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Elite induced change in the Bolivian national revolution, 1952 - 1964

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ELITE INDUCED CHANGE IN THE BOLIVIAN NATIONAL REVOLUTION 1952-1964

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The purpose of the study was to examine the role of Bolivian elites in the revolutionary process which began in Bolivia in 1952. The primary focus of the study was on decision makers and policy. The actual decision-making process in translating the goals of the revolutionary program into law is examined.

The approach of the study combined elite and decision-making analysis to enable the author to trace the impact of decisions made during the Revolution which formed a pattern of policy. The stages of policy formation considered included origins of the decisions, the formal decisions, application and the consequences which flow from the decisions.

The scope of the study is from the Chaco War (1932-1936) to the end of the rule by the revolutionary party, the Movimiento Nacionalista Revolucionario (MNR), in 1964. The primary focus of the paper is on the twelve years of MNR rule, from 1952 to 1954.

It may be concluded that the MNR elites were primarily responsible for the revolution, and for the failure of the party to institutionalize itself. The Revolution was a hesitant one, moderated by intense pressure from both the left and the right in Bolivia. In the decisions to nationalize the mines, reform the agrarian system, and to initiate universal suffrage the MNR eliminated a powerful traditional elite and revolutionized Bolivian society. However, by failing to control the new forces the revolution unleashed, the government was soon in a critical condition. Lacking the legitimate monopoly of the use of force, the government resorted to demand satisfaction to achieve political stability. The army overthrew the MNR government in 1964, and returned Bolivia to a right-wing government. However, the major effects of the Revolution could not be altered by a new government.

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CHAPTER I

INTRODUCTION

> In the revolution of April 1952 Bolivia experienced a total breakdown of its traditional political structure and underwent a profound social revolution far in advance of anything which had occurred in any other state in South America. This revolution destroved a land-tenure and rural labour system that originated in colonial times and nationalized the dominant Bolivian export industry. It saw the adoption of a revolutionarv ideologv and the effective introduction of the Indian masses into national political life on a scale hitherto unknown except for the Mexican experience.[1]

It was the purpose of this study to examine the role of Bolivian elites in the revolutionary process which began in 1952. The primary focus of the study was on decision-makers and policy. The actual decision-making process in translating the goals of the revolutionary program into law is examined in this paper.

Certainly not all of the elite structures were committed to the goals of the revolution. Those who opposed the revolution were also an important component of the decision-making process.

The primarv thesis of this paper is that the Revolutionary government was overthrown in 1964 largely

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[1]Herbert S. Klein, Parties and Political Changes In Bolivia 1880-1952 (Cambridge: University Press, 1969), p. xi.

as a result of decisions made by the government elites during the preceding twelve year period. Thus an important part of this study involved analyzing these decisions and tracing the consequences which flowed from the decisions made by the elites. These decisions as a whole formed a pattern of policy which had consequences for the elites and for the political system as a whole.

Questions arise to which decision-making analysis may provide answers. For example, did the Revolution produce long term political stability or the effective institutionalization of the Movimiento National Revolucionario (MNR) party? What effect did the Revolution have on militarism and on the institution of the coup d'état in Bolivia? Some light may be shed on these questions through elite and decision-making analysis.

Other factors are, of course, important to politics in Bolivia. Isolation is one important factor in Bolivia. Traditionally the land-locked Bolivians have felt isolated from the outside world. Access to he sea was lost to Chile in the War of the Pacific (1879-1883) and as a result ". . . no product or person can get in or out of Bolivia except by arduous travel."[2]

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[2]Lewis Hanke, South America, Anvil Books (New York: Van Nostrand Reinhold Company, 1967), p. 39.

Bolivians are also in many respects isolated from each other. Three distinct regions tend to isolate the people of Bolivia within the country. The altiplano is the cold Andean plateau which is still the most densely populated part of the country. The Yungas is the second region and consists of the semitropical valleys on the eastern slopes of the mountains. The third region is in eastern Bolivia and occupies nearly three-quarters of the total Bolivian land area. Known as the Oriente, it consists of lowland tropics. Located in the southern Oriente is the Chaco, an area plagued by drought, locusts and periodic floods.[3]

Because of its cruel geography, Bolivia has been affected both physically and politically by regionalism. The rugged nature of the land separates the people of Bolivia, exacerbating problems of communication and transportation, both of which were causal factors on the genesis of the National Revolution. For example, isolation from other nations was in part responsible for the decision to accept massive direct aid from the United States. Within Bolivia the compartmentalization of the population in diverse regions contributed to the rise of politically independent worker and peasant groups. These groups, the

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[3]Ibid.

geography, and other factors led to the successful overthrow of the revolutionary elites in 1965.

The record shows that the Bolivian National Revolution ushered in extensive land reform, nationalization of the tin mines and the political mobilization of the miners and the peasants. One critic has observed that "this revolution has changed but little the formal structure of government in the republic, but it has vastly altered the economic, social, and political bases upon which this structure rests."[4]

Let us now turn to the problem of defining the concepts which will be used in this study and which are important in understanding the revolutionary process which began in April of 1952.

Conceptual Framework

The Political System: Definition

Gabriel A. Almond defined the political system as

> . . . that system of interactions to be found in all independent societies which performs the functions of integration and adaptation (both internally and vis-à-vis other societies) by

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[4]Robert J. Alexander, "Bolivia: The National Revolution," in Political Systems of Latin America, ed. by Martin C. Needler (New York: Van Nostrand Reinhold Company, 1970), p. 357.

> means of the employment, or threat of employment, of more or less legitimate physical compulsion.[5]

The concept of political system is important in that it points out the interrelated nature of activities within the system and directs attention to the entire scope of political activities within a society. Thus, the political system includes not only government institutions but all structures in their political aspects. Such a concept is meaningful in a study on political change, because it points out the interrelated nature of components of a system. Thus, when the properties of one component in a system change, the other components and the system as a whole are affected. The process of a political system involves inputs into the political system (demands, supports and feedback), and conversion of these inputs into policy outputs.[6]

Almond divided political systems into the input functions and the output functions. The input functions include: political socialization (process of induction into the political culture); political recruitment

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[5]Gabriel A. Almond, "Introduction: A Functional Approach to Comparative Politics," in The Politics of the Developing Areas, ed. by Gabriel A. Almond and James S. Coleman (Princeton, New Jersey: Princeton University Press, 1960), p. 7.

[6]See David Easton, "An Approach to the Analysis of Political Systems," World Politics, IX (April, 1957), 383-400; and Gabriel A. Almond and G. Bingham Powell, Jr., Comparative Politics A Developmental Approach (Boston: Little, Brown and Company, 1966), pp. 16-41.

(induction into specialized roles in the political system); interest articulation (articulating interests, claims and demands for political action); and interest aggregation (aggregating articulated interests, claims and demands--may be accomplished by means of the formulation of general policies.)[7] The final input function is the political communication function, which ". . . is the crucial boundary--maintenance function"[8] Boundary maintenance is critical for political stability.

Almond's concepts are useful in the comparison of one political system with another, which is one advantage in using his approach. In addition, many of his concepts are useful in an analysis of the Bolivian Revolution. For example, the problem of interest aggregation became acute in Bolivia during the period covered by the thesis. Almond's analysis of a dominant nonauthoritarian party system, while not referring directly to Bolivia, may shed light on factors present in Bolivia during the National Revolution. He writes:

> . . . the dominant party is confronted by a complex problem of interest aggregation. Since higher dissimilar groups (traditionalist, secularist, socialist, conservative, and so forth) are included in the nationalist movement, it is difficult to

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[7]Almond, "A Functional Approach," pp. 17-40.

[8]Ibid., p. 42.

> adopt a policy which aggregates their interests effectively. The cohesion of the party is difficult to maintain. In order to avoid divisive issues, decisions are postponed and policy proposals take the form of diffuse programs selected more for their effective coping with demands emanating from the society or the various political elites. Thus circulation and boundary maintenance are poor in those systems.[9]

The output or government functions are rule making (legislative), rule application, and rule adjudication (judicial). In Bolivia the judiciary is weak, and at times the legislature is non-functioning. The output functions tend to be monopolized by the executive.

Revolution: Definition and Applicability to Bolivia

Revolution in a broad sense may be thought of as any nonsystemic change in either the leadership or the institutions of a state or a change in both leadership and institutions.[10] While this definition is significant for a decision-making approach to revolutions, it fails to distinguish concretely between a coup d'état and a revolution.

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[9] Ibid.

[10] Alexander Groth, Revolution and Elite Access: Some Hypotheses on Aspects of Political Change (University of California, Davis: Institute of Governmental Affairs, 1966), p. 2. Nonsystemic change is that which is not expressly or by wide agreement authorized by the constitutional legal provisions where decision-making power resides within the state.

Samuel Huntington's definition of revolution is more useful in that it points out the guidelines for determining whether such a monument as the Bolivian National Revolution was indeed a genuine revolution. Huntington viewed revolution as a two phase process. He described the first phase as ". . . rapid, fundamental, and violent domestic change in the dominant values and myths of a society, in its political institutions, social structure, leadership, and government activity, and policies." Huntington argued that revolution

> . . . is not a universal category but rather an historically limited phenomenon . . . like other forms of violence and instability, it is most likely to occur in societies which have experienced some social and economic development and where the processes of political modernization and political development have lagged behind the processes of social and economic change.[11]

Many of these requirements were present in the Bolivian case. There was a displacement and emigration of the traditional, socio-economic elite; a revolutionary alliance between the peasants and middle class intellectuals; nationalization of property and expropriation of land; unprecedented extension of political participation to the workers and peasants; and finally, the establishment of one-party rule. The Bolivian Revolution did lack one characteristic of a major revolution in Huntington's

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[11]Samuel P. Huntington, Political Order in Changing Societies (New Haven: Yale University Press, 1968), pp. 264-65.

model, and that was that there was relatively little violence in the seizure of power.[12]

Huntington's second phase embraced the creation and institutionalization of a new political order. Not all revolutions produce this new political order and thus cannot be regarded as complete revolutions.

> The measure of how successful a revolution is is the authority and stability of the institutions to which it gives birth . . . a full scale revolution thus involves the rapid and violent destruction of existing political institutions, the mobilization of new groups into politics, and the creation of new political institutions.[13]

The Bolivian Revolution failed to complete the second phase, that of the creation of new political institutions. However, the Bolivian case gives every indication of having tone through the first phase.

At least two prerequisites are necessary for a revolution to occur. First, existing political institutions must be incapable of channeling the participation of new social forces, such as unions, middle class, and new elites into government. Second, the social forces excluded from politics must want to participate in

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[12]Ibid., pp. 326-27. However, as Alexander Groth points out ". . . revolutions in the sense of an abrupt and profound change from the hitherto existent political pattern can readily occur with little, if any violence." Groth, Revolution and Elite Access, p. 3.

[13]Huntington, Political Order in Changing Societies, p. 266.

politics; these forces must feel they can only achieve their ends by pressing their demands into the political arena. "Ascending or aspiring groups and rigid or inflexible institutions are the stuff of which revolutions are made."[14] These prerequisites obtained in Bolivia in 1952. A narrowly based military dictatorship which had shown little ability to expand its power and to provide channels for the participation of new groups in politics was overthrown by revolutionary forces in April of 1952.[15]

The Elites: Definition and Applicability to Bolivia

The elites in general hold ". . . those positions in society which are at the summits of key social structures, i.e. the higher positions in the economy, government, military, politics, religion, mass organizations, education,

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[14] Ibid., p. 275.

[15] No attempt has been made to deal with the vast literature available on revolutions. Only a working concept has been dealt with here, and that is Samuel Huntington's ideas on political change. For more in depth studies of revolution see Hannah Arendt, On Revolution (New York: Viking, 1963); Crane Brinton, The Anatomy of Revolution (New York: Vintage, 1965); Chalmers Johnson, Revolutionary Change (Boston: Little, Brown, 1966); and Groth, Revolution and Elite Access. There are, in addition, disputes about when and where a revolution has taken place. For example, George Blanksten feels that only one unquestionably real revolution has occurred thus far in the Twentieth Century in Latin America and that was the Mexican Revolution of 1911. See George I. Blanksten, "The Politics of Latin America." in The Politics of the Developing Areas, ed. by Gabriel A. Almond and James S. Coleman (Princeton, New Jersey: Princeton University Press, 1960), p. 497.

and the professions."[16] However, as Harold Lasswell pointed out, ". . . any single definition for such a key term as 'elite' is inadequate."[17] Lasswell defined the elite in most simple terms as the influential. A researcher's obligation is discharged, according to Lasswell, when he gives his definition in general terms and then shows by specific indices what is intended in concrete situations.[18]

Distinctions may be made within the elite structures. For example, it is possible to distinguish between the governing elite, or those who more or less directly participate in the political decisions, and the nongoverning elite, who are at the top of nonpolitical structures.[19] Such a distinction will be made below.

Not only is there a distinction within the elite structures, there is a sharp hierarchical division between the leaders at the top and the masses below. This is a situation where ". . . in most functional groupings the lack of effective interaction between leader and follower

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[16]Seymour Martin Lipset and Aldo Solari, Elites in Latin America (London: Oxford University Press, 1967), p. vii.

[17]Harold D. Lasswell, "The Study of Political Elites," in World Revolutionary Elites, ed. by Harold D. Lasswell and Daniel Lerner (Cambridge, Massachusettes: The M.I.T. Press, 1966), p. 4.

[18]Ibid.

[19]Lipset and Solari, Elites in Latin America, p. vii.

does produce a series of independent and frequently irresponsible elites."[20]

As political development proceeds new groups emerge within the political system. These new groups give rise to a competing elite, who, although not directly participating in decision-making, influence to some extent the decision made.[21]

There is hierarchy among elites, and at the top of this hierarchy rests the power elite. "The power elite in common with all elites is influential; it differs in having severe sanctions at its disposal." Lasswell says that "the political elite . . . are not necessarily active participants at a given moment. We think of the power elite as the collectivity from which active decision makers are drawn during particular periods in the life of a body politic."[22]

A framework for identifying the power elite has been proposed by Harold Lasswell and will be used in this study:

> At any time we may regard as members of the power elite class of a body politic the following: (a) all individuals who occupy high office during the period; (b) all individuals who have occupied high office in previous periods and who regard themselves,

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[20] Ibid., p. 127.

[21] Further Pitfalls in the study of the elites may be found in Suzanne Keller, Beyond the Ruling Class (New York: Random House, 1963), pp. 20-21.

[22] Lasswell, "The Study of Political Elites," pp. 11-12. For a similar discussion of "strategic elites" see Keller, Beyond the Ruling Class, p. 20.

> and are regarded by others, as continuing to be in harmony with the established order; (c) all individuals who, though holding no high office, or any office, are perceived as highly influential in important decisions: (d) all individuals who, though perceived as adherents of a counterideology, are recognized as exercising a significant influence over important decisions; (e) close family members.[23]

The above categories allow for the addition of new elites and allow identification of individuals who have elite status but refrain from playing an official role in decision-making. The categories allow identification of elites in government, political parties and interest groups; most importantly the categories allow inclusion of elites who are without official position.[24]

Elite studies are important in transitional political systems such as in Bolivia. A focus on changes in elite impact and composition is in many ways crucial to understanding changes in the political systems. "During the transition from traditional politics to a more modern political system elites play a crucial role. Elite activities determine the speed and effectiveness with which the

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[23]Lasswell, "The Study of Political Elites," p. 16. James L. Payne has an alternative framework for Oligarchic groups in Latin America. While more specific, the approach does not lend itself to decision-analysis as well as Lasswell's does. See James L. Payne, "The Oligarchy Muddle," in Latin American Politics, ed. by Robert D. Tomasek, Anchor Books (Garden City, New York: Doubleday & Company, Inc., 1970), p. 39.

[24]Lasswell, "The Study of Political Elites," pp. 16-17.

polity can move toward national integration and political modernity."[25]

Prerevolutionary Bolivia was ruled by an elite consisting primarily of the directors of three tin companies, two hundred families and large landowners (in 1950, 10 per cent of the landowners owned 97 per cent of the land). "Here was an almost perfect two-class oligarchical society."[26] However, with the coming of the Revolution, new elites came into the decision-making structure.

The changes in elite composition and impact in Bolivia were sweeping after April of 1952. "Fundamentally, Bolivia has been transformed from a country in which only a small elite had any real participation in government and political activity into a nation in which the masses play a fundamental role through a variety of organizations."[27]

A focus on elites only identifies the influential in a political system. The decision-making focus determines the process by which a policy is formulated for a nation.

The Decision-Making Approach

> Decision-making results in the selection from a socially defined, limited number of problematical

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[25]Lipset and Solari, Elites in Latin America, p. 117.

[26]Huntington, Political Order in Changing Societies, p. 325.

[27]Alexander, "The National Revolution," p. 371.

> alternative projects (i.e., courses of action) of one project to bring about the particular future state of affairs envisaged by the decision-makers.[28]

Public policy emerges from a broad background of decisions. This policy is normally made determinate and concrete by administrative and judicial organs of a political system. Also, at times the participation of private individuals or groups may effect this process.[29] In Bolivia, the National Revolution has been the basic domestic question of public policy.

The following questions must be answered in regard to decision-makers; "Who are they? What are their perspectives? In what arenas do they function? What base values may they use to their advantage? What strategies do they use? How successful are they in influencing outcomes and effects?" It is necessary then ". . . to describe the participants, perspectives, situations, base values, and strategies that lead up to the outcomes, and to follow through to post outcome effects."[30]

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[28]Richard C. Snyder, "A Decision-Making Approach to the Study of Political Phenomena," in The Conduct of Political Inquiry, ed. by Louis D. Hayes and Ronald D. Hedlund (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1970), p. 237.

[29]Samuel H. Beer and Adam B. Ulam ed., Patterns of Government (New York: Random House, 1962), pp. 60-62.

[30]Lasswell, "The Study of Political Elites," p. 12 and p. 10.

An important part of the decision-making approach is recreating the environment in which the decisions were made. Much emphasis must be given to the way the decision-makers viewed the world and the options available to them. Consideration must be given to the amount of pressure to act and to the source of that pressure. Additionally, consideration must be given to the purposes and values of the decision-makers; how the problem is interpreted and so on.

Decision-making is a sequence of activities. The principal sequence which will be examined in this study is the National Revolution in Bolivia. This will primarily determine what is or is not relevant.

This sequence of activities has several vital stages; origins, the formal decision, implementation, and consequences. "The point of decision is that stage in the sequence at which decision-makers having the authority choose a specific course of action to be implemented and assume responsibility for it."[31]

Decisions are made in the context of the time involved under the study. This context may be referred to as the setting. "Setting refers to a set of categories of potentially relevant factors and conditions which may affect the action of decision-makers." There are basically two aspects of setting. First, is the social setting, which

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[31]Snyder, "A Decision-Making Approach." p. 237.

includes public opinion and possible reactions of resisters to the policy. The second is the political institutional setting, which includes the constitution, rules of the game, communication and so on.[32]

There are, of course, limitations within the decision-making system. First, decision-makers may lack information or act on inaccurate information. Second, there may be a breakdown in communications; information may not reach all the decision-makers who need it. Third, precedent may make reversal of past policies difficult. Fourth, perception of the decision-makers may be poor. What they "see" is what they act on. Finally, decision-makers are limited in resources such as time, energy, skills, and money.[33]

A focus on decisions is an important part of this study, which enables the consequences of a revolutionary policy to be seen. These consequences are important in understanding the coup d'état of 1964. "Political stability is in part the product of historical conditions and social forces, but it is also in part the result of choices and decisions made by political leaders."[34]

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[32]Ibid., p. 239.

[33]Ibid., p. 241.

[34]Huntington, Political Order in Changing Societies, p. 329.

CHAPTER II

FROM THE CHACO WAR TO THE EVE OF THE REVOLUTION

Introduction

The period from the Chaco War to the start of hostilities on April 9, 1952 was a critical one for the Bolivian Revolution. The Chaco War set in motion the chain of events which made the Revolution a virtual certainty; for this reason it is important to consider it in the context of a stimulus to the political process.

In addition, this period saw the rise of the new elites who were to become the revolutionary elites after 1952. The old political system began to change as sub-systems changed and the traditional political foundations began to alter.

As was pointed out earlier, changes in sub-systems of the political system may alter the entire political system.

This chapter will focus then on the changes brought about by the Chaco War.

The Chaco War

> The Chaco War made the Revolution of 1952 inevitable. The four-year conflict with Paraguay from 1932 to 1936 disorganized the economy, discredited the Army, spread new ideas among the urban workers and miners, and sowed discontent among the intelligentsia. As

> a result, there began a process of social ferment which reached its high point on April 9, 1952.[1]

Most authorities on Bolivia feel the Chaco War was a turning point in the history of Bolivia. The war was largely responsible for starting the breakdown of the old, rigid caste system and the start of ideological ferment in Bolivia. The war appears to have been the primary catalyst for the 1952 Revolution. "To almost all Bolivians, the key to the understanding of the revolutionary process lies in the disastrous results of the Chaco War of 1932-5."[2]

Herbert S. Klein has given what the author believes to be an accurate picture of Bolivia just prior to the outbreak of hostilities:

> On the eve of the Chaco War Bolivian society was underdeveloped, highly stratified and in many ways had progressed little since the early nineteenth century. The great socioeconomic and political changes in the urban centres of the nation had affected only a minority of the population. Despite the growth of mining and light industry and the increase in urbanization and modern communications the majority of the population was still engaged in traditional subsistence crop agriculture. The rural population in the census of 1846 was estimated conservatively at 89 per cent, in 1932 it still represented close to two-thirds of the national population.[3]

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[1]Robert J. Alexander, The Bolivian National Revolution (New Brunswick, New Jersey: Rutgers University Press. 1958), p. 22.

[2]Klein, Parties and Political Change in Bolivia, p. xii.

[3]Ibid., p. 160.

The Chaco is a dry 250,000 square mile parcel of sand, with practically no streams in the area. Temperatures during the day may climb to 110° F. Although the land itself is uninviting, in the 1920's rumors began to circulate that the Chaco contained enormous unclaimed deposits of oil.[4]

Bolivia and Paraguay could not agree on the boundaries of the Chaco, and by the mid-1920's each had begun a major program of fort construction in the area. The first armed conflict occurred in 1927; but it was five years before serious fighting broke out.

> . . . When a border incident developed between the two states in June 1932. President Salamanca deliberately provoked a full-scale Bolivian reprisal which inevitably led into open war between the two nations.[5]

The Bolivian government hoped for a quick victory, not unreasonably since Bolivia's German-trained army had a formidable reputation before the war. However, " . . . the leadership of the Army was shown to be inept and often cowardly, the tactics and strategy of its General staff disastrous, and the corruption of the government administrative machinery colassal."[6] In addition, there was a great

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[4]William Carter, Bolivia A Profile (New York: Praeger Publishers, 1971), p. 51.

[5]Herbert S. Klein, "Prelude to the Revolution," in Beyond the Revolution Bolivia Since 1952, ed. by James M. Malloy and Richard S. Thorn (University of Pittsburgh Press, 1971), p. 33.

[6]Alexander, The Bolivian National Revolution, p. 24.

deal of conflict between the civil and military officials, and an excessively high rate of non-battle casualties from disease as well as from wounds.[7]

As the war dragged on, all classes of Bolivians either volunteered or were conscripted into the army. Many of the middle and upper classes in Bolivia had never had such extensive contact with Indians; the Indians were taken from their traditional homelands and their outlook was broadened. This disturbed the long-maintained equilibrium which had depended on preserving the role of Indians as serfs.[8]

As defeat followed defeat the army and the nation came to believe that the war was totally unjustified and indefensible. By the end of 1934 the Bolivian forces had retreated to the foothills of the Andes. "Discontent was

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[7]David B. Heath, Charles J. Erasmus, and Hans C. Buechler, Land Reform and Social Revolution in Bolivia (New York: Frederick A. Praeger, 1969), p. 25.

[8]Richard W. Patch, "The Bolivian Revolution," in Latin American Politics, ed. by Robert Tomasek (Garden City, New York: Anchor Books, 1970), pp. 351-52. Herbert Klein refutes the notion that this conscription of the Indians created social discontent and economic dislocation. He maintains the Indian peasants were easily reabsorbed into the feudal land system after the war; he makes the same point with regard to the absorption of the urban proletariat. Klein maintains the war must be seen in terms of ". . . basic changes in the political structure of national leadership and ideology." See Klein, Parties and Political Change in Bolivia, p. xii.

rife both in the Army and among the civilian populace as the war dragged to an end early in 1936."[9]

> Thus after three bloody years of fighting the Chaco War had come to an end, with Bolivia a defeated nation and the great Chaco Boreal firmly in the hands of the enemy. Bolivia's losses in human life were appalling. Roughly 25 per cent of the combatants or over 65,000 youths were either killed, had deserted, or died in captivity, and this figure does not include the wounded and maimed.[10]

Bolivia's defeat embittered many of the young there and discontent with the whole social, economic and political structure of Bolivia was evident in the events that followed the war. The end of the war marked the beginning of a period of great turmoil which culminated with the Revolution of 1952. "Those who survived the Chaco experience provided the stimulus which eventually would give rise to a new political order in Bolivia."[11]

This new political order was brought about by the challenge to the legitimacy of the old political system. Herbert Klein has pointed out that one of the crucial needs of a government is the basic acceptance of its legitimacy by the majority of active citizens; without this legitimacy no political system can function. Once this legitimacy is successfully challenged, neither force nor any other factor can preserve the government or the

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[9]Alexander, The Bolivian National Revolution, p. 25.

[10]Klein, Parties and Political Change in Bolivia, p. 187

[11]Ibid., p. 198.

system. "This crisis of legitimacy is exactly what occurred as a result of the Chaco War . . . overnight a host of new names began to dominate the political scene."[12]

The Traditional Elites

> In the light of the economic and social structure of pre-Revolutionary Bolivia it is not surprising that political power was a monopoly of a very small element in the population. This was reflected in the fact that only about 200,000 citizens, or about 7 percent of the population, had the right to vote.[13]

Bolivia maintained a rigid class structure up to 1930. Although this pattern was to be altered somewhat after the Chaco War, Bolivia continued this class structure until the 1952 Revolution. Robert J. Alexander, a noted Bolivian expert, has called Bolivia's social structure the "two nation pattern."[14] James M. Malloy has made a similar distinction in describing what he calls the "national" and the "local" systems in Bolivia.[15]

The above distinctions illustrate the elite nature of pre-Revolutionary Bolivia. The local, or rural nation consisted largely of the Indian peasants who made up 85 to 90 per cent of the population. The great majority owned

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[12] Ibid., pp. 202-03

[13] Alexander, "The National Revolution", p. 359.

[14] Ibid., pp. 357-58.

[15] James M. Malloy, Bolivia: The Uncompleted Revolution (University of Pittsburgh Press, 1970), pp. 33-35.

no land, but were granted small plots by the landowners. The national system, on the other hand, consisted of the urban population. This group was more heterogeneous than the people of the countryside and consisted of agricultural landlords, industrialists, merchants, bankers, military, and governmental officials.

> Relative to the population at large, the national political system was by definition an elitist system and was legitimized as such. The constitution assured that the simplest basis of political power-citizenship-would be monopolized by the monied, educated, and propertied.[16]

To ensure the dominance of one "nation" over the other, the elites excluded everyone but themselves from participation in national political life. The device for this control was an effective literacy test which denied the vote to all but a small elite. This elite group was remarkably stable and its numbers did not greatly expand until the Twentieth Century.[17]

It is now necessary to turn to a general description of who the elites were:

> The upper class consisted of hacendados, mine owners, leading merchants, bankers and the new industrialists, and their legal retinue, and made up a self-conscious oligarchy . . . which directed the socio-economic and political life of the nation. United by close ties of marriage, common absentee

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[16] Ibid., p. 35. See also, Alexander, "The National Revolution," pp. 357-58.

[17] Klein, Parties and Political Change in Bolivia, pp. 167-68.

> possession of estates, membership in the same clubs and education in the same few schools, these leading families dominated the leadership of all the major parties and controlled the key administrative positions in the government bureaucracy.[18]

The typical traditional elite member in Bolivia identified himself as white and attempted to maintain a European pattern of living. He was generally respected and was identified by

> . . . the color of his skin, [but not always] the contour of his eyes, his dress, and above all, his demeanor, he is constantly shielded from involvement in situations that might threaten his high status. . . . Members of the elite did not accumulate wealth; they possessed it. . . . The Bolivian elite system was, then, a highly ascriptive one.[19]

Each department (state) in Bolivia had its own elites and status was determined somewhat differently in each. For example, in Sucre lineage was the important factor. In La Paz and Cochambaba elite position was based on land and cash wealth; in Santa Cruz and the Beni elite status depended on lineage and the ability to command a large labor force. In Oruro and Potosí wealth gained from

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[18] Ibid., p. 1968.

[19] Carter, Bolivia A Profile, pp. 83-84. It should be noted that money alone was not a criterion of status. Simon Patino, who owned the largest tin mines and who was one of the wealthiest men in the world, was never accepted socially in Bolivia. See Richard W. Patch, "Peasantry and National Revolution: Bolivia," in Expectant Peoples Nationalism and Development, ed. by K. H. Silvert (New York: Random House, 1963), p. 121.

the mines in the area played a dominant role in determining elite status. And finally, in Tarija elite status was based on land and lineage.[20]

Social status did not, of course, translate directly into political power. This power was dominated by a small number of families in Bolivia, a group which certainly amounted to less than five per cent of the population.

> . . . the typical elite family had extensive land holdings, a respected name, and perhaps, a member who was a lawyer for one of the three tin companies, a senator or cabinet minister, or even a general or two. Families of this sort directly dominated politics.[21]

However, as Malloy pointed out, ". . . this elite hardly constituted a self-conscious entity of unity of purpose."[22] He went on to describe the resulting political instability:

> One sort of elite 'ins' often attempts to stay in office while another set of elite 'outs' attempts to disloge (sic) them. . . . Hence, political instability, characterized by intra-elite violence and frequent coups, is common. . . . Such coups seldom lead to a basic change of the existing order. The political style of the golpe de estado employing minimal violence in which basic power relations remain intact springs from a static economic situation in which the chief political issue is intra-elite circulation of personnel.[23]

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[20]Carter, Bolivia A Profile, p. 85.

[21]Malloy, Bolivia: The Uncompleted Revolution, p. 38.

[22]Ibid., p. 39.

[23]Ibid., p. 47.

The traditional elites controlled the political power in pre-revolutionary Bolivia, but there was another important group from which the revolutionary elites were to arise. This was the small middle class.

In reality the situation from 1930 to 1952 was one in which political power was exercised by the traditional elites and ratified by the middle class. This was an important pattern in Bolivia, and continued to be so even after the Revolution, when the revolutionary elties began to exercise political power. The middle class sought elite status through the acquisition of polticial and economic power, and through education and professionalization.[24] Thev continued to ratify the actions of the revolutionary elites, along with other groups, such as labor and the peasants.

The elites then could not rule alone. The middle class provided a base upon which the elites depended, supplying votes and a literate rank and file. Included in the middle class were professionals, teachers, tradesmen, artisans, white collar workers, public employees and some of the military officers.[25] Prior to 1930 the middle class had been subservient to the elite's interests. After 1930 the traditional system began to break down.

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[24]Carter, Bolivia A Profile, p. 82.

[25]Klein, Parties and Political Change in Bolivia, pp. 168-69.

The middle class will be examined in more detail in the section on the emerging elites; now it is necessary to turn to a more specific examination of the traditional elites in Bolivia.

The Landowners.

According to Robert J. Alexander, the landed aristocracy, through the first century of independence, remained largely in control of the government and politics of Bolivia. However, after 1900 they began to share control with the tin interests.[26]

Figures certainly indicate the degree of control held by the large landholders. According to an agricultural census of 1950, 90 per cent of all private property in Bolivia was held by about 4.5 per cent of the total rural landholders.[27]

> This gross inequality in land distribution was but one aspect of the inefficiency of Bolivian agriculture . . . the greater the size of the property, the smaller the area of land under cultivation, until the extreme is reached of 0.5 per cent utility on properties of 10,000 hectores or over, a fact which strongly supports the thesis that latifundia in Bolivia was primarily a labour

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[26]Alexander, "The National Revolution," p. 361.

[27]Heath, Erasmus, and Buechler, Land Reform and Social Revolution in Bolivia, p. 34. For further information on land distribution in Bolivia see also, Merle Kling, "Towards a Theory of Power and Political Instability in Latin America," The Western Political Quarterly, IX (March, 1956), 26; and Klein, Parties and Political Change in Bolivia, pp. 359-96).

> control device rather than a land utilization system.[28]

The landlords controlled almost all the arable land of the altiplano and also had large holdings in the valleys and lowlands. The status and condition of the peasants deteriorated as the landowners strengthened their hold in Bolivia, largely unchallenged. The degree of their control is indicated by the following:

> The local judges were either relatives or creatures of the landlord. The local government was subservient to the latifundista. The national government was a long way off, and it too, during most administrations, was much more prone to listen to the story of the landlord than to that of the peasant.[29]

The landowners in Bolivia did not constitute a single, powerful elite. Other members of the traditional elite must be considered. The second powerful elite group in Bolivia was the mining interests:

> Landed groups continued, in part, to exercise public power directly; but it was an exercise tempered by the existence of the potent tin interest group which, as the all-powerful single interest in the country, could deflect or initiate policy in those areas of immediate concern to them.[30]

The Mining Interests.

The tin zone in Bolivia is located in the Andean highlands. The major tin mining region is located in the

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[28]Klein, Parties and Political Change in Bolivia, p. 395.

[29]Alexander, The Bolivian National Revolution, p. 18.

[30]Malloy, Bolivia: The Uncompleted Revolution, p. 36.

western part of the mountain ranges known collectively as the Eastern Cordillera. Over 46,000 tons were produced in 1929; output declined during the depression, increased again during World War II, but never again was to reach the peak year of 1929.[31]

Tin is extremely important to the Bolivian economy. Until the Revolution in 1952, output was largely accounted for by three large mining interests, the Patiño, Hochschild. and Aramayo groups. However, control by these groups was not easily maintained, due to the uncertainty of the mining industry:

> Scant supply and poor quality of labor is a serious problem with which the Bolivian tin mining industry has to contend. Since imported workers cannot be used because they are not adapted to physical labor in high altitudes, native Indians, Quéchaus and Aymarás, and Cholos (local name for the mestizo) are the mining industry's source of labor.[32]

The mining elite was in many ways as exploitive of the Indians as were the landlords. The tin barons formed an important part of the traditional elites:

> The growth of tin occasioned the rise of a new elite, often from lower and landless social origins; but, once merged, this new group made its peace with the old, adopted its values, and strove, often ruthlessly, to possess land and the Indians living off it.[33]

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[31]Phyllis R. Griess, "The Bolivian Tin Industry," Economic Geography, XXVII (July, 1951), 238.

[32]Ibid., p. 243.

[33]Malloy, Bolivia: The Uncompleted Revolution, pp. 189-90.

Ownership of the "Big Three" (Patiño, Aramayo and Hochschild) was in the hands of a few Bolivian families and foreign investors. There was much resentment in Bolivia over the foreign influence in the mines and over the fact that much of the mining capital flowed out of the country.[34]

Even before the period of consolidation of the Big Three (which took place in the 1920's) the tin industry was owned largely by foreign financial interests. Patiño Mines & Enterprises Consolidated, Inc. was a Delaware corporation; Compagnie Aramayo de Mines en Bolivia was a Swiss corporation; and Mauricio Hochschild's Sociedad Anonoma Minera e Industrial was a Chilean corporation.[35] Lack of investment in Bolivia was a source of bitterness for the Bolivians:

> . . . conditions of political instability, onerous taxes and foreign exchange regulations, plus the threat of ultimate confiscation, afforded so little incentive for investment in Bolivia that the mining companies attempted to withdraw an ever-increasing percentage of their profits from the country, and spent the minimum possible amount in exploration and developing new sources of oil.[36]

Together the Big Three accounted for about 85 to 90 per cent of the Bolivian exports of tin and a considerable proportion of the exports of other minerals. Of the

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[34]See Griess, "The Bolivian Tin Industry," 249; and Alexander, "The National Revolution," p. 359.

[35]George Jackson Eder, Inflation and Development in Latin America A Case History of Inflation and Stablization in Bolivia (Ann Arbor, Michigan: Graduate School of Business Administration The University of Michigan, 1968), p. 48.

[36]Ibid., p. 49.

three. Patiño was the most successful, and accounted for almost 50 per cent of Bolivia's tin mining outputs. Hochschild accounted for almost 27 per cent and Aramayo for about 10 per cent.[37]

Since Patiño was the dominant figure, his career should be examined. It is in many ways typical and sheds light upon the mining elite.

Simón Patiño was born on June 1, 1860 in the Cochabamba Valley of Bolivia. In the late 1870's he went to the mining city of Oruro and began his career in mining as a clerk. From there he went in 1884 to the Chilean-owned mining camp of Huanchaca, where he worked until a new boom came in tin.

Then, ". . . in 1894, Patiño finally succeeded in placing himself with the purchase of a half share in the struggling 'La Salvadora' mine."[38] By August of 1897 Patiño had all the shares in the mine. To complete his luck, in 1900 his Indian laborers discovered a fabulously rich tin vein in the mine.[39]

"This gave him a start, but it was World War I that admitted him into the power clique of international

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[37]See Griess, "The Bolivian Tin Industry," 246; and Alexander, The Bolivian National Revolution, p. 100.

[38]Herbert S. Klein, "The Creation of the Patino Tin Empire," Inter-American Economic Affairs, XIX (Autumn, 1965), 7.

[39]Ibid., p. 9.

finance . . ."[40] In 1914 he shifted the base of his operations and his smelting business to England. He then bought as much stock as possible in the Chilean-owned Llallaqua mine, which was then the largest tin enterprise in Bolivia. One acquisition followed another and his holdings were finally incorporated in Delaware. "At the apex of his fortune, he controlled approximately half the country's mineral production and was known internationally as the king of tin."[41] Patiño also, ". . . besides holding interests in railroading, land, and the like, became the country's largest single private banker as well."[42]

Patiño's Bolivian troubles began after the Chaco War. Bolivian critics claimed he established the United States Corporation to evade Bolivian taxes and government control. In addition, the richest ores were running out and the exploited workers were becoming increasingly restive:

> The company assiduously suppressed all attempts to organize the workers through most of its history. In fact, government troops were brought in to company mines several times to put down strikes, and in 1942 such an army-worker conflict led to the famous Catavi Massacre of that year.[43]

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[40]Carter, Bolivia A Profile, p. 59.

[41]Ibid.

[42]Malloy, Bolivia: The Uncompleted Revolution, p. 43.

[43]Klein, "The Creation of the Patino Tin Empire." 18.

However, Bolivia became the day-to-day concern of elites acting in Patiño's name as he grew more concerned with world affairs. He died in 1947.

The Big Three tin mining companies were acutely interested in the politics of Bolivia and in fact ". . . intervened openly and frequently in the country's political affairs."[44] Robert J. Alexander has said that the Big Three ". . . were generally credited with the ability to make and unmake governments at will."[45] While this is probably an exaggeration it indicates the political power of the mining elites prior to the Revolution. While they were more interested in the pursuit of private economic power, this power often translated into political power, especially considering the dominant place tin had in the Bolivian economy.

Political power was important to the mining interests:

> Since the key tin industrialists were nationals, or controlled companies with highly diversified foreign capital, they more heavily relied for protection of their privileged positions on the domestic political system than did foreign capitalists.[46]

This segment of the traditional elite was important politically, then. They were powerful, and in concert with

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[44]Alexander, "The National Revolution," p. 360.

[45]Ibid.. p. 359.

[46]Klein, Parties and Political Change in Bolivia, p. 251.

the landowners, represented traditional values. Their impact was great:

> There is little doubt that Patiño, Aramayo, and Hochschild companies had long been active in politics. They had subsidized candidates for office, they had financed revolution, they had made a regular policy of 'tipping' the local government officials in the mining areas. They had contributed heavily to the funds of candidates opposed to the M.N.R. ticket in the 1951 election.[47]

The Bolivian Army.

The military has always played a crucial role in government and politics in Bolivia. This was especially true in the period between 1936 and 1952. Six of the nine men who served as president during that period were army officers; and together they served eleven of the sixteen years. In addition, during that period every administration either began or ended with a military coup d' état.

The military has traditionally been important in Bolivia:

> Once independence from Spain had been achieved, the principal remaining centers of authority in Bolivian society were the Church and the Army. The conservative classes in the new Republic, the landowners and the merchants, looked to these two institutions to prevent the revolutionary movement from going beyond the achievement of independence and, thus menacing their privileged position in society. With the drastic limitation of the power of the Church which occurred during the latter half

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[47] Alexander, "The National Revolution," p. 360.

> of the nineteenth century, the relative importance of the army became even greater than it had previously been.[48]

There is little doubt where the army stood with regard to the traditional elites. "From 1825 until 1952 the military had great political importance in Bolivia. It was, for the most part, a traditional, conservative force allied with the established oligarchy against any type of social reform."[49] As a result, the army became a sort of police force which protected the regime in power; or possibly overthrowing that regime and putting another in its place.

The military coup d' état was continued with the Chaco War. During the war the army overthrew President David Salamanca and put another civilian (José Luis Tejada Sorzano) in his place. The army was to remain a potent political force until 1952, when it was drastically reduced by the revolutionary government.

Indeed, the power of the army increased during the pre-revolutionary years. For example, while the Chaco peace treaty terms reduced the army to 5,000 men, by 1952 the army had grown to 18,000 men and officers; and by 1938 the national budget doubled the amount devoted to

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[49]Operations and Policy Research, Inc., Bolivia Election Factbook (Washington, D.C.: Institute for the Comparative Study of Political Systems, 1966), p. 29.

the military (to 32 per cent).[50]

One final element of the traditional elites consisted of the governmental elites, which must now be considered.

The Governmental Elites.

> The government on both national and local levels served the interests of the dominant economic and social classes and groups . . . national government policies were generally patterned to the needs of the agricultural landlords and the mining interests.[51]

As mentioned previously, the military was intimately involved in the governments from the Chaco War to the Revolution. Military takeovers had been facilitated by the vacuum created by the disintegration of the traditional political parties. This disintegration had been caused by the nation's condemnation of the parties for leading Bolivia into the Chaco War.[52]

For an understanding of the events after 1952 it is first necessary to consider the governments preceding

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[50]Klein, Parties and Political Change in Bolivia, p. 274; and Alexander, The Bolivian National Revolution, p. 145.

[51]Alexander, "The National Revolution," p. 359. James M. Malloy has made the same point: ". . . effective state control tended to stop at urban limits. The state functioned mainly to facilitate the operation of the tin system." Malloy, Bolivia: The Uncompleted Revolution, p. 33.

[52]Klein, Parties and Political Change in Bolivia, p. 32.

the Revolution, since many of the roots of the Revolution may be found during these years.

Daniel Salamanca, who was described as ". . . the very epitome of the traditional elite . . ."[53] became Bolivia's President on March 5, 1931. He presided over the Chaco War, which was to prove to be his downfall. During the war the army had become disgusted with his leadership and they overthrew him. The overthrow of Salamanca was the first military coup since 1900.[54] Vice President José Luis Tejada Sorzano replaced Salamanca on November 28, 1934.

As the Chaco War drew to a close a group of young officers took the lead in establishing a new political party known as the National Socialist Party. The party was headed by Colonel David Toro.

Toro had had an outstanding military career, having been elevated to the rank of major at the age of 27, in 1925. In addition, he was one of the most politically adept officers in the Bolivian officer corps.

On May 17, 1936, a young officer group ousted President Sorozano and proclaimed Toro President. Toro took control on May 22 and proclaimed Bolivia to be a "Socialist Republic."

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[53]Malloy, Bolivia: The Uncompleted Revolution, p. 71.

[54]Klein, Parties and Political Change in Bolivia, p. 199.

Although Bolivia turned out to be something less than a socialist republic during Toro's short time in office, Toro did accomplish some significant things. For the first time in Bolivia a Ministry of Labor was established. Waldo Alvarez, a leader of the topographical workers union of La Paz, was the first person to hold the post.

Second, a decree established a system of government-recognized trade unions. Partly as a result of official support the country's first really national labor organization was established; the Confederación Sindical de Trabajadores de Bolivia (C.S.T.B.).

Finally, "Toro gave expression to the growing nationalism by creating a state oil monopoly, the Y.P.F.B. [Bolivian Petroleum Board] which took over ownership and operation of the Standard Oil properties in Bolivia."[55]

Toro's modest accomplishments did not lead to political stability in Bolivia, however. On July 13, 1937, Lt. Colonel German Busch, who had engineered the coup which put Toro into power, overthrew him.

Busch was one of the few heroes of the Chaco War. Only 28 at the beginning of the war, he had led troops in a spirited defense of the Camiri oil fields. Unfortunately, Busch seemed to lack Toro's political

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[55]Patch, "Peasantry and National Revolution," p. 107. For a description of Standard Oil in Bolivia and the confiscation see Herbert S. Klein, "American Oil Companies in Latin America: The Bolivian Experience," Inter-American Economic Affairs, XVIII (Autumn, 1964), 47-72.

sophistication. On April 24, 1939, Busch declared an end of constitutional government and the formal establishment of a dictatorship.

One of the important efforts of the Busch administration was an attempt to require the tin mine owners to turn over to the government their foreign exchange proceeds, ". . . clearly the first step toward seizure of the mines."[56]

But despite this apparent shift, the government in most ways reflected the dominant traditional pattern:

> . . . the Busch government was run by the very same men who had helped to run all the previous governments in Bolivia. Thus while Busch nationalized the new Banco Minero and brought into its management such leftists as Víctor Paz Estenssoro and Walter Guevara Arze, he turned over its direction to his old oligarchic minister of finance, Alberto Palacios. What was true of the Banco Minero was true of the central bank and all the ministries and departments of government.[57]

Despite the above, the traditional elites were concerned with the developments at the national level. What they had seen with Toro and Busch was a forewarning of what was to come.

> There had been no serious attack on the economic power of the native oligarchy, and concessions continued to flow to Aramayo and Patino, but the Toro and Busch regimes raised serious doubts in the minds of the upper class. Both governments had given great impetus to the labour movement and

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[56]Patch, "Peasantry and the National Revolution," p. 107.

[57]Klein, Parties and Political Change in Bolivia, p. 319.

> had fostered the growth of numerous moderate and radical leftist organizations, all of which were sapping the strength of the already weakened traditional political parties. Also, there seemed no way to guarantee control over the rather erratic Busch without the traditional opposition party in a reasonably vocal and independent national legislature. But the Bolivian Congress had not been called into session for almost three years, which was an extremely dangerous precedent for the traditional parties and the normal patterns of political life.[58]

On August 23, 1939, Busch committed suicide according to an official story in the New York Times the day after his death. This act marked the end of the post-war era of military socialism. However, many of his supporters felt he was murdered as a result of his campaign against the tin mining companies.[59] In any event, his hesitant revolution died with him. His death remains a mystery.

Whatever its cause, the death of Busch enabled the oligarchy to initially gain the upper hand in their attempt to reestablish their authority. This climate of uncertainty was ideal for a resurgence of the right in national politics.

The new President, Carlos Quintanilla, took office on August 23, 1939. He established his position early, meeting with leading miners and landowners. His government

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[58] Ibid., p. 275.

[59] Alexander, The Bolivian National Revolution, p. 28. The Times article date is August 24, 1939.

increasingly began to reflect the interests of the elites.[60]

During the terms of Quintanilla and Enrique Peñaranda who followed him, ". . . no further steps were taken in the direction of taxation of the tin companies, or in other ways disturbing the status quo."[61] Indeed, Penaranda attempted to roll back most of the reforms of Toro and Busch. Nevertheless, he is most noteworthy for the fact that his presidency marked the bloody beginning of the end of the old elite system.[62]

Enrique Peñaranda was overthrown on December 20, 1943, and Gualberto Villarroel became the President of Bolivia. This administration is significant in that it gave the MNR leaders their first experience in government, and also because the MNR was able to consolidate its position in the labor movement during this period. Robert J. Alexander has pointed out the importance of this administration:

> In December, 1943, a military coup brought to power a radical nationalist regime headed by Major Gualberto Villarroel in which younger military leaders and the Movimiento Nacionalista Revolutionario (MNR) shared political responsibility and power.[63]

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[60]Klein, Parties and Political Change in Bolivia, p. 326.

[61]Alexander, The Bolivian National Revolution, p. 28.

[62]Carter, Bolivia A Profile, p. 52.

[63]Alexander, "The National Revolution," p. 364.

The Villarroel administration was essentially a coalition between an army group known as the Razón de Patria (Radepa) and the MNR party, although Villarroel was not a member of either organization. Villarroel had several leaders of the MNR in his cabinet and he also repressed the Marxist parties. The future president, Víctor Paz Estenssoro, became Villarroel's Minister of Finance.

Villarroel was the first to make a move toward the Indians. He summoned the First Congress of Indians, which he attended shortly before his death. Perhaps he saw in the Indians a potential power source; in any event his summoning of the Congress of Indians indicated they would have a role to play in the future political affairs of the nation.

Villarroel's term was short and his end a violent one. After having antagonized the right, his government was overthrown by a secret uprising in La Paz on July 14, 1946. The revolt was led by the right and resulted in Villarroel being hanged from a lamp post during the bloody uprising.

After the Villarroel administration, things returned to "normal" for the traditional elites:

> The regimes from 1946 to 1952 are generally regarded in Bolivia as governments controlled by what is colloquially referred to as 'the rosca,' an indefinable term meaning the landlord aristocracy and the mining companies, among other elements.[64]

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[64]Alexander, The Bolivian National Revolution, p. 42.

During the six year period from 1946 to 1952 Bolivia had five presidents: Néstor Guillén (July 21-August 16, 1946); Tomás Monje Gutierrez (August 15, 1946-March 10, 1947); Enrique Hertzog (March 10, 1947-May 7, 1949); Mamerto Urriolagiotia (May 7, 1949-May 16, 1951); and Hugo R. Ballivian (May 16, 1951-April 9, 1952).

During this period of conservative governments the economic picture deteriorated drastically. This too, was to have important consequences for the coming revolution:

> Given the dramatic rates of change in the price index . . . the conservative governments, which sided with the 'tin oligarchy' without seeking to alleviate economic causes of social stress in Bolivian society, inevitably lost support among the middle sectors, government bureaucrats, and workers who made up the bulk of the economically active sector of the country's population.[65]

Conclusions.

James M. Malloy's analysis of the position of the traditional elites during the period from the Chaco War to the Revolution is perhaps the best summary of the situation of what was and what was to come:

> Resentment between the old and new, longstanding regional differences, and clashes among long-and short-term interests all acted to divide it internally. The long-term result of these factors was a weakening of the national elite's ability to resist opponents

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[65]James W. Wilkie, The Bolivian Revolution and U.S. Aid Since 1952 (Latin American Center, University of California, Los Angeles, 1969),p. 3.

> and an erosion of its capacity to sponsor timely adaptive changes.[66]

In the post war period the traditional elites began to rely on pressure groups to cope with the changing situation in Bolivia. The creation of these groups indicated the doubts the traditional elties had in the old politics, and especially in the old political parties. The traditional elites felt they could no longer rely on the traditional political structure. They seemed, from 1935 to 1952, to be searching for new political organizations which could defend them and give them the security they sought.

> By 1940, the major contours of the revolutionary situation were defined. The status quo elite factions had been driven to a semblance of internal unity by a situation which, from their point of view, was getting out of hand. The formation of La Concordancia drew the line of battle between the old and new in terms of implacable and incipiently violent hostility.[67]

The signing of the Concordancia pact, in which the traditional elites abandoned the old system and openly represented themselves as a class-oriented party defending their interests in an interclass struggle for survival, was truly an historic occasion for Bolivia. This marked the end of the traditional political system, and ". . . the real beginning of the class-oriented and socially disruptive

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[66]Malloy, Bolivia: The Uncompleted Revolution, p. 40.

[67]Ibid., p. 108.

political party structure based on the socio-economic realities of the nation."[68]

The traditional elites were rigid in their dealings with the post-war reformist movement. They did not co-opt the new groups; rather they constantly fought their entrance into politics. Certainly the dissatisfaction with the old system, added to the inability of the traditional elites to co-opt the new radical elements, were major forces in the collapse of the traditional system. This system was rapidly coming apart, despite the apparent control the elites exercised:

> The calm before the veritable storm reflected more the preoccupations and initial disorganization of the new post-war political forces than it did the strength of traditional patterns. So long as the army was engaged in concluding the war and carrying out the initial stages of demobilization and peace, and so long as the returning veterans and intellectuals were still groping for an ideology and consolidating their forces, the pre-war leaders would be left undisturbed with the pretence of their old power. Once the initial period of consolidation was over, however, these same politicians were rapidly shorn of even this pretence.[69]

It is the new political forces which must now be examined.

The Emerging Elites

Signs of the changing political situation in Bolivia after the Chaco War were everywhere. There was a

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[68]Klein, Parties and Political Change in Bolivia, p. 306.

[69]Ibid., p. 199.

proliferation of political organizations and development of new pressure groups which had previously never been known in Bolivia.

In addition, there was an economic boom after the war which caused a great demand for skilled workers. Also, there was a major absorption of many Indian veterans who did not want to return to the land. The tight labor market, an expanding economy, and sudden runaway inflation created the atmosphere for these new groups and for the major growth of the Bolivian labor movement.[70]

Prior to the Chaco War, there was little competition for the minds of the lower classes. But with the multiplicity of ideologies and groups issuing propaganda to the masses, a more politically active and aware working, artisan and urban lower class began to arise.[71]

The working class was not the only group which began to question the rule of the traditional elites. The young Chaco veterans of the upper and middle class families also began to question the traditional order.

It was the left that provided the primary intellectual thrust of the post-war groups. It was the left which claimed

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[70] Ibid., passim.

[71] Ibid., p. 341.

the Chaco War had been the last resort of the oligarchy and that only a social revolution could bring about a new Bolivia.

Tristán Marof (pen-name of Gustavo A. Navarro) probably best represents the early leftist thinking in Bolivia. His socialist revolutionary code of Tierras el Indio, Minas Al Estado (Land to the Indian, Mines to the State) was a rallying cry for future leftist leaders. In Klein's opinion, Marof

> . . . was unquestionably the dominating figure as the greatest revolutionary of the pre-war world and for a short time he became the key transition figure between the pre-and post-war leftist generations.[72]

The post-war elements of the counter-movement were, then, the youth of the civilian upper and middle classes, the junior officer corps of the army, the urban middle class, and the artisan-laborers. Unfortunately, prior to the Revolution, ". . . the counter-groups spent as much time in distinguishing and defining differences among themselves as in mounting challenges to the old order."[73] These groups must now be examined.

The Emerging Parties.

> In a transitional situation where there is no general political consensus, political parties

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[72]Ibid., p. 195.

[73]Malloy, Bolivia: The Uncompleted Revolution, p. 85.

> or movements cannot function as neutral, brokerage intermediaries between the various elites. Instead, such parties represent the particularisitic interests of the traditional elites or serve as vehicles for badly fragmented and competitive emerging interests and their elite leaders.[74]

This was certainly the case in Bolivia from 1936 to 1952, as the various parties competed for power and influence, and in most cases, for survival. The Movimiento Nacionalista Revolucionario (MNR), which was to be the force behind the Revolution, was one of the parties struggling to survive.

The party was founded in 1940 and organized under the leadership of Víctor Paz Estenssoro in January of 1941. Paz Estenssoro had been a professor of economics at the University of San Andrés in La Paz, and an economic adviser to President Busch. Other intellectuals joined with Paz Estenssoro to organize the party: Hernán Siles (another economist and son of a former president); and Luis Peñaloza (also an economist and a one-time follower of Tristán Marof).[75]

The party's first program of principles did not appear until June of 1942. The MNR was primarily a nationalist party with a socialist tendency. Early programs were critical of the Big Three and called for control of them.

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[74]Lipset and Solari, Elites in Latin America, p. 120.

[75]See Klein, Parties and Political Change in Bolivia, p. 397; and Alexander, The Bolivian National Revolution, p. 30.

In an interview on August 21, 1956, Víctor Paz Estenssoro described the MNR in its early years as a nationalist party with socialist leanings which attempted to be a faithful reflection of the situation in Bolivia without any doctrinal rigidity.[76]

This lack of doctrinal rigidity may in part be explained by the nature of the MNR. It emerged as a loose coalition of groups with many diverse political views.

A doctrine was forming for the party, however. The first strains of the political thought of the MNR may be picked up at the 1938 Constitutional Convention, in which many of the future leaders of the party participated. The convention was also critical to Bolivian politics, as Herbert Klein points out:

> . . . the constitutional convention of 1938 was to prove a vital turning point in Bolivian history. The convention finally repealed both the oldest functioning constitution in Bolivian history, the 1880 charter, and also entirely rewrote the basic concepts of constitutional government. It adopted what Latin American scholars have come to label 'social constitutionalism.'[77]

This was a departure from the nineteenth century concepts of limited government and protection of property as an inalienable right. The new doctrine stressed the responsibility of the state for the social and economic welfare of all its citizens.

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[76]Alexander, The Bolivian National Revolution, p. 33.

[77]Klein, Parties and Political Change in Bolivia, p. 278. The following account of the convention is taken from his book, pp. 278-95.

The leftist thinkers, led by Paz Estenssoro and Walter Guevara Arze, among others, were very much in evidence at the convention. However, they were fragmented by differing views and the potent traditional politics. Still, the left proposed some radical reforms.

> That these ideas were even-voiced and seriously debated in a national Bolivian Congress was indicative of the major changes in the political atmosphere which had occurred as a result of the Chaco War, and most specifically of the general currency now enjoyed by the radical ideology of the pre-war left.[78]

Many of the controversial issues were raised by Paz Estenssoro. The controversy was especially strong over the Big Three. This is indicated in the following statement by Paz Estenssoro at the convention concerning the Big Three:

> 'As it has a power greater than that of the state itself, the mining superstate is capable of creating great difficulties and preventing the moderately socialist constitution that we are voting from being sanctioned and promulgated.'[79]

The debate led to an attack on the entire mining industry; labor conditions in the mines and the loss of capital to foreign investors were criticized.

But the left was rebuffed on many of their revolutionary proposals. However, they

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[78]Ibid., p. 284.

[79]Ibid., pp. 285-86.

> . . . succeeded in having written into the constitution, for the first time in Bolivian history, the general socialist principle that the state should assume direct control over the economy of the nation so as to insure the human dignity of its citizens.[80]

At the time of the convention, Paz Estenssoro, Augusto Céspedes, and Guevara Arze were members of the Partido Socialista Independienta (PSI), which was the direct precursor of the MNR.

President Busch began to fear the radical nature of the convention and threatened it with forced adjournment. Under intense pressure from the government the convention members hastily completed the constitution in October of 1938. They had done more than write a constitution, however.

> . . . the convention had set the tone and provided the guidelines for the future generations of the nation. It had finally and definitively destroyed the traditional constitutional charter of economic liberalism and limited constitutional government, and openly proclaimed the positive role the government must take in providing for the welfare of its people. This was unquestionably the basic idea which emerged in the national consciousness in the post-war period, and it was this desire which the convention delegates succeeded in writing into the fundamental charter of the union.[81]

If the Convention of 1938 provided the MNR with an ideological base, the Catavi Massacre of 1942 provided the party with a rallying point.

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[80] Ibid., p. 286.

[81] Ibid., p. 291.

A miners union, led by the MNR, had staged a strike at the Catavi mine which was operated by the Patiño tin interests. The Patiño company used World War II anti-sabotage laws to get the government to send troops into the mines, and the result was a massacre of the workers.

The Massacre in the mining camp of Catavi in December of 1942 resulted in 40 dead and 83 wounded, including miners and army personnel. It was the Massacre which gave the MNR its first opportunity to try for major influence in Bolivian politics.[82]

After the conflict, the Secretary General of the miners' union went to Paz Estenssoro's house and gave the workers' version of what had happened at Catavi. Paz Estenssoro then led the MNR deputies in Congress in interrogating the government of General Peñaranda concerning the causes for its troops shooting at unarmed men, women, and children. Robert J. Alexander has maintained that the influence of the MNR among the miners dates from this incident.[83]

It was during the two and a half years of the Villarroel regime (1943 to 1946) that the MNR got its first real experience in government. During that time it consolidated its hold on the miners' unions. Paz

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[82]Alexander, The Bolivian National Revolution, p. 33.

[83]Ibid., p. 34.

Estenssoro took over the Ministry of Finance and Carlos Montenegro and Augusto Céspedes also served in Villarroel's cabinet.

The members of the MNR were forced from their ministries in March of 1944. There was speculation that this was due to pressure from the United States because of the leftist nature of the MNR. However, the traditional elites in Bolivia may have exerted sufficient pressure to remove the MNR. In any event, the pressure lessened, and by December of 1944 the MNR members were able to reenter the government.

In April of 1946, elections were held in which the MNR gained a majority position in the Congress, controlling 60 per cent of the seats.[84] But after this election the fortunes of the MNR turned, due to increasing pressure from the traditional elites in Bolivia. After the overthrow of Villarroel the MNR was declared illegal and Paz Estenssoro went into exile in Argentina, where he was to remain the symbol of the Revolution and what it hoped to accomplish.[85]

> From July 21, 1946, until April 9, 1952, the Movimiento Nacionalista Revolucionario was in the opposition. Its leaders were severely

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[84]Klein, Parties and Political Change in Bolivia, p. 381.

[85]Richard W. Patch, "The Bolivian Revolution," in Latin American Politics, ed. by Robert D. Tomasek (Garden City, New York: Anchor Books, 1970), p. 353.

> persecuted . . . virtually all the top leaders of the M.N.R. spent these six years in exile. . . . At one time there were some five thousand exiles belonging to the M.N.R. and its allies in Argentina alone, and there were thousands who were jailed in Bolivia, though many of them were released after short periods.[86]

Nevertheless, the MNR was still active during the six year period (known in Bolivia as the Sexenio). It backed various groups in national elections, attempted several times to overthrow the regimes, and gained ground in the organized labor movement. Also during this period the MNR led its first serious revolutionary attempt. Frustrated by the government, and convinced the only road to power lay in open rebellion, the MNR opened the fighting on August 26, 1949. Bolivia was in a state of open civil war, but the rebels failed to take La Paz (a lesson they did not forget) and were defeated in the end.

The Sexenio was very important to Bolivia and the MNR. For during this period members of the MNR became committed to land reform, nationalization of the Big Three and to altering the political, economic and social structure of Bolivia.

The Sexenio was important to the MNR in other ways. For example, the MNR record of opposition to the governments of Presidents Hertzog, Urriolagoitia, and Ballivian gained the party much support in Bolivia among the workers and middle class.

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[86]Alexander, The Bolivian National Revolution, p. 38.

In addition, the alliance between the labor movement and the MNR was strengthened, although the MNR never gained control of the key labor groups. This failure was to have serious consequences for the Revolution. But it is certain that the alliance with labor had a great effect on the ideology, organization and the course the MNR took during the Revolution.

Finally, it could be argued that the opposition of the government, and the attempts to crush the party, actually served to bring it together. This may have provided the bond which enabled the MNR to unite to replace the government.

The MNR was not the only party of consequence in pre-revolutionary Bolivia; another was the pro-Stalinist Partido de la Izquirda Revolucionaria (PIR, or Revolutionary Party of Left).

James Malloy had described the PIR as ". . . the first major counter-elite group to act directly on the artisan-labor movement in an attempt to radicalize and politicize it."[87] The PIR also explored the possibility of the formation of an agrarian political movement.

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[87]Malloy, Bolivia: The Uncompleted Revolution, p. 99.

"The PIR was the first new, truly modern party to emerge from the ferment begun in the late 1920's and accelerated by the depression and the war."[88] The party was established in 1940 ". . . as the result of a congress which brought together a number of small left-wing political groups of general Marxist orientation."[89]

The PIR had its complement of the country's leading intellectuals. Foremost among them was the eminent sociologist, José Antonio Arze. Others included the writers Fernando Sinani and Richardo Anaya and Bolivia's leading novelist, Jesús Lara. Arze was the party's candidate for president in 1940.

The impact of the PIR was quickly felt in the labor movement. "By 1943, it had full control of the nation's principal central labor organization, the Confederación Sindical de Trabajadores Bolivianos. Its particular bulwark was the Railroad Workers confederation."[90]

The PIR platform called for full scale agrarian reform, complete nationalization of the mining industry and the petroleum and transportation network.

The 1947 elections were the beginning of the end of the PIR's influence due to its support of the government.

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[88] Ibid., p. 98.

[89] Alexander, The Bolivian National Revolution, p. 29.

[90] Ibid.

Enrique Hertzog, compromise candidate for President, was victorious, and he organized a coalition government in which the PIR participated. Members of the PIR served in Hertzog's cabinet, and José Antonio Arze was President of the Chamber of Deputies in 1947. "In general, the line of the PIR was one of support of the government, and violent opposition to the M.N.R."[91]

The collaboration of the PIR with the conservative governments served to discredit the party almost completely among the workers. Although the party withdrew from the government in 1950, its reputation had by then been largely destroyed, ". . . and this once-potent counter-elite group was eliminated as a serious contender for power."[92]

Another of the counter-elite groups which, prior to the Revolution, had a strong foothold in the tin mines and in various industrial unions, was the Trotskyite Partido Obrero Revolutionario (POR). This party had been in alliance with the MNR during the Villarroel regime.

The POR may be traced to an exile group in Argentina during the Chaco War. The party was organized in Bolivia in 1940 under the leadership of Tristán Marof. He had originally founded the Partido Socialista Obrero Boliviano (PSOB) which became the POR.

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[91] Ibid., p. 40.

[92] Malloy, Bolivia: The Uncompleted Revolution, p. 132.

The parties of the left were not the only important ones during the pre-and post-Revolutionary situation. For example, the Falange Socialista Boliviana (FSB) remained small until the Revolution, and then it became the principal group around which the right wing opposition to the Revolution gathered.

The FSB was established in 1937 among a group of exiles in Chile. It was patterned after the fascist party in Spain (Franco's Falange), and took its name from that organization. The FSB's organization reflected its predominantly military makeup; it was to be a force on the Bolivian scene for years to come.

There was yet another party to the right of the political spectrum. In the 1940's, the leaders of the MNR had been joined by a group calling itself the Vanguardia of the MNR. The origins of this group were close to that of the Razon de Patria (RADEPA), an organization of young officer veterans of the Chaco War, who were bitter over Bolivia's defeat. This group was more conservative than the MNR leaders, and it was a strange alliance. "The alliance was based on the fact the MNR needed the RADEPA's military power, and the officers wanted the aura of civil legitimacy and support that the MNR could give a military regime."[93]

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[93]Ibid., p. 120.

The divisions between the MNR, PIR and POR preserved the traditional government for another ten years, despite the weakened traditional system and the divisions in the army between the radical and conservative elements.[94]

The Labor Elites.

> Insofar as the labor movement was concerned, the Chaco War was of major significance because the discontent aroused within the ranks of the younger officers who had participated in the conflict resulted in bringing to power for the first time governments that were sympathetic to organized labor.[95]

The labor movement had, of course, organized prior to the aid of the Busch administration. The Confederación Sindical de Trabajadores Bolivianos (CSTB) had been formed in 1936, largely independent of the national intra-elite struggle. This had later important consequences for the course of the Revolution, since the labor movement developed over the years with its own organizations, orientations and leaders.[96]

The Busch administration continued to foster the labor movement. His administration issued Bolivia's first Labor Code, and encouraged the first serious attempts to form trade unions among the tin miners. These attempts had been previously bitterly fought by the government and the

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[94]Klein, "Prelude to the Revolution," p. 37.

[95]Robert J. Alexander, Organized Labor in Latin America (New York: The Free Press, 1965), p. 102.

[96]Malloy, Bolivia: The Uncompleted Revolution, p. 106.

tin mining companies. By the end of the Busch regime, a Federation of Miners was established.[97]

This Federation had been organized by the followers of Tristán Marof and was called the Federación Sindical de Trabajadores Mineros (FSTM). But the Busch administration also played an active role. The first national labor code became law on May 24, 1939 (the Código del Trabajo); in addition, the regime established a Ministry of Mines and Petroleum with Dionisio Foianini as the first Minister.

The Villarroel government also strongly encouraged the growth of the trade-union movement.

> Perhaps the most important single action of the Villarroel regime was its sponsorship of the establishment of a strong trade union movement in the mining areas. The M.N.R. had built up considerable support among the miners even before the Villarroel regime came to power, and its capitalized upon this support to organize unions in all the important mines, and to establish securely the Federación Sindical de Trabajadores Mineros as the central organization of all the mining unions.[98]

One of the real forces behind the FSTM was a man named Juan Lechín. Son of a Lebanese merchant and a Bolivian mother, he had been a clerical employee in the mine. But he was popular with the workers, and in 1945, when the FSTM held its first Congress, Lechín emerged as Executive Secretary of the organization.

Lechin at that time relied heavily on the Trotskyites of the POR for preparing public documents

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[97]Alexander, The Bolivian National Revolution, p. 27.

that supposedly set forth the ideological position of the FSTM. This was later to have important consequences for the course of the Revolution. "Juan Lechín has yet to live down the reputation for being an extreme leftist which these early Miners' Federation pronouncements earned him."[99]

It is evident the labor movement had a great effect on the MNR:

> Thus the FSTMB, under the steady hand of Juan Lechín, who remained its unquestioned leader for the next twenty years, introduced an extremely powerful and entirely new element into the ranks of the previously middle-class-oriented MNR. Though not totally controlled by the MNR, since Trotskyite elements always remained an important minority group within the movement, the steady support of the miners proved of crucial political value to the party, and even more importantly, helped to clarify the party's ideological programme and position.[100]

The Sexenio was a hard period for labor. The regimes of those years dealt harsh blows to labor, as it was presenting some challenge to the traditional elite; ". . . by April 9, 1952, the trade union movement was in probably

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[99]Alexander, "The National Revolution," p. 364.

[100]Klein, Parties and Political Change in Bolivia, p. 376. James M. Malloy has also made this important point; "The pre-1952 entrismo [infiltration] and the rising political significance of the labor public resulted in a definite shift of internal power in the general MNR movement toward the labor-left fraction. It became increasingly difficult to ignore the more and more commanding figure of Lechín." Malloy, Bolivia: The Uncompleted Revolution, p. 161.

the weakest position it had held since the end of the Chaco War."[101]

> The labor movement was largely disorganized during the 1946-1952 period. As the result of attempted revolutionary movements and political general strikes, and the close association of the unions with the M.N.R. and other political groups opposed to the governments of that period, the trade unions were weak at the time of the 1952 Revolution.[102]

The Peasant Elites.

The peasants were a potential political force of considerable proportions in Bolivia. The rural Aymara and Quechua Indians accounted for two-thirds of the total Bolivian population of about 3,000,000 in 1950.[103]

The story of the organization of one of the peasant syndicates indicates the growth of these peasant unions prior to the Revolution. The peasants of the province of Cliza, department of Cochabamba under José Rojas, had established an agrarian syndicate to free themselves from their feudal obligations to the landlords.

A large number of the landowners banded together to destroy the syndicate. In 1939, the land was taken from the peasants and those peasants who didn't submit were driven from the land.

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[101]Alexander, The Bolivian National Revolution, p. 43.

[102]Ibid., p. 357.

[103]John M. Hickman and Jack Brown, "Adaptation of Aymara and Quechua to the Bicultural Social Context of Bolivian Mines." Human Organization, XXX (Winter, 1971), p. 361.

> Suppressed for several years, the syndicate re-emerged in 1947 when a PIR (Party of the Revolutionary Left) member was elected deputy for the province of Cliza, and a young man, José Rojas, took over the leadership of the syndicate.[104]

Rojas was a native of Ucureña, who in the 1940's worked as a laborer while he assisted in organizing the peasants; he soon became their leader.

In 1949 members of the MNR began a campaign in the rural areas to win the support of the peasants against the traditional elites. "They assumed correctly that, if they could win broad support among the campesinos [peasants], no government could resist their right to rule."[105]

However, Rojas chose to hold the syndicate at arm's length from the MNR, and the syndicate took no part in the 1952 Revolution.

The MNR was not the only group making overtures to the peasants. The Villarroel administration called the first National Indian Congress on May 10, 1945, which he personally attended. In addition, his government officially abolished the compulsory personal service (pongaje) which Indians had traditionally owed to their masters. The measure did not, however, become effective until the Revolution, since it was largely window dressing, designed to placate the Indians and the left.

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[104]Patch, "The Bolivian Revolution," p. 356.

[105]Ibid., p. 357.

It is evident from looking at these emerging groups that the traditional political system was disintegrating, and that the social and economic tensions in Bolivia were increasing. Certainly important in the discontent was the economic stagnation and severe inflation which Bolivia was suffering. The traditional elites were unable to deal with the situation and were losing support among the middle class:

> . . . the younger officers and the civilians, the professionals and the university students, the intellectuals and the middle class elements, all rejected the old forms and the old leadership, and engaged in a confused but determined search for new patterns to follow.[106]

At the same time the moderates discovered that a mild program would never succeed because the moderate measures were usually defeated by the traditional elites. More and more the moderates began to listen to the radical proposals of the left.

> . . . the growth of the left was unchecked throughout the post-war years, especially among the middle class. . . . These were the very groups which previously had formed the hard core of the old political party system, and hence the political base of the nation. It was these numerically small, but politically important groups, who had been most disillusioned by the Chaco War and shocked by the horror and chaos of the disaster. They refused to return to the pre-war days, and it was this rejection of upper-class leadership and refusal to continue to align their interests any

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[106]Klein, Parties and Political Change in Bolivia, p. 202.

longer with the interests of the oligarchy, which led to the destruction of the traditional party system.[107]

From the Election of 1951 to the Eve of the Revolution

As President Urriolagoitia's term was drawing to a close in 1951, elections were scheduled for May of that year. The government was expected to control the outcome of the election by legal means, since the franchise was restricted to literate males, largely urban dwellers, who, it was thought, would split their vote among several competing candidates. Under the constitution, if no candidate received an absolute majority, the Congress would choose the President from among the three candidates receiving the most votes. Since the government party dominated the Congress, it would presumably choose the government's candidate, Gabriel Gosálvez.[108]

Gosálvez had been the regime's ambassador in Buenos Aires and had been President Busch's Minister of the Interior. He was backed by the Partido Unión Republicana Socialista (PURS) which had been the principal party supporting the governments between 1946 and 1951. He also was supported by the Partido Social Democrático (PSD).

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[107] Ibid., p. 321.

[108] Patch, "The Bolivian National Revolution," p. 353. The franchise was certainly restricted. In this election, less than 200,000 of Bolivia's 3,500,000 people voted. Alexander, The Bolivian National Revolution, p. 58.

The Falange nominated General Bernardino Bilbao Rioja, and the Acción Cívica Boliviana (ACB)nominated Guillermo Gutiérrez Vea-Murguia. Vea-Murguia was the editor of the newspaper La Razón, which was owned by tin magnate Carlos Aramayo.

The Liberal Party nominated Tomás Manuel de Elio and the PIR nominated José Antonia Arze.

At the MNR's fifth National Convention in February of 1951, the party nominated Víctor Paz Estenssoro for president and Hernán Siles for Vice-president. Paz Estenssoro was in exile at the time, as were several of the principal leaders of the party. The MNR received the backing of the Trotskyite POR and the newly formed Partido Communista de Bolivia (PCB) during the election.

"Virtually all Bolivians were surprised when--still in exile--he [Paz Estenssoro] gained a plurality in the presidential election of 1951. . . ."[109] Paz Estenssoro received 54,000 votes (45%); Gosalvez got 39,000; 13,000 for the FSB; 6,500 for the Aramayo-sponsored slate; 6,400 for the Liberals and 5,100 for the PIR.[110] "If we

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[109]Dwight B. Heath, "New Patrons for Old: Changing Patron-Client Relationships in the Bolivian Yungas," Ethnology, XII (January, 1973), 77.

[110]Klein, Parties and Political Change in Bolivia, p. 400.

remember that the vote reflected only the sentiment of the upper and middle bourgeoisie, artisans, and a few workers, the results take on a profound significance."[111] The MNR also won six of nine Senate seats and ten of 55 seats in the Chamber of Deputies.

The middle class, which represented less than 20 per cent of the population, but accounted for close to 90 per cent of the voting population, had broken with the old order:

> In election after election in the years from 1935 to 1951 the middle classes expressed their increased self-consciousness by abandoning the traditional political leadership in ever larger numbers until by 1951 they literally voted the traditional system out of office and supported an openly revolutionary candidate.[112]

But the MNR had not received a majority of the vote, and the procedure should have been to submit the final decision to the Congress which had been elected at the same time. Rather than do this, Urriolagoitia chose to, or was forced to, resign. He turned the government over to a military junta headed by General Ballivian.

It is likely he was forced to resign, as James Malloy has indicated:

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[111]Malloy, Bolivia: The Uncompleted Revolution, p. 153.

[112]Klein, Parties and Political Change in Bolivia, p. 208.

> Having failed in this last attempt to defend itself by the legal rules of the game, the elites and interests associated with the old order turned to the military . . . the military, supported by the tin companies, the Liberals, and sectors of the PURS, forced Urriolagoitia to turn over the government to a military junta.[113]

Ballivian's junta was to last from May of 1951 to April of 1952. He promised to hold new elections but took few actual steps in that direction.

Meanwhile, the junta suffered from internal discord and the economy continued to deteriorate, with inflation, unemployment and scarcities immediate problems. By early in the Spring of 1952 the question wasn't whether the junta would fall, but when.

Summary

The Chaco War was the catalyst which made the Revolution of 1952 inevitable. The government's conduct of the war brought dissent to the surface in Bolivia. In addition, the War weakened the traditional structure. The enforcer of the traditional order, the army, was greatly weakened by internal dissention as a result of the War. New ideas began to surface rapidly as new groups sought power in the changing climate in Bolivia.

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[113]Malloy, Bolivia: The Uncompleted Revolution, p. 154.

The traditional elites, including the landowners, the mining interests, and the army sought to maintain control of the situation in post-war Bolivia. But the emerging elites were challenging the traditional elites. The new parties, the labor elites and the peasants all waited for their chance to gain power. As the traditional order deteriorated in Bolivia, it became evident a new situation was arriving where new elites would exercise power.

CHAPTER III

THE REVOLUTION AND THE ELITES

Introduction

The coup d' état of April, 1952 started with the power situation in a state of flux among the emerging elites. Certainly no one was assured of his position and how the government would be ruled was in doubt.

No consensus of leaders emerged due to the short period of time involved in the takeover. In three days the fighting was over and a new, revolutionary government was in power.

It is to the events of April, 1952, the new leaders of the revolution, and to counter elites, which this thesis now turns.

The Revolution: Events of April, 1952

> The Bolivian Revolution of 1952 opened with a burst of rifle and machine-gun fire at daybreak on the Wednesday of Easter Week. The firing ceased on the afternoon of Good Friday, and a new government was in possession of the capital city of La Paz.[1]

The Revolution was not unexpected. In February of 1952 there had been a hunger march in La Paz protesting

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[1]Carter Goodrich, "Bolivia in Time of Revolution," in Beyond the Revolution Bolivia Since 1952, ed. by James M. Malloy and Richard S. Thorn (University of Pittsburgh Press, 1971), p. 3. For an eye-witness description of what it was like to be in La Paz at the start of the Revolution see pp. 3-24.

the policies of the government. By the end of that month internal dissension within the Ballivian junta had reached disastrous proportions. The situation had deteriorated so seriously that a minister of government, General Seleme, had openly pledged his support to the coming MNR revolt. Seleme was the head of the carabineros, the Bolivian armed civilian police force, and was dissatisfied with his position in the junta.

It was certain that the MNR would lead the revolt, due to the popularity of the party, as evidenced by the previous election. The party, ". . . on the eve of the insurection . . . was a multicephalic mélange of conflicting elements held together by tactical realities."[2] There were, at this time, three leadership groups in the MNR. First, there was the right wing; second, the labor-left; and third, the "middle" of Paz Estenssoro and some of the older leaders.[3] Despite the differences in leadership, it was evident that the coming revolt ". . . was directed not only against a previous government but against the institutions that had made that government possible and even inevitable."[4]

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[2]James M. Malloy, "Revolutionary Politics," In Beyond The Revolution Bolivia Since 1952, ed. by James M. Malloy and Richard S. Thorn (University of Pittsburgh Press, 1971), p. 117.

[3]Ibid.

[4]Patch, "The Bolivian Revolution," p. 345.

On April 9, 1952, the Revolution finally began when Seleme was dismissed from the junta on charges of plotting a revolt (which was, of course, exactly what he was doing).

The revolt began in La Paz and quickly spread to the mining camps.

> . . . the uprising was being carried on by the combined forces of armed civilians of the MNR under the leadership of Hernan Siles and the carabineros under the command of Gen. Antonio Seleme, the minister of the interior, who had just turned against his colleagues in the ruling military junta.[5]

In addition, it was hoped that General Torres Ortiz would deliver elements of the regular military. The presence of the military indicates the type of government the coup was to produce:

> The coup was to result in a government similar to that headed by Gualberto Villarroel between 1943 and 1946, that is, a civil-military alliance aimed not at revolution motorized from below but at structural reforms imposed from above.[6]

In the previous decade, weapons had been seized from police and soldiers; there were hidden by the elements of the MNR and workers and were used by the revolutionaries on April 9.

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[5]Goodrich, "Bolivia in Time of Revolution," p. 4.

[6]Malloy, "Revolutionary Politics," p. 111. Malloy has also indicated a much smaller role was envisioned for labor: ". . . there are good reasons to believe that the in-country MNR elite was aiming at establishing a Villarroel-type reformist regime in which labor could have a secondary role, at best." Malloy, Bolivia: The Uncompleted Revolution, p. 158.

The plans of the rebel leaders seemed immediately to go awry. Torres Ortiz, after some indecision, rallied the army behind the ruling military junta. Just as the army seemed to be gaining control of the city of La Paz, armed miners arrived and blocked access to the city. At the close of the first day, nonetheless, matters looked bleak for the Revolutionaries.

On the second day, it appeared as if the revolt were going to be suppressed, and General Seleme and many of his followers took what they considered to be an appropriate step under the circumstances:

> General Seleme took refuge in the Chilean Embassy, and when he left the Embassy again on the following day, things having taken a turn for the better from his point of view, he was told that he was no longer in charge, and that the revolution was now completely in the hands of the M.N.R.[7]

Seleme's lack of faith in victory may have cost him the presidency; in any event it propelled the MNR into leadership of the Revolution. Leadership of the Revolution passed to Hernán Siles and Juan Lechín.

By the third day, the army was fighting a losing battle in La Paz. Meanwhile, miners under MNR direction were capturing other principal towns and cities. By nightfall on April 11 the revolutionary forces had all but completed the victory.[8]

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[7]Alexander, The Bolivian National Revolution, p. 44.

[8]Alexander, "The National Revolution," p. 366.

The army had begun to collapse around the country. Garrison commanders either joined the revolt or abandoned their posts to the rebels. Certainly one of the most important factors in the success of the Revolution was the disarray and the ideological division in the army officer corps.

This division enabled the rebels to turn back the army troops. The victor was sealed when batteries mounted on the plateau above La Paz were dismantled by cadets from the Police Academy, and when armed miners arrived from mining camps near Oruro.[9]

The army surrendered late on April 11th. "The extent of the rebels' victory came as a surprise to everyone, including the MNR."[10]

> The original coup was narrow in scope and intent. Its success would have meant a minimum destruction of existing structures and institutions, particularly the army. The unanticipated generalization of the action and the dramatically critical role that armed workers played in its success led to a wider and more profound defeat of the status quo elites.[11]

After three days of fighting it was mostly over. Estimates of the cost in lives vary considerably and there appears to be no reliable estimate. The estimates range

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[9]Alexander, The Bolivian National Revolution, p. 44.

[10]Malloy, Bolivia: The Uncompleted Revolution, p. 167.

[11]Ibid., p. 183.

from a low of 600 deaths to a high of 5,000.[12] The most responsible estimates range from 600 to 2,000. In any event, in comparison to the Russian and Mexican Revolutions this is quite low. Robert J. Alexander has maintained that the reason for the relatively small amount of violence is the presence of a well-organized and well-disciplined political party which knew what it wanted to achieve and how to achieve it.[13]

As the situation stabilized, Hernán Siles and Juan Lechín openly took charge of events. Siles was proclaimed vice-president in conformity with the 1951 election results. The new government announced that Víctor Paz Estenssoro, who was in exile in Buenos Aires, would return to head the government as constitutional president.[14]

Meanwhile, Siles was busy staffing a cabinet which included all sectors of the party. A critical precedent for the government was established when Siles appointed three Central Obrera Boliviana (COB) members as workers ministers: Juan Lechín as minister of mines and petroleum, German Butron as minister of labor, and Ñuflo Chávez as minister

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[12]The estimate of 600 is in Klein, Parties and Political Change in Bolivia, p. 401. For the high estimate of 5000 and a very uncomplimentary version of the National Revolution see William S. Stokes, "The 'Revolucion National' and the MNR in Bolivia," Inter-American Economic Affairs, XII (Spring, 1959), 28-53.

[13]Alexander, The Bolivian National Revolution, p. 273.

[14]Alexander, "The National Revolution," p. 366.

of peasant affairs.[15]

Paz Estenssoro returned on April 17, 1952, and formalized the interim cabinet of Hernán Siles. But it was evident that Paz Estenssoro was not entirely a free agent since the COB made it clear that its price for continued support was a major overhaul of Bolivian society. It would not be satisfied with peasant reform.[16]

The Power Elites in Revolutionary Bolivia

> The revolution caused political power to pass from the hands of a small traditional elite . . . to a new revolutionary elite which was probably more broadly representative of peasants, workers and sectors of the middle class.[17]

Such a transition was a sweeping change for Bolivia; the change in the elites indicates the impact of the Revolution on Bolivia. Eldon Lanning observes that:

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[15]Malloy, "Revolutionary Politics," p. 118.

[16]Ibid., p. 112.

[17]Cole Blassier, "The United States and the Revolution," in Beyond the Revolution Bolivia Since 1952, ed. by James M. Malloy and Richard S. Thorn (University of Pittsburgh Press, 1971), p. 105. That this was a new elite seems evident; none of the revolutionaries may be found in the 1940 edition of Who's Who. See Percy Alvin Martin, Who's Who in Latin America (Stanford University Press, 1940). There also seems to be little question as to whether elites controlled the Revolution. For example, the miners, who were so critical to the Revolution, constitute one per cent of the population; and their leaders are a small number within the mining group.

> In general, the sources of power of the old elite were eliminated. The key mine owners lost their mines, the large landowners lost their land, and the hyper-inflation wiped out much of the rest of the accumulated wealth. Most of these people just left the country. . . . The difficulties for the party [MNR] were not in eliminating the old elites but in gaining control of the two new sources of power: the workers and the peasants.[18]

In addition, the MNR elites drastically reduced the power of the army. High officers were forced into retirement and replaced by officers sympathetic to the MNR cause. The officers' academy at La Paz was closed down, and the number of enlisted men was drastically reduced. The army was distributed around the country and put to work on public works projects. The power of the army was effectively reduced.

With the elimination of the traditional elites new inter-elite struggles developed. In addition to the above, there developed two different levels of elite struggle. The first level was national, where the MNR vied with labor and the peasants for power. The second level was local, where regional struggles developed between local elites. This fragmentation of power, it could be argued, was a consequence of the rapid displacement of the traditional elite.

Two segments of the population which have usually played a significant part in Latin American politics were

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[18]Eldon Lanning, "Governmental Capabilities in a Revolutionary Situation: The MNR in Bolivia," Inter-American Economic Affairs, XXIII (Autumn, 1969), 10.

largely absent as power contenders in Bolivia during the Revolution. Students played a less significant role in the Revolution than one would suspect. And the Catholic Church has been of ". . . distinctly secondary importance in recent Bolivian history."[19] The Church generally did not quarrel with the Revolutionary government; nor did the government quarrel with the Church. The Church is not without significance in Bolivia. Carter notes that

> Although the institutional Church in Bolivia today is weak and torn into conflicting camps, the country cannot escape its Catholic past. The hierarchy of its social fabric has been historically reinforced by an institution that puts priest above people, bishop above priest, and Pope above all.[20]

High Office Holders.

> . . . the government was no longer the simple structure of Congress, the Presidency, and the Judiciary, envisaged in the Constitution, but a government in which power was in theory equally divided between the Constitutional authorities and the COB (the Bolivian Workers Confederation) . . . . Certain ministers (e.g., mines and petroleum, and labor) were appointed by and owed their allegiance to the Miners' Federation under Lechin and not to the President; others (e.g., Agriculture and rural affairs) were appointed and controlled by the peasants union under Ñuflo Chávez.[21]

High office in Bolivia after the Revolution was dominated by the elites of the MNR and labor organizations. It was not until later that the peasant elites joined the

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[19]Alexander, "The National Revolution," p. 381.

[20]Carter, Bolivia A. Profile, pp. 123-24.

[21]Eder, Inflation and Stabilization in Bolivia, p. 33.

other dominant elites. The peasant's rise to power was symbolized by the election in July of 1956 of José Rojas to the Senate and Ñuflo Chávez to the vice presidency.

During the early years of the Revolution the government was a coalition or co-government of the MNR and the COB. The arrangement did not end formally until the split between Paz Estenssoro and Juan Lechín preceding the 1964 election. The split occurred because of Paz Estenssoro's decision to seek another term.

Co-government was based on two concessions by the government: a guaranteed number of labor ministers in the national cabinet and granting of control in the mines to the workers.

In the decision-making process the MNR assumed the formal responsibilities of government while labor retained the right of initiative and veto; labor had governing power but no responsibility.

> All major decisions of the government, such as the nationalization of the mines, the agrarian reform decree, and the reorganization of education, were considered by the Central Obrera Boliviana before being promulgated by the government.[22]

The government did not have the initiative in filling the four ministerial posts that the trade unions controlled. In addition to the four (Mines and Petroleum, Peasant Affairs, Labor, Transportation), occasionally one

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[22]Alexander, The Bolivian National Revolution, pp. 124-25.

or two other positions were also filled by labor men. Robert J. Alexander has described the procedure used in filling the posts:

> Upon the resignation of a labor minister, the procedure was for the union in whose province that ministry was considered to be to send to the Central Obrera Boliviana a list of three choices for the vacancy. The C.O.B. then passed this list on to the President, and he selected whichever of the three he preferred. It became a tradition that the Minister of Mines and Petroleum was selected by the Miners Federation, the Minister of Peasant Affairs by the peasant unions, the Minister of Labor by the factory workers' organizations, and the Minister of Transport by the Confederación Sindical de Trabajadares Ferroviarios.[23]

Under these circumstances, the leadership of the MNR may be more appreciated. The top man in the party was, of course, Víctor Paz Estenssoro, who was twice president (1952-1956 and 1960-1964). Hernán Siles, was vice-president from 1952-1956 and president from 1956-1960. The MNR produced other prominent leaders, such as Luis Peñaloza, who served, among other posts, as president of the Central Bank.

But more important than the original leadership were the younger men who rose to leadership positions during the Revolution to take the vacated positions of the older men. "One secret of the strength of the MNR has been its ability to bring bright young men into important and sometimes top positions."[24] Some of these

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[23] Ibid., p. 125.

[24] Alexander, "The National Revolution," p. 372.

new leaders included Alfredo Franco Guachalla, who was Minister of Labor in the second Paz Estenssoro administration; Mario Guzmán Galarza, Minister of Education during the same period; Guillermo Bedregal, President (after 1961) of the Corporacion Minera de Bolivia; and José Fellman Velarde, Minister of Foreign Affairs under Paz Estenssoro.[25]

The "left-wing" faction of the MNR was made up primarily of the trade union leaders of the party. They established an organization which they called the Vanguardia Obrera Movimientista (VOM). Juan Lechín, Ñuflo Chávez and German Butron were the principal leaders of VOM and the left wing.

The "right-wing" of the party consisted primarily of professionals and intellectuals who were opposed to the preponderant influence they felt the labor movement was assuming in the MNR government. The leaders of this group were Walter Guevara Arze (Foreign Minister); Luis Peñaloza; and Jorge Ríos Gamarra, who was the Mayor of La Paz. These individuals organized a group known as the Accion de Defense del MNR.

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[25] Ibid. It should be noted that there is no consensus on the worth of the MNR elites. For example, it has been said of Paz Estenssoro: "In his demagogy, his political purges, and his concentration camps, he was an intellectual descendent of the nineteenth-century cuadillos." See Carter, Bolivia A Profile, p. 56.

The MNR moderates, or center, differed with the right, but their real problems were with the left. Essentially, the problem of MNR center amounted to using the power of the left within a framework of national development led by the MNR.[26] This task proved to be difficult and was in the end an impossible one.

The influence of the labor movement on the government was pervasive:

> Organized labor has had a dominant position in the Bolivian National Revolution. The government of the Movimiento Nactionalista Revolucionario has depended for its political support on the labor movement, and the union leaders have been well aware of this. Since the beginning of the Revolution the labor leaders have been, after Víctor Paz Estenssoro and Hernán Siles, the country's most important politicians. They have sat in the Cabinet since April 9, 1952; they have consistently made up a large part of the National Executive Committee of the M.N.R.[27]

The chief vehicle of this political control was the Central Obrera Boliviana (COB). It was established in April, 1952, when representatives of virtually all the country's trade union groups met to create a new national central labor body. Under the leadership of Juan Lechín, a national council was set up, the COB.

Thereafter, organized labor grew with tremendous rapidity:

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[26]Malloy, "Revolutionary Politics," p. 129.

[27]Alexander, The Bolivian National Revolution, p. 121.

> Virtually all miners, factory workers, railroad workers, and construction laborers were brought into the national unions affiliated with the COB. At the same time most white-collar workers and bank clerks were organized, and national unions of these groups were established, and became part of the Central Obrera Boliviana.[28]

Influential Non-Office Holders.

Although there were influential labor leaders who did not hold high office, the majority of the influential elites in the labor movement served either in the government, or in the COB.

This was not the case with the peasant leaders. Very few held high office; but their influence on the MNR, and hence the government was great. They possessed a voting and military power which was to prove a force in the course of the Revolution. The Revolutionary elites were to lose the backing they had among the urban middle class, but they maintained strong ties with the countryside. As a result of this shifting support, the revolutionary elites came to rely more and more on the peasants. Consequently, the influence of the peasants grew at the expense of the urban workers and their leaders.[29]

This situation operated to the disadvantage of the MNR. The peasant organizations had been created independent of the party and they maintained substantial

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[28]Alexander, Organized Labor in Latin America, pp. 106-07.

[29]Alexander, "The National Revolution," p. 379.

autonomy during the twelve years of the MNR rule. In addition, peasant leaders had organized an armed militia, which gave them the power to defend their rights.

The most powerful syndicate was in the province of Ucureña. The syndicate was able to mobilize 500,000 armed men on short notice. This power had been used (with and without the advice of government) to put down uprisings in Santa Cruz and to break miners' strikes.[30]

An original objective of the MNR was to arouse the interest of the peasants in political affairs. One of the first moves of the Revolutionary government therefore had been to initiate universal suffrage. In addition, the MNR, through local organizations, brought large numbers of Indians into the party and local branches were organized to extend the party line. The net result was the political mobilization of the Indians with few mechanisms for government control over this powerful group. Despite the growing power of the peasants, ". . . it would be some time before there would be Indians qualified to become important figures on a national scale."[31]

Despite the fact that the Indians lacked national leaders, some of their local leaders were very powerful. While the MNR was busy with the Revolution these local

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[30]Patch, "Peasantry and National Revolution," p. 121.

[31]Alexander, The Bolivian National Revolution, p. 83.

elites were left alone. James M. Malloy has indicated what this local autonomy meant to these leaders:

> These men controlled the local economies, maintained personal armies, made laws, and dispensed justice. . . . They were strong enough to exercise initiative and veto power over policy of interest to themselves and their regions.[32]

Another group which lacked high office but maintained some influence was the political parties. The fortunes of the parties differed, however.

The Partido Izquirda Revolucionario (PIR) went into eclipse with the advent of the Revolution. Many members joined the MNR and the PIR youth movement split with the party and formed the Partido Communista de Bolivia. Thus, the influence of the PIR was weakened with the government.

The Partido Obrera Revolucionario (POR) on the other hand had achieved some political importance at the start of the Revolution. They had been allied with the labor wing of the MNR between 1946 and 1952 and had gained considerable influence with the labor movement, particularly among the miners and the factory workers.

"However, the national leadership of the Trotskyites [POR] was exceedingly sectarian and doctrinaire."[33] The POR elites tended to regard the Paz Estenssoro government as playing the role of Bolivia's Kerensky, who would

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[32]Malloy, Bolivia: The Uncompleted Revolution, p. 251.

[33]Alexander, "The National Revolution," p. 374.

inevitably be overthrown by the Bolivian Bolsheviks organized by the POR.[34]

> As it turned out, the POR leaders proved to be victims of their own slavish belief in historical parallelism. Their position of 'critical support' for the Paz Estenssoro regime tended to become increasingly critical and to offer the new government less and less support. Under their editorship, the periodical of the COB became increasingly critical and even disparaging toward the MNR government.[35]

Not surprisingly, their attitude alienated the MNR leadership and Juan Lechín. It also divided the intellectual leaders of the POR and their followers in the labor movement. In 1954 most of the POR trade-union leaders joined the MNR and thereafter the POR split into two factions.[36]

Influential Holders of a Counterideology

Those resistant to the Revolution consisted primarily of right wing parties, opposed to the Revolution and all that it did; and the left wing parties, which opposed not so much the goals of the Revolution as their implementation. The right was opposed because of the threat to property and the leftist philosophy; the left because the reforms were not quick enough or radical enough.

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[34]Alexander, Organized Labor in Latin America, p. 105.

[35]Ibid., p. 106.

[36]Alexander, "The National Revolution," p. 374.

The parties on the left which were against the Revolution were the Partido Communista de Bolivia and later the PIR and the POR. The latter two had passed into opposition after an initial period of cooperation with the MNR government. "Their opposition might have been more effective, had not both these groups been deserted by the overwhelming majority of their trade union leaders early in the M.N.R. administration."[37]

The opposition on the right centered around the Falange Socialista Boliviana, which had been the only opposition group able to elect members to Congress in the 1956 election.

There were also two right wing parties of Catholic orientation in opposition. One was the Partido Social Democrático (PSD), which was headed by Luis Siles, half brother of Hernán Siles. The PSD worked closely with the Falange. The other party was the Partido Democrático Cristiano, which was established in a break with the PSD. It also was in alliance with the Falange during the MNR regimes.

Starting with the 1960 election the Falange had a serious rival on the right in the Partido Revolucionario Auténtico (PRA), headed by ex-MNR leader Walter Guevara

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[37]Alexander, The Bolivian National Revolution, p. 49.

Arze. "Walter Guevara Arze . . . was one of the most talented members of the MNR and a thorn in the flesh of the party, repeatedly saying things that everyone knew to be true but that no one else dared say."[38] Arze was a man the MNR could ill afford to lose. He was a leader of the right-wing in the party, had been foreign minister under Paz Estenssoro, and Minister of Government under Siles. However, he had come into frequent conflict with Lechín, and when he failed to get the nomination for president in 1960, he bolted the party.

It goes without saying that the traditional elites were opposed to the MNR regime:

> The members of the landowning and merchant elite of La Paz reacted with shock to the events of the 1950's. Their political sympathies lay with the Falange, and they worked feverishly for its rise to power.[39]

It is indicative of the sweeping nature of the Revolution that the traditional elites had to turn to a political party for influence, for

> . . . with the disappearance of the Big Three mining companies and of the large private landowners, the remaining upper-class economic groups had relatively little weight in the country's power system, so long as the MNR remained in power.[40]

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[38]Eder, Inflation and Stabilization in Bolivia, p. 522.

[39]Carter, Bolivia A Profile, p. 118.

[40]Alexander, "The National Revolution," p. 381.

"As a group, the industrialists remain violent opponents of the Revolutionary regime."[41] At the time of the Revolution manufacturing was of relatively minor importance due to Bolivia's small markets and unsettled political condition. The unions had the upper hand in relations between the factory owners and the workers, which was the major cause of the industrialists opposition.[42]

Summary

The Bolivian Revolution opened with gunfire on the morning of April 9, 1952, and the hostilities ended three days later. The quick ending was a surprise to many: the MNR leaders quickly moved to establish control, but at the same time established governmental positions that were outside of the control of the government.

The most important positions of influence in the Revolution then were not only held by high office holders, but also by influential non-office holders. In addition, the opposition to the Revolution settled into two camps: the left and the right.

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[41] Ibid.

[42] Alexander, The Bolivian National Revolution, pp. 185-89. The MNR took drastic action against the opposition. For example, La Razón of La Paz, a newspaper owned by the Aramayo mining interests, was taken over by Juan Lechín's Ministry of Mines and Petroleum. The government also closed the newspaper Los Tiempos of Cochabamba; the "crime": opposition to the MNR government. Ibid., pp. 232-33.

CHAPTER IV

DECISION-MAKING IN THE NATIONAL REVOLUTION: 1952-1964

The Paz Estenssoro Administration: 1952-1956

Paz Estenssoro and Siles based their right to govern on the 1947 constitution under which they had been elected.

It was during this first period of constitutional rule (1952-1956) that most of the decrees were issued which created the new political, economic and social structure of Bolivia. Working without a Congress during the first four years, the government structured the Revolution while acting on problems of famine, economic stress and political chaos which gripped Bolivia.

To understand the decision-making setting during this first four years it is necessary to remember two things. First, the core of the MNR elite was basically moderate in its approach to the Revolution. "At best, the MNR core was a reluctant bank of revolutionaries."[1] The following statement by Paz Estenssoro, made in June of 1953, hardly stands out as a classic of revolutionary

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[1]Malloy, Bolivia: The Uncompleted Revolution, p. 171.

rhetoric: "The fundamental objectives of my Government are the nationalization of the mines, agrarian reform, democratization of political life and a general raising of the standard of living of the great masses of the people."[2]

Second, during this four year period, a left-oriented labor elite was gaining major influence in defining the role of the Revolution. This factor combined with the moderate core elite of the MNR, supplied a decision-making setting perhpas unique in a Revolutionary situation. This setting was best described by James M. Malloy:

> Paz made speeches cast in generalities dealing with national unity, economic independence, and justice. But the labor-left demanded specific action in the rapid completion of 1951 electoral promises. Through various propaganda organs, the left cranked out leaflets putting forth demands and attitudes that jarred with official MNR style. In reaction, the MNR right wing put out its own propaganda, attacking the left in tones previously reserved for La Rosca. . . . It soon became impossible for the government to delay taking decisive reform action any longer.[3]

The Decision to Nationalize the Mines.

> The economic and political preponderance of Patiño, Hochschild, and Aramayo, kept Bolivia in a long and painful state of agony. . . . Without eliminating the omnipresent power of Patiño, Hochschild, and Aramayo, it was impossible to carry out the other fundamental objectives of the Revolution.[4]

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[2]U.S. News and World Report, June 5, 1953, p. 68.

[3]Malloy, Bolivia: The Uncompleted Revolution, p. 172.

[4]Alexander, The Bolivian National Revolution, p. 98.

The above statement was made by Paz Estenssoro in a 1956 speech; he was giving voice to the realities of the Bolivian situation. Tin is the symbol of national wealth in Bolivia, and the Big Three had for years proved a fundamental fact about Latin American politics: "A decisive correlation exists between the control of the economic bases of power and the real exercise of political power in Latin America."[5]

It was evident that the MNR, to remain in power, had to remove this base of power from the Big Three. Certainly there was concern within the MNR that the Big Three had become a state within a state, which was controlled from outside the country; a state within a state with ". . . a life-and death grip on the country's economy, and particularly upon its foreign trade."[6]

There were two other factors of importance in the decision. First, the MNR had campaigned in 1951 under the promise that if they won, they would nationalize the Big Three. The large vote cast for the MNR in 1951 showed how strongly the Bolivians felt about nationalization; nationalization was to be a test of the good faith of the MNR.[7]

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[5]Kling, "Power and Political Instability in Latin America," p. 34.

[6]Alexander, The Bolivian National Revolution, p. 97.

[7]See Patch, "The Bolivian Revolution," p. 364; and Alexander, The Bolivian National Revolution, p. 95.

The deciding factor was the COB. Its members were adamant about it.

> When the continual pressure of the COB was combined with the feeling in some party circles that the political power of the tin barons definitely had to be destroyed, the decision to nationalize the mines was pushed through.[8]

Nationalization was not as desirable as it would at first appear, however. The Keenleyside Report, issued in 1951, was a study by fourteen experts from outside Bolivia on the economic and social picture in Bolivia. It was commissioned by the UN, and had this to say about nationalization:

> . . . the report declared that nationalization of the mining industry, 'even if . . . theoretically desirable . . . would be wholly impossible in Bolivia in present conditions. The government has neither the financial resources nor the technical and administrative competence to undertake any such task.[9]

In addition, the tin industry in Bolivia was ailing. The industry was almost wholly dependent on worldwide economic factors, and on March 6, 1951 the U.S. General Services Administration had announced that it would not pay the price Bolivia was demanding for its tin, and suspended purchases. On May 31 of that year the U.S. Reconstruction Finance Corporation contract for Bolivian tin expired and

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[8]Malloy, "Revolutionary Politics," p. 120.

[9]Goodrich, "Bolivia in Time of Revolution," p. 8.

was not renewed. Additionally, the quality of Bolivian tin concentrate had been declining, as the higher-grade deposits were exhaused. Finally, the number of tin miners, protected by Juan Lechín, had expanded beyond all need.[10]

The decision to nationalize, the government's first major decision, must be seen as occurring in two parts. The first occurred on May 13, 1952, when President Paz Estenssoro established a commission, composed of lawyers, engineers and economists, to study the problems involved in nationalization.

This would normally have constituted the formal decision. However, there is evidence that the government had no intention of nationalizing private property. On July 2, 1952, the MNR government established by decree, a state monopoly on the export and sale of all minerals, and delegated this function to the Banco Minero.

> If the decree had stood alone, its effect would have been to guarantee dollars to the state while leaving the principle of private property inviolate. There is strong reason to believe that a significant number of the MNR core wished to restrict its punitive action toward the 'Big Three' to this extent. At the time, the rumor was that Paz was lukewarm at best toward nationalization and that he leaned

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[10]Patch, "The Bolivian Revolution," p. 364.

toward the restricted view expressed in the July 2 decree.[11]

That the MNR core elite considered private property inviolate, is clear from a statement of one of their officials, the Ambassador to the United States, on December 14, 1952:

> The nationalization of the properties of the Patiño, Aramayo, and Hochschild group represented a special case. Nationalization of private property is not the policy of Bolivia. . . . Nationalization of the tin mines did not mean confiscation of the property. We intend to pay the former owners of the properties every cent that is due them.[12]

The conflict between the labor-left and the MNR was perhaps inevitable. The labor-left made it clear they would tolerate nothing less than nationalization.

> An intense debate took place behind the scenes on the issue of policy toward the mining sector. Throughout the spring and early summer of 1952, the labor left, now formally organized into the Central Obrera Boliviana (COB) under the leadership of Lechín, sponsored a steady stream of parades and mass demonstrations in which the demand for nationalization was repeated with increasing vigor. . . . By the fall of 1952, the movement toward nationalization was irreversible.[13]

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[11]Malloy, Bolivia: The Uncompleted Revolution, p. 173. This was indicated in a statement by Paz Estenssoro, "Our policy of nationalization applies only to he big companies. . . . There was, then, no other solution; the country already felt that way about it." U.S. News and World Report, June 5, 1953, p. 69.

[12]Alexander, The Bolivian National Revolution, p. 103.

[13]Malloy, Bolivia: The Uncompleted Revolution, pp. 174-75.

The return of the government commission on nationalization touched off another crisis for the MNR government. Shortly after the report was issued, the leadership of the COB issued an open letter to Paz Estenssoro, calling for nationalization of the tin mines without compensation and also demanding that the nationalized mines be put under the control of the mine workers. The COB was at that time controlled by the Trotskyites.[14]

The showdown between the MNR and the Trotskyite Partido Obrero Revolucionario (POR) occurred in October of 1952, with the issuance of the nationalization decree. The Trotskyites pushed through a resolution denouncing the government action at the next meeting of the COB governing body.

> This, as it proved, was the beginning of the end of Trotskyite influence in Bolivian organized labor. . . . The MNR labor leaders immediately went into action. In the provinces where the MNR controlled most of the unions, they secured the deposition of Trotskyite delegates to the COB governing body, and their replacement by people belonging to the MNR. In La Paz they made sure that all unions controlled by the MNR sent MNR delegates to the COB.[15]

As a result of the action of the MNR, the governing body of the COB reversed the decision to condemn the government at their next meeting.

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[14]Alexander, The Bolivian National Revolution, pp. 100-27.

[15]Alexander, Organized Labor in Latin America, p. 106.

On October 2, 1952, the Corporatión Minera de Bolivia (COMIBOL) was established to take charge of and operate the mines. The mines were nationalized on October 7 and on October 31 the nationalization decree was issued in the mining camp of Maria Berzola at Catavi. The decree affected only the mines and other properties belonging to Patiño, Aramayo and Hochschild. Hundreds of smaller mining enterprises continued to operate under private ownership.[16]

Problems in implementation immediately began to arise:

> The need of the COMIBOL to obtain foreign exchange, for its current operations as well as for renewing the mines equipment and expanding the country's mining operations, was complicated by the fact that five years after the National Revolution, no decision had as yet been made concerning compensation of the expropriated companies. For several months after expropriation, there was no agreement of any kind on this subject. However, in the latter half of 1953 an accord was reached which did not set any final figure for compensation but did provide a procedure, by which COMIBOL was to pay certain sums on account, pending a final agreement as to how much it owed the old owners. . . . By the middle of 1958 a final agreement was still being negotiated between COMIBOL and the ex-owners of the mines. Until this agreement was reached it would be impossible for the COMIBOL to obtain loans abroad which would permit it to expand and modernize its operations.[17]

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[16]Alexander, The Bolivian National Revolution, p. 116.

[17]Ibid., pp. 106-07.

Another serious problem facing COMIBOL was the scarcity of engineers and technicians for the mines. Many had left after the Revolution, as the major responsibility for operation and technical management had been held by foreigners.

An additional problem was that the sale of Bolivian tin was primarily to the United States and England. But these governments were reluctant to enter into a contract with the Bolivian government until a settlement was made with the expropriated companies.[18]

A final problem concerned captial investment. The Big Three had reacted to the unstable political situation in Bolivia by curtailing investment sharply. So when the government obtained the mines in 1952 ". . . it discovered that it had inherited worn out, obsolete equipment and depleted mineral deposits."[19] In addition, the Big Three had withdrawn their funds and the mines were left without operating capital. The government responded by printing paper money, an act which caused considerable inflationary pressure; problems that this paper will deal with later.

The consequences of the decision centered on two factors: the economy and the miners. The labor factor

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[18]The provisional agreement that was reached provided the following compensation (in millions of dollars): Patiño, $2.28; Hochschild, $2.16; Aramayo $1.32. Blasier, "The United States and the Revolution," p. 72.

[19]Carter, Bolivia A Profile, p. 60.

acted on the economic factor, but was not the only reason for declining production.

Two of the principal reasons for declining production were the fall in the metal content of the ore and the outdated equipment used to mine the ore. That production declined is not in doubt; in 1945 Bolivia produced 50 per cent of the world's tin; by 1960 Bolivia produced only 10 per cent.[20]

But labor conditions in the mines also contributed to the low productivity and high cost there. The mines were considerably overstaffed. All workers who had been dismissed between 1946 and 1952 for political or trade-union reasons were reinstated in their jobs while no other workers were dismissed to make room for them. Cole Blasier has stated the problem graphically:

> Employment in the Big Three tin mines rose from 24,000 miners in 1951 to 36,500 in 1965 and dropped to 27,000 in 1961, but some 26,000 workers produced 34,600 tons of tin in 1949 as compared to 27,000 workers producing only 15,000 tons in 1961.[22]

Overemployment in the mines was not the only problem there. Another was that

> The workers have felt themselves masters in the mines, and they have tended frequently to abuse

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[20] Ibid., p. 63.

[21] Alexander, "The National Revolution," p. 369.

[22] Blasier, "The United States and the Revolution," p. 84.

> their position. . . . There is little doubt that discipline tended to break down and that the productivity per worker declined in the mines after expropriation.[23]

The indirect labor costs also increased after nationalization. A liberal social welfare program for the miners was initiated and large sums were spent on improving the living conditions of the miners.[24] Commissary stores provided food and other items below market prices. Theft was common in the mines, but measures to correct these practices faced opposition from the tin miners, ". . . the very group which had been a major element in the insurrection which brought the MNR to power and was perhaps the largest homogeneous group behind the MNR."[25]

But the MNR had another large client group to consider, the Indians. It was to this group that the MNR directed its next major decision.

Universal Adult Suffrage.

In the Universal Suffrage Act, the MNR ". . . placed its political future in the hands of the campesino majority."[26] The decree was issued on July 21, 1953, apparently with the sincere conviction that all adults ought to be allowed to vote.

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[23]Alexander, The Bolivian National Revolution, p. 104.

[24]Ibid., p. 105.

[25]Blasier, "The United States and the Revolution," p. 84.

[26]Alexander, The Bolivian National Revolution, p. 42.

> Article I of the decree provided that all Bolivians, men and women over twenty-one years of age, if they are unmarried, or eighteen years if married, regardless of their level of instruction, occupation, or income, were to be able to vote.[27]

According to the Census of 1950 approximately 70 per cent of Bolivia's population was illiterate.[28] To make the decree meaningful an overhaul of the educational system was undertaken to educate the Indians. Another decree was issued on June 30, 1953, creating a commission to study the Integral Reform of Public Education, which led to reform of the educational system.

What were the consequences of this act? The first chance the Indians had to exercise their franchise came in the presidential and congressional elections of 1956. Approximately 85 per cent of the total number of registered voters cast ballots, and in the rural areas of the country support for the MNR was overwhelming.[29]

It is evident the decree expanded the base of the MNR. In the 1956 election, out of a population of 3,279,000, there were 958,016 votes cast, or 29.2 per cent of the

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[27] Ibid., p. 82. There were no hidden qualifiers. Article 2 provided the exceptions: deaf-mutes unable to write, those legally declared vagrants, traitors, false witnesses or violators of election laws.

[28] Ibid., p. 83.

[29] Ibid.

population. By the 1964 presidential and congressional election, out of a population of 3,653,000, 1,297,319 voted, or 35.5 per cent of the population.[30]

Since the landowners in Bolivia controlled the vote there, universal suffrage would have been of little consequence standing alone. "Hence, the real significance of universal suffrage came with the agrarian reform which broke the existing patterns of control in the agrarian system."[31]

But before turning to agrarian reform, one must return to COMIBOL to understand Bolivia's increasing economic woes.

The Decision to Create COMIBOL.

As we have seen, the creation of COMIBOL was involved in the decision to nationalize the Big Three. Officially, COMIBOL was a state mining corporation ". . . formed and given the task of exploiting, commercializing, and administrating state owned mines."[32] Unofficially, it was a major concession to the labor-left.

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[30] Bolivia Election Factbook, p. 14.

[31] Malloy, Bolivia: The Uncompleted Revolution, p. 169.

[32] Ibid., p. 175.

> At every level of the administration, worker-designated representatives were to participate in decision-making with the right to veto decisions deemed inimical to the interests of the mines and the miners. The effect of this decree was to create . . . an independent locus of power under the control of the union organizations.[33]

What this amounted to was an organization without responsibility; an organization controlled by a group which would have lost its privileges by making the organization more efficient.

But to characterize COMIBOL only as a worker failure is to ignore all the facts. Richard S. Thorn has listed eight factors in the problems of COMIBOL:

1. Insufficient fixed and working capital.

2. The exhaustion of mineral reserves.

3. Technical and administrative incapacity resulting from the appointment of officials primarily on the basis of their party militancy without regard for their competence.

4. Lack of labor discipline in the working force, many members of which owed their loyalty to political officials rather than COMIBOL.

5. Excessive employment of workers who, in many cases, did not perform productive functions.

6. Lack of a well-thought-out plan of exploitation of the mines.

7. Excessive centralization of decision-making and authority in La Paz and no delegation of responsibility.

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[33]Malloy, "Revolutionary Politics," p. 121.

8. The intervention of the control obreros in matters beyond their jurisdiction and competence.[34]

Thorn concludes by saying ". . . the failure of the MNR to create an effecient management for COMIBOL and to enlist the cooperation of the miners and their leaders was one of the major failures of the revolution."[35]

The MNR failed to mobilize the support of the miners. However, the party was much more successful in the mobilization of the peasants, accomplished by the following reform.

Agrarian Reform.

> Land reform problems, it may be predicted, are likely to be most critical in those . . . countries . . . which combine high inequalities of land ownership with substantial agricultural labor forces. In 1950 Bolivia had what was probably the highest Gini index of inequality in land ownership in the world and also substantial tenancy; in 1952 Bolivia had its agrarian revolution.[36]

The large landholders controlled the land and obtained free labor; they had no need to invest capital in their land. This was due to the supply of free labor and

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[34]Richard S. Thorn, "The Economic Transformation," in Beyond the Revolution Bolivia Since 1952, ed. by James M. Malloy and Richard S. Thorn (University of Pittsburgh Press, 1971), pp. 175-76.

[35]Ibid., p. 164.

[36]Huntington, Political Order in Changing Societies, p. 383.

a guaranteed market. The result of the land system was stagnation in Bolivian agriculture. In the period 1925-1929, food imports represented 10 per cent of total imports into the country. By the period 1950-1952, they had risen to 18.5 per cent of total import figures.[37] Clearly, a change in the system was called for.

> The victory of the MNR during April 9-11, 1952, provided the final catalyst for agrarian reform. Preoccupied with the problems of the consolidation of power and with the economically and psychologically critical nationalization of the major tin mines, the government moved slowly in laying the groundwork for land reform, however.[38]

The first step the government took was to create a new ministry of Indian and Peasant Affairs. Significantly, Ñuflo Chávez was placed in charge of the Ministry. He had been a long-time advocate of land reform. "Under the leadership of Chávez, a semi-official campaign to organize the peasants into sindicatos was was put in operation."[39] A program was also initiated to extend education to the Indians.

The significance of the Ministry must be seen in the organizations of the Indians. People who spoke the

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[37]Klein, Parties and Political Change in Bolivia, p. 396.

[38]Heath, Erasmus, and Buechler, Land Reform and Social Revolution in Bolivia, p. 42.

[39]Malloy, Bolivia: The Uncompleted Revolution, p. 203.

native languages were sent into the villages, telling of the promise of agrarian reform and establishing peasant unions. At the same time support was mobilized for the MNR.[40]

The Ministry gained the confidence of the Indians and they began to lobby it with complaints. The political mobilization of the peasants was well under way.

But in the meantime there was a serious internal dispute under way in the MNR. "By all accounts the question of land reform was the most divisive issue to be raised in the loosely knit revolutionary family."[41] It was an emotional issue concerning property rights, distribution of power, values and race.[42]

A split occurred between the left and the right in the MNR. The right and center argued for a minimal reform which would maintain the integrity of the traditional hacienda lands. They also argued that any dispossessions should be compensated. The drive for wide ranging reform came from the COB-dominated left. They argued for complete expropriation without indemnification.[43]

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[40]Alexander, The Bolivian National Revolution, pp. 60-61.

[41]Malloy, "Revolutionary Politics," p. 124.

[42]Ibid., p. 125.

[43]Malloy, Bolivia: The Uncompleted Revolution, pp. 191-205.

Paz Estenssoro and Siles were basically moderates. In their political ideology, they apparently conceived of agrarian reform as a gradual turning over of inefficiently cultivated large landholdings to landless Indians.[44]

But the situation in the countryside was such that a gradual approach may not have been possible. "The policy-makers, city-dwellers to a man, still thought of the campesinos, as unorganized, leaderless, and susceptible to coercion. But this was no longer everywhere the case."[45]

The Sindicato Campesino de Ucureña del Valle was the largest and most successful of the syndicates. The syndicate organized task forces of Indians and MNR members and dispatched them to the farthest reaches of Bolivia. Often it was these teams which brought the news of the Revolution to Indian villages on remote valleys and plateaus.

After an unfortunate statement by Attorney General Rafael Gómez Reyes, where he said the government too busy with the problem of the tin mines to worry about the Indians, the Syndicate at Ucureña united. And it united behind Rojas.

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[44]Patch, "The Bolivian Revolution," p. 355.

[45]Ibid.

[46]Ibid., p. 357.

In November of 1952 the syndicate of Ucureña called for a general uprising in the provinces of Cliza, Punata and Tarata. After this uprising the syndicate members came to realize their strength and acts of violence became more and more frequent.[47]

In addition to their power in the countryside, the syndicates had a direct channel to the national leaders of the MNR in La Paz through Ñuflo Chávez.

> [Chávez] . . . was acutely aware of the government's dependence on the good will of the village population, and was in close contact with José Rojas and other Campesino leaders. Ñuflo Chavez became an early and insistent advocate of an extreme type of agrarian reform.[48]

Given the power of the syndicates the question of the origin of the reform in Bolivia may be raised. Was it caused by a spontaneous movement from below or controlled from above? Paz Estenssoro ". . . said categorically, 'the agrarian reform was imposed from above,' and almost every high MNR official vigorously supported this view."[49] However, critics of the MNR have pointed out ". . . that many of the party's pronouncements on agrarian reform have been post facto."[50]

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[47] Ibid., p. 358.

[48] Ibid.

[49] Heath, Erasmus, and Buechler, Land Reform and Social Revolution in Bolivia, p. 37.

[50] Ibid., p. 40.

There has been a lively scholarly debate on the issue. Proponents of either side may be found. For example, Heath, Erasmus and Buechler took the following view:

> . . . the idea of Bolivia's land reform as having been the product of grass roots action on the part of the illiterate Indian majority is not supported, but claims by the MNR that they instituted it as part of a deliberate program of social revolution must be honored in the light of historical evidence.[51]

On the other hand, James M. Malloy has said that "when the agrarian reform was promulgated . . . it amounted to little more than the ratification of a fait accompli."[52] He is supported by Samuel P. Huntington:

> Although its leaders had been moderates on agrarian issues, the peasants in 1952 formed their own organizations and began to seize the land for themselves. Confronted with this upheaval from below, the MNR leaders . . . took the only possible revolutionary course and legalized the peasant action.[53]

It would appear that the truth is somewhere between the two positions. For it is true that Paz Estenssoro did put his government at the head of the reform movement, an act that had important consequences for some areas of Bolivia:

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[51] Ibid., pp. 371-72.

[52] Malloy, "Revolutionary Politics," p. 126.

[53] Huntington, Political Order in Changing Societies, p. 326.

> Areas of sparse population, such as La Paz north of Lake Titicaca, Beni, Pando, and Santa Cruz, hardly knew the demand for agrarian reform until it was instilled from above.[54]

But it is also true that the MNR was under considerable pressure to act as ". . . the syndicates rapidly took over the most accessible latifundia or haciendas, divided up the land among their members, and expropriated the vehicles, machinery, and house of the former patrones."[55]

> In sum, while assessing the sources of the reform in Bolivia one cannot ignore the promulgation of a fairly detailed proposal for agrarian reform . . . by the MNR. Nevertheless, the peasant upheavals in Cochabamba and northern Potosi undoubtedly prompted the government to move more swiftly on the issue, to reckon more earnestly with the countryside, and to recognize that the MNR would be bound by its promises.[56]

The groundwork had been layed by the MNR during the Villarroel administration; it was Ñuflo Chávez, who wanted to divide all the land in areas of predominantly Indian population into small parcels, who radicalized the MNR philosophy. But his plan had a serious drawback: "A reform of this type would have converted the country's entire system of agriculture to subsistence farming, leaving little or no marketable surplus to feed the cities."[57]

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[54]Heath, Erasmus, and Buechler, Land Reform and Social Revolution in Bolivia, p. 47.

[55]Patch, "The Bolivian Revolution," p. 359.

[56]Heath, Erasmus, and Buechler, Land Reform and Social Revolution in Bolivia, pp. 48-49.

[57]Patch, "The Bolivian Revolution," p. 359.

It was a moderate who finally solidified the thinking of the MNR:

> The position which steadily gained ascendance was that put forth by Urquidi Morales and the final decree bears considerable resemblance to his plan . . . The aim of the reform was first and foremost to provide a rational basis for agrarian economic development. Secondly, the reform was to aim at making the peasant a 'motor' force and protector of the revolution. The first aim would be achieved by bringing capitalist forms of production to the campo; the second, by meeting the peasants' demand for land and by organizing them into unions and militias attached to the revolutionary party.[58]

The government took the first step toward reform with the creation of an Agrarian Reform Commission; this represented the formal decision for agrarian reform.

The Commission, created by decree on January 20, 1953, was given 120 days to study the problems involved in agrarian reform. They were then to draft an appropriate land redistribution law. The members of the Commission, named on March 20, 1953, were charged with studying

> . . . 'the agrarian and campesino problem in its economic, social, juridicial, technical, and educational aspects,' in order to 'propose to the Government those means appropriate to an adequate solution in the national interest.'[59]

Membership in the Commission reflected a general leftward shift in the configuration of power. This is

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[58]Malloy, Bolivia: The Uncompleted Revolution, p. 205.

[59]Heath, Erasmus, and Buechler, Land Reform and Social Revolution in Bolivia, p. 49.

evident in the membership of the Commission. Although the Commission was headed by vice-president Siles, the left was well represented. For example, members included Edwardo Arze Loureiro, a former associate of Tristán Marof; Hugo López Avila, a former member of the POR and representing the COB; Arturo Urquidi Morales, a former leader of the PIR; and Ernesto Ayala Mercedes also formerly of the POR.[60]

Just as important as composition was leadership. The choice here by Paz Estenssoro was also significant:

> While Paz Estenssoro assigned responsibility for carrying out the decree jointly to the ministers of campesino affairs, agriculture, and finance, the primary responsibility, significantly enough, was assigned to the minister of campesino affairs, Ñuflo Chávez, an intimate of the Indian leader, José Rojas, rather than to the minister of agriculture, Germán Vera Tapia, one of the stronger leaders of the MNR's Vanguardia wing.[61]

The Commission delivered its report on July 28, 1953, which touched off a period of debate concerning the details of the new law. This debate involved the cabinet, political parties, and the press.

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[60]Malloy, Bolivia: The Uncompleted Revolution, p. 204; and Alexander, The Bolivian National Revolution, p. 62. Additional members included: Alcibiades Velarde Cronembold, Raimundo Grigoriu, José Flores Moncayo, Federico Alvarez Plata, Zenon Barrientos Mamani, Oscar Alborta Velasco, Julio Alberto d'Avis, Mario Rolón Anaya and U. N. advisors Carter F. Goodrich and Edmundo Flores. Heath, Erasmus, and Buechler, Land Reform and Social Revolution in Bolivia, pp. 49-50.

[61]Patch, "The National Revolution," p. 361.

Dr. Hugo López Avila, speaking for the government, outlined a proposal. "It provided for taking over all land defined as belonging to latifundists. It called for compensation in the form of 25-year government bonds."[62] Ñuflo Chávez then presented a document ". . . which called for the nationalization of the land, compensation of the landowners, provision of agricultural credit, and technical assistance."[63]

The debate continued outside of government, in the COB. Communist Party Secretary General Sergio Almarás called for outright confiscation of the land and distribution to the peasants. Edwin Moller, in the name of the POR, advocated confiscation without compensation, with the peasants occupying the land and dividing it themselves.[64]

After a long debate, the COB endorsed the government's Agrarian Reform Program.[65] The way was cleared for an agrarian reform law.

In Supreme Decree No. 3464, Paz Estenssoro signed agrarian reform into law before his full Cabinet and some 500,000 Indians gathered at the village of Ucureña, in the

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[62]Alexander, The Bolivian National Revolution, p. 62.

[63]Ibid.

[64]Ibid., p. 63.

[65]Ibid., p. 64.

Cochabamba valley.[66] Edwardo Arze Loureiro was named President of the Agrarian Reform Council.

> . . . the specific conditions of the law represented a number of compromises--between economic feasibility and political expediency; among the various interests and conditions in Bolivia's enormously diverse regions; among conflicting partisan ideologies within the loose coalition which constituted the MNR; and so forth. Nevertheless, this, like any other law, was conceived and shaped at the top of the political hierarchy rather than at the bottom.[67]

Despite the compromise nature of the bill it was still ". . . one of the most comprehensive agrarian reform laws in world history."[68]

The Decree covered 30 pages. For the six fundamental objectives of the reform (from the Preamble) see Appendix A. Appendix B may be consulted for a Summary of the Decree.[69]

Briefly, the objectives of the Decree were to redistribute the land, abolish unpaid labor, promote Indian communities, stimulate agriculture, preserve natural resources, and promote internal migration to the less populated eastern regions.

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[66]Patch, "The Bolivian Revolution," p. 361; and Patch, "Peasantry and National Revolution," p. 111.

[67]Heath, Erasmus, and Buechler, Land Reform and Social Revolution in Bolivia, p. 49.

[68]Ibid., p. 30.

[69]For an English paraphrase of the Decree see Ibid., pp. 401-36.

The Decree was aimed primarily at what it called latifundio. Article 12 of the Decree defined latifundio:

> The State does not recognize latifundio, which is rural property of size varying with the geographical situation, which remains unexploited or insufficiently exploited by an extensive system, with antiquated methods and implements, which give rise to the waste of human effort . . . in such a way that the return depends fundamentally on the surplus value which the peasants produce in their condition as serfs and which is appropriated by the landlord in the form of labor service, thus establishing a regime of feudal oppression, which brings with it agricultural backwardness and a low standard of living and of cultivation for the peasant population.[70]

Having defined what latifundio was, the Decree went on in Article 35 to define what it wasn't:

> Property will not be considered latifundio . . . on which the proprietor has invested capital in machinery and modern methods of cultivation, and which is cultivated permanently by him or members of his immediate family. In those regions in which the topography of the cultivable land impedes the employment of machinery, only the personal work of the proprietor and his immediate family will be taken into consideration.[71]

The law, then was supposed to apply principally to land cultivated by semifeudal methods. Small plots of land which the landlords had allowed the Indians to use became their property on the day of the law. The rest of the landowners' holdings were to be redistributed among

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[70]Alexander, The Bolivian National Revolution, p. 71.

[71]Ibid.

the Indians as soon as procedures could be established to bring this about.[72] Another article of the decree recognized the de facto occupations of land already carried out by the Indians.

The ex-landowners were to be compensated for their lost land in government bonds; but as a result of the tremendous inflation during the Revolution agrarian reform amounted to a virtual confiscation of the land.[73]

> The first haciendas to be parceled out were 'typical' fincas purposely selected in various parts of the country. The technical Division of the Servicio Nacional de Reforma Agraria gathered all possible information on these fincas, concerning their soil, crops, the number of people on them and the age and sex distribution of these people, the income of the fincas and how it was distributed. On the basis of all this information, the Servicio then carried through the division of land in question.[74]

Despite a promising start, the reform was plagued by slowness of execution. One of the primary reasons for this was the appeal system, whereby the landlord could appeal the decision to expropriate at four different stages. The landlord could first object to the work of the topographer. Second, he could appeal the decree of the local agrarian board which decided in a preliminary step how much land

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[72]Alexander, "The National Revolution," p. 367.

[73]Ibid.

[74]Alexander, The Bolivian National Revolution, p. 68.

would be divided and in what way. Third, he could then appeal to the full membership of the agrarian council. Finally, he could appeal to the President of Bolivia. Most of the landlords took full advantage of the right to appeal; as a result many cases have lingered on for years. "By the end of June, 1956, only 109 haciendas had definitely been divided by decree of the President of the Republic--the last step in the land distribution process."[75]

At the end of June, 1956, the Reform Council still had 833 cases pending, and subordinate reform authorities had 9,923 cases in process. The 1950 census showed there were 17,755 landholdings which could be subject to agrarian reform; which meant that action had begun on approximately 60 per cent of these landholdings.[76]

There have, of course, been other problems with agrarian reform:

> The lack of sufficient credit and technical facilities is only one of the weaknesses of the Agrarian Reform Program. Serious, too, has been the fact there have been violations of the law itself by the peasants, and perhaps by the government authorities entrusted with carrying out the program.[77]

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[75] Ibid., p. 69.

[76] Ibid., p. 70.

[77] Ibid., p. 78.

Another problem has been that the reform made subsistence farming the dominant pattern in many regions. These new peasant landowners produced no more food than they could consume and agricultural production dropped seriously. "Agricultural production and marketing have not recovered from this drastic change. That is the root of many of Bolivia's economic straits today."[78]

The political effects of the reform were highly significant:

> It was largely responsible for the fact that the Indians were overwhelmingly in favor of the revolutionary regime, and upon various occasions when it was threatened rallied to its defense. The immediate result was that after 1952 Bolivia enjoyed a dozen years of political stability such as it had not had for several decades. Even after the MNR government was ousted by a military coup in 1964, the successor regime made it a major point of its political strategy to try to obtain the widest possible support among the peasantry, something which no pre-1952 government would have considered necessary.[79]

The government made one final important decision in the first four years: to accept U.S. aid.

The Decision to Accept U.S. Aid.

> Prospects for a cordial relationship between Washington and the new men in La Paz were not good in April, 1952. The MNR leaders were the very same men whom Washington had tagged as Nazis during World War II and whom it had forced out of the Villarroel government in 1944. . . . Also, their

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[78]Patch, "The Bolivian Revolution," p. 363.

[79]Alexander, "The National Revolution," p. 368.

> vaguely leftist program, including proposals for the Nationalization of the tin mines, disturbed conservative circles in Washington aroused by the anti-Communist campaigns of Senator Joseph McCarthy.[80]

However, the MNR elites made a great effort from the very first to calm U.S. fears and pave the way for early recognition. This is indicated by the very early request (April 16, 1952) by Walter Guevara Arze, the new foreign minister, for U.S. recognition.[81] The formal recognition came on June 2, 1952.

The origins of the decision are really quite simple: Bolivia needed the money.

> The lack of labor discipline and managerial inefficiency in COMIBOL meant that the large mines . . . became . . . a major economic problem and forced the MNR to seek capital for national development almost entirely in the form of economic aid from abroad.[82]

From the start the MNR had faced a drop in the price of tin. This had depleted the funds necessary for social reform and economic expansion programs. The problem was exacerbated by the steady decline in mineral output and rapid inflation.

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[80]Blasier, "The United States and the Revolution," p. 63.

[81]Ibid., p. 64.

[82]Thorn, "The Economic Transformation," p. 164.

Agrarian reform had added to the problem of inflation by transforming some of the areas of Bolivia into subsistence farming. This transformation resulted in the inability of the rural areas to feed the cities. U.S. aid was required to relieve the serious food shortages.

The formal decision to accept U.S. aid was a political and economic necessity:

> Without U.S. aid, the Revolutionary Government could not have survived, according to President Paz Estenssoro, referring to the economic assistance agreement entered into on November 6, 1953, and to the $13,766,136 in cash and $37,336.857 in foodstuffs and other products received from the United States up to the end of his presidential term in August, 1956.[83]

Not only was the U.S. financing programs of economic and social development, the U.S. was also providing funds for the day-to-day operations of the government. From 1953 to 1959 U.S. economic aid and techinical assistance to Bolivia amounted to $124 million. This total doesn't include Export-Import Bank loans of $11 million; authorized credits of $4 million from the Development Loan Fund; or a $15 million stabilization loan from the International Monetary Fund and the U.S. Treasury. Nor does the figure include assistance from the United Nations, which has one of its largest missions in Bolivia.[84]

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[83]Eder, Inflation and Stability in Bolivia. p. 79.

[84]Richard W. Patch, "Bolivia: U.S. Assistance in a Revolutionary Setting," in Social Change in Latin America Today, Council on Foreign Relations (New York: Harper & Brothers, 1960), p. 109.

U.S. aid jumped dramatically in 1963. This was prompted by action of President Paz Estenssoro, who, in July of 1962, resumed payment on Bolivia's bonds, which he had allowed to go into default almost immediately after assuming office in 1960. The increase in aid was also prompted by the Kennedy government in Washington which saw Bolivia as a showcase for the Alliance for Progress in Latin America.[85]

The figures on U.S. expenditures may be found in Appendix C, but it should be noted here that expenditures jumped from $26.8 million (6.7 per cent of Bolivia's budget) in 1957, to $78.9 million (13.9 per cent of Bolivia's budget) in 1964.

The total through 1964 amounted to $400 million; it would not be unfair to say that the United States financed the Revolution.

> It would appear that one major contributory factor to Bolivian political instability was the dependence of the Bolivian revolutionary government upon American assistance. That aid may have contributed significantly to social welfare and economic development. But its political effects were destabilizing. By assisting the revolution, the United States may have corrupted it.[86]

What were the consequences of U.S. support? The overriding consequence was political instability for several reasons.

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[85]Malloy, "Revolutionary Politics," p. 139.

[86]Huntington, Political Order in Changing Societies, p. 335.

First, dependence on U.S. support caused the Bolivian government to pursue policies which it wouldn't have done in the same way if they had been solely dependent on domestic support. For example, the U.S. insisted in 1957 that President Siles inaugurate an unpopular stabilization program; the U.S. also insisted on postponement or abandonment of some social welfare and development programs. On some social welfare legislation the government was forced into retrenchment. It meant the opening up of Bolivia's oil fields to North American companies for the first time since 1938. The U.S. government's objective was ". . . more implicit than explicit, of moderating or deradicalizing the revolution. From the beginning U.S. influence has tended to check the nature and extent of revolutionary change."[87]

Second, the U.S. also apparently influenced the selection of political leaders and may have contributed to instability in Bolivia through their support of certain people. The U.S. backed Siles while he was president and also consistently supported Paz Estenssoro. In 1964 the U.S. Ambassador toured the country with Paz in his election campaign and the U.S. apparently did all it could

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[87] Blasier, "The United States and the Revolution," p. 101.

to head off the military coup against Paz Estenssoro. In 1955 it was reported that Juan Lechín was forced out of his cabinet position as minister of mines as a result of U.S. insistence; incidents such as that exacerbated relations between the government and the tin miners.[88]

> One cannot overlook the active participation and influence of U.S. Embassy officials during Paz's last years as president. Leading Bolivian and North Americans have testified privately and at length about the intimacy and importance of their collaboration, an interaction marked by a heavy flow of demands and supports from both sides.[89]

Third, the intervention of the United States in Bolivian affairs was an important contribution to the polarization of Bolivian politics.[90] The U.S. played a significant role in ending the MNR-worker-middle class alliance. The effect of U.S. influence was to make the U.S. an ally of the MNR center and right and an enemy of the labor left.

Finally, U.S. influence led to the reinstatement of a powerful U.S. trained and equipped army which played the decisive role in the overthrow of the government which the U.S. had supported. This decision will be treated in the next section.

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[88]Huntington, Political Order in Changing Societies, p. 334.

[89]Blasier, "The United States and the Revolution," p. 89.

[90]Huntington, Political Order in Changing Societies, p. 334.

Perhaps the best way to summarize the U.S.-Bolivian relations is with a statement by Paz Estenssoro on those relations made after his fall from power in 1964:

> The importance which these relations have for Bolivia . . . was recognized, especially during the stage of the implementation of programs of economic development, and great attention was devoted to them . . . . Laborous negotiations were necessary . . . in order to find in the detail of each agreement the means of harmonizing them or at least avoiding conditions which could prejudice the country, affecting its sovereignty or damaging Bolivian pride. Nevertheless, there were cases in which it was not possible to reach an agreement because of the existence of diametrically opposed positions . . . much to its sorrow, in many of these cases the government found itself obliged to assume a delaying tactic, or to yield . . . because the alternative, communicated implicitly or explicitly, was the interruption of financing for development projects, which was very serious.[91]

The Hernan Siles Administration 1956-1960

> . . . the great inflation from 1953 or 1956 theoretically might have caused the end of the MNR government in 1953 or 1956. Nevertheless, since the MNR acted to stem mounting inflation and was able to point to implementation of revolutionary ideas in a wide variety of fields, Paz Estenssoro could successfully hand over power to his successor, Hernán Siles Zuazo.[92]

Hernán Siles was nominated for the presidency at the Sixth Congress of the MNR held late in 1955. Ñuflo Chávez was chosen as his running mate. The left was still

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[91]Blasier, "The United States and the Revolution," pp. 89-90.

[92]Wilkie, Revolution and U.S. Aid, p. 6.

rising in power at the time of the Congress. They dominated the writing of the party's program for the coming election and also forced the retirement of Walter Guevara Arze (the leading spokesman of the right) from the National Executive Committee of the MNR.[93]

Siles was elected president and inaugurated on August 6, 1956. The MNR had scored an important election victory. The party received 787,202 votes out of a total vote of 958,016, or 82.2 per cent. Their closest rival, the FSB, received 130,669, or 13.6 per cent of the vote.[94] But the left was the major winner in the election:

> The trade union members of the new Congress elected in 1956 included a majority of the Chamber of Deputies, and a sizable number of senators, Miners' leader Juan Lechín was elected President of the Senate, and thus second in line to succession as President of the Republic.[95]

Siles ". . . soon demonstrated a rare courage and unswerving belief in orderly processes."[96] He declared the major goal of his government to be institutionalization of the revolution, but it was not to be. Runaway inflation and the struggle over stabilization were to dominate the four years of his presidency. Nevertheless, Siles did

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[93]Alexander, The Bolivian National Revolution, p. 53.

[94]Bolivian Election Factbook, pp. 34-36.

[95]Alexander, The Bolivian National Revolution, p. 54.

[96]Patch, "The Bolivian Revolution," p. 366.

accomplish some significant things during this term. He reorganized the MNR; he dismissed some members of the National Exeuctive Committee and appointed his supporters to replace them. He also carried out a reorganization of the government.[97]

Monetary Stabilization.

The roots of the inflation in Bolivia go back to the National Revolution and the first administration of Paz Estenssoro. The situation in the mining industry, with a serious decline in market prices and decreasing production, was a problem. The fall in the amount of agricultural products available in the cities also added to the problem. In addition, an increasing amount of spending power had been trying to buy a declining amount of available goods and services.

> There is little doubt that the multiple exchange rate which continued to characterize the Bolivian economy . . . also contributed to the inflationary pressure and the decline in the exchange value of the boliviano.[98]

George Eder pinpointed the primary cause of the inflation:

> . . . the action of the government in spending beyond its available resources and in borrowing the difference from the Central Bank, resulting

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[97]Alexander, The Bolivian National Revolution, p. 218.

[98]Ibid., p. 204.

> in the printing of constantly increasing supplies of paper money to provide the Treasury with funds.[99]

The situation was out of hand by the end of the Paz Estenssoro administration. The annual increase in the cost of living in La Paz between 1952 and 1956 was 147.6 per cent, the most rapid increase in Bolivian history. In 1952 the Boliviano was worth about 220 to the U.S. dollar. By the end of 1956 it was exchanging for 15,000 to the dollar.[100]

Paz Estenssoro had attempted to relieve the situation during his first term by undertaking a stabilization program on May 14, 1953. He also devalued the boliviano; created a stabilization office; established a free market for the purchase and sale of foreign exchange in transactions not covered at the official rate; established price fixing on basic foodstuffs; established rent controls; reduced credits to the private sector; and initiated wage increases to compensate for rising living costs. These measures had little effect on inflation for prices still skyrocketed and the exchange rate of the boliviano continued to fall.

> . . . the United States made it clear that either the Bolivian government had to put its house in order or U.S. assistance would be cut off. As a

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[99]Eder, Inflation and Stabilization in Bolivia, p. vii.

[100]See Alexander, "The National Revolution," p. 371; and Alexander, The Bolivian National Revolution, p. 203.

> result, the Bolivian government requested that the United States send a financial mission to assist in the housecleaning operation. . . .[101]

The result was the arrival on June 1, 1956 of George Eder, who was sent to Bolivia by the U.S. International Cooperation Administration to study the price situation and suggest ways to bring the economy back to normal.

Soon after his arrival Eder said ". . . I was hardly prepared for the utter chaos--fiscal, monetary, political, social, and economic--which confronted me on arrival in Bolivia. . . ."[102] As a result, Eder recommended drastic measures which were later to lead to charges of foreign intervention in Bolivian affairs.

Actually, Bolivians were involved in every step of the decision-making process. The organizing group for stabilization included Paz Estenssoro; Siles, Miguel Gisbert Nogué (Siles' principal advisor); Franklin Antezan Paz (President of the Central Bank); and Alberto Mendieta Alvarez (Finance Minister), Arthur Karasz advised Paz Estenssoro.[103]

The first important meeting took place on July 19, 1956. "The meeting was taken up entirely with the revision

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[101]Blasier, "The United States and the Revolution," p. 81.

[102]Eder, Inflation and Stabilization in Bolivia, p. x.

[103]Ibid., p. 88.

and final approval by Paz, Siles and Chavez of the decree that was to establish the National Monetary Stabilization Council."[104] Three of the four leaders of the Revolution were at the meeting: Paz Estenssoro, Siles and Chávez.

> There remained only Juan Lechín-Oquendo, reputed to be the most powerful of all in view of his command of the miners' federation and the militia and his position as 'maximum leader' of the Bolivian Workers Confederation (COB).[105]

Eder then met with Lechín and Dr. Samuel Marín Pareja, a friend and legal advisor of Lechin. "Only after the plan had thus been cleared with Dr. Marín did Lechín consent to participate in its approval."[106]

The decree establishing the National Monetary Stabilization Council was issued by President Paz Estenssoro on August 4, 1956.[107] Two days later Siles was inaugurated. He had participated in the origins of the decision and he ". . . stated that he was firmly committed to the stabilization program and intended to carry it through, come what may . . . . "[108]

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[104] Ibid., p. 137.

[105] Ibid.

[106] Ibid., p. 138.

[107] See Eder, Ibid., pp. 617-22, for a copy of the decree.

[108] Ibid., p. 282.

Another important step was taken at an October 11, 1956, meeting, where the Fifty Step Plan for monetary stabilization was considered. At that meeting ". . . it had been agreed, after long debate, that stabilization was absolutely essential and that the program must be carried out."[109]

The only remaining obstacle was the granting of emergency powers by the Congress to the President to deal with the inflation. George Eder's statement indicates what was involved:

> The only ticklish problem was to obtain the acquiescence of Congress in the manifest attenuation of its own powers and the diminution of the pecuniary advantages that accrue with power. The President charged me with the task of convincing the inner circles of the MNR, of COB and finally the Congress of the need for these emergency powers and, by necessity, of explaining to each of these groups in turn the origins of the preceding inflation and the steps that the council intended to take to stabilize the currency.[110]

The Emergency Powers Act was passed by the Congress on November 22, 1956.[111]

The Stabilization Program, as it evolved into final form, covered eight vital areas.[112] First, the government

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[109]Ibid., p. 169. See this book, pp. 625-47, for a copy of the Fifty Step Plan.

[110]Ibid., p. 93.

[111]See Eder, Ibid., pp. 623-25, for a copy of the Act.

[112]The following summary of the Program is taken from Alexander, The Bolivian National Revolution, pp. 208-09.

was to adopt a balanced budget policy starting in 1957. This entailed a 40 per cent cutback in government expenditures on import, and increased taxes on exports, imports and domestic goods. Second, the program was to eliminate the deficits of the major government agencies. This included the COMIBOL, the Mining Bank, the railroads and the Petroleum Corporation. Third, the Program eliminated all government price controls. Fourth, the Program abolished all restrictions on private imports, exports and exchange payments, other than payment of export taxes. Fifth, strict controls were imposed on bank credit. Sixth, subsidies were discontinued on consumer goods. Seventh, a new exchange rate was set (7,700 bolivianos to the dollar), and commodities received through the U.S. aid would reflect this new rate. Finally, cost of living increases were provided for wage and salary earners to compensate for anticipated increases in prices following the tax increases, abandonment of price controls and consumer subsidies. This was followed by a one year freeze on all wages.

> This program obviously was a return to a wide degree of free enterprise in the Bolivian economy. It lifted many of the controls and restrictions of the government on the economy, and was designed to let the exchange rate of the boliviano and the internal prices of Bolivia seek their own levels.[113]

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[113] Ibid., p. 209.

The drain on the foreign exchange resources of Bolivia was met by a fund made available to Bolivia amounting to $25 million.

> Without this fund, upon which the country could and did draw, the program could not have succeeded, since those anxious to convert their bolivianos into dollars were now perfectly free to do so, and would soon have exhausted the already depleted dollar reserves of the nation.[114]

The first of several crises over Stabilization followed soon after the Emergency Powers Act. Juan Lechín was apparently vacilating in his support for the Program, and was waiting for the outcome of the national convention of the COB to determine in which direction his followers wanted to be led.[115]

On December 27, 1956, COB Delegates from all over the country met in La Paz for their convention:

> In one fiery speech after another, the leaders of the railway workers, miners, artisans, civil servants, construction workers, and communications employees, denounced the stabilization program in every way and from every angle, demanding the resignation of the labor ministers . . . .[116]

Siles declared a hunger strike on December 28 (the first of several) to gain support for his cause. Expression of support for Siles came from all parts of

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[114] Ibid., p. 210.

[115] Eder, Inflation and Stabilization in Bolivia, pp. 299-300.

[116] Ibid., p. 300.

Bolivia and he carried the day; the COB convention did not disrupt the Program. But Juan Lechín's opposition was to continue to grow. He was opposed to the stabilization because it involved closing the less productive mines, dismissing miners, eliminating the main social cost of the mines and the subsidized commissary prices.[117]

The next Stabilization crisis occurred with the Second Workers Congress which started on June 1, 1957.[118] There were four distinct factions at the Congress: delegates of unions controlled by elements of former POR members, and other groups dominated by Juan Lechín; delegates of unions led by former elements of the PIR; current members of the POR; and current members of the PCB.

Several issues were debated during the Congress, but the one of most concern dealt with the stabilization program. A proposal was given for a general strike against the program.

Siles spoke twice before the Congress and said he wouldn't concede to the demands of the workers and he urged them not to strike. However, a resolution was passed for a general strike to start on July 1, 1957. However, the trade union leaders assembled in the Second

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[117]Hanke, South America, p. 47.

[118]The following account of the Congress is taken from Alexander, The Bolivian National Revolution, pp. 132-36 and pp. 214-15.

Congress of Workers had not correctly read the mood of their followers. Pressure immediately developed among the rank and file against the strike move."[119]

Immediately after the Congress, unions (including construction workers, railroaders, factory workers, petroleum workers and others) began passing resolutions declaring they wouldn't take part in the strike. Siles went among the union members to appeal to them urging them not to walk out. Siles already possessed great popularity in the unions, due to his role in the actual fighting at the start of the Revolution and his reputation for honesty. "As a result of these declarations, and of energetic acting on the part of President Siles, the general strike did not occur."[120]

> The split during the Second Workers Congress and the weeks succeeding it was the first major division in the labor movement during the National Revolution. Personal rivalries of leaders, long-time political differences dating from the period when many union leaders were members of the P.I.R. and the Trotskyite P.O.R., conflicting opinions concerning the policies of President Hernan Siles were among the causes of the scission in the Central Obrera Boliviana.[121]

"Coinciding with the Stabilization crisis and virtually a part of it was the resignation of Vice-President Ñuflo Chávez."[122] Chávez had sided with those

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[119] Ibid., p. 214.

[120] Ibid., p. 134.

[121] Ibid., p. 136.

[122] Ibid., p. 217.

who opposed the Siles program, and was openly critical of Siles. Chávez was ". . . one of the two bitterest opponents of the President and of the stabilization program."[123]

The crisis between Siles and Chávez came to a head as the result of a confidential report prepared by George Eder for presentation to Siles. The report contained a summary of the Stabilization effort. Also in the report were comments on the behavior of high members of the administration. The report was especially critical of Chávez; Eder ". . . accused him of ill-advised actions and perhaps worse in relation to the efforts of the government to renew payment on Bolivia's long-defaulted foreign debt . . . ."[124]

Despite the confidential nature of the report, it was published almost verbatim in a PIR newspaper in La Paz. This was on June 22, 1957, three days before Eder was scheduled to leave Bolivia.

Chávez blamed Siles for letting the report get out, and sent a strongly worded letter of resignation to Juan Lechín, his friend and President of the Senate.

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[123]Eder, Inflation and Stabilization in Bolivia, p. 439.

[124]Alexander, The Bolivian National Revolution, p. 217.

> There followed . . . a series of scurrilous attacks on Ñuflo Chávez and equally impassioned defenses, as the Vice-President battled for his existence in what turned out to be a cause célèbre.[125]

A special session of Congress was called over the resignation issue.

> Juan Lechín and Minister of Mines Torres lined up on the side of Chávez and brought the mine union leaders and the COB into the fray, while . . . the majority of the MNR party stalwarts backed the President, for it was clear that it was . . . a fight to the death between President Siles, in support of the stabilization program, and Lechín and Chávez, in support of the 'good old days.'[126]

As it became clear in the Congress that Siles would command a majority, Chávez withdrew his nomination on April 4. But pro-Siles Congressmen insisted on debating the issue. Even the intervention of Paz Estenssoro could not alter the outcome: on August 3, 1957, the Senate accepted the resignation of Chávez. Although it was a victory for Siles, it had adverse effects on the Program as George Eder indicates:

> The whole monolithic structure of the stabilization program which we had erected depended for its strength upon the concrete cohesiveness of its constituent parts. The strength or weakness of the program thus depended upon the strength or weakness of the Chief Executive. It was not long before the cracks appeared in the concrete.[127]

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[125] Eder, Inflation and Stabilization in Bolivia, p. 440.

[126] Ibid.

[127] Ibid., p. 446.

In January of 1958, Siles again froze salaries and wages for another year, and the gulf between him and Lechín widened.

> Again in March, 1958, Siles' harassment by Lechín, apparently seconded by Paz Estenssoro, who was threatening to return to Bolivia from his ambassadorship in London, was temporarily halted when Siles submitted his resignation and left the government palace.[128]

Siles consented to return, of course, but the truce which followed was an uneasy one. In August of 1958 Siles thought it necessary to deliver his eighth ultimatum to Congress, threatening to resign if Congress did not support his "hold the line" policy.

Congress voted to support Siles but the opposition responded by calling more strikes. A transportation strike called by Lechín closed down the railroads for several weeks.[129]

> In mid-September 1958, Siles' half brother Luis Adolfo Siles, representing the rightest PSD (Social Democratic party), signed a pact with Oscar Unzanga de la Vega, the leader of the Falange, the bulwark of the opposition, for closer cooperation between their parties, emphasizing their opposition to the stabilization and status quo policies of the Siles faction within the MNR.[130]

Under opposition from the right and the left, the Program's chances for success were slim. What consensus had

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[128]Patch, "The Bolivian Revolution," p. 367.

[129]Ibid., p. 368.

[130]Ibid., p. 369.

existed among the elites was breaking down. In this situation a compromise among competing elites or the elimination of some elites from influence were the only real alternatives.[131] There seems to be little doubt that the revolutionary consensus was breaking down.

> The Stabilization crisis of June-July 1957, was certainly the first major threat to the revolutionary regime. It brought for the first time a clear split in the ranks of the supporters of the M.N.R. government, and an open struggle for power and popular approval among the M.N.R.'s different elements.[132]

Siles did not choose the course of eliminating some of the elites from influence, although the option was open to him:

> It is probably true that at that point President Siles could have broken Lechín's hold over the miners' federation: for a committee for the reorganization of the federation was established by anti-Lechín elements in the organization, and if it had gotten support from Siles, it could probably have removed Lechín from the leadership. However, the president chose not to push his victory that far.[133]

But Siles instead chose to compromise, and George Eder has indicated why he took this course:

> . . . he could not bring himself, as he told me in private, to break with his comrades, Víctor Paz-Estenssoro, Juan Lechín-Oquendo, and Ñuflo Chávez-Ortiz, who had brought him to power. He gave Lechín asylum until the passions of the mob

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[131]Groth, Revolution and Elite Access, p. 13.

[132]Alexnader, The Bolivian National Revolution, pp. 216-17.

[133]Alexander, Organized Labor in Latin America, p. 108.

> had cooled, called for an end of partisan strife, and, within a fortnight, Lechin was back solidly in the saddle. . . .[134]

Siles may have also feared that in the absence of Lechín the miners might have broken from the MNR. In any event, the outcome of the crises over stabilization was a weakening of the power and influence of the labor left. The power vacuum was filled by the campesinos:

> It was Siles who appointed the first campesino to national office by making José Rojas minister of peasant affairs. With this the Cochbamba unions took an increasingly anti-COB line, and, for the first time, the government threatened to use peasant militias to break the unauthorized strikes.[135]

The Decision to Strengthen the Army.

The April 9 Revolution had largely destroyed the Bolivian Army. Already weakened by the Revolution, the MNR moved to weaken it further. The army was reduced in size and status, as antagonistic elements were retired and the military academy was closed down. Paz Estenssoro commented on the attitude of the government at this time; and the action the government took. He said

> The first logical step was the elimination of those in active service, the chiefs and officers implicated in grave crimes against the economy of the nation and the lives of the citizens, crimes

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[134]Eder, Inflation and Stabilization in Bolivia, p. 303.

[135]Malloy, Bolivia: The Uncompleted Revolution, p. 240.

> committed in the service of the feudal mining oligarchy. Those chiefs and officers were replaced by men who had supported Busch and Villarroel, and who were at the time of the Revolution out of service or relegated to posts where they commanded no troops. The military academy, whose members had fought perfidiously against the people in the April days, was closed.[136]

But in the absence of a large army, some members of the government were concerned about the existence of, and the government's dependence on, the armed workers and peasants. This led to a controversy over the reorganization of the army.

Those opposed to a stronger army feared it would get involved in politics; in addition, many trade union and peasant leaders feared that a stronger army would reduce their power over government. However, Paz Estenssoro sided with the group favoring a stronger army, and it was established by decree on July 24, 1953.[137] Paz Estenssoro commented on what was envisioned for the army:

> As for the reorganization of the army, we are making it, in place of an instrument of oppression at the service of a minority government, into an instrument of production which will have a place in our plans for economic development.[138]

The government adopted three means to insure that the army would not become a threat. First, the officer

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[136]Alexander, The Bolivian National Revolution, p. 147.

[137]Ibid., pp. 149-50.

[138]U.S. News and World Report, June 5, 1953, p. 68.

corps was screened for background and political loyalty. Second, the military budget was kept low and a close watch was kept on the army by civilians. Finally, much of the army was kept at a safe distance from the capital.[139]

This policy was followed during the first Paz Estenssoro administration and during part of the Siles administration. Then Siles made a decision to strengthen and rebuild the army in ". . . an attempt to regain for the MNR elite-controlled state some measure of that critical capacity which Max Weber called 'the legitimate monopoly of force.'"[140]

> President Siles began rebuilding the armed forces after his conflict with Juan Lechín and Ñuflo Chávez over the stabilization program when the resulting strikes, demonstrations, and violent encounters threatened the public order. . . . Thereafter Siles began to conceive of the armed forces as a major prop for the MNR government and a counterpoise to the militias.[141]

What Siles had started Paz Estenssoro continued in his second term. Between 1960 and 1963 the military budget doubled, ". . . bringing into existence a new social force with the capacity for independent action"[142]

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[139]Alexander, The Bolivian National Revolution, p. 151.

[140]Malloy, Bolivia: The Uncompleted Revolution, p. 290.

[141]Blasier, "The United States and the Revolution," p. 94.

[142]Huntington, Political Order in Changing Societies, p. 331.

The government, under U.S. pressure and with U.S. aid (see Appendix C for amounts of U.S. military aid), strengthened the military. At the same time, the miners' militia was becoming increasingly alienated from the MNR as a result of Operación Triangular, (see the next section). In addition, the condition of many of the peasant militia units had been allowed to deteriorate.[143]

Meanwhile, the power of the military continued to grow. This growth in power was reflected in 1964 when General René Barrientos, was nominated for vice-president on the MNR ticket. The nomination was an ominous sign, as the leaders of the party had previously been civilians.

> Fidel Castro's rise and John F. Kennedy's death meant that Bolivia's armed forces were to be well supplied with funds from outside of the Bolivian budget as a result of changed U.S. policy which began to rely increasingly on military options to resolve complex problems . . . . These disbursements reached a peak in 1964, enabling the military to act as arbiter in presidential policy as the MNR began to disintegrate.[144]

It is doubtful that without this U.S. assistance the military could have overthrown Paz Estenssoro in 1964. But the MNR elites had made two critical decisions: the first to accept massive U.S. aid with all the pressure that went

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[143]Alexander, "The National Revolution," p. 382.

[144]Wilkie, Revolution and U.S. Aid, p. 24.

with it; and the second, to rebuild and strengthen the army. The lesson for the MNR was as James M. Malloy saw it that revolution, as an extra-institutional process, tends to make force the major arbiter of social differences. This is because there is no clear conception of legality and justice in the society.[145]

The Paz Estenssoro Administration: 1960-1964

Under the constitution, Siles could not succeed himself. In 1959 Paz Estenssoro returned to Bolivia to campaign for the Presidency. The move alienated Walter Guevara Arze who assumed it was his turn to be President. Guevara bolted the party and formed the Partido Revolucionario Autentico (PRA).

After the bitter struggle with Arze, Paz Estenssoro made an alliance with the left wing of the MNR. As a result, Juan Lechín was nominated for the vice-presidency.

The Paz Estenssoro-Lechín ticket was elected, but the election was marred by violence and charges of stuffing and stealing ballots.[146] The MNR received 735,619 votes (74.5 per cent), as compared with the 139,713 votes (14.1 per cent) that its closest rival the PRA, received.[147]

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[145]Malloy, Bolivia: The Uncompleted Revolution, p. 248.

[146]Patch, "The Bolivian Revolution," p. 369.

[147]Bolivian Election Factbook, pp. 34-36.

"With the elections over, about a year passed during which the power standoff of the Siles period persisted."[148]

It has been argued that ". . . when Paz reassumed power in 1960, his overriding commitment was to go down in history as the man who built a new Bolivia."[149]

Paz moved slowly to establish government control through two strategies. First, he sponsored pro-government local elites against less reliable leaders; and second, he began the slow but steady establishment of a national government presence in these areas.[150]

During this Paz Estenssoro administration the revolutionary changes were institutionalized in a new constitution, written in 1961. Agrarian reform, nationalization of the tin mines, and universal adult suffrage were all incorporated into the new constitution. Now, if possible, the MNR had to be institutionalized.

> Backed by the resources of the United States and surrounded by a new generation of stalwarts, Paz sent out to break the political and economic immobilization and assert the authority of the national center. The peasants and the military would provide the economic and political muscle to back the push,

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[148]Malloy, Bolivia: The Uncompleted Revolution, p. 242.

[149]Ibid., p. 290. This view was not universally shared, however. For an opposite and uncomplimentary picture of Paz Estenssoro see Ricardo Ocampo, "Bolivia's Revolution," Atlas, IX (January, 1965), 28-32. Ocampo, a former editor of a leading La Paz newspaper, maintained that the Revolution developed into a totalitarian regime which resorted to fraud and corruption to stay in power. Ibid., p. 28.

[150]Malloy, Bolivia: The Uncompleted Revolution, p. 292.

> and the labor left would pay the political and economic costs.[151]

It was to this objective which Paz turned in Operación Triangular.

Operación Triangular.

> Early in his term he [Paz Estenssoro] tried to lead Bolivia out of the economic stagnation and showed a willingness to assume the political risks that a rapid economic development would entail. He sought the economic and social objectives for Bolivia which had been denied the MNR earlier, captializing on the new, more liberal economic assistance policy of the Alliance for Progress and the Kennedy administration.[152]

That the economy was in trouble was evident, and much of the blame could be traced to the mining industry. Several of the larger government mines were nearing exhaustion. In addition, the industry was seriously overstaffed, production was falling the COMIBOL continued to lose money.

> Rehabilitation of the tin industry required a two-pronged approach: (1) the revitalization of the industry through extensive capital investments and (2) reforms in the organization and operation of the government-owned mining corporation, COMIBOL. But the type of reforms which foreign experts felt were necessary in management labor relations and labor practices constituted political dynamite.[153]

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[151] Malloy, "Revolutionary Politics," p. 143.

[152] Blasier, "The United States and the Revolution," p. 85.

[153] Ibid., p. 83.

Paz Estenssoro was determined to push ahead, however. His chance for backing came with the visit of Khrushchev to the UN in 1960. During that visit he offered Bolivia the funds for constructing its own tin smelter so Bolivia wouldn't have to rely on the U.S. and European smelers. In December of 1960 the Russians added to the offer a promise of credits in the amount of $150 million for the government-owned petroleum corporation, road building, railroads and other public works. Despite pressure from the left the government posponed a decision.[154]

Naturally the U.S. opposed the acceptance of the Soviet offer. Paz Estenssoro probably felt that prospective U.S. assistance would be far more than Soviet assistance. In any event, Operación Triangular was presented as the alternative to the Soviet offer, and Paz Estenssoro accepted. The Plan was formulated early in 1961 and implemented over the next four years.

Operación Triangular was an agreement between the Inter-American Bank, West German private interests, and the U.S. Government, and Bolivia. It provided considerable financing for re-equipment, exploration, funds for increased recovery rates, and technical assistance,

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[154] Ibid., p. 85.

all for the mines. More than $37 million was pledged to the Plan.[155] But labor had to make concessions before the foreign investors would come in. COMIBOL had to agree to allow a German firm to reorganize its administration. But there were other causes of concern:

> In 1961 the decree initiating the triangular operation focussed on labour indiscipline as a chief contributor to the chronic state of the industry. It emphasised the need to eliminate redundant employees, rationalise the payroll system, abolish wildcat strikes and improve laborer efficiency; it made clear the government's responsibilities to the whole country and not only to the 3% who are the miners and their families.[156]

COMIBOL agreed to reduce its work force by 7,000, and the dismissed men were re-employed in a road building program. After initial cooperation, by July of 1963 all cooperation by the unions had broken down. Lechín's supporters led the resistance. Lechín, who in addition to being vice-president was also the ambassador to Italy, was asked to return home to lead the struggle. He didn't do so, but the miners federation called a general strike for August of 1963 anyway.

> . . . Paz faced a crisis and confrontation with the miners . . . similar to that of former President Siles in the stabilization controversy. He rose

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[155] Ibid., p. 86.

[156] David J. Fox, The Bolivian Tin Mining Industry: Some Geographical and Economic Problems (Technical Conference on Tin of the International Tin Council, 1967), p. 19.

> to the occasion, as Siles had, meeting the strikes, demonstrations, and other agitation with persuasion and coercive countermeasures.[157]

Despite labor opposition the Plan was working. By the middle of 1962 the work force had been reduced in the mines and production had improved. In 1963 Bolivia registered a rate of economic growth of 6.5 per cent--the highest in Latin America.[158] It is evident that the plan of Paz Estenssoro's was paying off.

> By far the most important result of Operation Triangular was to stop COMIBOL from absorbing all the available financial resources of the government. Public finances were regularized to an unprecedented extent, both salaries and merchants were paid on time, and COMIBOL's large floating debt was greatly reduced.[159]

But the political effects were not as good as the economic effects. The plan had alienated members of the miners' union, COMIBOL bureaucrats, the left wing and even some of the campesino leaders. The government became involved in armed clashes with the miners and the situation began to deteriorate until by October, 1964, the country was engulfed in a virtual civil war.

It was against this background that Paz Estenssoro made his last major decision.

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[157]Blasier, "The United States and the Revolution," p. 86.

[158]U.S. News and World Report, November 16, 1964, p. 19.

[159]Thorn, "The Economic Transformation," p. 195.

The Decision to Seek Re-Election.

The worsening relations between Paz Estenssoro and the labor movement came to a head in 1963. Lechín and Paz Estenssoro were both being pushed by their supporters to run for president.

> Pressure from the U.S. Mission to Bolivia played an important role in the decision of Paz to seek a second consecutive term. Paz realized that if the radical wing of the party succeeded him in the presidency, not only might the MNR fall apart, but the U.S. would cut off necessary financial assistance to the Revolution.[160]

It was evident that Juan Lechín represented the radical wing, as far as the United States was concerned. Lechín had tried to get in the good graces of the U.S. government.

> By 1963 it was clear that Lechín had not succeeded in his task, and was emphatically not favored by the North Americans for the presidency. So, with some justification, President Paz concluded that he himself was probably the only figure in the MNR capable of denying Lechín the office.[161]

The actual decision to run again was made after Paz Estenssoro returned to Bolivia from a visit to the United States in October of 1963. He held meetings with Kennedy just prior to the American President's assassination.[162] How much influence Kennedy had on his decision is impossible to say.

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[160]Wilkie, Revolution and U.S. Aid, p. 8.

[161]Blasier, "The United States and the Revolution,", p. 96.

[162]Ibid.

In early 1964 Paz Estenssoro moved to implement his decision with a constitutional amendment allowing the immediate reelection of the president. This touched off a storm in Bolivia and has not set well with several American scholars either. For example, Robert J. Alexander has said of the decision:

> In the Latin American context, this is a clear indication that the incumbent plans on remaining in power indefinitely, and constitutes a breach of constitutional mores, even where it is legalized before the fact.[163]

The decision precipitated a break with Siles:

> Siles turned against Paz over the issue even though Paz claims that he offered Siles the 'effective presidency' in 1964; this arrangement would have found Paz reelected as President but acting in an economic capacity. Government Minister Siles would have been the real President even though he would not have held the title.[164]

Other divisions were evident within the MNR. As expected, Paz Estenssoro was nominated as the candidate, but it was not expected that he would throw his weight against General Barrientos for the vice-presidency in favor of Federico Fortún Sanjines. Fortún Sanjines was president of the Senate and minister of government during Paz Estenssoro's first administration. Barrientos withdrew his candidacy in anger, but did indicate he would respect the vote of the party for vice-president.

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[163]Alexander, "The National Revolution," p. 384.

[164]Wilkie, Revolution and U.S. Aid, p. 8.

However, Barrientos gained the nomination anyway, ". . . after a mysterious and little explained 'attempt on his life' at which time he was whisked away to Panama for treatments in a U.S. hospital."[165]

In the resulting furor, Paz Estenssoro withdrew his candidate, Fortún Sanjines in favor of Barrientos. Barrientos knew, of course, that he hadn't been the choice of Paz Estenssoro, and he avoided close contact with him.

Meanwhile, the break-down of the MNR continued. Juan Lechín took his supporters out of the party and organized the Partido Revolucionario de la Izquierda Nacionalista. In a countermove, Paz Estenssoro's followers in the labor movement withdrew from the COB and formed the Central Obrera Boliviana Renovada.

On the eve of the election, Siles and Lechín jointly called for a boycott of the election.

> . . . the army took up strong positions around Oruro to prevent any possible march of the miners' militia on La Paz . . . . Despite violent demonstrations at the Catavi, Machacamarca, and Colquiri mines in the Oruro and Potasí districts, and student demonstration in La Paz and elsewhere, Dr. Paz won without opposition, although with some 30 per cent abstensions . . . .[166]

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[165]Blasier, "The United States and the Revolution," p. 97.

[166]Eder, Inflation and Stabilization in Bolivia, p. 524.

On August 6, 1964, Paz Estenssoro took office for his third term. He was not to remain long in office, for he had made a fatal mistake. "Precipitant to the coup of 1964 was Paz's decision to seek another term."[167]

The decision had entailed a break with Lechín, who wanted the nomination for himself. It also entailed a break with Siles, who probably suspected Paz Estenssoro's motives. "This weakening of the MNR contributed to the disaffection and disorder that provided the atmosphere within which the overthrow of Paz Estenssoro took place."[168]

In the final analysis, it is probable that the enemies of Paz Estenssoro had no choice but to act or go under:

> By seeking to continue in office, Paz pushed all those on the negative end of his developmental program against the wall; for by the end of another four years, there might well have been no turning back to previous options.[169]

Summary

The major decree which launched the Bolivian revolution occurred during the first administration of Paz Estenssoro, from 1952 to 1956. This term of office saw

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[167]Malloy, Bolivia: The Uncompleted Revolution, p. 310.

[168]Alexander, "The National Revolution," p. 385.

[169]Malloy, Bolivia: The Uncompleted Revolution, p. 312.

the nationalization of the mines, unviersal adult suffrage extended to the Indians, COMIBOL created, agrarian reform, and the decision to accept U.S. aid.

The administration of Hernán Siles (1956-1960), was largely taken up with problem of monetary stabilization. This concern was to dominate the political scene and cause a serious split in the leadership of the MNR. Additionally, the decision to strengthen the army was made during this administration.

The Paz Estenssoro administration (1960-1964) was to be the last rule of the revolutionary elites. Paz Estenssoro decided during that term to attempt to put Bolivia's economic house in order with Operación Triangular. But it was the decision to seek reelection which brought Paz Estenssoro and the MNR down.

CHAPTER V

THE COUP D' ÉTAT
SUMMARY AND CONCLUSIONS

The Coup d' état

> The fall of President Victor Paz Estenssoro and the subsequent takeover of a military junta came as no surprise to observers of the Bolivian political scene. If we were to single out the decisive event in the collapse of the regime, we would point to the June re-election of Paz.[1]

The situation in Bolivia deteriorated rapidly after the June 1964 election. In August of 1964 the government reported that it had uncovered a plot to assassinate Paz Estenssoro. A roundup began of left wing opposition, as a result of the purported plot.

Then on September 20th, the government reported another plot, this time to overthrow the government, assassinate Paz Estenssoro and Barrientos, and set up a junta led by Hernán Siles. Reacting to this plot the government arrested and exiled 34 persons including Siles, who was sent to Paraguay. Security officers failed to catch Juan Lechín.[2]

On October 28, 1964, Paz Estenssoro sent government troops to Oruro, 143 miles south of the capital, to

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[1] Ocampo, "Bolivia's Revolution," p. 28.

[2] The Economist, September 26, 1964, p. 1225.

meet an armed worker uprising which had begun there. The city turned into a battlefield as the army and the workers clashed. "Five thousand troops of the peasant militia were brought to La Paz from Cochabamba and joined with the MNR militia to back the President and the army against the miners' militia."[3] Soon the vice-president, a native of Cochabamba, had joined the rising criticism of Paz Estenssoro.

> The spectacle of the vice-president assailing the government in Cochabamba and of the government firing on workers and students shattered the public image of the Paz government. All the opposition groups exhorted the army to intervene. The army wavered, partly due to internal dissension partly because it was still unsure of its power.[4]

It is evident from the groups willing to align with the army, that the power of the army was growing daily. The army had aligned itself with the Falange, some elements of the middle class, and what few of the traditional elite that were left. Critical to the success of the coup, however, were labor and the armed peasants:

> Sensing Paz's vulnerability, the traditional political groups, whose enmity to the revolution had been smouldering so long, seized their opportunity to move against Paz in concert with his labor opposition within the MNR. At this point the

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[3]Eder, Inflation and Stabilization in Bolivia, p. 525.

[4]Malloy, Bolivia: The Uncompleted Revolution, p. 312.

> role of the military became crucial, indeed decisive, when the armed peasants did not rally to Paz's defense. A combination of his MNR opposition, a resurgence of parties on the right, and the power and ambitions of a revivified military toppled Paz.[5]

From October 30 to November 3, it had appeared as if the coup might not occur at all. Then suddenly, army garrisons in Cochabamba, La Paz and other major cities revolted. The end was near for Paz Estenssoro, and

> . . . late on November 3, 1964, the army chief of staff Gen. Alfredo Ovando Candia informed Paz that the military would appreciate his withdrawal from the country. Gauging the realities of the situation, Paz accompanied Ovando to the airport and departed for Lima, Peru.[6]

A week after Paz Estenssoro's departure, Vice-President Barrientos was installed as President by the military junta led by General Ovando. The coup was completed. It was clear that the factor which Paz Estenssoro had counted so much on, the armed peasants, had failed to materialize to save the regime.

Barrientos entered office maintaining he would return to the reform movement which had led to the founding of the MNR. He called this movement the Revolucion Restaurado (Restoring Revolution). The military claimed they wanted to revive the revolution by nationalizing American-owned

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[5]Blasier, "The United States and the Revolution," p. 95.

[6]Malloy, "Revolutionary Politics," p. 144.

mines, furthering land reforms, removing restrictions on trade unions, and carrying out a plan of heavy industrialization.[7]

The Restoring Revolution was short lived, as the regime soon ran into problems in governing the country. After a short period of uneasy standoff, the miners broke with the regime. Soon the regime had repealed the 1961 constitution, but had retained the principles of agrarian reform, nationalization of the mines and the universal suffrage. The situation in Bolivia soon settled into the following pattern:

> It is clear by now that the 'Revolution of Restoration' is neither revolutionary nor restorative. Their experience is significant, however, in suggesting that the social change of the MNR's thoroughgoing revolution of 1952 are irreversible . . . .[8]

Summary

Prior to the 1952 revolution, Bolivia had been ruled by a small elite ruling in a closed system. The only exception to this closed system was the addition of the mining elites to the ruling class early in the Twentieth Century.

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[7]John H. Kautsky, The Political Consequences of Modernization (New York: John Wiley and Sons, Inc., 1972), p. 203.

[8]Heath, Erasmus and Buechler, Land Reform and Social Revolution in Bolivia, p. 261.

The traditional elites were in the ascendency from Bolivia's independence until the Chaco War. It was the Chaco War which sent Bolivia down the road to Revolution.

The Chaco War was a disaster for Bolivia. The cost of the war in human suffering alone was tremendous. But to this cost must be added the alienation of many sectors of Bolivian society which had previously supported, or at least acquiesed to the rule of the traditional elite. In the end, the political effects were far greater than the military losses or the losses in human resources.

Disenchantment with the existing political order set in. There were tentative moves by government elites toward reform. Emerging elites gained experience in government; labor began to organize; and the discontent became evident in the countryside.

The traditional elites reacted to the changes in the political system with a search for new organizations to protect them. Concordancia was just one example of the changing political order in Bolivia.

The election of 1951 pointed out to all that the old order was about to disappear. The MNR gained a sweeping, and surprising, electoral victory. Víctor Paz Estenssoro, then in exile, and Hernán Siles were elected President and Vice-President, respectively.

The military government of Bolivia at the time of the election was rife with dissension. As the economic and political situation in Bolivia deteriorated it became increasingly evident that this government could not rule. It also became clear that if the MNR government were not allowed to rule, there would be no government at all.

The coup of 1952 started as a broad based coup with labor, the MNR and segments of the military participating. The leaders were Hernán Siles, Juan Lechín and General Seleme. Leadership devolved to Siles and Lechín when General Seleme sought protection in the Chilean embassy when he feared for the success of the coup.

The move by Seleme left the Revolution firmly in the hands of the civilians. Siles and Lechín declared the results of the 1951 election to be valid and Vice-President Siles governed until the return of Paz Estenssoro.

From the start of the Revolution decision-making was fragmented in the loosely-knit revolutionary family. The labor-left, the peasants, and the MNR all were involved in the important decisions. This fragmented nature of decision-making was in a sense institutionalized with the labor-left controlling important ministries.

The first major decision of the new government was to nationalize the Big Three tin mines. This action was taken for two important reasons. First, the Big Three

represented a threat to the revolutionary government due to the economic base they commanded, which they were able to to translate into political power. Second, the MNR government was under intense pressure from the labor-left to nationalize the mines.

The pressure from the labor-left, which was typical throughout the Revolution, indicates the nature of the MNR core elites. They were basically, moderate, reformist elites. But because of the pressure fromthe labor-left and to some extent the peasant leaders, a sweeping revolution was initiated.

The government next issued a decree initiating universal adult suffrage. The real significance of this was not realized, however, until the government moved to reform the agrarian system in Bolivia. The new voters, plus the agrarian reform, created a force in Bolivia which not only supported the MNR, but would be a force in Bolivian politics for years to come.

The sweeping changes in Bolivia created a desperate economic situation there. The Revolution would have ended early had not the United States stepped in with massive aid.

The final eight years of the Revolution, 1956-1964, were dominated by economic matters. Hernán Siles from 1956 to 1960 struggled with the problem through the Monetary Stabilization program as Paz Estenssoro, from 1960 to 1964,

would do with Operación Triangular. But two critical decisions were made during the eight years. Hernán Siles decided to expand the army, and Paz Estenssoro decided to run for a third term. The first decision created the force which overthrew Paz Estenssoro after he decided to run again.

The Revolution was, then, in many ways a hesitant and uncertain one. The MNR core elite proceeded uncertainly, attempting to moderate the labor-left, yet attempting to move toward reform against the wishes of the right wing. Since the MNR was such a loose coalition, and since the MNR was unable to institutionalize a government presence in this country, it was perhaps inevitable that the party would fall. But despite the fall of the MNR, the real accomplishments of its rule cannot be undone.

Conclusions

It is evident from the Bolivian case that revolution does not necessarily lead to political stability. For while Bolivia had a revolution, the return to the device of a military coup d' état indicates the instability in the Bolivian political system.

From the situation in Bolivia we may justifiably conclude that for a country to achieve political stability it is also necessary to achieve economic stability. The constant search for new economic patterns alienated many

supporters of the MNR. Since the destruction of the traditional elites led to the disappearances of the government's legitimate monopoly of the use of force, the government had to resort to satisfying the demands of various groups to achieve political stability. But catering to demand satisfaction made it impossible for the government to carry out economic programs which might have led to economic stability and possibly put Bolivia on the road to political stability.

The loss of the legitimate monopoly of the use of force is indicated by the co-government political system. One government was the state and its institutions, the other the COB. Each had armed supporters at its disposal (peasants and workers), and the third force, the army, became the decisive factor in the equation. This was hardly an ideal basis for political stability.

Elite analysis has indicated the sweeping nature of the change in Bolivia, which changed one entire set of elites (the traditional elites),for another set (the emerging elites). But it also points out the elite nature of all societies. The revolutionary elite replaced the traditional elite, and were in turn replaced by a "new" elite, the army.

The Bolivian case also sheds some light on the nature of the elite struggle. The elites were in great competition,

each trying to maximize its own power. In a situation like this the government must prevail or the conflict will go beyond the control of the parties involved.

> In a revolutionary situation, where the new revolutionary elite is seeking to establish its control over the system and to prevent its own ouster by dissidents from the old elite, the success of the new elite depends primarily on its internal cohesion and its ability to exercise control over all important groups in the society. Failure to accomplish these things endangers the elite's ability to expand the other capabilities of the system and its position of dominance itself.[9]

The MNR elites were not able to maintain internal cohesion, and as a consequence fell from power.

The MNR elites attempted to use three strategies toward dissident groups at one time or another. They attempted to bring them under their control; to eliminate them from power; and to counterbalance their power; and to counterbalance their power with the power of other groups. It may be concluded that had the MNR elites settled on one of the strategies it might have enabled them to stay in power. However, as the policy pattern indicated, the MNR elites seemed to lack an overview of the Revolution, and where they wanted to go with it.

The MNR was the chief hope for political stability in Bolivia. There was a possibility at one time during

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[9]Lanning, "The MNR in Bolivia," p. 6.

the Revolution that the party may have filled the role of the PRI in Mexico; that is as "protector" of the Revolution, organizer of political recruitment, interest aggregation and so on. In Bolivia, the MNR could not control the political mobilization which it had unleashed. The resulting situation is indicated by the following:

> The principal institutional means for organizing the expansion of political participation are political parties and the party system . . . . Societies where participation already exceeds institutionalization are, clearly, unstable.[10]

The MNR had, of course, created a force to be reckoned with in the peasants, and the party came to depend on the peasants for political support. The MNR's mistake was to depend so much on the peasants at the expense of building a solid political base. Despite the strength of the peasants in the countryside, they proved to be of little use to the MNR during the 1964 coup. This was primarily due to the fragmented nature of power in Bolivia, the regional makeup there, and the power of other groups.

Cole Blasier has said that "the MNR leadership is primarily responsible for the revolution, its achievements, and its fall from power."[11] Under pressure from both the

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[10]Huntington, Political Order in Changing Societies, p. 398.

[11]Blasier, "The United States and the Revolution," p. 105.

right and the left, the MNR elites moved Bolivia cautiously down the road to revolution, avoiding violent swings to the right or left which would have doomed the Revolution from the start.

In the decisions to nationalize the mines, reform the agrarian system, and to initiate universal suffrage the MNR eliminated a powerful traditional elite and revolutionized Bolivian society.

Yet these same decisions created as many problems as they solved, and as the MNR elite moved to deal with them decisions were made which ultimately led to the downfall of the party. As each decision was made another element of the party was alienated, until by the eve of the 1964 elections, only Paz Estenssoro, of the original big four of the party, was still in the party. By that time Siles, Guevara Arze and Lechín had left the MNR.

But if the MNR elite caused their downfall, they nonetheless had generous help from the labor-left and the army.

Certainly the participation of the left at the start of the Revolution is what caused the Revolution. It was only because of intense pressure from the left that the sweeping changes were initiated. However, after the initial changes, the left seemed to lose its sense of responsibility. Soon the left was in such competition with the MNR that the

MNR resorted to military politics. It is certainly possible that Paz Estenssoro perceived the labor-left as representing the same type of threat to the government as the Big Three once had.

Certainly Juan Lechín was partly to blame for the political instability in Bolivia. "More than any other person, Lechín had the capability to make a politically and economically viable arrangement with the miners thereby promoting the political integration that the MNR always lacked."[12] Of course the failure of Siles is particularly evident here. He had a chance during the Stabilization crisis to weaken Lechín and the labor-left and chose not to do so. Instead, he made the decision to rebuild the army, which eventually overthrew the MNR.

Economics in many ways dominated the Revolution. A revolution is expensive, and must be financed somehow. Faced with what in the later years of the Revolution might have been an economic anachronism (the mines), the MNR increasingly turned to U.S. aid. Probably they paid too high a price for it, as the U.S. became one more group involved in decision-making by the government.

It is difficult to look back and ask what the elites should have done. Certainly there were critical

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[12] Ibid., p. 102. Blasier goes on to say: ". . . even some of his closest associates would not deny a prevailing U.S. view that Lechín has been personally irresponsible and politically unreliable." Ibid.

points where the MNR could have institutionalized itself. But it seemed that each time the elites reached this point they made a decision which carried them down the opposite path.

For example, at the start of the Revolution the labor-left was given responsibility for government ministries rather than the government having that responsibility. COMIBOL, a government corporation, was chartered under the same principle. When Siles failed to assert the authority of the government over labor he missed an opportunity which would not come again. Finally, Paz Estenssoro, by not searching for a moderate candidate in 1964, which would have prevented the MNR from coming apart, might have averted disaster.

APPENDIX A. FUNDAMENTAL OBJECTIONS OF AGRARIAN REFORM

(From the Preamble)[1]

1. To allot cultivable land to the peasants who do not have it or have very little, with the condition that they work it; expropriating to this end those lands which ineffecient landlords hold in excess, or from which they enjoy absolute rents not earned by their own personal labor in the field.

2. To restore to the indigenous communities the lands which were usurped from them, and to cooperate in the modernization of their agriculture, respecting and making use of their collective traditions insofar as possible.

3. To free rural laborers from their condition as serfs, proscribing gratuitous personal services and obligations.

4. To stimulate greater productivity and commercialization of the agricultural industry, facilitating the inversion of new capital, respecting the small and medium farmers, developing agrarian cooperativism, lending technical aid, and opening possibilities for credit.

5. To conserve the natural resources of the nation, adopting technical and scientific means which are indispensable.

6. To promote currents of domestic migration of the rural population, now excessively concentrated in the inter-andean zone, with the objective of obtaining a rational human distribution of strengthening national unity, and of integrating the eastern area of the Bolivian territory economically with the western.

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[1]William E. Carter, Aymara Communities and the Bolivian Agrarian Reform (Gainsville, Florida: University of Florida Press, 1964), p. 10.

APPENDIX B. A SUMMARY OF THE AGRARIAN REFORM LAW[2]

The nation maintains the original right of the nation over the soil, the subsoil and the waters of the territory of the Republic. The State recognizes and guarantees agrarian private property when it fulfills a useful function for society. The State recognizes only the following forms of agrarian private property: the peasant homesite, the small holding operated by the farmer and his family for subsistence purposes, the medium-sized holding operated with the help of hired labor or with agricultural machinery for the purpose of marketing most of the produce, the Indian communities, the agrarian co-operative holdings, and finally, the agricultural enterprise.

Specifically the state does not recognize the legality of the latifundium--the rural property of large size which may vary according to its geographical location, that remains idle or is exploited inefficiently by the extensive system (low capital inputs relative to other factors), with obsolete tools and with practices which serve to perpetuate the serfdom and submission of the peasant. The semi-feudal estates are subject to expropriation in their entirety.

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[2]Patch, "The Bolivian Revolution," pp. 361-362.

APPENDIX C. U.S. ASSISTANCE TO BOLIVIA 1952-1964[3]

(In Millions of Dollars)

Year	U.S. Aid	In billions of Bolivianos	% of central government budget	U.S. Military Assistance
1952		1.0	23.0%	
1953		1.2	13.7	
1954		1.7	11.4	
1955		3.3	12.8	
1956		6.7	8.7	
1957	$ 26.8	17.8	6.7	
1958	22.1	28.0	8.6	$ 0.1
1959	24.6	37.9	10.6	0.3
1960	13.9	38.8	10.9	Negligible
1961	29.9	50.9	12.2	0.4
1962	38.3	61.3	13.5	2.2
1963	65.3	68.3	13.5	2.4
1964	78.9	80.3	13.9	3.2

[3]Blasier, "The United States and the Revolution," p. 93.

APPENDIX D. PROMINENT POLITICAL FIGURES IN BOLIVIA BEFORE THE DURING THE REVOLUTION

Waldo Alverez. Leader of the topographical Workers Union, and Bolivia's first Labor Minister.

Carlos Victor Aramayo. Member of Bolivia's "Big Three" mining elite. Tin Baron.

Hugo Ballivian. President from May, 1951, to April, 1952, Assumed power when President Urriolagoitia resigned.

René Barrientos Ortuno. Born 1919. Joined Bolivian Air Force in 1946. Commander of the Military Academy in 1955. Promoted to General in 1959. Elected Vice-President on Paz Estenssoro ticket May 31, 1964. Was President of military junta that replaced Paz in 1964. Died in a helicopter accident in 1969.

German Busch. President of Bolivia 1938-1939. Colonel the army; led the coup that overthrew David Toro. Put forth first general labor law for Bolivia, extended legal recognition to the labor movement. Died under mysterious circumstances in 1939.

Ñuflo Chávez. An early advocate of agrarian reform in Bolivia, and an intimate friend of Indian leader Jose Rojas. The first Minister of. Campesino Affairs. Vice-President from 1956 to 1957 during the Siles Administration.

Walter Guevara Arze. Born 1912. One of the original leaders of the MNR. Lawyer, Professor of Sociology, School of Economics. University of San Andres, 1950 to 1954. Ambassador to France, 1956; to Israel, 1957. Minister of government, 1958. President of the PRA which he founded in 1959 after withdrawing MNR. Did not participate actively in the 1964 coup but supported the junta.

Tomás Monje Gutierrez. President from 1946 to 1947. Led a PURS-PIR coalition.

Enrique Hertzog Garajaibal. Born 1877. Minister of War, 1932; Minister of Interior, 1932. Elected as Bolivia's president in 1947; nominated by the PURS (Partido de Unificacion Republicana Socialista)party. Resigned in 1949 due to ill health and was succeeded by Vice-President Mamerto Urriolagoitia.

Mauricio Hochschild. Tin Baron. Naturalized Argentine citizen. Member of the "Big Three" mining elite.

Juan Lechín Oquendo. Born 1912. Leader of the MNR left until expelled from the party in 1963 for criticism of Paz Estenssoro. Led the organization of the COB (Central Obrera Boliviana) in 1952. The COB was the new national central labor body. Minister of Mines and Petroleum, 1952. Senator 1956-1960; and President of the Senate in 1956. PRIN presidential candidate, 1964. Cooperated in 1964 coup by organizing riots in the mines. Exiled in May of 1965 for activities against the junta.

Tristán Marof. Real name Gustavo Navarro. Represented the pre-war radical philosophy with his socialist revolutionary slogan "Tierras al Indio, Minas al Estado" (Land to the Indians, Mines to the State). Had considerable influence during the Busch Administration. Was discredited in the late 1940's when he assumed important posts in the conservative governments of that period.

Alfredo Ovando Candia. Born 1918. Chief of Staff 1957-1960. Assumed command of Bolivia's armed forces in 1961. Once a firm supporter of Paz Estenssoro. His last minute switch to rebel cause was the deciding factor in the success of the November 1964 coup. Was named co-President with Barrientos in May of 1965.

Simón Patiño. Born June 1, 1860, near the city of Cochabamba; died in 1947. Had the largest tin holdings of the "Big Three". Also had interests in banking, land, railroading, etc.

Víctor Paz Estenssoro. Born 1907. Lawyer. Professor at the School of Economics, University of San Andres, 1939-1949. Minister of Economics, 1941. Minister of the Treasury, 1944-1946. President of Bolivia, 1952-1956. Ambassador to England 1956-1960. President of Bolivia, 1960 to 1964; re-elected in May of 1964, but overthrown in the coup of November, 1964. Exiled to Peru in November of 1964.

Luis Peñaloza. One of the original leaders of the MNR. President of the Central Bank during the Revolution.

Enrique Peñaranda. President of Bolivia from 1940 to 1943.

Carlos Quintanilla. President of Bolivia from 1939 to 1940.

José Rojas. A member of the PIR before the Revolution. Native of Ucurena; leader of the syndicate at Ucurena. Took no part in the Revolution of April 9, 1952, but later cooperated with the MNR. Named Minister of Campesino Affairs in 1959.

Daniel Salamanca. President of Bolivia from 1931 to 1934. Presided over the Chaco War. Overthrown by Jose Luis Tejada Sorzano on November 28, 1934.

Antonio Seleme. General. Commander of the Carabineros (national military police) prior to the Revolution. Joint leader at the start of the Revolution but withdrew before rebel forces won.

Hernán Siles Zuazo. Born 1914. Lawyer. Participated in the Chaco War, 1932-1935. Vice President of Bolivia 1952-1956. President 1956-1960. Ambassador to Uruguay, 1960-1962. Ambassador to Spain, 1962 to 1964. Exiled to Paraguay in 1965, returned to Bolivia May 1, 1966.

José Luis Tejada Sorzano. Led coup overthrowing Salamanca. President from 1934-1936.

David Toro. Colonel in the army. Led the group which overthrew President Tejado Sorzano in May of 1936, and became President. Established for the first time a ministry of Labor, and nationalized Standard Oil. Overthrown by a coup led by German Busch.

Mamerto Urriolagoitia. Vice-President during the Hertzog Presidency. Succeeded him because Hertzog was too ill to continue, in 1949. In 1951 Urriolagoitia resigned and turned power over to a junta headed by General Bollivian.

Gualberto Villarroel. Major in the army. Came to power in December of 1943. He gave the MNR leaders their first experience in government. Fostered the formation of a strong federation among tin miners. Summoned the First Congress of Indians. Overthrown by a secret uprising in La Paz in July, 1946, and was hanged.

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