

Kevin Young
History Department
State University of New York at Stony Brook
January 2009

Purging the Forces of Darkness:
The United States, George Eder, and the Containment of the Bolivian Revolution

In June 1956 a New Yorker in his mid-fifties stepped off an airplane in La Paz, Bolivia. At the time of his arrival the country and the ruling National Revolutionary Movement, or MNR party, faced serious problems. After coming to power in the 1952 revolution, the MNR had struggled to deliver on its promises of redistributing wealth and power while also stimulating economic growth, and had been forced to rely heavily on economic aid from the United States government for its very survival. By 1956 it confronted a deep economic crisis reflected in rising prices, high levels of inflation, and falling world prices for Bolivia's major export, tin. The visitor from New York was a veritable renaissance man in the business world, trained as a lawyer but also possessing extensive experience as an accountant, businessman, and investment banker.¹ Now, in Bolivia at the behest of the US government, his task was publicly described as a simple matter of lending technical expertise to a people in need: "to help Bolivia put its house in order" by implementing an economic program that would stabilize the country's currency, stop inflation, and put Bolivia's economy on the path to sustained growth.²

But for George Jackson Eder and the government that had sent him, the purpose of the visit went far beyond mere technical advice. Nothing less than a "moral revolution" was needed, Eder argued, in order to rid the country of various evils that had started to infect it: the impulse of many politicians, labor leaders, and peasants toward fundamental "social reform"; the

*Thanks to Ian Roxborough and Hernán Prudén for their comments on a previous draft of this paper.

¹ For a brief summary of his training and background, see Saul Hansell, "George Jackson Eder, 98, Expert on Latin American Economics" (obituary), *New York Times*, 4 January 1999: A17.

² George Jackson Eder, *Inflation and Development in Latin America: A Case History of Inflation and Stabilization in Bolivia* (Ann Arbor: University of Michigan, 1968), 479.

implementation of workers' control in the tin mines and the "burdensome labor legislation" that accompanied it; the "excessive nationalism" that had prompted the MNR to nationalize the mines owned by Bolivia's infamous "Big Three" mining companies.³ Eder also sought to disabuse Bolivians of the notion that structural conditions like external economic dependency or the power of traditional oligarchs and capitalists within Bolivia were in any way responsible for Bolivia's poverty and underdevelopment. In Eder's words, "it is only ignorance, and the incompetence and corruption of its leaders, that have held [Bolivia] back."⁴ Eder demanded a comprehensive "mea culpa" from Bolivian leaders, an admission "that they alone were to blame for Bolivia's present troubles."⁵ Whining about imaginary structural obstacles to Bolivia's progress, he thought, was a sign of sympathy for socialist or even communist ideas, and "socialism of *any* degree," he insisted, "was a menace."⁶ By restoring "free rein to private enterprise," Eder's stabilization plan would thus target the moral precepts that he feared were taking hold in the country.⁷

In his 1968 memoir Eder bragged of near-total success in this endeavor. In a triumphant statement exemplifying the hyperbole of the early Cold War, he declared that "[t]he Battle of Armageddon had been won by the forces of light over the forces of darkness."⁸ Eder's boast was at least partially justified: the years after 1956 witnessed a marked change from the early revolutionary period, which had engendered high expectations among peasants and the working class for an improvement in their material living conditions and a genuine role in political

³ Ibid., 153* (Eder quoting the Bishop of La Paz, approvingly, on the need for "moral revolution" [cf. *ibid.*, 242]), 311, 56, 568.

⁴ Ibid., 19.

⁵ Ibid., 98-99, 102. Cf. *ibid.*, 87-88, 160, 469-476 (including footnotes). This discourse was part of a vehement attack on Keynesian economics, Latin American structuralism, and other "socialistically inclined" ideas (p. 477), addressed in further detail below.

⁶ Ibid., 478. Emphasis added.

⁷ Ibid., 601.

⁸ Ibid., 302.

decisionmaking. In the eight years of MNR rule prior to the 1964 military coup that slammed the door on any hopes for further large-scale reforms, government policy increasingly diverged from the revolutionary rhetoric that had won it so much popularity among Bolivians. As historian James Dunkerley notes, by 1964 there had been “a concerted reversal of the revolution’s initial radical impetus.”⁹ The “Eder Plan” of 1956-57 was a key turning point in that reversal.

Although he was crucial to the plan’s design and implementation, Eder was by no means the only important player in the stabilization drama: various officials from the US, Bolivia, and the International Monetary Fund—and sometimes ordinary Bolivians—also played significant roles. Moreover, in Eder’s absence the US government surely would have found a similar representative to fill the role. As a comparison of Eder’s 1968 memoir and internal US government documents from the period will demonstrate, the stabilization program in many ways exemplified the US response to the Bolivian Revolution, and its planning, implementation, and discursive framing provide insights into the goals, fears, and culture of the policymakers who shaped US actions in Bolivia in the 1950s. In fact, the Eder Plan is in many ways a microcosm of the US approach to Latin America as a whole in the decades following World War II, a grain of sand that reveals fascinating clues about the political, ideological, and cultural universe of US policymaking at the time. While that universe was not free of internal conflicts and divisions, nor was the Eder Plan itself free of contradictions: the plan was a seemingly-contradictory mix of hard-line monetarism and substantial foreign aid that reflected ongoing tensions within the Eisenhower administration over the issues of foreign aid and economic policy. Finally, the plan stands as an early postwar example of US-promoted economic

⁹ *Rebellion in the Veins: Political Struggle in Bolivia, 1952-82* (London: Verso, 1984), 83. See also June Nash, *We Eat the Mines and the Mines Eat Us: Dependency and Exploitation in Bolivian Tin Mines* (New York: Columbia UP, 1993 [orig. pub. 1979]), 256-74.

restructuring, with many of its core elements foreshadowing the neoliberal reforms that would sweep across Latin America starting in the 1970s and 1980s.

Confronting the Bolivian Dilemma: The Revolution and US Policy to 1956

Prior to World War II, the importance that US policymakers attached to Bolivia had been somewhat ambiguous and fluctuating. In 1850 the US envoy to Bolivia had argued that “there is probably no country in the world of similar extent, which in a commercial point of view is so entirely unimportant.” Four years later, though, the assessment of a US chargé d’affaires was precisely the opposite: “I cannot too strongly impress, upon my Government, the importance of this apparently isolated point—Bolivia, in recovering our long lost political, and commercial influence in South America.”¹⁰ By the late 1800s US interest had increased somewhat as investors looked to the railroad industry and various commercial opportunities in the southern Andes and Amazon regions.

From 1900 onward, however, the main concern of US policymakers was ensuring access to Bolivian tin. US tin consumption skyrocketed in the early twentieth century, and Bolivia was the world’s second-leading exporter of the mineral prior to 1940. Washington watched gleefully as German and British control over the tin industry disintegrated after World War I, when almost all of the country’s mines fell under the control of the “Big Three” Bolivian tin barons (Patiño, Aramayo, and Hochschild). With Europe fading from the picture, US banks and businesses began entering the country during the 1920s in the form of loans, capital investments, and even fiscal supervision over the economy.¹¹

¹⁰ Both quotes cited in Kenneth D. Lehman, *Bolivia and the United States: A Limited Partnership* (Athens and London: University of Georgia Press, 1999), 33.

¹¹ *Ibid.*, 60-67. One example of “fiscal supervision” came in the form of the Permanent Fiscal Commission, established in the early 1920s by a coalition of US banks as a condition of a \$33 million loan (over 25 years) to Bolivia following the 1921 recession.

After 1940 the economic and political ties between the US and Bolivia deepened. In 1940 the two governments signed a contract wherein the US would purchase nearly half of all Bolivian tin exports. During and immediately following the war, the US government also increased its economic and military aid to Bolivia and consolidated effective control over the world tin market, allowing it to exert significant control over prices. The pitfalls of Bolivia's increasing dependence on the US revealed themselves after the war's end as new tin markets opened up in Asia and US reliance on Bolivian tin declined, leading to falling prices for tin exports and increasing Bolivian fears about reductions in US aid.¹²

While Bolivian tin may have become less crucial to the US after 1945, State Department officials never lost interest in Bolivia as some observers have implied.¹³ Until 1952 high-level US diplomats remained concerned with two primary objectives: promoting private economic investment (preferably from US companies) and maintaining the flow of Bolivian tin—and to a lesser extent oil—to the United States. US officials and private business representatives were worried about the possibility that Bolivia might nationalize its tin industry or otherwise erect barriers to preferential US access.¹⁴ Their responsibility, they understood, was to combat any such inclinations. In late 1950, US Ambassador Irving Florman wrote that “[s]ince my arrival here, I have worked diligently on the project of throwing Bolivia's petroleum industry wide open to American private enterprise.” He boasted that not only the oil industry but in fact “the whole land” was now “wide open for free American enterprise.” In reference to the Bolivian military government's 1937 nationalization of Standard Oil properties, Florman triumphantly reported

¹² Ibid., 75-86.

¹³ Kenneth Lehman, for one, emphasizes US disengagement during the period 1946-52: see *ibid.*, 90-97.

¹⁴ See, for example, “Memorandum of Conversation,” 24 August 1950, in National Archives and Records Administration (hereafter NARA), Record Group 59, Entry 1130, Box 2, “Bolivia” folder. Hereafter [Record Group]/[Entry no.]/[Box]/[Folder name] (if applicable). See also the unsigned memorandum from March 21, 1951, in NARA 59/1130/2/Bolivia.

that “Bolivia is, therefore, the world’s first country to de-nationalize or to have nationalization in reverse.”¹⁵

US officials in Bolivia after World War II also kept a close eye on opposition political movements. Although the Bolivian government in 1950 outlawed the Communist Party and “organizations similar or subsidiary to it”—a pattern of repression of the Left common to almost every Latin America country in the years following 1946—US agents were still concerned about the nationalist tendencies gaining ground in Bolivia.¹⁶ These tendencies, they seemed to recognize, were common to both ends of the political spectrum: groups on both the Left and Right, as well as others that defied easy categorization (e.g., MNR factions suspected of links to Peronism in neighboring Argentina), all adopted variants of a nationalism that posed a potential threat to US interests.¹⁷ Of particular concern was the increasing militancy of the tin miners’ union and its leader, Juan Lechín. One 1950 report from La Paz referred to Lechín as a “Communist firebrand,” anticipating the more consistent diplomatic alarms that would sound over the influence of Lechín and the miners after the revolution.¹⁸

Given these concerns, the United States response to the April 1952 revolution—in which the miners played a central role—seems paradoxical. The new MNR regime nationalized the tin

¹⁵ Florman may have been exaggerating; Bolivian oil was clearly not totally “de-nationalized” in 1950. Florman to the Assistant Secretary of State for Inter-American Affairs Edward G. Miller, 27 December 1950, in NARA 59/1130/2/Bolivia. For evidence of the interest of private US oil companies in Bolivia see also, in the same folder, Miller to Department of State (hereafter DoS), “Interest of Shell Oil in Bolivia,” 27 June 1951; Chargé d’Affaires ad interim Thomas J. Maleady to DoS, 4 January 1952, in NARA Record Group 59, Central Decimal File (hereafter CDF), 1950-54, Box 3309, 724.00(W)/1-452; Maleady to DoS, 18 January 1952, in NARA 59, CDF, 1950-54, Box 3309, 724.00(W)/1-1852.

¹⁶ On the decrees outlawing the party itself and prohibiting party members from holding union office, see First Secretary of the US Embassy James Espy to DoS, 14 April 1950, in NARA 59, CDF, 1950-54, Box 3309, 724.00(W)/4-1450, and Espy to DoS, July 28, 1950, in NARA 59, CDF, 1950-54, Box 3309, 724.00(W)/7-2850. On the continent-wide, US-promoted assault on social democracy and the Left after a brief democratic interlude following WWII, see Leslie Bethell and Ian Roxborough, eds., *Latin America between the Second World War and the Cold War, 1944-1948* (Cambridge, UK: Cambridge UP, 1992), esp. the overview essay by Bethell and Roxborough, “Introduction: The Postwar Conjuncture in Latin America: Democracy, Labor, and the Left,” 1-32.

¹⁷ For evidence of US fears of Perón’s influence in Bolivia see Maleady to DoS, 1 February 1952, in NARA 59, CDF, 1950-54, Box 3309, 724.00(W)/2-152.

¹⁸ Commercial Attaché David A. de Lima to DoS, 8 December 1950, in NARA 59, CDF, 1950-54, Box 3309, 724.00(W)/12-850. Cf. Dunkerley, *Rebellion in the Veins*, 15-16.

industry within six months of assuming power and also signaled its intent to initiate land redistribution and other social reforms. But rather than seeking to undermine the MNR, the US recognized it in June 1952 and the following year launched a large economic aid package for Bolivia. By June 1956 the US had given the MNR roughly \$60 million in economic aid, and total US aid to Bolivia would total \$300 million by 1964—the highest per capita average in the entire world.¹⁹ Whereas the US led or supported military intervention to overthrow left-leaning nationalist regimes in Guatemala, Cuba, Chile, Nicaragua, and elsewhere, the US response to Bolivia at first glance seems to have been just the opposite. A number of scholars have even applauded US efforts at “reconciliation” with the MNR in contrast to its outright hostility toward other revolutions.²⁰ Although the notion that the US exhibited remarkable tolerance or benevolence vis-à-vis Bolivia is, as I will argue below, a dangerous oversimplification of both US motives and the effects of its policy, some consideration of why the US responded to the revolution with economic aid rather than military intervention is first necessary.

First, top US diplomats in La Paz soon recognized that the middle-class MNR leadership was deeply divided over the goals of the revolution. Within the party a significant faction that included Lechín and the miners was calling for tin nationalization without compensation, workers’ control, and other revolutionary social reforms, but other more “moderate” elements seemed to outnumber the radicals. The moderates included the new president, Víctor Paz

¹⁹ Eder, *Inflation and Development*, 79, 122; figures for 1952-64 come from US government sources quoted in Laurence Whitehead, *The United States and Bolivia: A Case of Neo-Colonialism* (London: Haslemere Group, 1969), 22, and Cole Blasier, *The Hovering Giant: U.S. Responses to Revolutionary Change in Latin America, 1910-1985*, Revised Edition (Pittsburgh: University of Pittsburgh Press, 1985 [1976]), 144. For statistical analysis of US aid over time see also James W. Wilkie, “U.S. Foreign Policy and Economic Assistance in Bolivia, 1948-1976,” in *Modern-Day Bolivia: Legacy of a Revolution and Prospects for the Future*, ed. Jerry R. Ladman (Tempe, AZ: Center for Latin American Studies, Arizona State University, 1982), 83-121, and the same author’s *The Bolivian Revolution and U.S. Aid since 1952: Financial Background and Context of Political Decisions* (Los Angeles: UCLA Latin American Center, 1969).

²⁰ See, for example, Blasier, *The Hovering Giant*, 146, 150, and 101-238 more generally; Lehman, *Bolivia and the United States*, 106-07; Robert J. Alexander, *The Bolivian National Revolution* (New York: Rutgers UP, 1958), xvii-xviii.

Estenssoro (1952-56), and much or most of the Cabinet. US officials came to understand that these moderates enjoyed enough influence within the MNR that an intelligent exertion of US leverage might steer the revolution safely away from the more subversive socialist and anti-imperialist program favored by the party's left wing and the Communist and Trotskyist parties.²¹ The moderates in the MNR encouraged US officials by repeatedly denouncing and even jailing activists from the leftist opposition.²² In addition, MNR leaders issued repeated public promises “that the Bolivian government will welcome foreign capital to exploit its natural resources” and that it would give foreign companies “full guarantees against expropriation and discriminatory taxes.”²³ By early 1953 US officials in La Paz seem to have been convinced of both the new government's “anti-communist orientation” and its desire to accommodate foreign capital.²⁴

At the same time, however, many US officials recognized that the dramatic poverty and inequality in Bolivia necessitated certain socioeconomic reforms, lest economic desperation translate into political radicalism among the masses. A report from the US Embassy entitled “The Bolivian Dilemma,” written just a week before the April 9th revolution, had stressed the need for limited social reforms in order to prevent a more radical upheaval.²⁵ Likewise, President Eisenhower's brother Milton traveled to Bolivia in 1953 and upon his return to the US emphasized this same imperative, resulting in the beginning of the US aid package to the MNR later that same year. The approach that Milton Eisenhower successfully advocated—an approach that must have appeared quite radical in the early 1950s—prefigured the Alliance for Progress

²¹ On the “radical-moderate feud” within the MNR see Counselor of Embassy (Edward J. Rowell) to DoS, 26 September 1952, in NARA 59, CDF, 1950-54, Box 3309, 724.00(W)/9-2652 (quote); Chargé d'Affaires ad interim (Maleady) to DoS, 2 May 1952, in NARA 59, CDF, 1950-54, Box 3309, 724.00(W)/5-252.

²² For example, see Rowell to DoS, 19 December 1952, in NARA 59, CDF, 1950-54, Box 3309, 724.00(W)/12-1952, and Rowell to DoS, 20 February 1953, in NARA 59, CDF, 1950-54, Box 3309, 724.00(W)/2-2053.

²³ Rowell to DoS, 22 May 1953, in NARA 59, CDF, 1950-54, Box 3309, 724.00(W)/5-2253 (Rowell's phrasing).

²⁴ Rowell to DoS, 20 February 1953.

²⁵ Cited and discussed in Lehman, *Bolivia and the United States*, 100-01. A 1951 UN report had made a similar implication.

launched in 1961 in that it admitted the inevitability of social change and sought to channel popular energies toward what Eisenhower called a “peaceful revolution.”²⁶ As Kennedy’s assistant, Arthur Schlesinger, Jr., would articulate the problem, “*if the possessing classes of Latin America make the middle-class revolution impossible, they will make a ‘workers-and-peasants’ revolution inevitable.*”²⁷ Since MNR leaders had convinced Washington of its anti-Communism and openness to foreign capital, the party seemed like a reasonably good vehicle for promoting this type of limited, system-stabilizing reforms. In addition, Paz, Bolivian Ambassador Víctor Andrade, and other Bolivian officials skillfully presented themselves as a bulwark against more radical movements. By 1953 US officials understood the MNR’s potential value as a counterweight to radicalism, and the need to prevent the MNR government’s collapse was a major impetus behind the aid package begun that year.²⁸

Probably just as important as US officials’ optimism regarding MNR moderation, though, was the lack of any “viable alternative.”²⁹ After 1952 there was simply no organized opposition group in Bolivia that the US government would have preferred over the MNR. Once in power the MNR had greatly reduced the size of the Army and tacitly permitted the growth of popular militias, eliminating one potential option that was available to the US in Guatemala in 1954

²⁶ For Milton Eisenhower’s account of his role in shaping the US approach to the MNR, see *The Wine is Bitter: The United States and Latin America* (Garden City, NY: Doubleday, 1963).

²⁷ Or, in the words of Venezuelan President Rómulo Betancourt, pragmatic elites “must help the poor...in order to save the rich” (quoted in Alonso Aguilar, *Latin America and the Alliance for Progress* [New York: Monthly Review, 1963], 31). Schlesinger, “Report to the President on Latin American Mission, February 12-March 3, 1961,” in *Foreign Relations of the United States [hereafter FRUS], 1961-1963*, Vol. XII: American Republics (Washington, DC: United States Government Printing Office, 1996), 12 (emphasis in original); According to Blasler, John F. Kennedy later “looked to Bolivia as a kind of model” for the Alliance, pointing to the wisdom of both the US promotion of reformism and the MNR’s reformist objectives (*The Hovering Giant*, 141).

²⁸ Whitehead, *The United States and Bolivia*, 10, and Blasler, *The Hovering Giant*, 137 (both quoting Assistant Secretary of State for Inter-American Affairs Henry F. Holland); Lehman, *Bolivia and the United States*, 100-03. See also the various State Department correspondence cited below, esp. note 41, and Asst. Sec. of State for Inter-American Affairs John Cabot to DoS, 28 August 1953, in NARA 59, CDF, 1950-54, Box 3309, 724.5-MSP/8-2853, and Holland to Secretary of State John Foster Dulles, 18 November 1954, in NARA 59/1132/1.

²⁹ Alexander, *The Bolivian National Revolution*, 260, cited in Whitehead, *The United States and Bolivia*, 9. Cf. Lehman, *Bolivia and the United States*, 107-08.

when it overthrew the Arbenz government. The primary non-MNR political parties included the Moscow-oriented Stalinists (PIR) and Communist Party (PCB), the Trotskyist Revolutionary Workers' Party (POR), and the neo-fascist Bolivian Socialist Falange (FSB). US diplomats may have toyed with the idea of supporting the FSB, but there is little evidence that they ever seriously considered toppling the MNR.³⁰ President Paz, in fact, openly emphasized the lack of alternatives to the MNR in conversations with US diplomats, contrasting Bolivia with Iran, where the US had just helped to overthrow the Mossadegh government and install the Shah.³¹

An additional explanation sometimes offered for US support of the MNR is the lack of significant US ownership in the nationalized tin industry. Thus, some observers have argued, there was no large and organized pressure group within the US business community pushing the US government to adopt a hard line against the MNR as there had been in the case of the United Fruit Company when Guatemala's Arbenz government initiated its land reform program in 1952.³² But while surely important, this consideration was probably not as decisive in shaping the US response as were the political factors already mentioned. First, US shareholders actually did own a significant portion of the stock in the largest of the tin companies, Patiño Mines & Enterprises. A number of documents note that there was in fact "substantial American shareholding in the Patiño company" and express concern over US shareholders' potential loss

³⁰ At least once the US Deputy Chief of Mission seems to have at least contemplated the option of the US supporting the Falange, noting that it had "become the leading opposition party" by summer 1952, but implied that the US's best option (though not a good one) was supporting the MNR. Rowell to DoS, 22 August 1952, in NARA 59, CDF, 1950-54, Box 3309, 724.00(W)/8-2252.

³¹ In the words of US Ambassador Edward J. Sparks, Paz noted that "there is no alternative as was the case in Iran." Sparks to DoS, 6 October 1953, in NARA 59, CDF, 1950-54, Box 3309, 724.5-MSP/10-653.

³² Lehman, *Bolivia and the United States*, 102, 106-07; Blasier, *The Hovering Giant*, 150. Although pressure from United Fruit was not the *sole* factor—and probably not even the *determining* one—in the US overthrow of Arbenz, the extent of personnel overlap between the Eisenhower administration and UFCO and affiliated firms was extraordinary; for a partial summary of links see John H. Coatsworth, *Central America and the United States: The Clients and the Colossus* (New York: Twayne Publishers, 1994), 87.

of money.³³ But even if US businesses or investors had owned a majority of the tin industry, the nationalization of the tin mines *in itself* probably would not have triggered US hostility in the form of military action. Most important in the minds of many US officials was not nationalization in itself—which they reluctantly admitted was almost universally popular within Bolivia—but the issue of compensation for the nationalized properties.³⁴ Obtaining compensation from the MNR for the former owners became a central goal of US policy in Bolivia after 1952, but US officials were also quite optimistic about their chances of success.³⁵

Part of this optimism stemmed from Bolivia's obvious and undeniable dependence on the United States. State Department officials quickly recognized the MNR's predicament: not only did the new regime rely on US purchases of Bolivian tin, but the fiscal crisis after 1952 meant that its very survival would depend on direct US aid.³⁶ The US government could thus use economic aid to exert leverage on the MNR, strengthening the "moderate" elements within it and advancing its central policy goals in the process. A series of terms and conditionalities, more or less explicit, would accompany US aid to Bolivia from the very beginning. Conditioning foreign aid or loans on the implementation of policies favorable to the creditor was obviously nothing new—and in fact had precedents in earlier eras of US-Bolivia relations—but from 1953 onward

³³ Quote from Maleady to DoS, 13 June 1952, in NARA 59, CDF, 1950-54, Box 3309, 724.00(W)/6-1352; cf. Rowell to DoS, March 27, 1953, in NARA 59, CDF, 1950-54, Box 3309, 724.00(W)/3-2753.

³⁴ On the "seemingly unanimous" Bolivian support for nationalization see Chargé d'Affaires ad interim (Rowell) to DoS, 14 November 1952, in NARA 59, CDF, 1950-54, Box 3309, 724.00(W)/11-1452. The US focus on compensation presents another perplexing contrast with Guatemala—where Arbenz agreed to full compensation to United Fruit but was nonetheless targeted by the CIA. In Guatemala, then, compensation was not the major determinant of US policy, making it difficult to speculate about what the US would have done in Bolivia had the MNR refused compensation to the mine owners.

³⁵ See, e.g., Rowell to DoS, 7 November 1952, in NARA 59, CDF, 1950-54, Box 3309, 724.00(W)/11-752; Secretary of State Dean Acheson to US Embassy, 9 January 1953, in *FRUS, 1952-1954*, Vol. IV: The American Republics (Washington: USGPO, 1983), 520; Cabot to J.F. Dulles, 19 November 1953, in NARA 59, CDF, 1950-54, Box 3309, 724.5-MSP/11-1953; Memorandum of Conversation, 15 September 1955, in NARA 59/1132/1; US Ambassador Philip W. Bonsal to Asst. Sec. of State for Inter-American Affairs Roy R. Rubottom, Jr., 29 June 1957, in NARA 59/1135/1/1957—Bolivia.

³⁶ For Bolivian dependence on US tin purchases, and the *increase* in this dependence during the 1940s, see Lehman, *Bolivia and the United States*, 75-80, 84-86; Laurence Whitehead, "Bolivia," in *Latin America between the Second World War and the Cold War*, eds. Bethell and Roxborough, 132. Cf. Dunkerley, *Rebellion in the Veins*, 84-85.

this practice would be the central weapon in the United States' arsenal in Bolivia.³⁷ US officials hoped “to exact some quid pro quo from the Bolivians” in return for aid; the written terms of the aid agreement stipulated that aid “may be terminated” at any time “if it is determined that because of *changed conditions* the continuation of the assistance is unnecessary or *undesirable*.”³⁸

The specific conditions were clearly articulated in both internal State Department documents and US correspondence with the MNR. In 1953 US officials had hinted that a preliminary MNR compensation agreement with Patiño would help “set the stage for US action” in the form of a long-term tin purchasing contract and potentially direct US aid. MNR leaders followed suit with an agreement giving Patiño the rights to process a certain share of Bolivian tin exports from his refining plant in Europe, and the US reciprocated several months later with a tin contract and aid.³⁹ For the next five years US officials continuously insisted that the MNR take further steps toward compensating the former mine owners.⁴⁰

The US also used economic aid to advance several other short- and medium-term policy objectives in Bolivia. In the short term the provision of aid sought “to prevent imminent economic collapse and chaos in that country [lest a more radical regime come to power]; to strengthen the moderate members of the Government; and to encourage them to take

³⁷ Ideas about using economic aid to exert leverage on the Bolivian government were implemented, for example, in the 1920s after the establishment of the Permanent Fiscal Commission by US banks that rescued the government from fiscal crisis; by the US-sponsored Point Four program after 1948; and (urged, at least) by representatives of the US minerals industry. See, respectively, Lehman, *Bolivia and the United States*, 66; Kevin Healy, *Llamas, Weavings, and Organic Chocolate: Multicultural Grassroots Development in the Andes and Amazon of Bolivia* (Notre Dame, IN: University of Notre Dame Press, 2001), 19-23; comments by Paul Linz of South American Minerals and Merchandise Corporation, in Memorandum of Conversation, 24 August 1950, in NARA 59/1130/2/Bolivia. In 1954 a National Intelligence Estimate also expressed confidence in the ability of US aid to strengthen moderate elements: NIE 92-54, 19 March 1954, in *FRUS, 1952-1954*, Vol. IV, 547-57.

³⁸ First quote from Office of South American Affairs (OSA) representative W. Tapley Bennett to DoS, 2 September 1953, in NARA 59, CDF, 1950-54, Box 3309, 724.5-MSP/9-253. For the terms of the 1953 aid agreement see US Embassy to DoS, 15 October 1953, in NARA 59, CDF, 1950-54, Box 3309, 724.5-MSP/10-1553 (emphasis added).

³⁹ Quote from Blasier, *The Hovering Giant*, 134. US officials understood that this reasoning motivated MNR leaders: see Rowell to DoS, 12 June 1953, in NARA 59, CDF, 1950-54, Box 3309, 724.00(W)/6-1253.

⁴⁰ See above, note 35.

increasingly strong steps against Communist elements.” The US feared that economic crisis might bring a more radical regime to power in Bolivia while also setting a dangerous example for people in other countries. Officials on the ground recommended aid in part “to keep this tinder box, which might set off a chain reaction in Latin America, from striking fire.” At the same time, the US Ambassador and others also conveyed to MNR leaders that continued aid would depend in large part on “the dominance of the moderate elements in the Government” and on the marginalization of Lechín, Minister of Peasant Affairs Ñuflo Chávez, and other left-leaning Cabinet members. This stipulation seems to have had the desired effect on MNR policy and rhetoric: both US and Bolivian officials commented in 1953-54 that the “moderate position continues to strengthen” as a direct result of US aid; by October 1953 the US Ambassador reported that “bitter comments on imperialism and economic sanctions have been replaced by words of cordiality.”⁴¹

Medium- and long-term goals revolved around the prevention of further nationalization and the promotion of private investment in the economy. Assistant Secretary of State Henry Holland wrote in 1955 that the US should push the MNR “to take actions and follow policies which we consider desirable,” including most importantly measures to develop an “economy based on private enterprise and improve the atmosphere for private foreign capital.” Among the steps he recommended the MNR take to attract foreign investors to Bolivia were full

⁴¹ First quote from Holland to Dulles, 18 November 1954; second quote from Dispatch 699, 30 April 1953, in NARA 59, Central Decimal File, 1950-54, 824.00/4-3053; third quote from Sparks to DoS, 6 October 1953. Interestingly, however, the US also hoped to prevent “an open break” within the MNR because of its potentially destabilizing effects: see “The Outlook for Bolivia,” NIE 92-56, 11 September 1956, in *FRUS, 1955-1957*, Vol. VII: American Republics: Central and South America (Washington: USGPO, 1987), 556-57. On US fears that “economic collapse would lead to the disappearance of the government as then constituted, and the probable emergence of a regime hostile to the United States, possibly communistic in orientation,” see unsigned document (possibly by Asst. Deputy Undersecretary for Political Affairs Robert Murphy) included as “Tab C” with Holland to Dulles, November 18, 1954. On the moderating effects of US aid (last two quotes), see Rowell to DoS, 9 October 1953, in NARA 59, CDF, 1950-54, Box 3309, 724.00(W)/10-953, and Rowell to DoS, 30 October 1953, in NARA 59, CDF, 1950-54, Box 3309, 724.00(W)/10-3053.

compensation to the mining companies and a new “Investment Guaranty Agreement” to protect future investors against nationalization.⁴² Bolivia’s oil industry also offered promising “prospects” for investors. The MNR’s “obligations,” according to Holland, included “an oil law which will afford [a] sound and attractive basis for the U.S. companies to come into the country.”⁴³ The US did more than just encourage the government to take these measures: it prohibited the MNR from using US aid to promote industrialization in most sectors (for fear that industrial growth “would raise U.S. import prices”), and forbade the use of aid to assist nationalized industries (namely, tin and oil) until the late 1950s.⁴⁴ In 1955 the US also helped begin the re-privatization of the oil industry with a Petroleum Code. The latter, as historian Laurence Whitehead notes, was “the first post-revolutionary law written by Americans and enacted without public debate or modification by the Bolivian authorities,” establishing a precedent that would be repeated several times in the following years.⁴⁵

US officials during the 1950s also expressed increasing concern over the less tangible phenomena of rising popular nationalism and demands for socioeconomic change evident in Bolivia (and elsewhere). Not long after the MNR assumed power they noted with alarm the explosion of anti-imperialist sentiments and the “nation-wide breakdown of labor discipline.” The situation was equally worrisome in the countryside, where “campesinos’ present expectations and power” threatened radical changes in the land-tenure system. A 1953 National Security Council policy paper argued that the US should respond to these trends by training “responsible” labor leaders through bodies like the Inter-American Regional Organization of Workers (ORIT), which soon achieved notoriety as being particularly friendly (and subservient)

⁴² Holland to Undersecretary of State Herbert Hoover, Jr., June 1, 1955, and Memorandum of Conversation, 15 September 1955, both in NARA 59/1132/1.

⁴³ Holland to Sparks, et al., 4 April 1955, in NARA 59/1132/1. Cf. “Agreement for a Joint United States-Bolivian Program,” 22 June 1955, in *FRUS, 1955-1957*, Vol. VII, 514-15.

⁴⁴ Wilkie, “U.S. Foreign Policy and Economic Assistance,” 92 (quote); Blasier, *The Hovering Giant*, 141.

⁴⁵ Whitehead, *The United States and Bolivia*, 11.

to the US government. Popular nationalism in underdeveloped countries like Bolivia became a major source of concern for US policymakers by the decade's end, particularly following the 1959 Cuban Revolution.⁴⁶

But for the time being Bolivian nationalism seemed containable. Not only had MNR moderates maintained control over the reform process, but the economy's almost absurd level of dependence on the United States was obvious to all observers. As Kenneth Lehman has argued, Bolivia's nationalism may have seemed less threatening than Guatemala's given that "Bolivia had just reaffirmed its dependency and accepted its place in the hemispheric system dominated by the United States while Guatemala had done neither."⁴⁷ These realities, plus the lack of any real alternative to the MNR, led US policymakers to opt for a policy of economic coercion in the form of conditional aid rather than military intervention as they did in Guatemala at precisely the same time. Once the nature of the MNR and its surroundings became clear to US officials, a loose consensus developed within the US Embassy and State Department—some staunch opponents of increased foreign aid notwithstanding—that conditional support for the MNR was the only good option for preserving an atmosphere compatible with US political and economic interests.⁴⁸ Despite strong calls for military action or sanctions against Bolivia from some

⁴⁶ First quote from Maleady to DoS, 9 May 1952, in NARA 59, CDF, 1950-54, Box 3309, 724.00(W)/5-952; second quote from Rowell to DoS, 17 July 1953, in NARA 59, CDF, 1950-54, Box 3309, 724.00(W)/7-1753; third quote from "United States Objectives and Courses of Action with Respect to Latin America," NSC 144/1, 18 March 1953, in *FRUS, 1952-1954*, Vol. IV, 8. As James F. Siekmeier argues, concerns over Third World nationalism predated the Cuban Revolution and in fact guided US officials' thinking throughout the 1950s: Siekmeier, "Fighting Economic Nationalism: U.S. Economic Aid and Development Policy toward Latin America, 1953-1961" (Ph.D. diss., Cornell University, 1993).

⁴⁷ Lehman, *Bolivia and the United States*, 110.

⁴⁸ The political character of the MNR was not immediately clear to US officials. One 1950 telegraph from the US embassy warned of "the extreme rightist MNR party," and some diplomats had suspected the MNR of being linked the Nazism or fascism during the war and the postwar period (see Counselor of Embassy [Maleady] to DoS, 25 August 1950, in NARA 59, CDF, 1950-54, Box 3309, 724.00[W]/8-2550). Prior to the 1951 presidential election (in which the MNR won, but was ousted by a military coup), some in the US embassy had actually been more concerned about the consequences of a victory by the *non-MNR*, official candidate, Gabriel Gosálvez (the document is unsigned, but appears to be from the Assistant Secretary of State for Inter-American Affairs [Miller] to DoS, 21 March 1951, in NARA 59/1130/2/Bolivia).

members of the US business class, such overt punitive action was simply unnecessary and might actually have undermined US objectives.⁴⁹

Brandishing economic aid as a sort of padded bludgeon, and working with the “moderate” sectors of the government, the US helped forestall certain radical measures such as direct workers’ ownership in the major industries, tin nationalization without compensation, and more extensive land redistribution. Of course, the MNR Left would have faced great obstacles even if the US had given its aid with no strings attached: Bolivia’s lack of prior industrialization, its historic dependence on a single mineral export, and resistance from the oligarchy and conservative factions within the MNR itself would have posed formidable challenges to all those favoring a radical redistribution of wealth and power. Many MNR leaders were also corrupt, inexperienced, and/or generally disinterested in a fundamental transformation of society. But while the United States was not the only important actor in the game, it certainly helped guarantee the suppression of radical leftist and nationalist initiatives.⁵⁰

Nonetheless, after 1952 some progressive changes did occur: the granting of universal suffrage, the nationalization of the tin mines, significant land reform, limited workers’ control in the tin mines, and various social security measures. MNR policies and grassroots action had

There was an important division within the Eisenhower administration—particularly in Eisenhower’s first term—on the question of foreign aid to the underdeveloped world. Many traditional diplomats, including Henry Holland, were initially quite opposed to large foreign aid packages, but gradually lost ground to other voices in the State and Treasury Departments who favored increased foreign aid to confront Latin American nationalism. In this paper I have omitted a lengthy discussion of this division, in part due to space constraints and in part because, as Siekmeier notes, “the division in U.S. policymaking circles was not over goals but over tactics.” See Siekmeier, “Fighting Economic Nationalism,” 120-43 (quote from p. 70).

⁴⁹ For one example of a US business representative urging stronger intervention, see Rudolf Gerstenberger to Cabot, November 5, 1953, reprinted from the *Wall Street Journal* and located in NARA 59, CDF, 1950-54, Box 3309, 724.5-MSP/11-553. Cf. Stephen Zunes, “The United States, Bolivia, and Dependency,” Americas Policy Program Discussion Paper, November 5, 2007 (Washington, DC: Center for International Policy), <http://americas.irc-online.org/am/4701> (accessed March 30, 2009); Bethell and Roxborough (“Introduction,” 26) similarly note that in the immediate postwar years throughout most of Latin America “it was not necessary for the United States to intervene directly.” The Eisenhower administration deemed its support for the MNR a positive step toward improving the US image in Latin America—especially after the CIA’s 1954 overthrow of the Arbenz government in Guatemala—but this consideration was not paramount in my view. On the Eisenhower administration’s citing of the Bolivian example to prove its own alleged tolerance, see Whitehead, “Bolivia,” 146.

⁵⁰ Whitehead, *The United States and Bolivia*, 18.

contributed to a gradual but marked reduction in income inequality by 1956.⁵¹ In the meantime, US aid continued. To decisively shift government budgetary priorities and restore the supremacy of private investment, the US government needed a crisis that would justify direct intervention in Bolivia's economy. Its chance came in 1956.

A Complete and Instantaneous Break with the Past

By 1956 Bolivian inflation had spun out of control. Food prices in La Paz had skyrocketed, and the overall cost of living index was twenty-two times higher than it had been four years earlier.⁵² This pattern had not started in 1952, and derived in part from declining tin yields, falling world tin prices, and other factors beyond the MNR's immediate control. But the revolution's disruption of production and the MNR's expansionary monetary policies and social spending had also intensified the inflation. Although in the 1950s many economists argued that economic development was not possible in countries like Bolivia without some degree of inflation, by the middle of the decade it had reached almost unprecedented levels and even most on the Left agreed on the need for some program of "stabilization."

The precise content and direction of that program were far more controversial, however. Though many government and civilian observers in Bolivia opposed a direct US role in shaping the stabilization plan, they were in no position to protest given the absolute necessity of continued US aid: US funds constituted around one-third of Bolivia's total budget by 1957.⁵³ In 1956 President Paz asked George Jackson Eder to serve as Executive Director of the National Monetary Stabilization Council, "an invitation" that Eder admitted was "extended virtually under

⁵¹ Jonathan Kelley and Herbert S. Klein, *Revolution and the Rebirth of Inequality: A Theory Applied to the National Revolution in Bolivia* (Berkeley: University of California Press, 1981), 138-41, 230-31. Kelley and Klein estimate that income inequality by the late 1950s had declined to roughly 70 percent of its levels in 1950-52. There would be "a clear reversal" in this trend starting in the early 1960s.

⁵² Dunkerley, *Rebellion in the Veins*, 86.

⁵³ *Ibid.*, 82; Blasler, *The Hovering Giant*, 143.

duress and with repeated hints of the curtailment of U.S. aid.”⁵⁴ These “hints” did not stop until after the stabilization plan had been enacted; throughout 1956 and early 1957 Henry Holland, Eder, and others repeatedly told MNR officials that US aid might cease if Bolivia did not carry out the program in full. For example, at one point during the plan’s implementation when Juan Lechín questioned the plan’s ideological direction and the extreme haste with which Eder and the Council were making decisions, Eder told him that if Bolivia “wanted to count on the continuation of U.S. aid, it would have to take another path.”⁵⁵ The \$25 million stabilization fund provided by the International Monetary Fund and the International Cooperation Administration (the predecessor of USAID) provided an added incentive for MNR leaders to comply. In Eder’s vivid words the fund was “the sugarplum for which they were willing to swallow the disagreeable purge prescribed as a cure.”⁵⁶

That cure involved a “Fifty-Step Plan” drafted by Dr. Eder and released in September.⁵⁷ The previous month officials from the US Treasury had met with Eder to convey their desire to see four major changes in particular: 1) a single exchange rate for the Boliviano, 2) a balanced federal budget, 3) compensation to the former mine owners, and 4) resumption of payment on Bolivia’s foreign debt.⁵⁸ These first two actions—stabilizing exchange rates and reducing borrowing and spending—were standard monetarist tools for cutting inflation. Monetarist doctrine of the 1950s, like the neoliberal doctrine that followed it two decades later, emphasized reductions in government spending and “interference” in the economy. The proper engine of economic growth was not the state but domestic and foreign private capitalists. Eder’s plan

⁵⁴ Eder, *Inflation and Development*, 479.

⁵⁵ *Ibid.*, 159, 221 (quote), 221*, 676, 678, 697.

⁵⁶ *Ibid.*, 135. According to Eder the stabilization fund itself had been conditional on compensation: “the U.S. government had made a negotiated settlement [with the Big Three] a *sine qua non* for stabilization aid” (*ibid.*, 465).

⁵⁷ Eder had in fact written the “Forty Points” on which the Fifty-Step Plan was based, but the two documents were “substantially identical” in Eder’s words (*ibid.*, 626). Thus, Eder and like-minded US officials can safely be said to have unilaterally designed the stabilization plan. The full text of the Fifty-Step Plan is reproduced in *ibid.*, 626-47.

⁵⁸ Undersecretary of the Treasury W. Randolph Burgess to Holland, August 1956, in NARA 59/1132/1.

closely followed these prescriptions, seeking to ensure that “the government refrains from borrowing and spending more than its income,” and trying “to establish a favorable climate for investment” (perhaps especially *US* investment).⁵⁹ The Fifty-Step Plan mandated the privatization of all industries and utilities “that can be filled by private initiative,” though it did not immediately succeed in achieving this goal.⁶⁰ In a rebuke to structuralist economists and others who asserted the need for state policies to redistribute wealth and stimulate growth, Eder stuck to the monetarist line that “poverty can only be alleviated by hard work, thrift, and investment, by greater productivity and increased abundance for all to share.”⁶¹ Bolivia could only be saved by “a return to a free market economy.”⁶²

The third and fourth goals—compensation and debt repayment—were somewhat more specific to Bolivia’s situation, although these issues would also resurface in World Bank and IMF restructuring programs in subsequent decades. The Fifty-Step Plan explicitly required the MNR to reach “satisfactory” agreements with both the previous owners of nationalized properties and foreign creditors.⁶³ In most respects the text and general thrust of the Plan thus echoed the primary concerns of State Department officials throughout the 1950s, albeit with more focus placed on monetary stabilization in light of the 1956 inflationary crisis.

Central to Eder’s cure was not just its content but its rapid implementation. He insisted from the start that “[w]hatever had to be done must be done instantly.” Given the previous four years of fiscal “profligacy” and the current inflationary crisis, “there had to be a complete and

⁵⁹ Eder, *Inflation and Development*, 526, 454. Though Eder did not specifically state his desire to promote *US* business interests, a 1931 pamphlet he authored in which he accused the British in Argentina of scheming to “attack American mercantile supremacy” suggests that perhaps he had something of a national bias. Pamphlet quoted in Hansell, “George Jackson Eder.”

⁶⁰ See Steps 13 (quote), 19, and 31, in Eder, *Inflation and Development*, 634, 636, 638-39.

⁶¹ *Ibid.*, 510.

⁶² *Ibid.*, 220.

⁶³ See Steps 22, 23, 33, and 34, in *ibid.*, 636-37, 639. For additional reiterations of the need for compensation and debt service see pp. 148, 187, 204, 408-09, 442 (and 408-45 more generally), 465.

instantaneous break with the past.”⁶⁴ The first stabilization measures, which included the elimination of price controls, a freeze on wages after a one-time compensatory raise, and the establishment of a fixed exchange rate, went into effect on December 16, 1956, after little publicity or open debate.⁶⁵ Haste was not a concern but an asset: “a gradual approach...simply would not have worked”; in fact, the rapid deflationary and liberalizing measures would have “an almost anaesthetic effect” on the population.⁶⁶ Eder’s approach bears strong resemblance to the “shock therapy” approach that Milton Friedman, Jeffrey Sachs, and others would pioneer in the 1970s and 1980s, when international donors and creditors started taking advantage of economic crises in underdeveloped countries to rapidly impose an array of restructuring reforms.⁶⁷

One reason for Eder’s insistence on the rapid implementation of the plan was that he correctly anticipated significant resistance to it. Leftist intellectuals and activists berated the plan as skewed to favor the rich because it greatly reduced real wages, and criticized monetarism in general for its single-minded focus on stopping inflation and neglect of the fact that “in all revolutionary periods inflation has become a necessity” in order to achieve economic redistribution and growth.⁶⁸ Eder himself also obliquely acknowledged that there was significant resistance among the general population. As a public relations move he proposed a public comment period to allow feedback on the stabilization program, but he noted that “it proved an advantage that the majority of the population in Bolivia were illiterates.” Eder counseled future stabilizers to avoid paying much attention to public opinion. Instead, they must remember that “stabilization is not a popularity contest” but a prescription designed by doctors like Eder who

⁶⁴ Eder, *Inflation and Development*, 341 (first quote), 92* (second quote), x.

⁶⁵ *Ibid.*, 268-74, 629, 632-33, 635.

⁶⁶ *Ibid.*, 277*.

⁶⁷ Naomi Klein, *The Shock Doctrine: The Rise of Disaster Capitalism* (New York: Metropolitan, 2007).

⁶⁸ Guillermo Lora, *La estabilización, una impostura* (La Paz: Ediciones “Masas,” 1960), 5 (quote), 7-8. My translation.

know what is best for workers, peasants, and the unemployed in underdeveloped countries like Bolivia. He lamented that unfortunately “it would be unrealistic” to expect total “immunity from public opinion,” but that tight control over the restructuring process coupled with skillful PR work can all but marginalize any resistance.⁶⁹

Such advice was an indication of Eder’s more general disdain for popular opinion. Since “the passions of the mob” tended to be “swayed from day to day in one direction or the other,” any reliance on popular input would be unwise. Often this disdain had racist overtones. What Eder described as the “Latin American psychology” was an even greater problem in Bolivia given the country’s majority indigenous population. Bolivia’s Indians, he said, were “inclined to loaf” and would “work only under the stress of hunger.” When they did make some money they tended to squander it on “*fiestas*, alcohol, and coca,” or alternatively, “to hoard” it and thus hurt the economy. Eder was optimistic that these negative traits were not “ineradicable characteristics,” but he cautioned strongly against endowing Indians or the popular sectors in general with any real political power given their present state.⁷⁰ This contempt for common Bolivians was echoed in much State Department correspondence, which blamed peasant demands for change on “government-paid propagandists” and “leftist agitators” who riled up the peasantry with “demagogic rantings” about land reform and their right to a decent living.⁷¹

Eder took charge within the Stabilization Council itself, too, and with the backing of the US Embassy exercised almost complete control over most aspects of the stabilization process. When the Council’s members were being chosen in summer 1956 Eder helped prevent Communists, Trotskyists, and leaders of the left-leaning Bolivian Workers’ Central (COB) other

⁶⁹ Eder, *Inflation and Development*, 285*, 267, 332*.

⁷⁰ Quotes from *ibid.*, 511, 160, 15, 16, 100, 17. Eder’s language fit within a longstanding Orientalist discourse; for an historical overview of US portrayals of Latin America see Frederick Pike, *The United States and Latin America: Myths and Stereotypes of Civilization and Nature* (Austin: University of Texas Press, 1992).

⁷¹ Rowell to DoS, 17 July 1953; Rowell to DoS, 2 April 1953, in NARA 59, CDF, 1950-54, Box 3309, 724.00(W)/4-253.

than Juan Lechín from being selected, deriding labor as a “*factional* interest.” Eder and the US Embassy also specifically rejected at least two candidates with unsuitable “ideological backgrounds,” one of whom had “an intemperate anti-American bias” according to Eder; more acceptable candidates were found instead. Eder even sought to marginalize the UN mission that was present in Bolivia at the time. UN advisers, he claimed, were “to a large extent socialistically inclined” and were “engaged in socialist or Marxist indoctrination throughout the world.”⁷² He maintained control over all specific policy steps as well, writing the Fifty-Step Plan himself and overseeing its implementation.⁷³ Finally, Eder personally drafted a number of public statements and speeches for President Hernán Siles Zuazo (who had assumed the presidency just after Eder’s arrival) as part of the Stabilization Council’s PR campaign to justify the economic “cure” to the public.⁷⁴

Beneath the sterile discursive veneer of technical and quasi-medical terminology were the less-advertised but no less important implications of the stabilization measures, about which Eder boasted in his remarkably candid 1968 memoir (which, he knew, almost no Bolivian and few US readers apart from business and banking elites would ever see). The Eder Plan *did* curb inflation, but it had had other objectives as well.⁷⁵ Foremost among the plan’s privately-articulated objectives was the restoration of labor discipline, especially in the tin mines where “anarchy” had erupted after their 1952 nationalization. Eder deeply resented the “privileged position” of the tin miners and blamed them for holding back the Bolivian economy (Eder, incidentally, expected \$75 a day for this work—somewhat more than the privileged miners, for

⁷² Eder, *Inflation and Development*, 96, 164-65, 477, 482*. Cf. Whitehead, *The United States and Bolivia*, 12.

⁷³ See note 57, above.

⁷⁴ For several examples see Eder, *Inflation and Development*, 460, 465-66, 468.

⁷⁵ On the use of medical terminology to describe economic restructuring (usually by monetarists and their neoliberal successors), cf. Fernando Ignacio Leiva, *Latin American Neostructuralism: The Contradictions of Post-Neoliberal Development* (Minneapolis: University of Minnesota Press, 2008), 45. On the plan’s successful reduction in inflation see Wilkie, *The Bolivian Revolution and U.S. Aid*, 6.

whom Eder suggested wages of \$1 a day). He insisted on the need to eliminate “the current burdensome labor legislation” that the MNR had implemented to protect workers. Wage freezes were a central condition that Eder and his government required of the MNR for continued US funding.⁷⁶

More broadly the plan took aim at Bolivia’s “exaggerated social security structure.” Reducing employer and government contributions to the National Social Security Administration (CNSS) was one of the plan’s top priorities.⁷⁷ But even if the plan had not specifically targeted wages and social security, its prioritization of compensation to the former mine owners and service on the foreign debt still would have greatly diminished the government’s ability to provide a social safety net for its citizens. By the end of 1962, for example, the MNR had been forced to pay out \$20.2 million of its extremely scarce funds to the Big Three mining tycoons.⁷⁸

The stabilization plan of 1956-57 was thus much more than just a series of technical measures meant to restore monetary stability—it was also an effort to restructure the country’s entire social and economic agenda. As Eder conveyed in his memoir, his one-year stint in Bolivia was an economic and ideological battle over the proper route that Third World countries should follow to develop their economies. Eder understood his work as an effort to refute Keynesian and structuralist economists who argued the need for strong state policy to combat inequality and other structural obstacles to development, and he thoroughly intended his program as a blueprint to be applied around the continent.⁷⁹

Changing prevailing attitudes, Eder emphasized, was thus just as important as changing economic policy. The famous 1946 Thesis of Pulacayo, elaborated by the tin miners’ union, was

⁷⁶ Eder, *Inflation and Development*, 53, 132-33, 56, 508*; on wage freezes see pp. 178, 394. On Eder’s daily salary see p. 703n3 and Whitehead, *The United States and Bolivia*, 19.

⁷⁷ Eder, *Inflation and Development*, 71, 378, 402-06; cf. Point 16 of the Fifty-Step Plan, p. 635.

⁷⁸ *Ibid.*, 548-49.

⁷⁹ *Ibid.*, viii, 281. For some of Eder’s many attacks on Keynesian, structuralist, and “socialist” tendencies see pp. 19, 87-88, 98-99, 102, 160, 469-82.

an obvious target of Eder's ire for its Trotskyist platform, especially its promotion of "the revolution of the workers" and its rhetorical attacks on "the system of private property" and "Yankee imperialism."⁸⁰ But he also rebuked the mildly socialist tendencies evident among MNR moderates like Víctor Paz. He fiercely criticized the "social reform" and "soak-the-rich" impulses of these leaders, as well as the silly notion that Bolivia's poverty and underdevelopment resulted in any way from structural obstacles. During his time working with MNR officials, Eder saw his major psychological task as being to "convince them that they alone were to blame for Bolivia's present troubles."⁸¹ Unequal terms of trade on the world market, historic dependence on a single volatile primary export, lack of access to technological and industrial capital, dramatic domestic inequality: all were either imaginary or easily surmountable according to Eder and the monetarists.

The attitudes of the general population were almost as worrisome. Workers and peasants had become increasingly radicalized by the promises of the revolution and had come to expect a genuine redistribution of wealth, land, and political power.⁸² When the MNR continued to stall on agrarian reform, organized peasants in Cochabamba and other parts of Bolivia had launched extralegal land seizures. Eder, like State Department officials, was alarmed at the "expectations and power" of the peasantry and other popular sectors and realized that something needed to be done (one of Eder's additional contributions in this regard was helping to persuade President Siles to end the MNR's land reform program in 1957).⁸³ Within the MNR but also among the population itself, the "break with the past" that Eder envisioned thus included not just policy but, crucially, attitudes and expectations as well.

⁸⁰ Quoted in *ibid.*, 24. On the Thesis of Pulacayo see Dunkerley, *Rebellion in the Veins*, 17-18.

⁸¹ Eder, *Inflation and Development*, 311, 102; on the "Keynesian bias" of Paz see p. 737n106.

⁸² Eder acknowledges the level of popular expectations when he accuses MNR leaders of taking "a posture which would deceive the masses into believing that their leaders were soaking the rich" (*ibid.*, 311).

⁸³ *Ibid.*, 78, 493-94. For the State Department quote see Rowell to DoS, 17 July 1953 (note 46 above).

Conclusion: The Eder Plan in Historical Context

George Eder left Bolivia in summer 1957, though the stabilization plan would continue under the supervision of the US Embassy and the IMF. While Eder and his program may not have fully succeeded in changing popular attitudes, they certainly helped swing MNR economic policy decisively to the right. The years 1956-64 were a period of increasing marginalization of leftist perspectives within the MNR and, correspondingly, of the party's further alienation from its working-class base. Although workers and peasants were neither passive nor totally powerless during this time period, the shift in MNR rhetoric, policies, and priorities in the post-1956 years is undeniable. Under President Siles (1956-60) the MNR gave up much of the pretense of fulfilling the major social promises of the revolution. Not unrelated was the gradual rise in income inequality that began again during these years.⁸⁴

Although Siles also began rebuilding the Army and "internal security" forces with the help of the United States, US military and police aid was much less consequential in shifting the revolution to the right than was economic coercion in the form of conditional aid, the stabilization program, and the US-led reorganization of the oil and mining industries in 1955 and 1961, respectively.⁸⁵ The Eder Plan was one of several major turning points in the containment

⁸⁴ By 1966-67 inequality had again reached its pre-revolution levels: see Kelley and Klein, *Revolution and the Rebirth of Inequality*, 140, 230-31. On the miners' estrangement from the MNR during this period see Nash, *We Eat the Mines and the Mines Eat Us*, 268-74, and Dunkerley, *Rebellion in the Veins*, 111-12, who highlights the importance of the 1963 tin miners' strike and the MNR's repression of it in definitively stripping the MNR of "the last of its radical credentials." According to Laurence Whitehead as well as much of Eder's own narrative, "breaking the power of the trade unions and displacing the *dirigiste* elements in the governing party" had been a central goal of the Eder Plan (*The United States and Bolivia*, 11; cf. Eder, *Inflation and Development*, 473, 668 [where Eder decries "labor union interference"], and the references noted above).

⁸⁵ The US began supplementing economic aid with military aid after 1956, in line with a broader hemisphere-wide emphasis on "internal security." In Bolivia the US-sponsored "Public Safety" program was meant in large part "to ensure success to the economic stabilization plan" (Chief of the Latin American branch of the Office of Public Safety Herbert O. Hardin to Office of Middle American Affairs representative Henry A. Hoyt, 29 May 1958, in NARA 59/1137/13/Internal Security—Bolivia 1958). Cf. Whitehead, *The United States and Bolivia*, 23-25; Lehman, *Bolivia and the United States*, 178-79. George Eder was also very supportive of an increased role for the

of the revolution, a process that was more or less complete by the time the military officially overthrew the MNR in 1964.

While some scholars have pointed to the Bolivian Revolution as proof of both the United States government's "good intentions" in Latin America and the possibility of achieving "reconciliation" between the US and revolutionary regimes, the actual motives and effects of US policy toward the MNR cast serious doubt on this interpretation.⁸⁶ Of course, the US decision to "aid" rather than overthrow the MNR was not trivial: certainly the negative human consequences of that policy were less overt than in, say, Guatemala, where the US overthrow of Arbenz ushered in four decades of brutal state repression and genocide that claimed several hundred thousand lives. But the long-term effects of US policy in the 1950s, while less tangible, were far from benign. Not only did that policy help reinforce economic underdevelopment and inequality; it also helped prevent the consolidation of a radical, participatory style of politics. As political scientist Stephen Zunes argues, the US response to the Bolivian Revolution was in many ways "simply an alternative form of intervention."⁸⁷

Historians of the underdeveloped world have often warned against attributing too much power to US actions and neglecting the role of individuals and groups in the countries affected. Certainly the internal dynamics of the MNR are important for understanding the route the Bolivian Revolution took in the 1950s. There is no definitive indication that in the absence of US efforts the "moderates" like Siles would *not* have triumphed over Lechín and more left-leaning

Bolivian military, writing in 1968 that Latin American militaries had recently acted as "a bulwark of democracy against subversion" in Argentina, Brazil, Peru, Bolivia, and elsewhere. In discussing Bolivia he praised the Barrientos regime's readiness to repress labor militancy as well as its "constructive attitude towards private enterprise." Eder's call for a "reorganization of the mining industry...to increase the powers of management in order to reinforce the principles of authority and autonomy" was largely realized after 1961 with the US- and German-backed Triangular Plan (*Inflation and Development*, 32*, 609, 613, 681).

⁸⁶ Blasier, *The Hovering Giant*, 146, 150, and 101-238 more generally; Lehman, *Bolivia and the United States*, 106-07, 126 ("good intentions"); Alexander, *The Bolivian National Revolution*, xvii-xviii. Cf. note 20, above.

⁸⁷ "The United States, Bolivia, and Dependency."

members of the MNR, or that the shortcomings of the latter would not have exerted their own brake on popular empowerment. In addition, historians have yet to fully identify how and why various non-state actors in Bolivia opposed (or sought to moderate) the revolution after April 1952. But the case of Bolivia in the 1950s and early 1960s is an example of a particularly acute form of dependence, and one in which the US did indeed play a vital—and in some respects *decisive*—role. As Laurence Whitehead comments with regard to the Eder Plan, for example, “all the main measures of economic policy were being directly dictated to the Bolivian government from outside.”⁸⁸ In the absence of US coercion the revolution *might* have taken a far more radical course; coercion guaranteed that it would not. Whitehead’s characterization of the US-Bolivia relationship as one of “neocolonialism” seems appropriate.

The personal role of George Eder raises a similar issue. In some ways Eder the individual seems to have been highly significant: for example, for the role he played in shaping and implementing some of the specific ideas contained in the stabilization plan, as well as for the discourse he helped craft to justify the plan. But Eder himself did not singlehandedly de-radicalize the Bolivian Revolution, and to imply that he was an all-powerful architect of that process would ignore both Bolivian politics and the structures and dynamics that allowed for his ascendance within elite circles in the US. Eder was largely an arm of the US government, to whom he was directly beholden, and of the US business and financial groups with whom he had associated for most of his life and whose culture and material interests he shared. State Department documents of the 1950s underscore Eder’s lack of personal singularity; the 1956 Eder Plan in both its intentions and substantive content seems to fit perfectly within the broader pattern of US policy toward the Bolivian Revolution. There was a certain degree of conflict

⁸⁸ *The United States and Bolivia*, 11, 13 (quote), 18.

within US policymaking circles in the 1950s (particularly prior to 1956), but there was consensus on the need to steer Bolivian politics down a conservative path.

In similar fashion, the Eder Plan and contemporaneous State Department records are themselves a window into the broader world of US foreign policy, for they reveal a great deal about US government priorities and strategies in, and perceptions of, the Third World as democratic and nationalist movements emerged following World War II. Several scholars have noted the democratic opening that occurred in most Latin American countries, including Bolivia, in the years 1945-46. Leslie Bethell and Ian Roxborough point out that this brief period featured a generalized wave of “democratization, a shift to the Left, and labor militancy.” After 1946, however, democratic and leftist forces were widely repressed under the pretense of Cold War anti-Communism.⁸⁹ By the early 1950s the only major exceptions were Guatemala, where a democratic nationalist regime had survived, and Bolivia, where the MNR had overthrown the military junta in 1952.

Like the popular opening of the immediate postwar period, the 1952 revolution in Bolivia in many ways constituted “a serious challenge to the established order.”⁹⁰ The truly subversive aspect of the Bolivian Revolution, like the movements of 1945-46 in Bolivia and elsewhere, was the implicit espousal of a new definition of democracy that included social and economic rights as well as political and civil ones. Such an expansive definition posed a major threat to the interests of US and regional elites, who moved quickly to quash social democratic forces around Latin America in 1946-48 and in Guatemala in 1954, and to contain those forces in Bolivia after 1952. The long-term effect of these efforts, as historian Greg Grandin notes, was that in most places “democracy came to be defined strictly in terms of personal freedom rather than social

⁸⁹ Bethell and Roxborough, “Introduction” (p. 2 quote); on Bolivia in the years 1944-48 see Whitehead, “Bolivia.”

⁹⁰ Bethell and Roxborough, “Introduction,” 16.

security.”⁹¹ The US itself, where corporate and government elites banded together to repress labor militancy with legislation targeting radicals, anti-union campaigns, and an onslaught of pro-business propaganda, was of course no exception to this pattern.⁹²

But in the 1950s similar threats continued to worry US policymakers, who understood that a good example could be contagious. The fear of the US Embassy in April 1953 that a radicalized Bolivian Revolution “might set off a chain reaction in Latin America” was indicative of US officials’ thinking.⁹³ The US National Security Council and intelligence community offered general assessments of the problem as the decade progressed. A 1958 National Intelligence Estimate identified “statism and nationalism” as key emerging threats in the hemisphere. The chief concern was not Communism as such, since “the Communists are not likely to come to dominate any government,” but “evergrowing popular expectations” for change. The document explained that Latin American popular sectors “are envious of US wealth,” and warned that “pressures for social change, economic improvement, and governments more responsive to popular demands will persist and will keep the area in political ferment.” Similar warnings appeared in a variety of internal documents in the last years of the Eisenhower administration.⁹⁴

⁹¹ Of course, not everyone accepted that definition, but it would become more or less ubiquitous in most elite and policymaking circles in both the US and Latin America. *The Last Colonial Massacre: Latin America in the Cold War* (Chicago: University of Chicago Press, 2004), xv.

⁹² On this period in US history see Elizabeth A. Fones-Wolf, *Selling Free Enterprise: The Business Assault on Labor and Liberalism, 1945-60* (Urbana: University of Illinois Press, 1994).

⁹³ See note 41 above.

⁹⁴ Quotes from “Latin American Attitudes toward the US,” NIE 80/90-58, 2 December 1958, in *FRUS, 1958-1960*, Vol. V: American Republics (Washington: USGPO, 1991), 61-62. Cf. Annex to NSC 5902/1, 16 February 1959, in the same volume, esp. page 107; “United States Objectives” (note 46 above). According to James Siekmeier—with whom I agree—the Eisenhower and Kennedy administrations’ preoccupation with independent nationalism trumped concerns over Communism *per se*; see particularly Siekmeier, “Fighting Economic Nationalism,” which is a counter-argument to those who have assumed that anti-Communism was the driving force behind US policymaking (e.g., Stephen G. Rabe, *Eisenhower and Latin America: The Foreign Policy of Anticommunism* [Chapel Hill: University of North Carolina Press, 1988]).

The Cuban Revolution would exert an even more powerful influence on US policy than the Bolivian Revolution had. The Kennedy administration's Alliance for Progress greatly increased economic aid to underdeveloped countries in Latin America in order to promote controlled reform and thereby stave off any repeat of Cuba elsewhere in the hemisphere. Unsure that economic aid alone would be sufficient, Kennedy also dramatically increased military and police aid to Latin American governments. US economic and military aid to Bolivia increased 600 percent from 1960 to 1964, bringing total US aid to the MNR to \$300 million.⁹⁵ Apart from this additional aid, though, the basic economic policies promoted in Bolivia under Kennedy were not fundamentally different from those promoted by Eder and the Eisenhower administration in the 1950s. In fact, Kennedy looked to Bolivia as a good example of how the US could use foreign aid as a way of diverting radical pressures for change.⁹⁶

Furthermore, US government documents from the Kennedy era demonstrate that policymakers' basic concerns had only intensified since the late 1950s. The problem of independent, social-democratic nationalism not subject to US influence had become much more apparent after 1959. Kennedy assistant Arthur Schlesinger, Jr. warned in early 1961 that if the US did not act quickly it would not be able to prevent "the spread of the Castro idea of taking matters into one's own hand[s]."⁹⁷ A National Intelligence Estimate a year later likewise emphasized the danger of "indigenous, non-Communist, radical nationalism," a sign of a growing "impulse to assert political independence." It predicted that in the coming years "there

⁹⁵ Dunkerley, *Rebellion in the Veins*, 108; note 19 above.

⁹⁶ On the Alliance see note 27 above. Certain members of the Kennedy administration did, however, repudiate aspects of Eisenhower-era economic policies. Schlesinger for example denounced "the baleful influence of the International Monetary Fund," which prioritized "not economic development, but financial stabilization." The results in Bolivia and elsewhere "were drastic deflationary programs which induced economic stagnation, lowered living standards and finally brought about an entirely predictable pro-Communist reaction." "Report to the President on Latin American Mission," 14.

⁹⁷ *Ibid.*, 13. Also quoted in Noam Chomsky, "Cuba and the US Government: David vs. Goliath," in *Rogue States: The Rule of Force in World Affairs* (Cambridge, MA: South End Press, 2000), 89. The argument that US policy has traditionally sought to prevent such independent nationalism is a central theme of Chomsky's writings.

will develop a much stronger feeling that the Latin American states can be masters of their own destinies”—a process which the US ignored at its own peril.⁹⁸ Preventing the emergence of these ideas, and tempering and containing them when they did arise, was one of several broad objectives of US foreign policy in the postwar decades.

At multiple times over the past six decades, in fact, the US has looked to Bolivia as a sort of laboratory for its policies and objectives. In the 1950s and 1960s, the country was intended as a model of how US aid could be used to exploit the economic dependence of independent-minded regimes; at the same time, economic crises like that of 1956 could be used to justify US-led economic restructuring which would help contain dangerous nationalist and redistributive tendencies. Later, after 1982, Bolivia again became a model for neoliberal shock therapy; in Bolivia and elsewhere this “neoclassical counterrevolution” in many respects built upon the priorities, policies, and discourse of the Eder Plan thirty years earlier (and, incidentally, plunged the economy and population further into poverty).⁹⁹ Only in the last several years have Bolivian popular forces started to gain the strength needed to break their country’s political and economic dependence on the United States and truly become “masters of their own destinies.” The outcome of this process is still far from certain, but the situation appears more promising than at any other time since 1952.

⁹⁸ “The Threat to US Security Interests in the Caribbean Area,” SNIE 80-62, 17 January 1962, in *FRUS, 1961-1963*, Vol. XII, 212.

⁹⁹ On neoliberalism’s devastating economic effects, but also its unanticipated positive effects on popular political mobilization in Bolivia in the 1980s, see Brooke Larson, “Democratic Progress or Peril? Indigenous and Popular Mobilization in Bolivia,” in *Democratic Deficits: Addressing Challenges to Sustainability and Consolidation Around the World*, eds. Gary Bland and Cynthia J. Arnson (Washington, DC: Woodrow Wilson International Center for Scholars, 2009), 183-94. The concept of a “neoclassical counterrevolution” in the fields of economics and government policy starting in the late 1970s is discussed in Leiva, *Latin American Neostructuralism*, 22.

BIBLIOGRAPHY

Archives

National Archives and Records Administration (NARA). College Park, Maryland, USA.

Published primary sources

Andrade, Víctor. *My Missions for Revolutionary Bolivia, 1944-1962*. Pittsburgh: University of Pittsburgh Press, 1976.

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

Eisenhower, Milton S. *The Wine is Bitter: The United States and Latin America*. Garden City, NY: Doubleday, 1963.

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

Foreign Relations of the United States, 1955-1957. Volume VII: American Republics: Central and South America. Washington, DC: United States Government Printing Office, 1987.

Foreign Relations of the United States, 1958-1960. Volume V: American Republics. Washington, DC: United States Government Printing Office, 1991.

Foreign Relations of the United States, 1961-1963. Volume XII: American Republics. Washington, DC: United States Government Printing Office, 1996.

Lora, Guillermo. *La estabilización, una impostura*. La Paz: Ediciones Masas, 1960.

Secondary sources

Aguilar, Alonso. *Latin America and the Alliance for Progress*. New York: Monthly Review, 1963.

Alexander, Robert J. *The Bolivian National Revolution*. New York: Rutgers University Press, 1958.

Bethell, Leslie, and Ian Roxborough. "Introduction: The Postwar Conjuncture in Latin America: Democracy, Labor, and the Left." In *Latin America between the Second World War and the Cold War, 1944-1948*, eds. Leslie Bethell and Ian Roxborough, 1-32. Cambridge, UK: Cambridge University Press, 1992.

Blasier, Cole. *The Hovering Giant: U.S. Responses to Revolutionary Change in Latin America, 1910-1985*. Revised Edition. Pittsburgh: University of Pittsburgh Press, 1985 (originally published 1976).

Chomsky, Noam. *Rogue States: The Rule of Force in World Affairs*. Cambridge, MA: South End Press, 2000.

Coatsworth, John H. *Central America and the United States: The Clients and the Colossus*. New York: Twayne Publishers, 1994.

Drake, Paul W., ed. *Money Doctors, Foreign Debts, and Economic Reforms in Latin America from the 1890s to the Present*. Wilmington, DE: Scholarly Resources Inc., 1994.

- Dunkerley, James. *Rebellion in the Veins: Political Struggle in Bolivia, 1952-82*. London: Verso, 1984.
- Eckstein, Susan. *The Impact of Revolution: A Comparative Analysis of Mexico and Bolivia*. London: Sage Publications, 1975.
- Fones-Wolf, Elizabeth A. *Selling Free Enterprise: The Business Assault on Labor and Liberalism, 1945-60*. Urbana: University of Illinois Press, 1994.
- Grandin, Greg. *The Last Colonial Massacre: Latin America in the Cold War*. Chicago: University of Chicago Press, 2004.
- Hansell, Saul. "George Jackson Eder, 98, Expert on Latin American Economics." Obituary. *New York Times*, 4 January 1999: A17.
- Healy, Kevin. *Llamas, Weavings, and Organic Chocolate: Multicultural Grassroots Development in the Andes and Amazon of Bolivia*. Notre Dame, IN: University of Notre Dame Press, 2001.
- Kelley, Jonathan, and Herbert S. Klein. *Revolution and the Rebirth of Inequality: A Theory Applied to the National Revolution in Bolivia*. Berkeley: University of California Press, 1981.
- Klein, Herbert S. *Bolivia: The Evolution of a Multi-Ethnic Society*. New York and Oxford: Oxford University Press, 1982.
- Klein, Naomi. *The Shock Doctrine: The Rise of Disaster Capitalism*. New York: Metropolitan, 2007.
- Larson, Brooke. "Democratic Progress or Peril? Indigenous and Popular Mobilization in Bolivia." In *Democratic Deficits: Addressing Challenges to Sustainability and Consolidation Around the World*, eds. Gary Bland and Cynthia J. Arnson, 183-94. Washington, DC: Woodrow Wilson International Center for Scholars, 2009.
- Lehman, Kenneth D. *Bolivia and the United States: A Limited Partnership*. Athens and London: University of Georgia Press, 1999.
- Leiva, Fernando Ignacio. *Latin American Neoliberalism: The Contradictions of Post-Neoliberal Development*. Minneapolis: University of Minnesota Press, 2008.
- Maier, Charles S. *In Search of Stability: Explorations in Historical Political Economy*. Cambridge: Cambridge University Press, 1987.
- Nash, June. *We Eat the Mines and the Mines Eat Us: Dependency and Exploitation in Bolivian Tin Mines*. New York: Columbia University Press, 1993 (originally published 1979).
- Pike, Frederick B. *The United States and Latin America: Myths and Stereotypes of Civilization and Nature*. Austin: University of Texas Press, 1992.
- Rabe, Stephen G. *Eisenhower and Latin America: The Foreign Policy of Anticommunism*. Chapel Hill: University of North Carolina Press, 1988.
- Siekmeier, James F. "Fighting Economic Nationalism: U.S. Economic Aid and Development Policy toward Latin America, 1953-1961." Ph.D. diss., Cornell University, 1993.
- . *Aid, Nationalism, and Inter-American Relations: Guatemala, Bolivia, and the United States, 1945-1961*. Lewiston, NY: E. Mellen Press, 1999.
- Whitehead, Laurence. *The United States and Bolivia: A Case of Neo-Colonialism*. London: Haslemere Group, 1969.
- . "Bolivia." In *Latin America between the Second World War and the Cold War, 1944-1948*, eds. Leslie Bethell and Ian Roxborough, 120-46. Cambridge, UK: Cambridge University Press, 1992.

- Wilkie, James W. *The Bolivian Revolution and U.S. Aid since 1952: Financial Background and Context of Political Decisions*. Los Angeles: UCLA Latin American Center, 1969.
- . “U.S. Foreign Policy and Economic Assistance in Bolivia, 1948-1976.” In *Modern-Day Bolivia: Legacy of a Revolution and Prospects for the Future*, ed. Jerry R. Ladman. 83-121. Tempe, AZ: Center for Latin American Studies, Arizona State University, 1982.
- Zunes, Stephen. “The United States, Bolivia, and Dependency.” Americas Policy Program Discussion Paper. Washington, DC: Center for International Policy, 5 November 2007. <http://americas.irc-online.org/am/4701> (accessed March 30, 2009).