

# To Intervene or Not To Intervene: A Comparative Analysis of US Actions Toward Guatemala and Bolivia in the Early 1950s

Ingrid Flory and Alex Roberto Hybel

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# **To Intervene or Not To Intervene: A Comparative Analysis of US Actions Toward Guatemala and Bolivia in the Early 1950s**

*by Ingrid Flory and Alex Roberto Hybel*

## **INTRODUCTION**

Shortly after the end of the Second World War, the United States faced the task of having to determine how to respond to foreign governments that did not aggressively seek to curtail the actions of communists within their states. This problem was not endemic to any one region, but it had a distinct significance in Latin America. The US government became convinced that the "the domination or control of the political institutions of any American State by the international communist movement . . . would constitute a threat to the sovereignty and political independence of American States."<sup>1</sup>

Guatemala and Bolivia were among the first two Latin American countries to force Washington to address this problem. In the early part of the 1950s both countries were governed by leaders who seemed willing to permit the active participation of communists in their respective domestic systems. Moreover, both countries initiated a variety of radical economic and social reforms, many of which were in tune with policies implemented by the Soviet Union and the People's Republic of China and had been demanded by the local, national communist party. Despite these similarities, the US was of two minds in its assessment of the nature of the problems posed by Guatemala and Bolivia.

Shortly after Dwight D. Eisenhower became president of the United States. Secretary of State John Foster Dulles noted that international communism had been probing for nesting places in the Americas, and that "[i]t finally chose Guatemala as a spot which it could turn into an official base from which to breed subversion which would extend to other American Republics."<sup>2</sup> The administration concluded that Guatemala had become a communist center because its president "had appointed communists to several strategic government positions, permitted an increase in the volume of government propaganda, supported labor leaders with communist affiliations, and conducted a foreign policy parallel to that of the Soviet Union."<sup>3</sup> Bolivia's president, on the other hand, though initially tolerant of the communists, was believed to have finally recognized "the fundamental rivalry between [his party] and the communists, and ha[d] gradually adopted a more anti-Communist attitude. [He] ha[d] also recognized that close association with the communists would diminish [his] chances of getting US aid."<sup>4</sup>

Having defined the problems posed by Bolivia and Guatemala differently. Washington, justifiably, came up with different solutions. On 6 July 1953, the Department of State announced that the United States, in an attempt to help Bolivia overcome its economic woes, would sign a "one-year contract for the purchase of tin concentrates (at world market prices). . . double its technological assistance program, and . . . consider additional measures to assist Bolivia in the long-range solution of its problems."<sup>5</sup> Less than a year later, on 18 June 1954. President Eisenhower authorized the Central Intelligence Agency to launch a covert paramilitary operation designed to topple the Guatemalan government. Nine days after the operation had been authorized, Guatemala's president, Jacobo Arbenz, resigned. He was succeeded ten days later by the leader of the covert operation. Carlos Castillo Armas.<sup>6</sup>

What persuaded the Eisenhower administration that, although the governments of Bolivia and Guatemala had initiated similar domestic policies and had for some time worked closely with the communists, their actions justified different responses? In order to explain Washington's presumed inconsistency one must account for the Eisenhower administration's reliance on analogies to define and respond to international problems and for the manner in which the targeted states responded to such analogies. More specifically, the Eisenhower administration was initially convinced that communists in the two Latin American countries were relying on the same strategy their counterparts had employed in China in the 1930s to gain power. However, the US took different actions toward the two countries because Bolivia's leaders understood the significance of this analogy and sought to persuade Washington that Bolivia would

not become a "second China," while Guatemala's leaders did not grasp the significance of the China analogy and as a result did not try to convince Washington that they were committed to preventing the rise of communism in their country.

### **THE ROLE OF ANALOGIES IN THE FORMULATION OF FOREIGN POLICIES**

The assumption that political leaders could be viewed as rational international actors gained momentum shortly after the end of the Second World War. Decision makers comprising the official, bureaucratic manifestation of the state were assumed to act as a body with a single mind, capable of formulating foreign policies based on rational calculations of the effect such policies would have on the state's power. As noted by Hans Morgenthau, to give meaning to the raw material of foreign policy, i.e., power, political reality had to be approached with a rational outline.<sup>7</sup>

In the late 1960s and throughout the larger part of the 1970s, the study of foreign policy experienced a critical metamorphosis. It was pointed out that rational choice requires the gathering of vast amounts of information, the generation of all possible alternatives, the assessment of the probabilities of all consequences of each alternative, and the evaluation of each set of consequences for all relevant goals. A new generation of scholars recognized that fulfillment of these requirements were beyond the reach of most foreign policy makers or, for that matter, of most human beings. As Herbert Simon noted, these requirements are "powers of prescience and capacities for computation resembling those we usually attribute to God."<sup>8</sup> In addition, it was realized that because on a typical day foreign policy makers address a wide array of international problems, they allot different amounts of time to different problems, depending on their significance and, as a result, examine some problems more carefully than others.

During this period, another group of scholars proposed that rationality is impeded not only by the absence of extraordinary intellectual powers and by the shortness of time, but also by the decision maker's own beliefs and cognitive conditions. Borrowing from theories of cognitive consistency, analysts maintained that when a human processes and interprets information, that person is not just attempting to understand a problem and formulate a solution; he/she is also trying to ensure that as he/she conducts such tasks his/her beliefs and cognitions about an object or concept and any external beliefs and cognitions about the same object or concept remain consistent.<sup>9</sup> When the external beliefs and cognitions about an object or concept do not contradict those of the decision maker, the relationship remains stable. If a contradiction exists and leads to a conflict, then the decision maker must decide whether to alter his/her perspective. This decision is in large measure a function of the intensity of personal beliefs. The greater the intensity of those beliefs the greater the likelihood that the decision maker will not modify his/her position.

Another cognitive theory that has been widely used by students of foreign policy-making is schema theory. Schema theory suggests that the decision maker attempts to shorten and simplify the decision-making process. The need for short cuts may stem from sheer laziness, lack of time, or even shortage of information. Schema theory's driving assumption is that decision makers reason analogically.<sup>10</sup> Analogies are schemas, or cognitive scripts, stored in memories in the form of structured events that tell familiar stories. Cognitive scripts are either episodic or categorical. The foreign policy maker infers an episodic script by analyzing a single experience defined by a sequence of events. An example of an episodic script is the "Yenan Way" script. The script, designed by foreign policy makers in the Truman administration, was used to contend that the radical agrarian reforms instituted in China in the 1930s were the prelude to communist domination in that country. A categorical script is a generalization of an episodic script. In the above example, the "Yenan Way" script was used to justify the generalization that radical agrarian reforms were a preamble to communist regimes. A categorical script need not be the result of several past experiences: one impressive incident can spur a decision maker to transform an episodic script into a categorical form." The decision of which script to store in memory and use is a function of the foreign policy maker's beliefs and values. A foreign policy maker commits to memory only those scripts that are politically, socially, economically, or morally important to him/her. This means not only that the choice of scripts is subjective, but also that the content of the scripts stored from any one experience can differ from one individual to another.

Analysts have argued that a foreign policy maker uses the same cognitive script to address similar problems until he/she encounters a situation in which the employment of the same script results in costly consequences. This study agrees with the postulate, but adds an important qualifier. According to Theodore

M. Newcomb, a decision maker's willingness to accept information or an analysis from a second party is to a large extent a function of whether the source is considered suitable. If the source is believed to be reliable, one of two outcomes can ensue. When the decision maker and the source agree, their relationship is termed "positively balanced." Under this condition, the decision maker does not need to modify his/her stand. When the decision maker disagrees with the source, the relationship is termed "positively imbalanced." Under this condition the decision maker is forced into a trade-off situation. He or she either has to sacrifice his/her own perspective and accept that of the source or vice versa.<sup>12</sup> Based on Newcomb's argument, this study intends to propose that a foreign policy maker need not always experience costly consequences to abandon a cognitive script. He/she is bound to make a similar decision if apprised of the script's inapplicability by a trusted advisor or a reputable decision maker.

## **THE GENESIS OF TWO CHALLENGES**

Eisenhower moved into the White House in early 1953, convinced that communism posed the greatest threat to international stability and that the United States had a moral obligation to use military, political and economic means to contain it. "It is the rooted conviction of the present administration," he noted, "that the Kremlin intends to dominate and control the entire world."<sup>13</sup> Any attempt on the part of the United States "to sit at home and ignore the rest of the world." in the face of such a threat would lead to one consequence: "destruction."<sup>14</sup> This attitude colored Eisenhower's perception of Latin America. After lamenting during a National Security Council meeting that the United States, due to its commitment to "raising standards of all peoples," was inhibited from assigning "whatever proportion of national income" it so desired to warlike purposes, the new president emphasized that in the case of Latin America his administration would have to design policies to "secure the allegiance of these republics to our camp in the cold war." Similar views were conveyed not long after by Secretary of State John Foster Dulles, who noted that "the Communists are trying to extend their form of despotism in the hemisphere" and that the challenge would be to convince Latin Americans that communism was "an international conspiracy, not an indigenous movement."<sup>15</sup> Of great concern to Dulles was Guatemala. "For several years international communism has been probing here and there for nesting places in the Americas. It finally chose Guatemala as a spot which it could turn into an official base from which to breed subversion which would extend to other American Republics."<sup>16</sup>

Eisenhower and Dulles were not the first US leaders to be troubled by developments in Guatemala. As the Second World War moved to a close, Washington was forced to turn its eyes toward Guatemala. In 1944, after being ruled for nearly thirteen years by Jorge Ubico, Guatemalans forced him to resign and elected Jose Arevalo as their new president.

On 15 March 1945, at his inaugural speech, Arevalo announced that it was his intention to free Guatemala from Washington's control. His new program, coined "spiritual socialism," was predicated on the assumption that government had to create the conditions that would facilitate the individual's psychological development and moral liberation. The program disavowed both Marxism and individualistic capitalism. According to Arevalo, by viewing the individual as an economic animal and by prescribing class struggle, Marxism undermined the individual's spiritual foundation. In turn, individualistic capitalism, with its emphasis on the individual over collective interests, weakened the structure of society.<sup>17</sup>

Washington took Arevalo's ascent to power seriously. Upon evaluating Guatemala's new constitution, the State Department concluded that it was free of communist dogma. The State Department later wrote that: "Like other recent constitutions in Latin America and elsewhere, the Guatemala charter heavily emphasized the responsibility of the state with respect to economic and social matters and asserted its concern for the welfare of the underprivileged. It formulated ambitious economic goals; it spelled out extensive social reforms; it called for a more equitable distribution of the national income. It specifically provided the basis for the emergence of a protected labor force and for land reform legislation."<sup>18</sup>

To be free of communist dogma, however, did not signify that the Guatemalan government was free of communist influence. Of great concern to Washington were the policies the Arevalo administration had begun to implement, and whether such policies might be the result of communist influence. In 1945, the Arevalo government expressed its support of the Caribbean Legion, a radical Latin American organization committed to ousting dictatorships, by force if necessary. Between 1946 and 1947, the new Guatemalan government instituted social security and Labor Code laws that threatened United Fruit's investments in the

country.

These developments persuaded Washington that it needed a representative in Guatemala who would speak bluntly about US concerns and interests. In 1948, President Truman appointed Richard Patterson, an individual well-known for his anti-communist sentiment and recent work in Yugoslavia, US ambassador to Guatemala. Patterson did not waste any time in expressing his country's discontent with the policies of the Arevalo government. At a dinner hosted in his honor in January 1949, he warned the Guatemalan president that his job as ambassador was to promote US interests in Guatemala and that the relations between both countries would suffer if the host country did not stop persecuting those interests. A year later, Ambassador Patterson went so far as to demand that Arevalo dismiss seventeen government officials, all of whom were denounced as being communists.

By 1950, the Truman administration had concluded that the communists in Guatemala were taking advantage of the country's free processes and institutions to expand their own power and to destroy freedom. Washington, however, was still unwilling to take a major stand against the Arevalo government. The Truman administration caved in when the Arevalo government demanded that Patterson be removed from his post following his demand that Guatemalan officials be dismissed. This action did not reflect an absence of commitment on the part of the Truman administration to stop the growth of communism in Guatemala. Instead, it reflected the hope by some State Department officials that Guatemala, under the leadership of a newly elected president, would be more responsive to US concerns.

Jacobo Arbenz Guzman was sworn in as Guatemala's new president in March 1951. Perceptions about Arbenz prior to his inauguration varied. Edward Miller, the assistant secretary of state for inter-American affairs, and Milton Wells, the first secretary at the US Embassy in Guatemala, believed that Arbenz, because of his military background, would change Guatemala's pro-Soviet course and veer toward the center. State Department official Tapley Bennett and Ambassador Patterson, on the other hand, were convinced that the Soviet Union had approved Arbenz's candidacy, that all communist-controlled organizations in Guatemala supported him, and that the new president was committed to following a communist policy.

These differences became inconsequential by the middle of 1952. Thomas Mann, who as deputy secretary of state for inter-American affairs had led the US delegation to Arbenz's presidential inauguration, returned from the trip convinced that the Soviets had finally succeeded in placing a communist in power.<sup>19</sup> His argument was bolstered by the Guatemala Labor Court's January 1952 order that the American-owned United Fruit Company re-hire 4,500 Guatemalan employees who had been laid off for three years and pay them \$650,000 in back wages, and by the fact that five months later the Arbenz administration instituted an agrarian reform bill that called for the division and redistribution of idle land exceeding 223 acres, including land owned by foreign corporations.<sup>20</sup>

Impressed by Thomas Mann's argument and convinced that the radical reforms implemented in Guatemala substantiated Mann's analysis, Truman briefly considered launching a covert paramilitary invasion to overthrow Arbenz. On the advice of Secretary of State Dean Acheson, however, Truman decided against such a measure for fear that an invasion would undermine the reputation of the United States in Latin America.<sup>21</sup> Truman also did not believe that the plan could be completed and implemented before the end of his term. These concerns were anticipated by Arbenz, who in September 1952 paid a visit to the US ambassador to Guatemala, Rudolf C. Schoenfeld, and asked whether the United States regarded the Guatemalan government as communist. Schoenfeld responded that the US government "saw Communists holding key positions in various agencies and institutions and many evidences of Communist activity . . . [and] that this denoted a serious degree of Communist infiltration in the country and a tolerance for it. . ."—Schoenfeld later noted that Arbenz had been interested and attentive at their meeting, but that "he gave no hint that he planned to take any action" to limit the activities of the communists.<sup>23</sup>

A few months after Truman had aborted the covert paramilitary plan, a new administration arrived in Washington. The Eisenhower administration's first action toward Guatemala occurred mid-1953, when the Department of State submitted a formal complaint to the Arbenz regime concerning the nationalization of property owned by the United Fruit Company. Subsequently, the president ordered the Department of State to draw a plan designed to control Soviet expansion in Central America. According to the plan, the United

States would form a coalition with the nations surrounding Guatemala for the purpose of mounting political and economic pressure on its government, forcing Arbenz either to resign or to expel the communists.<sup>24</sup> The coalition would also protect surrounding nations from communist infiltration from Guatemala.

Determined to gain a better perspective on the communist threat in Latin America, President Eisenhower asked his brother Milton to visit the region. Upon his return in July 1953, the president's brother reported that Guatemala had "succumbed to communist infiltration."<sup>25</sup> Milton Eisenhower's report, substantiated by the continued redistribution of land owned by the United Fruit Company, motivated Eisenhower to order the Central Intelligence Agency (CIA) to prepare a plan designed to covertly overthrow the Guatemalan government.<sup>26</sup>

For the next year, Washington kept to a minimum its interaction with the Arbenz government. Aware that relations were not good between Guatemala and Washington, the Arbenz regime sought to persuade the US representatives that "the Communist issue [was] a false one fabricated by the United Fruit Company"<sup>27</sup> In February 1954, the Guatemalan president proposed the appointment of a neutral commission to arbitrate Guatemala's dispute with the company. Washington rejected the offer, and when two months later the Arbenz administration offered United Fruit \$1.185 million in compensation, the US government countered with a demand for \$15,854,849.<sup>28</sup> At about this time, the Arbenz government intercepted a letter from a Castillo Armas, a Guatemalan national, to Anastasio Somoza, Nicaragua's ruler, stating that Washington had finally decided to overthrow the Guatemalan government.<sup>29</sup> In hopes of protecting his regime from this threat, Arbenz asked the United States to lift its arms embargo on Guatemala.<sup>31</sup> Washington refused, and pressured its European allies not to accept any requests for arms by Guatemala. With nowhere else to go, Arbenz turned to the Soviet bloc.

Arbenz's decision unwittingly afforded the United States a major point of leverage. In mid-May 1954, 2,000 tons of Czechoslovakian arms arrived in Guatemala. After learning about the arrival of the weapons, Eisenhower authorized the CIA to put into action its plan to overthrow the Arbenz government. Aware that his presidency was in jeopardy, Arbenz requested a meeting with Eisenhower. The US Ambassador to Guatemala, John Peurifoy, whose principal task was to help coordinate the paramilitary attack on the Arbenz government, declined the meeting and emphasized that the United States was not concerned about the fate of the United Fruit Company but of communism in Guatemala. Peurifoy's remarks were upheld by Secretary of State Dulles on 8 and 10 June when he emphasized that even if the United Fruit matter were settled, the presence of communism in Guatemala would still remain a problem.<sup>31</sup> On 18 June 1954, Castillo Armas and a small number of paramilitary forces, financed and trained by the CIA, entered Guatemala. Upon realizing that Guatemala's armed forces would not defend his government, Arbenz resigned.

Guatemala was not the only Latin American country that forced Washington to carry out major policy changes. Less than a year before General Eisenhower assumed the presidency, the *Movimiento Nacional Revolucionario* (MNR), became Bolivia's new ruling party. The ascension to power of the MNR was not well received in Washington. The Truman administration, fearing that the MNR would not respect international agreements and private property and would open the doors to communism, waited seven weeks before granting the new Bolivian government formal diplomatic recognition. And yet, about a year after the MNR had assumed power, the Eisenhower administration announced that the United States would buy Bolivian tin ores at the world market price (at the time of delivery) for one year, would double the amount of technical assistance to Bolivia, and would assist Bolivia to resolve some of its other economic problems.<sup>32</sup> These steps reflected a dramatic change in Washington's behavior toward the MNR. The MNR was formed in 1941, six years after the Chaco War between Bolivia and Paraguay had come to an end. The Chaco War, one which Bolivia was supposed to win, but did not, "provided the stimulus which eventually would give rise to a new political order in Bolivia."<sup>33</sup> On the eve of the Chaco War, Bolivia was a highly stratified and underdeveloped state. Although its mining industry had grown considerably and there had been some increase in urbanization, most of the population still depended on traditional subsistence agricultural crops. In fact, even when compared with the experiences of the people in other Latin American countries, the majority of Bolivians "lived a harsh and brutal life."<sup>34</sup>

Dissatisfied with the structure of the Bolivian political, economic and social system, and convinced that their senior military officers were incapable of leading, a coalition of junior officers, led by Colonel David Toro and Lieutenant Colonel German Busch, launched a bloodless coup in May 1936. Shortly after

assuming power. Colonel Toro announced that the new military government had no intention of implanting *caudillismo*. Its objective, he added, was "to implant state socialism with the aid of the parties of the left."<sup>33</sup> One of the initial steps taken by the regime was to establish for the first time a minister of labor. This action was followed almost immediately by the expropriation of the petroleum concessions controlled by the Standard Oil Company of New Jersey and by the establishment of the State Socialist Party, which was to act as the political expression of the new regime.

The Toro regime was overthrown in July 1937, by Lieutenant Colonel Busch. The new Bolivian leader immediately began to implement policies more radical than those approved by his predecessor. He established the country's first labor code, nationalized both the Central Bank and the Mining Bank, and issued a decree requiring that all mining companies sell all the foreign exchange they earned by selling their products abroad to the Central Bank.<sup>36</sup> The decree was supported by the vast majority, but opposed by the major mining companies.

In August 1939, Busch, who had been ruling the country as a dictator for nearly five months, committed suicide. He was immediately replaced by General Carlos Quintanilla, whose first act was to cancel the decree pertaining the sale of foreign exchange. Quintanilla, and his successor, General Enrique Penaranda, sought to put a stop to the economic changes that had been ensuing since the end of the Chaco War, but their attempts were unsuccessful.

Probably the strongest reminder that the clock could no longer be turned back was the formation of new political parties committed to challenging the status quo. These parties covered the entire ideological spectrum. At the far right stood the *Falange Socialista Boliviano*, a party made up of intellectuals with some contacts among military officers and patterned after the Spanish Falange party. At the far left stood two parties, the *Partido Obrero Revolucionario* (POR) and the *Partido de Izquierda Revolucionario* (PIR). The POR had Trotskyist inclinations, while the PIR represented the Stalinist trend. The most important party to appear during this period, however, was the MNR.<sup>37</sup> The MKR, which counted among its founders Victor Paz Estenssoro, the head of the Mining Bank under the Busch regime, agreed with the PIR and POR on at least two issues. It acknowledged the need to nationalize some of Bolivia's major means of production and support the nascent labor movement. Its uniqueness, at least during the early stages, was reflected by its position regarding the Indian problem and international affairs. In the 1940s, Bolivian Indians were still experiencing discrimination. Both the POR and PIR demanded an end to this unjust treatment, but the MNR, possibly due to its middle-class origin, did not voice its preference. On matters of international affairs, the MNR had no qualms about expressing its opinion. Although it contained a variety of factions from former Nazis to Marxists, during the early stages of the Second World War it expressed a pro-fascist position. This stand was at odds with the PIR which vigorously argued that it was in Bolivia's national interest to support the Allied cause.<sup>38</sup>

These new parties remained in the background during the early years of the 1940s. President Penaranda succeeded at hindering the drive for change until late 1942, largely because his supporters controlled the Bolivian Congress. During this period he also managed to assure Washington that it would continue to have access to Bolivian tin as the United States became more entangled in the new world war. Bolivia's domestic and international panorama began to change in late 1942. In December of that year, miners struck against the Catavi mine. During one of the demonstrations, troops opened fire killing a substantial number of participants and wounding others. The MNR used the incident to strengthen its relations with the miners. At the same time, fearful that the incident could lead to further disruptions, thus undermining Bolivia's ability to maximize its production of tin, the US government dispatched a mission to look into labor conditions at the tin mines. Members of the mission submitted a report recommending that the Bolivian government improve the working conditions at the mining camps.<sup>39</sup>

The Penaranda regime managed to remain in power for one more year. It was finally ousted in December 1943, by a group of young military officers and the MNR. The United States took very little time to express its opposition to the new government. Washington feared that Argentina, which had just had its own military coup six months earlier and had openly expressed its pro-Axis stand might have helped instigate the Bolivian overthrow.<sup>40</sup> Furthermore, the US government did not trust the MNR. Washington's uneasiness originated in 1940, when Britain, in an attempt to induce support from the United States and Latin America against Germany, fabricated a letter to both the United States and Bolivia stating that a Nazi "putsch" was

developing in Bolivia. Upon the arrival of the letter, the Bolivian government expelled Germany's minister, declared a state of siege, and arrested several political leaders, including members of the MNR. In turn, the US drew a link between the MNR and Nazi-Fascism. It did not try to suppress the MNR leaders or label them Nazi, but because of the party's earlier and continuing opposition to the Standard Oil settlement and the government's action, it "thereafter associated them with Nazi-Fascism."<sup>41</sup>

This perception had a major effect on Washington's actions following the 1943 coup. Upon assuming power, the new Bolivian president, Major Gualberto Villarroel, appointed three members of the MNR to his cabinet. US Secretary of State Cordell Hull, convinced that the hemisphere was "under sinister and subversive attack by the Axis, assisted by some elements within the hemisphere itself," ordered the Department of State to warn Bolivian officials that the United States would not recognize their new government unless the three MNR members were removed from the cabinet. Villarroel acceded, and the United States recognized his government in June 1944.<sup>42</sup>

Recognition of the new government did not foster better relations between the two countries. From the moment Villarroel assumed power to the day he was assassinated in July 1946, the United States intervened in Bolivia's domestic affairs by taking positions which coincided with those of the owners of the tin mines and against the Bolivian government. The Villarroel government, cognizant that its battles with the tin mine owners were being undermined by the United States, repeatedly pleaded with Washington to behave impartially, but to no avail.<sup>43</sup>

With Villarroel dead and a government friendly to the tin mine owners in power, the US government assumed that Bolivia might finally become a country responsive to the interests of the United States. As noted by US Ambassador to Bolivia Joseph Flack in a telegram to Assistant Secretary of State for Inter-American Affairs Spruille Braden: "A popular revolution in every sense of the word has just occurred in Bolivia . . . this may prove first democratic government in Bolivian history. Immediate prospects are greatly improved relations with the United States . . ."<sup>44</sup> Flack's prediction proved to be erroneous.

Although the new Bolivian government managed to remain in power until 1951, it did not placate domestic discontent. Bolivia's dependence on foreign markets for the sale of tin, and the fact that tin magnates resided abroad and that profits flowed from the country to them, convinced Bolivians that their ills were caused by external forces. Thus, when faced in 1951 with chronic economic crises brought about by the decrease in the foreign demand for tin. Bolivians vented their anger with the ruling party by electing as their new president the leader of the MNR, Victor Paz Estenssoro. However, the military did not accept Paz Estenssoro's victory, and on 16 May 1951, it established a new junta under the leadership General Hugo Balliavian. The junta announced that it was annulling the elections because the MNR was in league with the communists.<sup>45</sup> The junta, however, soon realized that it would not be able to placate the masses. On 9 April 1952, General Antonio Seleme, the head of the Carabineros, extended his support to the MNR. The MNR immediately distributed arms to civilians and workers and with the support of the Carabineros marched against the military. After three days of fighting the military surrendered, and the MNR asked Paz Estenssoro to return from exile to head the new government.<sup>46</sup>

This development was not well received by American foreign policy makers. They feared that a regime that was led by the same individuals who had been tagged as Nazis during the Second World War, that was backed by the communists, that was very critical of US foreign policy, and that called for the nationalization of the tin mines, could pose a threat to American interests in the region. Washington displayed its concern by waiting until 2 June to grant formal diplomatic recognition to the new government.

Recognition did not intimate that Washington was less apprehensive about Bolivia being governed by the MNR. In fact, on 8 September, Secretary of State Dean Acheson sent a telegram to the United States embassy in Bolivia advising the Reconstruction Finance Corporation (RFC), which managed the US strategic stockpile of tin, not to sign "long term tin contract so long as uncertainty exists regarding nationalization of mines. Department's position has been based on fear that signing long term contract could be considered by Bolivian government as green light to confiscatory nationalization and that this would have bad effect in other countries where U.S. property rights are at stake."<sup>47</sup>

This type of response from Washington did not stop the Paz Estenssoro regime from pursuing its own political and economic agenda. One of the first steps taken by the new government was to pass an electoral



law that extended the franchise to the Indian peasantry. Furthermore, in an attempt to reduce the chance of a counter military coup, the MNR dissolved the country's armed forces and chose, instead, to depend on the support of the Carabineros and the armed militia of the workers and peasant unions.<sup>48</sup>

The major reforms initiated by the Paz Estenssoro regime, however, were in the economic arena. First, in October 1952, it nationalized the tin mines belonging to the three large tin mining companies, Patino, Aramayo and Hochschild. The newly nationalized mining industry came under the jurisdiction of the *Corporacion Minera de Bolivia*. Its second economic step was to initiate a major redistribution of the country's landholdings. This end was to be accomplished by drafting a new agrarian reform law, organizing the peasants and expanding markedly the social services extended to the peasants. On 2 August 1953, President Paz Estenssoro signed the new agrarian reform law, which transferred massive amounts of rural property from the white or near-white traditional landowners to the Indian peasants. The third step entailed the launching of a major economic development program. The program was designed to expand the oil industry, create new roads, and open the eastern part of the country.<sup>49</sup>

The policies initiated by the Paz Estenssoro regime easily could have alienated the United States. To begin with, the US seldom welcomed nationalization, particularly of companies that affected directly or indirectly its strategic and economic interests. Moreover, Washington was very suspicious of the ideological rationale behind agrarian reforms designed to bring about a more equitable and just distribution of property. And yet, in 1953, the US, under the leadership of an avowed anti-communist president, not only expressed trust in Paz Estenssoro, but believed that his government understood that it would be imprudent to maintain a close association with the communists. It was this belief that led President Eisenhower to write President Paz Estenssoro on 14 October that the "friendly spirit of cooperation between our two nations . . . allowed him to grant Bolivia with five million dollars in Commodity Credit Corporation stocks of agricultural products to satisfy food needs of Bolivia, as well as four million dollars in Mutual Security Aid funds for other essential commodities and services . . ."<sup>50</sup>

## THE RATIONALIZATION OF ANTITHETICAL POLICIES

The Eisenhower administration's perceptions of the situation in Guatemala were not the result of a systematic analysis of communist activities in the country. As Secretary of State Dulles noted on 11 May 1954, it would be "impossible to produce evidence clearly tying the Guatemalan government to Moscow . . . *the decision must be a political one based on the deep conviction that such a tie must exist.*"<sup>51</sup> In the early 1950's, American decision makers were profoundly influenced by their interpretations of developments in China prior to and after Mao Zedong's communist party became the country's sole political force. In a book titled *The Yenan Way* published in 1951, Eudocio Racines describes the way the Chinese communists allied themselves with middle-class politicians and ambitious army officers and worked themselves into positions of power in local communities. The results of these steps, notes Racines, "were the Labor Code, agrarian reform, and eventually strict censorship."<sup>52</sup>

American policy makers soon began to apply Racines' analysis to the situation in Guatemala. Raymond G. Leddy, the Department of State officer responsible for Central American and Panamanian affairs, testified before the House of Representatives hearing on communist aggression that the "Guatemalan Way" represented an improvement over the "Yenan Way" for the communists because it taught them ways to deal with the situation in Central America more effectively.<sup>53</sup> Leddy's definition of the Guatemalan problem was not unique. US Ambassador John Peurifoy, upon his arrival at his new post, warned Guatemala's foreign minister that the parallels between the Guatemalan problem and the Chinese problem had portentous implications. "Agrarian reform has been instituted in China . . . and . . . today China is a communist country."<sup>54</sup> A similar argument was made by Secretary of State Dulles during his Senate confirmation hearing. "[C]onditions in Latin America are somewhat comparable to conditions as they were in China in the mid-thirties when the Communist movement was getting started . . . The time to deal with this rising in South America is now."<sup>55</sup> But if the best time to deal with the rise of communism in a South American country was when the movement was getting started, then what convinced the Eisenhower administration that the "Yenan Way" analogy did not apply to Bolivia?

One of the primary tasks of any foreign policy maker is to give meaning to imprecise information. Rarely will a foreign policy maker attempt to carry out this task without the advice of others. In other

words, who foreign policy makers speak with and listen to have a critical effect on the analogy they rely on to define a problem.<sup>36</sup> In 1953, the Eisenhower administration was willing to consider soberly the arguments forwarded by Bolivian officials but not by Guatemalan officials. Bolivian officials understood that Washington would seriously question a Latin American government's stance toward the United States, unless this government acknowledged the reality of the communist threat and expressed an absolute commitment to its obliteration. Guatemala did not grasp these simple, but pivotal, facts.

Guatemalan leaders did not ignore Washington's unhappiness. Their mistake was to assume that the US was concerned only with protecting the United Fruit Company, and to take lightly its warning that the communist threat in Guatemala was real. In September 1952, for instance, during the meeting between then US Ambassador Schoenfeld and President Arbenz, the ambassador explained that Americans believed that the "Communists were unduly influential. They saw Communists holding key positions in various agencies and institutions and many evidences of Communist activity . . ." Schoenfeld added that, "President Arbenz smilingly assented but expressed doubt as to the accuracy of the estimates in Guatemala ... President Arbenz was patently interested and attentive but gave no hint that he planned to take any action."<sup>37</sup> Less than a year later, but now under the Eisenhower administration, the Bureau of Inter-American Affairs at the Department of State wrote: "We have frankly discussed the Communist problem with high officials in Washington and in Guatemala. They have brushed aside our views on Communist influence in the country as exaggerated. They have described the Communist issue as a false one fabricated by the United Fruit Company."<sup>38</sup>

Probably the most telling example of the inability of the two governments to understand one another came during a farewell meeting between Guatemala's Ambassador to the United States, Guillermo Toriello, and President Eisenhower. Ambassador Toriello, who was returning to Guatemala to become its new foreign minister, tried before departing to convince Eisenhower that Guatemala's problems were the result of United Fruit's economic policies and not of communist activities, but to no avail. As Toriello sought to emphasize that the "real question was not of communists in the Guatemalan Government, but of the monopolistic position of the United Fruit in the country," Eisenhower kept remarking that the United States "couldn't cooperate with a Government which openly favored communists."<sup>39</sup>

In mid-May 1954, the Arbenz regime unwittingly afforded Washington the opportunity to claim that its concern regarding the nature of the Guatemalan government was fully justified. The US Embassy in Guatemala disclosed the arrival of a ship transporting some 2,000 tons of Czechoslovakian small arms and light artillery pieces. The purchase of these weapons had been the direct result of the unwillingness by the Eisenhower administration to lift its arms embargo on Guatemala, which had been in place since the early 1940s. In response to the embargo, and concerned that his military would not be able to withstand a CIA-backed paramilitary invasion, Arbenz solicited assistance from the Soviet Union.<sup>60</sup>

Reaction by the Eisenhower administration was swift. Knowing full well that the American Congress and public would be outraged if they learned that Guatemala had just purchased weapons from a Soviet ally, it reported the transaction to the American media. Congressional leaders called the weapons shipment "part of the master plan of World Communism," and asserted that the weapons would be "used to sabotage the Panama Canal."<sup>61</sup> In turn, Secretary of State Dulles, in a secret cable to various diplomatic offices, noted that: "A Soviet thrust into Western Hemisphere by establishing and maintaining Communist-controlled state between US and Canal Zone would represent [a] serious setback to [the] free world. It would represent [a] challenge to Hemispheric-security and peace as Guatemala has become increasingly instrumental of Soviet aggression in this hemisphere."<sup>62</sup>

Bolivia did not make Guatemala's mistakes. During the Second World War, the MNR had learned painfully that a Bolivian government could not rule without the full backing of the United States. More specifically, it learned that although the US was committed to protecting its economic interests in Bolivia, it was also willing to reach a balanced compromise so long as Bolivia demonstrated its unbending opposition to the Axis powers. The chief problem during the first half of the 1940s had been that President Villarreal had not persuaded the Americans that appointing to cabinet posts a few MNR leaders did not indicate that his government would side with the Axis powers instead of the Allies.<sup>63</sup> For this reason, the US government remained convinced until the end of the war that the MNR was anti-Semitic, hostile to the Allies, and well-disposed toward the Axis powers.<sup>64</sup>

None of this was forgotten by Paz Estenssoro and his new ambassador to the United States, Victor Andrade.<sup>65</sup> As Paz Estenssoro assumed the presidency in 1952, he remembered too well that he had been forced to resign in 1944 because the US believed that his party, the MNR, was an ally of the Axis powers. This time he was determined to ensure that Washington would not view him and his party as puppets of the Soviet Union. At his inauguration speech he stated: "[T]his is not an anti-capitalist government precisely because of the seriousness of our task, which is in no sense demagogic. We want to ensure progress for the majority: we take on this task and assume responsibility for it because Bolivia is extraordinarily rich but it needs capital."<sup>66</sup> Paz Estenssoro sought to reinforce the message already conveyed by Hernan Siles Suazo, who had been sworn in as provisional president immediately after the MNR and the Carabineros had defeated the Bolivian military. In his speech, Siles Suazo emphasized that the new government was completely democratic "supported by the great majority of the Bolivian people, with no relations to foreign parties, *least of all the Communist Party . . .*"<sup>67</sup>

To reduce the likelihood that the United States would misread his government's intentions, Paz Estenssoro appointed Victor Andrade as Bolivia's ambassador to the United States. Few foreign diplomats understood the US Department of States' thinking and decision-making process as well as Andrade. Andrade had served as Bolivia's ambassador to the United States during the Villarroel government. His principal task during that period was to convince the US to accept his government's proposal to tax the tin mines on production rather than on profits, and to control the percentage of foreign exchange from the tin sales the mine owners would be permitted to keep.<sup>68</sup> The US government yielded to Andrade's argument, but too late. By the time Bolivia and the United States reached an agreement, Villarroel was no longer in power. However, Andrade's experience proved valuable. The Bolivian ambassador learned his way in Washington, established important contacts, and by the early 1950s was working for the Rockefeller's International Basis Economic Corporation in Guayaquil, Ecuador.<sup>69</sup>

From the moment Andrade was reappointed as Bolivia's ambassador to Washington in 1952, he made it clear that for the new MNR government to effectively implement its domestic programs it would have to allay Washington's fears. "[T]he panorama which confronted us," he wrote, "could be described in the following way: the State Department was mistrustful of a regime which had been accused six years earlier of collaboration with German Nazism and which now seemed to have acquired contacts with international communism."<sup>70</sup> Andrade also believed that to succeed he would have to help the US leaders understand Bolivia's nationalization of the tin mines and land reform program. He emphasized that nationalization of the tin mines was something that his government truly regretted but that it had become necessary because the "three giants of mining had usurped the nation's right to rule." He then added that his government did not "relish the bad reaction which nationalization ha[d] caused in some quarters of the United States . . ." and hoped that the "billions of dollars in the United States that [sought] profitable outlets" would go to Bolivia where the government was attempting to "create an atmosphere which attracts private capital."<sup>71</sup> Regarding Bolivia's land reform program, Andrade believed that although "the reform did not directly affect U.S. interests, most American leaders were suspicious because they knew nothing of the agrarian system which prevailed in Bolivia up to the moment. Under the influence of reactionary propaganda, these leaders were inclined to oppose the reform, believing that it violated the democratic principles of the hemisphere."<sup>72</sup>

Andrade relied extensively on personal diplomacy and on his status as a Washington insider to try to bring about a change in attitude towards the new Bolivian government. His status as an insider was reflected by the fact that he was one of the very few ambassadors who played golf with Eisenhower from time to time at the Burning Tree Golf Club.<sup>73</sup> Andrade's closest Washington ally, however, may have been the president's brother, Milton Eisenhower. It was at a family party in Washington that Andrade proposed to Milton Eisenhower a visit to Latin America "in order to study at first hand the delicate issues involved in [Bolivia's] relations with the United States and the possibilities of mutual cooperation."<sup>74</sup>

Milton Eisenhower's trip to Latin America proved to be the turning point in US-Bolivian relations. His travel reaffirmed the Department of State's belief that the MNR had to be viewed differently.<sup>75</sup> More importantly, he brought back from Latin America a new perspective. Upon his return he emphasized that it was harmful to tag governments or political parties as communist "in good faith but without essential knowledge." He added that the United States should "not confuse each move in Latin America toward socialization with Marxism, land reform with Communism, or even anti-yankeeism with pro-Sovietism."

Regarding the Estenssoro government, he noted that it "may have been inexperienced, sometimes critical of us, and more inclined toward socialism than Americans generally prefer . . . But [its leaders] were not Communists." He concluded by pointing out that the only way to avert a revolution that would bring the communists to power in Bolivia would be to support the rapid social change being advocated by the Paz Estenssoro government.<sup>76</sup>

Milton Eisenhower's message did not fall on deaf ears. Following his trip to Latin America, intelligence analysts and foreign policy makers alike argued that the MNR had to be supported in order to contain communism in Bolivia. On 2 September 1953, Secretary of State Dulles wrote:

a situation dangerous to the security of the United States is developing in Bolivia, and urgent action is required to meet it. Because of a sharp drop in the price of Bolivia's principal export commodity, tin, owing to the imminent cessation of United States tin stockpiling, Bolivia faces economic chaos. Apart from humanitarian considerations the United States cannot afford to take either of the two risks inherent in such a development: (a) the danger that Bolivia would become the focus of Communist infection in South America, and (b) the threat to the United States position in the Western Hemisphere which would be posed by the spectacle of United States indifference to the fate of another member of the inter-American community.<sup>77</sup>

A month later, President Eisenhower authorized an emergency assistance program that included: \$5 million of agricultural products from Commodity Credit Corporation Stocks under the Famine Relief Act; \$4 million from Mutual Security Act funds for other essential commodities; and a doubling of the technical assistance program.<sup>78</sup> The strategic significance of the emergency assistance program was made more explicit a few weeks later by Assistant Secretary of State for Inter-American Affairs John Moors Cabot, who applauded the MNR government's opposition to "Communist imperialism" and the willingness on the part of the United States "to sink our differences and to cooperate with regimes pursuing a different course from ours to achieve common goals."<sup>79</sup>

## CONCLUSION

President Eisenhower arrived in Washington determined to prevent the spread of communism throughout Latin America. His commitment was based more on belief than on factual information. The president and his advisers did not have the information necessary to postulate a persuasive argument that communism in Latin America was becoming a serious threat. But they did not need such information. For them, a government's willingness to have a few communists in its cabinet, maintain relationships with communist labor leaders, nationalize foreign companies, and implement agricultural reforms, along with its unwillingness to recognize that the communists were becoming a noteworthy force, meant that such a government risked being usurped by communists. The communist takeover of China's government in 1949, convinced the Eisenhower administration that these developments could not be taken lightly. More specifically, it persuaded the Eisenhower administration that these actions exhibited Moscow's determination to install a communist regime and that if Washington hoped to thwart such an attempt it would have to move swiftly.

The Eisenhower administration relied on the China analogy to characterize the nature of the problem encountered by the United States in Guatemala under Jacobo Arbenz and in Bolivia under Victor Paz Estenssoro. The new administration believed that both Latin American leaders had been backed by the communists under the agreement that when in power they would work together to alter the economic and social structures of their respective countries. Washington was uncomfortable with the arrangement, but was willing to tolerate it so long as the Latin American leaders understood that when they assumed the presidency they would have to break the agreement with the communists and move against them. An unwillingness on the part of the Latin American leaders to acknowledge the threat posed by the communists, and to act against them, was interpreted by the Eisenhower administration to mean either that the government was dominated by communists or that it was soft on communism. Either case left Washington with one option: to try to topple the Latin American government before the communists took over.

Any Latin American government that failed to comprehend Washington's strong attachment to the China analogy risked being deposed. In Bolivia, Paz Estenssoro understood this simple fact; in Guatemala, Arbenz did not. Paz Estenssoro and Andrade well remembered the effect that Washington's belief that Bolivia

was being ruled by leaders who were pro-Axis had on the Villarroel government's ability to rule in the mid-1940s. Both Bolivian leaders were determined not to make the same mistake twice. From the moment they regained power, they went out of their way to ensure that the Eisenhower administration would not perceive the new Bolivian government as being either dependent on the communists or soft on communism. The Arbenz government, on the other hand, without an insider in Washington and the benefit of a costly experience, did not take seriously Washington's warning that Guatemala was being threatened by the communists. And for this error, it paid dearly.

Foreign policy makers are prisoners of the past. Their decisions are anchored to lessons inferred from previous occurrences. To say that they are captives of past events is not to assert that they cannot break the chain that ties them. Although cracking the chain is not easy, particularly if the analogy came into being as the result of a costly experience, it may be, in some instances, the only way to avoid conflict. The avoidance of conflict demands an understanding of how the party contemplating the use of force reasons. It also demands an understanding of the analogy that dominates the would-be aggressor's thinking process, a willingness to take the analogy seriously, and a determination to prove that the analogy is inapplicable to the situation at **hand**.

### Endnotes

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1. Declaration by the United States at the Inter-American Conference held in Caracas, Venezuela, in 1954. Quoted in Philip B. Taylor, Jr., "The Guatemalan Affair: A Critique of United States Foreign Policy," *The American Political Science Review*, 50, no. 3 (September 1956), p. 790.
2. Quoted in Robert Branyon and Lawrence H. Larson. *The Eisenhower Administration 1953-1961. A Documentary History* (New York: Random House, 1971), p. 311.
3. Alex Roberto Hybel. *How Leaders Reason. U.S. Intervention in the Caribbean Basin and Latin America* (Cambridge, UK: Basil Blackwell, 1990), pp. 57-58. See also Richard Immerman. *The CIA in Guatemala. The Foreign Policy of Intervention* (Austin, TX: University of Texas Press, 1982), pp. 108, 119-20.
4. "National Intelligence Estimates," 19 March 1954, *Foreign Relations of the United States 1952-1954. The American Republics, Vol. TV* (Washington, DC: US Government Printing Office, 1983), p. 551. Cited hereafter as *FRUS*.
5. Earl G. Sanders, "The Quiet Experiment in American Diplomacy: An Interpretive Essay on United States Aid to the Bolivian Revolution," *The Americas*, 33 (July 1976), p. 36.
6. See Hybel, *How Leaders Reason*; and Immerman. *CIA in Guatemala*. See also Stephen Schlesinger and Stephen Kinzer, *Bitter Fruit: The Untold Story of the American Coup in Guatemala* (Garden City, NY: Doubleday, 1983).
7. Hans Morgenthau. *Politics Among Nations: The Struggle for Power and Peace*, rev. by Kenneth W. Thompson (New York: Alfred A. Knopf, 1985), p. 5.
8. Herbert Simon. *Models of Man* (New York: John Wiley, 1957), p. 3.
9. Balance Theory. Congruity Principle and Affective-Consistency Approach are the three theories that are commonly encompassed by the rubric Cognitive Consistency Theory. Although there are significant differences between these theories, their overall arguments are quite similar. Here we focus on their similarities. For a detailed discussion of their differences and similarities, see Theodore M. Newcomb, *Theories of Cognitive Consistency* (Chicago, IL: Rand McNally, 1968).
10. Other cognitive theories include attribution theory and cognitive consistency theory. For a discussion of these theories and their applications, see Hybel, *How Leaders Reason*, and earlier versions of this paper cited at the start of the endnotes.
11. For a detailed discussion of the role played by the "Yenan Way" script, see Immerman. *CIA in Guatemala*, pp. 104-5, 123, 127; and Hybel, *How Leaders Reason*.
12. See Newcomb. *Theories*, p. 50.
13. Statement made by Eisenhower during a meeting of the National Security Council on 30 April 1953. Quoted in Richard D. Challenger, "The National Security Policy from Truman to Eisenhower: Did the 'Hidden Hand' Leadership Make Any Difference?," in Norman A. Graebner, ed., *The National Security* (New York: Oxford University Press, 1986), p. 57.
14. Quoted in Richard A. Melanson. *Reevaluating Eisenhower: American Foreign Policy in the 1950s* (Urbana, IL: University of Illinois Press, 1987), p. 43.
15. Quoted in Stephen G. Rabe, *Eisenhower and Latin America* (Chapel Hill, NC: University of North Carolina Press, 1988), p. 30.
16. Quoted in Branyon and Larson, *Eisenhower Administration*, p. 311.
17. See Immerman, *CIA in Guatemala*, p. 48; and Hybel, *How Leaders Reason*, p. 53.
18. United States Department of State. "A Case History of Communist Penetration: Guatemala." (Washington, DC: US Government

- Printing Office, 1957), p. 17.
19. Hybel, *How Leaders Reason*, pp. 57-58.
  20. *Ibid.*, pp. 58-59.
  21. See Rabe. *Eisenhower and Latin America*, p. 49.
  22. "Memorandum of Conversation by the Ambassador in Guatemala." (Schoenfeld), Guatemala City. 25 September 1952, *FRUS. 1952-1954. The American Republics IV*, p. 1040.
  23. *Ibid.*, p. 1041.
  24. Immerman. *CIA in Guatemala*, pp. 130-31.
  25. Quoted in *ibid.*, p. 133.
  26. By May 1953, the Arbenz government had redistributed some 740,000 acres.
  27. "Draft Policy Paper Prepared in the Bureau of Inter-American Affairs." 19 August 1953. *FRUS. The American Republics. FV*, p. 1084.
  28. Hybel. *How Leaders Reason*, p. 63.
  29. Cole Blasier, *The Hovering Giant* (Pittsburgh. PA: University of Pittsburgh Press. 1985). p. 161.
  30. Immerman. *CIA in Guatemala*, p. 155.
  31. *Ibid.*, p. 165.
  32. Blasier, *Hovering Giant*, p. 134.
  33. Herbert S. Klein. *Parties and Political Change in Bolivia, 1880-1953* (London: Cambridge University Press, 1969). p. 198.
  34. *Ibid.*, pp. 160-61.
  35. Quoted in Klein. *Parties and Political Change*, p. 230.
  36. Robert J. Alexander. *Bolivia: Past, Present and Future of Its Politics* (New York: Praeger, 1982).
  37. *Ibid.*, 68-69.
  38. Herbert S. Klein, *Bolivia. The Evolution of a Multi-Ethnic Society* (New York: Oxford University Press, 1982). p. 213. See also James Malloy, *Bolivia: The Uncompleted Revolution* (Pittsburgh, PA: University of Pittsburgh Press, 1970), p. 115.
  39. Alexander. *Bolivia*, p. 70.
  40. Pan of the fear has been attributed to the fact that Argentina recognized the new Bolivian government immediately. See Alexander. *Bolivia*, p. 71.
  41. Blasier. *Hovering Giant*, p. 47.
  42. *Ibid.*, p. 48. Paradoxically, after the United States extended its recognition, President Villarroel appointed Victor Paz Estenssoro Minister of Finance, and Washington did not voice its opposition. See Alexander, *Bolivia*, p. 72.
  43. For a discussion of the negotiations, see Blasier, *Hovering Giant*, p. 50-51. Victor Andrade, who was to play a critical role in persuading the Eisenhower administration that the Paz Estenssoro government was anti-communist, was the principal Bolivian negotiator in Washington in the 1940s trying to convince its leaders not to side with the tin mine owners.
  44. Quoted in Blasier, *Hovering Giant*, p. 52.
  45. Klein. *Parties and Political Change*, p. 400.
  46. *Ibid.*, p. 401.
  47. "Secretary of State (Acheson) to the Embassy in Bolivia," 8 September 1952. *FRUS. 1952-1954. The American Republics. IV.*, p. 503.
  48. Alexander. *Bolivia*, p. 81.
  49. *Ibid.*, pp. 82-90.
  50. Quoted in Sanders. "Quiet Experiment." p. 25.
  51. Quoted in Bryce Wood, *The Dismantling of the Good Neighbor Policy* (Austin, TX: University of Texas Press. 1985). p. 157. Emphasis added.
  52. See Immerman. *CIA in Guatemala*, p. 105.
  53. *Ibid.*, pp. 104-5.
  54. Quoted in *ibid.*, p. 138.
  55. Quoted in Rabe. *Eisenhower and Latin America*, p. 24. By this time Dulles was already convinced that Guatemala was one of the countries targeted by the communists. See note 2.
  56. President George Bush learned in 1990 how costly it can be for a president to be advised by the wrong people, when he accepted Prince Bandar bin Sultan's explanation as to why Iraq would not invade Kuwait. See Hybel. April 1993 version of this paper, (1993), p. 31.
  57. "Memorandum of Conversation . . .," 25 September 1952. *FRUS, The American Republics, IV*, p. 1040.
  58. "Draft Policy Paper . . ." 19 August 1953, *FRUS, The American Republics, IV*, p. 1084.
  59. *FRUS. The American Republics. IV*, p. 1096.
  60. See Hybel. *How Leaders Reason*, p. 63.

61. Immerman, *CIA in Guatemala*, p. 156.
62. *FRUS, The American Republics. IV*, p. 1123.
63. Argentina faced a similar problem during the Second World War.
64. On 10 January 1944, less than a month after Villarroel had been installed as Bolivia's new president with the assistance of the MNR, Secretary of State Cordell Hull contended, in a confidential memorandum, that the Axis controlled MNR activities and had granted financial support to its leaders. See Blasier, *Hovering Giant*, p. 48.
65. Blasier arrives at the same conclusion when he states: "Having suffered the ordeal of nonrecognition in 1944, the MNR leadership made a great effort from the very first moments after the insurrection succeeded on April 12, 1952, to calm U.S. fears and pave the way for early recognition ..." See Cole Blasier, "The United States and the Revolution," in James M. Malloy and Richard S. Thorn, eds., *Beyond the Revolution: Bolivia Since 1952* (Pittsburgh, PA: University of Pittsburgh Press, 1971), p. 64.
66. Quoted in James Dunkerley, *Rebellion in the Veins. Political Struggle in Bolivia. 1952-1982* (London: Verso Editions, 1984), p. 42.
67. *Ibid.*, p. 41.
68. See Blasier, *Hovering Giant*, p. 50.
69. *Ibid.*, p. 136.
70. Victor Andrade, *My Missions for Revolutionary Bolivia. 1944-1962* (Pittsburgh, PA: University of Pittsburgh Press, 1956), p. 134.
71. *Ibid.*, p. 12.
72. *Ibid.*, p. 131. Being a Washington insider, it would have been impossible for Andrade not to notice how much US foreign policy makers had opposed Guatemala's land reforms.
73. Blasier, *Hovering Giant*, p. 136.
74. See Andrade, *My Missions*, p. 172.
75. Blasier, *Hovering Giant*, p. 134. Another person who played a critical role was Dr. Carter Goodrich, an economist at Columbia University. Goodrich had been invited to visit Bolivia as head of an United Nations technical mission. He arrived shortly before the revolution and, thus, was able to establish contacts with some of its leaders, especially Hernan Siles Suazo. After the MNR had assumed power, he made it a point to ensure that Washington would grant diplomatic recognition to the new government. One could speculate that he might have known or met Dr. Milton Eisenhower, the president's brother, who was also an academic and became the president of Pennsylvania State University in 1953. It is also helpful to keep in mind that Goodrich was at Columbia while Dwight Eisenhower served as Columbia's president between 1948 and 1950, and that the two might have known each other.
76. Milton Eisenhower, *The Wine is Bitter* (New York: Doubleday, 1963), pp. 67-68.
77. "The Secretary of State to the Director of the Foreign Operations Administration (Stassen)." 2 September 1953, *FRUS, The American Republics, IV*, p. 535.
78. Blasier, *Hovering Giant*, p. 134.
79. *Ibid.*, p. 135.

**Ingrid Flory** recently graduated from Connecticut College and is presently studying in Guatemala.

**Alex Roberto Hybel** is Dean of National and International Programs and Robert J. Lynch Professor of Government at Connecticut College.