oil, E.D. Brockett, claimed that the expropriation violated the “law of the land” and was illegal under both Bolivian and international law.³⁵ The front page of the business and finance section of the *New York Times* carried an article on October 26 titled “A Tough Bolivia Shakes Oil Industry.” The article called the expropriation “the first real shocker since the Cuban revolution,” a rhetorical link that underscored the fear among the U.S. business community about the implications of expropriations.³⁶ The common belief was that Ovando was taking Bolivia to the brink of communism, as illustrated by a *Los Angeles Times* headline that trumpeted, “Communism a Possibility Now in Bolivia.”³⁷ Additionally, after the Gulf nationalization, American investors feared not only a leftward and perhaps communist lurch in Bolivia, but also an impending wave of expropriations across Latin America. Gulf executives were not as worried about losing money in Bolivia (Gulf’s Bolivian production made up only about 1.1 percent of the company’s worldwide production³⁸) as they were concerned that the Bolivian nationalization might set a precedent and have a domino effect³⁹ in other Latin American

³⁵ William D. Smith, “Gulf Favors a Halt in U.S. Aid for Bolivia,” *New York Times*, October 31, 1969.

³⁶ H.J. Maidenberg, “A Tough Bolivia Shakes Oil Industry,” *New York Times*, October 26, 1969.

³⁷ David F. Belnap, “Communism a Possibility Now in Bolivia,” *Los Angeles Times*, December 14, 1969.

³⁸ Smith, “Gulf Favors a Halt in U.S. Aid for Bolivia,” October 31, 1969.

³⁹ In Smith, “Gulf Favors a Halt in U.S. Aid for Bolivia,” October 31, 1969, the phrase “domino effect” was directly linked to both a possible failure of the U.S. government to take action and to the Cold War implications of spreading communism. Smith said the following in explanation of the term: “The phrase gained currency when applied to what

nations in which the company had invested heavily, including Ecuador and Colombia.⁴⁰ These fears about the unpredictability and leftist inclination of the new Bolivian government led Gulf officials to insist that the U.S. government take action.

Gulf Chairman Brockett had a specific argument in mind when he called for U.S. action against Bolivia, insisting that the Gulf expropriation was “a straightforward case to which the Hickenlooper Amendment can be applied.”⁴¹ The Hickenlooper Amendment to the Foreign Assistance Act of 1961 required the president to suspend assistance to any country that expropriated the property of U.S. citizens or corporations without proper compensation, or without “appropriate steps” taken to compensate within six months of the original nationalization.⁴² Of course, suspending aid to Bolivia would likely have caused intense hostility and chaos, considering the several decades of financial dependence that had been built up in Bolivia. While the six-month window gave some breathing room to Bolivia and to the U.S. government, American businessmen like E.D. Brockett advocated an immediate halt to assistance as the only way to stop what they saw as a dangerous precedent where Latin American governments could expect to get away with expropriation. Some members of the Nixon administration had the same concern. For example, Assistant to the President Peter Flanigan warned that “we would be inviting continued nationalization without appropriate compensation if we did not act forcefully

some fear would happen in Asia if the United States unilaterally ended the Vietnam War.” Thus a potential wave of expropriations could be linked to a wave of communist takeovers.

⁴⁰ Maidenberg, “A Tough Bolivia Shakes Oil Industry,” October 26, 1969.

⁴¹ William D. Smith, “Gulf Favors a Halt in U.S. Aid for Bolivia,” October 31, 1969.

⁴² Memo, Kissinger to Nixon, April 13, 1970, NSC Files, CF—LA, Box 770, RNPL.

with regard to Bolivia.”⁴³ The dilemma was how to maintain economic and political stability in Bolivia and the status of U.S.-Bolivian relations while also discouraging other nations from expropriation and protecting the investment of U.S. citizens.

American policymakers were especially concerned with the implications of the nationalization of Gulf for Bolivian stability. The *New York Times* stated that the nationalization shattered the business community’s “article of faith...[that] you can always do better with a military government than a civilian one because Latin American countries can only function under a strong hand.”⁴⁴ This assumption, of course, was key to Nixon’s policy toward Latin America. That policy dictated that Ovando, who had been close with U.S. officials in the mid-1960s and had helped with Barrientos’s right-wing coup without objecting to his repressive policies, should have functioned as a guarantor of stability. American officials thought his leftist nationalism did the opposite. The fact that Ovando’s military government would take such a radical action as nationalization thus undermined U.S. faith in its chances of maintaining stability and was an important challenge to the administration’s policy of supporting military dictators.

American analysts had a specific understanding of why Ovando’s government had nationalized Gulf Oil, which informed their attitude toward Ovando through the rest of his tenure. Their analysis was built off reports of the actual process by which Ovando had come to make his nationalization decision. Bolivian and Gulf sources told U.S. officials that in the week before October 17, Ovando had begun to back off a private commitment to nationalize, instead preferring to renegotiate Gulf’s royalty deal. In response,

⁴³ Memo, Flanigan to Kissinger, October 24, 1969, NSC Files, CF—LA, Box 770, RNPL.

⁴⁴ Maidenberg, “A Tough Bolivia Shakes Oil Industry,” October 26, 1969.

reportedly, a group of military leaders headed by General Torres “took matters in [their] own hands” and “forced” Ovando to nationalize. Torres supposedly did this on October 16 by persuading the military leadership “to accept full revolutionary responsibility” and ordering a military seizure of Gulf facilities for the next day. According to this account, Ovando was then presented with this “fait accompli,” and he accepted the nationalization.⁴⁵ Other reports claimed that Ovando had been pressured into the nationalization by the “young radical civilian nationalists” in his cabinet, particularly Minister Quiroga, who were said to have undue influence over government policy.⁴⁶ Such accounts led American observers to believe that Ovando was not in complete control of his government, and, worse, that control was actually in the hands of radical nationalists, which did not bode well for Ovando’s ability to maintain stability.

Therefore, Ovando’s nationalization of Gulf Oil led American analysts to argue that his government was weak and subject to the influence of radical leftists. The CIA believed that in order to popularize his regime, Ovando had invited “Yankee-baiters” into his cabinet who took control when it became clear that the military members of the cabinet “had no ideas and program of their own and...[were] largely won over by the civilians.”⁴⁷ In the embassy’s view, Ovando himself followed the radicals’ lead because he was a “skilled consensus taker and pursuer of popular drift,” rather than a true believer in either leftist nationalism or in the importance of cooperation with the United States.⁴⁸

⁴⁵ Telegram, American Embassy (La Paz) to Secretary of State, October 19, 1969, NSC Files, CF—LA, Box 770, RNPL.

⁴⁶ Memo, Kissinger to Nixon, October 17, 1969, NSC Files, CF—LA, Box 770, RNPL.

⁴⁷ Intelligence Memo, Central Intelligence Agency Directorate of Intelligence, “Bolivian Gulf Oil Nationalization Situation Report as of 8:00 a.m.,” October 20, 1969, NSC Files, CF—LA, Box 770, RNPL.

⁴⁸ Telegram, American Embassy (La Paz) to Secretary of State, October 19, 1969.

For American officials, this meant that Ovando was pliable and could be influenced, and in the context of a leftist-dominated cabinet this was cause for concern.

Just as important as the influence of Ovando's leftist cabinet members, U.S. policymakers believed, was the prevailing political climate in which leftist groups were increasing the pressure for a leftist nationalist program. Ambassador Castro put a large measure of the blame for the Gulf nationalization squarely at the feet of the organized left, meaning PRIN, the PCB, PDC, and parts of the MNR, which had contributed pressure with their calls for nationalization. Castro believed that in nationalizing Gulf, Ovando had "hoped to preempt potential and actual opposition on [the] left and win time to secure [his] regime in power." The problem, then, was that in chasing a political base of support, Ovando was willing to yield to leftist pressure. This was even more concerning considering that, two days after the nationalization, the same groups were now pressing for "no compensation to Gulf."⁴⁹ If Ovando was influenced by this demand, U.S.-Bolivian relations would deteriorate rapidly, as expropriation of Gulf Oil without compensation was viewed as clearly illegal and would certainly require enforcement of the Hickenlooper Amendment. In fact, five days after the nationalization, Ambassador Castro was ordered to quietly start forming contingency plans for a phase down or phase out of American aid and activities in the country, a move that reflected the U.S. fear of the eventual consequences of the nationalization and a leftist nationalist regime in Bolivia.⁵⁰

⁴⁹ Ibid.

⁵⁰ Telegram, Secretary of State to American Embassy (La Paz), October 22, 1969, NSC Files, CF—LA, Box 770, RNPL.

In the U.S. view, when Ovando agreed to nationalize he had conceded to extremist elements and thrown fuel on the fire of nationalism. On October 20, American intelligence warned that the Bolivian people might take matters into their own hands in an effort to further radicalize the regime. Evidence of this was reported when a group of several hundred miners occupied facilities of another U.S.-owned corporation, the small mining company South American Placers, Inc., just days after the Gulf expropriation, in the hopes of achieving another nationalization.⁵¹ This was just one example of possible consequences to the Gulf decision feared by U.S. officials. After reading several reports about Gulf, Kissinger warned Nixon that:

Gulf's expropriation has radicalized the regime's course and is in that sense somewhat self-fulfilling. The Government has emphasized the politically popular and the nationalistic as the basis for its support, and it has sought to drum up that emotion. Its ability to move is thus circumscribed by the popular reaction it itself loosed from Pandora's box with the expropriation and the subsequent public justification of it which it made. It can now...do little more than listen to the voice of the mob. Things may thus get worse before they get better.⁵²

This pessimistic analysis dictated that the United States keep a close eye on events in Bolivia, as Ovando could be pushed down an even more radical path.

When it came to changing the course of the Ovando government, Washington had only a few options. Intense anti-American resentment within Bolivia was one reason that direct intervention would be too risky, even if Nixon had wanted to use that method. American policymakers were left with either cultivating a more moderate replacement for Ovando and somehow engineering regime change, or seeking to influence Ovando

⁵¹ Intelligence Memo, "Nationalization Situation Report," October 20, 1969.

⁵² Memo, Kissinger to Nixon, October 17, 1969.

himself to go down a more moderate path. In October, Ambassador Castro reported to the State Department that the first option was infeasible. He argued that he saw

no political leader with personal forces or support by elements elsewhere in society capable of stemming the present drift toward a destructive, leftist policy...the situation lacks definition and stability which would permit identification of pressure points for applying such leverage as the United States has.⁵³

Meanwhile, for his part, Kissinger believed that “sooner or later some strong, probably military, figure will emerge as leader,” but he admitted that “whether that will be a conventional Caudillo or a Nasserist figure remains to be seen.”⁵⁴ In other words, for the moment Washington and Bolivia both were stuck with Ovando, and it would behoove the United States to moderate Ovando instead of waiting for someone more radical to come along and seize power. Although he was not the Nixon administration’s favored type of military dictator, Ovando was better than any other extant option. An attempt to moderate Ovando’s policies fit with the Americans’ analysis of him as a consensus-seeker rather than a true believer in leftist solutions. They saw him as a leader who could be manipulated, and they wanted to use that to their advantage.

Nevertheless, the government under Ovando was still viewed as destructive, leftist, anti-American, and, in the worst-case scenario, vulnerable to communism. However, instead of engineering Ovando’s overthrow or cutting off relations, U.S. officials decided to try this different tactic of manipulating him into moderation. In January 1970, in pursuit of this goal, the Assistant Secretary of State for Inter-American Affairs Charles Meyer sent a secret message to American Ambassador Ernest Siracusa, who had replaced Ambassador Castro in Bolivia on November 3, 1969. In his message,

⁵³ Intelligence Memo, “Nationalization Situation Report,” October 20, 1969.

⁵⁴ Memo, Kissinger to Nixon, October 17, 1969.

Assistant Secretary Meyer instructed Siracusa to identify and cultivate moderate elements in the Bolivian government. “The object,” Meyer told him, “would be to encourage their relative moderation for rub-off on Ovando” and to put Siracusa himself in a position to “have a positive, constructive influence on [Ovando]...when a deteriorating economic picture will be generating additional pressures on him.” Meyer emphasized that Siracusa had to be discreet; the goal was to

avoid having the Embassy accused of interfering in Bolivian internal affairs...we do not have in mind preparations for replacing the present Government but rather working with moderate and constructive elements on the scene to influence the present Government.⁵⁵

In this way, the State Department hoped to push a malleable Ovando to return Bolivia to a more moderate trajectory.

When U.S. policymakers chose to attempt to moderate Ovando, they believed the outcome could have consequences far beyond Bolivia. In March 1970, the State Department’s Country Analysis and Strategy Paper for Bolivia explained the larger implications of this experiment in the small Andean nation:

We have an interest in Bolivia which may transcend the relatively modest importance of the country itself. This is the test whether a government which launched itself as extremist, leftist, and possibly even Castroist can be nurtured back to moderation, induced to pay for what it took in exercising its undisputed sovereign right to nationalize property, and shown that its true interests lie in resumed constructive collaboration with the US and its neighbors. The results of this test may well have hemisphere-wide importance, for better or for worse.⁵⁶

Therein lay the stakes perceived in the U.S. experiment with Ovando. Success in Bolivia could mean success in other nations and a way of stopping leftward or communist shifts.

In Bolivia specifically, the key measures that could achieve this goal of “nurtured”

⁵⁵ *FRUS, 1969-1976*, Vol. E-10, Document 85.

⁵⁶ *Ibid.*, Document 88.

moderation were attempts at engineering a compensation deal for Gulf, using aid to induce policy changes, and avoiding an upset in U.S.-Bolivian relations.

Therefore, despite the negative reaction in the United States to the Gulf expropriation, U.S. officials purposely restrained themselves from severe reprisals. Immediately, their overriding focus was on facilitating a compensation deal between Gulf and the Bolivian government. Washington took the public position that the Bolivian government had a sovereign right to nationalize, but that it was required to pay compensation. This approach did not entail an official boycott of Bolivian oil—such an action could provoke severe unrest, and U.S. officials knew that international oil companies would start their own boycott (indeed, the international boycott ultimately cost Bolivia \$14.4 million in export revenues).⁵⁷ Instead, American diplomats worked behind the scenes to encourage both sides to come to a deal. Even before the nationalization, the embassy had urged Gulf to be flexible with the Bolivian government's desire to negotiate a better royalty deal.⁵⁸ The U.S. government itself was determined not to get directly involved in the Gulf negotiations, and in November it warned Gulf that it “might not support the Company if it should decide to be rigid on a position with which we cannot agree.”⁵⁹ Meanwhile, the State Department continued to argue against Gulf's calls to apply the Hickenlooper Amendment, believing that such a move would harm relations with Bolivia and make a compensation deal less likely.⁶⁰ American officials, however,

⁵⁷ Dunkerley, *Rebellion in the Veins*, 166.

⁵⁸ Intelligence Memo, Central Intelligence Agency Directorate of Intelligence, “The Situation in Bolivia (As of 0700 EDT),” September 27, 1969, NSC Files, CF—LA, Box 770, RNPL.

⁵⁹ *FRUS, 1969-1976*, Vol. E-10, Document 83.

⁶⁰ Memo, Peter Flanigan to Kissinger, February 10, 1970, White House Central Files, Subject Files, Box CO 19, RNPL.

also doubted that the Ovando government would agree to the generous compensation deal that Gulf would want: one intelligence report complained that Quiroga, “one of the most radical and anti-American cabinet ministers,” had been named head the compensation commission, claiming that the other members of the commission would be just as ill-disposed to grant generous compensation.⁶¹ The two sides were in for long, difficult negotiations.

The Gulf talks were also complicated by a project that had been underway at the time of the nationalization. Gulf had been helping to fund construction work on a \$46 million gas pipeline that would stretch from Santa Cruz to the Bolivian-Argentine border, a joint project with the Bolivian government, which for its part was funded by a loan from the World Bank. The nationalization put a stop to construction work as Gulf refused to export oil or fund the project until the compensation issue was settled. The World Bank itself also hinted that it might cancel its pipeline loan, a warning that Minister Quiroga publicly denounced as “foreign political and economic blackmail.”⁶² Concern over the status of the World Bank loan added more pressure to resolve the Gulf conflict so that the pipeline project could move forward.

The Gulf negotiations were also difficult on the Bolivian side due to political pressure, including, as mentioned, calls for Ovando not to compensate for the expropriation at all. Ovando’s cabinet was divided on the issue for several months, with the intransigent Minister Quiroga repeatedly publicly contradicting Ovando’s positions. Consequently, in late October 1969, Ambassador Castro worried that Quiroga was

⁶¹ Intelligence Memo, Central Intelligence Agency Directorate of Intelligence, “Bolivian Gulf Oil Nationalization Situation Report as of 8:00 a.m.,” October 18, 1969, NSC Files, CF—LA, Box 770, RNPL.

⁶² *Ibid.*

“allying himself separately with...General Torres,” and Castro anticipated that there would be a “series of coups and counter-coups in the near future.”⁶³ Meanwhile, the Bolivian Foreign Minister General César Ruiz Velarde had told Castro that “he and other military leaders were fed up with the civilian radicals in the Cabinet creating strained relations with the U.S.”⁶⁴ Very soon after the nationalization, tensions appeared to be growing both within the cabinet and in the armed forces, a factor that did not bode well for Ovando’s government.

As negotiations proceeded, anti-American rhetoric and activities, both in and out of the Ovando government, also continued. For example, at the end of December 1969, Ovando made a series of speeches defending his programs. A State Department report described the speeches as “marked by allegations of international conspiracies and dark talk of firing squads” and claimed that the speeches were “still another attempt by the colorless general to guard his ‘revolutionary’ flanks and obtain...popular support.” Ovando was quoted as claiming that his program “coincides in many points with that proposed by the Guevara guerrillas.”⁶⁵ The State Department’s report asserted that Ovando was “externaliz[ing his] frustrations” with Bolivia’s economic troubles and that he would “resort to radical rhetoric” to distract from these problems. It was a foregone conclusion that “the rhetoric will of course be heavily anti-US.”⁶⁶

⁶³ Memo, “Nationalization of Bolivian Gulf and Ancillary Developments Situation Report as of 11:00 a.m.,” October 29, 1969, NSC Files, CF—LA, Box 770, RNPL.

⁶⁴ Memo, “Nationalization of Bolivian Gulf and Ancillary Developments Situation Report as of 11:00 a.m.,” October 28, 1969, NSC Files, CF—LA, Box 770, RNPL.

⁶⁵ This was a remarkable assertion, considering Ovando’s close involvement in Che Guevara’s 1967 capture and execution.

⁶⁶ Intelligence Note, Bureau of Intelligence and Research George C. Denney Jr. to Secretary of State, December 23, 1969, NSC Files, CF—LA, Box 770, RNPL.

Other anti-American activity came in the form of protests at U.S. agencies, verbal attacks by government officials targeting U.S. programs, and periodic public outrages centered on the CIA. In December, the Bolivian government announced it was terminating a contract with the American Institute for Free Labor Development (AIFLD), an organization associated with the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO). The COB, Juan Lechín's workers' union, had demanded the expulsion of the AIFLD as a "CIA-introduced, American-funded operation involved in dangerous espionage."⁶⁷ The CIA had been a sensitive subject in Bolivia since the 1968 Arguedas affair, to such a point that in January 1970 Ambassador Siracusa complained of "a national psychosis on [the] CIA." Dark allegations of covert American activity in the nation periodically enflamed public opinion throughout Ovando's rule, such as a scandal in January 1970 over claims that the CIA had secretly tapped Bolivian phones.⁶⁸ Public denials were generally not enough to quell these controversies, and the American Embassy feared they would fuel growing anti-American resentment and further drifts leftward.

In the face of continuing anti-American rhetoric, slow progress on the compensation deal, and increasing economic problems in Bolivia, U.S. officials sought to use another tactic to moderate Ovando. Essentially, they used American aid as leverage. Though Nixon did not invoke the Hickenlooper Amendment, Bolivia received a much lower level of financial and material assistance after the September coup. A May 1969 NSC decision had dictated that after a military coup the Defense Department should suspend deliveries of military material from the Military Assistance Program (MAP) until

⁶⁷ Memo, "Nationalization of Bolivian Gulf," October 28, 1969.

⁶⁸ *FRUS, 1969-1976*, Vol. E-10, Document 86.

diplomatic recognition was extended by the U.S. government.⁶⁹ Though recognition came relatively quickly (October 9), MAP remained fully suspended until January 9. This continuing suspension was part of the State Department's decision to adopt a policy of not starting any new U.S. assistance programs to Bolivia beyond what had already been committed.⁷⁰ As a result, in 1970, bilateral aid from the United States decreased to \$8 million from a 1969 level of \$21.5 million.⁷¹

This cutting of aid was intended as a message to the Ovando regime, one that was made explicit several times as American diplomats indicated that aid was contingent on good relations, a deal with Gulf, and moderation. Washington first prepared to relay this message on October 22, just five days after the expropriation, when the State Department instructed Ambassador Castro to approach Ovando "to express the United States Government's grave concern at the present state of relations." Castro was also told to object to Bolivian officials' statements critical of U.S. aims and their verbal attacks on U.S. programs, along with the physical attacks on U.S. agency offices by protestors. He was instructed to warn Ovando that:

If the attitudes and actions of the Bolivian government make it impossible to continue our past cooperation, we will have to review the entire spectrum of our programs, which have been and are designed to aid the Bolivian people but which can only be effective in an atmosphere of cooperation and mutual respect.⁷²

The meaning was clear: any significant amount of aid was only going to go to a friendly government willing to steer away from leftism.

⁶⁹ Memo, State Department to Henry Kissinger, September 26, 1969.

⁷⁰ *FRUS, 1969-1976*, Vol. E-10, Document 89.

⁷¹ Dunkerley, *Rebellion in the Veins*, 166.

⁷² *FRUS, 1969-1976*, Vol. E-10, Document 81.

American policymakers hoped that such threats would work because of Bolivia's economic need and the political importance of economic success for the Ovando government. After Ovando and Ambassador Castro met on October 23, Castro reported that it seemed the president "no longer was the master of his ship," preoccupied by the nation's chronic economic troubles—to use Kissinger's expression, it seemed that opening Pandora's box had put Ovando under significant strain. Pulled at from both sides, the anti-American left and an angry American Embassy, Ovando avoided answering Castro's pointed questions as to whether the cabinet would stop its public anti-American rhetoric. Ovando also refused to give a straight answer about what his government's intentions were toward other U.S.-owned companies in the country. Instead, Ovando sought advice and economic aid. He came to the meeting concerned that the economic decline might force a devaluation of the Bolivian peso and that, if so, his government would face popular backlash. This was the type of fear that Ambassador Castro sought to exploit, telling Ovando that "if our assistance is not wanted or cannot be effectively employed we can easily close down." Castro would not advise Ovando on the issue of devaluation, instead telling him "repeatedly that I might be able to help him but first I needed some indication that his government had serious intentions to adopt [a] more positive attitude toward [the] US." For his part, Ovando refused to guarantee that his government would change its attitude, and according to Castro the meeting "ended in stand-off."⁷³ Yet the message had certainly been clear to Ovando, and he continued to work at coming to a compensation deal with Gulf.

⁷³ Ibid., Document 82.

By the new year, the negotiations had made some progress. The Gulf representative, Thomas Lumpkin, had suggested that a deal could be struck with a European company to operate the former Gulf facilities, an idea favored by both Ovando and Kissinger.⁷⁴ A tentative plan was formed to have a Spanish company take over the export of Bolivian gas and oil from Gulf, while both sides continued to haggle over how much compensation to give and how to pay it. At these signs that negotiations were progressing, the State Department encouraged a slight modification to its policy of cutting aid to Bolivia, allowing a partial resumption of MAP deliveries and the total resumption of military training activities. This decision was also taken because analysts believed that “as long as Ovando feels insecure he is likely to consider himself unable to agree to any settlement which grants Gulf a measure of satisfaction.”⁷⁵ That is, a stronger military might help Ovando to stick to a more moderate position. In the meantime, it was hoped that thawing U.S.-Bolivian relations with increased aid would help “achieve a political climate conducive to a settlement.”⁷⁶

At the same time, in order to avoid upsetting the gradually improving U.S.-Bolivian relations and disrupting the Gulf negotiations, the State Department attempted to prevent a U.S. sale of tin from its strategic stockpile. During the Johnson administration, high tin prices from the Vietnam War had somewhat improved Bolivia’s economic situation. However, the possibility of a price collapse remained constant: if the U.S. government decided to take advantage of the high prices to dispose of some of its

⁷⁴ Telegram, American Embassy (La Paz) to Secretary of State, December 18, 1969, NSC Files, CF—LA, Box 770, RNPL; Memo, Kissinger to Nixon, April 13, 1970.

⁷⁵ Intelligence Note, Denney to Secretary of State, December 23, 1969.

⁷⁶ *FRUS, 1969-1976*, Vol. E-10, Document 89.

strategic stockpile of tin on the international market, prices would fall, severely damaging the Bolivian economy, which still depended on tin sales.

By early 1970, tin prices had reached a high enough point that Nixon's economic advisers urged him to sell. In January, Peter Flanigan advised the disposal of \$30 million in tin, but the State Department overruled him.⁷⁷ Debate continued through the rest of the year, with American diplomats repeatedly beseeching Nixon not to sell, against the recommendations of his economic advisers. In March 1970, Assistant Secretary Meyer reported that disposing of even a small amount of tin "would be widely interpreted as [an] anti-Bolivian step" and warned that if the White House proceeded:

[the] Gulf settlement could be jeopardized and further instabilities could be introduced into already shaky situation[.] Plain fact is that were [the] US to dispose of tin any subsequent adverse developments would be blamed...on our entire range of bilateral relations for years to come.

With the tin issue, Meyer argued, "more is at stake than [a] one-shot budgetary gain to us," because maintaining the U.S. stockpile was directly linked to achieving a compensation deal for Gulf. More than that, a tin disposal would be viewed as "a direct slap at [the] present regime and an invitation to topple it."⁷⁸ That is, the stability of the Ovando regime, one of the main objectives of American policy in Bolivia, was contingent upon the state of the world tin market, and thus upon U.S. restraint. Through the summer (winter in Bolivia) of 1970, as negotiators worked slowly toward a Gulf deal, the State Department and Nixon's economic advisers repeated the same arguments about tin, with the State Department's insistence on maintaining stability and not derailing the

⁷⁷ Memo for Peter Flanigan, January 9, 1970, White House Central Files, Subject Files, Box CO 19, RNPL.

⁷⁸ Telegram, Assistant Secretary Charles Meyer to Secretary of State, March 16, 1970, NSC Files, CF—LA, Box 770, RNPL.

Gulf negotiations consistently winning out. The United States held onto its tin as the Gulf deal inched forward.

Part of the reason a Gulf compensation deal held such importance to U.S. officials was that a deal in itself was viewed as a way of moderating Ovando. The inherent moderating power of a Gulf deal was explained in two different ways. First, a settlement would obviously be a sign that Ovando could resist the more radical calls to deny any compensation whatsoever. Second, it would show that Ovando was responsive to U.S. pressure. These reasons explained why U.S. policymakers had slightly changed tack to allow more U.S. assistance to Bolivia once it seemed that the Gulf negotiations were progressing. In April 1970, the State Department proposed “to continue a gradual thawing in our assistance relations...so long as the outlook for an appropriate settlement with Gulf continues to improve.”⁷⁹ The U.S. belief that Ovando was moderating himself was supported by the fact that, aside from periodic anti-American rhetoric, his government had not instituted any major leftist policies in the months since the Gulf nationalization.

Such indications of increasing moderation allowed American diplomats a greater degree of confidence in Ovando, particularly relative to their initial distrust. This became important in March 1970, when the Bolivian Finance Minister Antonio Sanchez de Lozada, apparently out of personal ambition plus a belief that an economic crisis was approaching, approached the American embassy with an offer to deliberately crash the Bolivian economy in a bid to cause a cabinet crisis and force Ovando to appoint more right-wing ministers. Lozada promised that he could “personally bring [the] economy to

⁷⁹ *FRUS, 1969-1976*, Vol. E-10, Document 89.

[a] standstill” by purposely not paying the bills, all in order to “produce a political solution.” This bizarre offer was rejected by the embassy, which believed that no economic crisis was forthcoming, and anyway preferred to “see political tactics...in [the] President’s experienced although devious hands,” rather than carried out by Lozada’s “potentially dangerous...political adventurism.” In a telling comment, Ambassador Siracusa asserted that there was no need for the U.S. government to consider “close involvement in Bolivian affairs at this time.” Rather,

our best interests lie in continuing to play it cool, hoping that a Gulf solution may be achieved and that this in itself, an act of moderation, will help sift things out so we can begin to play a more positive and helpful role in resumed developments here.

In the U.S. view, then, even though Ovando was allowing the radicals in his cabinet to remain, he himself was following a “relatively moderate course.”⁸⁰ There was thus reason to favor him over any risky plan for a right-wing power play. Of course, the very existence of Lozada’s proposal was indication of rising discontent within Ovando’s cabinet, which was mirrored in the military.

Starting in February 1970, hardliners in the Bolivian military began pushing Ovando to shift rightwards. For the duration of the Ovando regime, repeated expressions of discontent could be found in their demands that Ovando fire his more radical cabinet ministers. In February, the La Paz garrison forced Ovando to let its officers interrogate the civilian cabinet members about their plans. Though the ministers were not fired, right-wing pressure was mounting.⁸¹ The first concession came in May, when Quiroga was pushed into resigning his post as Minister of Mines and Petroleum. Yet Quiroga’s

⁸⁰ Telegram, Ambassador Siracusa to Secretary of State, March 12, 1970, NSC Files, CF—LA, Box 770, RNPL.

⁸¹ Dunkerley, *Rebellion in the Veins*, 170.

fall alone was not enough for the right-wing members of Ovando's government. On July 1, 1970, Ambassador Siracusa cabled his superiors detailing plans for a possible coup that had been revealed to him by Chief of Protocol Moises Fuentes Ibanez. Fuentes and his colleagues were concerned that Ovando would change the command structure of the military in order to relieve its rightist pressure on him, thus reducing their own personal power. Fuentes, therefore, asserted that "the military had at last...come to the conclusion that they could not trust the president." The plan was for two cabinet colonels to resign and provoke a cabinet crisis. Fuentes warned that "if the president does not then agree to clean up his government by ridding it of the unacceptable leftist civilian ministers, the military will move to replace him." Fuentes's purpose in telling Siracusa was to gauge what the U.S. response to such a move might be. He first promised the new government would be "one of moderation" that would "try to have friendly relations with all its neighbors," before directly asking if such a government could "count on United States cooperation and support." Siracusa merely responded that he thought Ovando had been moving toward moderation and would likely continue to do so, reflecting the greater level of U.S. confidence in Ovando's shift away from the left.⁸²

For the next month, the right-wing military leadership, led by General Rogelio Miranda and Colonel Hugo Banzer, continued to pressure Ovando for cabinet changes. On July 4, they succeeded in convincing Ovando to remove Torres as Commander in Chief in retaliation for Torres's role "in attempting organization of [a] military-political

⁸² Telegram, Ambassador Siracusa to Secretary of State, July 1, 1970, NSC Files, CF—LA, Box 770, RNPL.

front.”⁸³ The firing was publicly announced on July 6. Ambassador Siracusa reacted positively, believing that the move “should do much to stabilize conditions in the military in general, politically speaking, and reduce long standing concerns among many of its members over leftward drifts in the GOB [Government of Bolivia] and in certain places in the military high command itself.”⁸⁴ Meanwhile pressure continued, and reporters in the United States speculated that Alberto Bailey, the leftist Minister of Information and Tourism, would be the next to go. Rumors spread that Ovando would soon acquiesce and shuffle his cabinet, partly as an excuse to remove Bailey.⁸⁵ Ultimately, Bailey resigned before the month was out, denouncing the growing power of the right as he went. Quiroga, meanwhile, warned publicly that a right-wing coup was on the horizon.⁸⁶ The American Embassy was not concerned with this turn of events, barely acknowledging the underlying problem that divisions and factionalism were growing within the armed forces, an ominous sign for the survival of Ovando’s government.

At the same time that the Ovando regime embarked upon its shift to the right, leftist opposition to Ovando began to grow. In reality, despite U.S. perceptions and the leftists’ exultation after the Gulf expropriation, support for Ovando and the military was never very deep among the organized left. This was partly because Ovando had backed off his promise of wage hikes,⁸⁷ but mostly it was due to the historically strained relationship between labor and the armed forces, which had engaged in many acts of

⁸³ Telegram, Defense Intelligence Agency, “Army Demands Removal of CINC,” July 4, 1970, NSC Files, CF—LA, Box 770, RNPL.

⁸⁴ Telegram, Ambassador Siracusa to Secretary of State, July 4, 1970, NSC Files, CF—LA, Box 770, RNPL.

⁸⁵ Malcom W. Browne, “Bolivian Regime, Pressed by Army, Weakens its Leftist Stance,” *New York Times*, July 20, 1970.

⁸⁶ Malloy and Gamarra, *Revolution and Reaction*, 53.

⁸⁷ Memo, “Nationalization of Bolivian Gulf,” October 28, 1969.

brutal repression of workers over the previous decade. The Bolivian left did not trust the military and it did not believe that a military government could achieve radical change.

This anti-government position crystallized at two congresses in April and May 1970. The mineworkers' union, the FSTMB, held its 14th Congress in April, at which it reelected Lechín as executive secretary and adopted a radical *Tesis Política* (political thesis). The COB approved the thesis at its own congress on May 1. As the Secretary-General of the POR later described it, the main thrust of the thesis was that “the working class should reject the Junta's [i.e. the Ovando government's] bourgeois nationalism and press forward towards a real socialist revolution under proletarian political leadership.” The thesis argued that the Ovando regime's basic progressive measures, which in any case had stalled over the preceding months, could only fully come to fruition under proletariat control.⁸⁸ In other words, the Ovando regime had to be radicalized (i.e. pushed in a socialist direction) and taken over by workers, aims that could require armed revolt or at least taking advantage of the government's democratic opening in order to win power. This clear challenge to his government led Ovando to publicly denounce the thesis, yet another indication of his shift to the right. The subsequent alienation of labor made Ovando even more dependent on the military for his power.

In mid-1970, the Ovando government confronted another threat when the ELN, the radical guerrilla insurgency group, reemerged after having been nearly exterminated altogether following Ché Guevara's capture and execution in 1967. The ELN's basic long-term goal was anti-imperialist revolution. It followed the “*foco*” theory of revolution, which asserted that a national revolution could be started by smaller uprisings

⁸⁸ Guillermo Lora, *A History of the Bolivian Labour Movement 1848-1971* (Cambridge: Cambridge University Press, 1977), 360.

that targeted and defeated local authorities, which would then increasingly attract peasants and spread into a larger movement.⁸⁹ The revitalized ELN of 1970, mostly made up of radical student revolutionaries, was led by Osvaldo Peredo, whose older brothers had been killed during the suppression of earlier ELN campaigns. Peredo believed that resistance against imperialism (in this case, the Ovando regime) had to take the form of a military struggle, so he planned a rural guerrilla campaign in the mining settlement of Teoponte, north of La Paz.

Seventy-five members of the ELN began the Teoponte campaign on July 19, 1970 by raiding the camp of South American Placers, Inc. and taking two prisoners. While they successfully engineered the release of ten imprisoned guerrillas in exchange for the two hostages, this was their only victory.⁹⁰ Just days after the Teoponte raid began, the guerrillas had to flee from Bolivian troops, and they remained on the run until their final defeat in November 1970. By August, nearly a third of the guerrillas had surrendered or died, many of them summarily executed, and only eight out of the original seventy-five were still alive by the end of September.⁹¹

Despite the eventual failure of the ELN campaign, U.S. officials realized the threat that it posed to the Ovando regime. First, the cost of combatting the guerrillas was not insignificant. It combined with Bolivia's balance of payment difficulties to result in a projected deficit of \$20 million for 1970. Considering the "unsettled political situation," Ovando was extremely reluctant to allow the devaluation of the peso as a countermeasure, lamenting that the "government was simply not strong enough to face

⁸⁹ Siekmeier, *Bolivian Revolution and the United States*, 129.

⁹⁰ *FRUS, 1969-1976*, Vol. E-10, Document 90.

⁹¹ *Ibid.*; Dunkerley, *Rebellion in the Veins*, 172-73.

the psychological reaction” to devaluation. Ovando came to Ambassador Siracusa in July asking for U.S. fiscal support, but Siracusa said such support was unlikely to come, essentially because U.S. economists believed that devaluation was inevitable and Ovando should just bite the bullet and allow it.⁹² Despite Washington’s reluctance to provide fiscal support for Bolivia’s balance of payments problem, it did accelerate MAP aid already in the pipeline in response to the ELN threat. Washington resolved to keep a close eye on the guerrilla situation in Bolivia, as the State Department concluded that the Bolivian military would likely have real difficulty stopping any larger guerrilla outbreaks and that the present political rift between Ovando and his military leaders might even impede defeat of the small ELN campaign. This was a concern in part because U.S. intelligence analysts had come to suspect international participation in the ELN and even “the possible formation of a continent-wide revolutionary group to organize and coordinate revolutionary activity.”⁹³ As always, American analysts worried that the threat from the left in Bolivia could do widespread damage in Latin America, even as it also weakened Ovando’s own hold on power.

The growing power of the left and the reemergence of the ELN led to a violent right-wing backlash aided and abetted by the Ovando government. This backlash took the form of occupations and attacks on Bolivian universities, which were viewed as hotbeds of leftist agitation and as primary sources of ELN rebels. In August 1970, forty gunmen from the fascist FSB attacked San Andrés University, killing some twenty students. The FSB held the campus for a week, until Ovando finally felt compelled by popular protests

⁹² Telegram, Ambassador Siracusa to Secretary of State, July 23, 1970, NSC Files, CF—LA, Box 770, RNPL.

⁹³ *FRUS, 1969-1976*, Vol. E-10, Document 92.

to order his Minister of Government to clear the campus. However, a similar invasion of Gabriel René Moreno University in Santa Cruz was allowed to continue indefinitely.⁹⁴ Meanwhile, in mid-September Ovando deported five “radical” clergymen to Argentina for allegedly being connected to the ELN, sparking fierce student protests at the embassy and San Andrés University.⁹⁵ The pressure on Ovando was being ratcheted up on both sides—labor and student groups were growing increasingly opposed to him, while right-wing military leaders had been maneuvering to carry out a coup for several months. The regime was on the brink of collapse.

In the midst of this chaos came the announcement that Ovando and Gulf Oil had finally come to a settlement. On September 5, Ovando agreed that the Bolivian government would pay Gulf the generous indemnity of more than \$78.5 million over the next twenty years.⁹⁶ It was a hollow victory for Ovando, winning him American approval but Bolivian scorn and frustration. In the U.S. view, Siracusa assured him, the president had behaved in a “statesman-like way” and his government had “shown its respect for international obligations.”⁹⁷ Meanwhile, Bolivian leftists denounced the agreement, and rightists condemned the original nationalization. Ovando, who was also mourning the sudden death of his only son, was left alone and “bereft of political dignity.”⁹⁸

The American policy of attempting to moderate Ovando appeared to have worked, but there was little to show for it. Pressure from Washington helped strip Ovando of whatever leftist credentials and support he had won with the Gulf

⁹⁴ Dunkerley, *Rebellion in the Veins*, 171-72.

⁹⁵ Telegram, Ambassador Siracusa to Secretary of State, September 22, 1970, NSC Files, CF—LA, Box 770, RNPL.

⁹⁶ Siekmeier, *Bolivian Revolution and the United States*, 128.

⁹⁷ *FRUS, 1969-1976*, Vol. E-10, Document 91.

⁹⁸ Malloy and Gamarra, *Revolution and Reaction*, 54.

expropriation and his early promises to the left. Yet at the same time, his ultimately nominal leftism had helped exacerbate existing divisions in the armed forces and inspired the disdain of the right. Little had really changed in Bolivia besides a growing schism and an increasingly forceful anti-government movement on the left. With exactly one month left in Ovando's rule, Siracusa offered the following contemplation, prescient yet self-absorbed:

This being Bolivia, it is always possible that tomorrow's news may disrupt today's. However, as of this moment things look better on Gulf's problem than we perhaps had had any right to expect, considering the general political turmoil which prevails....⁹⁹

Ultimately, the Gulf deal, so central to U.S.-Bolivian relations for nearly a year, could not stop the momentum of the coming showdown. Tensions between the left and right had been growing since even before Ovando opened "Pandora's box" and nationalized Gulf Oil, and they were about to explode in outright conflict.

⁹⁹ *FRUS, 1969-1976*, Vol. E-10, Document 91.

Chapter Three:

Gambits

As Bolivia neared the one-year anniversary of Ovando's ascent to power, the country was careening toward another coup. After a confusing series of political maneuverings, a new military man ended up on top, General Juan José Torres. Torres's seizure of power sent the Nixon administration into another round of struggling to deal with a leftist nationalist president in Bolivia. At first, U.S. officials took the same approach as with Ovando, attempting to shore up relations with Torres's Bolivia in a bid to steer the new president toward moderation. They were driven to this strategy by the same analysis they had held under Ovando, namely that Torres might be malleable and that there was no existing alternative who could take political leadership. Later, American policymakers aimed to use economic and military aid to manipulate Torres and his government, hoping to retain their leverage and strengthen the resolve of conservative military elements in an attempt to moderate Torres, while maintaining a relationship with the armed forces in case of another coup. Yet as Torres showed himself to be both more set on instituting leftist-nationalist policies than Ovando and more reliant on leftist support, the Nixon administration intensified its search for other options, eventually covertly funding anti-Torres groups. The ultimate aim of all these gambits, a pro-United States right-wing leader in Bolivia, was finally realized when Torres was toppled by a reactionary military coup just ten months after taking office.

By October 1970, President Ovando's grip on power had grown increasingly weak, opposed as he was by both the left and the right. Over a remarkable seventy-two hour period, both sides of the political spectrum attempted to seize power, launching a

confusing series of coups, counter-coups, and negotiations. The events began early on Sunday, October 4, with the publication of a communiqué signed by more than sixty military officers that called for Ovando to step down. They claimed to oppose Ovando for his “demagogic conduct and lack of political definition.”¹ The American Embassy reported that the signers were mostly middle and junior grade officers of the army and navy, some of whom were *Barrientistas*. They were led by Chief of Army Operations Major Humberto Cayoja Riart, whom the embassy described as a “pro-American” supporter of the conservative Army Chief of Staff General Rogelio Miranda.²

Because of this connection between Miranda and the officers’ communiqué, American analysts guessed that Miranda was on the verge of a coup attempt. Tensions between Ovando and Miranda had been growing for months as Miranda continued to push the president to oust his leftist cabinet members. After an “inconclusive” verbal confrontation with the conservative general on September 25, Ovando had left on an official trip to Santa Cruz,³ which provided Miranda the opportunity to seize the capital with the support of Colonel Hugo Banzer Suárez. On October 4, Miranda declared that he had taken over the presidential powers.

As he launched his bid for power, Miranda advocated for the demands of the officers’ communiqué. Its fourteen points contained a mix of moderate and conservative ideas, including a call to guarantee foreign investments, presumably meant as a rebuke of

¹ Telegram, Siracusa to Secretary of State, “Communique of Middle-Grade Officers in Calling for Ovando Ouster,” October 4, 1970, NSC Files, CF—LA, Box 770, RNPL.

² Telegram, Ambassador Ernest Siracusa to Secretary of State, “Signers of Officers’ Communique Calling for Ovando Ouster,” October 4, 1970, NSC Files, CF—LA, Box 770, RNPL.

³ Telegram, Siracusa to Secretary of State, October 12, 1970, NSC Files, CF—LA, Box 770, RNPL.

Ovando's government, which itself had originally claimed the same guarantee. Also among the fourteen points were calls to "make a reality of [the] military-*campesino* pact," a guarantee of the armed forces as a "tutelary organization," and demands for elections and participation of political parties.⁴ Consequently, at a press conference on October 4, Miranda insisted that he had the support of several of the political parties and claimed that his action "was aimed at 'constitutionalizing' [the] country and bringing about elections" by the next year. Apparently confident in his hold on power, Miranda asserted that his coup would be bloodless because "the whole question is an 'institutional matter' of [the] armed forces," and the military only wanted to "return to [the] barracks once elections take place."⁵ The situation, however, was by no means resolved, as several events complicated the coup's execution.

One of the principal complicating factors during Miranda's attempted coup was Ovando himself. On October 4, Ovando was 350 miles away in Santa Cruz and was able to secure in person the allegiance of the Santa Cruz and Cochabamba garrisons.⁶ These loyalty pledges allowed Ovando to fly back to La Paz under military protection to reassert his power. He was to be met by General Torres, who had been "bustl[ing] around rallying [military] support in the name of Ovando." Meanwhile, Miranda and his fellow conspirators had done little in the way of concrete action to secure their position. They did not, for example, seize the presidential palace, take control of the state radio, or order

⁴ Telegram, Siracusa to Secretary of State, "Communique of Middle-Grade Officers," October 4, 1970.

⁵ Telegram, Siracusa to Secretary of State, "Officers' Revolt: Miranda Press Conference," October 4, 1970, NSC Files, CF—LA, Box 770, RNPL.

⁶ Cochabamba is a city about 150 miles from La Paz. The Santa Cruz and Cochabamba garrisons at the time included some important military units capable of shifting the balance of forces, although the La Paz garrison was the strongest and most useful in a power struggle. See Dunkerley, *Rebellion in the Veins*, 175.

Ovando's arrest.⁷ Incredulous, Ambassador Siracusa deemed Miranda's actions (and lack thereof) "an attempted coup by press conference [and] popularity contest."⁸ In the confusion, many crucial military units remained neutral, hoping to wait to pick the winning side. The effect of this "fence-sitting" was to deprive Miranda of decisive military support.⁹ There was also little popular participation in support of the right-wing rebels, which did not bode well for their success.

While Miranda's coup attempt unfolded, American observers looked on with growing alarm, as the situation grew more precarious. A Miranda government would have been acceptable to Washington. The CIA had concluded that if Miranda could succeed, the "moderate military" would rule for a year before allowing a return to civilian constitutional government.¹⁰ Yet it was never clear that Miranda could pull off his coup, and American analysts greatly feared that the bungled attempt would spark a brutal conflict. Ambassador Siracusa warned that Miranda risked "turning what could have been a simple, classic coup into a possible civil war, with a bloody split in Bolivia's only relatively stable institution [the military]." Recognizing growing divisions within the armed forces and the likelihood that Miranda would be defeated, Siracusa lamented that "from the point-of-view of US interests...it seems to me highly infortunate (sic) that the attempt was made in the first place." He claimed that despite the tensions that had been growing between Ovando and Miranda, their confrontations had actually been creating "a steady, step-by-step trend toward moderation. Presumably, this could have been

⁷ Telegram, Siracusa to Secretary of State, October 12, 1970.

⁸ Telegram, Siracusa to Secretary of State, October 5, 1970, NSC Files, CF—LA, Box 770, RNPL.

⁹ Telegram, Siracusa to Secretary of State, October 12, 1970.

¹⁰ Telegram, White House Situation Room to Robert Houdek, "Bolivia: CIA Information Report as of 1300 EDT," October 4, 1970, NSC Files, CF—LA, Box 770, RNPL.

continued...but now that the gauntlet has been cast there are obvious dangers for US interests.” Siracusa warned of a nightmare scenario in which Torres was restored as head of the armed forces and the Ovando administration turned “very sharply leftward.” The chances of such an outcome prompted bitter criticism from Siracusa, and he derided General Miranda as a “fool.” Yet Siracusa acknowledged that “our interests are involved in the rebels not decisively losing, even though their move appears to...have been unnecessary and undesirable.”¹¹ The best that Washington could hope for was a compromise between Miranda and Ovando with no outbreaks of popular violence or leftist agitation.

Unfortunately for Miranda and Washington, there were indications of potential leftist mobilization against the rebels. On October 4, radical students in La Paz took to the university radio and called for people to take to the streets “not in support of Ovando, because no military man can be trusted, but in defense of the gains of the revolution and for the creation of a socialist government.”¹² The COB and student groups gathered as the unions declared themselves in a “state of emergency” and debated whether to take action against the rightist conspirators. All this occurred in the context of a joint statement from Ovando’s cabinet members, along with General Torres, that condemned Miranda’s action as “a rightist plot” and called upon “representatives of the popular sectors...to take to the streets in support of President Ovando and the revolution.”¹³ The participation of labor and students did not materialize in such a way as to save either Ovando or the

¹¹ Telegram, Siracusa to Secretary of State, October 5, 1970.

¹² Telegram, Siracusa to Secretary of State, “Officers’ Revolt,” October 4, 1970, NSC Files, CF—LA, Box 770, RNPL.

¹³ Telegram, Siracusa to Secretary of State, “Revolt by Middle Grade Officers,” October 4, 1970, NSC Files, CF—LA, Box 770, RNPL.

conservative conspirators, but nonetheless it would play a crucial role over the next two days.

Ovando had returned to La Paz by the evening of Sunday, October 4, and he immediately entered into negotiations with Miranda. The two generals were in discussions through the night, during which they agreed to submit to a “town meeting” plebiscite of military officers to determine who would retain the presidency. The vote was taken on Monday afternoon, and the result was overwhelmingly that both Ovando and Miranda should resign,¹⁴ but each man initially refused to step down. Meanwhile, Torres continued to gather military forces around himself in Ovando’s name. Despite Torres’s efforts, Ovando, suffering from a painful ulcer attack and aware of his lack of popular support after several tense months in power, broke quickly and announced his resignation the next morning, October 6. For his part, Miranda worked to pull together a three-man military junta (not including himself), which in all likelihood would have consolidated power for a few weeks before giving direct control over to him.¹⁵ The triumvirate, sworn in on October 6, was made up of Generals Efraín Guachalla and Fernando Sattori and Admiral Alberto Albarracín.¹⁶

Meanwhile, General Torres continued his maneuvering. He had proclaimed himself leader of the pro-Ovando forces, announcing on the radio that the Miranda conspirators were “nothing but a miniscule group of ambitious officers attempting a

¹⁴ “Bolivian Officers Seek Compromise,” *New York Times*, October 6, 1970.

¹⁵ Telegram, Siracusa to Secretary of State, October 12, 1970.

¹⁶ Dunkerley, *Rebellion in the Veins*, 176. The triumvirate members were each commanders from different branches of the armed forces: Guachalla was from the army, Sattori the air force, and Albarracín the navy.

typical ‘imperialist-inspired, fascist and gorilla (sic)’ revolt.”¹⁷ While Ovando negotiated with Miranda, Torres had gone to a military air base in El Alto, a region of the Altiplano highlands above La Paz. After Ovando’s resignation, Torres moved to seize power, this time in his own name. He successfully sought the support of labor and student groups, who rallied around him at the base.¹⁸ At 4:00 pm on October 6, he gathered his forces, now including the troops that had guarded Ovando’s return to La Paz, and proclaimed himself the “leader of the ‘revolution’ that had been headed by Ovando and was now being threatened” by Miranda’s actions. Torres issued an ultimatum to the junta forces to give up by 6:00 pm or face an attack on La Paz. The junta ignored the demand. Accordingly, Torres ordered a handful of planes to bomb the presidential palace, though they were intended as an intimidation technique and did little damage.¹⁹

The tide began to turn a few hours after Torres’s ultimatum. The political leadership of the Bolivian left, embodied in the *Comando Político*, finished its deliberations late on October 6.²⁰ The major point of debate had been whether the working class should ally itself with Torres, a military man, since the group’s *Tesis Política* had explicitly denounced military rule. Ultimately, the *Comando* decided to actively oppose the Miranda rebellion, a position that amounted to *de facto* support of Torres, but technically remained in line with the group’s stated philosophical principles.

¹⁷ Telegram, Siracusa to Secretary of State, October 12, 1970.

¹⁸ *FRUS, 1969-1976*, Vol. E-10, Document 93.

¹⁹ Telegram, Siracusa to Secretary of State, “General Torres Sworn in as President of Bolivia,” October 7, 1970, NSC Files, CF—LA, Box 770, RNPL.

²⁰ The *Comando Político* was a political body that had come out of the FSTMB and COB congresses in early 1970. It included the PCB and POR, along with the COB and unions, and it was meant to be the political leadership of the left, acting according to the radical *Tesis Política* that had been adopted at the spring congresses. See Dunkerley, *Rebellion in the Veins*, 170.

This active opposition was to take the form of a general strike that went into effect after midnight on October 7.²¹ The strike was enormous, leaving La Paz “at a standstill” and terrifying the right-wing officers.²² The Associated Press reported that Torres supporters were attacking the homes of rightists and occupying newspaper buildings, while clandestine sources claimed to the White House that Torres had armed some of his student supporters.²³ These indications of popular support for Torres and of coming violence were enough to persuade the junta’s Fernando Sattori to defect to Torres on October 7, a move that precipitated the fall of the junta altogether, which handed power to Torres, capping off a day on which Bolivia had six different rulers. Miranda fled to the Paraguayan Embassy, leaving the palace open for Torres’s descent from El Alto.²⁴

On the morning of October 7, Torres went to the presidential palace to formally take power. After taking the oath and being sworn in, he went to the palace balcony and spoke to the cheering crowd below. Torres promised them he would create “a popular nationalist government” that would include *campesinos*, workers, students, and the armed forces. He vowed to institute “fair salaries for workers,” create new jobs, and defend Bolivia’s natural resources, calling himself the “president of the people.”²⁵ Torres was euphoric and confident, telling the crowd, “when this President, who comes from a

²¹ Dunkerley, *Rebellion in the Veins*, 177.

²² Intelligence Memorandum, Central Intelligence Agency, Directorate of Intelligence, “Bolivia (Situation Report Number 1—As of 1430 PM EDT),” October 7, 1970, NSC Files, CF—LA, Box 770, RNPL.

²³ Associated Press, “Leftist Assumes Power In Bolivia,” *New York Times*, October 8, 1970; *FRUS, 1969-1976*, Vol. E-10, Document 93.

²⁴ Telegram, Siracusa to Secretary of State, October 12, 1970.

²⁵ Associated Press, “Leftist Assumes Power In Bolivia,” October 8, 1970; Telegram, Siracusa to Secretary of State, October 12, 1970.

humble origin, fails, ask for his resignation.”²⁶ Meanwhile, his exultant supporters attacked several U.S. installations in Bolivia, including the Bolivian-American Binational Centers (BNC) in La Paz and Sucre, the Cochabamba office of the United States Information Service (USIS), the Peace Corps office, a Marine Security guard residence, and the *Instituto Boliviano de Estudio y Acción Social* (IBEAS, or the Bolivian Institute of Social Study and Action).²⁷ They also secured the release of a number of political prisoners in La Paz.²⁸ These actions emphasized the anti-American and leftist orientation of the crowds celebrating Torres’s counter-coup.

In the face of such worrying signs, the earliest American analysis of the Bolivian situation, based on the American understanding of Torres, was pessimistic. On the one hand, Ambassador Siracusa expressed a grudging respect for Torres as “the only principal figure in the drama who has acted decisively and with calculated risk taking” and described him as “an intelligent and alert man who believes good relations with the US are important.”²⁹ Yet American diplomats also believed that Torres had “a proclivity for demagoguery and ultra-nationalism,” as demonstrated by the strong radical influence

²⁶ Associated Press, “Leftist Assumes Power In Bolivia,” October 8, 1970.

²⁷ The BNCs, which had also been established in other Latin American countries, were institutions meant to promote mutual understanding between Bolivians and Americans through cultural programs and English instruction. Radical Bolivians viewed them as centers of cultural imperialism and propaganda. IBEAS was a private social studies institute run by American Dominican priests. See Intelligence Memorandum, CIA, Directorate of Intelligence, October 7, 1970; Telegram, Siracusa to Secretary of State, “General Torres Sworn in as President of Bolivia,” October 7, 1970.

²⁸ Intelligence Memorandum, CIA, Directorate of Intelligence, October 7, 1970.

²⁹ *FRUS, 1969-1976*, Vol. E-10, Document 93; Intelligence Memorandum, CIA, Directorate of Intelligence, October 7, 1970.

he exerted during his time in Ovando's cabinet.³⁰ On October 8, Ambassador Siracusa aired his fears and frustrations with Torres's radicalism in a caustic description of the president's swearing-in:

Yesterday in his acceptance speech...[Torres] took to the balcony as a veteran actor and as a demagogue by birth-right. His timing, delivery and emotion were in the classic mold of his type, which in my experience I have only seen equalled (sic) or excelled by [the] likes of Juan Peron and the original "Tacho" Somoza (but give Gen. Torres time: this was, after all, only his debut). We surely have here the makings of a true Latin Demagogue.... I wonder whether it will be possible for this clever man...to wake up fast enough to the realities of responsibility...to avoid actions which can only bring great suffering....³¹

American analysts thus feared that Torres would act on the nationalist rhetoric he espoused when taking power and that he would begin to submit to the demands of his leftist supporters. An October 7 report from Henry Kissinger to President Nixon said that the Torres regime would "most probably be ultra-nationalistic, leftist and anti-US," and Viron P. Vaky of the NSC warned that "I think Torres will be far more radical than the Peruvian generals. He is a real potential Nassarist (sic)."³²

Washington was even more concerned about Bolivia's future in the light of Ambassador Siracusa's analysis of the impact that the October power struggles had on the Bolivian military. Soon after Miranda's attempted coup, Siracusa had argued that the worst possible result of the Ovando-Miranda struggle would be "a real fight...within the divided military,"³³ an outcome that could result in significant bloodshed and even a civil

³⁰ For example, Torres was regarded as a major influence in Ovando's decision to nationalize Gulf Oil. Intelligence Memorandum, CIA, Directorate of Intelligence, October 7, 1970.

³¹ Telegram, Siracusa to Secretary of State, October 8, 1970, NSC Files, CF—LA, Box 770, RNPL.

³² *FRUS, 1969-1976*, Vol. E-10, Document 93.

³³ Telegram, Siracusa to Secretary of State, October 5, 1970.

war. Although ultimately there was no war, according to Siracusa the coups' impacts on the military were nearly as bad as if there had been a bloody conflict. Siracusa argued that divisions within the officer corps over whether to support Ovando, Miranda, or Torres had created "suspicions, hatreds and betrayals" among the young officers, which "cannot easily be forgotten." Siracusa also expressed great disdain for the military institution as represented by its former leaders. Miranda, Siracusa lamented, had "showed not even the most elementary knowledge of leadership." Sattori had defected shamefully quickly, and Albarracín was "bumbling, fumbling, piteous" and a "joke." In the ambassador's estimation, the coups had revealed that even Bolivia's most stable institution was unreliable, incompetent, and sharply divided. With a mix of disdain and pity, Siracusa summed up his analysis by lamenting, "poor Bolivia—here was its greatest institution. Poor Bolivia."³⁴

A weakened and divided military was seen as disastrous because of what it meant for Torres's policies and for Bolivian stability more broadly. Over the previous decade, American policymakers had come to regard the Bolivian military as the "only institution of even marginal unity, competence, responsibility and stability" within the country.³⁵ This analysis dovetailed with the Nixon administration's policy of supporting military dictatorships as guarantors of stability. Throughout 1970, American analysts had believed that the conservative military leaders, headed by Miranda, were instrumental in successfully steering Ovando back to moderation, and they would have hoped to try the same technique with Torres. But the power struggles of October 1970 challenged this belief that the Bolivian military could be relied upon, as it suddenly appeared incapable

³⁴ Telegram, Siracusa to Secretary of State, October 8, 1970.

³⁵ Ibid.

of exerting a stabilizing influence. If Torres could not rely upon military support, so the American logic went, he would be forced to give in to radical demands from the powerful leftist groups. In the minds of U.S. officials, the fragmentation of the military came to be seen as one of Bolivia's central problems, and it would ultimately become a key factor in later debates over how to curtail what they saw as Torres's growing radicalism.

In the first weeks of Torres's rule, however, the military's weakness and Torres's possible radicalism were generally viewed in Washington as dangerous elements that did not have to spell disaster. At least for the rest of 1970, Washington was not sure that Torres was irrevocably set on a radical path. Part of this stemmed from Torres's own history. The Associated Press reported that General Torres had "acquired his leftist leanings recently," pointing out that he had been closely involved in the campaign to capture and execute Ché Guevara in 1967.³⁶ On October 8, Vaky said that Torres was "an enigma. He started out as a conservative...only recently has he become publicly a left-wing statist. In truth he is probably an opportunist interested in power, who may see left-wing populism as the best road to power...."³⁷ That is, Torres's regime could very possibly end up being radical, but mostly for strategic rather than philosophical reasons. Of course, even if this turned out to be true, Bolivia would still be on the brink of radicalism without a change in Torres's current orientation.

Therefore, as with Ovando, one of the major concerns for Washington with Torres in power was that he might be unduly influenced by leftists. Leftist dominance would be a problem regardless of whether Torres himself was a true believer. His political survival depended on finding some base of support, and when he took power it looked as though

³⁶ Associated Press, "Leftist Assumes Power In Bolivia," October 8, 1970.

³⁷ *FRUS, 1969-1976*, Vol. E-10, Document 94.

that base would be radical students and labor. In his initial pronouncements, Torres promised that he would create a government based on twenty-five percent each of military, *campesinos*, students, and laborers, a structure that Ambassador Siracusa described as a “four-pillared monstrosity.”³⁸ Actually, this proposed governmental structure, rather than achieving increased leftist support as was intended, ultimately resulted in a tense encounter with the *Comando Político*.

The tension began on the day of Torres’s swearing-in, when, in recognition of the crucial role the group’s general strike had played in his seizure of power, Torres offered a quarter of his cabinet positions to the *Comando Político*. The offer prompted several hours of internal debate by the *Comando*; once again the leftists faced the reality that supporting Torres contradicted their own philosophical commitments. Their *Tesis Política* included several outright condemnations of *cogobierno* (co-government), which was viewed as precluding the creation of a workers’ government, a way for the labor movement to lose its separate identity.³⁹ Further, in his proposal, Torres had retained the right to make his own appointments to the most influential cabinet posts, including the ministries of the Interior and Finance. These two factors prompted the *Comando* to reject Torres’s proposal. He came back with a better offer, proposing that the leftists appoint half of his cabinet. The party leaders could not reject such a generous proposition outright, but they conditioned their acceptance on a scheme wherein the ministers would essentially be controlled by the *Comando* itself instead of Torres. This was unacceptable to Torres, who withdrew the offer using the (false) excuse that the barracks were rising up in rebellion because Torres’s proposals had convinced them that he was a

³⁸ Telegram, Siracusa to Secretary of State, October 12, 1970.

³⁹ Dunkerley, *Rebellion in the Veins*, 178; Lora, *Bolivian Labour Movement*, 363.

communist.⁴⁰ For its part, the COB promised “militant support” for Torres, but it also warned him that “at the first sign of any deviation or retreat we the workers will be the first to denounce [the regime]... and occupy our own barricades.”⁴¹ The *Comando* also gave Torres a list of twenty demands derived from the *Tesis*, which he accepted, even though he could not possibly carry out several of the more radical demands.⁴²

The tense encounter with the *Comando Político* gave American observers hope that Torres’s regime might not be as radical as they feared. Tied up in negotiations with the left, Torres took a few days to officially name his cabinet, which American analysts took as a sign that “all was not well with the populists.”⁴³ In the meantime, the White House received reports that Ovando, in asylum at the Argentine Embassy, had been “convinced that this [Torres’s coup] was a swift move toward communism,” and that he had subsequently contacted his friends in the military asking them to pressure Torres to “move toward greater moderation.” Ambassador Siracusa reported that this effort was successful, claiming that the military regained some unity and demanded moderation “as a price for continuing to support Torres.” Subsequently, the new president promised, against leftist demands, not to overturn the Gulf deal and, according to Siracusa, “began to talk more like the practical stateman (sic) and politician which he is capable of

⁴⁰ Lora, *Bolivian Labour Movement*, 363.

⁴¹ Quoted in Dunkerley, *Rebellion in the Veins*, 178.

⁴² The demands included the establishment of a workers’ government (basically impossible without the dissolution of Torres’s rule); expulsion of the US military mission, the CIA, and the Peace Corps; full democratic liberties; wage increases to pre-1965 levels; *control obrero* (worker’s control) in labor management including the power of veto; nationalization of private mines without compensation; support for the struggles in Vietnam and Cuba; and formal relations with Cuba. See Dunkerley, *Rebellion in the Veins*, 178 and 360.

⁴³ Telegram, Siracusa to Secretary of State, October 12, 1970.

being.”⁴⁴ Another hopeful sign for Washington came in the ultimate composition of Torres’s cabinet, which ended up rather more conservative than most observers had expected. A week after Torres was sworn in, Vaky reflected that “Torres did in fact back away from the extremism of his early announcements and formed a cabinet not very different from that which existed under Ovando.”⁴⁵ The COB protested that the cabinet was too reactionary, but the White House was reassured and concluded that it was possible Torres’s government might “not differ greatly from that of Ovando.”⁴⁶ Additionally, in a move that signaled the loyalty he still felt toward the Bolivian military as an institution, Torres had allowed many of the right-wing conspirators to stay in Bolivia, only expelling Miranda himself.⁴⁷ This move left open to Washington the possibility of using conservative military elements as a moderating influence on Torres.

In the early days of the Torres regime, Ambassador Siracusa used these positive signs to argue that radical domination in Bolivia could be avoided. His argument rested in part on the conclusion that Torres’s moderate cabinet was a sign of his decreasing radicalism. The ambassador believed that:

for the moment...fears of the establishment of a communist regime in Bolivia can be set aside and that we can expect in the near future a government not vastly different from Ovando’s while having, possibly for the time at least, a bit more popular support.

Moreover, Siracusa opined that, as with Ovando, the labor and student groups would sooner or later come to firmly oppose Torres once the president failed to meet their demands. This prediction meant that Torres would eventually lose the political support of

⁴⁴ Ibid.

⁴⁵ Memo, Viron P. Vaky to Henry Kissinger, October 15, 1970, NSC Files, CF—LA, Box 770, RNPL.

⁴⁶ Dunkerley, *Rebellion in the Veins*, 178; Memo, Vaky to Kissinger, October 15, 1970.

⁴⁷ Dunkerley, *Rebellion in the Veins*, 178-79.

the left, which would leave him more open to moderating influences from the United States. Siracusa concluded with the assertion that “the fears reportedly emanating from ‘Washington sources’ that Bolivia will now join Allende’s Chile and Velasco’s Peru in an anti-US bloc are not well founded unless we encourage it by showing unrealistic fear of it.”⁴⁸ That is, if Washington could be patient, Torres might be shifted to a more moderate path, whereas an overreaction could have the opposite effect.

Siracusa’s analysis matched with the CIA and NSC’s conclusions, which were soon translated into action as Washington made the first steps in implementing a policy of moderating the Torres government. On October 7, the CIA had suggested to Vaky that he should attempt to encourage a close relationship between Torres and the United States by having Ambassador Siracusa “make a quick approach to General Torres to let him know that we are not automatically his enemy; we know he has his problems but if he acts relatively reasonably we could establish a sensible *modus vivendi*.” The key assumption upon which the CIA’s suggestion rested was that Torres could be influenced by American officials. As Vaky put it, perhaps “Torres is not unredeemable.”⁴⁹ The CIA further expanded upon its idea of taking advantage of Torres’s potential malleability, explaining that the goal of a personal approach was to:

give him an alternative to far-out radicalization; if we wait to see what he does he may assume our passivity to be opposition. He may then come to

⁴⁸ Telegram, Siracusa to Secretary of State, October 12, 1970.

⁴⁹ The full quote reads, “Torres is not unredeemable (as, for example, Allende might be).” There is an interesting undercurrent of concern with the Chilean situation that runs through many of the documents focused on Bolivia, as American policymakers repeatedly felt compelled to draw comparisons and lessons from Bolivia. Another example is in an October 7 memo from Vaky to Kissinger that mentions the damage done to the Bolivian military by Miranda’s “premature and stupid” coup, saying “this is a lesson we might well ponder in relation to the Chilean situation.” See Memo, Vaky to Kissinger, October 7, 1970, NSC Files CF—LA, Box 770, RNPL.

believe he may as well radicalize anyway to legitimize himself and reason that the left extremists are the only elements that will support him.

Siracusa could try to forestall any radical moves on the part of Torres by offering a counter to the growing anti-American influence of the left. In short, the CIA had the same goal as it had with Ovando: reassert American influence and avoid upsetting relations in order to moderate the Bolivian president. Vaky thought the approach had a chance of success, partly because of the emerging signs that Torres might moderate his positions. Vaky was also working on the assumption, however shaky, that Torres was primarily concerned with maintaining his own power. Vaky guessed that if Torres was really a pragmatist, the “knowledge that he may be able to get our support (or avoid our enmity) might just moderate his attitude and make us a force he may wish to placate or even eventually cater to.” The way Vaky saw it, Washington had nothing to lose if the approach failed, and it was important to “make the pitch early” in order to get to Torres before the leftists could.⁵⁰ Accordingly, on October 13, Siracusa was instructed to make the approach to Torres. Vaky confidently reported, “I think this little gambit will pay off.”⁵¹

While Washington set out to moderate the new Bolivian president, however, Torres was attempting to preempt growing leftist pressure. On November 16 he ordered the expropriation of IBEAS, which had been occupied by radical students from San Andrés University since his coup. The students had claimed IBEAS as part of the university, declaring that the institute was an agency of the U.S. government and was not

⁵⁰ *FRUS, 1969-1976*, Vol. E-10, Document 94.

⁵¹ Note, Vaky to Deputy National Security Adviser Alexander Haig, October 14, 1970, NSC Files, CF—LA, Box 770, RNPL.

serving “the interests of Bolivia.”⁵² Torres had refused to send in troops to dislodge the students from IBEAS (or from BNCs that had also been occupied), apparently fearing bloody conflict and anti-military backlash. The IBEAS expropriation thus represented a concession to the radical students.

Torres also made economic and political concessions to the left. In the same week as the IBEAS expropriation, for example, he promised a wage increase for the tin miners, a long-standing demand of the left that had been prohibited by the military under Ovando.⁵³ In mid-November, Torres also arranged for the release of eight imprisoned former guerrillas, including Osvaldo Peredo, who had led the revitalized ELN campaign five months earlier. Torres ordered the release and deportation of the rest of the prisoners in December. The most high-profile prisoner was Régis Debray, a French Marxist who had been arrested in connection with Ché Guevara’s 1967 guerilla campaign. Various international figures had joined the calls from members of the Bolivian left for Debray’s release ever since.⁵⁴ The freeing of the ELN guerrillas was thus designed to appeal to leftists, but the workers and students were not satisfied. Juan Lechín spoke for them in November 1970 when he warned that “this Government will not consolidate popular support until General Torres takes some real anti-imperialist moves.” Such moves, he said, would include expelling the U.S. military mission and the Peace Corps, as well as establishing diplomatic relations with Cuba and rescinding the Gulf Oil compensation

⁵² Malcolm W. Browne, “U.S.-Aided Social Studies Center Stirs Political Storm in Bolivia,” *New York Times*, October 19, 1970; Juan De Onis, “Torres is Trying to Solidify Leftist Rule in Bolivia,” *New York Times*, November 17, 1970.

⁵³ Dunkerley, *Rebellion in the Veins*, 180.

⁵⁴ After their release, the former guerrillas took refuge in Allende’s Chile. See “Debray Is Freed By The Bolivians,” *New York Times*, December 24, 1970.

deal.⁵⁵ Yet Torres was on shaky ground with the United States and with conservative military leaders in Bolivia, so his ability to carry out these demands was extremely limited.

In fact, Torres's concessions to the left began to prompt significant backlash among the Bolivian right. The IBEAS expropriation had frustrated church leaders, who registered their personal protests with Torres, and the release of Debray and the other guerrillas angered many military leaders, even those loyal to Torres.⁵⁶ Meanwhile, at the end of November, as Torres toured the major mines to tout his restoration of wages, he stated in response to demands for the distribution of weapons that "the workers will be armed only if the armed forces should no longer be, as they are now, with the people." Just two weeks later, he promised more directly that if the people were "defrauded by the military, I will give weapons to the workers."⁵⁷ This promise raised fears among the conservative military elements, and it did nothing to ease the enduring tensions between the armed forces and the miners. The situation was further inflamed by difficulties in implementing the Gulf compensation deal, as various cabinet members brought up complaints about Gulf. Ambassador Siracusa feared such peripheral issues were actually attempts to sink the whole deal.⁵⁸

⁵⁵ Juan De Onis, "Torres is Trying to Solidify Leftist Rule in Bolivia," *New York Times*, November 17, 1970.

⁵⁶ Dunkerley, *Rebellion in the Veins*, 182-83.

⁵⁷ Telegram, Siracusa to Secretary of State, "Breakdown and Disintegration in Bolivia," December 23, 1970, NSC Files, CF—LA, Box 770, RNPL; Dunkerley, *Rebellion in the Veins*, 182.

⁵⁸ For example, the Health Minister claimed that before being expropriated Gulf had not paid its required contributions to the National Social Security Fund. See Telegram, Siracusa to Secretary of State, "Gulf Negotiations," December 23, 1970, NSC Files, CF—LA, Box 770, RNPL.

In such a tense atmosphere, rumors of a coup began to surface basically as soon as Torres took power. On December 9, he narrowly escaped a coup attempt when he failed to show up at the graduation ceremony of the military college; Colonel Banzer had planned to take him hostage at the event. Banzer gave his harsh speech anyway (historian James Dunkerley called it “a barely-veiled *pronunciamiento*”⁵⁹). Remarkably, Banzer was able to keep his position as head of the military college and continued plotting. As the year drew to a close, Ambassador Siracusa was increasingly pessimistic about the Bolivian situation as a whole. He reported that “almost all say that the next political blow-up will involve the shedding of blood,” quoting the Bolivian ambassador to the United States as predicting “Bolivia would be in civil war by March.” In a long telegram on December 23, Siracusa provided a near day-by-day account of various worrisome events, including protests, coup threats, and bombings. He was extremely concerned that “lawlessness and license...have seemed to take a tentacle grip on the country” and warned that such conditions were contributing to a perception of the “breakdown of Bolivian society...and the rapid advance of some as yet undefined, but nevertheless feared, ‘socialistic’ system.”⁶⁰

A more serious coup attempt came early in the new year, led by Banzer and his co-conspirator Colonel Edmundo Valencia Ibáñez, both of whom had been at the center of coup rumors since Torres took office. Their action had been prompted when they received orders transferring them to frontier posts far from the capital; the Torres

⁵⁹ Telegram, Siracusa to Secretary of State, “Breakdown and Disintegration,” December 23, 1970; Dunkerley, *Rebellion in the Veins*, 183. A *pronunciamiento* is essentially an announcement of a military coup.

⁶⁰ Telegram, Siracusa to Secretary of State, “Breakdown and Disintegration,” December 23, 1970.

government had finally taken action to hinder their coup plans.⁶¹ The plotters reportedly had financial aid from the Brazilian ambassador to Bolivia, along with the backing of the same officers who had supported Miranda's attempted coup. On January 10, 1971 Banzer and Valencia declared themselves in rebellion and took over the army headquarters in La Paz. They claimed that they were taking action to stop Torres from delivering the country to "another imperialism as dismal as that of North America," presumably referring to socialism.⁶² During the course of their revolt, Banzer and Valencia took two high-profile hostages, Army Commander Luis Reque-Terán and Chief of Staff Colonel Samuel Gallardo. The fact that they felt the need to detain these two military leaders was an indication of the lack of institutional support for the coup attempt, as further evidenced when most troops, including the air force, remained loyal to Torres.⁶³ The revolt was put down when the *Comando Político*, seconded by Torres, called on its members to mobilize against the rebels. Crowds of miners carrying dynamite and a handful of guns occupied La Paz, calling a general strike as they had in October 1970. In fact, the January mobilization was stronger and more volatile than that of three months earlier, and it convinced the rebels to surrender.⁶⁴ Banzer and his accomplices were exiled to Argentina, and on the morning of January 11, Torres announced that the attempt to impose "a dictatorship of the right" had been crushed.⁶⁵

American analysts were quite displeased with the whole affair. A State Department memo on January 11 reported that the American Embassy in Bolivia had in

⁶¹ Memo, State Department to Henry Kissinger, January 11, 1971, NSC Files, CF—LA, Box 770, RNPL.

⁶² "Bolivian Revolt Called Rightist Attempt," *New York Times*, January 12, 1971.

⁶³ Dunkerley, *Rebellion in the Veins*, 183.

⁶⁴ Lora, *Bolivian Labour Movement*, 364; Dunkerley, *Rebellion in the Veins*, 183.

⁶⁵ "Bolivian Revolt Called Rightist Attempt," *New York Times*, January 12, 1971.

the past called Banzer and Valencia “military has-beens” and had expressed doubts that either one could pull off a successful coup. Even if they could take power, the embassy believed, Banzer and Valencia would likely be overthrown themselves by “other forces, including the extreme left,” which would “be waiting in the wings, prepared to attempt to pick up the pieces and put them together again.”⁶⁶ In other words, a poorly planned right-wing coup risked the ultimate result of a swing leftward. This was precisely what American analysts believed had happened in October with Miranda’s bungled coup and Torres’s quick seizure of power. The failed January attempt thus prompted concern in Washington that Torres was about to embark on an even more radical path, and it also solidified U.S. concern over the dangers of impulsive coups. This worry remained dominant in American analyses of the Bolivian situation for the next eight months.

As American observers feared, the failed January rebellion quickly resulted in a concerted leftward shift by the Torres regime. This shift came about largely because of the government’s weak position and the strength shown by the organized left in putting down Banzer and Valencia’s revolt. In its call for mobilization against the coup attempt, the *Comando* had referred to the government as weak and incapable of putting down the rebellion on its own.⁶⁷ Consequently, the workers and students were credited with stopping the uprising, and they had even less respect for Torres’s military regime than before. On January 11, Torres addressed the triumphant crowds, who were calling out, “arms for the people,” “long live socialism, shoot the *gorilas*,” and “disarm the army.”⁶⁸ Confronted with their mockery of and displeasure with his weak promises of a

⁶⁶ Memo, State Department to Kissinger, January 11, 1971.

⁶⁷ Dunkerley, *Rebellion in the Veins*, 184.

⁶⁸ Lora, *Bolivian Labour Movement*, 364; Dunkerley, *Rebellion in the Veins*, 184.

“nationalist revolution,” Torres changed tack and impulsively promised that “the Nationalist Revolution will go wherever the people want to take it.”⁶⁹ He offered them popular participation in government, a promise that would eventually result in the creation of a so-called *Asamblea Popular* (Popular Assembly). In the meantime, Torres also declared the nationalization of the U.S.-owned International Metals Processing Company (IMPC). Though Torres promised compensation, and the company did not represent a very large foreign investment (about two million dollars compared to the ninety-five million of Gulf Oil), the move was seen by Washington as a capitulation to the ascendant left and the start of a campaign to nationalize all foreign investments in Bolivia.⁷⁰

This leftward shift prompted American policymakers to reevaluate their existing strategies for moderating Torres. Ever since the Torres coup, Washington had been attempting a delicate balancing act of neither antagonizing nor aiding the Torres government. These efforts involved positive and negative actions, though the only real positive efforts were in the form of personal conversations between Siracusa and Torres, as well as a delay in tin sales.⁷¹ The main negative effort was the continuing restriction of American economic assistance: the only new loan Bolivia received under Torres’s rule was for food aid, while the armed forces received no new grant materiel from the Military

⁶⁹ Dunkerley, *Rebellion in the Veins*, 184.

⁷⁰ Memo, State Department to Kissinger, June 7, 1971, NSC Files, CF—LA, Box 770, RNPL.

⁷¹ In fact, the tin sales delay was carried over with the continuation of pre-authorized delays from before Torres came to power. Thus, a new decision on tin sales in light of the Torres coup did not have to be made until January.

Assistance Program (MAP).⁷² Considering the events of January 1971, none of these actions appeared to be successfully encouraging moderation of the Torres government, and his hold on power had not gotten any stronger. Instead, Torres had been driven to more concessions in an attempt to avoid being overtaken by the organized left. For American analysts, this situation seemed to require a change in U.S. policy.

The policy reevaluation began in February 1971, though the divisions it caused within the Nixon administration meant that no complete policy changes were ever agreed upon, as debates continued and different factions pursued different policy tracks. On February 26, 1971, the CIA produced an analysis paper on potential problem spots in the world, including Bolivia. According to the report, there were three options for how events in the country might play out: collapse, stabilization by Torres, or stabilization by some alternative leader. The main problems that impeded the chances of Torres stabilizing his regime were that his government had shown itself to be susceptible to leftist pressure and that it obviously had only a precarious hold on power.⁷³ Of course, a solid leftist government, even one under the direction of a strong military ruler, would not have been considered stabilization by the CIA, partly because such a government risked falling into the Soviet orbit. In an earlier report from January 14, the Director of Central Intelligence Richard Helms had warned Kissinger that:

The continuing trend in Bolivia favors the left which, in turn, looks more and more toward the Soviet Union for support. Although Bolivia is not of strategic geographical importance to the U.S., a continued drift toward the

⁷² MAP funding for Latin America had been eliminated for Fiscal Year 1971 as a result of budgetary restructuring related to the Vietnam War. See Memo, State Department to Kissinger, January 12, 1971, National Security Study Memorandums, Box H-159, RNPL.

⁷³ CIA Memorandum for Richard Helms, "Potential Problems Which Might Affect US Interests in Certain Countries Abroad," February 26, 1971, NSC Files, CF—LA, Box 770, RNPL.

Soviet camp, or toward a state of anarchy and violence, would have significant political and psychological impact, particularly in view of recent changes in Chile and Peru.⁷⁴

Helms thus portrayed collapse and leftist stabilization as equally dangerous. In fact, collapse could very well lead to leftist takeover. According to the February CIA report, “if Torres falls a successor government is likely to be even more leftist in character” because the left would again capitalize on a chaotic situation, as it had in October and January.⁷⁵

The CIA doubted that Torres could be strengthened or his policies moderated. As the February report put it, “CIA...has little faith in Torres’ ability to last, or to withstand leftist pressure if he does.” Therefore, the intelligence analysts leaned toward finding some way to replace Torres with a more favorable figure. However, they admitted that “we are not sure whether a viable alternative to Torres exists, and whether we should pursue such an alternative.” It was the same problem as under Ovando: there was no existing alternative to the leftist nationalist in office. But after four months of Torres’s rule, the CIA was willing to go further than before, and it favored consideration of the “slim possibility” of “building an alternative to him [Torres] based on moderate elements in the Armed Forces and possibly segments” of the MNR.⁷⁶ This idea of directly working to overthrow Torres would resurface repeatedly in the Nixon administration over the next seven months.

Yet there was also strong opposition to this proposed policy of building an alternative to Torres, mainly expressed by Ambassador Siracusa and the State

⁷⁴ Memo, CIA to Kissinger, January 14, 1971, NSC Files, CF—LA, Box 770, RNPL.

⁷⁵ CIA Memo for Helms, February 26, 1971.

⁷⁶ Ibid.

Department. Their position was summarized in the CIA's February report, which cited Siracusa's opinion that "there is no viable alternative to Torres, and that, therefore, we should do what we can to build him up and strengthen his hand against the leftists."⁷⁷ Siracusa was advocating maintaining the same overall policy of moderating Torres. He opposed building an alternative because he did not believe it was possible to do so. There were several reasons for this, as laid out in a March 15 memo from the NSC's Ashley C. Hewitt. First, the CIA's suggestion of recruiting segments of the MNR was infeasible "due to internal dissention within the MNR and strong military opposition to a resumption of power by the MNR." Second, the possibility of "an alternative based on more moderate elements in the Army" was just as slim. The Bolivian military was still profoundly divided over Torres, and in any case, Torres and the organized left had just put down a "moderate" military revolt in January. Hewitt's memo concluded that "Torres undoubtedly is weak, and the situation in Bolivia is as unstable as ever. The prospects for the Torres Government cannot be considered good, but neither are they good for alternatives to Torres."⁷⁸

The Hewitt memo ended up offering two specific measures for American policy toward Bolivia, which tried to split the difference between the CIA's and the embassy's analyses. First, Washington should consider offering more support to Bolivia, since "a little extra backing from the US might do a good deal toward strengthening Torres and helping him resist the demands of leftist student and labor groups." Second, American observers should "keep our eyes open for any promising alternative to Torres." As Hewitt

⁷⁷ Ibid.

⁷⁸ *FRUS, 1969-1976*, Vol. E-10, Document 97.

noted, the two policy tracks were not mutually exclusive.⁷⁹ For the time being, U.S. policy toward Bolivia would undergo no concrete changes, but the door was open for more extreme tactics, and the issue would be reconsidered soon.

As Washington resolved to continue its balancing act in Bolivia, the issue of tin sales came to the fore after a period of extensive debate during December 1970 and January 1971. During the eighteen months before Torres came to power, the United States had repeatedly delayed tin disposals from its strategic stockpile out of fear of a Bolivian backlash.⁸⁰ The worry was that if the United States initiated tin sales and caused a price collapse, there would be a fierce surge of anti-American resentment among the Bolivian public out of fear of the impact on the Bolivian economy, which was largely dependent on tin exports. Hence the State Department had long argued successfully against rocking that particular boat. After the October coup, this concern took on greater significance because American analysts came to believe that while Torres was in power, any surge of anti-American hostility would force him to give in to leftist demands even more than he already had. In this context, though the latest delay had been set to expire on December 7, 1970, sales did not go forward immediately because the State Department requested an additional extension.

There were several arguments against resuming tin sales while Torres was in power. Kissinger summarized them in a December 14 memo. He reported that the State Department believed the resumption of sales would “be taken by Torres as an attack on him and his government” and would “give radical elements a strong anti-US issue,” tending to “push him [Torres] in the direction of radicalization.” It was possible that such

⁷⁹ Ibid.

⁸⁰ *FRUS, 1969-1976*, Vol. IV, Document 436.

radicalization might delay the implementation of the Gulf compensation deal. Kissinger himself feared that “the foreign policy costs of resuming sales...could be very great.” He put what he called “by far the strongest argument for not resuming tin sales” in terms of Cold War necessity:

As yet Chile’s neighbors, including Bolivia, have taken a correct but cautious approach toward the Allende regime. If we give Bolivia a strong reason for reacting against us now, the likely result will be to align them more closely with Chile than would otherwise be the case. Moreover, *the emergence of a more radical government in Bolivia, coming so soon after a Marxist victory in Chile, will be seen as another political loss for the US.*⁸¹

For Kissinger, then, the possibility of a more radical Bolivia was particularly dangerous to the United States not only because of the possibility of a Bolivian alignment with Chile, but also because of the damage such a shift would do to U.S. credibility in the context of the Cold War.

Despite these arguments about the negative consequences that a delay in sales would help avoid, some questioned whether a delay could actually bring any positive benefits. Opponents were concerned that nothing would really change in Bolivia after another ninety-day delay period; Torres, they believed, would still be weak, and Bolivians would still be fiercely opposed to tin sales. Kissinger himself acknowledged that the basic situation in Bolivia “is not apt to be much different in three months.”⁸²

Others, like Acting Assistant Secretary of State for Inter-American Affairs John Crimmins, were more optimistic. Crimmins pointed to Torres’s moderate cabinet and his vow to uphold the Gulf deal as positive signs of his potential for moderation, and, therefore, believed that Torres might be able to moderate himself and consolidate power.

⁸¹ Ibid., Document 437 (emphasis in original).

⁸² Ibid.

Crimmins argued that the “Bolivian government should have the opportunity to continue to consolidate its strength and its basically moderate orientation in the hope that it will be in a position to better contain an extremist reaction to the initiation of tin disposals.” He believed that “with restraint on our part, the Torres government could be influenced to continue to strengthen a moderate orientation,” and that if it did so, tin sales could go forward once the risks “inherent in initiation of U.S. tin disposals” had been reduced.⁸³ Kissinger saw a chance for this gambit to work, hoping that “a little time devoted to careful diplomatic and propaganda work might help to limit the reaction of the Torres Government when we do begin sales.” On this basis, Kissinger backed the State Department’s request to extend the delay period by another ninety days.⁸⁴

President Nixon’s economic advisers, however, urged him to authorize sales. The staunchest opponent to another delay was the Office of Emergency Preparedness (OEP). Its main arguments were also summarized in Kissinger’s December 14 memo. The OEP contended that a delay would do nothing to change the situation in Bolivia, pointing out that tin sales had been delayed since 1968, yet Bolivia was still in crisis because it was “inherently unstable politically.” The office appeared to not understand the potential ramifications of tin disposals in Bolivia, claiming that “tin sales at the level contemplated should not adversely affect the world market price of tin,” and that therefore there was no rational reason for Bolivians to react in such a hostile manner.⁸⁵ The OEP’s other arguments were mostly economic. It believed that yet another failure to resume tin sales would jeopardize “the entire stockpile disposal program” that had been ordered by Nixon

⁸³ *FRUS, 1969-1976*, Vol. E-10, Document 96.

⁸⁴ *FRUS, 1969-1976*, Vol. IV, Document 437.

⁸⁵ Of course, this analysis ignored the symbolic and historical layers to the tin question in Bolivia.

earlier in 1970, which amounted to \$750 million in sales. The OEP worried that Congress might be reluctant to authorize other stockpile disposals later on if the White House did not use the authority already granted it to dispose of tin. Such arguments initially convinced President Nixon. He cast aside Kissinger's warning about the damage to U.S. credibility that a radical Bolivian government could cause, writing in the memo's margin: "forget it—It will happen inevitably anyway—if it's going to happen—Tin will not do it." He rejected the recommendation to postpone sales, writing "no—go forward with the sales as I ordered 18 months ago," clearly exasperated with the long-term delay.⁸⁶

However, within six weeks, the failed Banzer coup of January 1971 changed Nixon's mind. The week after the military rebellion was put down in Bolivia, Kissinger sent Nixon a memo asking him to reconsider his decision to resume tin sales. In the memo, Kissinger acknowledged that if Torres were to radicalize further, it would be primarily because of "the internal dynamics of the Bolivian situation rather than anything we may or may not do" with regards to tin. Yet Kissinger also warned that:

The Bolivian situation has deteriorated markedly since the date of my last memorandum.... There have been increasing reports...of plots against the Torres Government, a growth in general lawlessness and the increasing inability of the Government to control it, and the rising influence of leftist student, peasant and worker groups. This past weekend moderate elements in the Armed Forces bungled a coup attempt as they did last October. The probable result of this unsuccessful coup will be more influence for student and peasant groups, and an accelerated move to the left by the Torres Government.

For Kissinger, this deterioration and anticipated shift leftward were problems essentially because of timing. That is, if Nixon authorized tin sales to begin in January, Kissinger believed "that the Administration will be blamed—however unjustly—if the Torres

⁸⁶ *FRUS, 1969-1976*, Vol. IV, Document 437.

Government moves sharply to the left, or is overthrown and replaced by a more radical government, immediately after we have resumed tin sales.” While there was a good chance, regardless of U.S. tin policy, that the Torres regime would move leftward or that Torres would be overthrown, at least if Nixon waited to resume sales, he could not be accused of precipitating the fall. Kissinger noted that “if a move to the left does take place in this period [of delay], we could, of course, go ahead with tin sales subsequently without taking the blame.” In this cynical analysis, Kissinger saw America’s reputation as an issue of equal or even greater importance than the overall situation in Bolivia, since he was not optimistic it could be improved anyway. This argument apparently convinced Nixon, who authorized another ninety-day delay in tin sales on January 25.⁸⁷

For the next few months, tin policy remained contested within the Nixon administration, as U.S. officials debated whether to continue the cautious delays or to favor economic principles over foreign policy concerns and resume tin sales. In this sense, tin policy reflected the administration’s general strategy for Bolivian relations as developed in February and March of 1971. The Nixon administration’s policy had become divided between two tracks. One track was aggressive. This was represented most starkly in the CIA’s goal of building an alternative to Torres, but it was also expressed in the OEP’s arguments for resumption of tin sales. Later, the aggressive policy track would become punitive as some of Nixon’s advisers argued that harsh action needed to be taken to deter Bolivian expressions of economic nationalism. The second track was pragmatic and cautious, as seen in the State Department’s insistence that there was no viable alternative to Torres and its recommendation for increased support of the

⁸⁷ Ibid., Document 439.

Bolivian government. The cautious approach was also employed in the recommendations for delays in tin sales.

The tin issue reemerged in March and April of 1971, and by that point a pattern had become clear. Indeed, the pattern had been building since the first time the Nixon administration approved a delay in sales in 1969. The White House would flirt with the idea of resuming tin sales, tilting toward the aggressive approach, and then when backlash began or generally unfavorable events unfolded in Bolivia, it retreated to the cautious policy track and postponed tin sales again. One of the conditions attached to Nixon's January 1971 delay authorization was that in advance of future sales, the State Department should "take all feasible steps with the GOB [Government of Bolivia] to reduce political costs and minimize risks to American citizens and property."

Accordingly, on March 9, about six weeks before tin sales were set to resume, Ambassador Siracusa was instructed to approach Torres and inform him of the impending sale. Siracusa was told to emphasize that "we cannot defer sales any longer and that we fully expect GOB to fulfill its international obligations by protecting US lives and property in Bolivia if that should be necessary." In other words, he was to claim that Washington's motives were purely economic and that Torres had an obligation to contain the inevitable anti-American reaction of the Bolivian public. Siracusa was also told to say that Washington believed tin sales would actually stabilize the tin market and therefore not hurt the Bolivian economy in the long run.⁸⁸

On March 21, Siracusa cabled his superiors with a summary of his meeting with Torres about the tin disposal news. Siracusa had given Torres a detailed explanation of

⁸⁸ Telegram, Secretary of State to American Embassy (La Paz), March 9, 1971, NSC Files, CF—LA, Box 770, RNPL.

U.S. motives in resuming sales, along with assurances that the General Services Administration (GSA) would act responsibly in the sales and remain conscientious of the importance Bolivians placed on the tin issue. Torres reacted with passionate opposition, using many of the same arguments as those of Kissinger and the State Department. Torres told the ambassador that “every penny per pound in price drop costs Bolivia well over a half a million dollars,” so any fall in tin prices would have a disastrous effect on Bolivia’s economy. Worse, the political damage would be severe. Torres pointed to his promise to increase the wages of tin miners, a promise that depended on tin income. He expressed

the fear that public reaction would be emotional and violent...and that this could not help but have a very harmful effect on American/Bolivian relations. He said he feared this result since he personally placed great importance on good relations with the US. He said that from a certain point-of-view such a reaction could strengthen him with the leftists but he did not wish this at the expense of good relations with the US.

Torres was invoking the fears of Kissinger and the State Department: tin sales would force Torres leftward and would cripple U.S.-Bolivian relations because Washington would be blamed for the resultant economic disaster.⁸⁹

Torres also dangled the tantalizing possibility of his own inclination toward moderation when he repeatedly noted his personal desire for good relations with Washington. He asked Siracusa to pass on a personal plea to President Nixon asking for another delay because “Bolivia is going through a period of severe political and economic crisis,” the implication being that if he could strengthen his position and resolve the crisis, he might be able to contain anti-American reaction enough to allow

⁸⁹ Telegram, Siracusa to Secretary of State, March 21, 1971, NSC Files, CF—LA, Box 770, RNPL.

future sales to go forward. As it was, Torres was only willing to promise that his government would try to protect U.S. lives and property, but would not guarantee the safety of either, “should things get out of hand.”⁹⁰

Torres’s arguments were convincing to Siracusa, who noted his own support for another postponement in his March 21 telegram. Siracusa noted that opponents to extending the delay of sales did not understand “the emotional quality or reality of Bolivian reaction to the thought of tin sales...since this country is so heavily dependent upon tin for its well-being.” He reiterated his previous warnings that resuming tin sales “in the absence of a supply deficit and under circumstances of market uncertainty as to price and political weakness in Bolivia, cannot help but have an adverse affect on American/Bolivian relations.” Further, since an anti-American reaction appeared certain, tin sales could represent a significant danger for American lives and property in Bolivia. Siracusa had learned to fear violent reaction from Bolivian leftists, and thus he cast his firm support behind Torres’s plea for reconsideration.

After such entreaties, the Nixon administration finally backed off its intended tin sales in early April. Along with Torres’s appeal and a personal conversation with the Bolivian Ambassador to the United States, Antonio Sanchez de Lozada,⁹¹ one final concerning development in Bolivia may have helped prompt Nixon’s change of heart. On April 3, a telegram from a clandestine source reported that the Bolivian army had been put on nationwide alert. The reason was unknown, but the source speculated that the

⁹⁰ Ibid. In April, Torres publicly invoked another well-worn argument against tin sales: the GSA stockpile had been created with the “labor and sacrifices of Bolivian workers” in support of “continental solidarity during critical times [World War II].” See Telegram, Siracusa to Secretary of State, April 1, 1971, WHCF, Subject Files, Box CO 19, RNPL.

⁹¹ *FRUS, 1969-1976*, Vol. IV, Document 440.

national alert might be due to “anticipation (or GOB plans) to step up anti-USG [U.S. Government] actions against [the] planned tin surplus sale.”⁹² It is unclear whether this was the case, or how much of an impact this possibility had on tin policy, but the timing closely coincided with Nixon’s April 9 decision to suspend tin sales. If this event had an impact on this decision, it would fit the general pattern of Nixon postponing tin sales once the Bolivian situation worsened. This time, however, Nixon put an end to the pattern. His April 9 decision, citing “foreign policy considerations” as justification, suspended tin sales indefinitely, ending the cycle of ninety-day delays and promises to prepare for resumption of sales.⁹³ In the case of tin policy, Nixon had ultimately settled on the cautious approach.

There were positive signs in Torres’s reaction to the suspension of tin sales that Nixon’s decision would move Bolivia closer to Washington and further from chaos. On April 10, after informing Torres of the decision, Siracusa reported that:

President Torres’ reaction was extremely favorable and he asked that his deepest appreciation for your considerate attention to Bolivia’s problems and to his appeal [for a delay] be communicated to you.... He said he valued cordial relations with the U.S. “more than with any other country” and he took your action as a clear sign of the U.S. concern for Bolivia and for its problems.

Siracusa also conveyed his own appreciation for the decision, saying that he believed it “has averted serious problems in our relations with Bolivia.”⁹⁴ Once again there was evidence that Torres might be personally inclined toward moderation and good relations with the United States.

⁹² Telegram, “Bolivian Military in State of Alert,” April 3, 1971, NSC Files, CF—LA, Box 770, RNPL.

⁹³ Telegram, Secretary of State to American Embassy (La Paz), April 10, 1971, WHCF, Subject Files, Box CO 19, RNPL.

⁹⁴ *FRUS, 1969-1976*, Vol. E-10, Document 98.

This hope was soon undermined, however, when President Torres yielded to leftist pressure and decreed another expropriation on April 30. This time, the nationalized company was the *Grupo Minero Matilde* (Matilde Mining Group). Matilde, owned by U.S. Steel and the Engel Hart Minerals & Chemicals Corporation, operated a mine at a rich zinc and lead deposit near Lake Titicaca.⁹⁵ It represented the largest remaining U.S. mining investment in the country (about thirteen million dollars). Matilde had received a twenty-year concession from the Barrientos government in 1966, a contract that both Ovando and Torres had personally signed. Yet in April 1971, Torres claimed that since taking power, his “eyes had been opened” to the problems of the concession, declaring that “with this nationalization...revolutionary power returns the leverage of development to Bolivian hands.” The timing of the nationalization underscored the fact that the action was meant to appeal to the leftist laborers: Torres announced it on the eve of May Day, as labor unions prepared their huge annual rally in La Paz. He then led a parade of workers, students, and peasants the next day.⁹⁶

As with the IMPC confiscation, Torres promised compensation to the Matilde group, but that did not stop the American business community from viewing the nationalization as a dangerous concession to “the Marxist pressure groups.”⁹⁷

Washington also received reports that the Matilde employees feared for their personal

⁹⁵ Helmut Waszkis, *Mining in the Americas: Stories and History* (Cambridge: Woodhead Publishing, 1993), 130.

⁹⁶ Juan de Onis, “Bolivia Seizes American-Owned Mine,” *New York Times*, May 2, 1971.

⁹⁷ *Ibid.* In June, in retaliation for slow progress on compensation, the Treasury Department insisted on not supporting a Bolivian loan from the International Bank for Reconstruction and Development. This response was an example of the aggressive policy track becoming punitive.

safety.⁹⁸ Once again, American policymakers and business owners were left uneasy with Torres's ever-increasing concessions to leftist pressure, as many predicted that he would soon nationalize the last remaining American investments in the country.⁹⁹ In fact, radical leftists groups were already calling for nationalization without compensation of U.S. banks with branches in Bolivia.¹⁰⁰ The Nixon administration's strategy to moderate Torres did not appear to be working.

Ever since Torres had taken the presidency, the power of the left in Bolivia had been growing. Particularly after January 1971, when their mobilization saved the Torres regime from a military coup, radical workers and students began using direct action to achieve specific goals. The various instigators were quite prolific: Interior Minister Jorge Gallardo later wrote that "there was not one week during the Torres government when he was not required to solve some crisis caused by direct action."¹⁰¹ Though such direct action often involved hostage-taking and mass mobilization, the Torres regime maintained its unwillingness to use force to resolve the crises. In one particularly explosive confrontation in February, locals in Oruro mobilized to demand the removal of the army barracks from the city center. The demand carried weight because Oruro had been the site of a bloody confrontation during Miranda's October coup attempt. Twenty

⁹⁸ Telegram, Secretary of State to American Embassy (La Paz), May 7, 1971, NSC Files, CF—LA, Box 770, RNPL.

⁹⁹ These remaining investments were South American Placers (a gold dredging company), W.R. Grace & Company (a tin extraction company), and Bolivian Light & Power.

¹⁰⁰ Juan De Onis, "U.S. Companies in Bolivia Uneasy," *New York Times*, May 30, 1971.

¹⁰¹ Dunkerley, *Rebellion in the Veins*, 187. Examples of this direct action included radical students occupying mansions and properties that had been owned by Barrientos, as well as local workers and peasants taking bureaucrats hostage in order to extract promises to finish infrastructure projects. At this time, the ELN was also engaging in random acts of terror and provocation of the right, including occupations of businesses and kidnappings of important businessmen.

people had died in the conflict between the military and the students and laborers.¹⁰² In the latest confrontation, the popular forces were on the verge of declaring a department-wide general strike before the armed forces stood down and handed over the barracks.¹⁰³ This particular incident was viewed as an insult to the military and angered much of the Bolivian officer corps, an ominous sign for the Torres regime's stability. Of course, the direct actions of the radical leftists were designed to express their hostility not only toward the forces of the Bolivian right, but also toward the Torres regime itself, which, for all its concessions, still would not carry out the leftists' most radical demands. Their strategy to achieve these demands involved increasing pressure gradually until Torres would relent on at least a small issue, generally in an effort to preempt the radicals' direct action. By May, this gradual slide accelerated as certain developments came to a head and changed the political situation in Bolivia.

The watershed moment in May 1971 was built up over several months, starting with the January coup attempt and Torres's subsequent impulsive promise of popular participation in government. Torres ended up formally authorizing the creation of an *Asamblea Popular* (Popular Assembly), basically a body designed to express the views and demands of its participants. Given that the dominant political organizations in Bolivia at the time were mostly leftist, save for the FSB, the assembly would undoubtedly be a body of the left. The *Comando Político* worked to organize the assembly, announcing that it would be formally inaugurated on May 1. However, the organizing was slow, as delegates were elected by work-place assemblies in a complicated and

¹⁰² Telegram, Siracusa to Secretary of State, October 12, 1970.

¹⁰³ Dunkerley, *Rebellion in the Veins*, 187-88.

arduous process.¹⁰⁴ Consequently, May Day served as just the ceremonial start of the assembly, which convened in the legislative palace. The actual commencement of work in the assembly was postponed until June 22. Despite this, the progress in organizing the Popular Assembly was enough to change the political context in which the Torres government was operating. Now the groups of the organized left had the prospect of unity and power ahead of them. The assembly was potentially a political entity that could provide an alternate source of authority to challenge Torres's slow-moving nationalist leftism. Bolivian business interests and the military anticipated the assembly fearfully, worried that the left was about to preempt the power of the Torres government.¹⁰⁵

One sign of the growing influence of the radical left in the context of the Popular Assembly was Torres's decision on May 21 to expel the Peace Corps from Bolivia. The Peace Corps had been operating in Bolivia since 1961, with one of the largest contingents of volunteers in Latin America during the Kennedy and Johnson administrations. Peace Corps volunteers worked with the Bolivian government and with local communities on health care improvement, agricultural work, education programs, and community development projects.¹⁰⁶ Yet in the midst of rising anti-American sentiment by the late 1960s, the Peace Corps quickly became a target of popular antagonism. To many on the left, it came to be viewed as an agent of U.S. influence in Bolivia. Some radicals even claimed that Peace Corps volunteers were providing illegal drugs to the Bolivian youth or

¹⁰⁴ Malloy and Gamarra, *Revolution and Reaction*, 61; Lora, *Bolivian Labour Movement*, 364.

¹⁰⁵ Dunkerley, *Rebellion in the Veins*, 188.

¹⁰⁶ Siekmeier, *Bolivian Revolution and the United States*, 134-39.

that they were CIA agents.¹⁰⁷ Another important complaint, not exclusive to the Bolivian left, centered on the Peace Corps program of distributing birth control materials and information. Some opposition, particularly among the *campesinos*, was articulated in religious terms (most of Bolivia's population was Catholic), but most Bolivians also saw little need for contraceptives, as infant mortality, especially in rural areas, was quite high. Some leftists took this point much farther, asserting that the birth control program was actually an American conspiracy to limit Bolivian population growth (and thus Bolivian geopolitical power) or even to commit genocide. These accusations gained momentum among Bolivians after the 1969 release of a new Bolivian film, *Yawar Mallku* (Blood of the Condor, in the indigenous language Quechua), which depicted Peace Corps volunteers embarking on a program of deliberate sterilization in order to destroy Indian culture.¹⁰⁸ The movie helped stimulate immense popular animus toward the United States and the Peace Corps.

In May 1971, the preparations for the Popular Assembly gave the *Comando Político* even greater power and influence over Torres, and it continued its calls for expulsion of the Peace Corps. Of course, leaders of the organized left had been making this demand for some time. For example, along with the U.S. military mission and the CIA, the Peace Corps was a target of demands for expulsion included in the *Comando's Tesis Política* in May 1970. The same measures were included in the twenty demands the *Comando* had given Torres in October, expressed publicly again by Lechín in

¹⁰⁷ David F. Belnap, "Anti-American Mood Darkens in Bolivia," *Los Angeles Times*, June 4, 1971; Siekmeier, *Bolivian Revolution and the United States*, 144.

¹⁰⁸ H.J. Maidenberg, "In Bolivia, Illiteracy Curbs Anti-U.S. Drive," *New York Times*, December 27, 1969; Siekmeier, *Bolivian Revolution and the United States*, 141-45.

November.¹⁰⁹ When Torres acceded to the calls to eject Peace Corps volunteers, it was a significant victory for the left, not least because expulsion of the Peace Corps had often been linked to demands for removal of U.S. clandestine and military presence in Bolivia.

Accordingly, the Nixon administration was growing increasingly worried about the direction of the Torres regime. The Peace Corps expulsion appeared to Washington a bad omen. A June 7 memo from the State Department claimed that Torres had cancelled the Peace Corps agreement “in order to gain a stop-gap political advantage with the left which had mounted a campaign of falsehoods against the volunteers.” This concession to the left was viewed as an insult to the United States and to the long history of economic and technical aid that it had provided to Bolivia.¹¹⁰ In fact, Siracusa viewed the ejection of the Peace Corps, along with the drawn-out student occupation of the BNCs, as “slights” that exemplified the “insults and ingratitude we have suffered here” and that might prevent any further positive programs of aid because of Washington’s “frustration and bruised feelings.”¹¹¹

More important, however, than the offense caused to the United States by the ejection of the Peace Corps was the fear it caused that the Torres government would soon seek “the complete elimination of US influence and even presence in Bolivia.”¹¹²

Specifically, Washington feared that the U.S. military presence would be the next target.

¹⁰⁹ See p.88 and p.92-93 of this thesis.

¹¹⁰ Of course, many Bolivians viewed this “great generosity” rather differently than Washington did, labeling its economic programs as exploitative American imperialism. See Telegram, Siracusa to Secretary of State, October 8, 1970.

¹¹¹ Telegram, Siracusa to Secretary of State, June 3, 1971, NSC Files, CF—LA, Box 770, RNPL. The BNC in La Paz was occupied until April 7, 1971, when Torres expropriated the premises and promised compensation. See Belnap, “Anti-American Mood Darkens in Bolivia,” June 4, 1971.

¹¹² Telegram, Siracusa to Secretary of State, June 3, 1971.

As with the Peace Corps, there was already plenty of rhetoric coming from the Bolivian left calling for the removal of the U.S. military mission, which had long been viewed as a potential tool of interference in internal Bolivian affairs. In the context of the leftist mobilization in May, Ambassador Siracusa identified “a campaign of mounting crescendo...to achieve ouster of the missions...about or before the re-convening of the Popular Assembly on June 22.”¹¹³ The fear that this caused within Washington was shaped by the way in which the Nixon administration viewed the purposes of the U.S. military presence in Bolivia.

The activities of the U.S. military in Bolivia were directed by the program officially known as the U.S. Military Assistance Advisory Group (MAAG, or Milgroup). The MAAG provided training to Bolivian armed forces, working in conjunction with MAP, which provided aid in the form of materiel. The United States had MAAGs throughout the world. In Latin America, the MAAGs were meant to serve “purposes of contact and influence.” A January 1971 State Department report noted that “beyond their purely security or military value,” the MAAGs were “significant contributors to better understanding of U.S. objectives and motives, and thus constitute potentially useful vehicles for influencing Latin American military leaders.”¹¹⁴ This was seen as fitting with Nixon’s policy of maintaining close relations with military leaders on the continent, including his support of right-wing military dictatorships. Another major aim of the MAAG was to help the armed forces gain the capability to counter guerilla subversion

¹¹³ Ibid.

¹¹⁴ One type of such influence was meant to instill U.S. values and pro-American sentiments in individual military officers. This influence often became useful to Washington when U.S-trained Latin American officers rose to power in their own countries. Torres’s successor Colonel Banzer, who was educated at the U.S. Army School of the Americas, was a prime example.

and to provide security necessary for “orderly political, social and economic development.”¹¹⁵ For the White House, a capable and strong military meant greater stability and development for a country.

However, in Bolivia, the situation was somewhat more complicated. First of all, while Torres was technically at the head of a military dictatorship, Washington never really viewed him as the type of military dictator that it sought when it searched out guarantors of stability. In the first few days after Torres’s coup, U.S. officials had hoped that Ovando and the military could influence Torres to moderate himself and cater to U.S. interests, but the ensuing months of increasing concessions to the left and growing divisions within the military disabused them of that notion. In theory, Torres had presented a dilemma: should Washington support a military dictator if that dictator was a leftist? In reality, American analysts eventually overcame this challenge when they came to view Torres as less of a military dictator and more of a transitional leader in danger of leftist takeover. He could not be relied upon for stability in the same way that a right-wing ruler could be. In any case, for Washington, a leftist military dictator guaranteeing stability was a contradiction in terms. Torres began with a leftist tilt, which made him susceptible to popular pressure and therefore weak. That weakness then became self-perpetuating as Torres was pushed farther and farther left.

The other complication for the military situation in Bolivia was the continuing divisions within the armed forces. Torres had never had the complete support of the military, and though he retained the loyalty of certain key military commanders, opposition to his rule had begun to spread through much of the institution by mid-1971 in

¹¹⁵ Memo, State Department to Kissinger, January 12, 1971.

response to his various political and economic concessions. This opposition, however, was still fragmented and without a clear leader after eight months of Torres's rule. This fragmentation left American analysts at a loss. On June 16, 1971, a CIA intelligence memo reported that "traditionally the most powerful institution of the nation and the guarantor of political stability, the military under Torres remains divided, dormant, and leaderless."¹¹⁶ The problem was twofold. First, the Bolivian armed forces were not in a position to stabilize the leftward shift and increasing disorder in Bolivia, and they would not get into that position until they unified, either for or against Torres. Second, the military was the only institution in Bolivia over which the United States had any real influence. The weakness of the armed forces thus undermined U.S. capability to shape events in Bolivia.¹¹⁷

Crucially, American policymakers viewed the source of U.S. influence over the Bolivian armed forces as being the military aid and training that the armed forces had been receiving from the MAAG and MAP for over a decade. An options paper prepared for the Senior Review Group (SRG) in June 1971 reported that military aid had given the Bolivian armed forces a "certain general pro-U.S. predisposition." It also noted that both Torres and Ovando "were somewhat unusual within the Bolivian military in having had relatively little association with our Milgroup activities in recent years," the implication being that if they had worked with the MAAG, perhaps they would have supported U.S.

¹¹⁶ Intelligence Memorandum, CIA, Directorate of Intelligence, "Bolivia Under Torres," June 16, 1971, Senior Review Group Meetings, Bolivia 6/17/71, Box H-055, RNPL.

¹¹⁷ The corollary of this problem was that a weak and divided military was unlikely to produce any men who could successfully take power from Torres.

interests more strongly while in power.¹¹⁸ The U.S. military missions were viewed as paramount to U.S. influence in Bolivia and even to the possibility of stabilizing the country. Because of this, American policymakers were deeply concerned about the signs that Torres would terminate the MAAG agreement.

Of course, there had long been calls by the Bolivian left to expel the U.S. military mission, but three events in particular provoked genuine fear in Washington that Torres might soon oust the mission. The first two were the inauguration of the Popular Assembly and the Peace Corps expulsion. The last event was a meeting between Torres and Siracusa on June 2, which Siracusa summarized the next day in a cable to the State Department. Their meeting had focused on the U.S. military missions, as Siracusa raised concerns over the “beginnings...of an attack on them in the same way the Peace Corps was ousted.” In response, Torres complained about the lack of funding for MAP, since its winding-down meant that the Bolivian military would soon stop receiving new American materiel. Siracusa reported with alarm that Torres had said “without MAP, missions here [were] of no use.” In other words, if Bolivia was not receiving American-made weapons, they had no need for American training. In his cable, Siracusa also stated that Army Commander Reque-Terán had told the press that “a balance would have to be struck to decide whether the missions here are of continuing value,” a statement Siracusa found “equivocal and not reassuring.” In view of these statements, Siracusa believed that Torres might be on the verge of submitting to radical demands to expel the MAAG, a move that would be much more serious than the ousting of the Peace Corps.¹¹⁹

¹¹⁸ Options Paper on Extraordinary Military & Economic Assistance for Bolivia, June 16, 1971, National Security Decision Memorandums, NSDM-114, Box H-224, RNPL.

¹¹⁹ Telegram, Siracusa to Secretary of State, June 3, 1971.

The U.S. concern over the MAAG in Bolivia led to a new round of reevaluation of U.S. policy toward the country. The possibilities for a U.S. response to the situation were presented in an annual State Department paper known as the Country Analysis and Strategy Paper (CASP), written in May 1971. The CASP gave three options for U.S. policy toward Bolivia. First, the United States could “continue to cooperate with and support the Torres government or similar successor regimes through (a) economic assistance probably not to exceed \$20 million per year, and (b) strengthening the military institution with MAP assistance.” Second, it could adopt a “passive wait-and-see attitude” and do nothing. Third, Washington might “seek to encourage some alternative political force to the Torres government.”¹²⁰ Respectively, the first and third options were basically the cautious and aggressive policies between which the Nixon administration had been vacillating for months, though the positive assistance program was more coherently and specifically stated than it had been previously.

In his June 3 telegram, Siracusa made clear that he supported the CASP’s first option for a positive program. He warned his superiors that “unless there is some change for the better by a beefing up of strength and determination by the Torres government, or its replacement by something better, we are likely to lose very much in the coming months or even weeks.” Therefore, he recommended that a positive program be instituted as soon as possible. If nothing was done, “most if not all of our investment interests” would be lost, along with “much of our official presence.” Choosing the first option indicated that Siracusa still held out some small hope that the Torres government could be strengthened, though he now placed more emphasis on military aid as a way to

¹²⁰ Memo, State Department to Kissinger, June 7, 1971.

maintain U.S. influence and the Bolivian military's strength. Siracusa explicitly rejected the third option, which amounted to aiding a coup. He warned that "we don't do these things very well, that the risks are very high, and that it would be very hard to find among all of the possibilities here, any individual or group in which we would care to put any confidence whatsoever."¹²¹ A positive program of supporting the Bolivian military was the best option in view of these practical obstacles.

In part Siracusa justified his recommendation by describing Bolivia's deterioration in Cold War terms. He warned that if the United States did nothing, it could end up with another communist state in the hemisphere, asserting that "things could get so bad here so fast that the Russians would have another communist foothold in Latin America and at a very cheap price. It is my conclusion that we must do something to fight this and that we must do it by positive means and immediately." Significantly, Siracusa noted that "the regime is not all military," laying much of the blame for the Torres government's radicalization at the feet of "relatively small extremist civilian elements" in the cabinet who desired Soviet influence in Bolivia. This claim displayed Siracusa's belief that if the (non-leftist) military could unify and counter these civilian elements, the Bolivian situation might be improved and the slide toward the Soviets halted. As it was, the armed forces remained divided. Further, because MAP aid was ending and Washington was maintaining pressure on Bolivia to compensate nationalized companies, there was an economic void that could easily be filled by the Soviets, who could provide some aid to "easily exploit all of our problems and strike pay-dirt in deeply felt Bolivian

¹²¹ Telegram, Siracusa to Secretary of State, June 3, 1971.

emotions.”¹²² Essentially, growing Bolivian instability and resentment toward U.S. involvement left the country more open to international communist influence. This argument had a significant impact on American policymakers, who were duly convinced that something had to be done in Bolivia.¹²³

Several such arguments combined to cause a shift in priorities for the cautious policy track in the Nixon administration. While proponents continued to advocate for increased support to the Torres regime, the support was now aimed in particular at shoring up the Bolivian military. Siracusa’s reports, along with the Torres government’s facilitation of the Popular Assembly, had convinced the State Department that the military was “the only force in Bolivia which may possibly be capable of slowing or stopping the leftward swing at this point.” Yet the serious divisions within the military meant that it was “unlikely to act unless its spine is quickly stiffened.” Siracusa and the State Department viewed the suggested positive program of MAP materiel as the best way to “give an immediate incentive to the Bolivian military to assert itself against the extreme left with the force and unity required to prevent expulsion of the Milgroup and to preserve itself from extinction or domination by the political left.”¹²⁴ As Siracusa put it, “the only hope for Bolivia is in a revitalization of the military institution.”¹²⁵ If the

¹²² Ibid.

¹²³ A week after Siracusa’s telegram, the CIA compiled a timeline of Soviet activity in Bolivia going back to June 1970 when the first Bolivian tin was sold to the Soviet Union. The timeline’s examples were used as evidence that the Torres regime was beginning a tilt toward the USSR. Soviet activities included offering Bolivia a \$27.5 million credit, establishing an embassy in the country, and sending a military attaché. See Memo, Nachmanoff to Kissinger, June 17, 1971, SRG Meetings, Bolivia 6/17/71, Box H-055, RNPL.

¹²⁴ Options Paper, June 16, 1971.

¹²⁵ Telegram, Siracusa to Secretary of State, June 5, 1971, NSC Files, CF—LA, Box 770, RNPL.

Bolivian military was strengthened and could be relied upon, Washington could preserve its own influence in the country.

The proponents of this new aid program also hoped to use it to influence Torres himself. The State Department stated a dual goal with regards to Torres. First, authorization of economic aid might “persuade Torres...that it was in his interest to repair relations with the U.S.” This was a return to the policy of using economic aid as leverage to moderate the president. Second, the combination of military and economic aid might convince Torres “to collaborate in the strengthening of the Bolivian military as a professional institution oriented toward moderation and capable of resisting the leftward political course of the country.”¹²⁶ Even if the first goal failed, as the NSC’s Arnold Nachmanoff argued, at least the U.S. program would “strengthen the Bolivian military and our ties with them in order to be in a better position if Torres goes.”¹²⁷

All these arguments were soon advanced in the context of deliberations over National Security Decision Memo 114 (NSDM-114). In writing the memo, Nixon’s advisers provided him with several options for military and economic aid to Bolivia. The purpose of economic aid would be to “tempt him [Torres] with economic assistance in return for governmental policies and decisions more to our liking.”¹²⁸ In reality, Nixon’s advisers acknowledged that economic aid to Bolivia had a long history of “mixed or debatable results,” as Kissinger and Nachmanoff admitted that “there is little reason to think economic aid will have any significant bearing on the immediate political

¹²⁶ Options Paper, June 16, 1971.

¹²⁷ Memo, Nachmanoff to Kissinger, June 17, 1971, SRG Meetings, Bolivia 6/17/71, Box H-055, RNPL.

¹²⁸ Telegram, Siracusa to Secretary of State, June 7, 1971, SRG Meetings, Bolivia 6/17/71, Box H-055.

problem.”¹²⁹ In any case, they presented Nixon with four options, ranging from exerting “maximum economic pressure” on Torres by phasing down all aid until progress was made in improving the political climate and reaching compensation deals (Option A), to offering emergency economic aid and loans conditioned on only “nominal progress” in compensation deals (Option D).¹³⁰ Nixon chose Option B, which withheld loans but maintained technical aid programs—that is, the option that rejected economic aid as a tool of either strongly positive or negative pressure.

The more important part of NSDM-114 was the presentation of five options for military assistance to Bolivia. Option A was to do nothing, which was clearly unacceptable to Nixon’s advisers, as they had already concluded that the “wait-and-see” method would allow further deterioration and the MAAG’s expulsion. Option B was to notify Torres that Washington would consider a MAP extension if the political climate improved, while Options C, D, and E were all offers of military aid, in varying amounts and with different timetables. On June 23, Nixon approved Option D, which called for an immediate input of \$1 million in MAP training, ammunition, and civic action equipment, along with a MAP program of up to \$7 million, to be furnished over the coming few years, contingent upon “some continuing promise of an improvement in the political climate.”¹³¹ This choice indicated that the Nixon administration was fully shifting its hopes for any kind of moderation of the Torres government squarely onto the military.

While the Nixon administration was debating NSDM-114, the Popular Assembly began its first session. It lasted ten days and was presided over by Juan Lechín, who was

¹²⁹ Telegram, Siracusa to Secretary of State, June 7, 1971; *FRUS, 1969-1976*, Vol. E-10, Document 102.

¹³⁰ Options Paper, June 16, 1971.

¹³¹ *FRUS, 1969-1976*, Vol. E-10, Document 103.

elected president of the assembly. The group's makeup reflected the realities of the political left in Bolivia as "a fragmented and contradictory mélange of parties and groups."¹³² The delegates were dominated by the middle and working classes, who together held eighty-four percent of the seats, with peasant representatives making up just ten percent. There were representatives from many different leftist parties, including the MNR, PRIN, PCB, POR, and the MIR (*Movimiento de la Izquierda Revolucionaria*, or the Revolutionary Left Movement).¹³³ The right-wing FSB received three percent of the delegates.¹³⁴ With such a varied composition, members of the Popular Assembly had different views on the role that the group was meant to play. Legally, it was no more than a gathering of delegates who could express their views. Some representatives thought of the assembly as a "school" or a body of debate, or even as a group that could build leftist power toward the eventual goal of forming a workers' government.¹³⁵ The most radical were thinking of the Popular Assembly as a force to supplement or challenge the authority of the Torres government. Considering this multiplicity of interpretations, in general, the Popular Assembly should be viewed as an experiment in expressing the views and demands of the left and formulating a leftist program of government. The assembly demonstrated how a democratic workers' government might look.

Accordingly, the Popular Assembly and its decrees were the subjects of close attention in both Bolivia and the United States. In one of its first resolutions, the group defined itself and its general goals, stating that "the Popular Assembly is constituted as

¹³² Malloy and Gamarra, *Revolution and Reaction*, 58.

¹³³ The MIR was formed in May 1971 from various groups, including the Christian Democrats and radical students from the MNR.

¹³⁴ See Malloy and Gamarra, *Revolution and Reaction*, 61-62 for more on the makeup of the Popular Assembly.

¹³⁵ Dunkerley, *Rebellion in the Veins*, 192.

the leadership and unifying center of the anti-imperialist movement, and its fundamental objective lies in the achievement of national liberation and the installing of socialism in Bolivia. It is an anti-imperialist front directed by the proletariat.”¹³⁶ To this end, the assembly focused on three key issues: using popular courts to hold the military and past governments accountable for “corruption and actions against the people”; *cogestión* (worker participation) in the management of state companies like COMIBOL; and the use of armed power by popular forces.¹³⁷

All three of these main issues discussed in the Popular Assembly were viewed as a threat by opponents of the leftists. The policy of *cogestión* was seen as a challenge to private business. *Cogestión*, as defined by the assembly, amounted to effective control of the state-run enterprises, and in some cases private companies, by the workers themselves. This was a threat to the status quo of the Bolivian business community, especially in Santa Cruz, a region in which opposition to nationalist economic policies was centered (Santa Cruz was home to much of the oil and gas production in Bolivia). Private-sector groups headquartered in Santa Cruz had been growing increasingly opposed to Torres and the left as the year progressed. Their stance was coordinated by the *Confederación de Empresarios Privados de Bolivia* (CEPB, or Confederation of Private Employers), which openly opposed the Popular Assembly and Torres’s economic policies.¹³⁸

The Popular Assembly’s other two major resolutions challenged the Bolivian military institution. The demand for popular courts aimed to create a space in which to

¹³⁶ Quoted in Dunkerley, *Rebellion in the Veins*, 194.

¹³⁷ Malloy and Gamarra, *Revolution and Reaction*, 62.

¹³⁸ *Ibid.*, 64.

pass judgment and punish military officers and government officials who had committed “crimes against the working class.”¹³⁹ Presumably the delegates had in mind the past instances of bloody repression of workers on strike. They may also have been thinking of allegations revealed in March 1971 that implicated high military figures, including Barrientos and Ovando, in arms smuggling and political murders.¹⁴⁰ In any case, the resolution was a direct threat to the military, as it called for a new type of judicial authority to be placed in the hands of the people. An even greater threat came in the assembly’s call to arm the people and create popular militias. This demand was in the form of a statement that rightist forces were planning a coup and that if a reactionary rebellion arose, the assembly would take up military and political leadership of popular forces to crush the revolt.¹⁴¹ This was a direct challenge to the military’s institutional role, as well as to the right in general. One indication of this threat was the assembly’s subsequent demand that Torres should arm the people. Of course, as he had always done, Torres refused to distribute weapons, demonstrating his own loyalty to the military institution.

The Popular Assembly both revealed and deepened Bolivia’s political polarization. The military and the forces of the left were becoming ever more opposed to each other, with Torres stuck in the middle. Despite his refusal to arm the people or to recognize any legislative authority of the Popular Assembly, the armed forces were quickly losing whatever trust they had placed in Torres. Meanwhile, the Popular Assembly adjourned on July 2, intending to reconvene in September. The delegates

¹³⁹ Quoted in Lehman, *Bolivia and the United States*, 161.

¹⁴⁰ Intelligence Memorandum, CIA, “Bolivia Under Torres,” June 16, 1971.

¹⁴¹ Dunkerley, *Rebellion in the Veins*, 194.

returned home and formed smaller departmental popular assemblies to work on the same issues locally.¹⁴² Hence it seemed that the Popular Assembly had set off a national movement, which terrified both the business community and the military.

The Nixon administration was nearly as fearful of the escalating tensions in Bolivia. Siracusa interpreted the Popular Assembly's decrees as a signal that the leftists wanted to "reduce the military to little more than a token force," a goal that meant "the very existence of the military as an institution is being threatened."¹⁴³ The Nixon administration was also especially concerned because the Popular Assembly had called for the expulsion of the U.S. military missions and intelligence personnel, and American analysts feared that Torres would concede.¹⁴⁴ Not only was conflict on the horizon, but Washington also worried that it was about to lose all influence over the situation.

The growing tensions in Bolivia, along with the Nixon administration's decision in NSDM-114 to rely on the Bolivian military as a last resort for moderation, led to a reconsideration of the option of engineering Torres's overthrow. Of course, the coup option had been included in the 1971 CASP for Bolivia, and the CIA had recommended building an alternative to Torres as far back as February of the same year. Yet no action on that front had ever been taken as of June 1971. The changing situation in Bolivia made the issue reemerge, though the debate among American policymakers was still divisive. The State Department and Siracusa expressed their staunch opposition to an American policy that could require supporting a coup, even indirectly, while Nixon's intelligence personnel favored programs that would aid anti-Torres groups.

¹⁴² Ibid., 196.

¹⁴³ Telegram, Siracusa to Secretary of State, June 7, 1971.

¹⁴⁴ Juan De Onis, "Bolivia Yields to Left-Wing Pressure," *New York Times*, July 8, 1971.

The debate over aiding anti-Torres forces was closely linked to the discussions of NSDM-114, as the earlier deliberations about the military aid program had occasionally veered into musings on the possibility of a military coup. For example, Nachmanoff had pointed out that “military aid would strengthen the military institutionally, and possibly for a future move against Torres.”¹⁴⁵ In a conversation with Kissinger on June 11, Nixon himself also connected the policy of supporting the military to mounting a coup operation, though he did so more explicitly than Nachmanoff.

Kissinger: We are having a major problem in Bolivia, too. And—

Nixon: I got that. [Treasury Secretary John] Connally mentioned that. What do you want to do about that?

K: I’ve told [CIA Deputy Director for Plans Thomas] Karamessines to crank up an operation, post-haste. Even the Ambassador there, who’s been a softy, is now saying that we must start playing with the military there or the thing is going to go down the drain.

N: Yeah.

K: That’s due in on Monday.

N: What does Karamessines think we need? A coup?

K: We’ll see what we can, whether—in what context. They’re going to squeeze us out in another two months. They’ve already gotten rid of the Peace Corps, which is an asset, but now they want to get rid of USIA and military people. And I don’t know whether we can even think of a coup, but we have to find out what the lay of the land is there. I mean, before they do a coup, we would—¹⁴⁶

Kissinger’s rephrasing of Siracusa’s suggestion of military aid as “playing with the military” distorted the ambassador’s original recommendation into a suggestion to consider working with the military against the Bolivian government. Evidently Nixon had no qualms about turning to a military coup—after all, “playing with the military” was almost a paraphrasing of his policy of supporting right-wing dictatorships.

¹⁴⁵ *FRUS, 1969-1976*, Vol. E-10, Document 102.

¹⁴⁶ *Ibid.*, Document 101.

A framework for direct action against Torres was first presented in a CIA proposal, ordered by Kissinger, for a covert operation in Bolivia. The CIA recommended a “political action program designed to unify the National Revolutionary Movement (MNR) and moderate military leaders.” This program would cost \$410,000 over six months and involve covering the organizational expenses of anti-Torres groups, while also funding a propaganda campaign to criticize Torres’s “increasing dependence on leftists.” The program would hopefully “create a viable opposition capable of exerting pressure against President Juan Jose Torres’ drift to the left and, beyond that, serving as a moderate political alternative in the formation of any future governments.” The proposal admitted that “this is a high risk operation” because it was “inevitable that suspicions [would] grow in Bolivia” as soon as the propaganda campaign started publicizing the opposition message. Yet the authors of the proposal brushed off this concern with the justification that “since the CIA has been accused regularly...of innumerable plots and activities in Bolivia, one more accusation should not cause excessive public reaction.”¹⁴⁷

Notably, the CIA proposal avoided explicitly calling its program a coup. It claimed instead that the operation would just be a way to pressure Torres, though the agency clearly favored a replacement of Torres as long as the operation was carefully planned. There are a number of indications that the CIA was actually favoring a coup. First, it repeatedly warned that an anti-Torres opposition movement was growing even without U.S. involvement. According to the CIA, active opposition elements, including members of the MNR, FSB, and military, were “becoming convinced that action against Torres must be unified and coordinated,” so “progress toward...a common

¹⁴⁷ Ibid., Document 104.

antigovernment front” was being made, and a coup seemed inevitable.¹⁴⁸ Second, the CIA feared that the antigovernment forces were not yet sufficiently organized or funded to successfully carry out a coup. It worried that, “lacking the necessary resources,” the conspirators “may in desperation feel compelled to move prematurely.”¹⁴⁹ Again resurged the old fear prompted by the failures of Miranda and Banzer: “an impulsive and uncoordinated coup attempt” risked defeat and radical takeover.¹⁵⁰ Third, the CIA argued that its proposal would allow Washington to “counsel patience” to the various conspirators.¹⁵¹ That is, the plotters could be convinced to delay their plans, not cancel them altogether. Taken together, all this demonstrates that the CIA’s suggestion of aiding anti-Torres groups was in reality, and most likely by design, aid for an anti-Torres coup.

The CIA proposal was debated at a June 29 meeting of the 40 Committee, during which opponents and supporters of the plan laid out their arguments. The proponents were led by Attorney General John Mitchell, the CIA’s William Broe, and Chairman of the Joint Chiefs of Staff Admiral Thomas Moorer. They relied on many of the same arguments that had been employed during the NSDM-114 deliberations: the military was the only institution capable of stopping a leftward swing, and U.S. support could unify the anti-Torres groups; Torres was weak and unlikely to moderate by himself; the U.S. military presence and overall influence was threatened; and Bolivia was in danger of falling to the Soviets. Other arguments were based on the growing tensions in Bolivia. Mitchell claimed that “a coup is inevitable” and that the CIA’s gambit was “just an

¹⁴⁸ Intelligence Memorandum, CIA, “Bolivia Under Torres,” June 16, 1971; *FRUS, 1969-1976*, Vol. E-10, Document 104.

¹⁴⁹ *FRUS, 1969-1976*, Vol. E-10, Document 104.

¹⁵⁰ Intelligence Memorandum, CIA, “Bolivia Under Torres,” June 16, 1971.

¹⁵¹ *FRUS, 1969-1976*, Vol. E-10, Document 104.

attempt to structure what was going to happen anyway.” In fact, according to Mitchell, the CIA’s program “could be heading off an extremist coup...by the far left.” That is, the CIA action might be defensive. Furthermore, the extent of Bolivia’s deterioration meant that any action had to be taken as soon as possible. Mitchell noted “how often we had waited and waited and then frantically pumped money in at the last minute,” complaining that “I see us frequently waiting until the ball game is over.” Admiral Moorer agreed that the CIA’s proposal was the best option on the table, saying “we do this or we do nothing.” The time had come to take action to avoid the possibilities of continuing deterioration, an impulsive rightist coup, or a leftist takeover.¹⁵²

The opponents of the CIA proposal were led by members of the State Department, including Charles Meyer and U. Alexis Johnson, who were also reflecting the position of Ambassador Siracusa. Their major arguments centered on the dubious practicality of the CIA’s gambit, which Johnson and Siracusa in particular were insistent on calling a coup. Johnson rejected any claim that the CIA program would just be supporting pressure groups and stalling an impulsive revolt, saying that “given the history of such problems, what we are actually organizing is a coup in itself.”¹⁵³ In a later telegram, Siracusa said that in the embassy’s estimation “\$410,000 is coup money,” because Torres’s opponents clearly aspired “to overthrow Torres and seize power, not just to pressure him into a more moderate stand.”¹⁵⁴ The dissenters to the CIA proposal believed that providing funding would not conjure up an effective coup leader. Meyer argued that “what we have now is an automobile plummeting downhill; we are looking for a driver,” because the

¹⁵² Ibid., Document 105.

¹⁵³ Ibid.

¹⁵⁴ Ibid., Document 106.

“opposition we hope to organize was leaderless and ineffective.” In turn, Johnson remarked that “he doubted if we had a horse to bet on.”¹⁵⁵ Siracusa went further, pointing out that the CIA’s gambit was so risky and the situation in Bolivia so uncertain that there was “no satisfactory assurance that we would get anything better than Torres himself.” Siracusa believed it probable that even a right-wing successor government would have to take “an ‘anti-imperialist’ stance and seek ways to demonstrate that it is not a puppet of the U.S.” in order to retain any legitimacy.¹⁵⁶ That is, not only was a successful coup a long shot, it might not even improve the situation in Bolivia.

The dissenters also took issue with the CIA’s blithe dismissal of the risks of exposure. As the proposal admitted, there was a long history of anti-CIA reaction in Bolivia. Whenever there were rumors of CIA involvement in the country, there tended to be a corresponding surge of anti-American hostility. Accordingly, Johnson reported that “secrecy was almost impossible in La Paz” and Meyer warned that “if our hand is detected I foresee a worse fall-out in Bolivia.”¹⁵⁷ Siracusa, meanwhile, was incredulous that the CIA could believe that exposure of U.S. involvement in a coup attempt would just be another CIA scandal without especially severe consequences. He insisted that:

To argue that the CIA gets blamed for everything anyhow does not address the real problem of what would happen to our posture and position in Bolivia if the politically sophisticated...became convinced because of an obvious infusion of money from somewhere that the USG is supporting an attempt to overthrow the government. This would give hard reality to what is usually only latent suspicion re the CIA. What the government’s response might be is anyone’s guess but obviously there are punitive steps open to it such as, at the very least, ejection from the country of members of this Embassy staff.¹⁵⁸

¹⁵⁵ Ibid., Document 105.

¹⁵⁶ Ibid., Document 106.

¹⁵⁷ Ibid., Document 105.

¹⁵⁸ Ibid., Document 106.

In other words, in a country that was “hypersensitized to clandestine political activity,” the last thing Washington should want to do was launch a high-risk covert operation.¹⁵⁹

As the 40 Committee considered whether to throw its weight behind anti-Torres forces, the Bolivian right moved nearer toward launching a coup, largely in reaction to the provocations of the left and the Popular Assembly. Santa Cruz became the center of a campaign of economic sabotage against the Torres regime, as large agricultural businesses began holding back production, and food prices shot up. Many of these regional business interests had close ties to Colonel Banzer. Though he had been exiled to Argentina in January, Banzer had made several secret trips to Bolivia in the following months, supported by the Brazilian military.¹⁶⁰ By mid-1971, Banzer had formed a close alliance with leaders of the MNR and the FSB, along with military dissidents like Major Humberto Cayoja, who had been an original leader of pro-Miranda forces in October 1970. Banzer also began receiving the support of various church and military figures once indications surfaced that the leftists were making inroads in shifting the church to a “popular orientation” and forming a leftist vanguard within the armed forces.¹⁶¹ Such threats galvanized the anti-Torres groups, and by August, it was widely assumed that a coup would soon be undertaken.

The role of Washington in these coup preparations is hard to fully discern. Details of the 40 Committee’s ultimate decision and the circumstances surrounding it remain mostly classified, but it is clear that the committee decided to take some form of action

¹⁵⁹ Memo, State Department to Kissinger, June 16, 1971, NSC Files, CF—LA, Box 770, RNPL.

¹⁶⁰ For more on the Brazilian role, see Dunkerley, *Rebellion in the Veins*, 197.

¹⁶¹ Dunkerley, *Rebellion in the Veins*, 197-98.

along the lines of the CIA's proposal. It appears that the committee authorized the passing of funds to dissident groups led by "one of the ex-military figures involved in coup plotting," presumably Banzer. In an August 1971 letter that remains classified save for a vague summary, Helms apparently notified Kissinger that the 40 Committee had ordered this action. Interestingly, it seems that the White House was not made aware of the decision beforehand. Nachmanoff and Kissinger were informed of the CIA's action on August 19 only because it seemed that Bolivia might be on the verge of a right-wing coup, and the CIA feared that its gambit had increased "unnecessarily our vulnerability to charges of intervention." Subsequently, Nachmanoff reported that "it was agreed that no further funds would be passed by [classified] without reference to Washington."¹⁶² It seems, therefore, that the CIA had decided to at least partially follow the aggressive policy of supporting Torres's opponents, despite dissent from the State Department and Ambassador Siracusa.

By August 1971, the Nixon administration had undergone repeated reevaluations of its policy toward Torres's Bolivia. Initially, it had hoped that, like Ovando, Torres could be manipulated into reversing his early leftist stance. In pursuit of this hope, the CIA, NSC, and State Department worked together on a gambit to convince Torres that he could work with Washington if he moderated his position. Yet, as time went on, the weakness of the Torres regime grew more apparent to the Bolivian left, the military, and Washington. As Torres was forced to preempt the growing power of the leftists by yielding to some of their demands, military opposition to him grew and the Nixon administration began a program to shore up its influence in the armed forces by providing

¹⁶² *FRUS, 1969-1976*, Vol. E-10, Document 107.

increased military aid. By June 1971, the White House was seriously considering a more aggressive policy of cultivating an alternative political leader to foment a coup. The inclination to implement this aggressive strategy was largely based on the Nixon administration's deeply held belief that a strong and capable military could maintain stability in countries like Bolivia. Torres did not fit the policy of supporting military dictators because he was a leftist, and therefore inherently weak and unstable. Thus, when many of Nixon's advisers concluded that Torres could not be moderated or strengthened, some of them turned to the option of covert action to support "moderate" military leaders, despite plenty of practical arguments against this strategy. Meanwhile, tensions in Bolivia continued to escalate as the left and the right headed for yet another confrontation, with Washington hoping that the right-wing forces would finally triumph.

Chapter Four: A New Optimism

In August 1971, President Torres had been in power for just ten months, attempting to bridge the growing political divide in Bolivia, when his regime was toppled by the newly unified forces of the right. The revolt, which was the third serious right-wing coup attempt in less than a year, was the bloodiest rebellion Bolivia had seen since 1952. The rebels aimed to repudiate the last two years of experimentation by leftist military governments under Ovando and Torres, a goal that was warmly received in Washington. The Nixon administration, after having struggled to balance its preference for stable, right-wing, and, if need be, authoritarian rulers with the reality of weak leftist presidents in Bolivia, was relieved to find that a conservative and pro-American leader had at last come to the fore. Colonel Hugo Banzer embodied Nixon's ideal military leader. This was reflected in the new U.S. policy toward Bolivia; Washington quickly expressed its support and began dramatically increasing aid to the country. The change in American attitude toward Bolivia, in conjunction with the clear differences in policy and ideology between Banzer and his two predecessors, served to further illuminate the Nixon administration's policy toward right-wing dictators and to illustrate why Ovando's and Torres's leftist regimes presented such challenges to that policy.

In the last month of Torres's reign, as Washington struggled to find a way to handle Torres's weakness and the growing tensions between the Bolivian left and right, a reactionary coup was brewing. Various right-wing groups, including representatives of the military and the private sector, were marshaling their resources to launch a rebellion against Torres, who had alienated both the left and the right with his reaction to the

Popular Assembly in June. The uprising began on August 18 in Santa Cruz, a hotbed of anti-Torres sentiment. The revolt's Santa Cruz origin distinguished it from past Bolivian coups, which had typically begun in La Paz. It also reflected two important aspects of the uprising. First, Santa Cruz was emerging as a center of political and economic power in Bolivia, specifically representing conservative opposition to the leftist economic nationalism of the Torres regime. This explains why the rebellion was strongly supported by the private sector, as represented by the conservative CEPB. Second, the *cruceño* Colonel Banzer was the most prominent conspirator planning the coup. Born in Santa Cruz, he had close connections to the *cruceño* business community and, therefore, he had the trust of the conservative businessmen who helped finance the coup attempt.¹ In fact, Banzer had close connections with several right-wing military, economic, and political groups, including the CEPB and the FSB.

Despite Banzer's prominence in the coup planning, he was not directly involved in the execution of most of the plot. On August 18, he was arrested in Santa Cruz after military intelligence officers were alerted to his presence in the region. Three of Banzer's partners were taken into custody soon after for engaging in "subversive discussions."² Yet other conspirators, including Major Cayoja, were still free to continue their plans. They pressured Colonel Andrés Selich, commander of the U.S.-trained and equipped Bolivian Rangers, to take over Santa Cruz. After receiving funding from the business community, Selich agreed to act and seized the city the next day. He had the support of FSB paramilitary forces armed with Brazilian weapons and publicly stated he was

¹ Malloy and Gamarra, *Revolution and Reaction*, 67.

² Dunkerley, *Rebellion in the Veins*, 198; Memo, Nachmanoff to Kissinger, August 19, 1971, NSC Files, CF—LA, Box 770, RNPL.

working for an alliance of the MNR and FSB. By August 20, after bloody clashes that left many dead, the rebels had successfully taken over Santa Cruz, and they were free to turn their attention to La Paz.³

As the coup was unfolding, American observers worried about the ultimate outcome of the reactionaries' move. On August 19, the American Embassy in La Paz speculated that the plotters might not actually have all the military support that they claimed, reporting that if a serious coup attempt got underway, "it is unclear which side would emerge victorious." Nachmanoff told Kissinger that "there is danger that fighting within the military could break out in the face of a coup attempt" and that if the conspirators took too long, Torres might be able to rally support from the workers and students, leading to "serious civil strife and bloodshed." Washington had long feared civil war as a potential outcome of the upheavals in Bolivia, in part because the ultimate result of such a war might be the defeat of the Bolivian right wing. Over the previous year, American analysts had repeatedly concluded that a failed conservative coup attempt would result in a leftward swing in Bolivia, and the August 1971 coup at first seemed no different; Nachmanoff warned that "should an attempted coup be unsuccessful, the strength and influence of moderate elements in and out of the military probably would be seriously weakened and the Torres regime probably would be solidified in power."⁴ The chances of avoiding this undesirable outcome came down to whether the military was unified around the coup attempt and whether popular forces could muster the power to turn the rebels back.

³ Dunkerley, *Rebellion in the Veins*, 198-99.

⁴ Memo, Nachmanoff to Kissinger, August 19, 1971.

Ultimately, it became clear in La Paz that the military was largely unified behind the rebels, and the right-wing revolt took shape as a violent confrontation between the leftist popular forces and the military, with Torres essentially ineffective. He had lost the support of nearly all the officer corps, with the result that military resistance to the rebels was limited. As in Miranda's attempted coup of October 1970, there were a number of units that waited to join the fighting, hoping to declare for the winning side. Just a single military unit actively supported Torres to the end. The only chance for the Torres regime was in popular mobilization, which had performed a crucial role in protecting Torres during moments of crisis over the previous year. As it had done in the past, the *Comando Político* called for a popular uprising and general strike on August 20, issuing a statement that declared:

At this crucial moment we must denounce the way reactionary forces are openly conspiring.... It is the hesitation, weakness and dangerous lurches from right to left of the Torres government which are to blame. The Bolivian people can no longer tolerate this situation. Any concession to the fascist *gorilas* (sic), or any agreement with them, is a direct blow against the revolutionary process, a betrayal of the national interest, and a service to imperialism. Hence the *Comando Político*...calls on all Bolivians...to prepare for combat, and take to the streets. Once and for all we must defeat the *gorilas* (sic), the reactionaries and the servants of imperialism.⁵

Evidently Torres himself did not have the full-throated support of the leftists, but they viewed the right-wing coup as enough of a threat to call for direct action against the rebels.

Unfortunately for Torres and the popular forces, two crucial factors crippled their ability to repel the coup. First, the leftists were not adequately armed. Torres had repeatedly promised over the previous year that he would arm the workers if the military

⁵ Quoted in Lora, *Bolivian Labour Movement*, 367-68.

turned against them. Yet, at the moment of serious crisis, he steadfastly refused to do so. In part, this refusal reflected Torres's lasting commitment to the military institution and his reluctance to undermine it by distributing arms to civilian forces.⁶ Torres claimed that if he took arms from the military to give to the workers, he would lose the loyalty of the few remaining troops on his side.⁷ In any case, Torres had few weapons available to him, as discovered by the crowds of students and workers when they finally seized the army's central stores and found only 1,200 guns that were old and mostly unusable.⁸ Miners armed with dynamite and a handful of workable guns were not going to be strong enough to stop the forces of the nearly united Bolivian armed forces. This unexpected unity was the other crucial factor that undermined the resistance. The popular forces had expected more military support, particularly from the air force, which had been key to Torres's 1970 seizure of power. Instead, the armed forces moved in to eliminate the last desperate resistance fighters. By the night of August 21, Torres was in hiding at the Peruvian Embassy and Banzer had been released from prison in La Paz by his comrades.⁹

On the same day, Kissinger wrote a memo for President Nixon offering an initial analysis of the coup. He was careful not to assume that Torres had been completely defeated or that the rebels were ready to take power. Instead, Kissinger counseled caution, noting that "there still is a high probability of violence erupting." Even if Torres was permanently out of power, Kissinger believed most of the popular forces were still

⁶ Malloy and Gamarra, *Revolution and Reaction*, 67. Perhaps Torres was remembering that the last time civilians had been armed, in the 1952 revolution, the national military force had ended up dismantled for several years.

⁷ Lora, *Bolivian Labour Movement*, 368.

⁸ *Ibid.*, 369; Dunkerley, *Rebellion in the Veins*, 199-200.

⁹ Dunkerley, *Rebellion in the Veins*, 200; Lora, *Bolivian Labour Movement*, 369.

set on resistance, a reasonable prediction given the level of conflict in Santa Cruz.

Kissinger also warned that:

there is no assurance that the rebel forces can unify sufficiently to reach quick agreement on a successor. One of the key elements of divisiveness in pre-coup planning was who should succeed Torres. There was no agreement among the disparate elements prior to the coup...likely there will be considerable jockeying for power.

There were various contenders among the conspirators, and it was not clear at first that Banzer would emerge as the victor. Kissinger predicted that the rebels would form a conservative military junta in cooperation with the MNR and FSB, but this prospect was not necessarily reassuring, as he believed that “any arrangement which might be achieved would have to be considered interim in any event since the chances for stability are very poor.”¹⁰

There were several reasons to worry about the prospects for stability under the potential new Bolivian government. First, it would have little popular support, aside from the small private sector and possibly the *campesinos*, since it was certain that the workers and students would remain hostile to the new regime. Second, it was set to “inherit an extremely bad economic situation.” This would likely drive the regime to either “call upon the United States for immediate assistance” or to embark on a policy of economic nationalism in an effort to regain “some measure of popular support...[and] maintain its nationalist credentials.”¹¹ Washington, therefore, would have to tread carefully to avoid a repeat of Ovando and Torres’s economic policies.

There was also a crucial problem in that the composition of the potential new ruling coalition would make it inherently unstable. An alliance between the fascist FSB

¹⁰ Memo, Kissinger to Nixon, August 21, 1971, NSC Files, CF—LA, Box 770, RNPL.

¹¹ *Ibid.*

and conservative military leaders at least made some sense, but the centrist MNR was an ill-fitting member of the triad. The MNR and FSB had been bitter enemies for decades, and they appeared to have come together in 1971 only out of opposition to Torres and ambition to take power for themselves.¹² The strange coalition, which had been formed some time before the August coup, aimed to combine the MNR's legitimacy as the revolutionary party of 1952 with the right-wing credentials of the FSB and the power of the military. Washington certainly bought the image of legitimacy; later, Ambassador Siracusa asserted that, given the support of "the two major political parties which are the only ones of any importance in Bolivia," the coalition government was the "broadest-based government in recent Bolivian history."¹³ Yet, in reality, there was little in the way of a positive program to unite the different groups, and the ideological underpinnings of the FSB, the conservative military, and the MNR were at times so contradictory as to be absurd. For example, on August 21, the MNR's Víctor Paz issued a statement from exile in Lima that the coup had created the conditions for "realizing the outstanding tasks of the national revolution and preparing the transition to the socialist stage, which ought to be reached tomorrow," a bizarre assertion in view of the military's and the FSB's conservative motives for launching the coup.¹⁴ Clearly, a governing alliance between such disparate groups would be, at the very least, difficult to manage.

Yet this odd coalition was precisely what came to power after the coup. Initially, Kissinger's predictions of a three-man military junta were realized, as Colonel Banzer established a triumvirate along with Colonel Selich and General Jaime Florentino

¹² Malloy and Gamarra, *Revolution and Reaction*, 74-77.

¹³ Telegram, Siracusa to Secretary of State, December 6, 1972, NSC Files, CF—LA, Box 770, RNPL.

¹⁴ Quoted in Dunkerley, *Rebellion in the Veins*, 200.

Mendieta Vargas.¹⁵ This arrangement was extremely short-lived, however, as the next day Banzer successfully maneuvered to get the military high command to grant him full presidential powers, relegating Selich to Minister of the Interior and Mendieta to Minister of Defense. In addition to Selich and Mendieta, Banzer's cabinet included other members of the military, along with representatives of the MNR and FSB, who each received four seats.¹⁶

Overall, Washington was quite pleased with the composition of Banzer's cabinet and the early indications that the Banzer regime would be pro-United States and anti-communist. The State Department wrote with relief that Banzer's cabinet members were "well disposed to the United States, regard many of their country's basic interests as running parallel with ours, and unquestionably look forward to having a close and advantageous relationship with us."¹⁷ Washington was also reassured by what it saw as the regime's "essentially anti-communist [and] conservative" orientation, which it hoped would "reverse the alarming drift of the Torres government toward extreme leftism."¹⁸ This hope was strengthened by the knowledge that Banzer himself was enthusiastically pro-American, having had a long association with the United States before seizing power.¹⁹ Unlike Ovando and Torres, it seemed that Banzer would ensure that his government reflected American goals and interests.

¹⁵ State Department, "Situation Report, 0900 Hours EST, August 22, 1971," NSC Files, CF—LA, Box 770, RNPL.

¹⁶ Dunkerley, *Rebellion in the Veins*, 201-202.

¹⁷ Alex Johnson, "United States Policy Toward the New Government of Bolivia," August 24, 1971, NSC Files, CF—LA, Box 770, RNPL.

¹⁸ State Department, "Situation Report," August 22, 1971.

¹⁹ Banzer had trained at the U.S. Army School of the Americas in Panama and attended a military school in Texas, before serving as the Bolivian military attaché in Washington

On the other hand, observers in Washington did acknowledge potential problems in the Banzer government. For example, the NSC noted that because the FSB and MNR had both received representation, “friction in the new government is inevitable,” though its unease with this reality was somewhat assuaged by the NSC’s belief that the military itself was virtually unified and that it would “probably be the dominant and unifying force of the new government.”²⁰ American analysts, however, also acknowledged another likely consequence of the military’s dominance when combined with the instability of an FSB-MNR coalition with little popular support: in such a context, the Banzer government might be weak enough to “resort to excessive repression to cope with its problems.” This was worrisome in part because, given the pro-American orientation of the Bolivian regime, the United States “would risk sharing responsibility for its repressive reputation.”²¹ Indeed, as the State Department pondered this possibility, violent political repression was already underway in Bolivia.

Bloody conflict and military repression had begun before the coup was even complete, as the poorly armed popular forces fought desperately against the united military. The State Department reported that August 21 had seen eight hours of fighting in La Paz, during which up to one hundred were killed and many more wounded.²² After Banzer claimed the presidency, resistance continued at San Andrés University in La Paz. Government troops launched an attack to crush the student forces, representing a stark

starting in 1966. See Javier A. Galván, *Latin American Dictators of the 20th Century: The Lives and Regimes of 15 Rulers* (Jefferson: MacFarland & Company, 2012), 119-20.

²⁰ Memo, Richard Kennedy and Arnold Nachmanoff to Kissinger, August 22, 1971, NSC Files, CF—LA, Box 770, RNPL.

²¹ Johnson, “Policy Toward the New Government,” August 24, 1971. American concerns over being linked to Banzer’s repression were furthered by the fact that many Bolivians suspected Washington had played some role in the August coup.

²² State Department, “Situation Report,” August 22, 1971.

difference from Torres, who had consistently refused to use military force to dislodge leftist protestors. On August 22, Kissinger received a report that “a mopping operation is underway at the university.” The short operation ultimately resulted in scores of casualties and hundreds of students taken prisoner.²³

In the weeks after the students’ defeat, the Banzer regime began systematically repressing leftist leaders. The COB, FSTMB, and all political parties to the left of the MNR were quickly declared illegal, and their leaders were targeted.²⁴ Many were killed, imprisoned, sent to detention camps, exiled, or otherwise disappeared as the government worked to “break the back of the ideological Left and its sympathizers.”²⁵ The repression was led by Interior Minister Selich, who was zealous in his encouragement of violence against dissidents.²⁶ The Banzer regime also exhibited a proclivity for arresting potential opponents without due process, decreeing early on its right to hold suspects indefinitely. All told, many thousands would be arrested and even more forced into exile during the seven-year period of Banzer’s rule, with hundreds executed.²⁷ Ultimately, early American concerns that the Banzer government would be repressive turned out to be well-founded,

²³ Memo, Kennedy and Nachmanoff to Kissinger, August 22, 1971. It is difficult to ascertain the number of casualties during different phases of the coup. Various sources offer different figures, but they are not broken down by date or location (i.e. Santa Cruz vs. La Paz) and appear to be poorly sourced.

²⁴ Klein, *Concise History of Bolivia*, 230.

²⁵ Malloy and Gamarra, *Revolution and Reaction*, 75.

²⁶ Selich eventually came to have so much power and to act with such zeal that Banzer removed him from his post in 1972, fearing a coup attempt. In a disturbing and ironic turn of events, the next year Selich was arrested and beaten to death by the officers of the very security apparatus he had previously commanded. See Dunkerley, *Rebellion in the Veins*, 207 and Malloy and Gamarra, *Revolution and Reaction*, 76.

²⁷ Dunkerley, *Rebellion in the Veins*, 206-208. Dunkerley states that 14,750 people were imprisoned (almost all without judicial process), and 19,140 others were forced into exile.

and August 1971 inaugurated one of the most systematically brutal regimes Bolivia had ever seen.

As it violently consolidated power, the Banzer government also took action designed to attract foreign investment and to appeal to Washington. Within his first year in power, Banzer decreed a new investment law and dissolved the YPFB's monopoly in order to allow foreign companies to purchase oil concessions in Bolivia. To Washington's pleasure, Banzer also worked to resolve remaining expropriation issues. Within two years, he had agreed to pay Gulf Oil \$100 million in compensation (up significantly from Ovando's \$78 million deal) and to give \$13.5 million for Mina Matilde and \$1.5 million for IMPC.²⁸ In addition, Banzer ended the leftist radicals' occupation of the BNCs in Santa Cruz, La Paz, and Cochabamba that had begun under Torres. Banzer was making a concerted attempt to repair the U.S.-Bolivian relations that had deteriorated under Ovando and Torres, an effort viewed with extreme favor in Washington. In January 1972, Ambassador Siracusa reported that "Bolivians...are demonstrating a new optimism and confidence." He then mirrored that assessment in his own rhetoric by exulting that "memories of a year ago are like a bad dream" and "the situation today as compared to a year ago is as different as night and day."²⁹ Siracusa was reflecting typical American sentiment. With the advent of a pro-American, right-wing, authoritarian government in Bolivia, many American observers concluded with relief that "the United States still has friends in Latin America."³⁰

²⁸ *Ibid.*, 204.

²⁹ *FRUS, 1969-1976*, Vol. E-10, Document 109.

³⁰ *New York Times*, September 2, 1971, quoted in Dunkerley, *Rebellion in the Veins*, 204.

In response to this friendly Bolivian government, Washington changed its policy toward the country to revolve around two principles. First, the United States should seek close relations with Banzer's government by "helping to legitimize and strengthen" it.³¹ There was a broad consensus in the Nixon administration that the United States should "adopt an attitude of friendly support" toward Banzer,³² partly out of recognition that his coup had "overnight changed the outlook for U.S. national interests." The State Department was hopeful that the success of Banzer's government could reverse Bolivia's leftist trend under Torres, while also "head[ing] off Bolivia's gravitation toward a general alignment with Chile" and stopping "the erosion of much of the country's economic base." Yet Banzer still faced "serious economic, social and political problems and an embittered leftist opposition," and if he failed, Washington faced the prospect that the "extreme left will return to power" in Bolivia.³³ Hence the Nixon administration resolved to maintain good relations and take action to shore up Banzer's position.

In theory, this resolve was somewhat complicated by the second principle of U.S. policy toward Banzer's Bolivia, which was to avoid fostering a relationship of dependence between the two countries. The State Department warned there was a danger that "we will end up too much involved in Bolivian affairs and too closely identified with a government which is too dependent on our support." Several decades of economic aid and influence in Bolivia and corresponding anti-American sentiment had taught American analysts that "this kind of relationship stifles self-reliance...and accumulates

³¹ Memo, Kennedy and Nachmanoff to Kissinger, August 22, 1971.

³² Memo, Kennedy and Nachmanoff to Kissinger, August 24, 1971, NSC Files, CF—LA, Box 770, RNPL.

³³ Johnson, "Policy Toward the New Government," August 24, 1971.

resentments for an inevitable violent counter-reaction against us.”³⁴ Of course, this principle of caution in economic involvement in Bolivia often conflicted with the primary goal of maintaining Banzer in power and keeping friendly relations with him, as American analysts had already predicted that Banzer would require emergency financial and military aid to ward off economic crisis.

In reality, the cautious second principle of Washington’s policy often played only a small role in the coming years as the Nixon administration endeavored to show its support for Banzer. For example, throughout Banzer’s first year in power, U.S. officials repeatedly pressured him to devalue the peso, but the Nixon administration generally resisted conditioning American aid on Banzer’s acquiescence. After the coup, Nixon quickly approved a huge increase in aid to Bolivia. Barely a month into Banzer’s rule, Nixon had authorized a \$2 million cash grant, a \$12 million technical program loan, and an \$8 million agricultural loan, together representing a 500 percent increase relative to all the aid given to Bolivia over the past three years.³⁵ Meanwhile, the program of military aid first proposed in June 1971 continued in pursuit of its original goal of building “an effective and cohesive military institution.” The State Department argued that “the need for such an institution has been amply demonstrated over recent months, and its responsibilities as a stabilizing force to hold the country together are now greater than ever.”³⁶ Nixon’s preferred policy of support for right-wing military dictators was clearly still operative, as strengthening the military was viewed as a way to solidify Banzer’s position and help maintain stability in Bolivia. With this program of increased support,

³⁴ Ibid.

³⁵ Memo, Ashley Hewitt to Kissinger, March 4, 1972, National Security Decision Memorandums, NSDM-160, Box H-232, RNPL.

³⁶ Johnson, “Policy Toward the New Government,” August 24, 1971.

U.S. officials hoped to convey to Banzer that “the U.S. Government at the highest levels is concerned about Bolivia, and that we intend to support and be helpful to the Banzer Government to the maximum extent possible.”³⁷

The Nixon administration’s enthusiastic support for Banzer marked a stark change from the U.S. policies toward Ovando and Torres. When Ovando came to power in September 1969 espousing a nationalist and left-leaning message that sometimes veered into anti-Americanism, Washington had concluded that something had to be done to change the situation. If Ovando acted upon his rhetoric, the American position in Bolivia would deteriorate quickly. American analysts, however, also concluded that Ovando was the only option available to lead Bolivia, and that if they took action to undermine him, the next leader could very well be more radical. They judged that Ovando was a pragmatic consensus-seeker who might be susceptible to American influence, so U.S. officials set about pressuring him to moderate his policies using economic leverage. This method entailed cutting off aid and then gradually re-authorizing it in response to signs of Ovando’s increasing moderation as he pursued a Gulf compensation deal. Some of this aid was in the form of MAP materiel, which Washington decided to provide in an effort to give Ovando a sense of security by strengthening the military.³⁸ Underlying this decision, therefore, was the idea that a strong military might help maintain stability and moderation in Bolivia. Though Ovando was not the typical right-wing military leader that the Nixon administration favored, it appeared that he could at least be manipulated away from a more radical path and perhaps be shaped into the kind of leader Washington

³⁷ Memo, Arnold Nachmanoff to General Haig, September 28, 1971, NSC Files, CF—LA, Box 770, RNPL.

³⁸ Intelligence Note, Denney to Secretary of State, December 23, 1969.

preferred. Ultimately, though, this approach was only nominally successful; it managed to pressure Ovando into making a generous compensation deal with Gulf Oil, but it did nothing to ameliorate the growing polarization of Bolivian politics between the left and the right. Thus, the Nixon administration's policy toward Ovando ultimately failed in its goal of promoting stability, pro-Americanism, and anti-leftism in Bolivia, and the American fear of a more radical leader was realized when General Torres took power in October 1970.

The policy dilemmas faced by Washington during the Torres regime were essentially the same as in the Ovando era. Torres was a leftist military ruler who appeared to seek popular support by increasingly yielding to the demands of the radical students and workers. Once again the Nixon administration did not believe that there was a readily available alternative to Torres and again it hoped that the new president could be convinced to moderate his positions. Yet the situation under Torres soon came to be viewed as more dangerous than under Ovando. Torres, whether due to his weakness or his personal leftist convictions, was much more active in instituting the policies advocated by the Bolivian left than Ovando had been. At the same time, Washington believed that the Bolivian military was too divided and demoralized to provide a stabilizing and moderating influence over the direction of the government. The realities of the situation led first to an intensification of the Ovando-era American policy of providing military aid to Bolivia. The Nixon administration concluded that drastically increasing military funding might unify and strengthen the military enough to improve Torres's weak position while also prompting his moderation. Yet Bolivia's political polarization proceeded apace, and Torres began to alienate both the left and the right.

Eventually, some of Nixon's advisers became convinced that the policy of pressuring Torres into moderation and shoring up his position via the military had failed. Accordingly, they advocated a more direct approach of trying to cultivate a better replacement for Torres. In funding anti-Torres groups, Washington put money behind its policy of supporting right-wing military leaders as guarantors of stability. The perceived danger of Torres opening the country to anarchy or communism persuaded Nixon's intelligence advisers that their action was justified. Though it is unclear to what extent the Nixon administration's policy itself contributed to Torres's overthrow, ultimately Washington's goal of an anti-communist and anti-leftist government in Bolivia was realized when Banzer took power, as he was willing to break the country's political polarization through the use of violent repression.

Washington viewed Banzer positively because he was able to fulfill the two main goals that had driven Nixon's policy toward Bolivia. The first was to create stability in the country. There were several ways that an unstable Bolivia might threaten U.S. interests: Bolivia could align with other leftist nationalist regimes like Chile or Peru, hurting American credibility in the hemisphere by advocating against American desires and perhaps spreading anti-Americanism to other countries; Bolivia could fall into civil war or anarchy, as the weak leftist presidents lost their power and the country grew more polarized; or it could move into the Soviet orbit as it sought to reduce American influence and came to rely on the socialist bloc. Thus, the stability imperative was intertwined with the Nixon administration's second goal of establishing an anti-communist and anti-leftist Bolivian government. Leftist nationalist government was viewed as a transition to radicalism, and Washington feared that growing disorder in Bolivia might accelerate the

shift. Believing the Bolivian military too divided to enforce law and order, American observers were most worried about Bolivia when chaos and disorder spiked, as occurred during the repeated failed right-wing coup attempts and after the Popular Assembly. Because Ovando and Torres were unable to maintain stability, Washington came to see Bolivia as approaching the brink of radical takeover. Hence, as a 1975 Congressional report put it, during the Ovando and Torres years, “the U.S. basic objective of stability in Bolivia was not operative.”³⁹ It took a right-wing military coup to reassure Washington that order could be brought to Bolivia.

Ultimately, the Nixon administration viewed its experiences in Bolivia as proof of the merits of favoring right-wing authoritarianism in developing countries. This was because its attempts to nurture Bolivia’s leftist governments back onto the path of moderation had only mixed results, which was largely a consequence of the internal situation in the country. After experiencing the anti-populist economic policies of the Barrientos era, the Bolivian left had increasingly called for nationalist economic policies and socialist reforms, demands that could not easily be ignored or moderated. Partly due to U.S. pressure and partly because of internal power politics, Ovando and Torres never fully committed to their promises of leftist nationalism, leaving them stuck in the widening divide between left and right. Because of this polarization, when Banzer came to power as a pro-U.S. right-wing military leader, he was immediately reliant upon both violence and the assistance unreservedly given by the United States. Instead of offering aid in a quid pro quo for anti-left and pro-U.S. policies, Washington was able to throw its

³⁹ U.S. General Accounting Office, *Bolivia—An Assessment of U.S. Policies and Programs, Multiagency: Report to the Congress*, ID-75-16 (Washington, D.C.: U.S. General Accounting Office, 1975), accessed September 17, 2017, <https://babel.hathitrust.org/cgi/pt?id=pur1.32754063443570;view=1up;seq=1>.

support behind Banzer as a leader willing to use force to institute the policies that the United States favored. While Kissinger had worried that the leftism of Ovando and Torres was sparking a trend of growing radicalism in Bolivia, by 1971 Washington was helping to open a different kind of Pandora's box in the country, which now faced several years of repressive and reactionary leadership. Banzer's willingness to enforce pro-U.S. policies meant that, to the Nixon administration, his right-wing military government was an important ally in the heart of South America, and the policy of support for right-wing dictators was validated in the view of the White House.

Bibliography

Primary Sources

Department of State. *Department of State Bulletin*. Washington, D.C.: Government Printing Office, 1969.

———. *Foreign Relations of the United States, 1945, Volume IX, The American Republics: Bolivia*. Washington: Government Printing Office, 1969.

———. *Foreign Relations of the United States, 1947, Volume VIII, The American Republics: Bolivia*. Washington: Government Printing Office, 1972.

———. *Foreign Relations of the United States, 1951, Volume II, The United Nations; The Western Hemisphere: Bolivia*. Washington: Government Printing Office, 1979.

———. *Foreign Relations of the United States, 1952-1954, Volume IV, The American Republics: Bolivia*. Washington: Government Printing Office, 1983.

———. *Foreign Relations of the United States, 1955-1957, Volume VII, American Republics: Central and South America: Bolivia*. Washington: Government Printing Office, 1988.

———. *Foreign Relations of the United States, 1958-1960, Volume V, American Republics: U.S. Relations with Bolivia*. Washington: Government Printing Office, 1991.

———. *Foreign Relations of the United States, 1964-1968, Volume XXXI, South and Central America; Mexico: Bolivia*. Washington: Government Printing Office, 2004.

———. *Foreign Relations of the United States, 1969-1976, Volume IV, Foreign Assistance, International Development, Trade Policies, 1969-1972*. Washington: Government Printing Office, 2001.

———. *Foreign Relations of the United States, 1969-1976, Volume E-10, Documents on American Republics, 1969-1972: Bolivia*. Washington: Government Printing Office, 2009.

Los Angeles Times

New York Times

Nixon, Richard. "Remarks at the Annual Meeting of the Inter American Press Association, October 31, 1969." The American Presidency Project. Accessed September 14, 2017. <http://www.presidency.ucsb.edu/ws/index.php?pid=2302>.

Richard Nixon Presidential Library, Yorba Linda, California
National Security Council Files
White House Central Files

Rockefeller, Nelson A. *The Rockefeller Report on the Americas; The Official Report of a United States Presidential Mission for the Western Hemisphere*. Chicago: Quadrangle Books, 1969.

U.S. General Accounting Office. *Bolivia—An Assessment of U.S. Policies and Programs, Multiagency: Report to the Congress*. ID-75-16. Washington, D.C.: U.S. General Accounting Office, 1975. Accessed September 17, 2017. <https://babel.hathitrust.org/cgi/pt?id=purl.32754063443570;view=1up;seq=1>.

Secondary Sources

Alexander, Robert J. *A History of Organized Labor in Bolivia*. Westport: Praeger Publishers, 2005.

Brands, Hal. "Richard Nixon and Economic Nationalism in Latin America: The Problem of Expropriations, 1969-1974." *Diplomacy & Statecraft* 18, no.1 (March 2007): 215-35.

Bundy, William P. "Dictatorships and American Foreign Policy." *Foreign Affairs* 54, no.1 (Oct., 1975): 51-60.

———. *A Tangled Web: The Making of Foreign Policy in the Nixon Presidency*. New York: Hill and Wang, 1998.

Dorn, Glenn J. *The Truman Administration and Bolivia: Making the World Safe for Liberal Constitutional Oligarchy*. University Park: Pennsylvania State University Press, 2011.

Dunkerley, James. *Rebellion in the Veins: Political Struggle in Bolivia, 1952-82*. London: Verso, 1984.

Field, Thomas C., Jr. *From Development to Dictatorship: Bolivia and the Alliance for Progress in the Kennedy Era*. Ithaca: Cornell University Press, 2014.

Galván, Javier A. *Latin American Dictators of the 20th Century: The Lives and Regimes of 15 Rulers*. Jefferson: MacFarland & Company, 2012.

- Hudson, Rex A., Dennis Michael Hanratty, and Thomas E. Weil, eds. *Bolivia: A Country Study*. 3rd ed. Washington, D.C.: Federal Research Division, Library of Congress, 1991.
- Klein, Herbert S. *A Concise History of Bolivia*. 2nd ed. Cambridge: Cambridge University Press, 2011.
- Lawrence, Mark Atwood. "History from Below: The United States and Latin America in the Nixon Years." In Fredrik Logevall and Andrew Preston, eds., *Nixon in the World: American Foreign Relations, 1969-1977* (Oxford: Oxford University Press, 2008), 270-88.
- Lehman, Kenneth Duane. *Bolivia and the United States: A Limited Partnership*. Athens: University of Georgia Press, 1999.
- Lora, Guillermo. *A History of the Bolivian Labour Movement 1848-1971*. Cambridge: Cambridge University Press, 1977.
- Malloy, James M. and Eduardo Gamarra. *Revolution and Reaction: Bolivia, 1964-1985*. New Brunswick: Transaction Books, 1988.
- Malloy, James M. and Richard S. Thorn. *Beyond the Revolution: Bolivia since 1952*. Pittsburgh: University of Pittsburgh Press, 1971.
- Morales, Waltraud Q. *A Brief History of Bolivia*. New York: Infobase Publishing, 2010.
- Pike, Fredrick B. *The United States and the Andean Republics: Peru, Bolivia, and Ecuador*. Cambridge: Harvard University Press, 1977.
- Schmitz, David F. *The United States and Right-Wing Dictatorships, 1965-1989*. Cambridge: Cambridge University Press, 2006.
- Siekmeier, James F. *The Bolivian Revolution and the United States, 1952 to the Present*. University Park: Pennsylvania State University Press, 2011.
- Waszkis, Helmut. *Mining in the Americas: Stories and History*. Cambridge: Woodhead Publishing, 1993.
- Whitehead, Laurence. "Bolivia's Conflict with the United States." *The World Today* 26, no. 4 (Apr., 1970): 167-78.