

BOLIVIA
COUNTRY READER
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ROBERT F. WOODWARD
Deputy Chief of Mission
La Paz (1942-1944)

Ambassador Robert F. Woodward was born and raised in Minneapolis, Minnesota. He entered the Foreign Service in 1932. Ambassador Woodward's career included Deputy Chief of Mission positions in Bolivia, Guatemala, Cuba, and Sweden. He was ambassador to Costa Rica, Uruguay, Chile, and Spain. Ambassador Woodward was interviewed by Charles Stuart Kennedy in 1987.

Q: I wonder if I could then move us...I want to get you to La Paz, Bolivia. You were there from '42 to '44. If you could explain what you were doing, and who was the Ambassador, and what were the main things that you dealt with?

WOODWARD: Since I was the deputy to the Ambassador, I dealt with everything of that nature, other than the protocol area. Our great objective was to keep the flow of raw materials coming from Bolivia which was tin, tungsten, cinchona, and rubber. We succeeded in that. The Ambassador was a man whose previous experience was largely in relations with European countries (except for preceding jobs as Ambassador to Nicaragua, and Counselor of Embassy in Mexico City). His name was Pierre de Lagarde Boal, and he had been in charge of the European division in the State Department when he was sent to Mexico City, and then on to these other assignments. He was a very cultivated man. He had a background which combined both France and Spain, his ancestors had been from both countries. He was married to a French women, and they had a house in France not far from Geneva. He had been in the French Air Force the beginning of World War I and had been wounded. He had a little limp from his wartime wound. Though a man of considerable erudition, he had, apparently, a few flaws in judgement. The first indication of a flaw in judgement (which I think is a fair name to give it), appeared shortly after my arrival. The Bolivian congress was coming to the end of its session and one of their last acts was to push through a revised labor law. The revised labor law had been promoted by some fairly liberal congressmen in the Bolivian Chamber of Deputies, and gave some additional benefits to the mining workers. For example, there were many women who worked in the mines. These were the so-called Cholas who were of mixed Indian and Spanish blood. They were identified by the fact that all the women wore derby hats, a rather peculiar custom in Bolivia.

There were a lot of women mine workers. I don't know just what they did, I guess they hauled out the carts from the mines. The law provided, for example, something like two or three weeks of maternity leave if they were going to have a baby. There were some other provisions which were a little more generous than anything that had been done before by the big mining companies there.

The big mining companies were not American, they were Bolivian. There were two big Bolivian mining companies, Patino and Aramayo, and then there was a Belgium-Jewish gentleman who was a very clever entrepreneur who worked a lot of very poor mines by combining his businesses. He arranged it so he provided the materials for getting the mines in shape to really work them. For example, the mine timbers. He would be selling timbers to the mines while he was extracting the ore and he combined all of these little functions so that he managed to make some money from mines that otherwise would not have been worked, and would not have been useful in the war effort. So we applauded his efforts, and he was given certain advance loans to help him out, as were the other mining outfits. There was one American company, the Grace Company, that had one or two tungsten mines.

The Ambassador became quite concerned, I might say almost excited, because of the provisions of this mining law which was passed at the last moment of the session of congress. He went over to see the President, a man named Penaranda, General Penaranda, an army man elected President, as I recall, although they'd had many, many coups, and many short term dictators in Bolivia in their history. But this man, I believe, was an elected President. Ambassador Boal expressed alarm to him about these increased benefits to the miners because it would raise the costs of producing the minerals and this would make it more costly to the United States to buy the minerals for the war effort.

The President was a rather wise old general, and he said, "Well, Mr. Ambassador, you don't have to really worry about that very much because we're going to have to come out with regulations to carry out the provisions of this new law, and I think we can arrange the regulations so there won't really be a burden upon the buyers of the minerals." He was just sort of calming down the Ambassador.

We had a Minerals Attaché who was a very practical man and he was called in by the Ambassador, and the Ambassador called me in. The Ambassador said, "I want you two fellows to go through this law, and pick out all the provisions which will increase expenses for the buyers of minerals if they are applied." The Ambassador seemed to expect that the law was going to be applied. Actually, the administration in Bolivia didn't pay very much attention to those details, but he was very apprehensive. He said, "I want a list of all these things to show the Department of State, and other agencies of the U.S. government, just what the sinister prospects are from this law." So we went through the law and I can remember sitting there with the Minerals Attaché as we were doing this and reading article after article which, if it had been applied, would to some extent increase costs. We got them all listed and while we were sitting there we said to each other, "This is just like Simon Legree to deprive these workers of these benefits. To report these things as an intolerable increase in cost was really enough to make our faces red." But the Ambassador had requested us to do it. We thought it was very bad judgement

on his part. We thought he'd probably cross out some of these things but he took our whole list intact and put it in a telegram and sent it to the Department.

Well, this telegram got into the hands of a man who, as I recall, was working on the staff of the Pan American Union, which hadn't been yet changed to the Organization of American States. This was the fall of 1942. I believe the man in the Pan American Union was of Peruvian origin. He got this telegram from a man named Jackson in one of the wartime agencies, a very ardent New Dealer. The Peruvian gentleman gave the telegram some publicity and there was a great deal of excitement about it in Washington and it became generally known that Ambassador ping to be able to eliminate the actual application of a lot of these rather pitifully liberal provisions in the labor law.

The upshot was there was so much controversy in Washington about this that a labor mission was sent down to investigate in Bolivia. It had some very, very good labor people on it, and the secretary of the committee--there were five men--the secretary of the committee was a good friend of mine in the Foreign Service named Eddie Trueblood who was a very thoughtful and very liberal Foreign Service Officer, and had been selected by Larry Duggan to be the secretary and keep the records of what they did. They stayed about ten days, I think, in Bolivia and we helped them get in touch with all the people they wanted to question, and they quickly recognized that the Bolivian government was not inclined to apply the provisions that would increase costs. It was all sort of a farce, and the poor Bolivian workers were going to go on with the same miserable lives that they'd had before.

Anyhow, this really got the Ambassador in Dutch and he was then considered to be rather suspect as a hard-liner, a conservative fellow, not really prepared to have a reasonably sympathetic attitude toward the underdog in Bolivia. Well, time went on and in the spring of 1943, Ambassador Boal accompanied President Penaranda on a visit to Washington. This was part of the program of wanting to improve relations with the countries that we were depending on for supplies, and cooperation. President Penaranda went up to Washington and, of course, the officials of our government became acquainted with the President. This had an important effect on the next great event in our relations with Bolivia, in that when the President was suddenly overthrown in December of 1943, he was known to the officials in Washington. Since Cordell Hull, the Secretary of State, had met with him and talked with him (of course, through an interpreter because President Penaranda didn't know any English whatever), there was great concern. There was a change of government, and the people who had overthrown the President were a group of youngish lieutenant colonels in the Bolivian army, accompanied by a special group of police who were called the Traffic Police of La Paz. I think they probably had a few people in some of the other towns such as Cochabamba and Potosi and so forth, but anyhow the Traffic Police and these Lieutenant Colonels overthrew the President and then seized the government. The only person in the U.S. government who knew these Lieutenant Colonels happened to be one member of our military mission to Bolivia who, because he didn't have much to do, had offered to teach some of these young colonels English. And this particular group had registered for his English class, and he was teaching them English once a week and they were plotting the revolution in his class, but he didn't know it. But he became acquainted with the fellows who did it. So he was our pipeline to these lieutenant colonels. He was an Army officer who was a rather eccentric fellow. His name was Hardesty, and Hardesty had also learned

embalming. He worked for an undertaker in Kansas or Missouri or somewhere as a young man. He was an embalmer whose ability we made use of; he actually embalmed a couple of bodies in Bolivia of Americans whose "near and dear" wanted sent back in sealed coffins to the United States.

That's all irrelevant, but the U.S. government was annoyed by the presumptuousness of a group of army officers changing a government in wartime, a government supplying us with important war materials. So Secretary Hull, influenced by a telegram that had come from, I believe, the office of the Military Attaché in Argentina which indicated that there had been some communication between the Argentine military, who were considered definitely not friendly to the United States at that time, and the Bolivian revolutionaries. Secretary Hull thought the coup had been influenced by Argentina, and that Argentina was trying to woo Bolivia away from U.S. influence and get them to turn us down on supplies for the war effort. Hull was becoming convinced that the Argentines were really much more friendly to the Germans than they were to us, which I think was dubious. I suspect they were just trying to maintain their neutrality, but that's a very controversial subject.

In any event, I remember Hull was quoted as saying, about this message, that he read about collaboration between the Bolivian and Argentine military, "When you see the tracks of the 'bar,' the 'bar' isn't far away"--an old Tennessee expression. So what happened? The United States influenced all of the Latin American countries, except Argentina, to break diplomatic relations with Bolivia. And part of this, of course, was to withdraw the Ambassador from Bolivia. All the other countries went along with it, except Argentina, and of course that further confirmed Hull's fear that this had been influenced by Argentina. The upshot of it was that I was left as Chargé...I was not formally called Chargé d'affaires because when you don't have relations, you don't have diplomatic relations.

Immediately after the Ambassador left (he left about the first of February, '44), we started to have relations with the Foreign Minister, and the new President, a man named Villaroel, a very inexperienced lieutenant colonel who was right out of the boondocks down in some remote area of Bolivia. He had been selected by the group of revolutionaries as being their figurehead, at least, as President of the country.

On the other hand the Foreign Minister was quite an experienced man. He was a lawyer, and he lived in La Paz and had been in the Congress. So he and I began to discuss methods by which we could convince Washington that they were not against the war effort. And, of course, the first thing was to make absolutely sure that there was no interruption in the flow of the war materials that we were getting. The Bolivians were absolutely perfect on that score. There was no interruption at all in the flow of materials and they were cooperating to the full, and we continued to cooperate with the mining companies. And we tried to emphasize this in our reports to Washington; that we should restore diplomatic relations because this was just another coup. The leaders of the coup had allied with them a little political party that was emerging, which had a number of sort of new ideas, somewhat leftist social ideas called the Movimiento Nacional Revolucionario--MNR. And the MNR also had, unfortunately, a plank in their party program which was against the Jewish immigrants that were coming in from Germany and who were competing with Bolivian merchants in towns all over Bolivia such as Cochabamba, Potosí, and

Sucre and Santa Cruz. Some of the immigrants were able businessmen and they were operating stores; the Bolivian merchants were complaining about their competition.

The MNR was getting some more support from Bolivian businessmen because the MNR promised it would make sure that there was no unfair competition from the Jewish immigrants. Well, this of course, further inflamed people in Washington who thought that the MNR, affiliated with this group of lieutenant colonels, was going along with the Germans on anti-Semitism. It was an unfortunate accident that this provision was in that party platform. So we got very little cooperation from Washington.

We had a group of very able young officers in La Paz and I got into a huddle with three of them: Bromley Smith who later became Secretary of the National Security Council here in Washington, and a man named Bob Wilson; and another man who had been working with a mining company in Bolivia--an American gold miner, and had been drafted as a Reserve Officer in the embassy, a fellow named Norman Stines, a very able fellow. Anyhow, I said, "Bromley, could you get together all of the decrees that have been issued by this new government?" Here it was, near the first of February, and they'd come in about the 23rd or 24th of December. So there had been a month of constant issuance of new decrees on various subjects. "...and get together a summary of these decrees, and your appraisal of to what extent they could possibly be considered inimical to the U.S." I said to Norman Stines, who had been very ably working on the proclaimed list of blocked nationals (the blacklist), "Norman, you've been here longer than any of us, and you know the people and the personalities around here. Can you make a little analysis of the personalities of all the people who are the leaders in this revolutionary movement and who are in the government now or anybody who is a party leader in the MNR. Look particularly for any attitudes on the part of these people that we could consider unfavorable to the war effort?" Now, to Bob Wilson, "Every time a new decree comes out," and there would be decrees almost every day, "report them promptly, and we'll keep up with the current issuance of decrees, and make a little analysis of them the same way that Bromley Smith will be making an analysis of those that have already been issued. So you do the current reporting on this." These three men did a splendid job of this, and we got a complete picture, I thought, that should have convinced people in Washington that this was not a movement against the U.S., and that we were really causing ourselves trouble by breaking off diplomatic relations.

Two months went by--February and March--and we hadn't seemed to get anywhere with this, although I think the people in the Latin American division of the State Department were all beginning--almost all of them--particularly Larry Duggan were becoming convinced that we had made a mistake to break off diplomatic relations. But we weren't getting anywhere with the Secretary of State, Hull, and there had already been a very unfortunate misunderstanding between Secretary of State Hull and Sumner Welles. And Sumner Welles had either left, or was on the verge of leaving the State Department. There was a kind of pogrom that was instigated by Ambassador Bullitt who disliked Welles, and he made a number of charges about his personal life, and so forth. In any event, Sumner Welles could not be much help. Of course, he was intensely interested in the war effort, and the European situation. Although he had been the great Latin American expert, he had transferred his knowledge and his judgement, which was excellent on political matters, to Europe to a large degree. So there wasn't anybody to convince Mr. Hull, except Larry Duggan, and Larry hadn't yet been able to do that.

The Bolivian Foreign Minister and I were talking about this, "What are we going to do to be able to convince Washington that the Bolivian Government really deserves diplomatic recognition and normal relations?" The Foreign Minister said to me (and as I say this was about April 1st), "Now if we were to round up these Germans and Japs, and a few Italians, on the proclaimed list, if we were to round these people up, or as many of them as we could get, would you accept them to take away from here into custody?" I said, "I don't know. I'll ask the State Department that question." So I sent in a telegram asking the question, and it was clearly hypothetical, as he said, "If we were to do this, would you accept them, and would you consider that a clear indication that we are wholeheartedly in favor of the war effort?" A telegram came right back saying, "Ambassador Avra Warren," (who had been Ambassador in the Dominican Republic, and was just being transferred to Panama), "Ambassador Avra Warren will be coming to Bolivia immediately to help you with the evacuation of the Germans and Japs." I took this telegram over to the Foreign Minister right away...well, first I had sent another message saying, "Please look at my original telegram, it's completely hypothetical. They said they'd not offered this, they'd asked the question." Nevertheless, here Ambassador Warren was coming down to help me with the evacuation.

I took it over to the Foreign Minister and he said, "Well, he's on his way, we'll talk to him when he comes." That implied, of course, that they were prepared to go ahead with this. And Warren, whom I knew very well, he'd been my boss in Buenos Aires as Consul General (as a matter of fact he'd gone on a couple of these similar missions before), one in Paraguay, to organize the evacuation of people and send them up to detention centers. There was one in Texas, and there was one in North Dakota, one in a place called Crystal City. Anyhow, Warren came, and his bag carrier--he had an aide with him--was none other than Tapley Bennett who later became our Permanent Ambassador at the UN, and his last job was four or five years as the Ambassador to the NATO Council. Tap has become a very illustrious elder statesman. Well, Tap was the bag carrier for Warren. I first met him there, we've been good friends ever since. Ambassador Boal, when he'd left, had asked my wife and me to move into the embassy residence in order to protect it from vandalism and so forth. We moved out of a little apartment that we'd inherited from my predecessor, Allen Dawson, and moved into the embassy residence. So we took in Warren and Tapley Bennett and they stayed there with us. Well, Warren talked very firmly, and very promisingly, in rather vague terms, but he was very emphatic, and he said, "When people are taken into custody, the reaction in Washington will be very prompt and decisive. There will be a very definite reaction." He didn't promise in so many words that relations would be restored, but obviously that was what he meant.

The upshot was that after about a week or ten days--we had given the Bolivians a list of the people that we would most like to have taken into custody. So finally the arrangements were made and these people were rounded up and put in a barracks up at the airport, what we called the Altiplano, the high plateau where the airport was, which was 1,000 feet above the city. The city was 12,000 feet altitude and the airport was 13,000, which raised questions about weather conditions. It had to be pretty good weather for airplanes to come in and go out. Anyhow, these people were rounded up and we coordinated this with arrangements with Panama. As I recall nine DC-3s came in in a rather dramatic flight into the airport, and these people were all stashed

away on the DC-3s and taken up to Panama as a staging operation to the U.S. And then Warren and Tapley Bennett left to go back to the U.S.

This took place along about the 15th or 20th of April, or maybe the first of May. Warren had told me that, after diplomatic relations were restored, he would make arrangements to have another fellow sent in to be Chargé d'affaires, so I could go home to Washington with my wife, because she was expecting our first child. We had been married then about a year and a half and she was expecting a child sometime early in July. Well, we waited and waited for recognition and I became nervous as a cat, and so did the Foreign Minister, because the recognition was not forthcoming. It was along about the 10th of June and United States recognition hadn't yet shown up and here four or five weeks had gone by. I can't remember precisely, but at least it was a month. I'd been promised that I'd be sent to Washington after relations came. Long before, we had made arrangements for my wife to go to Lima to a good clinic there; incidentally, the American doctor in charge was Jack Vault who later was in charge of the medical branch of the State Department. He was running this clinic, and we'd made arrangements for my wife to go there, but now the situation had changed and I was going to be transferred to Washington.

So about the 15th of June, Virginia got on a Pan American plane. The pilot was a little reluctant to take her because he was not very good about delivering babies. Another young woman, who was also expecting, the wife of our Air Attaché, went on the same plane and the two ladies went by themselves to Miami and Washington. Well, about a week later we got the orders to present diplomatic recognition, and also the word that a new Chargé was coming. This was a little unfortunate because the next man in rank in La Paz was a very competent fellow, and I should have been more emphatic in urging Warren not to recommend anybody but him to be the Chargé d'affaires. This was Walter McConaughy, and Walter McConaughy later had about six embassies. He was Ambassador to Korea, to Burma, to Pakistan, and for nine years to Taiwan before he retired. Here this new Chargé was sent in, and Walter was sitting there as the Commercial Attaché; a Far Eastern expert who was in Bolivia during the war. There were no posts in the Far East and he was given this post but, of course, he'd already been there two years and he knew the Bolivian situation far better than the fellow who was sent in. It was a man named Ed McLaughlin. McLaughlin is dead now; he was a confident fellow but his personal habits left something to be desired: he immediately established a liaison with a woman who was a nurse attached to a health agency which was part of the Coordinators Assistance Program during the war, and he made a kind of an ass of himself with this girlfriend. And he had a lovely wife back in Washington who didn't come down there because this job was supposed to be a relatively short term one.

Well, anyhow, I presented the note recognizing the Bolivian administration, establishing relations, and a few days later was able to introduce Ed McLaughlin as the new Chargé d'affaires, and I left. We had regularized relations, at least.

In the meantime Ambassador Boal never got a real job as an Ambassador again. He was assigned to a wartime committee job which headquartered in Montevideo, Uruguay, for the coordination of economic warfare efforts. The U.S. was trying to get the governments of all of the Latin American countries to coordinate their measures along with ours on the proclaimed list, and other wartime measures, and Boal had that job for a year or two and then retired. So I learned

quite a lot in that period from February 1st to, let's say, close to July 1st. I think I got back to Washington just about the Fourth of July, the baby was born on the 20th of July.

Q: *Then you were rather quickly reassigned, weren't you?*

WOODWARD: I was allowed to stay in Washington for a few months and this fitted in with the plans of the Latin American Bureau because of the temporary absence of the man who was in charge of what they called North and West Coast Affairs-- which was from Colombia down to Chile, including Peru and Ecuador, and Bolivia. I was put in charge of that temporarily. I was the acting chief of the Office of North and West Coast Affairs. The man who had been in charge of it was a man who was knowledgeable about German affairs, and he was quickly sent to Europe in the spring of '44.

Q: *The spring of '44 was when you...*

WOODWARD: The spring of '44.

Q: *You were in La Paz from '42 until June of '44.*

WOODWARD: Yes, approximately the first of July of '44. I arrived in La Paz, I think, about the last week in September of '42, so I wasn't there quite two years.

Anyhow, some very interesting things happened when I was temporarily in charge of the Office of North and West Coast Affairs, because just after I left Bolivia, Ed McLaughlin as Chargé d'affaires, was confronted with a most unusual situation. Hochschild, an important minerals producer--a Belgium Jew with Chilean citizenship--was kidnapped. He disappeared, and there was great consternation. He was not an American and we were not responsible for him in that respect, but he was getting tin out of a large number of very low grade mines. He was an important man, an important cog in the war effort, so we had a legitimate concern for him as the manager of this operation. We had two FBI men in Bolivia. They were intelligence officers known as Legal Attachés and had been assigned to Latin American posts at the beginning of the war effort. There was a capable young man named Hubbard in charge of that operation in Bolivia at that time; he found out--and how he found out, I'm not sure--that Hochschild had been kidnapped by the National Chief of Police, and the La Paz Chief of Police, in cooperation. These fellows were quite radically nationalistic in their ideas, and they somehow conceived of Hochschild as being a very obnoxious...what was it President Roosevelt used to call them "a malefactor of great wealth"? He was sort of target number one to the people who hated foreign competition, so they'd kidnapped the fellow.

Well, this young FBI officer had also become quite well acquainted already with the President Villaroel. We all knew President Villaroel. The upshot was the FBI man, the Legal Attaché, went around to see President Villaroel, and he said, "What are we going to do about this?" I don't know his exact language, but he broke the news. Villaroel claimed to know absolutely nothing about it, the President of the country, that his two principal police officers were responsible for this kidnapping. According to the FBI man, he broke down in tears, and he said, "I can't control these fellows, and I can't do without them. I depend on them but I can't control them."

Nevertheless, of course, something had to be done, and it was done; Hochschild and his sidekick, who was a decent Dutchman, a great big fellow named Adolph Blum, were both released. They were both very clever businessmen, and we in the embassy had all known Blum and his wife, very congenial people. Hochschild was a little off in the stratosphere with his high binding activities but he was a very able businessman. He used to invite us over once in a while and give us imported lobsters to butter us up. But anyhow, Hochschild got out, and he left the country right away and he went to Chile. Blum eventually went to the United States, then he went back to Holland. I saw him once later on here in Washington. He was a particularly good friend of Bromley Smith. I saw him over at the Smith's house.

This was the sort of messy thing that goes on with these revolutionary situations. There were apparently wild men in that group of revolutionaries, but they were not against the U.S. war effort. Maybe in retrospect, this period of non-recognition really made the difference. It's hard to tell whether Cordell Hull, with his program of non-recognition, really did have a salutary effect on their cooperation in the war effort, or whether it was totally unnecessary. But the six months, approximately from the first of January when we broke relations, to approximately the first of July, was, of course, a tremendously interesting experience for me, working with the Foreign Minister to try to regularize relations.

I remember there was one fellow in the diplomatic corps whose wise comments and judgement I respected a great deal. I went around and talked to him two or three times during this period, and his name was Bustamente; he was the Peruvian ambassador. He was a very amiable gentleman, and he later became President of Peru. And I still remember very fondly his wise advice and counsel. Of course, he agreed with me that this was a kind of selling operation to restore diplomatic relations. But none of us knew the extent to which the period of non-recognition may have influenced these rather extreme and rather ignorant young military officers. These fellows were brought up as children in rather isolated circumstances in the small towns and villages and later came into the army, and sometimes then began to develop ideas about how the government should be run. They were often very conscientious, dedicated fellows who thought they were working for the public good, but they would come up with some utterly absurd ideas.

And an example of that was an army officer who I think was a colonel, later on became President of Peru for a while. In any event this man came up with some perfectly absurd economic ideas, but a lot of them were distortions of better ideas which they had picked up from the members of U.S. military missions. One of the things in Latin America which should not be underestimated is the extent of the influence on political thinking by members of the U.S. military in aviation and naval missions. Some of these United States officers become very friendly, and even, you might say, intimate advisers with officers of the other country in the course of their long acquaintance with them. This has had, I believe, a lot of effect upon development of new thinking in Latin America, much of which has been very wholesome. Occasionally it's perverted by the thinking from other sources, and other influences, so it develops a certain distorted appearance. I think it is worth making this general observation.

Q: I think this is valuable.

WOODWARD: Anyhow, that was the principal development while I was in charge of the North and West Coast Affairs, this Hochschild incident. Of course, we were handling this as though it were a dramatic detective story from Washington and receiving reports every day or two from the embassy. So vicariously, I had my continuing adventures on Bolivia after I left there.

SAMUEL D. EATON
Consular/Economic Officer
La Paz (1947-1949)

Samuel D. Eaton attended Drew University in 1940 and served in the Army Air Corps in 1943. He entered the Foreign Service in 1947. His first post was La Paz, Bolivia. He also served in Brazil, Thailand, Peru, Spain, and Ecuador as Deputy Chief of Mission. In 1979 he served as the Deputy Assistant Secretary for Latin American Affairs. This interview was conducted by Charles Stuart Kennedy in October 1990.

Q: Your first post was La Paz, Bolivia. What were you doing?

EATON: Well, I would like to say that I think my selection was a good one, and it did provide me action and greater responsibility as well as a low cost of living. It also provided me with a wife.

I started out there in charge of the consulate; they had a Foreign Service officer in charge of the consulate. There I was in my first post and I didn't know much Spanish, but I had a few very competent local employees who helped me with Spanish and also helped me with what I was doing. Then, after about six months, what would now be the DCM, then was the first secretary, left. He was also the political officer. This was a small post, and so I temporarily substituted for him until the new political officer came. I had an office next to the ambassador--the largest office I had for many years. Then, after that, for the final year and a half of my assignment in La Paz, I was in the economic section and I had the responsibility for reporting on labor and mining affairs. Mining, of course, was central to the Bolivian economy.

I'd like to recount an incident that occurred there and which sort of demonstrates what a young Foreign Service officer, in particular in a developing country, may face.

In the meantime, I had met a young Bolivian lady. And I had sought permission to marry, as one had to do at that time, and had presented my resignation, which one was expected to do when one asked permission to marry a foreigner. Eventually, after two or three months, permission was granted, and, about a year after I arrived in La Paz, we were married.

About two or three months later, the government of Bolivia decided to exile the principal mine leader, whose name was Juan Lachine. This precipitated a violent reaction by mine laborers in the principal mine at Catavi, Llallagua. So I was called into the embassy one Sunday morning by the ambassador, with the other officers of the embassy, to consult on what had happened.

What had happened was that the miners had come out of the mine at Catavi at noon on Saturday, thus ending their work week, and they had taken seven engineers, including three Americans, hostage. They were demonstrating and they had these hostages. As I later learned, they had the seven hostages lined up in the back of the sort of mine union hall. And one of the American hostages had the bad luck of having with him his Mexican wife, who had insisted on accompanying him to try to help protect him. And she apparently inflamed rather than mollified the miners. The result was they took him out in the yard in front of the mine hall, tied dynamite to his chest, and blew it up. He died, of course. Another of the Americans was threatened also by the miners. He wasn't killed, but they put a gun in his mouth and shot it off and the bullet came out his cheek.

In any event, at the point that we were meeting, on Sunday, which was the next day, in the ambassador's office...

Q: By the way, who was the ambassador?

EATON: Joe Flack, a career diplomat, a very fine man.

We knew that there had been violence. After this, the army had moved in. There had been fighting and some of the hostages had escaped. One of them had been killed. There were quite a lot of miners who died in the process. But the army was pretty much in control, although there was some sporadic shooting actually at the time. It was decided, in our meeting in the office, that somebody should go out from the embassy. And it was decided that the air mission plane would go out with a doctor and myself, because I was the labor and mining officer for the embassy, and that there wouldn't be any time to go back to my apartment to tell my wife, my new wife. So we got on the plane, and the embassy called my wife to tell her that I was going to be away this Sunday, I was going to Catavi.

Q: How far away was that?

EATON: Oh, it's not awfully far. It's probably thirty to forty-five minutes by plane, but we had to stop in Oruro, which is a city near there. As it turned out, we stopped in the airport at Oruro and our pilot didn't know how to get to Catavi. He knew how to get to Oruro, but he didn't know how to get to Catavi, so we stopped at the airport in Oruro. There, at the airport, they said, "Well, there's a little plane just taking off. They're going to Catavi, just follow them." So we followed that plane and we arrived at Catavi. Catavi had a rather primitive airport, I remember, with an airstrip that had a two-degree gradient, downhill, I think it was. Anyway, we got there and landed.

The mine manager (who was appropriately named Mr. Derringer) met us with a pistol strapped to his side. He took us to his residence and told us about the happenings, that there was one American engineer dead, his body they had, that the other one was in the hospital with a bullet though his cheek, and that the third one, they didn't know where he was.

So the doctor and I went and saw the one who was injured. He wasn't seriously injured, but he was traumatized. I saw the corpse of the engineer who had died, and we made arrangements to return the next morning with the injured engineer and with the corpse, and we spent the night there. As I say, by then things were under control, although there had been some sporadic shooting.

The next morning, we were pleased to find that the missing engineer had appeared. In all the melee, he had gone off into the hills, but he had gotten back. So on Monday, the next day, we returned to La Paz.

But I think this demonstrates what sort of activity a young Foreign Service officer can become involved in, particularly if he goes to a small post.

Q: What was the atmosphere of the embassy? How did we feel about the situation? Was this an American-owned mine?

EATON: No, this was the principal mine of the principal mining company. There were three principal mining companies, but this was a Patiño mine. Patiño, of course, is world-famed and became one of the richest men of the world out of the returns from his mines in Bolivia. This sort of event was not unusual. As a matter of fact, when I wrote my report on it, I looked back in the files and found that my predecessor in the job, Spencer King, a couple of years before had been witness to something similar and written a similar report.

EDWARD C. INGRAHAM
Political Officer
La Paz (1948-1950)

Edward C. Ingraham was born in New York state in 1922. He received his undergraduate degree from Dartmouth College in 1942 and subsequently joined the war effort and served in the U.S. Army overseas between 1943-45. He entered the Foreign Service in 1947. In addition to Islamabad, his posts included Cochabamba, La Paz, Hong Kong, Perth, Madras, Djakarta, and Rangoon. He was interviewed on April 8, 1991 by Charles Stuart Kennedy.

Q: You then went to our Embassy in La Paz. What was the political situation like in Bolivia when you were there?

INGRAHAM: I learned my first lesson about the real world and...actually in retrospect after I left Bolivia, I realized that we had been in a sort of dream world. By "we" I mean the American Embassy in La Paz. I was a political officer. It was rather an informal arrangement. The Ambassador, a fine old man, Joe Flack, was an old European hand (his wife was Viennese) and to him it was like being sent out to be Ambassador to Afghanistan or some such place.

After the overthrow of Villaroel in 1946, there was in Bolivia what you could call a democracy. There were free elections and presidents who were elected. We thought we were watching democracy in action. What we were watching and none of us realized it...I don't blame myself for this, but the older ones there, the DCM, etc., who were either South America or Europe oriented...but only after I left Bolivia did I realize we had been looking at a world that wasn't quite the real world. After an election, for example, I sent in a dispatch giving the election returns and our commentary, which was rather elegant but an Alice in Wonderland commentary because only about one of ten Bolivians voted. The voters were white with Spanish background. The ones who didn't vote were the Indians who made up the majority of the country. They had no part in the life of the country; they were exploited.

A few years later, I think about 1952, there was a big explosion. We had a military mission in Cochabamba to train the Bolivian Army--that was the main reason for keeping a consulate in Cochabamba after World War II. There were five or six rather pleasant American Army officers there, trying to teach the Bolivian Army how to fight, carry guns and march. That army was wiped out totally in 1952.

It was only after I left Bolivia that I realized we really hadn't been in the real world. We weren't reporting on Bolivia, the real society of the nation. We were reporting about this little upper crust of people who ran the country. It wasn't a dictatorship. It was relatively benign, but it wasn't the real world.

Q: It wasn't of the tin miners, unions, etc.

INGRAHAM: They were there.

Q: But they weren't making themselves felt at that time?

INGRAHAM: Oh yes they were. They were making themselves felt to the elite, who saw them as animals down below, growling. There was a certain amount of uneasiness.

A number of Americans worked in the tin mines. I can remember an outburst in one of the mines, Catavi, when several Americans were grabbed by the miners, sticks of dynamite placed on their chests and then blown up. We managed to get the survivors and their families out by plane. Our air attaché flew down and managed to snag them out as the miners chased them across the field. It was rather dramatic. We had one rescued wife and a couple of children stay with us.

But none of us at the Embassy seemed to realize what it really meant: that here was a country seething. Instead, we were following the intricate interplay of politics among the little group at the top.

Q: This, I suppose, was almost endemic to diplomats within much of Latin America at the time, wasn't it?

INGRAHAM: I guess it was. I was trying to recall whether any of us knew better. I can't think of anyone. The only one who might have known better was another junior officer who married a Bolivian girl--fellow named Sam Eaton who ended up as Ambassador to Colombia. I think he was beginning to realize what was really going on in Bolivia. Basically the rest of us didn't. Of course, Bolivia was not the country that attracted the best and brightest among the senior officers.

Q: *I suppose about that time our major concern was Argentina, with Peron and the aftermath?*

INGRAHAM: Yes, it was.

WILLIAM B. COBB JR.
Commercial/Political Officer
La Paz (1949-1951)

William B. Cobb was born in North Carolina in 1923. He received a B.A. from the University of North Carolina and an M.S. from George Washington University. His postings abroad included Managua, Havana, Manila, La Paz, Martinique, Stockholm, and Mexico City. Mr. Cobb was interviewed by Horace G. Torbert in 1990.

COBB: I came in and saw Bill Blue at the Walker Johnson Building and told him I really did not want to go to Madras, because I wanted to see the leaves come out in the Spring and the leaves fall in the Fall and to have a change. Without batting an eyelid he said, "I think that can be arranged. How about La Paz?"

Q: *That taught you a lesson of some significance.*

COBB: La Paz was a wonderful post as far as I was concerned. I think that everybody who has served there looks back on it with a greater degree of affection than eighty percent of the posts where they have served.

Q: *Small posts always are.*

COBB: This was a challenging small post and a very good one. I went by ship again. I had friends in the transportation section in Foreign Service Personnel. I got put on the *Santa Cecilia* going out of New York. And went down to Antofagasta, Chile. The *Santa Cecilia* was supposed to connect with the weekly railroad trip from Antofagasta to La Paz, but it missed so I had to spend six days in Antofagasta waiting for the train, in the Hotel de Londres. I remember it because the water came up in my hotel room and bubbled up during odd times. This was a hotel built out in the bay in Antofagasta. I had nothing to do. There was no consul or other officer there. No American contact of any sort. I just spent a week nosing around town, introducing myself to various people.

Q: Were there any American business men there?

COBB: No American business, it was just the terminus of the rail line and the copper port - there were big copper mines in the area.

Q: We've got to La Paz, what was your assignment there?

COBB: In La Paz I was assigned as the commercial officer. Before going to the La Paz I had gone for two weeks to the Department of Commerce for training and was sent to the Boston field office to learn about operations of the Department of Commerce. I did world trade directory reports and in addition I was responsible for biographic reporting because I had done biographic reporting in Manila. In those days biographic reporting was considered quite important, there was a whole section of the Department that received the reports from all over the world on up-and-coming individuals, leading businessmen and the like. I don't know what has become of that function now, I think they have just dropped it.

Q: Probably to our loss. I remember doing a little of it on a voluntary basis.

COBB: We had a regular form to fill out.

[Transcriber's note - I believe that the CIA now has taken over the biographic reporting function]

Q: You were now at your third post where Spanish was useful to you. And that was remarkable, I had no such experience in my life.

COBB: I suppose that is how I got those posts, they matched my languages. When I arrived in La Paz I was met at the train by John Amott who said, "You are coming to live with me. I have just taken over the DCM's residence and need a roommate badly to pay the rent, so you are coming to live with me." The DCM, Jim Espy had just left the post and the new DCM was a bachelor and was not interested in running a household. Amott, a junior officer in the political section, took the house and proceeded to recruit me and an Army lieutenant, a West Point graduate who was assigned to Bolivia with the Inter-American Geodetic Survey. So the three of us bachelors lived together and it was very comfortable with three rental allowances - we did very well. We had a house with a swimming pool, we entertained extensively. We had lots of good friends. We even entertained the President of Bolivia at a Christmas party. The president came for a pre-Christmas dinner at our house because his military aide was one of our good friends and the military aide said to us, "I think the president would enjoy coming in to an American home before Christmas. If you would like I think I can arrange it."

Q: How did this go down with your ambassador?

COBB: We did not have an ambassador.

Q: Who was in charge?

COBB: Tom Maleady and Tom agreed, in fact he was very pleased. We arranged for the American church to have its choir come and sing Christmas carols on the steps while the president was there. It was quite a show. He met all the members of the group. We had a Christmas tree and he found a present under the Christmas tree. He was a bull fight aficionado and I got him a book called *The Brave Bulls* that had just come out. That was his Christmas present. It was the kind of occasion that a young Foreign Service officer remembers with great pleasure. He did not remain president very long, but we were not responsible for his dismissal.

Q: *Did you stay long in the commercial section?*

COBB: No. I was gradually moving over to the political section. I became the political officer under the DCM. We had a commercial attaché and a commercial officer, a DCM and a political officer. We had an administrative officer who was also the certifying officer.

Q: *This was like the Eastern European posts I served in later on.*

COBB: We had a military attaché's office and we had something which we called the legal affairs office - the other side of the river. When I was in La Paz I did all sorts of things; I was security officer, I wrote the evacuation plan, I was the certifying officer. I got into a bit of trouble - I refused to certify the ambassador's voucher on one occasion because I knew he was cheating. My conscience got the best of me. The ambassador refused to live in the embassy residence and theoretically had two suites in the Sucre Place Hotel, but was only paying for one of them and pocketing the difference. So I refused to certify his accounts and with that an inspector came running down from Washington to see what in the world was going on and I told him. The inspector said to me "I will certify the account, I will take care of it. I can assure you the ambassador will not be here much longer." The inspector went back and arrangements were made for the ambassador to leave.

Q: *Was this a career man?*

COBB: No. This was Irving Florman, the famous non-career man who had been appointed by Harry Truman. He was famous because he had invented the roller on the Dunhill [cigarette] lighter. He passed out Dunhill lighters on every occasion to his friends and others. He had been appointed ambassador, so the story goes, because his brother, who was an industrialist in New York City, had supported Harry Truman. Truman was supposed to have said to him, "You are one of the few people who supported me in my campaign and I would like to do something for you, what can I do?" He said, "Give my brother a job outside the country." [laughter] So Irving Florman was appointed ambassador.

Q: *At least Harry did not have a brother who was a problem.*

COBB: Florman was never confirmed while he was ambassador for eighteen months. So in the absence of confirmation he did not get a paycheck. That was the system in those days. He had to live on his rental allowance and his post allowance. This is why he was fudging on his accounts. While we were there Florman also accused me and others of being communists to the Department. This was in the beginning of the McCarthy days and it was necessary to send down

an inspector to check on this allegation, that we were communists. This came about because Florman had received an invitation directed to him and the staff to attend the dedication of the Franklin D. Roosevelt park. He did not pass the invitation on to anyone of the staff, just kept it to himself and went to the ceremony. He came back in high dudgeon because nobody from the embassy was there. He said, "They are just a bunch of communists, that is all. They did not come to this ceremony honoring Franklin Roosevelt." But not one of us had known anything about it. When it got explained, and it got explained, it was all right.

Q: Well you survived all that.

COBB: I got promoted on the basis of that. In those days my career was going great. I was in Bolivia at the time the revolution took place and I was doing political reporting. We came to the conclusion that Paz Estenssoro who was elected president of the Bolivian Republic by the MMR was not a threat to US interests. The tin companies all accused him of being a communist; in fact the tin companies accused the embassy of being communist sympathizers because it was known that we did not think Paz Estenssoro was anything but an nationalist. We reported to this effect. I later heard Mike Barall who was at the time office director for the west coast of South America, say that the embassy reporting came as a surprise to him, that the desk officer felt the embassy was not reporting accurately. But that he, Barall, had talked to Eddie Miller, who was the Assistant Secretary of State, and they came to the conclusion that the embassy reporting was probably accurate and that it was a chance for the US government to support a popular movement in the hemisphere. They went to Eisenhower and Eisenhower agreed. So the US government recognized the MNR and Paz Estenssoro as president back in 1951 or maybe 1952.

Q: You spoke of a revolution.

COBB: This was the outcome of the revolution. There was an armed revolution, except in Bolivia people do not get killed, they "take" the national capitol, they "take" the presidential palace with armed forces but nobody gets shot. I had Bolivian friends who said, "We have lots of revolutions, but we know how to do them. We don't hurt people in our revolutions. We just change governments."

Q: So that is what brought Paz Estenssoro in?

COBB: Yes. He continued as president for a long time. He had a minister of labor named Juan Lechin who was more leftist than he was. He was originally of Lebanese origin as so many people are in South America, especially people who rise to positions of leadership. The present president of Argentina is an example. Lechin was a leftist and the head of the mine workers' union. He had a girl friend who was working in the embassy and thus through her he was accessible to embassy officers. You could call up and say, "Can I come over and see you?" and he would say, "Sure." We would find out what he thought. That was one of the things I liked; there was very little deviousness with the Bolivians in those days. They wanted our support, they needed our support and when we gave it they were grateful for it.

Q: Who replaced Florman?

COBB: Tom Maleady was charge, and finally Eddie Sparks was named ambassador. Eddie got as far as Lima when the revolution took place. He had to wait six weeks in Lima to be sure we recognized the new government. I went over every week from La Paz to Lima to brief him on what was going on in Bolivia and where we stood *vis a vis* the government and our relationships. We did not have any official relationship, but we had contacts with them.

One other thing that was sort of interesting, when I was security officer of the embassy - the embassy was located on five stories of a commercial building. One day, without any warning, I got a telephone call saying there was a bomb outside the military attaché's office. I said, Okay, went down to the office and there was this bucket and a fuse coming out of it and the fuse was lit. I said, "Well, let's just put the fuse out." We doused it with water, put the fuse out, and called the security people in the Bolivian police and army. They came and took the bucket away and put in a little adobe structure and set it off and it blew the structure into pieces. It was a genuine bomb. [laughter]

Q: *They did not expect it was? Did you ever find out what had caused the incident?*

COBB: No. We thought it was caused by a disgruntled vendor. In those days there were lots of vendors going through the embassy selling artifacts, selling blankets, or carvings or vicuña skins. We did not have the kind of security in the embassy that you have today. It was a sitting duck.

Q: *The barber came into your office.*

COBB: The barber came in and cut your hair. This was part of the game. You did not think anything of it. We think it was a disgruntled vendor who took some offense to the fact that he was not able to make a sale at the military attaché's office, or that they would not let him in.

Q: *They had a little more security.*

COBB: They had a little more security. So he put the bomb outside their door.

Q: *You were lucky. Shall we go back to the personnel business.*

COBB: I was transferred from La Paz to the Canary Islands where I would have been my own boss.

**DEREK S. SINGER
Country Director, CARE
Bolivia (1954-1956)**

Mr. Singer was born in New York City and graduated from NYU and SAIS. He served in numerous USAID missions in Zaire, Kenya, Ecuador and Cameroon. He was interviewed by W. Haven North in 1999.

SINGER: However, within six months CARE had a personnel shakeup in their Colombia office. Fortunately, I was not affected directly, but "on general principles", (I was told) "we are going to re-staff the whole Colombia office. Since you have done a pretty good job for these six months, we are sending you to Bolivia, where you will become CARE country director." So, six months after arriving in Colombia, I was (literally) kicked upstairs to the CARE office in La Paz, Bolivia. This also turned out to be a fascinating assignment. If any country could use CARE assistance, both humanitarian and developmental, it was Bolivia. It is a really interesting place but it is a very poor country, indeed. It certainly was then. Nevertheless, there was a great need for our help, there was plenty to do, and our first child (Vicky) was born in La Paz at 12,000 feet-plus. Among other things, we have great memories of those years in Bolivia for that reason.

Q: What kind of program were you administering there?

SINGER: Just about anything you can think of. It is a big country, a big program, and we were doing a substantial amount of food relief and "food for work". Remember, CARE was based on food, to begin with, almost exclusively. As a matter of fact, in the 1940s, 1950s, even up through the mid-1960s, food in large quantities was being brought in. Chiefly, surplus agricultural commodities, of course; powdered milk, butter, cheese, things that we had more of than we knew what to do with. In the price support program for American farmers, the U.S. Department of Agriculture was buying large quantities of these foods, which were stored at public expense. Fortunately, Title II program got going in such a way that CARE was one of the early organizations to take advantage of the availability of large quantities of food stuffs for distribution. So, the idea was just to find hospitals, orphanages, schools, public assistance groups and programs of many different sorts and kinds, women's groups and so forth, and set up distribution programs for our food in some sort of controlled programs. Since the country was "wild and wooly", one of our bigger problems was to try and reduce the frequent [transport] of the food across Bolivia's very porous borders. But, chiefly, we are talking about trying to get large quantities of nutritious foodstuffs distributed to people with serious and endemic malnutrition problems, for many different reasons, together with some tools and the wherewithal to encourage "food for work" efforts throughout the country.

Q: Any particular lessons from that experience? You must have been doing some quick learning about how to handle food supplies and services of that kind.

SINGER: I learned to always try to find at least a few dedicated and reliable host country people to work with; to emphasize your association with a trusted name like "CARE"; and identify an ally or two at the Embassy to help out in a pinch. Cultivating at least one high-ranking official at the national level can also really help! You can't do it all on your own in a place like Bolivia, especially dealing with the massive quantities of goods which are eminently "saleable" such as we had.

Q: When you say "massive," what scale are we talking about?

SINGER: Oh, I don't know. We are talking about hundreds of tons of food coming in there every few months, not into Bolivia, because it has no seacoast, of course. That was part of my job, to go down to Peru and Chile where ports were located, where the food was shipped in. The key

problems we faced included transportation, monitoring, controls, and putting in place some sort of rational, honest, merit-based distribution systems for the large quantities of goods that we were bringing in. As I said, these were eminently saleable on the many black markets, and most could easily be smuggled across Bolivia's borders, especially to wealthier neighbors like Brazil and Argentina.

Q: Anything else on that you want to comment on about your experience?

SINGER: The experience was fascinating. As I said, I didn't expect to be sent, particularly so quickly, to a position of real responsibility with CARE. It shows what can happen if one is lucky enough to be in the right place at the right time! However, the end of my Bolivia tour was in sight, and I was ready for another challenge. Thus, when I got the opportunity to move on, I decided to switch over to AID. This was in the mid-1950's, before there was much formality in the recruitment process. There were no examinations. I was just told, "If you accept, we are going to nominate you to go to Taipei in Taiwan for a position in the Mission Program Office." I said, "Yes that would be great - go ahead and nominate me, and let's see what happens." So they did, and the Mission agreed.

HEWSON RYAN
Cultural Attaché, USIS
La Paz (1954-1956)

*Ambassador Hewson Ryan entered the USIA in 1951. His career included posts in Washington, DC, Colombia, Bolivia, Chile, and was ambassador to Honduras.
Ambassador Ryan was interviewed by Richard Nethercut in 1988.*

RYAN: By this time I had figured out the angles necessary to get into the Foreign Service so I was able to be considered for an appointment as a Staff Officer in USIA and taken aboard and sent to Bolivia where I believe I was the first person to hold the title of Cultural Attaché in the USIS setup there. That was my first exposure to the inner workings of the embassy, although I had done a great deal of related work in Bogota where in education exchange operations I was Secretary of the Educational Exchange Commission. A good part of my time in Bogota there wasn't any Cultural Attaché, so I did a lot of speaking around the country on various cultural topics and talked to a lot of people who wanted to come to the U.S. to study, and so forth. Then in Bolivia, where I had the title of Cultural Attaché, I was summoned by Ambassador Gerry Drew, a formidable curmudgeon of the old school. He said he really didn't know what Cultural Attachés were supposed to do, but the one thing he wanted to be sure was that I knew all of the standing up and sitting down at te deums, and that I was going to be his liturgical attaché, and I would have to go with him to masses. The Bolivian government at that time was very much given to holding te deums on every occasion. I'd say we went at least once a month and very often twice a month to these interminable masses, and I would accompany the Ambassador and when I stood up and sat down he would stand up and sit down. I remember that as one of my duties there.

But I did a great deal else. We arranged the first visiting professor at the University of San Andres in Bolivia, a man who came from Stanford, a rather distinguished physicist who had Spanish. He came from a Hispanic background, Claudio Alvarez Tostado.

But unfortunately Bolivia then, as is still the case, was in the throes of considerable political unrest, so that for a good part of Professor Alvarez Tostado's time in La Paz the University was on strike. Then finally when the University decided to go back to classes, they found that the water had been turned off in the main building; and in the chemistry laboratories which were built on the seventh or eighth floors--the top floors of the building. There wasn't enough water pressure to bring any water to the laboratories, so Professor Alvarez Tostado had little success in bringing laboratory science to Bolivia. However, he did a fair amount of lecturing, and I think that was one of the accomplishments we had. We opened the first academic exchange between Bolivia and the United States but, of course, it was fraught with all sorts of dangers as is evidenced here. Also, of course, in Bolivia at that time the government of Paz Entessoro--who, by the way is still president of Bolivia, or again president, he hasn't been president all this time--was somewhat populist, and had strong support from the labor unions and the student unions, which meant that the labor unions and the student unions were very often demonstrating and striking, so a good bit of our time there was punctuated with closings of the embassy. Although I must say that the general tenor was not as anti-American as one would find today. It was more directed in general against the oligarchs, against the tin barons and the like. I never really felt threatened personally. I would go out and walk on the streets and there would be demonstrating, and signs, and people throwing things; but it was not the same atmosphere of anti-Americanism which I think so characterizes the Service in so many places today.

My farewell party in Bolivia was perhaps an example of this. I was given a farewell party by my colleagues in the embassy, the Diplomatic Corps, and the newspapers and radio there. It took place in the roof garden of a brand new hotel in the center of La Paz. Unfortunately, that was also a day of protest against one of the radio stations which happened to be located right near the hotel--I think it was by one of the unions protesting something which had appeared in the news--and so there was a great hullabaloo outside and a lot of shouting, a few firecrackers and dynamite. The Bolivians, of course, are very adept with dynamite, and dynamite caps were a part of the demonstrations; and they were throwing dynamite against the wall of the hotel; not really directed at us in any way, just getting rid of their frustrations. Then somebody made the mistake of throwing one of the dynamite caps into a transformer nearby, and all the lights in the center of the city went out. And then they called out troops and there was a fair amount of shooting. And there we were on the top floor of this hotel--no emergency lights--and we had to crawl down, sort of sitting step by step to the street, and then we walked a couple of blocks to where cars were available. That was my final day in Bolivia and certainly an interesting one; and I'm afraid it characterizes so much of Bolivian history of these last 35 or 40 years; rather undirected violence which seems to be so close to the surface in that two mile-high capital.

Q: That was certainly an interesting first assignment in the Foreign Service and you apparently had several assignments in Latin America. I wonder how you would characterize the relations between the Information Office of USIA with the embassy at your several Latin American posts.

RYAN: Things were much more informal then. USIS was a relative newcomer. As I indicated, Ambassador Drew made it very clear that he didn't know what USIA should do, but he had some very definite ideas of what I should do. For reasons that escape me now, I became the top secret control officer in the embassy. We were cleaning out a lot of old files from the '30s and '40s and he had taken a shine to me. Because I was very interested in the history and knew the background of Bolivia, he put me in charge of doing that. So I was doing a lot of embassy things. I would say the relations were really quite close. The Embassy and USIS for a good part of the time I was there were in the same building. Then we did get some offices for USIS a couple of blocks away, but we still had to keep all our classified material there. We had a small office still in the Embassy building and we were certainly an integral part of the Country Team. There was no question about that and we were used for political purposes also, because I can remember being sent to see the Minister of Education, who was being touted as a possible Foreign Minister and whom I knew well. It was a rather intimate and informal relationship. There was not some of the distance which has characterized the relationship among agencies. There weren't that many agencies there at the time.

GERALD A. DREW
Son of Ambassador
La Paz (1954-1957)

Gerald A. Drew was born in San Francisco, California in 1903 .He graduated from the University of California, Berkeley. He toured in Para, Jordan, Bolivia, and Haiti. The following are excerpts from correspondence and journal entries.

DREW: In the fall of 1954 Papa was named ambassador to Bolivia. We all chuckled at the idea, remembering the Peter Arno cartoon in the New Yorker of a meek little man (a big party contributor, of course) being loomed over by powerful-looking, cigar-chomping politicos, and saying "But I don't want to be ambassador to Bolivia!" The wild and woolly household on Fulton Street came to an end. Deirdre had married the "boy next door," Bob DuBose, in January, and moved to Sewanee, Tennessee, where Bob was to resume his college career that had been interrupted by the Korean War. Joan and I moved into Hattie Strong Hall, GWU's only girls' dorm; Mary Aweidah went back to Jordan to care for her ailing mother; and Jerry and Doris went off to Bolivia.

Bolivia was a challenging post—perhaps the poorest country in South America, with the most violent history, it was the recipient of the most U.S. aid except for Haiti, which was to be Jerry's next post. There was a large Point Four contingent in both places for this reason. In Bolivia the leftist MNR (National Revolutionary Movement) had recently come to power and was nationalizing many of the industries; the "oligarquia" was in exile in Argentina and elsewhere. The oligarchs were mostly the parents of the Bolivian friends Joan and I made when we came down to spend the summer of 1955. The young adult "children" were left to rattle around in elegant, fully staffed, but unheated town houses where parties would happen 'most every night. One of the big U.S. projects in Bolivia was the highway leading down from La Paz, the world's highest capital at 12,000 feet, to the tropical lowlands ending in Santa Cruz. The idea was to

spread the population around; it was mainly concentrated in the high altiplano, where it was hard to grow any food. However, when I last heard it seemed the Indians of the altiplano didn't want to move, no matter how much easier life might be in the lowlands. A notable event that brought many VIPs to La Paz in August of '56 was the peaceful transition of the presidency from Victor Paz Estenssoro to his vice president, Hernan Siles Suazo.

Many of the American VIPs stayed with our parents in the embassy residence, hence all the fine thank-you letters.

**OWEN B. LEE
Minerals and Petroleum Officer
La Paz (1957-1959)**

Owen B. Lee served in the U.S. Navy during World War II. He graduated from Harvard University in 1949 and studied in Paris, France at Institut d'Etudes Politiques. His Foreign Service career included positions in Germany, Bolivia, Romania, and Spain. He was interviewed by Thomas Dunnigan on December 4, 1996.

LEE: Yes. I went back and finished my tour there and then from there I went overseas to my first post at La Paz, Bolivia.

Q: *You went to La Paz in 1957. Who was the ambassador at that time?*

LEE: Philip Bonsal and then later Carl Strom. I was the minerals and petroleum officer which was a fascinating position. I had a number of interesting experiences during that time.

Q: *What was life like at that time in La Paz for a Foreign Service officer?*

LEE: La Paz, of course, is 12,600 feet above sea level. It is very trying and the only way to describe it is that I was a young man in my early thirties and I think I was one of the few people who did not come down with any type of illness or anything else. I have only one explanation. I treated myself like an older man. The ones who tried to act their age had trouble because the oxygen was just not there.

Q: *You mean jogging and playing tennis madly?*

LEE: There was no jogging, but every man that I knew who played tennis got into trouble. I played badminton and that was just enough exercise. Otherwise, I took it easy. We were just not built for it. Even though the body does adjust to the altitude after three weeks or a month, it is a matter medically of increasing the red corpuscles in your body in comparison with your white corpuscles. The red corpuscles are the ones carrying oxygen. Therefore your body compensates for altitude by increasing the number of red corpuscles which carry the oxygen and therefore it offsets itself, but not altogether. Meanwhile, you have to be careful of infection because the

number of white corpuscles is down. All this takes time to occur in your body. For example, little cuts from working in my flower garden would take a long time to heal and I ended up with a scar. This never would have happened at sea level.

La Paz was a difficult place in many ways, but a very challenging one in others because Bolivia was a first-class underdeveloped country. It had all sorts of political and economic problems. The biggest problem of all is one that people never think of. It is a plateau which is the size of France and Spain together in the second highest range of mountains in the world.

Communication is extremely difficult. Just communicating throughout this large country was a horrible experience because the roads were all unpaved, there was only one railroad, and the best way to get around the country was by air, and that, of course, was extremely dangerous because in those days we flew DC-3s which had a ceiling of 14,000 feet. We are talking about the capital at 12,600 feet. So, when you flew you had to fly between the peaks, etc. It was an unusual sort of place to be, but a beautiful place because Bolivia, being so high, allows you to look out and see for miles. You can actually see up to 70 miles because the view is uninterrupted by anything in the air itself. The mountains are all mineralized and therefore have lots of color. These colors are very vivid and you have the impression that you are in a very unusual place. The photography was fabulous. So, there were many compensating things in Bolivia.

I had the good fortune of being in a job that got me out. I was responsible for reporting on mining, which was the backbone of Bolivia's economy in those days. And I handled petroleum as well. So, I did get out and traveled a lot, seeing a good deal of the country. I had many interesting experiences during these travels.

Q: Why don't you tell us about some of them?

LEE: Well, let me tell you about one experience in which there were a couple of lessons. This was a trip from La Paz all the way to Potosi, which at one time was, they say, one of the largest cities in the world. It was developed by the Spaniards for the extraction of silver. Most of the work was done by slave labor Indians and there apparently were thousands and thousands of people there at one time. Today the city is much reduced in size, but you can see still the remnants of all of the Spanish exploitation. The trip was made with the DCM, myself and our wives plus the 16-year-old son of the DCM. One of the mistakes that we made and did not know it at the time was, because it was the DCM, the embassy provided us with a brand new carryall truck. It had been driven up from either Mollendo, Peru or Arica, Chile. The Embassy was afraid if sent by train it would be stolen, etc. So, when you brought your personal car in, the embassy would pay for your travel to Peru or Chile, to pick up your car and drive it back. It was cheaper and safer to do it that way rather than by rail.

So, we had a brand new truck and set off from La Paz. We were going to visit several mines, the Huanuni tin mine, and then the Catavi tin mine, the largest underground tin mine in the world. That mine was a fabulous visit, but very dangerous. I can remember being taken down in an elevator to a tunnel and then being shown around by the Bolivian miners. Suddenly there was a boom. They were dynamiting. A couple of times it knocked me down to the ground. We asked where they were dynamiting and it turned out they were doing so in an adjacent corridor of the

mine. I thought to myself that I wanted to get the hell out of there soon. But, for those people dynamite was a way of life and we saw sticks and boxes lying all over the mine. You could see that things were not the way they should be, but it was an experience to see it. These mines were located under mountains that went to 14 - 15,000 feet with the men underground. Although it was very cold outside, they were striped to the waist in the galleries. It was very hard work and life expectancy was low for these miners because of the extreme conditions.

Q: Wasn't that one of the reasons that the Bolivian tin miners became unionized into a very powerful union?

LEE: They were very powerful. During the time we were there the Bolivian Workers Union had a whiplash over the government. One of the ways the miners were used by the government was as troops. I think the people were more afraid of the miners than the army because the miners would come to town and would carry dynamite sticks across their chests. To them, carrying a stick of dynamite was nothing at all and the weapon of choice.

After going down into these mines we left for Potosi. All these roads were unpaved, single lane, mountain roads, and you could never drive more than 25 miles per hour with the windows closed because of the fine dust. The powder got everywhere. You are covered from head to foot just sitting inside. So, you end up filthy without even moving, just sitting in a car for a few hours. We drove all day and then the car started to peter out on us. Somehow or other the motor would just conk out. Then we found that if we pushed it it would start up again. What I want to note here is that we had two women, a 16-year-old boy and myself to push while the DCM did the driving. So, the four of us did the pushing at 14,000 feet. When we managed to get the engine running, we had to wait a few minutes for us to get aboard because we were trying to catch our breath. We couldn't even talk after the pushing effort. We were just totally out-of-breath. We did this a few times and finally had to give up. We couldn't push any more and the vehicle wouldn't move any more. At that point we began thinking of where we were going to stay the night. Of course, in that part of the world there is nobody around. We had passed an Indian village about 3 miles back, but there was nobody around. So, we pushed the car off the road and got out the sleeping bags we had brought and just got ready for the night. We had a couple of sandwiches to eat. It was very cold. The temperature of Bolivia at night was very, very cold. It didn't go down much below freezing, but there is a steady breeze of about 5 or 10 miles an hour that always blows reducing the temperature. I have to say one of the two coldest nights of my life was there. The other one was in Germany (another Foreign Service story). I will never forget how cold it was that night because I got into my sleeping bag, had woolen pants on, a woolen shirt and a sweater and still nearly froze.

But, there is an amusing part in this experience because when we started on the trip the DCM had given me a gun, a little pistol, to keep. We got into our sleeping bags and the two women and the 16-year-old boy slept in the car, and the DCM and I slept in a ravine along side of the road hoping we would be sheltered a little bit from the blowing wind. I made myself as comfortable as I could in the sleeping bag. Suddenly the DCM called me and asked me where was the gun. I said I didn't know where it was. Just then I moved around a bit and my foot kicked the gun which was in the bottom of my sleeping bag. I said, "I found it." He said, "Can you give it to me?" At that point I was about ready to kill him because I was comfortable inside the bag,

but had to get out of the bag, reach down and get the gun and hand it to him. I have never forgotten the experience of how angry I was [in a friendly way] because it was so cold.

Anyway, it was the one night in my life I remember seeing a beautiful moon rise from the east and cross the sky. It was magnificent. It looked bigger than anything. I saw it rise and I saw it set, I never slept. We never had any visitors. Nobody passed, there was nobody on the road. There was nothing but stillness, and the steady cold wind.

Q: Were there animals there?

LEE: Nothing. It was like the desert.

Well, morning came and we got up and said to ourselves there should be somebody coming by at some point. We had some food, but I don't recall we had anything to cook it on, but we did have a small fire to warm our hands. There was one way to start a fire. What we did was to collect what is called pasta brava. This is a very strong grass that grew there. You had to go look for it and collect dry specimens. We put it together and started a small fire to keep our hands warm. Then we just waited.

Well, I don't think we waited too long. In a couple of hours a truck came up the road and stopped when they saw us. We went over to it and there was a man and a lady with a young boy about 16. They asked what was the trouble and we said we didn't know. Well, all I can remember is that the young boy got off the truck, went over to our vehicle, opened the hood and questioned us about what had happened. He put his hand on the generator, took out a screwdriver and removed it. Then he opened it and found the problem. The problem was that the generator that had been installed on this new vehicle had the bushings reversed so that the dynamo was not charging, it was discharging. Consequently, the vehicle had been discharging its battery ever since it had been brought into port at Mollendo, Peru. The generator had not charged the battery, so it just petered out completely. The boy put the bushings on the right way, put the generator back, gave us a push and we were off. We made our way to Potosi. But, I will never forget a young Bolivian boy going right to the problem and solving it for us.

Let me add one political observation, if I may, since we have been talking about this huge country with poor communications. We had a staff meeting in the embassy and someone mentioned that they were still looking for two missionaries in the "Selva", which is the forest of Bolivia. The embassy had been contacting the Bolivian government and they couldn't find anything. I mention this, because due to the lack of communications and the mountains, no roads, etc., we lost two missionaries. We never found out what happened to them. Years later, when I was outside of Bolivia, I read about Che Guevara going to Bolivia to incite a revolt in the "Selva." Having lost two missionaries in Bolivia, when I first heard about Che Guevara having been sent down there by Castro to create a revolt in Bolivia, it made me smile. The reason I smiled was because I realized that if he ever ended up in that part of the world, he was going to get lost or if they found him they would take care of him and that is exactly what happened. There was no hope of anyone trying to revolt where there were no people and communication was so poor. Basically, even when I was there, the government, itself, did not have what we

would call normal police power throughout the country. It did not exist. So, he would have started with nothing. There was nothing there for Guevara to pull together.

Q: But Che Guevara actually came to Bolivia because he thought that the tinder was there for revolution, poor peasants abused, etc. Was there much anti-American feeling when you were there?

LEE: Yes, there was some anti-American feeling among the few politically conscious people. The population was concentrated in the highlands, not in the lowlands where Che Guevara went. The population in the highlands was mostly poor but was relatively unintegrated in Bolivia's economy.

One night, around midnight, I was called at home by the DCM to come to his house right away because he had something for me to do and needed to consult with me. Why did he call me? At that time, I was a stand-in consular officer in addition to my work as minerals officer. (Why did I have these consular duties? I was assigned the job because the regular consular officer, a 23 year-old officer, resigned without giving notice because his wife had lost a baby and she was only 20. The baby had been born in Bolivia weighing hardly three pounds and there was no chance whatsoever of surviving. This was a big issue in Bolivia for all outsiders, whether or not you should have children in Bolivia. The Foreign Service could not tell Foreign Service people not to have children, certainly, but it was a risk. Now, I have to tell the whole story about this youth because this officer made the mistake of refusing advice given to him which was that his wife could leave Bolivia in her seventh month and the baby would come to term normally. It would not come to term normally if she stayed. Where did that advice come from? The advice came from the French. Why the French? The French had a small mission in Bolivia and one of their officers had a baby but what they did was to send her to Lima in her seventh month. She stayed there until the baby was born two months later at which time she was able to return to La Paz with no problems for the baby. Everything was perfectly normal. Now, where did the French get this information? They got it from the Cerra de Pasco Corp, an American mining company in Peru which had been doing this for years. But, our Foreign Service did not advise people on this procedure. It was the only way in which a normal child birth could take place for an outsider in La Paz. In the case of the officer I replaced, he was furious and blamed the Foreign Service and resigned, left immediately, leaving the embassy in the lurch. I in effect filled the position.)

Turning back to the story, I went to the DCM's residence. At the time we were in a state of siege in Bolivia. There was a government crisis. So, when I drove out of my garage and into the street there was nobody in the streets. I drove a few blocks making sure I drove very slowly for fear that any of the militia might think I was trying to flee or something. The problem in Bolivia at the time was that they had an army but it was always in the barracks. However, the political party, the MNR (Movimiento Nacional Revolucionario), had its own militia. A militia is not the same as a trained army. A member could be anybody who happened to be a political zealot to whom they gave a gun. When the government had a crisis, and this was frequent, it would declare a state of siege and somehow the political opponents would be found the next day murdered. It would be stated in the press that they had tried to start a revolt but it was nothing more than the government party taking care of enemies. But the militia had guns and it made us very cautious. So, at the time I left I remember suddenly being stopped by a car just before I

reached the DCM's house. "Where are you going?" A crowd of militiamen surrounded the car. Some of them couldn't even speak Spanish and I didn't speak the Inca language, Aymara. The men finally let me through, but it certainly made me worry.

After arriving at the DCM's home, he said, "We have just had the head of our AID program killed in Cochabamba and we think he was murdered. You are going to have to go down and investigate it. I have arranged for one of the pilots of a company building a pipeline to fly you down in the morning. The AID people are very upset and don't know what to do. I want you to go in and see the governor the first thing in the morning and make sure they give you all the support they can." That was the assignment.

The following morning I went to the airport which is at 14,000 feet in La Paz and as usual I got a headache, the body's response when you don't get enough oxygen. The private plane was waiting for me and an officer from the other (CIA) political section. I was puzzled by this and wondered why he was coming along. Well, Cochabamba at the time, where this incident took place, was one of the important cities of Bolivia half way down the mountains, and was also the center of one of the communist-leaning, certainly leftist, peasant organizations. It was an organization which had been violent from time to time. Our AID program had been there a number of years and the man who was in charge, who had been killed, I did not know.

I arrived and called on the governor of the province immediately and he said they would give me all sorts of cooperation, whatever that meant. I first went to take care of the body. I had never been in consular work but had to take care of the body. It was turned over to us by the Bolivian authorities who told us they had performed an autopsy on his head. Apparently he had been struck in the head at a restaurant outside of town the previous night. Well, the autopsy report said that because of little globules between the scalp and his cranium, he was very sensitive to any type of blow on his head. So, even the slightest blow could possibly have fatal consequences. That was the first sign to me that all was not right about this whole incident. I made arrangements to fly the body back to the United States and then went out to the restaurant to find out what had actually happened.

This is what happened. The officer had sent his family back on home leave and he was to join them later. He was alone and some of his colleagues in AID in Cochabamba took him out to a restaurant outside of town for a farewell party. However, in the same restaurant there was another party of employees of the local Bolivian bank. They were also very well organized, leftist, possibly communist workers. During the course of the evening, drinking was going on in both parties, I am not sure how much, and apparently the bank employees started to hustle the AID people and a fight began. The AID officer was the only American left when things began to go wrong. Apparently what happened was he stepped in to try to separate the two parties and was struck on the head very sharply with a pair of binoculars. The blow was fatal. The Bolivian authorities, I gathered, looked into it and took his body and performed the autopsy and gave the report which I mentioned. As I looked around and actually went to the police station, I met the man who had done this and had him questioned. He gave a very unbalanced presentation of the whole thing. It just happened to be an American, it was too bad, but I could feel that the authorities were going to protect the Bolivian because of his political orientation. Moreover, the

American who was killed was well-known as being very anti-communist and had made open statements, etc., on this point.

What the connection was between the AID officer and the other political officer who accompanied me I don't know, except that he had been rather friendly with the victim. It was an unfortunate incident because it underscored certain anti-Americanism that was present, and what I call a lack of government authority and a lack of what we would call a criminal investigation system, which I did not expect nor see. Some of these things probably are still true there and in other parts of Latin America as well.

Q: How long did you continue as consular officer?

LEE: Just three months.

Q: When you were in Bolivia were there problems with the drug trade, the type we have now?

LEE: No, that problem didn't exist at that time (1957-1959). There was very little of that in the United States at that time too. Coca leaf was available everywhere. In fact, when you arrived in Bolivia, a coca leaf tea was the first thing they gave you to help with the high altitude sickness. It has some effect in relieving your headache, etc. I remember my wife was given it when we first arrived. In fact, when I went back to Bolivia 20 years later they had made some progress. One of the signs of progress that I saw was that they had coca bags (like our tea bags) in Bolivia to take care of the high altitude sickness. I remember at that time, when we did have the drug problem, asking jokingly one of the DEA officers if I could take back some of the coca bags and he said he wouldn't advise my doing so.

Q: It was during your time there that vice President Nixon visited La Paz. Was that a successful visit?

LEE: The visit was most successful and that was one of the curious things about his visit. He had come from Lima where his car had been stoned at the University of San Marcos, and everyone expected Bolivia to be far worse. It was just the opposite. Everything went just as smoothly as can be. I met the Vice President at the time myself. One of the reasons it went smoothly was that the DCM, Wymberley DeRenne Coerr, was sent to Lima to accompany the Vice President to La Paz and had a chance to talk to him and give him some pointers about visiting Bolivia.

Q: That was a very good idea. Anything else that you would like to say about Bolivia before we move on?

LEE: There is one other incident that stands out. During one of the revolts...

Q: Excuse me, revolts by whom?

LEE: Well, the so-called revolts instigated by the government. Anytime the government felt threatened they would call in the miners and others and sort of reinvigorate the MNR party, but it

also gave them an excuse to declare a state of siege and then take drastic action against political enemies they wanted to eliminate, which they did.

In this particular siege in early 1959, following the troubles over the Time magazine incident, we had previously evacuated American families, except for the DCM's wife, but including many AID people who had been sent home. This had come about because of the fact that the embassy had been closed temporarily and evacuated, we had burned all the files because the embassy had been attacked clearly, we believed, with government connivance because of a report in Time magazine. It had been reported in the South American edition of Time magazine, not in the North American edition, that an American official had said that the best solution to Bolivia's problems was the ABC solution, meaning splitting it up between Argentina, Brazil and Chile. By the time the edition reached Lima, the Bolivian authorities heard about it and we were called by the DCM, the ambassador was away at the time and told that we were in deep trouble, and to expect the worse. Everybody should get themselves home as soon as possible and the embassy would be closed. We did go home but meanwhile the embassy was unprotected, and even though it was on the sixth and seventh floor of a building opposite the city hall, the protesters were throwing stones from the top of the city hall and burning embassy vehicles in the parking lot nearby.

Subsequent to that, the decision was made in Washington to evacuate all families and to cut back the AID mission.

Now coming back to where I was, I was alone on Sunday morning and had gone to church and had met a colleague in the economic section, Clarence Breaux, and said to him, "What are we going to do the rest of the day?" He said, "Well, let's go to the mountains and maybe we can see the hydroelectric plant which is up near one of the glaciers. I have never seen it." I said, "Fine." It was about 11:00 in the morning when we started out. We left the valley of La Paz and got to the altiplano (13,000'-14,000') from where stretched most of Bolivia. About a half an hour later we reached the Milluni Mine, a silver mine belonging to British interests. It must have been around 12:30 p.m. What we did not know was that at that precise moment a revolt had just started in La Paz and we were out of town. The Milluni Mine, which I had visited earlier, is located right below one of the most majestic peaks in Bolivia, the Juaine Potosi, which rises like the Matterhorn in Switzerland, and is covered with ice and snow, and was projected against a perfectly blue sky. As we pulled up, the mine itself lay below us and I recall seeing on my right a cemetery. It had a lot of crosses of iron for deceased miners and it made quite a contrast, I thought, to the majestic scene of the mountain. I had my camera and stopped the car telling my colleague that I wanted to get a picture of the mine and cemetery with the mountains in the background. I had to climb up a bit to the cemetery, adjusted my camera and then took some pictures. But, then, when I looked up from the camera, I realized I had taken some pictures of miners who were armed with dynamite and coming up from the mine to the road. It was then I realized that something was up. By the time I got to the car it was surrounded with miners who were shouting this, that and the other. One of the miners came up and said they had to get to La Paz because it was their job to guard one of the areas above the city. He asked where we were going. We said we were going on to the hydroelectric plant for a picnic. Well, he thought we might be able to take them back towards La Paz. I looked at my colleague and said, "Maybe we ought to go back." Well, by the time I said that the car was full of people who had all piled in

with guns, small communication sets, etc. We must have had six or seven of them besides the two of us. We turned around and started back to La Paz.

I noticed that other miners were piling into a truck down near the mine and were following us on the road. We drove back towards the city and got to the point where the altiplano looked down on the city and the valley. The miner in charge said we had better stop there, and gave us some directions. The first thing I knew I had pulled into an area which had trenches around it and had been used before to control the city from the top. I stopped and they all piled out of the car and started looking around to see where they should take up their posts. By then the truck had pulled up with miners armed to the teeth. They had weapons from everywhere. They had some German equipment from the Second World War, French, British and American rifles. It was a mixture. They all piled out and got down into the trenches and took up their position guarding, if you will, the top of the city and providing a barrier to the hydroelectric plant which supplied electricity for the city.

Meanwhile, I could see in the distance that the main road from the city to the altiplano had been occupied by another group of miners and this was a major roadblock. So, I told my colleague that we would probably be better off if we stuck around. He felt they probably wouldn't let us go anyway. They didn't seem to pay much attention to us. They left us alone, we stayed mostly in the car. As a matter of fact, I was at liberty to move around unmolested and took photographs of all these men and their positions. I still have them.

On towards the afternoon we heard a lot of shooting down in the city and wondered what was going on. When it stopped, I said to Clarence that maybe we should try to see if we could go on and get back home. We talked to the head miner who said to go ahead. We looked up at what we could see of the road going towards the entrance to the city and it looked clear. So, I said, "Clarence, look, I am going to drive five miles an hour and move along quietly and see whether or not we can make it." We were stopped at the entrance to the city but were told to go ahead. So, we drove through the outskirts of the city and suddenly I heard some shots fired in front of the car and I stopped. Out of the bushes came some militiamen with guns waving. A couple of them had girlfriends on their arms and others had bottles. I thought, "My Lord, what a mess this is!" They surrounded the car and asked us to open up the trunk. We did and there was nothing in it. I asked if we could go on and they waved us on. We came to another roadblock and again the same scene of drunken militiamen, guns shooting off in every direction. They asked where we were going and to open up the trunk. I opened the trunk and nearly passed out. There were a bunch of bullets in the back of the trunk. They asked where they came from. I knew immediately what had happened. They had come from the previous place where the disorderly militia men had dropped them inadvertently. But, I told them I didn't know where they had come from. Well, there was no fuss and they closed the trunk and we drove on, got home and had a couple of drinks. I do remember reading in the morning paper that what had happened was that the government had suppressed a revolt of some opponents. In effect they were murdered.

PATRICK F. MORRIS
Deputy Director, USOM

La Paz (1958-1961)

Mr. Morris was born and raised in Montana. Educated at Georgetown University, Mexico City College, and San Marcos College, Lima, Peru, Mr. Morris served in the US Army in Europe during World War II, where he was captured and imprisoned by the German Army. He joined the newly established Point IV program in 1950 and worked with that agency and its successors in various senior level capacities in Washington, D.C., in Paris and throughout Latin America. His final posting was in the Dominican Republic, where he served as Director of the US AID Mission. Mr. Morris was interviewed by Charles Stuart Kennedy in 2007.

Q: Where did you go and what did you do?

MORRIS: I went to Bolivia.

Q: You could not get away from that area, could you?

MORRIS: Well, I really did not want to. You know, even at Georgetown I thought that I wanted to specialize in Latin America and so I did not really want to. Of course, not necessarily Latin America but the Andean area, here I am, I was in Peru and then I was in Ecuador and now I am going to Bolivia. I had already, as Peru desk officer, visited Bolivia once and that was related to the drought in Peru because it was in the area next to Bolivia, the Puno area of Peru where the drought was. And so I had visited La Paz as desk officer and I knew most of the people who were working there. It was not a great shock or surprise; Bolivia was not a desired post. La Paz is 12,000 feet altitude and it- Bolivia was probably the least developed country in South America. Mining was the primary source of income and revenue for the government. The famous tin mines of the Patinos and the exploited miners had finally resulted in a revolution in 1952, a democratic revolution but also was considered by many in the United States to be a communist revolution.

I think luckily for the United States Government, Eisenhower was president and he had a very intelligent brother named Milton. Milton Eisenhower headed a commission to study Latin America and one of the countries they went to was Bolivia. And of course the reason was because at that time, this was the beginning of the Cold War and there was the thought that here, we are going to have a communist government in Bolivia and it is going to spread to the other countries and then we are going to be in real trouble. So they sent Milton Eisenhower, and his recommendations to the president were really right on. He recognized that this had very little to do with international communism, that it had to do with social justice and that these people, while certainly full of Marxist doctrine and Marxist rhetoric were really concerned about the terrible distribution of income in the country and the poverty of nine-tenths of the people. And here was a government that was dedicated to doing something about it. They had already, before Eisenhower got there they had already had land reform, instituted land reform and taken large estates away from land owners and they had nationalized the Patino mines; all of the large mines had now become government owned. Milton Eisenhower's recommendation to his brother were simple, that this is a government you can work with, they are not a threat to anybody. They are going to have an awful time, having nationalized everything, they are going to have a terrible

time staying in power, for one, and secondly making good on their promises to the people. It made sense from the United States' point of view to work with them.

The Institute of Inter-American Affairs had had very limited programs in Bolivia and I am not sure why they were. There was no agricultural servicio, there was no health servicio. I do not remember, I think there was a small education servicio; that is all there was in Bolivia. Then after the 1952 revolution and the recommendations of the Eisenhower Commission, we started something that was unique and certainly unfamiliar to the Institute of Inter-American Affairs; we started a program of grant budget support to the government. We were providing direct funds to keep that government solvent. Because the inflation rate had taken off because the government was printing money, inflation had taken off and you needed a suitcase full of bills to go buy anything in the supermarket. Actually, no supermarket, just the market; the money was practically worthless. After the Milton Eisenhower mission they sent an international banker down to make recommendations and one of his first recommendations is that we had to give the government budget support and then help them set up a very strict central bank, anti-inflationary policy, cutting down on the printing of money.

So all of these things were already in motion, had been initiated by the time I was assigned to Bolivia. The revolution was in 1952; I think we established the mission there in maybe 1953 or '54. The first director of the Bolivia mission was a guy named Oscar Powell and he had been the Marshall Plan director in Greece. So Oscar Powell viewed things in terms of macroeconomics and I think that this was the beginning, this was the first time that any of us in the Latin America area had thought in macroeconomic terms and not technical assistance terms.

Q: When you say "macroeconomics," what do you mean?

MORRIS: Well, I am thinking primarily of the effect of monetary policy on economic development and the utilization of budgetary support from the U.S. Government to the Bolivian Government as a way of helping them manage their economy and help them develop economically. But of course the fact is that Latin America and especially Bolivia was not Europe and while dealing only at the macro level with the bankers and the fiscal managers was sufficient in many places in Europe it was not sufficient in Bolivia. We still had to deal at the micro level with a lot of technical assistance programs.

So when I arrived inflation had been brought under control. We still had a substantial budget support program and the Bolivian Government was saddled with all of the mistakes that it had made a failing land reform program and its nationalization of all of the tin mines. And actually, they had a small oil industry and they had nationalized that as well. So they were still in very, very difficult circumstances. For the whole time I was there, by that time- I was assigned as program officer and within six months the fellow who had been deputy director of the mission had resigned or retired and I became deputy director of the mission. So we were dealing with both macroeconomic problems and technical assistance, doing both at the same time and trying, as best we could, within the framework of U.S. Government policy trying to promote democratic government. And it was very important for us, that is the U.S., that even though this government had come in as a result of a coup that they establish democratic practices and have honest elections and that had taken place just before I arrived. Paz Estenssoro, who was the first MNR

(Movimiento Nacionalista Revolucionario) president presided over democratic elections and Siles Zuazo was his successor. And so all the time I was there Siles was president.

Q: You were there from when to when?

MORRIS: I was there from 1958 to 1961. Actually, it was the end of 1958. I guess I arrived the last day in December of '58 so it was really '59 to '61.

During that time democratic practices seemed to take hold and they had inflation under control and we, with them, were making real progress in certain areas. Before I got there they had set up a road servicio; that is, an organization that would build and maintain roads. They had a ministry of transportation, which had a very small budget and could not do anything but pay the people who worked for them; they did not have enough money to do anything. And they were so badly organized that even if they had gotten the money nothing would have happened.

We set up a road servicio and we got fairly large grant money to help them begin to build highways and to maintain a basic road structure. The first highway that went from La Paz to Santa Cruz was built, actually first to Cochabamba and then to Santa Cruz, was built under the road servicio. We decided, while I was there, that the road servicio had made such progress and was such an outstanding success that we could turn it back over to the Bolivian Government completely and we did that while I was there.

Q: Was drug; was that a problem at all?

MORRIS: No, it was not. It was before; it is interesting, cocaine, cocoa; the cocoa leaf is a basic commodity in Bolivia. All of the Indians chew cocoa, the highland Indians chew cocoa and it is both a stimulant and a substitute for food. If they chew cocoa they do not feel hungry. And this practice of chewing cocoa dates back to the Incas themselves so this is a cultural thing and it was not unusual during my time in Bolivia to see truckloads of cocoa leaves coming from the Yungas, which is really highland valleys, sub-tropical highland valleys, large truckloads of cocoa leaves coming up to La Paz to be sold in the markets. This was before the '60s, I guess, which is the drug culture in the United States so that there was no thought of export. And the interesting thing is that even beyond the Indians you could go into any restaurant and have cocoa tea and this was part of the culture.

Q: Of course Coca Cola originally had- Well anyway, how about, did you have any interaction; I mean your program and you at all, with the miners who were a breed apart almost.

MORRIS: Oh yes, yes. The head of the miners' union was a man name Juan Lechin. Juan Lechin was, in Latin American terms, a cacique. A cacique is an Indian chief and in Latin America it means a boss. And Juan Lechin was like John L. Lewis in the United States. Lechin was a flamboyant character who lived very well and he was not only the head of the miners' union but he was also vice president under Paz Estenssoro and so he was a labor leader and a politician. And the nationalized mines were run by the government as a separate corporation called Comibol. And Juan Lechin was also the head of Comibol. He used the miners more as a militia than anything else and in fact, all the time I was in Bolivia the central government, it is a little bit

like Kabul is today. The central government just controlled the city of La Paz and a little bit of the outskirts and then the rest of the country was patrolled by militias, various Indian militias. Juan Lechin by any stretch of the imagination was probably the strongest man in the country because he controlled the miners and the miners were probably the largest single militia force in the country. And he could bring out the miners to march down the streets of La Paz any time he did not get his way. So all the time we were there there was infighting in the government.

Q: Well did you find that this intruded into your programs?

MORRIS: Oh yes, very much so. You know, it was very difficult at time. The road servicio, especially because they were moving through the country building roads where roads had never been built before and they were always intruding on somebody's turf. In fact, when I used to go on field trips you would drive along and you would run into a roadblock and here would be Indians at a roadblock; they either wanted a bribe or they wanted, if you had firearms they wanted your firearms. We had an awful time, you know, negotiating with these people and being able to operate. And some of our people, some of our technicians would run into real problems from time to time with these militias because they were all over the country. The highland agricultural workers had some kind of organization but there were militias and we had to deal with all of them and our local people, our servicio people, learned who the militias were and how to get along with them and find out what they wanted and try to be cooperative in helping them get what they wanted. So we were not only dealing with the central government we were dealing with all of these factions throughout the country. I suppose that even today that Bolivia still has some of these elements. In other words, the central government and its extensions do not necessarily indicate what is happening in the countryside.

Q: By the time you left were you, you talked about the roles- were you doing other things?

MORRIS: Yes, we were. We had some very good successes in agriculture. We set up agricultural vocational schools, a large one in Cochabamba and another one in Santa Cruz and we were working on rice production, sugar production and by that time the Development Loan Fund came into existence. This was a TCA innovation to help us in our areas of technical assistance where we could get additional money. And so we had a lending office, lending, making loans to various enterprises throughout the country. We had loans for Brazil nut production; we had another couple of loans for sugar production. And these were successful loan programs where we really did help people get started in various activities and they were successful at them. And they paid back their loans.

We had an education program which was basically primary education, expanding the number of primary schools throughout the country. And we had a nurse training program in health. Those are the areas that I recall most specifically.

I think that on the whole the programs that we were operating there were useful and successful in terms of advancing specific project areas.

You asked earlier about the miners. Since we were engaged with the Comibol- we had resisted, all the time I was there, even though we were providing budgetary support to the government we

resisted that any money go to Comibol. This was a corporation that was operating mines that presumably could make enough money to stay in operation; maybe not making fabulous profits but tin, selling tin on the international market was a good business. And we resisted helping Comibol. The IMF (International Monetary Fund) had a representative there all the time I was there and the IMF's primary concern was that the Bolivian Government keep inflation under control. The Bolivian budget was growing; we were not increasing our money to the Bolivian Government so there began to be pressure on us to begin providing budgetary assistance to Comibol as well. The entire time that I was there we resisted that. After I left there was a change of aid directors and there was a change of ambassadors and the ambassador who came in later on and the aid director decided that they would begin providing budgetary assistance to Comibol. I am not sure how that worked out but I still think it was a mistake.

Q: Who was the ambassador?

MORRIS: Well, the ambassador while I was there was Carl Strom.

Q: That is right; I remember him.

MORRIS: Carl Strom had come from Cambodia. So all the time I- Well, actually when I arrived Phil Bonsal was the ambassador. And Phil went to Havana; he was the first U.S. ambassador, maybe the only U.S. ambassador, during the time of Fidel Castro. Bonsal dealt with Castro I guess until maybe he was declared persona non grata at some point. So it was Phil Bonsal and then it was Carl Strom.

HERBERT THOMPSON
Chief, Political Section
La Paz (1958-1961)

Herbert Thompson was born in California in 1923. After serving in the US Army from 1943-1946, Mr. Thompson finished his bachelor's degree at the University of California. His career included positions in Spain, Bolivia, Argentina, Panama, Chile, and Mexico. Mr. Thompson was interviewed by Thomas J. Dunnigan in 1996.

Q: Today is May 14, 1996. I am resuming my discussion with Herb Thompson. Herb, when we last talked I asked you your impressions on arrival in Bolivia, and you responded in shall I say a humorous manner. Why was that? Did you find Bolivia that exciting?

THOMPSON: Yes, it was exciting. It was a fun place in many ways. I suppose I chuckled because Bolivia has to be one of the most exotic places in Latin America as well as the most politically unstable country in the hemisphere. Bolivia is also a dramatic place, physically and remarkably beautiful. At that altitude, which is above 12,000 feet in places where most people live, one gets an absolutely gorgeous light which is unique in my experience and a wonderful

climate where it is warm in the sunshine and cool where you step into the shade. Of course one is always a little breathless at that altitude, but more or less one gets accustomed.

Q: What was the state of our relations when you arrived? Were we getting along well with Bolivia?

THOMPSON: Yes. I recall we were doing all right with the so called revolutionary regime in Bolivia. The MNR, the National Revolutionary Movement, had been in power since 1952 and I was there in '58. The problem in Bolivia always was not so much whether we had a good relationship, it was a question of how dependent Bolivia was going to be upon U.S. assistance for the present and in time to come.

Q: Were our people threatened there? Were there riots against the embassy? How did their feelings illustrate?

THOMPSON: That's part of my chuckled response I guess is that at one point in our stay in Bolivia, some correspondent, presumably not the regular Time correspondent, but another doing an article on Bolivia, included in it the canard which was then old, old in the hemisphere, that Bolivia and her problems should be divided up among her neighbors, and attributed that to an officer of the United States embassy. The result of course was a tremendous riot on the streets of La Paz directed at the embassy and which was finally brought to a crisis by the President's telling our Chargé by telephone that he simply could not guarantee the safety of the embassy premises or its personnel any longer. One can question that, of course, in as much as there certainly had been government participation in putting the riot in motion, and by the time things really got hot and heavy and the cars had been torched in our parking lot and so on and the mobs were in the street breaking the windows of our embassy building that we shared with a bank which got the most ground floor damage, there was a cordon of civil guard police around the embassy doing a pretty effective job of deterring entrance into out premises. But it was yeoman labor and I suppose the President simply didn't want to maintain that struggle any longer. In other words, I think it got completely out of hand. The upshot was that we burned our files and evacuated the embassy and removed all our personnel down to a nearby suburb called Qualicoto where we stayed for a week or ten days before returning to our homes in the city and reactivating the embassy.

Q: Certainly there must have been some reaction from Washington because of this. Did they lean on the Bolivians to cease and desist or did we ask for compensation for our embassy?

THOMPSON: I am no longer entirely clear on what happened, but my impression is, given our assessment of the limited capacity of the government, no real effort was made to put any pressure on them for what they had done. In other words they had gone through the motions of trying to protect us from this incident when it got underway and they had given us fair warning that they could no longer protect us and to some extent helped us evacuate. So I think we just let it pass.

Much in the same way we let it pass when my wife was attacked on the streets of La Paz on another occasion having nothing to do with this affair. The irony is that she was out collecting

for Bolivian charities and had gone into town to see a number of Bolivian business people to ask for contributions for their Red Cross and hospitals and so on only to have made the fatal mistake of having parked near the Ministry of Campesino, otherwise rural or farmer affairs, where in her absence a mob gathered demonstrating against the government over a variety of farm complaints. When she returned to her car, she was sighted by this mob which simply turned and bore down on her. She barely made it into the car with scratches and bruises and considerable disarray and damage to her clothing, and with remarkable aplomb at the time, managed to put the car in motion and move slowly enough not to run over anyone and still get away from the site. Afterward the President, this was President Pass, apologized to our Ambassador and asked that his apologies be extended to my wife, but that was the extent of it.

Q: So it was a place where your lives were at stress, if not under danger often.

THOMPSON: Well, yes, to some degree. It was a very unsettled place. You know that since the achievement of Bolivian independence some time in the second quarter of the 19th century, Bolivia has had an average of more than one government a year to date. So political life expectancy in Bolivia is not very great, and that is associated with a good deal of turmoil and violence.

Q: There was an incident where the Foreign minister had to seek refuge in our embassy. Do you recall that? Or perhaps it happened after you left.

THOMPSON: I can't [recall the] occasion.

Q: I was reading an account where he had been pursued by a mob and had to take refuge in the U.S. embassy there.

THOMPSON: It sounds perfectly natural. I would be rather inclined to think that the Bolivian Foreign Minister would be loathe to take refuge in the American embassy. [But] he was entitled to jump in any door he could.

Q: How strong was the Communist influence there from Moscow or from Castro in those years?

THOMPSON: The Castro influence was alive and growing at that time. The Soviets were active and doing their best to cause trouble. But it was not a kind of overriding consideration on our relationship. Certainly the East-West arm wrestling was a constant factor there.

Q: But there was never a threat to overthrowing the government, say by Castroite people.

THOMPSON: There was never really an overt threat. There was a period when the MNR had splintered to the degree that its own members had taken on the coloration of a much wider political spectrum than they presumably represented when they came to office. On the left wing were the large labor organizations, primarily the miners but including the farm workers as well. [The farm workers] were at that time under the sway of Juan Lachine, a rather well known figure in Bolivia who was then or sometime nearabouts also a senator. But while there was a significant leftist influence in Lachine's organization and in his own orientation and political stance, I think

the U.S. was sufficiently alert to the problem and sufficiently forthcoming in trying to take some actions to forestall any problems of that kind in a timely way, that it was avoided. At that time Washington decided on the basis of embassy reporting and recommendations that it would be well to designate a special mission to visit La Paz for the purpose of assessing how we might lend support to the existing Bolivian government. That [] continued for several weeks and did result in some action by the United States on the aid side that I think was very helpful at the time.

Q: Now you served under two career ambassadors, if I'm correct, Phil Bonsal and Carl Strom.

THOMPSON: Yes, and I was still there when Ben Stephanski came.

Q: Were these ambassadors effective or could one be effective with the Bolivian government in those days?

THOMPSON: I think they were as effective as one could hope to be; it was not an easy post for anyone. At least in the early part of our relationship, our AID activity was not at a level that contributed greatly either to their stability or to our relations. That improved somewhat, later on.

One vignette from our stay in Bolivia that I recall very well is that I think it was on the eve of the 1960 elections I undertook a sort of a countrywide tour to take its political pulse and see what was going on and in the process stopped at the great historic silver mine of Bol Potosi, which as you know the Spaniards worked for many years during the colonial period. Since that time the silver had long disappeared and is now a major Bolivian tin mine. But at the time of my visit the mine manager offered me a guide to take me down into the mine and into the workplaces to get some notion a what life for the miners was really like. I learned more about it I must say than I ever intended to. This miner took me down the elevators to a very low level of the mine and then led me through a circuitous and almost impassable passage, part of which we had to negotiate on all fours, to an area where he wanted to show me what they called a chimney, which is an upright shaft branching off the main corridor, if that's what one can call what we were in, with a platform above.

My guide preceded me up the ladder to this platform, and I was just stepping onto the platform when he suddenly turned to me and said, "Get down. Get down. There's gas." So I began to climb down only because he had asked me to do that, fully convinced that this was the old-timer's indoctrination of the newcomer and he was simply trying to give me a big scare. I continued to believe that until all of a sudden he fell flat on his face with his legs hanging over the edge of the flooring of this chamber and started to breathe in a very studious manner. I then understood there really was a problem other than his trying to have fun with a greenhorn and proceeded to notice that, either from pure nervousness or from the gas, I was getting rather woozy myself. I was partly down the ladder by then but I came back up to try to bring him down and pulled him off the platform and started back down the ladder only to discover that one of his legs had gone through the rungs of the ladder and he was hanging by his knee as I was trying to bring him down. Which meant that I had to go back up and put him back on the platform and untangle his leg from the ladder before we could start down again.

Q: Were you carrying him or how?

THOMPSON: Carrying him to the extent. Fortunately, he was not the biggest man in the world. But I'm sure the devil has spoken to me a lot of times during my life but never so clearly as on that occasion. I remember very well that when I discovered that he was immobilized with his leg through the ladder and that I was going to have to go through a lot more to get him out of there it came to me very clearly, I was a relatively young man still in my thirties with a young wife and two very young children, and the question was what in the world was I doing in this place running this kind of a risk. Happily, I recognized that temptation for what it was and put it behind me, but I must say it was a shaking experience.

In any case when I finally got him down off the platform and away from the ladder, there we were back in this small corridor up which we had traveled. I thought I knew the direction in which to go and asked him and all I could get out of him was "Get out. Get out." So I took him under one arm and did the best I could to get us down the corridor in the direction I thought we had come. I turned out to be right and ultimately we came to the point where we had to go on all fours again. I had considerable difficulty getting him through there. But as we went on he began to revive and was able to move on his own volition and strength. By the time we got back to the main working area of the mine, he was walking again, but disappeared immediately thereafter never to be seen again. When I asked the mine manager how it was that I never heard any word from this beneficiary of my largess, he simply explained it was too embarrassing an experience for any miner to go through to have a greenhorn rescue him in his own mine.

Q: That was a fascinating but very dangerous situation for which you were not decorated by the Bolivian government I guess.

THOMPSON: Oh, no. I was decorated by the American government. I received honorable service award or distinguished service award or something of the kind [in 1960].

Q: You should have at least gotten congratulations.

THOMPSON: At the time but that was all the recognition there ever was.

Q: I imagine you didn't visit many mines from then on in Bolivia.

THOMPSON: [You're right!]

Q: Well, your tour in La Paz came to an end in 1961 and you were transferred back to the department to the Bureau of Latin American Affairs [ARA] and you became Deputy Director of West Coast affairs.

**WILLIAM LENDERKING
Assistant Information Officer, USIA
La Paz (1960-1961)**

A native of New York, Mr. Lenderking graduated from Dartmouth College and served a tour with the US Navy in the Far East before joining the Foreign Service of the US Information Agency in 1959. As Public Affairs, Press and Information Officer, he served in posts throughout the world and in Washington, D.C., where held senior level positions in USIA and the Department of State dealing with Policy, Plans and Research. Mr. Lenderking was interviewed by Charles Stuart Kennedy in 2007.

LENDERKING: I went to Bolivia. In those days your first two years constituted your first assignment, divided into a ten months training assignment, and then a junior officer position in a different embassy for the remainder of the first two years. So I went to La Paz, Bolivia, as assistant information officer.

Q: You did that from when to when?

LENDERKING: June of '60 to June of '61.

Q: What was the situation in Bolivia when you got there?

LENDERKING: It was pretty bad; some would say it has not changed much but in fact it has. The Bolivian government was leftist/populist, with its main constituency being the powerful labor unions, chief among which were the miners. Many of the oligarchs had been chased out by the leftist but much milder revolution under President Victor Paz Estenssoro, and the tin mines nationalized. I use the term "oligarchs" because that was the general pejorative word used to describe anyone who had been part of the old establishment, you know, the tin barons, wealthy landowners, and the like. La Paz was also undergoing a leftist revolution, not nearly as virulent as in Cuba, but certainly the sympathies were somewhat the same; it was a leftist revolution but not communist.

Q: Who was the ambassador?

LENDERKING: Carl Strom. He'd been ambassador in Cambodia and I think a couple of other places. I remember him saying one day at the morning staff meeting, (to which I was pleased to be admitted, but played my role as the most junior officer in the embassy by rarely saying anything) that he had never seen a country like Bolivia. He said it was almost hopeless, and at least in Cambodia, from which he had come, you figured well, maybe in 25 or 30 years there would be some hope that they might be a little bit better off but in Bolivia I don't have that feeling at all.

Q: What was the USIS operation there?

LENDERKING: We had a small, five man post in La Paz, two on the cultural side, and two on the information side, headed by a public affairs officer. And then we had a branch post in Cochabamba, which is the principle interior city, and in those days there was an American Consulate but the only USIS American in Cochabamba was the binational center director. And

then in Santa Cruz, which is in a now prosperous oil producing, jungle part of the country in the east, we also had a reading room but no American staffer.

Q: How would you say Bolivian/American relations were at the time?

LENDERKING: They were rocky; we got along well with the old establishment of course, and they liked us. And the rest of the country did not care for us much. They saw us as aligned with the old traditional interests and there was a lot of suspicion and hostility among the campesinos, the Indian population, which had been downtrodden and never had any cause to expect much of anything from us or their own government. Those who were leaders in that group were highly politicized, often doctrinaire in their campesino socialism, and were not friendly. I remember going around to the radio stations, some of which were in the hands of ethnic Indians and they would allow me to visit and they would sit me down and start asking hostile questions about U.S. foreign policy. It was very good training for me but it wasn't terribly pleasant.

Q: Was there a divide between the people you were in contact with and, say, the miners? Were they a breed apart, pretty much?

LENDERKING: Yes, I think so. I think the people we dealt with were university people, professors, intellectuals, politicians; that was more the political section but in my case I had a lot of contacts among the journalists. We had Bolivian journalists, ex-journalists on our staff who knew the territory, had good contacts, were good writers, and very helpful. The miners and other labor groups were organized in powerful unions; for the most part they were Indian, not well educated, and suspicious of Caucasians for historical reasons, going way back to the time of the Incas.

Q: Was there much travel to the United States by journalists and the wealthier classes?

LENDERKING: Not a lot, although everyone wanted to go. Bolivia was and still is a very poor country and so a lot of the really wealthy, say the mine owners and people of that level had been forced to flee to save themselves and some of them went to America. Also, some of the people whose businesses were not prospering under this new regime probably left. That was the time when jet airplane travel was just starting commercial service, so when that started that gave a boost to regular travel, but in the beginning there wasn't a lot of tourist travel back and forth.

Q: What impact did the 1960 election in the States have? Because this election engaged a lot of Americans and was closely watched overseas.

LENDERKING: Of course, we were concerned in our parochial situation of how the election would impact on Bolivia and our relations. I remember election night, we had a usual election night scenario; of course it was very close, and almost all the Bolivians there strongly wanted Kennedy and they didn't like Nixon. They were cheering Kennedy's certain victory, and our information officer said, hey, this ain't over yet. If you want to see a winner you're going to have to stick around until dawn. When Kennedy finally won, the journalists and most of our contacts were very pleased and had no trouble saying so.

Q: Was it difficult dealing with the Bolivian Government? Because this is a time when no government lasted more than a couple of months, right?

LENDERKING: Well, this government lasted a while. We tried hard to build rapport, and we had a large assistance and development program that was generally welcomed and was engaged in helpful projects. But a lot of people we were trying to reach were suspicious of us, and in the labor unions and especially the miners, there was outright hostility. In fact, two Americans from the embassy were kidnapped shortly after I left, and held hostage by the miners for several weeks. But we did have access, and we could meet with our critics and talk with them.

Q: What about the universities?

LENDERKING: Difficult. There was a lot of hostility. Sometimes you had to be careful on campus because we were not welcome on most of them, especially the national universities that were in the hands of radical leftists and communists. This was generally true throughout Latin America, while the smaller, more elitist private universities welcomed us and were friendly.

Q: Was there anything that you all were trying to do to penetrate the campus?

LENDERKING: Well yes, the usual panoply of USIA kinds of things; visiting speakers, lectures, the Fulbright exchange program, and so on. We had a very good binational center that had a separate location away from the embassy. It was under the direction of a binational board, so it avoided to some extent the taint of being a Yankee institution. We had a lot of university students enrolled and learning English and taking courses, and participating in activities. So we did what we could.

Q: Did you get out much?

LENDERKING: Oh, yes. One thing about Bolivia, it is a spectacular country. Overland travel is difficult; the roads aren't good, it's very mountainous, there are often landslides and dangers from storms or falling rocks, but it's rugged and very scenic. There wasn't much public entertainment, even in La Paz, so we all traveled all the time, officially as much as we could with our small budget. On weekends we'd get a small group of friends together and go somewhere on our own, to some exotic place. It was rugged travel, but great fun.

Q: Was that a different world?

LENDERKING: Yes, indeed. And the people we encountered in the countryside – campesinos – were not especially friendly but they were certainly not hostile. But they lived in poverty and had no amenities. Their lives were hard.

Q: Cochabamba; how was that?

LENDERKING: Cochabamba is at around 8,000 feet in altitude, over a mile high, but it is balmy compared to La Paz, at 13,500 feet the highest capital city in the world. La Paz was warm and sunny during the day but became chilly with a penetrating cold at night. So Cochabamba was

nice for a respite, although there wasn't much public entertainment there either. We had to make our own fun. There were also some fascinating areas on the Altiplano, or high plain, sort of a high desert where most of the Indian population lived, and those trips were always adventurous.

PATRICK E. NIEBURG
Information Officer, USIS
La Paz (1961-1963)

Patrick E. Nieburg joined USIS in 1962 and served for more than 25 years in a variety of positions in Latin America, Europe, and Asia. Among the countries in which Mr. Nieburg served are Brazil, Vietnam, Sweden, Germany, and Turkey. Mr. Nieburg was interviewed in 1988 by Allen Hansen.

Q: *And your first assignment was Bolivia.*

NIEBURG: And then following, of course, the idea to send me to language school and learn Spanish was that I was assigned to Bolivia of which at that point I knew .. absolutely nothing.

Q: *What was your position there?*

NIEBURG: I was going to Bolivia as the Information Officer. And it was in a sense a very exciting time because it was at the start of the Alliance for Progress. All kinds of fascinating things were happening, the creation of "the Wisemen"--of the idea of getting the Latins themselves involved in their own planning and policy processes in helping them help themselves.

Q: *Was that in 1962?*

NIEBURG: That was in 1962. The usual problem had happened, one of the clearance process. So that while I made my application early in 1962--I think it was in the winter--my actual appointment did not come about until May which did not really bother me very much because I was very much engaged then. I was Associate Editor of a monthly newspaper, an economic newspaper, called Economic World.

It was a fascinating publication because it had such people as Paul Hoffman and others on the Board of Advisors. We were really into the spirit of the early Kennedy era spearheading a lot of new ideas in terms of international economics, foreign aid and trade.

So I was not at all in a hurry to join USIA. But my appointment finally came in May and this is when I .. actually came on board.

Q: *And what was La Paz like in those days?*

NIEBURG: Well, I would like to paraphrase that by giving you the reaction of a very good newspaper friend who came to do a story there and said it looked like a moonscape, something that at that point nobody had seen, nobody had landed on the moon yet. But if you imagine anything looking like a moonscape, the Altiplano sure came close to it.

We arrived, as you well know, at the El Alto Airport, a little bit better than 14,000 feet. And while we had been warned about altitude, it didn't really seem to affect me except that I had gotten food poisoning aboard the plane. So by the time I got off the plane I was in very poor shape. And my wife to this day, I don't remember what happened, but my wife settled us into a pension and called a doctor and for the next two days I was really not in La Paz. I mean, I was not really conscious of what had happened. But when I came to and I looked around, I said, well, if that's it, let's try it. And I must say that I look back today at La Paz and Bolivia as one of the really not just challenging but most rewarding assignments in my entire career.

I would like to say something here that may be ahead of my story. I want to pay tribute especially to my .. Bolivian colleagues and staff, and that includes as you have mentioned posts in Germany and Vietnam and in Turkey. I have never had in all of my career a more competent, more productive staff than those Bolivians. They were first rate. And they certainly broke me into the job and helped to show me the ropes.

Q: How long were you there?

NIEBURG: I worked there actually only two years.

Q: And how many governments were in Bolivia during those two years?

NIEBURG: Well, during my stay, and that was very fascinating we had only one. As we talk, this is somewhat like completing a circle, the administration of Paz Estenssoro. Now, over 25 years later, he is President again. But we had a stable government then while I was there. Interestingly enough we had an ambassador who came out of the Labor Movement. He had very close relations with the President and the presidency. And there was no amount of work that needed to be done and was being done at that particular time.

Q: Who was that?

NIEBURG: That Ben Stephansky.

Q: Oh, yes.

NIEBURG: Who was pugnacious. He was anything that you might want to call him in terms of adjectives. But he .. was certainly an activist. And he was certainly also very, very engaged in the process of development. So that the whole embassy, or better the U.S. mission as a whole, embassy, AID, USIA, were really very much a coordinated, whole team in working on the processes that we were expected to perform there.

Q: How were the relations between the U.S. government and the Paz Estenssoro government at that time?

NIEBURG: Well, you might say in a way, and I hate to say this now because later on I was quoted on this by the papers since I had made these remarks not very judiciously to a news friend of mine. I said, you can be close without creeping into bed with the government. It had certain disadvantages. But certainly in retrospect I would say the disadvantages were outweighed by the advantages mainly by what you could do to be helpful in that particular society.

ROGER C. BREWIN
Economic Officer
La Paz (1961-1964)

Roger C. Brewin was born in Columbus, Ohio. He entered the U.S. Army in 1944. He received a bachelor's degree from the University of Miami in Ohio in 1948 and a master's degree from the Johns Hopkins School of Advanced International Studies in 1950. Mr. Brewin joined the Foreign Service in 1951. His career included positions in Switzerland, India, Bolivia, Paraguay, Iran, and Washington, DC. This interview was conducted by Charles Stuart Kennedy on February 9, 1990.

Q: Then you were sent to La Paz, Bolivia after a nine month economic training at Stanford University (1960-1961). How was that training program?

BREWIN: It was excellent. It was a very interesting time. The economic faculty at Stanford had two Marxist economists on the faculty, perhaps two of a bare handful in the whole of the country at that time. I took courses from both of them. The campus was excited by Kennedy's election. The Cuban issue was active. The Bay of Pigs convulsed the campus. It was a very interesting nine months.

Q: An experience like that not only improves your academic skills, but also gives you a feel for an American campus which is not often available to Foreign Service officers. A campus can be an important influence on our policies as it did in Vietnam.

BREWIN: Stanford was a very vibrant campus at that time and is still today.

Q: What was the situation in Bolivia when you went there in 1961?

BREWIN: Bolivia was then and may still be somewhat of a "basket" case in terms of economic and social development. The tin mines, its basic industry, were extremely high cost producers unlike Malaysia and other places. It was literally true that they lost money on every pound of tin they produced. They earned dollars, but lost in the profit and loss sense. The State owned mines were a heavily deficit enterprise. The central government's deficit was enormous; they had no way of getting a handle on the situation. Most agriculture was at the subsistence level. I recall

that Tony Solomon, later Assistant Secretary for Economic Affairs in State and later Deputy Secretary of Treasury came down on a special mission, after I had arrived. Solomon was very bright and very perspicacious observer. He said that the economy was not viable. He thought that the large sums of money we were putting into Bolivia under the "Alliance for Progress" program were doing little good. President Kennedy had called it the "star in the Alliance's crown". Solomon saw that the program had to be redirected. State-owned enterprises without exception were losing money hand over fist. Agrarian reform had not accomplished much of anything in economic terms. The State-owned oil enterprise was inefficient and over-staffed. All of these reasons prevented the assistance program from succeeding. A few years after that, Bolivia had the good fortune to discover oil in the eastern part of the country--Gulf oil uncovered the deposits. Then things looked up for a while. This was after I left the first time.

It was a good assignment for a junior officer. La Paz was a fun place to be; there were interesting assignments in the economic section in terms of assistance to American business. We had an expropriation case involving American citizens. We kept busy.

Q: What does the American Embassy do in an expropriation case?

BREWIN: What happened was that an American citizen had a very large spread in Santa Cruz, which abutted on the Okinawan and the Japanese colonies which had been brought to Bolivia in the 1940s. Months after we first talked to him about the fact that Okinawans were squatting on his turf, I discovered in the Ministry of Campesino Affairs that indeed a certain portion of his property had been expropriated. The head of the Okinawan colony had gone in and denounced the property owned by this American as being in excess of what was allowed under 1952 Agrarian Reform Act, passed after the Revolution of that year. So legally, the Okinawans had a case. There then followed months and literally years of trying to gain some sort of settlement of this case. It was not certain whether the American really wanted his land back. He never could precisely come up with a figure of what he thought it was worth. For the record, the Bolivians said that he as entitled to compensation, but that they didn't have the money and didn't know how much it was worth and they had to have time to think about it. So when I left, the case was unsolved; when I returned as DCM ten years later; it was still unsolved. The American involved was not particularly pressing his case. I don't think he was given other acreage by the Bolivian government in compensation for what was taken from him. For the Okinawans, that was just a suggestion made at one point by the government. As far as I know, it was never settled.

Q: Tells about the Bolivian miners. They are always held responsible for outbreaks of violence and political instability.

BREWIN: It is not well known that perhaps our first hostage event in the Foreign Service occurred in Bolivia during my last month there--December, 1963. Doug Henderson had been at post one month as Ambassador, when we had a hostage crisis for about ten days. What had happened was that a delegation of American officials--I could have been one of them, except that I couldn't go at that particular time--, consisting of a Peace Corps volunteer, a USIA information officer, an AID officer went to the major Indian Bolivian mine--"The 20th Century", or siglo XX--to make a presentation of some school materials to a group. In the course of their one day there, early in the day, they were seized by left-wing Bolivian tin miners and held captive. There

were no concrete demands put forth by the miners; it was just an act of opposition to "North American Imperialism"--things they thought we were doing against the interests of the miners. It was a rather dangerous situation. The three of them plus a Dutch citizen who was the manager of one of the government-owned tin mines were held in a house which sat on a huge cache of dynamite which could have gone off at any time had the miners so wished. The miners who took the officials behaved in not too bad a fashion, given the circumstances. The hostages were not physically abused. The house-wives, "amas de casa", were much more virulent and frequently called for their death. In the end, after protracted negotiations with the miners and the government--President Johnson who had been in office only one month himself became directly involved--, Ambassador Henderson went to the site and took charge of the negotiations. Henderson had been personally involved in the proceedings. Johnson had made eminently clear to the Ambassador that we were holding the Bolivian government fully responsible for this hostage situation. Furthermore, he said that he did not expect that the Americans would be harmed in any way. How they were to be gotten out was a Bolivian government problem. Of course, we were suggesting all kinds of avenues for the Bolivian government to follow to get our people loose from the miners. In the end, the miners union--associated with the left wing of the MNR Party--led by a man by the name of Juan Lechin, was able to prevail on the hostage takers to let the Americans go and then they were freed.

Q: Did you feel under personal threat while in Bolivia?

BREWIN: To a mild degree. Bolivia can be a violent place. Elements of the population became armed as result of the 1952 revolution. There were lots of guns around; there were many people who were unhappy with the government for one reason or another, but I can't say that any real threshold was crossed in terms of fears. There may have been an occasional sense of uneasiness, but nothing remotely approaching Beirut.

Q: To return to the mission that looked at the Alliance for Progress and said it was all wrong, what was happening in Bolivia at the time you were there?

BREWIN: The Kennedy administration and particularly Theodore Moscoso, the first chief of the Alliance for Progress, were seeking self-sustaining economic growth which meant profitability for the tin mines--not a viable idea, as we came to realize--, some economic growth in the Eastern province to a point at which our budgetary support--the dole--to Bolivia which went on from 1953, the year after the revolution, could be reduced and genuine investment in the infrastructure could be initiated. That was basically what it was all about for the two years I was there. We never really succeeded in dealing with the problem because there were some very intractable political problems that the central government faced. One was the tin miners, who opposed violently any reduction in their numbers; another was the centralized bureaucracy which objected to a reduction in government employment; the third was the state enterprises which were all intractable in terms of responding to what was sound managerial advice. It was a difficult proposition for both the Ambassador and the AID mission director and many others who were involved with the Alliance.

Q: Ben Stephansky was the Ambassador. How did he operate?

BREWIN: Ben Stephansky operated pretty much on his own. I mean that he was a champion of the Alliance in Bolivia, was inclined to see less fault with the Bolivian government than many of his staff, was of a liberal Democratic persuasion--had been formerly the labor attaché in Mexico and elsewhere--, and he was sent by the Administration to "make the dream come true". There was a feeling that Bolivia should be the "shining jewel" in the crown of the Alliance for Progress. He was not much taken with internal criticism of the government unless he himself pointed the finger in that direction. I am not suggesting for a moment that Ben was thoroughly naive about the faults of the government or that he did not realize that there were elements within the government who were certainly inimical to our interests nor did not understand that the government's own internal political control apparatus was quite capable of committing human rights violations. It is nevertheless fair to say he perhaps was not as realistic about the regime at various times as was his staff.

Q: Did you have a feeling that there were constraints on the economic section's reporting?

BREWIN: There may have been a disposition to emphasize what little there was that was constructive--what seemed to represent progress--and perhaps avoiding over-kill on the negative side. Stephansky felt that Washington already knew how bad things were in Bolivia and didn't want to sink the Alliance until the government had had a fair chance. The Alliance was only two years old when I arrived in La Paz and we all understood that years and years would be required before the economy could be turned around. Constraints perhaps, not so much at my level, but for the AID senior people, who may have felt them more directly than the Economic Section of the Embassy because they were handling the money after all.

Q: Was the drug trade much of a factor?

BREWIN: No, almost zero.

Q: What were American interests in Bolivian during your first tour?

BREWIN: Our main interests were political. The major one was that the center and center-left elements of the ruling MNR party continue in power and that the left wing of the party be kept out of power by all means, fair or foul. Furthermore, it was our view that Victor Paz, who was the Chief of State then and is the President of Bolivia now, represented real hope. The Administration recognized that; Paz was the last Chief of State to visit Kennedy before the latter's assassination. So we put a lot of faith in Paz. Secondly, our interests were in economic development and specifically that the nationalized tin mines be turned around in some fashion and that this dreadful losing proposition must somehow be made viable. There were all sorts of arguments on how this could be accomplished; for example a massive lay-off of the miners--that was deemed impossible because of the danger of large scale violence and because it might give the left wing the opportunity to take over the country.

Q: That is very interesting because some of our academics, particularly earlier in our history in Latin America, thought that our only interest were essentially to further US economic advantages through the development of extractive economic policies--taking things out. In

Bolivia's case, apparently there wasn't that much to take out and we were just trying to keep it afloat.

BREWIN: That is right. There were some opportunities in the extracting industries. There were some American companies operating lead, zinc and antimony mines. They became more involved during the military government which ruled during my second tour in Bolivia than they were in the early 1960s.

Q: But you didn't feel that these were driving influences as far as US policies were concerned?

BREWIN: No. There was one private interest which was not American. It was British. These were the Bolivian railroads which were substantially owned by British interests. We were involved in subsidizing the railroads. Like everything else at the governmental level, there were conflicts between the owners and ourselves--principally Ambassador Stephansky-- about what should be done about the railroads. The British owners felt that a very hard line was required in respect to the railroad union and government interference in the management of the railroads, with respect to modernization and several other matters. Stephansky was taking the view that the British should not be too hard on the Bolivian government just then. He pointed out that the government had all these other problems and hoped that the issues could be resolved. Basically, the British owners felt that the railroads ought not to get vast amounts of American cash to rehabilitate what was essentially a losing enterprise. They felt that the Bolivian government and the left wing unions were essentially to blame for the situation.

Q: In 1964, you returned to the Bolivian desk in Washington. Did that change your perspective?

BREWIN: Certainly. In the Embassy, under Stephansky's view point and hopes and aspirations for the country, many of us came to have a hopeful, quasi-benign attitude toward Bolivia. When I came back to Washington, both on the State and AID side of the combined ARA-LA Bureau, it struck me that people, particularly at high levels, thought that Bolivia was a hopeless case about which nothing could be done. I was quite struck with this negative and deep-seated Washington attitude. It was not always reflected in the Washington cables to the field. I was responsible for the back-stopping of the Ambassador in his various disputes particularly about levels of economic assistance. I was back on the desk for only a few months when a military coup essentially, led by the vice-president, took place in Bolivia. Paz was over-thrown; he had to stay out of the country for seven years before he could return. This was a terrible shock to the Embassy, particularly to Doug Henderson who had become quite close to Paz and had hopes of turning him around eventually. Suddenly, a coup came along which caught everybody by surprise.

Q: Was that the beginning of a revolving kind of government? It seemed that they had a coup every other year.

BREWIN: I don't think so. That happened later. René Barrientos, the Vice-president while I was there, an Air Force General, was a very charismatic figure which Paz was not. If he ever had charisma, he lost it. Barrientos was a very colorful person; he could speak one of the two main Indian languages. He had a touch with the Campesinos that no one else ever had. After the initial

shock of the over-throw of Paz wore off, who in the year before had been welcomed at the White House, the Presidential duties were assumed by a general. Barrientos was killed three years later in a helicopter accident. Then the revolving door practice started with a series of military governments followed by an election, followed by a coup and so on. Had Barrientos lived, I don't think the political instability which characterized the early '70s in Bolivia would have ensued or occurred in the same depth that we witnessed.

Q: So we had a completely unexpected coup in November 1964. How did we respond?

BREWIN: We responded by recognizing that Paz was finished. He had taken refuge in Lima and he would stay there for seven years. This was a brief period in which we were making a conscious effort to resume relations, under certain circumstances. We examined the government that was being formed, looking particularly for communist sympathizers. We looked at Barrientos in terms of his capacity to keep the predecessor government's commitments. After about a period of seven or eight days, we declared ourselves prepared to continue relations with Bolivia, which is the terminology we used at that time when confronted with coup situations.

Q: Was there thought about not recognizing the new regime at all?

BREWIN: No, there wasn't. There was some thought by Tom Mann, the then Assistant Secretary for Latin American Affairs and coordinator for the Alliance for Progress and Special Assistant to the President--he had three titles--to let the non-recognition situation continue until we found more about one or two people in the government. They were thought to have communist antecedents. Indeed, one of them became a considerable thorn in our side years later. Barrientos was chummy with him; they had a personal friendship; he said we were mistaken about his friend's communist origins and he was completely trustworthy. So we finally got over that hurdle and recognized the Barrientos government.

Q: Were there any other noteworthy events during your period as Bolivia desk officer.

BREWIN: No, I think that was the major development. We then began constructing a relationship with Barrientos of the kind we thought we had with Paz.

DEREK S. SINGER
Peace Corps Director
Bolivia (1962-1964)

Mr. Singer was born in New York City and graduated from NYU and SAIS. He served in numerous USAID missions in Zaire, Kenya, Ecuador and Cameroon. He was interviewed by W. Haven North in 1999.

SINGER: Well, let's put it this way. After my year of traveling around, setting things up, in South America, getting the volunteers recruited, trained and so forth, I was assigned as the first Peace Corps Director to Bolivia. This was from 1962 to 1964. Now, there, I will say the fields

were quite diverse. Some English teaching in the schools, in the cities, in particular of the country, chiefly agricultural, and rural construction programs of one kind or another is what we were into. We had a number of nurses working at clinics, hospitals, orphanages, shelters, etc. A few with a higher level of education worked in nurse training schools and similar programs. We staffed a leper colony completely by a Peace Corps team in the lowlands of Bolivia. We helped build farm to market roads into some new rural colonization areas that the government was sponsoring to bring people down from the crowded highlands, the so-called Altiplano of the country, down into empty lowland areas in the Central and Eastern parts of Bolivia. We had a couple of economists who actually volunteered. We placed them with the faculty of Economy, at the University in La Paz. We had a great diversity of different people, interested, ready, willing and able to do different kinds of work there. They did just fine.

Q: How many volunteers were involved?

SINGER: About 150 at the most. For the first group of health workers I talked about, we worked with the University of Oklahoma (Norman). Then, we contracted with the Heifer Foundation, which is a private, non-governmental organization based in the Midwest. They came in and opened up a dairy cattle and small farm animal breeding program in the Cochabamba Valley, which is the Central Valley of Bolivia. Then, let's see, we also had a group that went far to the east, towards Brazil, to work with new immigrants who began rice farms in that area.

Q: You had the professional backstopping arrangements. I hadn't realized that.

SINGER: There were contracts with various groups that assisted us both in training and in-country supervision placement, as well.

Q: So, they got technical backstopping? They weren't just on their own.?

SINGER: They did. That is correct.

Q: Was that common throughout all Peace Corps work?

SINGER: I can't tell you how many. But I know they had a lot of contracts and I think they grew and grew, gradually as we got more and more into it. There were quite a lot of such programs, yes.

Q: With technical support like Heifer, Oklahoma, and so on.

SINGER: That's right.

Q: How did the volunteers work out?

SINGER: Well, I think that they worked out pretty well in Bolivia. My theory is generally that the greater the physical challenge was to Peace Corps Volunteers in their living and working situation, within tolerable limits, the happier they were. The more content they are personally, the happier they are professionally. Conversely, where they are not challenged, where they don't

have enough to do, or they don't think they have, where in some countries they have been used as cheap technical or professional labor by a host country entity, well in such cases they were pretty unhappy!

Q: It is like a big fish in a small pond.

SINGER: Well, that was part of it for some people. There is no doubt about it. You do get a particular satisfaction out of it. In fact, I have a niece who finished serving two years last year in an isolated Moroccan village, working on family planning and other women-oriented programs and projects. She also had to learn basic professional Arabic, which the Peace Corps taught the Volunteers. She was a two hour drive from the nearest Peace Corps volunteer, in the next village... She was just delighted with this experience. She had a wonderful time. So, I believe, there is a real correlation between the extent of the challenge on the whole and the degree of satisfaction, both professional and personal, that Peace Corps volunteers tend to get in their work.

Q: What would be some of the problems or issues that you had to deal with, because it wasn't all just a smooth operation, I'm sure.

SINGER: No, we did have two American doctors assigned full-time on our staff in Bolivia. That was very useful, since finding doctors around who could and would be accessible and available to travel to many of the more remote areas in that country so hard to get around in, Bolivian doctors, was quite difficult to do. Most of them were in the cities and they liked to stay in the cities, rather than live in the rural areas. So, our doctors tended to help minimize many of the medical and even some of the morale problems that naturally and normally our Peace Corps volunteers had. We had some rather strong, and perhaps sometimes not too useful regulations and rules in the early Peace Corps days, that, as administrators, were expected to enforce. For example, the Volunteers weren't supposed to, at any time, travel back to the United States for visits, unless there was a compassionate reason that the Peace Corps country director had signed off on, if it was a close relative dying, or something like that. Other than that, they were strictly limited on vacations or anything like that. That hurt morale. No doubt about it. We had to try to enforce a rule that suggested the Peace Corps felt that the Volunteers might become contaminated or whatever, by going back to the U.S., or they might not want to go back overseas again and return to their posts, particularly in the more difficult areas. I don't know what their thinking was. It was not very good thinking and it really caused some morale problems. In a few cases, not very many, early resignations, or even early terminations resulted.

Q: My impression was that, in the early years, also, the Peace Corps leadership had very strong views about minimal living circumstances, to be living as much like the people as possible, which was pretty austere?

SINGER: There is no doubt about it. You are absolutely right. But, in a country like Bolivia, the answer to that is, so what? The fact of the matter is they were going to be living, with few exceptions, in pretty austere circumstances, anyway. It was hard not to, in a country that poor. In other countries, there is a whole different answer to your question, such as Tunisia, where I was assigned subsequently. But, we will get to that later.

Other problems in our program in Bolivia: again, this was very early on, nobody quite knew what to expect, or what should be expected. . . and that included our own Embassy in La Paz, the capital. To some degree, this was because we had Peace Corps Volunteers all over a wild and difficult country - one which had a real background of left-wing governments, unusual in the whole continent of South America. While we were there, Bolivia had a moderate to left-wing government in power, under a man named Paz Estenssoro, and then another President, Siles Zuazo, both of whom were pretty much to the left in terms of their politics, albeit very pro-American Peace Corps. To have American Peace Corps volunteers without the maturity and, in some cases, the testing in the field, the briefing, the advanced education, the exposure to the subtler points of both U.S. policy and local politics, and the diplomatic cautions about strictly limiting their involvement in the lives of Bolivians with whom they worked and lived - well, those "gaps" simply made many career diplomats quite nervous. This must have been true in other places besides Bolivia, but that was the place where I observed the birth of the Peace Corps program.

On one occasion, we had some Peace Corps volunteers who were invited to go to an ad hoc local political meeting. They are not supposed to take part in politics, per se, but to sit in on a local political meeting where they had been invited - well, it didn't appear there was anything wrong with that to me. But, it did seem wrong to a political officer in the Embassy that some Peace Corps Volunteers were observed coming out of some sort of perceived left-wing meeting, even though they were not accused of saying or doing anything there. So, I was asked to call these volunteers in, to read them the riot act, and to tell them to stay away from anything even remotely political. I thought, at the time, this was not the policy of my organization, and it didn't seem to me to make a lot of sense either. Our Volunteers were not career government servants. We obviously had to keep an eye on what was going on on the political front, in particular, in sensitive situations, but nevertheless we weren't there to keep them on the shortest possible leash.

Q: But, my understanding was that in the early days, also, Sargent Shriver's policy was to project a general attitude that Peace Corps was to be as remote from the Embassy, or even AID, as possible. In fact, didn't they have a somewhat contentious view of any association with U.S. officials?

SINGER: You are right, and that, in itself, caused a significant number of concerns and problems. But, they were mitigated, at least in my case in Bolivia, by the fact that we had a Kennedy political appointee as our Ambassador. Believe it or not, I think the first and only time there has been a political appointee was the Ambassador to Bolivia, named Ben Stephansky. He just died this year, and I kept up with him pretty well. Ben came from a labor background and was a labor leader himself in the U.S. Bolivia was a very union-oriented kind of a country, and he being very interested in the politics of the developing world, in particular on the labor side, where labor played an important role. Very liberal-minded, he was named as President Kennedy's Ambassador to Bolivia. So, when Ben came down there, at about the same time we went there with the Peace Corps, he was very sympathetic and interested in, in fact, hoped for, more Peace Corps Volunteers to work with the national unions and union groups. As a result, when the problem described above came up between the Political Section of the Embassy and our Volunteers, as soon as Ben heard about it, he stepped in. He immediately made the nervous diplomats pull back, and said "No, these Peace Corps Volunteers are here as informal

Ambassadors and they are under my general protection and tutelage here, and I want them to get to know as many different kinds of people, and attend as many different kinds of meetings, and so forth and so on, and to work with as many different kinds of organizations, including labor unions and other politically active groups, as possible." So, Ben Stephansky turned out to be a very strong ally and protector of the Peace Corps.

One thing I should add here. When I was sent to Bolivia as the first Peace Corps Director, I was told to establish my office in the second city of the country, which was Cochabamba at the time, rather than in La Paz. I had a deputy whose office was set up in La Paz. Now, that was directly in line with what you just said. That is to say that Sargent Shriver and his folks wanted The Peace Corps, administratively, at least, to be out of the purview as much as possible of the country team, the U.S. government's country team in the capital city of the country.

Q: You weren't on the country team?

SINGER: So, they experimented -- one Peace Corps office in each continent -- Africa, Asia, Latin America - was to have the office of the Peace Corps director established outside the capital city in order to see whether or not this would help to carry out the objective of keeping the Peace Corps at "arm's length". I did have my office next to the American Consulate in Cochabamba, but it was situated in a private office building there. I did not report to the Consul, and he certainly didn't report to me. So, we followed our own independent paths. I went up to La Paz, which was an hour's flight or so, every week or two to keep an eye on the La Paz office. I met from time to time with Embassy and AID and other U.S. Government people, but I was not part of the country team. I couldn't be, because I was based outside the capital.

Q: Did you have any ties with the AID people?

SINGER: Yes, very friendly ties. Alex Firfer, I believe, was the AID director at the time. We got to know him and his wife. But, that happened after we moved up to La Paz, shortly after President Kennedy was assassinated in 1963. When that terrible event occurred, a new Ambassador came in, named by President Lyndon Johnson. A new administration had come to power in Washington. New rules of the game were pretty quickly written. Sargent Shriver stayed on for a time as the Director in Washington. But Sarge's wings were clipped, for obvious reasons, because he was no longer the brother-in-law of the President. It is really that simple. In terms, particularly, of dealing at a top policy level with other agencies and organizations within our government. Okay, to make a long story short -- it was a matter of a month before I was given orders to move the Peace Corps central office up from Cochabamba to La Paz, and send my deputy down to Cochabamba, where he could run our newly-renamed branch office.

Q: This was an order from the Ambassador?

SINGER: Yes, well, it was an order from Washington through the Ambassador. But, Ambassador Henderson very much wanted the change. He wished the PC chief to be on the country team, but that did not happen while I was there. The Peace Corps director was not on the country team at that time. I think, subsequently it has happened. But, at that time, in the 1960s, it had not happened. Even the death of President Kennedy and the changeover of the

administration, Johnson's administration, the new Ambassador, and so forth, were not enough to cause it to happen. So, I stayed off the country team, but I met, at his request, with the Ambassador and the DCM, and the other heads of mission, pretty regularly while I was based in La Paz.

Q: Did they try and influence you in any particular direction?

SINGER: Let's say, it got more political at that time. Suggestions were made, and what have you. Yes, I would say, there was some attempts at influence, although not very heavy-handed. There were suggestions that political considerations ought to be given more weight in deciding on programs, projects, and particularly the assignments of our Volunteers.

Q: Do you have examples?

SINGER: Yes, but, I don't think I would like to lay these out at this time . . . even though a number of years have transpired since this took place. But, the idea I was given on several occasions was that it would be "helpful" if we could have some American presence in town "x" or province "y". Now, I am not hinting that we were talking about intelligence operations or activities, or anything like that. As you know there was very much an arm's length relationship all along between the Peace Corps and intelligence activities and operations, in a whole number of different ways. That certainly was not an exception that I am speaking about. But, nevertheless, there were notable instances when I was asked to go along, perhaps, with a request from a Minister in the Bolivian government, who would like very much to see some Volunteer assigned to his home town or area, and at times Embassy people thought it would be a good idea politically to accede to such requests. It was that sort of political pressure that was brought more to my attention. Pressure, which obviously, existed before, as well. I am not implying it didn't, but nevertheless, perhaps I was in a stronger position, to resist since I reported basically only to Washington.

Q: What were the particular program areas that you should or should not be in?

SINGER: Well, program areas that, I mean . . . there was very little that didn't need doing in the country. I mean we could have gone to programs and projects . . .

Q: Were some areas more sensitive than others?

SINGER: Yes, some were more sensitive than others. We did not want, to say, reorient any significant number of our volunteers to move into the cities, into urban situations. It subsequently came to be in many Peace Corps programs around the world, incidentally, where there are a lot of urban oriented programs or projects as such under way. We had very few, just a handful of people whose skills happen to qualify them to be university professors or teachers, at a particular institute, or perhaps, a high-ranking teaching nurse in a top hospital in Cochabamba or La Paz.

Q: What were the areas over there, any subject areas in which you specifically did not want volunteers?

SINGER: Well, to the degree that there would be a political overlap, let us say, I don't think the Embassy would have welcomed our sending people to a national majority political party's training schools as proctors or teachers or assistants, or something like that. Despite the fact we were asked constantly to send them to do exactly that kind of work. That was the sort of thing we wanted to stay away from and did.

Q: Anything else on your Bolivia experience?

SINGER: I have to mention the kidnappings of our PC Volunteer, Jon Perry, in 1963 or 1964. Jon, along with two other "official Americans", was held by a dissident leftist union group in a mine near Oruro, the area where he was assigned as an engineer.. They were held for several days, and threatened by miners with dynamite sticks. Finally, we managed to negotiate the hostages out, but it was pretty dicey for a time. In any case, my Bolivia experience was a truly fascinating one. We were always conscious of the fact that we were pioneers. It was so new: the Peace Corps, government-backed volunteerism, living and working at the grassroots level in the country, and what have you. It was most gratifying because of the enthusiasm which was mutual on the part of both the Volunteers, almost without exception, and their beneficiaries, co-workers and hosts throughout the country. Especially in the really remote places, in regions like the Beni and the Pando, which were the northern jungle regions of Bolivia, up towards the Brazilian and Peruvian border areas. When we sent people up to those areas, to clinics, and to schools, to teach in health, agriculture, basic technology, and what have you, just tremendously popular. It was the first time they had ever seen an American anywhere, including films, because, basically, most didn't have electricity. We are talking about a real mud hut syndrome here at its apogee, if you will . . . People who lived really far beyond any areas where Westerners, if you will, or Americans had penetrated before, with the exception of an occasional missionary. Peace Corps Volunteers, who, on the whole, living in such isolated, difficult conditions were just happy as clams. That made the administrators happy.

I guess the only other thing I want to mention is that one of the really gratifying parts of my experience was working with the mostly-young men and women, about 20 or 25 of them, at most, I guess, in the Heifer project. These were farm youngsters who worked in the populous Central Valley, which is chiefly the cattle and dairy cow raising area of the country. They were brought in to set up a program of breeding and caring for cattle, and improving the local strains of the dairy cows, and introducing productive new strains of goats and sheep. They worked happily with Bolivian youngsters on farms and cooperatives, chiefly Indian kids, because Bolivia is primarily an Indian and Mestizo country. We found how gratifying that experience was, and being able to report that back and get word out, which the Heifer project, of course, did as well, in the United States that people with very little, almost no knowledge of places as exotic as the Cochabamba Valley of Bolivia can come from small town farms in Kansas and Nebraska, Iowa, and Indiana, and so forth, and go very happily and live and work very effectively in those places doing what they do best, which was building on their 4H-type skills, farm bureau skills, and what have you, with the animals with which they worked, and the Bolivian Indians whom they were living and working with and training in their techniques. Artificial insemination had not even been heard of in any of those areas before they came. Getting that word back to the U.S., that, yes, the Peace Corps, even from the heartland of the so-called less sophisticated parts of our

country, is successfully working in a place as remote and exotic as Bolivia's Cochabamba Valley with the Indians of that area - that was especially gratifying, as far as I was concerned.

Q: I want to come back to that point, but you had another Peace Corps experience. Let's get to that.

CHARLES H. THOMAS
Consular/Political Officer
La Paz (1962-1964)

Charles Thomas was born in New York in 1934. He received his bachelor's degree from Harvard University and then served in the US Navy from 1956-1959. His career included positions in Mexico, Bolivia, and Honduras. Ambassador Thomas was interviewed by Thomas Stern in the beginning of June (year unknown).

Q: Partly. How did that come about and did you kick and scream? Did you go to La Paz kicking and screaming?

THOMAS: No. We were happy to go to La Paz.

Q: As a Consular officer.

THOMAS: Yes. I had talked to the DCM who was also going there. I talked to him in Washington.

Q: This was before your assignment was made?

THOMAS: This was after it had actually been made.

Q: After it actually had been made.

THOMAS: I had a chance to talk to him. It was clear that there would be a real chance to rotate into the political section as well as serving as head of the Consular section. As it turned out, I did at least half of my time there in the political section.

Q: Yes. I want to get to that. When you went...Let me ask you first of all what were the sizes of the Consular section that you headed up when you went?

THOMAS: There was one American, in addition to myself. He was a vice Consul. There were four locals.

Q: Four locals.

THOMAS: Something like that.

Q: *So the Consular workload was relatively manageable?*

THOMAS: It was definitely manageable because there weren't that many... There were relatively few IV and NIV applicants and protection was quite rare.

Q: *I want to talk a little bit about who else was there. You started off with Ambassador Stephansky.*

THOMAS: Yes.

Q: *What do you remember about him?*

THOMAS: Well, Ben Stephansky had been in the labor field for many years. He was well known. Well known as a democrat. He was a political appointment of course. He was quite nervous in this assignment. I'm not sure quite why. Very concerned about what was happening, how it would be seen in Washington. I think he had a very hard time. It was a very fragile political situation.

Q: *I want to talk a little about that, but let me ask you he must have arrived a few months before you did?*

THOMAS: He came in with the Kennedys so I think he'd been there the whole time. So this was, I got there in '62. Kennedy came in in '61. He'd been there I think two years.

Q: *Okay, I see. But he was still a little nervous about something.*

THOMAS: Yes. Yes.

Q: *But he was followed while you were there by Doug Henderson?*

THOMAS: Right. Right.

Q: *Doug Henderson was a professional Foreign Service officer?*

THOMAS: Yes. Yes.

Q: *Can you compare their styles a little bit?*

THOMAS: Well, Henderson was more confident. He had served in Latin America before. In fact he served in Bolivia before. So he knew the scene and he was pretty confident about it and he didn't have this nervousness vis a vis Washington that Ben Stephansky had. I never was quite sure why he was that way but he was. Stephansky I think hoped to go on to other things after the assignment to Bolivia so he wanted to make sure he was doing a good job there.

Q: Of course he could have picked an easier post for starting out. And the DCM was?

THOMAS: The DCM was John Stutesman. He was DCM the entire time I was there. He arrived shortly before I did.

Q: Now John was also an old hand? And obviously a steady influence.

THOMAS: Well he was sent there to steady Stephansky basically. Unfortunately, Stephansky was aware of the fact that he had been sent there to steady him and resented it. It was a very tense relationship between Stutesman and Stephansky.

Q: Did that affect your work?

THOMAS: No. Not really. Not really.

Q: But it was well understood and known around the embassy?

THOMAS: I'm not sure how well known it was. I was aware of it. I'm not sure how much. I mean neither party talked about it at all. It was ...

Q: Just visible.

THOMAS: ...just an issue. Around you saw it. Not that people were around the front office that much so it wasn't that obvious. I would go to all the country team meetings in the first year so I saw more than most.

Q: This was when you were the Consul? Tell me, did the U.S. or the embassy's position change on various issues after Stephansky left and when Henderson came in?

THOMAS: I really don't know for sure. I don't remember that well. It was primarily operational issues. We were supporting the government. Nobody was happy with the opposition. So there really weren't substantive questions. It was a matter of how you ran the place and the link to Washington. That sort of thing.

Q: I want to pursue this a little bit, both as you saw it from your consular hat and in the political section. Before I do that, what was the job in the political section you finally went to?

THOMAS: It was just being a political officer covering the local scene.

Q: Internal politics.

THOMAS: Yes.

Q: Tell me a little bit about U.S. Bolivia relations in this two year period as you saw them.

THOMAS: Well, the government at that time was friendly to the United States but was still a party with relatively leftist inclinations. We were supporting it because it had been democratically elected and it was very rare for a Bolivian president to be democratically elected and stay in office for a full term.

Q: *Were we accused in being involved in domestic politics because of our support of Pas?*

THOMAS: Oh, yes. There were always accusations of U.S. or CIA involvement.

Q: *Were people serious about this or par for the course on the part of Bolivians?*

THOMAS: Well the average Bolivian probably had no interest in politics whatsoever. It was a very thin veneer on top in the cities that were involved in politics in any significant way. A very high degree of illiteracy in the country.

Q: *So you had a small strata of leadership and a mass population that worried about day to day living and not much about anything else. So your contacts were primarily with that small strata of leadership.*

THOMAS: Yes. Absolutely.

Q: *And they did berate the United States?*

THOMAS: Yes. I mean some of them did. There was a full range from the far right to the communists. The prevailing tone was sort of mildly leftist at that time.

Q: *Mildly leftist. Describe that a little bit, Charlie.*

THOMAS: Well, I mean the Pasesentoro party would describe itself as a leftist party.

Q: *They were for government ownership of enterprises?*

THOMAS: Well they were prepared to leave in government hands enterprises like the National Mining Company which was tremendous in the economy. They took no measures to reform that.

Q: *The railroads were government run? The transportation system was all government run?*

THOMAS: Yes.

Q: *How well were they run?*

THOMAS: Pretty badly. COMIBOL, which was the national mining company, was a disaster.

Q: *Now this was tin mining primarily?*

THOMAS: Almost entirely. Yes. There was an oil company too. YPFB, which was government run and which had a very hard time finding oil even though there was a hell of a lot of oil in Bolivia. It was during this period that they began to talk to foreign companies and they actually did let some foreign countries in for prospecting.

Q: *Did you push that? Foreign investment?*

THOMAS: Yes. Yes.

Q: *Essentially as an economic issue?*

THOMAS: Well both as an economic issue and as a stabilizing element in the country.

Q: *Talk a little bit about the tin miners and their hold on the political process.*

THOMAS: Well the tin miners-and tin was the major export at that time-the mines were in the control of leftist unions which at one time had been associated with Pas's party. But there was a growing split between Pas and the miners as he tried to do something about its drain on the economy. Not only were...

Q: *The mines were money losers?*

THOMAS: Yes. Yes. It was valuable for an exchange but it lost money.

Q: *Right. And they were heavily subsidized by the government.*

THOMAS: In effect yes. The dangerous situation about the mines was that they-the miner's unions-were armed. For example when the AID mission there bought a building to give to the National Geological Survey as their headquarters, it turned out that they had bought a building which was filled with the mistresses of government officials. These ladies when they were told that they were going to be evicted produced machine guns and wouldn't let anybody in the building. They finally got the miners' militia from the Ministry of Mines to attack the building but they were driven off, too. Not with a lot of shooting but it was a show of force.

Q: *By the women?*

THOMAS: Yes. Finally they got one apartment open. They put in a rock crusher. They turned off the water and electricity by the way which didn't make any difference. It was off most of the time anyway or a good part of the time. Finally the ministry installed a rock crusher in the one apartment that had become available. They ran it 24 hours a day and that drove out the remaining women. That illustrated there was a certain anarchic air to this place and a lot of guns around.

Q: *Something like the Wild West?*

THOMAS: Well, yes. In Santa Cruz just before I arrived a lynch mob chased a perpetrator into a church where he tried to take refuge. They just went into the church, hauled him out and hung him.

Q: *When you were there, they also attacked the USIS office in Santa Cruz did they not? Do you recall that?*

THOMAS: I don't remember that. Don't remember that.

Q: *But this whole atmosphere. Were you at all nervous about your security?*

THOMAS: Well you certainly were not nervous about anti-Americanism per se, because the average guy was, if anything, for America. I think what was significant was when Kennedy was killed. There was a great spontaneous outpouring of sympathy. Within minutes of the word coming over the radio, buildings had put their flags out. Everybody was required by law to display a flag on certain national holidays. Literally within minutes of the announcement of Kennedy's death, they all, with no request from the government, put out their flags. I'll always remember that.

Q: *Because?*

THOMAS: Because of great sympathy of Kennedy.

Q: *There was a great sympathy for Kennedy even though it was anti-Americanism. They distinguished somehow between Kennedy and the Americans.*

THOMAS: Well no. I'd say there was anti-America feeling, but there was very little animus against Americans per se.

Q: *Per se.*

THOMAS: Yes. I mean we got shot at a couple times but that was not because we were Americans. That was just because we happened to be at the wrong place at the wrong time.

Q: *Oh, that was not an attempt on you per se?*

THOMAS: No. No.

Q: *You just happened to be as you said in the wrong...*

THOMAS: Yes.

Q: *I see.*

THOMAS: I never thought...We traveled a lot in the countryside and we camped out a lot in the countryside. We never felt insecure.

Q: Weren't some American officials held hostage by tin miners?

THOMAS: There was a hostage incident where about 21 foreigners, including a number of Americans, were held hostage in retaliation for the arrest of some mining leaders. Once again, that was not anti-American, that was used as a pressure device to get these guys released.

Q: Did you play a role in their release?

THOMAS: We had a little hostage rescue mission, which I led.

Q: Tell us a little about that.

THOMAS: This thing dragged on for a number of days. After the arrest of the mining leaders down there on the highway, there were foreigners up in Siguabente or in the area of Siguabente, who were picked up by the miners. I think there were around 21 or something like that, and taken to Siguabente and kept in the mining headquarters.

Q: These were foreigners who lived in Siguabente?

THOMAS: No there were a variety of people. There was two USIS officers who happened to be on the highway who got picked up. There was a Dutchman and there were some engineers. A variety of people. I've forgotten what their professions were. They just happened to be around at the time. They got snagged and they got put up there. We sort of... Various people were trying to get them out without success and finally we decided we would send somebody up. I was actually I think in the political section but I was also the Consul.

Q: Various government people?

THOMAS: All the other governments were interested and we were interested. It was the first real crisis of the Johnson administration. I had actually looked into the background of these things. There was a previous case in the late 40s of a hostage taken. I read up on what had happened. I talked to a guy actually who had been there at the time. So I knew a little about the background and it was decided I would go up. Partly because as consul you had a special role to play which was well known to everybody. The American Consul was the American Consul and you had a different category and one of his tasks was to protect American citizens and so forth.

So I went up and I took with me a Bishop to help the negotiation. He came up with us and I met in Siguabente Juan Lachine who was the Head of the Miner's Union.

Q: Excuse me. Was this the bishop who had jurisdiction over this particular area?

THOMAS: Yes.

Q: Oh he did. I see.

THOMAS: I can't remember. Maybe I didn't take him up but he came up. He was up there at some point. He was around although he didn't participate in negotiations to speak of. So I talked to Juan Lachine.

Q: *Who was?*

THOMAS: He was the head of the Miner's Union and he was actually vice president of Bolivia. That talk got nowhere essentially. So I spent the night at Siguabente. The hostages were all held in the mining headquarters building. The threat was that they would blow them up. Bolivia was a country that had dynamite everywhere. You could go down to any flea market and buy a ton of dynamite. It had been stolen from mines. So everybody had it. The miners wives were sort of in charge. They were sitting on all this dynamite down on the first floor of the building. Some of them were armed with knives and so forth. So I discovered after a while that the real problem was not so much the political issue. It was the fact that the miner's wives were very concerned about the safety of their husbands in La Paz. They were afraid that they would...

Q: *These were the miners who...*

THOMAS: Yes. The two mining leaders who had been picked up. Their wives were very concerned. I finally got a chance to talk to them. They were very concerned that their husbands would be killed in jail or murdered in jail or suffer an accident in jail. So after negotiating for a bit with them, I said, "Listen. I can tell you that the United States will take an official interest in their safety and well being and I will be prepared to take you back with me to La Paz," or some words to that intent. That's what it took to get them out.

Q: *Now were you in contact with the embassy in this 24, 48 hour period or were you...?*

THOMAS: I had one or two conversations with the embassy, I think. I really don't remember. Telephone contact was very difficult. So I don't remember.

Q: *So you were pretty much on your own?*

THOMAS: Definitely was on your own. Yes.

Q: *And your marching instructions were to get the foreigners out? Somehow.*

THOMAS: To get the Americans out.

Q: *To get the Americans out.*

THOMAS: Yes. So anyway. They said, "Okay."

Q: *Now wait a second. Did any of the other embassies send representatives up there?*

THOMAS: No. There weren't any others I don't think.

Q: *You were the only Western or foreign representative up there?*

THOMAS: Yes.

Q: *What was your reaction about the mine leadership. You have now mentioned women on two separate occasions, in two separate stories, were women prominent in the political affairs in Bolivia?*

THOMAS: No. No they weren't at all. There were very few women involved. These were really peasant women. Trolas was the technical name. These are women that wore the Trola outfit. It has a bola hat and the multi layered skirt and was what the average Bolivian peasant woman wore. Despite the fact that their husbands were leaders, they were in the traditional Indian dress, Imov dress.

Q: *But in this particular...*

THOMAS: As far as I know, they have no political role to play. They were essentially concerned with the safety of their husbands.

Q: *And were supported by the miners...*

THOMAS: Yes.

Q: *...in their concern.*

THOMAS: That's right.

Q: *So they had a leadership role in some way.*

THOMAS: Well, I don't know if you'd call it leadership but they certainly had some sort of link into the decision makers that made it possible for them to persuade the leadership to let these guys go.

Q: *After you had extended your services.*

THOMAS: Yes.

Q: *So they were able to manage to convince the leadership that they had gotten everything out of them that they wanted to get out?*

THOMAS: Yes. Yes.

Q: *And go ahead. So you brought them back.*

THOMAS: Well we loaded everybody. I had with me a carryall and a Bolivian driver. We loaded...

Q: *You did all the negotiations in Spanish? You didn't have an interpreter with you at all?*

THOMAS: No. It was all in Spanish.

Q: *All in Spanish. So your Spanish was good enough at that time.*

THOMAS: Yes. And the women, they didn't speak anything. They barely spoke Spanish. They basically were native Indian speakers. We spoke in Spanish not with a translator.

Anyway they said, "Okay. They can go."

There was a series of checkpoints going down the hill from the mine. It was about 30 miles down to the first city.

Q: *Government check points?*

THOMAS: No. These were miners' check points.

Q: *Miners' check points.*

THOMAS: Yes. We got everybody into a carryall and a couple of other vehicles and we went down in a convoy. We got through the first checkpoint okay. Then at the last check point, the guy said he had no instructions to let us through.

I got out and I said, "Listen, we're going to have to go through." I took away his rifle. I told him to get out of there and then I opened the gate and out we went. That was it.

Q: *Was this just the valor of youth? Would you have done that had you been a little bit older and wiser?*

THOMAS: You mean pushing our way through?

Q: *Taking the rifle?*

THOMAS: I probably would have done it because a show of force like that is sometimes the only way. I mean we could have fussed around for hours and God knows what might have happened. This was a very fragile arrangement.

Q: *But you obviously put your personal life at stake here?*

THOMAS: I didn't feel at the time it was particularly dangerous. We were pretty intimidating. We had three or four vehicles. He was a Bolivian peasant with a couple guys around him.

I had the two Bolivian ladies with me in the carry all.

Q: These were the wives of the mining leaders?

THOMAS: Yes. We dumped everybody else in Aural and I continued on to La Paz in the carry all with the two ladies. We took them down to the city and made arrangements for them to see their husbands and so forth.

Q: And?

THOMAS: And that was it.

Q: Did you talk to the government officials about their concerns?

THOMAS: Yes.

Q: And did you get any assurances from the government that they...

THOMAS: We got assurances from the government. I don't think the government ever had any intentions to kill them. I don't know why they had that particular concern. They eventually got out.

Q: Let me go back to the anti-America feeling. It did not play very well in the United States if you recall. As a matter of fact I think it became a political issue with Goldwater insisting that aid be stopped to Bolivia. Did you have any feelings about our capability to influence events in Bolivia.

THOMAS: We had a fairly substantial capability because we had a large aid program for one thing.

Q: And that was useful for political purposes?

THOMAS: Sure. And there were a number of issues. This was a time when we were going after Castro and Bay of Pigs had failed and so forth. There were a lot of issues in that area and we were putting pressure on all Latin American nations to join up and attempt to isolate Castro.

Q: Were we successful with the Bolivians?

THOMAS: Yes. I think we were pretty successful. I mean they had certainly leftist inclinations and their foreign minister towards the end Felman Velarde certainly... He definitely had a leftist tendency. But the fact was on the whole, we had Bolivian support. We had a lot of leverage on the Bolivians.

Q: Part of this was at least the historical antipathy that the Latin Americans had for North Americans?

THOMAS: Well, once again there was antipathy towards American policy but there was a lot of goodwill towards Americans. I mean it was a day when an American could go into the bank in Cachibou and cash a check. No questions asked.

Q: *Any American?*

THOMAS: Yes. Even tourists. So there was very positive... The Bolivians had a good experience with America in many ways. For example the Point Four Program inaugurated by Truman was greatly admired by the Bolivians. It did a lot.

Q: *It did?*

THOMAS: In fact the AID mission-I can't remember what AID was called at that day. I think it was ICA or something like that-but they still had the official plates that the government provided to the AID mission, at Punto Cot Quattro. So that's a measure of interest.

Q: *You feel in a way that...*

THOMAS: We-I-we had three kids there with us and we traveled all over Bolivia and did a lot of camping out in the boondocks with no protection at all.

Q: *And no concern?*

THOMAS: Very little concern.

Q: *Very little concern.*

THOMAS: Yes. The further you got out in the boondocks, the safer you felt. I would never have say camped out in the middle of a city. But out in the boondocks we felt very safe.

Q: *And the Bolivians were friendly to you out in the boondocks?*

THOMAS: Oh yes.

Q: *Let me go back to the Point Four AID Alliance for Progress and so on. You felt this was an effective tool of American policy?*

THOMAS: Well, it was and it wasn't. I mean it gave you the illusion of maybe having more influence over events that you actually did. Although it certainly did have some impact on the macro issues that we were interested in.

Q: *Macro economic issues or macro political issues?*

THOMAS: Macro political issues. Yes. It didn't have a hell of a lot of impact on the willingness of the Bolivians to take the political heat that would have been required if they had really

reformed their economy and tried to transform it into a market-a real market-economy. Particularly privatize government entities and those things. So it didn't have much leverage there.

Q: *This was a political issue for the Bolivian government? It did not feel that it had enough muscle to go to a free enterprise system?*

THOMAS: Well, it did...

Q: *Or was it a theological question?*

THOMAS: It was basically a free enterprise system except for the large government entity.

Q: *Right.*

THOMAS: Like the airline, the petroleum company, the mining company. And it certainly didn't feel it had the clout to take on those issues. But it wasn't just that. There was a residual belief that a state run economy was viable. It was a really different atmosphere in those days than there is today.

Q: *There was a belief ...*

THOMAS: Socialism wasn't discredited the way it is now.

Q: *There was a belief that a state run economy could be successful. .*

THOMAS: Sure.

Q: *It was quite clear that the government was broke.*

THOMAS: Well, it was and it wasn't. They were getting revenues from their exports.

Q: *And they were running huge deficits?*

THOMAS: Yes. They were running deficits but it was not really broke in the sense of a super crisis. Plus they were getting a substantial amount of foreign aid from others including the U.S.

Q: *While you were there, there was a change in government. Paz got thrown out I believe.*

THOMAS: That was after I left.

Q: *Oh. Was that after you left?*

THOMAS: Yes.

Q: *You left just a few months before that.*

THOMAS: Yes.

Q: *Was there any indication Charlie, while you were still there, that such an event might take place?*

THOMAS: Well yes. Bolivia has a history of not having peaceful transitions or constitutional transitions.

Q: *And what occurred in the embassy. Was the military restless?*

THOMAS: I don't really remember what the embassy was saying. There were always rumors about the military being restless and there was always rumors about some man on horseback by the entrance coming in to take over. I don't recall when I left, which was probably June I guess or something like that, that there was any immediate prospect for a coup.

Q: *While you were there in the political section, do you know whether any efforts were made to restrain the military or teach them about democratic practices by the embassy?*

THOMAS: We had a very substantial military liaison and that was part of, at least ostensibly, was part of their job. Whether they actually carried it out, I don't know.

Q: *You did not witness them carrying it out?*

THOMAS: Well, I think that the officers involved genuinely felt that they could have some influence over the question of the military operating within a constitutional system but our motivations were quite different than theirs. They wanted to have a military relationship with the United States. They wanted access to equipment and funding. They really didn't want to pay any price for that.

Q: *Were they interested in coming to the United States for training? I'm not sure whether that's always been a positive but...Church state. You mentioned the bishop was up there watching you negotiate. In general, what was the relationship between church and state? Do you recall?*

THOMAS: I don't recall if there was an official relationship or not. I really don't remember.

Q: How about between the embassy and the church?

THOMAS: The church didn't play a big role.

Q: *It did not.*

THOMAS: No. Mainly because it's a country primarily populated by Indians who I think were sort of nominal Catholics but with a completely different cultural tradition. I'd have to say I couldn't really answer that question very well because I just don't remember.

Q: *Let me ask you one last question about your tour. Did you come away being positive or optimistic about Bolivia's future? Or were you pessimistic?*

THOMAS: Moderately optimistic.

Q: *Moderately optimistic.*

THOMAS: At this point they were beginning to have some real prospects for finding oil. Mining had good prospects. So if they had had an open economy it could easily sustain itself. But at the same time you had a largely illiterate population, a lousy education system, terrible transportation. It was a real third world country.

Q: *In these terrible sectors, were these just pure inefficiencies or was it done with malice aforethought?*

THOMAS: I can't answer that question because why is a country like Argentina who was up to the level of Canada in the 30s gone downhill, until maybe recently? There's a million reasons people sometimes come up with.

Q: *Is there anything else about this tour that should be known 50 years from now?*

THOMAS: No. I mean I was looking at it from very low levels so I don't have a good sense...

Q: *Oh. One thing. Did you have as part of your responsibilities, develop some good contacts among the politicians.*

THOMAS: Yes. The Bolivians were quite accessible.

Q: *That was no problem? They would talk to you freely.*

THOMAS: Yes.

Q: *So you thought we had a pretty good handle on the internal politics?*

THOMAS: I'd say sort of because you know the Bolivians were... While we were there a number of people were plotting to overthrow the government. They did not confide their plans to us. At least I was not aware of it. They might have talked to somebody else.

Q: *Let me ask one other question in that relation. I assume we had a station there?*

THOMAS: We did. A big one.

Q: *Was that a problem for you?*

THOMAS: I think it was a problem in the sense that it was a fairly large station. It was well funded and it was always questioned whether somebody would see the station as a more important interlocutor than the embassy.

Q: *Rivalry?*

THOMAS: I don't think there was a great deal. I think there was a fairly cooperative relationship. The front office and the station.

Q: *You and your reporting were fairly consistent with what they were reporting as far as you knew?*

THOMAS: I think so. Yes.

Q: *But they were not particularly helpful to you in doing your reporting?*

THOMAS: I don't think they were unhelpful. They were often...

Q: *...Often in a different sphere.*

THOMAS: ...somewhat on a different tangent. I mean they were pretty open with us. I didn't sense any great problem except the inherent problem that existed in those days was a very well funded and active overseas operation. They'd been involved in all kinds of...

Q: *...covert actions?*

THOMAS: Covert actions. Sort of a heyday at that point. God knows what they were doing in there.

WILLIAM D. BRODERICK
Economic Officer
La Paz (1963-1965)

Deputy Director, Office of Bolivian-Chilean Affairs
Washington, DC (1965-1968)

William Broderick was born in Detroit, Michigan in 1924. He attended the University of Detroit and then served in the U.S. Army in World War II. Mr. Broderick joined the Foreign Service in 1951. His career included positions in Colombia, Canada, Yugoslavia, Bolivia, and Washington, DC. Mr. Broderick was interviewed by Henry B. Ryan in 1990.

BRODERICK: I have urged Ambassador Henderson to tell about his experiences. One reason I thought he should write a book, particularly about his Bolivian experience, is that he had a

remarkable background that few others had. He had served in Bolivia from about, I believe, 1941 to '42 as a junior officer involved in efforts to control German access to rubber and other strategic materials. Later, in addition of course, he served as Ambassador to Bolivia around the times of President Paz and President Barrientos, the revolution of 1964, and the Che Guevara business. However, I gather he has not written a memoir and probably doesn't intend to, which is unfortunate. It will have to be reconstructed from the historical records.

Regarding Che Guevara, I was actually out of Bolivia when the Guevara phenomenon surfaced in early 1967. I was deputy director of the Office of Bolivia/Chile Affairs at the time and in March 1967 made a trip first to Chile and then to Bolivia. On arrival in La Paz, Ambassador Henderson invited me to join him and the AID mission director--I'm not sure if the DCM was there or not--at a meeting with the then co-presidents, Generals Barrientos and Ovando at Barrientos's home where breakfast, which consisted of cold fried eggs, was served. What we got which was much better than the eggs was a marvelously fantastic story. The two generals had with them a young Bolivian soldier who told of having been with an army unit that had been captured by these guerrillas at a time when it had not been established that Che Guevara was in the group or the leader of the group, although there were many rumors about it.

According to the man, there were several hundred in the group that surrounded them and captured them. Among other things, they were able to survive in the wilderness because they had special pills they could take which satisfied their hunger needs so they would not have to have provisions with them. They had doctors and nurses with them to care for anyone who was injured. These guerrillas held the group for several hours before he was either released or escaped, I don't remember which. The main thrust of his story was that this was a tremendously large, well-organized and well-led group of guerrillas that really threatened the future of Bolivia.

We heard the story; the generals looked at us and we looked at each other and the generals said, "Well, what do you think?" We tried to keep from laughing. The generals divided us, Barrientos took Henderson, Ovando took Bob Hurwitch, the DCM, who I now remember was there.

Q: This was a divided presidency?

BRODERICK: Ovando was the commander of the army, Barrientos had been chief of the air force. Just those two generals were present. Each had the title of Co-President.

Q: What was your job at that time?

BRODERICK: Deputy Director of the office of Chilean/Bolivian Affairs in Washington. So as the visiting dignitary, it gave me status that I never had when I was there as economic counselor of the embassy. Well, after hearing the story one co-president took Henderson and the other Hurwitch and I was sort of left to fend for myself. Each of them separately made pitches for financial and military assistance. Now there had been some kind of CIA assistance to Bolivia in periods there, and Barrientos, in particular, knew about it and may have even benefitted from it, so they knew it was possible. The whole point of giving this cock-and-bull story was to provide some kind of rational or motivation for getting large scale US assistance.

Q: Did they want money, equipment, troops, or all the above?

BRODERICK: Based on my memory, I can't tell you for sure, and given what subsequently happened, it was probably all three. They did get Green Beret types who came down and trained them. The real problem with the guerrillas was not how many there were, but the absolute incompetence and lack of equipment of the Bolivian army. These poor peasant privates had rifles that would not fire, and they were barefoot. This was by-and-large not because the Bolivian army did not have this kind of equipment, but because it was all plundered by higher ups as it came down the line.

Q: What would they do with it? Sell it to somebody else?

BRODERICK: Yes, the military were selling it. In the case of rations they were most likely selling it on the black market. I don't know what they did with the equipment, perhaps kept it back in headquarters companies that did not risk having to go into battle and lose the equipment.

In any case, that was my only direct contact with the Guevara phenomenon except for the subsequent story of the captured material. It was later verified that it was in fact Guevara and also that the number of people that he had with him in this band was never higher than twenty-five or so, of whom three or four possibly, were Cubans. The fascinating thing that came out about Guevara and the Bolivian peasantry was that in the face of his expectation that he could generate a popular uprising against this military government, he found, first of all, that a large number of the peasants in that area had benefited in some degree from the land reform of the 50's when the MNR came into power, so they were not looking for any major changes. The second thing was that Guevara and his cohorts were regarded as foreigners and were referred to by the Bolivian peasantry as "gringos" because they spoke with this very strange accent.

Q: Did the peasantry speak Quechua or Spanish?

BRODERICK: Down there in the Santa Cruz area largely, they would probably not be Quechua but Aymara, but they were also Spanish speaking. Subsequently the Bolivian army did come across a cave in which this group had been staying and they did find a miscellaneous bunch of material, including a passport which the leader of the group had carried. This was taken over by the Bolivian army. At the urging of the US, the Bolivian government reluctantly agreed to send it up to Washington for evaluation--primarily to determine if it was Guevara. The experts in the field were comparing photographs of him where he had shaved his beard and his hair and so forth. They were looking at things such as the size of ear lobes to see if this was the same one. They finally concluded it was the same person. The Bolivians wanted their materials back; they had itemized them all very carefully, and when we sent them back in La Paz the government had protested that there was one item missing and what had happened to it? That item was a cigar butt. So we asked CIA what had happened to the cigar butt and the answer came back, "Consumed in analysis". We did not hear any more about it.

So that is the extent of my knowledge of the Che Guevara matter.

Q: There are a couple of questions I would like to ask you in that regard. You mentioned that the CIA had been helping before Barrientos came to power. What kind of help was that?

BRODERICK: To my knowledge it was financial. Victor Paz was getting it.

Q: What were they worried about then, was there evidence of guerrilla activity before the Guevara episode?

BRODERICK: That whole area is an arcane mystery to me as to why we ever do those things. It was not for guerrilla purposes; it was just general support for this MNR government whose policies we were favoring.

Q: MNR?

BRODERICK: Movimiento Nacional Revolucionario, which was the party Victor Paz had first led to power in 1952; it stayed in power until 1964 until he was ousted by the military. He had been in and out of office and other party leaders had also been president.

Q: Was there general support for the government?

BRODERICK: Yes, this was a period in which, in the early '60s, we were giving through the AID program huge amounts of assistance, including budget support, in return for the Bolivian government giving certain assurances about controlling expenditures and so forth. The AID program, the total package, was running at 30-40 million dollars a year. But this other assistance was run totally separate from the AID business and it was not public knowledge. In fact I only knew about it by hearing things about it. Economic counselors were not supposed to be parties to that sort of stuff.

Q: I was also interested in your remarks about Guevara and the peasantry. Was it your impression that Guevara was trying to stimulate an uprising in Bolivia among the peasantry?

BRODERICK: Oh yes, that is why he came. He totally misjudged the revolutionary atmosphere in Bolivia because, after all, there had been the MNR revolutionary government in existence for over twelve years. In those days we, meaning the US government, had in Bolivia a policy model for Latin America; here was one "revolutionary" government that was not communist that we could support and for once be on the side of the good guys and not with the entrenched reactionary generals. I remember I advanced this thesis once in an ARA staff meeting when Lincoln Gordon was assistant secretary. Well, he nearly pushed me through the floor. His idea of a model was Brazil. So I never raised the subject again, and almost ceased to believe it as I saw how Bolivia developed.

Q: It was a model even though the two people leading it were generals?

BRODERICK: The model prior to the generals coming in was a civilian government and we were hoping at this period to sort of remake the generals and make them into good guys. After the coup d'etat had occurred and Paz left they were all very green at government. We had been

telling them before the coup occurred, that we had knowledge of their plans and that they should not overthrow a constitutional government. This is our standard approach (though I'm not sure we followed it in Brazil). After the coup was over they came around and wanted to know "How do we get back in your good graces?"

They could not meet at the ambassador's residence because we had not yet recognized them so they would meet in different places. One time they came to my house in La Paz and were sitting around. We were giving a little seminar to them on how to run a government. My main memory of it was the Minister of Defense. He was a very short man, and a colonel (as they all were). He was sitting on one of my chairs and his feet did not reach the floor.

Q: You became the economic counselor then?

BRODERICK: I was assigned to La Paz as economic counselor in 1963 and as part of that job got heavily involved in the program to rehabilitate the Bolivian tin mine industry. The organization was known as COMIBOL, Corporacion Minera de Bolivia, a governmental agency--they had nationalized all the mines. While it was not specifically the job of the economic counselor to worry about, I did see that this was one of the major problems we and others were facing so I involved myself in it along with people in the AID mission. After I had been there two years, the deputy AID director left and at Ambassador Henderson's request I was made deputy AID director. I left in mid-1966 to come back to Washington to become the director of Bolivian/Chilean Affairs. Which is when I had the Guevara-related experiences.

Q: Did you go back to Bolivia on assignment?

BRODERICK: No.

Q: Do you know why, after we established the ranger battalion trained by Green Berets, we had two Cuban Americans with the troops and two Cuban Americans in La Paz? Was there some reason?

BRODERICK: I don't know, I presume it was just fluency in Spanish, but there could have been other reasons. I don't know of any Cuban Americans in the embassy--there may have been some with the military mission.

Q: You mentioned finding the materials, including the cigar, in the guerrilla camp. I understand from Ambassador Henderson that the discovery of those items kicked off a great row between the CIA and DIA back in Washington. Apparently the military representatives in our embassy heard about it from the Bolivian military and forgot to report it to the ambassador and to the State Department, which caused some rather hard feelings, particularly in Washington. Did you come across this?

BRODERICK: No, I was not aware of that. My recollection of it was that by the time I knew of it there had been an agreement that it would go to CIA for analysis.

Q: Was there pressure in Washington during that period for a tougher reaction? Ambassador Henderson was trying to keep this very contained, it seems to me. Did that suit Washington? I have had some indications that there were people here who wanted to take a stronger position and clean it up quicker.

BRODERICK: I just don't know that. The principle individual involved on that type of matter was Bob Sayre. I don't know if anybody has interviewed him.

Q: I have requested an interview with him and hope to talk to him. There was also a fee of five million dollars to the Bolivians. Did you run across that? It was to be payment for taking part in this.

BRODERICK: The head of Bolivian/Chilean Affairs at that time was Pat Morris who was actually an AID employee. It was during the period when State and AID had this agreement for sort of interchangeability on certain jobs. He is here in the Washington area, and lives in Bethesda. A lot of the stuff involved with CIA he handled and we did not know what was going on there.

Q: It was Ambassador Henderson's first and last ambassadorship. Was State pleased with his handling of things? He said they had a hard time placing him when he got back to Washington.

BRODERICK: There was tension between him and State. It is not uncommon. Ambassadors in the field see things differently than headquarters does. My own conviction is that he was left there too long and only came out when his wife died, which was a tragic situation. He was, in fact, in an earlier period, being considered for other ambassadorial appointments. I remember being asked to go over to the White House in 1967 or so, because he was on the list at least for the ambassadorship to Argentina. The fellow I talked to in the White House was just asking questions about Henderson and his performance and so forth. I think he had tremendous loyalty and admiration from his staff. But we also felt the place was getting him down; he had been there four years or so. He was also at one point being considered as ambassador to Uruguay, but that did not go through either. On another occasion when he came up on consultation he told us he had been offered the job as head of the Council of Americas, as it was then called, a private business organization. He had turned them down--I told him he was crazy, he should have taken it. Nelson Rockefeller ran the thing and he was interviewed by Rockefeller. He was still ambassador to Bolivia, but he had been there a good while. I think that by the time he came back from Bolivia the hierarchy in ARA were not really looking benignly on him as an ambassadorial candidate again.

Q: Do you know why?

BRODERICK: I just think that hackles had been aroused on a kind of personal basis. You might ask Sayre that. I don't think that any love was lost between him and Sayre, for example. I do think that if there was any basis for their thinking that he should not get another assignment it was that there was too much "localitis" in his work, which basically meant that he presumed to talk back to Washington and they do not always like that

I improved after that, and I was assigned from there to La Paz--which had not been high, or even low on my list.

Q: So that was 1963.

BRODERICK: Shortly after I arrived in July of '63 [Ambassador Douglas] Henderson arrived in November. What he was faced with even before he presented his credentials was a hostage crisis. The Bolivian miners' union was very militant, very leftist, led by people who probably did not in fact know what Communism was, but they acted like Communists. At this point, around Henderson's arrival, a group of Americans, two from USIA, two from the AID mission, and maybe the labor attaché, made a trip up to the largest tin mine, called Catavi. They, together with the Dutch mine manager, were taken hostage by the miners because the Bolivian government had just arrested the mine union leaders and thrown them in jail. They said, "Ok, you won't let our leaders out, we won't let these people out!" They put them in the second story of the headquarters of the mine, on the first floor of which were kept dozens of cases of dynamite. The threat was that they would blow the building up if anybody tried to rescue them. Henderson found this was the situation when he arrived there. When he presented his credentials to President Paz that was what he had to talk about, "What are we going to do about getting these guys out of the mines?" We were not proposing they release the arrested mine leaders, although I guess we would not have minded if they did. But we formed a kind of task force to deal with it. My job was to liaison with the Archbishop of La Paz, to keep him informed and to get the clergy to do whatever they could, which turned out not to be much. The only arduous part of that task was that the archbishop's palace was about seven blocks from the embassy uphill; everything in La Paz is up hill. Of course the elevation of La Paz is at 13,000 feet so four times a day I was climbing this hill and reporting.

The hostage crisis went on; this was also shortly after Johnson had become president and he was quite concerned, as he did not like to lose. There was discussion about sending in some Green Berets to rescue them. The idea was to bring them in helicopters at night and drop them. They would seize the headquarters and rescue the Americans. Then somebody raised the very interesting question of the altitude that would have to be flown by the helicopter to get in there, since Catavi is at about 15-16,000 feet and 20-21,000 to get over the mountains. The question was what is the load capacity of the helicopters you have in mind at that altitude? It turned out to be two people. So that idea was dropped and we resumed diplomatic negotiations instead. The person principally charged with the care of these Americans was of course, the American consul in La Paz, Charlie Thomas, who today is our new ambassador to Poland. When the final agreement was reached, the final details of which I cannot even recall, Charlie went in with a jeep with a couple of others late at night. The hostages were brought out successfully and President Johnson was so delighted that they were all invited to come up to the White House for lunch. Air Force One was flown down and they flew back commercially. That was about the first of the many hostage crises we have had around the world, I believe.

One other thing that sort of relates to hostages; after the revolution of 1964 when the military took over, the army finally decided to clean up on the miners and try and make them dig tin

instead of raise hell, so the army occupied the mines. This was May of 1965, just after our invasion of the Dominican Republic and there were a lot of rumors around that the US was going to send the Marines down to Bolivia too, to straighten that situation out once we got the D.R. organized. We did not much believe it, but you never knew what could happen in those days.

One time an AID-mission colleague and I were proceeding across the Altiplano towards a small village where a new potable water system was to be inaugurated. AID was financing the construction of these potable water systems around the country and Charlie Stevens and I were on our way to attend the dedication ceremony. It was also to be attended by President Barrientos and several of his ministers. We were standing at kind of a barren and dusty cross roads up on this high plain where the terrain was sort of rolling. The altitude was about 14,000 feet. All of a sudden in the distance we heard some music. We listened more closely, and what we were hearing was the "US Marine Hymn". We looked at each other and said, "My God, maybe the Marines actually have landed! They are going to shake up Bolivia too." The music got closer and closer--and it turned out to be the high school band from a nearby village that was coming to play at the ceremony. We were relieved of the burden of the Marines, at least.

Q: Was AID a large part of the American effort there?

BRODERICK: It was very large scale. Apart from giving budget support, it was involved in financing highway construction, railroad rehabilitation, civil service development, banking reform, and tax collection efforts. We had a team from the Internal Revenue Service come down to try to help the Bolivian Finance Ministry improve its tax collection capabilities. The first suggestion was one that was as simple as it was efficient. The IRS said, "Look, anybody in this country who owns a telephone certainly has enough income to be paying taxes. What you do, Minister, is have your staff start calling everybody in the phone book and ask them when they filed their last tax return." Which they did, and there was a huge influx of returns as a result of that effort.

On a different front, I was once talking to another Finance Minister about the fact that they had serious budgetary problems, budget deficit problems and I said, "You know, the monthly fee for a telephone in this country is about two dollars. Anybody who owns a telephone in this country can pay a lot more for it, and that would be a very good and easy source of revenue." He looked at me and said, "Mr. Broderick, you don't understand, the people who own telephones are the ones who vote for us." So they did not raise the rates.

Q: By and large, do you feel it was a successful effort?

BRODERICK: I am not so sure now. It would be interesting to have somebody go back twenty-five years later and assess what happened. It was successful to some extent. We did advance the construction of these highways down in the tropical areas. I fear that one thing that that effort did, among others probably more beneficial things, was reduce the cost of transporting coca leaf to the coconut processing plant, so that was not exactly a socially useful benefit.

I think the most effective programs were the ones that were closest to ordinary people. The one where we saw an immediate, positive impact was the development in Bolivia of the credit union.

Typically a lower-class Bolivian, if he was short of money, had to go to usurers and they were charging 100% per annum, at best, for interest. Through the efforts, primarily of the Maryknoll Fathers who were in the country and one man named Fr. Joe Beausoleil, they developed a fairly extensive network of credit unions around the country, with very low capitalization. AID would put in \$5,000 or so to get them started. Typically, when the Bolivians would decide to have a credit union, they would not trust any of their own to be in charge of it; they would have the local priest, or whoever the local foreigner was to manage the thing. Nonetheless, it became a very substantial source of short term capital. If a guy needed \$100 to put a new roof on his house, he could do it at a 12% interest rate, which was practically a giveaway in those days.

They were also developing Bolivian handicraft industries and finding outlets for the peasants who would weave the rugs or make the serapes or wood products. AID was helping finance the marketing of it. We also brought down a team of agronomists, agricultural specialists from the University of Utah, and one of their first efforts was in the area of wool collection. We discovered that although there were five million sheep in the country (more than there were Bolivians), Bolivia was importing wool from Australia. We looked into this to find out why. We discovered that there was, in fact, a primitive collection effort of local wool, but the reason that it did not flourish was that these middle men, who had trucks, and would travel around the country and buy wool from the farmers, would pay a fixed rate, regardless of the quality of the wool. So there was no effort to upgrade the quality of the wool; then they would take the truck load and shovel some sand into it and sprinkle some water on it so it would weigh twice as much, and take it to the woolen mill. Well after once or twice, the buyers realized what they were buying and cut the price in half. It was just uneconomic. The first thing the AID people did was give demonstrations on how to shear sheep. They discovered that the typical Bolivian peasant regarded his sheep primarily as a store of value. It was just wealth to him. Secondly he would make his own clothing as needed; then thirdly he would consider marketing it. That was lowest on his priority list because his shearing consisted of using an old tin can lid, or broken glass, and this of course, would cut the sheep up pretty badly. Naturally, at 14-15,000 feet many of the sheep would get pneumonia and die, so they knew shearing was a bad thing. The Utahans (they were all Mormons and were interesting people), gave these demonstrations. They would make clippers available to the peasants; they would teach them about grades of wool and the fact that if you developed a high grade wool you could get twice as much money for it. This proved to be very successful, and by the time I left Bolivia it was no longer importing wool. The question in my mind, is that still happening, or not? It could easily have fallen by the wayside.

There was a mining bank which had been set up in the 1940s to provide loans for small and medium private miners to help them work their mines. The government wanted AID to put some money in it to help capitalize it. We looked into it and discovered that 90% of the loans were delinquent, and that 90% of the loans had been made to people who had no mines at all. It was just used to be plundered. So we did make a loan to it, but we required a lot of changes to be made, there were conditions about who could get a loan and so forth. We trained staff, we had an American overseeing it, and presumably that worked for awhile, but when we left-- who knows. So I am not sure how successful it was, how lasting it was. Bolivia today is substantially more advanced economically than it was then, though tin is no longer the major source of foreign exchange. It is coca, cocaine, and that is a real problem. To the extent that we eliminate the cocaine trade we send Bolivia back into a depression.

DOUGLAS HENDERSON
Ambassador
Bolivia (1963-1968)

Ambassador Douglas Henderson was born in Massachusetts in 1914. He received his bachelor's degree from Boston University and his master's from the Fletcher School of Law and Diplomacy. Joining the Foreign Service in 1942 he served in Mexico, Chile, Bolivia, Peru and Washington, DC. He was ambassador to Bolivia in 1968-69. Ambassador Henderson was interviewed by Richard Nethercut in 1988.

HENDERSON: And that was very good preparation and training for my assignment to Bolivia as ambassador.

Q: *Could you go a little into the background of the circumstances about your selection as ambassador, the time frame in which it occurred, and then what you considered to be your charge as ambassador to Bolivia?*

HENDERSON: The appointment to the Chief of Mission spot in Bolivia is probably a precarious one. In the first place you have to understand, as you must, that Bolivia is not normally considered a plum assignment. The capital city--and about a third of the country--is at altitudes above 10,000 feet; the country is remote in the sense that it's in the High Andes, and the people themselves have a history of, well, let's call it fractiousness, of unstable governments which do not contribute to the peace of mind of any Chief of Mission. As a matter of fact there is an old New Yorker cartoon before the war, about 1938, in which it shows the typical striped pants diplomat down on his knees before a board of very senior officers, and the diplomat is saying, "But please, I don't want to be ambassador to Bolivia."

But nonetheless, I somehow cherished the notion that I could hope to be ambassador to Bolivia. I had served there for a number of years during the war from January 1944 until June of 1947 in a consulate out in the hinterland. I knew the country well. I liked the people. I speak Spanish fluently, and I spoke and understood enough Quechua, one of the Indian languages, so that it would be a post at which I would have at least some advantage as Chief of Mission.

The fact that the average tour of duty for a Chief of Mission in La Paz, I think, is somewhere short of a year gives some idea how uncertain your career expectancy is when you're assigned to Bolivia. But, because I had been Charge at a difficult period in Lima; and because the then ambassador to Bolivia, Ben Stephansky, had visited with me in Lima a number of times and we had talked about our philosophy of government, and our philosophy of ambassadorial responsibilities and so on; and because the then Assistant Secretary, Ed Martin, had had his attention called to me, not only because of the business of being Charge in Lima but also because Cornell University had asked me to be campus coordinator for their Peruvian extension service--I think that was what really impressed Ed Martin, at least that's what he said to me. It was the

first time in his experience that a university had ever looked to a Foreign Service Officer to head up a program for them.

At any rate, whatever the circumstances, when I left Peru (and that was inevitable because a new Chief of Mission, Johnny Jones, had been named and he had to, of course, have a new Deputy Chief of Mission), I had been Charge and obviously I could not make the transition back to being Deputy Chief of Mission. I left Peru in August without an ongoing assignment, only that I was to take some leave which I did. But Ed Martin had hinted to me that I was on a short list for nomination as ambassador to Bolivia. So that in October when the nomination actually went forward I had been mentally preparing myself to take on this new responsibility.

And now I have to say something about that. Being ambassador is completely different from any other experience a Foreign Service Officer is likely to have. In the armed forces, for example, an officer is always being given full responsibility for certain assignments. A naval officer, for example, is in charge of his watch, he is in full responsibility. Now, of course, there is an institutional framework and guidelines surrounding him, but nonetheless he is uniquely and individually responsible at that point. A Foreign Service Officer does not have that experience. Wherever he is assigned he is surrounded by an institution which checks his worst mistakes, and which supports him, and insulates him while he is performing his duties. But when you become ambassador all that insulation is gone. You're standing there all by yourself, and it is your mission. Your mission, and whatever happens it is your responsibility.

Now, I arrived in La Paz, but before I arrived in La Paz something dreadful happened. I was sworn in on a Wednesday and that afternoon at 4:00 I presented myself at the White House and sat down with President Kennedy, and he was enormously interested in Bolivia because he had just had a state visit from the President of Bolivia, Victor Paz Estenssoro, and he was thinking of returning the state visit to La Paz. So he was asking me about the facilities for a state visit at La Paz. He was asking me about the altitude. He was asking me about the people. He was tremendously interested in the detail of life in Bolivia. And when I told him that no American Chief of State had ever visited Bolivia, he was determined to return the state visit. The immediately following Friday morning, I was at the World Bank at a luncheon where we were discussing World Bank activities in Bolivia, when an aide came in and interrupted to say that President Kennedy had been shot in Dallas; and at that point I didn't know whether he had been killed or not, but it was quite evident that he had.

Q: Then it was under the Johnson administration that you actually went to Bolivia. Was there any change, did you feel, in direction or guidelines?

HENDERSON: Well, in the first place, after leaving the bank that afternoon I walked back to the State Department and realized that my first act had to be to hand in my resignation as Chief of Mission, since when there's a change of administration from one President to another, the new President must feel free to appoint his own officers, including ambassadors. I sat down and wrote out my resignation, but I was then called by a friend in the Secretary's office who said they had just received word from President Johnson that all ambassadorial appointments made by President Kennedy were confirmed pending further review and that I was to go ahead.

So I did go to La Paz with President Johnson's approval. Nonetheless, I did not have the opportunity of visiting with President Johnson until almost a year later. I wouldn't say that there was an overt change of policy between the Kennedy administration and the Johnson administration. What I have to say is a gut reaction. The spirit of high adventure, of daring, of willingness to do new things and explore new courses of action, disappeared with Kennedy's death. The work continued but there was a spirit that was missing. And a second observation, something that I don't know how it was communicated, but in the year following my arrival in Bolivia I visited--I knew Bolivia fairly well, I knew where I wanted to go, I wanted to go back and see old places that I'd seen years ago and see what had happened--wherever I went there were pictures of President Kennedy with a mourning band around them. How President Kennedy's spirit had communicated itself so effectively in those remote areas still remains a mystery to me, but it is a fact.

Now, typically Bolivian experience. I had been there a week, I hadn't even presented my credentials. Four people from my staff, a Labor Attaché, a couple of people from the Information Office--there were four, I can't remember who the fourth one was--had gone into one of the big mines in Bolivia, Siglo Veinte, a tin mine, at the request of the labor union leaders and they had gone in before I arrived. I arrived at La Paz, I guess it was about a Friday, and I was not briefed on the group that had gone in until the following Tuesday. And that Tuesday afternoon the Bolivian government, for reasons which escape me now, arrested two of the mine leaders who had been in La Paz and who were returning to Siglo Veinte--they arrested them on the way back to Siglo Veinte. The four Americans and some German engineers and some Bolivian supervisors were immediately detained by the Bolivian miners in Siglo Veinte and held as hostages in a room above the dynamite warehouse in Siglo Veinte. So that when I presented my credentials to the President of Bolivia I made what must have been one of the most unusual speeches to a chief of state that an incoming ambassador had to deliver. I said, "I have to present the letters of recall of my predecessor, and letters of credence extended to me by my government to your government, and I have to inform your government that my government will hold your government responsible for the lives and property of its citizens now being held hostage in your country."

Now, the President of Bolivia at the time, Victor Paz Estenssoro, I wouldn't say he was a friend of mine but I had known him when I had been assigned as Consul in Cochabamba, so that it was not a completely strained atmosphere into which I had to deliver this message. He immediately said, "Yes, Ambassador, my cabinet has been meeting on this subject before your coming to the palace, and the Foreign Minister will call on you at your residence at 1:00." Well, however it was accomplished, we did obtain the release of the hostages, so that my first week as Ambassador to La Paz was a good introduction to my career as Ambassador to La Paz which was "never dull a moment" all the time I was there and which tested all my previous background and training.

I should point out, however, that many Chiefs of Mission have some sort of a notion that they are self-levitating, that they are held up in the air by some individual merits of their own. I never had that illusion. I knew that I was being held up in the air, if indeed I was up there, by a staff that was working constantly to support me and to help me perform my mission, and I was very fortunate in the entire five years nearly that I was in La Paz, which included three complete staff changes. It was one of those coincidences that almost seemed not to be coincidences that the top

staff, DCM, Political Counselor, USIA Director, and Station Chief--their tours of duty coincided and their reassessments coincided and I had a new staff about every year and a half while I was in La Paz. But I was very fortunate. I had superb officers. I had intelligent officers. It seems to me nothing short of, well, I was going to say a miracle, but it's not a miracle, it is very impressive that the United States can field in posts like Bolivia such a high caliber of American officer personnel, and that includes not only the Foreign Service personnel, but the A.I.D. officers, the information officers, and the Peace Corps directors, and the station chiefs and so on.

Q: Did you also feel that in addition to having a cohesive, harmonious country team there at post, that you were receiving unified policy guidance from Washington? Were there policy disputes within the U.S. Government with respect to Bolivia, and if so, what was the impact on your tenure as ambassador?

HENDERSON: I shouldn't say this, but one of the great advantages of being ambassador to Bolivia is that Washington doesn't pay too much attention to what's going on there until you're in trouble. But I would have to say, no, that generally I did not receive good policy guidance and I don't think it's unfair to say that I received, except in rare incidents, little support from the Washington team.

Let me see if I can pick out an episode. Yes. This is one which probably was one that gave me the most difficulty. I won't go into the background details of the episode in Bolivia marked by the Che Guevara incursion into the country. But in the course of that threat to the Bolivian governing group, I was in Washington and I went with the Assistant Secretary of State to the White House to talk to Walt Rostow about what was going on in Bolivia. I said to Rostow that there was one thing that was clear to me, that if Bolivians were able to combat and defeat this insurgency that they would certainly, being Bolivians, look for some kind of a reward and specifically a financial reward, and specifically I would think that they would be looking for something in the order of \$5 million dollars. I was not representing anything that the Bolivian government at the time had told me, but it was just what I anticipated would arise when this insurgency was over. And I said, "And when they come to me for this, I don't want people in Washington trying to nickel and dime me to death. This is one where we either have to say yes, or no, and if we say no, then I think you'll have to understand that my mission will be marked as a failure and I'll have to resign. It isn't sour grapes, this isn't anything, these are just facts of life and we have to face them this way." And Rostow turned to the Assistant Secretary and said, "When Henderson's request comes in, make sure that we remember what he said."

Guevara was defeated and executed and the Bolivian government did turn to me and say, "We single-handedly to all intents and purposes defeated a threat to the stability of the hemisphere and now we think we ought to have some compensation and we're thinking in terms of money." And when I transferred this request to Washington and reminded Washington of the understanding I had had, the first thing I got was an AID mission demanding to talk with the Bolivian government to negotiate some form of not compensation, but additional aid, and when I expostulated to the person who was heading the mission I was told, "Look, Guevara is dead, that issue is over."

There's another example of that. There was a time, sometime in the course of my assignment there, when it suddenly occurred to somebody in the Department that we ought to have a policy statement--policy objectives for Bolivia--and they asked me to write my version of policy objectives. And I said, "Well, I felt that the underlying principle of our relationship with Bolivia should be to encourage Bolivia to develop an independent foreign policy consistent with its international obligations." And I got a rocket back saying, "What do you mean independent?" And I sent back an answer saying, "I mean the converse of dependent. I do not believe that it is an objective of U.S. Government policy in Bolivia to make Bolivia further dependent on us." And that ended any question of writing further policy for Bolivia.

Another example of that. I don't know that you ever heard of the-- what was it they called it?

Q: The CASP program?

HENDERSON: No, it was a program directed by a group called the Special Group CI (counter intelligence) but really what it was, was Governor Hardman and Robert Kennedy, and a number of the very powerful figures in President Kennedy's program developed after the Bay of Pigs fiasco; and the intent of this group was to evaluate situations around the world in which the Communist threat, so-called, was always endemic and always threatened to become epidemic, and one of the requirements of any country which was so classified was that there had to be a report every three months to this committee as to the status. And the carrot to develop this kind of situation was that if there was a finding by this committee that there was a very real danger, then certain steps would immediately be put in place to assist the mission in combating the threat. So, relying on these guidelines, I asked that we be given a strength, a capability in the upper Amazon area of Bolivia to first patrol the waterways and to undertake information programs in that area, and to develop a capability of monitoring what was going on there; because it was clear to me that this upper Amazon network was being used by the Peruvian guerrilla operations, for example, for their access out of Peru through Bolivia and through the Amazon system out to Cuba. And I requested certain things and I was told no, that that wasn't available to me. So I said all right, if this program can't provide me with what I say is necessary for achievement of my objectives then I don't see any point to the program. Well, I was called on the carpet with Governor Harriman and Bobby Kennedy and I've forgotten the others, but you can get the idea of what kind of power center I was dealing with...

Q: Could you recall what time, what year this was?

HENDERSON: Well, it had to be somewhere between--It couldn't have been much later--it must have been about July-August-September of 1964 I would think about then, yes, because the election in Bolivia, the reelection of Victor Paz Estenssoro, took place and his inauguration took place on the 6th of August of '64, and I went up to Washington after that in order to consult as to what was going on and that was when I had asked for these things and got turned down. So I was put on the grill and asked, "What do you mean?"

And I said, "Well, we're being asked to divert my staff to preparing reports which don't achieve anything for me." And I said, "Unless I get something, I don't see any point in continuing these reports. In the first place I don't think that the threat to the stability of the Bolivian government

comes from a Communist source. The instability in Bolivia is quite different. It may masquerade sometimes as Communist inspired but it really is a different problem entirely. What I'm trying to get at is the channeling of these Communist resources, not into Bolivia but into Peru where I was most recently assigned, and it is going across the upper Amazon system and there's no patrol up there, they have no way of controlling it, and we have no way of inducing the Bolivian government to control it."

Well, I was in there for nearly an hour and the only thing that I achieved was that they said, "All right, you don't have to write these lengthy reports. You will only have to write one a year unless something occurs in the interim." Its that kind of thing which makes me conclude that for whatever reasons, the Department of State, at least in the areas in which I worked most closely, both in Switzerland where I had some problems too, and in Latin America, is not inclined to back up its missions. It is more influenced by Washington considerations than field considerations in the establishment of policy.

Now, I notice one of your points is what is my most frustrating experience? And I have to say that I was never frustrated in the sense that I despaired. Certainly I was frustrated but frustration doesn't necessarily mean that you give up, you just are motivated to work harder and to go around the obstacle. For example, one of the things that I did was to institute a meeting once a week not with my top staff but with the group that I thought was most capable of grasping what I was trying to get at. And what we were trying to do was to write out our problems in terms that we thought Washington could understand. And we did that for a number of years. And one of the things that we did was precisely that of saying, "How can we tell Washington what it is that we are trying to do."

Q: What I would like to do now, unless anything occurs to you that is really salient in your early years, I'd like to jump to Bolivia, and particularly to the Che Guevara episode there. How long had you been in Bolivia when one heard that Cite Guevara was in the country?

HENDERSON: Well, in the first place, I should say this was my second tour of duty in Bolivia. I had been a consul in Cochabamba from 1944 to 1947, so, 20 years later, when I was posted as ambassador in 1963, I had some background knowledge of Bolivia. The Bolivian scene, of course, is not a restful one and we went from one crisis to the next. It was never dull.

I ask indulgence on the question of dates, I think I'm right but you better check them. In the second place, I knew, from my experience in the Service, that an ambassador is not self-levitating. His staff holds him up. In my years in Bolivia as ambassador, I had three complete changes in senior staff and the third group served me during the Guevara episode. What I will recount will be my view of what happened, but keep in mind that I was being supported by professionals.

Q: Yes, I will.

HENDERSON: The first word that we had of anything like the Guevara episode, must have been in the summer of 1966. In Bolivia the problem is not one of gathering information, but of sorting it out. You have a lot of rumors fed into the embassy all the time, and they may point like

magnets under a scattering influence, they point in all directions. But, if suddenly all the arrows point in one direction, you start to take them seriously. At first we didn't get very much out of this. There was a story that there was a guerrilla uprising being developed in some part of Bolivia, it was kind of vague. In the southeast, they said, a man by the name of Guevara--well, there are lots of Guevaras in Bolivia and a number of them are known revolutionaries of one kind or another.

Q: How were you hearing about this?

HENDERSON: It came through the station, the intelligence station. But they were not particularly alarmed by it, they didn't pick up on it, they just noted it.

Perhaps it would be just as well if I took a moment now to jump ahead, or rather to come to a final analysis of one aspect of this. I think it's important to notice that this Guevara episode was one that was carefully planned. It was not a hit or miss operation even though it might, on the surface, appear to be. In the first place the selection of Bolivia, and the selection of the site in Bolivia, must raise questions. If Guevara had chosen the Amazon rain forest river system, no one would have been particularly surprised. That river system had been a communication channel for communist couriers going between Cuba, Brazil, Peru and other countries for a number of years. When I was stationed in Peru we knew that some of the Peruvian guerrilla operations were being sustained this way. But he didn't choose that. We also found out later that, for example, the French man Regis Debray had surveyed the Bolivian scene earlier, possibly as early as 1965. And so you have to stop and think, why? Now it's also obvious that there had been a number of other interested parties in this operation. The girl, Tanya, appears to have been an East German attached (for whatever purpose I have never investigated), to the Guevara operation. There was an Argentine who was also attached to the operation from Argentina.

Q: Man or woman?

HENDERSON: Man. So that outside interests had channels into the operation. Now why did he choose the area that he did?

Q: Do you know anything about those areas before we go on?

HENDERSON: No. They were isolated, and I never followed up on them. I had my hands full with the operation and only afterwards did it become apparent that these were not just happenstance kinds of things. There were other parties to the operation.

To make it short I would have to say that I think Guevara's ultimate objective was to establish a revolutionary base in Bolivia from which he could move out into northern Argentina, he being himself an Argentinian.

Q: So hence the area. You were starting to talk about that, and that's the significance of that.

HENDERSON: Yes. This is the significance because otherwise the area itself would not be a convenient base to start a revolution in Bolivia. The way to do that would have been to go into

the mines. It wouldn't have been hard to start up all kinds of difficulties in the mines. If you had wanted to just facilitate communist operations in surrounding countries, an Amazon River base would have been a dandy place to be; very easy place to move around, in and out.

Q: He was in Bolivian lowlands?

HENDERSON: No, he was in a part of Bolivia called the Dry Jungle. The Andean mountain chain there faces out to the Chaco, and it is very precipitous, very broken up, and lots of ravines and channels and gullies, and very difficult both for movement, and also because of the living conditions. All the diseases known to mankind are endemic in that particular area.

Q: Then it was mountainous, or at least foothills.

HENDERSON: It breaks off very sharply there so it's really mountain and then it drops right down to the Chaco plain. The only significant industrial resource in the area is the oil fields at Camiri, and yet there was never any evidence that that was an objective.

The other part of it that seems to indicate that this was a well thought out, well established operation, was that when Guevara failed there were a group of Cubans who were with him, about six I believe, who had been surrounded in the same area. They escaped from the Bolivian army and disappeared, and resurfaced about four months later crossing the high Bolivian plateau in a very remote, desolate area fronting on Chile, a place called Uyuni. They escaped across the Chilean frontier, and the Chileans shipped them back to Cuba. But my point is rather that they were able to sustain themselves in Bolivia as hideaways for months. They could only have done that with some sort of a support group.

Q: From outside or within Bolivia?

HENDERSON: It had to be from within Bolivia. Those are the reasons that I think that this was a concerted attempt, better thought out than it appears on the surface, with a very deliberate site selected for a deliberate purpose.

Q: Could I ask you one question in that regard? I always wondered about it. I'm thinking of Mao's dictum that the guerrilla should swim in the sea of the people, and it did seem that this was very foreign territory for Guevara. They're Quechua speaking population, are they not? Did he have support in the area? Or did he stand out like a ...

HENDERSON: The first tip-off to his actual presence was that two Bolivians, completely fed up with the discipline of his camp, left the camp, fled to Camiri with some arms--I don't know just what they were--and tried to sell their arms there in Camiri, and were promptly picked up by the local military commander and interrogated.

The problem apparently in that camp was that the Bolivian recruits were treated with contempt by the Cuban hardcore, and were more or less the gofers.

Q: He was recruiting on the spot, trying to recruit?

HENDERSON: The communist party in Bolivia, the communist parties in Bolivia tried to make contact and they sent some of their people in. They weren't really recruits. They were people trying to take a free ride on this Cuban intervention. This is speculation on my part, I have no firm data to support it, but the fact is that two of the Bolivians escaped from the camp and more or less inadvertently gave the whole show away.

Q: *Did he get any significant support from the population?*

HENDERSON: There is no significant population in the area. This is, as I say, dry jungle, very little in the way of local population there at all; very scattered subsistence farms, nothing in the way of population concentrations. Camiri, obviously he did not locate in Camiri where there was a population which he might have recruited, but he didn't.

Q: *He was near Camiri. That would be the closest.*

HENDERSON: That was the closest center.

Q: *About how far was it from...just so I can...*

HENDERSON: At the very outside, he might have been 15 miles away, but because of the terrain he could have been on the moon as far as that goes. There are other population centers: Tarija, Yacuiba, but they are small and really pretty remote from other Bolivian territory. But Bolivia is very sparsely populated, except on the Altiplano, the mines, and the cities, and now, of course, the population is shifting towards Santa Cruz which is the...well, it is Amazon, but it is at the very headwaters of the Amazon. It is the demarcation line between the Chaco, which is mesquite shrub desert, and the more or less grassy plains which stretch out towards the Amazon rain forest.

Q: You're speaking now of Santa Cruz.

HENDERSON: Santa Cruz is the point at which there's a break over, high mountain, Altiplano population, and rain forest population.

Q: *How many of them were there? Do we have a figure on that?*

HENDERSON: Well, we know there were about ten Cubans. We know that there was Tanya, and this other Argentinean, and we know Regis Debray was there, and there may have been maybe another...the figure was always fluctuating, people were moving in and out of the camp, but I would say 20 to 30. It was not a large group.

Q: *Twenty to thirty total, or 20 to 30 in addition to the ten Cubans?*

HENDERSON: In addition to the core group.

Q: *Did that number grow...I mean, was that the final number?*

HENDERSON: At the very most that was what they had.

Q: *So we're talking really 35 people.*

HENDERSON: Forty, outside. It was a core group, and Guevara intended to harden his core group through training before he made any move. He was off on a training march when the two Bolivians broke away and went down to Camiri, and the whole thing was blown. Before Guevara got back the local Bolivian commander decided that he was going to be a hero, and he sent I guess maybe a squad, maybe a little bit more, of his soldiers into the area where the Bolivians had told him the camp was located. But they were very clumsy, fell into an ambush...I guess a couple of them were killed, the rest of them were captured, brought into camp, interrogated, and I guess their shoes were taken because shoes were a very valuable commodity in this terrain, and then they were sent back. When Guevara came back, in this time sequence, he realized that his cover was blown, and decided he had to break camp and move out.

Q: This is *about '66, or late '66?*

HENDERSON: No, by this time it must have been March of '67. Now, there were two things going on in parallel so I'm going to follow one and then I'll follow the other.

Q: *Good.*

HENDERSON: The first thing I want to follow is Guevara. Guevara broke camp, decided that neither Regis Debray, nor the Argentinean could handle forced marches in that terrain. He moved his group south for about a half a day's march to where he could shake those two out, drop them off, and then turned and went back north. So that Regis Debray and the Argentinean were captured almost that same afternoon and tried to give a story that they were just newspaper reporters; the Argentine was a journalist, but also a member of the Argentine Communist Party. Debray said he was a French journalist, and he was. But the Bolivians didn't necessarily believe them, and held them and started interrogating them. Regis Debray, of course, being French and his mother being a person very close to De Gaulle, and being an intellectual, managed to get a lot of international publicity, and it became a very sore point for the Bolivians.

Barrientos called me the night that Debray had been captured. He didn't know who Debray was, but said that they grabbed this guy, part of this guerrilla uprising. And I said, "Your excellency, what are you going to do?" He said, "Execute him." I said, "Really, I think that's not quite on. I'm not here to tell you what to do, but I can tell you what the consequences are of an action like that." And for several days my military personnel were telling me that the man was dead.

Q: *The Defense Attaché.*

HENDERSON: The Defense Attaché and others. And I kept putting the pressure on Barrientos and his military staff. Of course, my station chief was interested in any intelligence he could get out of it so he wanted to know about it too.

Q: *Do you remember the name of the military attaché?*

HENDERSON: No, I can conjure up his face but I can't remember his name. I had some lulus.

Q: *Was Tilton the...*

HENDERSON: He was the station chief. Well, in any case, the Bolivians kept Debray alive, and they kept the Argentine alive. But they got all kinds of bad publicity out of imprisoning this French intellectual. Mrs. Debray came to Bolivia and almost became a public relations problem for the French embassy, as much as anything. But, in any case, Debray is alive. That's one channel.

The other channel...

Q: *Is Debray still around?*

HENDERSON: Yes, as a matter of fact he is one of Mitterrand's advisers.

Q: *He's a real survivor, isn't he?*

HENDERSON: He's a survivor. Now, the first that we knew of specific actions (we'd been getting these rumors), the president, Rene Barrientos, called me one evening and said he had to talk to me urgently. And I said, "Well, I should have one of my advisers with me. Is this an economic matter? Is this a military matter? Is this a political matter? What are we talking about?" He said, "Well, bring down your counselor." So I brought my counselor down, John Fisher, a very stable chap, who by the way had a lot of military background himself

Q: *Oh, did he?*

HENDERSON: So he made a nice combination. Barrientos told us that...this was after the first ambush...

Q: *Then you met personally with Barrientos at the palace?*

HENDERSON: No, at his house. He said, "This is a guerrilla uprising. It's small, it's been badly handled. I think we can probably handle it all right, there isn't any problem, but I think we ought to let you know." And I said, "Fine." And we went up to John Fisher's house which was a little way up, and we sat there and were talking about it, and thinking, "Well, he hasn't asked for military supplies, so apparently he's satisfied that we can go on as we have been." We were sitting there, and my wife called me and said, 'The President has just called and said he needs to see you again urgently, and to bring your military attaché.' We called the military attaché...and this fellow was pretty good, he wasn't very imaginative but he was a very solid person...

Q: This is *the same night just after you'd...*

HENDERSON: The same night. We'd met Barrientos at 8:00, by 9:30 we were back again at his house. The house by then was surrounded by bodyguards. When we'd gone down the first time there was no problem. Barrientos said he'd been talking to his military personnel and they felt they needed all kinds of arms and ammunition and all the rest of it, and they had a shopping list that wouldn't quit. And I said, "Excellency, we'd better define our terms. I think we've had a military training program here for years. The last element of our training program was to be a ranger battalion for the lowlands of Bolivia. We haven't started it yet. I think this would be a good time to start it. I'm not going to authorize any materiel for any armed force that isn't trained. The end result of arming an untrained group of people is to transfer ammunition and arms to the enemy. So we will start there. We will set up a training program for a ranger battalion, and since this is obviously not highland operations we're dealing with, we'll set it up in Santa Cruz. This has been programmed for years and we had been concentrating on other elements. We'll set up that training program."

Q: *And you'd been talking about setting this up before?*

HENDERSON: Oh, yes, this was part of an ongoing military assistance program that we had started in 1958. That is a separate story. So when we left Barrientos said, "Well, I am going to have to deal with my military, and you had better have some escort service." And he sent out three or four jeeps to follow us back up the hill. It was this kind of atmosphere we were working in. No one really knew what was going on; was it big? was it small? where was it headed? what was it intended to do? We had no way of knowing.

Q: *You mentioned here that he was at first quite cool, and then I gather under the influence of his military advisers became quite concerned.*

HENDERSON: And demanding. You will have to understand, of course, that Barrientos was an air force general. He was a very able, astute, politician, but he also had a military background and his armed forces just put the pressure on him to get all kinds of supplies out of this.

Q: *I'd like to go back to this visit you have just been talking about, but while we're at this point with Barrientos, could you just give me an idea of what your impression of him was as an individual, politician, president, whatever? Your personal impressions of Barrientos.*

HENDERSON: Barrientos was, in the first place, a thoroughly Bolivian person. He knew his own people. He also had a pretty good idea of how to deal with the Americans. He had trained in the United States. He knew the Americans pretty well. He had good American friends. He had become president, elected president, by overcoming some very real obstacles so that it was obvious that he was astute, a survivor, a daring man, a very bold person with a good grasp of how to maneuver both politically, and militarily. But he was also terribly Bolivian, had a...what do I want to say, not so much a spiritual side to him, but a sort of...he believed in his own insight into events, he believed that he had a sort of "second sight".

Q: *You said a strong belief into his own insights.*

HENDERSON: A strong belief in his own insights into events, and if he once conceived as to how this thing was going to go, I couldn't tell him anything. And that was why I chose this ranger battalion. I made a concession to him. I gave him what he needed, and I showed him that I was going to support him. But I wasn't going to. He and I had had a long conversation, and I thought that this man would understand better than most military men.

Q: *Was he connected with CINCSOUTH?*

HENDERSON: I've forgotten his exact relationship, but he was attached to CINCSOUTH, an air force general, William Tope, so when CINCSOUTH said they wanted to send someone down, I said, "Fine. You may send someone down but I would prefer that you send down General Tope. I know he doesn't speak Spanish but he is an Air Force General. He can get on first name terms with the president very quickly because of this, rather than send along someone who is Spanish speaking." Which they did.

Q: *You had known Tope before?*

HENDERSON: Yes. It was just one of those things; I had met him in Panama and I'd asked him a very awkward question in a presentation, and he said, 'What's a good question. I'd better talk to you later.' So we talked.

My point had been all along that this was, by this time, an isolated operation. He had been driven out of his camp. He had ambushed another military group which had been following him, but he had had to move on. He couldn't sit still, so he no longer had a real base. It was a guerrilla operation. We couldn't depend upon regular troops, if there were any, to handle this. We had to have a trained ranger group.

Q: *Do you remember who the CINCSOUTH was?*

HENDERSON: No, but I can find out. I asked for General Tope, and when he came down there I said, "Bill, we can't have a big military presence here. That is not in anyone's interest. This is a Bolivian operation, the Bolivians have to do it. But it is the kind of operation which doesn't require either a lot of materiel, or a lot of personnel. What it requires is a highly trained group which will concentrate on the one operation and not fan out and look for guerrillas behind every mountain peak. And this is the way I want to keep it." I said, "I've got a mission here, and I've told all the rest of my mission that they're to carry on their own work. That this is an incident, this is not a takeover operation, this is an incident. It is well on its way to being solved to my way of thinking, and let's keep it small, and keep our profile in it low."

As I say, there was another ambush and later on, probably about the middle of August, a Bolivian military group which were not part of the rangers, but which were operating in the general area, stumbled on Guevara's bivouac at night, caught them by surprise. There was a kind of Chinese fire drill, everybody scrambling, nobody knowing what was going on. The Cuban group melted into the jungle. The Bolivians grabbed everything in sight, and it turned out that they'd picked up Guevara's diary, Guevara's code books, Guevara's passport, his forged passport, the whole bit. So that the Bolivian army had this material. The station chief was off on leave, and

there was a chap who had come in just to replace him, and they got a look at this materiel, and told me about it. But they didn't have the stuff itself, the documents.

The chief of the MIL group was also new, he had just been assigned and just come in.

Q: *You had a MIL group in addition to a Defense Attaché?*

HENDERSON: Yes. Theoretically they were supposed to monitor the use of military supplies.

Q: *Do you remember who that was--the chief of the MIL group?*

HENDERSON: No, I've blanked his name out because I didn't want him. I thought he was trouble, and it turned out he was trouble and I made a big mistake. The next morning at staff meeting I reported that we had some indication of documents in Bolivian possession relating to this Guevara episode, and nobody said anything. But then the two attachés--I had an air attaché, and an army attaché--the two attachés came to me after the meeting and said, "We went with the commander of the MIL group yesterday to pay our courtesy call on the chief of staff, and he told us about this." And I said, "You are my attachés and the MIL group commander, although he is theoretically assigned to the Bolivians--is still an U.S. Army officer, and you did not report this to me?"

Q: The *attachés went to...*

HENDERSON: With the MIL group command who was new, to pay a courtesy call on the Bolivian chief of staff, and he told them about this.

Q: *About the...*

HENDERSON: About the documents, and they did not report back to me. And I made a mistake. I said, "This is a field operation..."

Q: *In other words, they had known about this before you knew about it, but by this time you knew about it.*

HENDERSON: I had known about it from other sources.

Q: *You knew about it from the station?*

HENDERSON: Yes, from the station. So they were pretty shaken by this and tried to make amends, and they went back and got the documents from the chief of staff. Well then, of course, there was a grand brouhaha between intelligence agencies, who had the right to the documents...so that I had made a big mistake.

And then the second part of it was, that we sent the documents back to Washington, but Washington said, "Oh, we don't want to touch that stuff. Turn it over to the Bolivian government,

and let the Bolivian embassy bring it in and they can present it to the OAS and not as U.S. documentation at all." Which was done.

Q: *Was this deliberate on the part of the attachés, the military, or was it just sloppy.*

HENDERSON: Just sloppy.

Q: *Okay.*

HENDERSON: Sloppy in the sense that the MIL group commander had divided loyalties, and the attachés...I don't know.

Q: *Divided loyalties between...*

HENDERSON: Between the assignment to the Bolivians, and assignment as a U.S. officer. Well, it was a mistake. I made a mistake. I should have relied on my station chief. I didn't, and so we got a fight going between the intelligence operations. Nonetheless, it did establish that this was Guevara. Now it's interesting to go back just a second. In May of that year I was in Washington on consultation and I went over to talk with Fitzgerald in CIA, who was fairly high up, and he said, "Look, this can't be Che Guevara. We think that Che Guevara was killed in the Dominican problem and is buried in an unmarked grave. But we could think of nothing better than if Che Guevara were to be in command of this operation because he is the worst guerrilla operative that we could be up against."

Q: *The worst in the sense of the most capable, or the most incapable?*

HENDERSON: Incapable. So that there was a real doubt in our intelligence community's mind as to whether this was Guevara, and now we had the proof that it was indeed Guevara. So now we've had episode one, the Bolivians discovering, telling, about the operation, disclosing that there was a camp, two, an encounter between the Guevara group and the Bolivian army, some losses. Guevara pulls out and starts on the long march, and the Bolivian military follow and they run into another ambush and this time they take significant losses, but Guevara by this time realizes he is being pursued. On the way, he splits his forces and leaves Tanya with a group to be following up. Tanya gets ambushed some time in August, and is killed. The Bolivian army runs across Guevara's bivouac, discovers the documents. We now know that it is Guevara.

There's one small episode which doesn't really mean anything. Guevara in late July surfaced in a small town between Cochabamba and Santa Cruz because he needed some medications--having asthma he needed medication. He went into this town, got whatever he needed, and left, but we now had him pretty well located, and the Bolivians now had their ranger battalion trained, and we had furnished them materiel.

But, because of my intervention to keep Debray alive, and the subsequent bad publicity which the Bolivians had gotten out of the whole operation, the Bolivian military were not very forthcoming in giving us any information. So on a Sunday morning in September--I've forgotten the exact date--the Bolivian ranger battalion surrounded Guevara and his group. The Bolivians

had the high ground. They were firing down into this ravine. They wounded Guevara and his bodyguard, and isolated them from the rest of the Guevara operation, and seized them, took them prisoner, and took them into a place called La Higuera, meaning The Fig Tree, where the ranger battalion had their field headquarters. They radioed to the chief of staff through their headquarters in Santa Cruz back up to La Paz to the chief of staff, "We have Guevara, and what should we do?"

And now I do not have the texts of these things, but I know what happened. The Bolivian high command sent an order to the general in Santa Cruz who relayed the order to the commander in La Higuera, "You are to execute your prisoners."

Guevara was executed about 1:00 in the afternoon. His bodyguard had been executed before him. Then for some reason the Bolivians decided to put on a media show. They transported Guevara's body to another small town the following day and brought in all kinds of media. The New York Times was represented. There was a lot of international reportage going on. The station chief went in to John Fisher and told him the whole story.

Q: The story of...

HENDERSON: Guevara's capture and execution.

Q: *One thing that I gathered from the telegrams that I was reading in Rio was that there was a lot of impatience in Washington, that you were counseling a course of keeping this small and keeping our involvement very much contained. What was the State Department reaction to that? Who was getting the cables in the State Department?*

HENDERSON: Bob Sayre was acting, and Covey Oliver...I think Covey was there by that time. He was the Assistant Secretary and I think, I'm not really sure of that, but Bob Sayre was certainly there.

Q: *You don't remember who the Desk Officer was for Bolivia.*

HENDERSON: But the real point was that the State Department was very antsy lest we have too much of a military presence. I got instructions to keep all personnel, including the Peace Corps, but particularly armed forces personnel, out of the possible zone of combat. They did not want another Vietnam type operation. So they may have been impatient with my insistence of a low profile operation, but at the same time they were very insistent that I keep a low profile operation.

Q: *So you and the State Department were operating pretty much on the same wave length? Am I interpreting that correctly? They were supportive?*

HENDERSON: I'm not really sure, I'm not really sure for two reasons: one, I think that they were not completely forthcoming to me as to what extent I was authorized, to conduct some form of involvement. And certainly I was very surprised when we got the documents and then I was

told that these were to be a Bolivian presentation, and that we were not to show any hand in it at all. I was surprised, but those were my orders so I just had to find my way through the thicket.

Q: *And the Bolivians would present them to whom?*

HENDERSON: To the OAS, and that was done.

Q: *What about CINCSOUTH and the Pentagon. What was their reaction? How did they feel this should be handled?*

HENDERSON: Well, Bill Tope had been down there, and looked over the area. I took him down into a comparable jungle zone and showed him what kind of operations we might be involved in. He was completely in sympathy, and so I did have an advocate in CINCSOUTH to carry on the way I had hoped to do it.

Q: So you didn't have pressure in Washington to increase the military activity?

HENDERSON: No, on that point they were very cooperative. They supplied the training for the ranger battalion through CINCSOUTH, and then they supplied the materiel that the ranger battalion needed. But I had no pressure to go beyond that once I had Tope acting as my advocate in CINCSOUTH.

Q: *How did CIA respond?*

HENDERSON: As I say my major mistake was getting two intelligent agencies involved. CIA wanted it to be their baby, and then DIA got into it, and they were both unhappy with me.

Q: *Did that express in itself any lack of cooperation in the field. In other words, they just grumbled.*

HENDERSON: Most of the grumbling was being done in Washington, way over my head.

Q: *Oh, really.*

HENDERSON: DIA and CIA were fighting back and forth about it, but it didn't impact on my mission at all.

Q: *What was the feeling about Guevara? I have the sense that the Bolivian government felt that he was rather invincible. I was interested for you to say that CIA regarded him as a rather bumbling guerrilla leader.. am I right that the Bolivians thought he was...*

HENDERSON: Well, the Bolivians saw it as an opportunity to have some luster added to the Bolivian reputation. They felt that they had struck a blow against communism, and communist infiltration, and that we should be grateful. But after Guevara lost his base camp, even though the Bolivian army did get a bloody nose in the second ambush; after that they felt pretty confident

that they were going to be able to handle it. They were particularly confident because of the training that the ranger battalion got.

Q: Did they ever want American military personnel?

HENDERSON: No, only for training, and for whatever materiel they could extract through this.

Q: You mentioned Vietnam, and one time I believe Che Guevara mentioned having one, two, a hundred Vietnams. Did you ever see this as a possibility of our getting involved, and tangled in this thing?

HENDERSON: I certainly did everything I could to prevent that happening. Keep it small, keep it isolated as much as I could, and keep it from spreading.

Q: And your idea of that was to keep us from getting involved.

HENDERSON: ...involved and as low key as possible.

Q: Do you have any sense that there was an effort on the other side, on Guevara's side, or Castro's side, to get us involved. Would that have been an objective?

HENDERSON: There was no evidence of that. There was no real evidence of that. If Guevara had been able to carry out his entire program, it might have happened. I can see the possibility, but it never got that far.

Q: Do you think its much more likely that what he wanted was to begin an insurrection in Argentina?

HENDERSON: In northern Argentina.

Q: He was missing for a year before he showed up in Bolivia.

HENDERSON: He was in Africa, he was in various places, but I don't know what all his travels were. He had been off on insurrection activities in other places. I guess he had been in Angola, but I really don't know.

Q: Do you have any feelings--a final question--about his relations with Castro at that point. I mean its been suggested that Castro sent him really on a mission impossible. In a sense, he got rid of him.

HENDERSON: No, I think that there it was; that Guevara felt that his role in life was to be a guerrilla in the field. He had a mystique, that was the word I was searching for with Barrientos, Barrientos's mystique and Guevara had a mystique about the guerrilla. The Guerrilla was invincible if he just trained himself and became hardened as a guerrilla, then he was invincible. And that was where he felt his role was, as the guerrilla. Regis Debray, of course, introduced a discordant note into communist theory by saying that the Cuban revolution had proved that the business of revolutionaries was revolution. That you did not need to have the objective

circumstances for a revolution, as the communist theorists had it. You could create a revolution just by having revolutionary leaders, and this became a very difficult sticking point for the communist theorists.

Q: In other words you don't need the difficult social and economic situations, you just need the person with the mystique which certainly Che Guevara had at that point, hadn't he?

HENDERSON: Yes, he did, and of course, Fidel Castro has it too.

Q: Yes.

HENDERSON: But then you see he's fallen out of favor with the communists.

Q: By now, you mean.

HENDERSON: Well, even before, even earlier. You know he really had to swallow his pride in the Czechoslovakian episode...

Q: ...of '68.

HENDERSON: Of '68.

Q: Because of the...

HENDERSON: Of the military takeover in Czechoslovakia, of the military intervention.

Q: Sort of proving how unpopular that regime was in that country.

HENDERSON: And that the communist revolution needed military presence in order to survive, which was certainly contrary to anything that...

Q: Yes, external military presence.

HENDERSON: That's right.

Q: Well look, if that covers it...

HENDERSON: There is one other thing that I've never really understood...there are two things. One, Guevara's diary. That, the Bolivians tried to put up for auction, couldn't get the money for it that they thought they ought to get, and finally it suddenly went underground, and reappeared in Fidel Castro's hands. It's just an interesting little episode but who in Bolivia was negotiating with Fidel Castro for the diary, and so on. That is one of those peculiar threads, just like how those six Cubans managed to escape from Bolivia.

And the other thing is, that a number of prominent Bolivian army officers, have been assassinated. One of them was the general in command of the area who transmitted the order to execute Guevara and he was gunned down in Paris.

Q: *The general who gave the order...*

HENDERSON: The chief of staff, and probably Barrientos--with Barrientos' approval- -gave the order, but it had to be transmitted through the area commander in Santa Cruz, and that man's name was Zenteno--General Zenteno. He was assassinated in Paris and nobody has really explained to me what happened. There was another general who was assassinated in Argentina in about this same time sequence.

Q: *This was a long time after? A short time after?*

HENDERSON: This was several years after.

Q: *And another general who was involved was killed in Argentina.*

HENDERSON: I don't know that he had the same direct involvement, but I think that he was the army commander in the chief of staff's headquarters.

Q: *Had we been asked, which I gathered we weren't before this happened, would we have counseled keeping him alive? I presume it would be a better thing to do for questioning, etc.*

HENDERSON: Strangely enough, apparently, according to whatever sources, however reliable they are, when Guevara was taken prisoner (he was wounded, he had a wound in his leg), he apparently said, "Don't shoot me, I'm Che Guevara. I'm worth more to you alive than dead." Now this may be apocryphal, I don't know, but that is what is reported to have been said. The fact is he would have been worth more alive than dead, but I think there the Debray syndrome kicked in and the Bolivians were just not having any more of that.

Q: *Do you feel that they wanted to execute Debray?*

HENDERSON: Oh, yes. Oh, yes. No question at all. All my military advisers were telling me, "He's dead."

Q: *So really it was you who saved him in effect.*

HENDERSON: Well, I put the pressure on. The Bolivians made the decision, of course, and they must have taken other things into consideration besides my pressure but nonetheless our relationships after that episode were not quite as close as they might have been.

Q: *Just for the record, you left Bolivia...*

HENDERSON: In August of 1968.

Q: And you became ambassador to the OAS?

HENDERSON: The reason I left Bolivia was that President Johnson wanted to place Raul Castro. Raul Castro had wanted another assignment. He had been in Salvador and he wanted another one. He had tried to get Peru, and Argentina and had been turned down there and so Johnson finally sent him as a replacement to Bolivia. It was done all very spur of the moment.

DAVID LAZAR
Assistant Director for Operations, USAID
La Paz (1964-1967)

David Lazar was born and raised in Chicago, Illinois. He attended Northwestern University, De Paul University and Georgetown University. He joined the International Cooperation Administration, later known as AID in 1958. His posts included Peru, Bolivia, Panama, Vietnam, and Washington, DC. He also had assignments with OAS, the National Security Council, and as the US Representative to DAC. Lazar was interviewed by W. Haven North in 1997.

Q: You then went to Bolivia. Were you the legal advisor again?

LAZAR: No. It was a funny kind of a job. They created the position of assistant director for operations, which later became a standard position. In Bolivia, under Alex Firfer, it was to be a sort of combination capital development officer/lawyer. It was more related to the capital development office. It was also attempting to integrate capital assistance and technical assistance. The General Counsel's office was a little leery at first because they didn't want me drafting loan agreements and then giving legal approval to loan agreements that I had drafted. But that worked out all right and I kept them very closely read in on everything I did. Much more closely than I had in Peru where I was given quite a broad mandate. So that worked.

This was the business of integrating capital and technical assistance which was another specific that came out of pulling in the servicios because there hadn't been a capital assistance program. We put a lot of money in Bolivia right after the revolution and that was largely into infrastructure, not just roads but schools and hospitals. You had the situation where that was going on on its track and the servicios were doing their own thing. So you would get hospitals without trained personnel, hospital equipment that nobody knew how to run. At the same time there were these valiant training efforts in various areas which could have and which did eventually, profit from injections from capital assistance. This was another example of conditions imposed at the project level. There was a hospital or a system of clinics that we built, but the government had to undertake to staff them, to guarantee us that doctors would be there. Early on we forgot to ask the government to guarantee that there would also be supplies of medicine maintained in those clinics.

Q: The servicios were then discontinued and then became part of the health program?

LAZAR: Yes.

Q: Let's back up a bit. What was the situation in Bolivia when you arrived there in 1964?

LAZAR: The president was Paz Estenssoro. He had been president right after the revolution, served a couple of terms, was out of office for a term or two, by pre-arrangements, I think, among the revolutionaries. It was the same party, the MIR. The MIR to give you an example stood for Independent Revolutionary Movement. The rhetoric and indeed the theory had been there and moderated a good deal, although some of the old guard who were still there were still very suspicious of it.

It was a very poor country. There hadn't been many wealthy people in the country to start with. There had been the tin barons, four of them, and their families, and a few collaterally involved individuals, but they all fled the country when the revolution came. After the revolution all of the mining was nationalized. Petroleum was nationalized. The big haciendas were broken up and turned over to the people who had worked them in various ways. One problem we have always had in Bolivia, and it has continued as long as I have tracked it, was land reform which wasn't really land reform. It wasn't a matter of getting owners of these large properties involved and permit the properties to be broken up and transferred. The owners had left. They had abandoned those farms. I should say that the Bolivian revolution was violent. I don't know that there were a lot of deaths, but those that were were pretty agonizing deaths. The Quechua and Aymara Indians can be patient for a long, long, long time, but when they blow, as they did in Bolivia, you had people being hacked to death and things of that sort.

After the landowners left, the problem was doing something legal, legalizing the transfer of that property to farmers, not just to give them a nice piece of paper, but it was a basis for agricultural credit. That involved first of all a laying out of land plots, etc., then actually transferring title. I think that has happened or is happening, but we pushed and pushed and pushed and could never get that done. There were a lot of reasons for that. The primary reason is that aerial mapping was just coming in and was very expensive. Of course, Bolivia, as you know, is a country that is broken up geographically and there weren't many roads, so if you had to do surveys on the ground that was a hundred year job right there. So, one problem was just the cost of the effort. And then there were silly little things. We wanted to set up a system of title registration. Well, for title registration in Bolivia you again go back to colonial times. The deed had to be written out by hand by a notary public. Our system would throw too many people out of work. Those people came from the families of congressmen and senators who would have had to pass that legislation.

Q: So, there was quite a bit of resistance to a new system.

LAZAR: Right. And, of course, doing it that way, even if we had been able to do aerial mapping, having every one of those transfers written out in long hand would take another hundred years. So, it just never came together.

Q: Were we providing assistance in that area?

LAZAR: We were trying to. We were trying to put together a program to do exactly that as a basis for a program of agricultural credit that could be run through the private banks. Getting loans from private banks for agricultural production anyway was a pretty new idea for them. They made real estate loans. They were the loans they knew. If you are going to make real estate loans to a farmer he has to have title to real estate. We did set up an agricultural development bank which was a government program and it did make crop loans, etc. But, as much as we wanted it to be, and we did try to find ways to do it, that was never a program that could be absorbed into the private sector. It was just a government program, and like government programs in Bolivia, it eventually ran down and down and down. Bolivia has gotten its act together today though, I'm glad to see.

Q: Were there other programs of particular note that you worked on?

LAZAR: Yes. One in particular was the community development program. Community development had been tried and been deemed by many people to be a great success in Pakistan. It had been tried and failed in many countries for a number of reasons.

Q: Do you recall the main features of the program?

LAZAR: The objective of the program was to shift power at least over local affairs to the local level. Now again despite the revolution Bolivia continued to be run on the old Spanish colonial model, all centralized. Everything came out of La Paz. Unlike Peru where there was no thought that programs ought to work out in the countryside, in Bolivia with this revolutionary sentiment, which was very strong in the highest reaches of the government, they did want the programs to work out in the countryside. They just couldn't do it administratively. They didn't have enough trained people. They didn't have the capacity to do that kind of planning. Our view, which Paz Estenssoro sort of went along with, was not try to do it that way at all. Why not train the people to carry out their own programs and have them draw on La Paz for resources. In other words, instead of going out there and telling them what they need, have them come into you and tell you what they need. That was the philosophy of the program. The program operated by training village facilitators. The training program was as much psychological, to get people steamed up to go back to the villages, as anything else. These were not village leaders, these were facilitators. These were people who knew where the buttons were you needed to push so that when the village elders decided what they wanted to do, the facilitators enabled that kind of a discussion. If that is what you have decided you want to do, then we go to La Paz and talk to this guy, and that guy and this guy. That was the way it was set up.

Q: The linkage.

LAZAR: Yes. I realize I am bouncing back and forth, but I would like to go back to contrast the situation in Bolivia with the situation in Peru, which I have already done in one respect.

With respect to life in the communities there is a famous Peace Corps story and I know the guy it happened to. He was a Peace Corps volunteer who lived in a Peruvian village. He lived there until he got to know the people quite well and they trusted him and he would sit in at their request when the elders discussed their problems. Community structures in the Andes are pretty

solid. At one point, when they all knew each other well enough, he asked them what did they really want. They were quite unanimous about that. They needed a school. Their answer was, they couldn't. His reaction was a typical American reaction of why don't you build a school. Well, the pride of this community and of the communities around, was a church down in the main city in the area which they had built over two generations. It was not a Gothic cathedral, but quite a pretty building. So, when they said they couldn't build a school he didn't quite understand. They had built the church. Well, they had to think about that. They finally came to the conclusion that what they meant when they said they couldn't build a school was that schools were built by the patron, by the owner of the hacienda. There hadn't been an owner of that particular hacienda which had been purchased by Cornell University some years earlier to use as a demonstration, experimental site in community development techniques, etc. What they meant was that they would be stepping out of their station. It was not that the owner should build it and we are not going to build it for him. It was that they would be usurping a prerogative of the owner. They would see that way if they were to build a school. Well, they talked about it, talked about it and talked about it. Eventually they built the school and then went down to Lima to try to get themselves a teacher and there is a long story about that.

You didn't have that in Bolivia. What you had in Bolivia was not a resistance to taking initiatives but the village councils had a tradition of the sorts of things they dealt with and education, health and roads weren't among the things they dealt with. Not that they belonged to somebody else, they had just never really focused on those issues.

Q: What did they deal with?

LAZAR: Land disputes. There is a highlands game all over the Andes. In the middle of the night you move stone markers. They would deal with things like a widow who really wasn't able to get the production off the land that was assigned to her. They didn't have individually owned land. The community owned the land and various people were given rights to farm particular parcels. What I am talking about is charity. People who for one reason or another couldn't feed themselves. Then the community had an obligation to do so.

Q: But they had no responsibility for health, education and agriculture?

LAZAR: No. Agriculture in a certain sense, but not in the sense of increasing production. It probably never occurred to them that they could increase production. They weren't thinking in those terms. There weren't a lot of schools around. Medicine men or women took care of health matters. So, it took the facilitators a little while in these communities to get the people to assume in the first instance some kind of jurisdiction over...even thinking about going to La Paz to get the minister to put up a school. They had never done that. They had gone without schools unless there happened to be one there. If there was a school, the care and the feeding of the teacher was usually up to the community and that was another community function.

Anyway, that program started doing very well and was spreading very well.

Q: What was the AID role in it?

LAZAR: Financing it and training the facilitators and then trying to act as facilitators themselves. Sometimes some of these people from the country were quite shy about asking for an appointment with the minister or deputy minister, but if they had a gringo with them they felt a little better about it.

We had a Washington evaluation of that program after it had been running for about two and a half years. Jim Killen, how would you like to be evaluated by Jim Killen?

Q: He would be tough.

LAZAR: One of the best men who ever worked for AID, I hasten to say for the record and I mean that. It was a six-week evaluation. We didn't kid around back in those days. A special evaluation for the Administrator. I worked with Jim on it and boy did I learn a lot from that guy. In his report to the administrator he said of the community development program, "I have never believed in community development programs and I still don't believe in community development programs, but watch this one because if it can work anywhere it will work here the way these guys are doing it." Considering the source, that was quite a kudo.

Q: He recognized that it was working.

LAZAR: It was working and he just thought it was very well designed and was being carried out very well. What happened to it was another lesson that a lot of us learned along the way. It was working so well and spreading out so widely that it was taken over by the government.

Q: It wasn't a government program to start with?

LAZAR: Well, it was and it wasn't. It was sponsored by the government but it had its own life and independence....

Q: Was it under a particular ministry?

LAZAR: No, it was almost a ministry in itself, although I don't think it ever had a title because we didn't want it to be seen as a competing ministry, we wanted it to be seen as a program of access to ministries. But, I think it was the Minister of Agriculture who had the wit to see the potential of the program and use it as a basis of political support, which meant, of course, that you got goodies by supporting the minister not by coming in with good ideas or demonstrating need for anything.

Q: Do you remember anything about the scale of the program when Killen and you evaluated it?

LAZAR: It was operating in hundreds of communities. It had really spread out. It started small as training always does and then the multiplier effect.

Q: What were the activities most commonly pursued by the villages?

LAZAR: Access roads more than anything else. They wanted to get their crops to market. Alex Firfer believed in roads and Bolivia is the place to believe in roads. There are four distinct areas. There is the highlands and La Paz, 13-14,000 ft. There is an intermediate area where the Inca had raised corn, which is about 8,000 ft. To the east there is a vast lowland area around the town of Santa Cruz that was sugar cane and citrus. Then in the north is a lowland jungle area which is very wet, almost tropical rain forest, where the rivers drained into the Amazon, which is used for cattle production, called the Beni. The only road of any consequence was a road from Cochabamba, an agricultural center in the intermediate area, to Santa Cruz which had been built by the Export-Import Bank and which was starting to crumble. There were some other roads. A road from La Paz that went south to the tin mining areas and the official capital, Sucre. La Paz is the administrative capital. So, Alex developed the strategy of linking these areas through a series of roads, which over the years we did. But, when those roads started going, then the communities wanted access to those roads. They wanted to be able to take their crops into Cochabamba and sell them. So, that was their number one request for programs.

Q: In which of these regions was the program most prominent or was it just throughout generally?

LAZAR: Everywhere except in the Beni. I think there were some in the Beni, but the communities there were so isolated and travel was so difficult. About the only way to get from the Beni anywhere else was to fly and very few people flew. Whereas you could get from Cochabamba to Santa Cruz. There was a road from Cochabamba to La Paz, not a very good road but a road. So, you could move around in those parts of the country. On the Altiplano, the high area, you could walk, although it would mean long walks.

Q: So you were responsible for a lot of the road construction?

LAZAR: Yes. Rural access roads, almost do-it-yourself type.

Q: There was a lot of self help involved in the construction?

LAZAR: It was almost all self help. What they got from the government was maybe a grader or a front end loader if it was rocky. It was all hand labor. The government might have helped build some drainage structures if they were needed, although the people were excellent stonemasons and could do a lot of that stuff themselves.

We did a lot of the big highways. Also did one going from the highlands all the way down into the lowland area. For years the Bolivian government tried to run various colonization programs, taking people off the Altiplano, these 14,000 ft levels, where there wasn't much you could do. The crops were potatoes and the most important product they raised were sheep which were raised for the wool not the meat. Eating the sheep was a highly ceremonial and important occasion. Some of the communities were starting to get very crowded since people didn't leave and had five or six children. That meant that the plot of land you got to farm was smaller and smaller. There was no new land that could be opened up. The government was trying to get people to leave the highlands and to go down into the lowlands and establish farms down there.

Q: Did that work?

LAZAR: No. In the first place a lot of the people didn't know what they were getting into and they would go from 14,000 ft to almost sea level and tropical rain forest still wearing the clothes that were appropriate at 14,000 ft which were heavy wool. They didn't know anything about lowland agriculture and nobody made an effort to teach them. There weren't even rudimentary roads, or schools or hospitals. There had been some schools and hospitals on the Altiplano, although not many. Somebody, I think it was Irv Tragen, came up with the idea of instead of you going into villages and you deciding who moves and then moving them, why not build a road that will let people self-select. You will have to give them some basic infrastructure down there. Then you can take some of the leaders down and show it to them. Here is the school, here is the hospital. Now, you go back and tell your people about it and if anybody wants to move down, first come, first served. People would move down and get the land. And we also saw that as a way of opening that whole area to agricultural production. We knew they would find the right crop, we didn't know what it would be. We were thinking oranges, pineapples, bananas. Well, after some experimentation, they did find the right crop for them. Unfortunately, it was coca! In a wry way, except for the crop they chose, it was an outstanding example of a successful kind of a program where the people self selected and there was necessary infrastructure. They pretty much did it themselves.

Anyway, going back to highways, they now have a complete link that connects all of those areas together. You obviously can go either way. So, stuff is moving around the country.

Q: That was mainly an AID initiative?

LAZAR: It started out as an AID initiative, but, of course, there were more roads than AID was going to finance. The Inter-American Development Bank and World Bank picked up a lot of it.

Q: But the basic initiative started with AID?

LAZAR: Yes.

Q: Any other programs of note?

LAZAR: Irv Tragen started an interesting program not of the scope of the programs we have been talking about, but it was an interesting program from another point of view. When he came in, which I think was 1965 or 1966, he saw a number of things. We had a program with farmers on the Altiplano to improve the yield of their sheep. We had a program in the Altiplano and in some of the bigger cities for helping people form cooperatives to weave wool. We had a marketing program to try to find market outlets for Bolivian projects in the United States. They all operated independently and he put them together into a coordinated program which started with technical assistance to the sheep farmer through a program of sale of wool, which they weren't doing at the time. When the Indians wanted wool for their own use they would grab a sheep and a piece of a broken bottle and cut the wool off the sheep from a given location, depending on what they wanted to make. If it was something for papa, it had to be the very finest wool which came off the sheep's back. For other things the wool was cut off the sheep stomach.

They would never shear a sheep clean. We put them in this program with the University of Utah to teach them how to shear sheep and sell the wool. You talk about world view and assumptions they don't make that we assume they make--that kind of communication problem which I am sure is still happening all over the world today.

Q: Did the people adopt the new technology?

LAZAR: Yes. But, early on what Utah would do would be to send out a series of wagons which had the stuff the farmers needed. One of the wagons was like a Wells-Fargo wagon. It was loaded with goods that the campesinos used and were accustomed to buying. They didn't buy much but they bought machetes, kerosine and wicks, buttons, needles and sometimes threads. The object was that the government would pay them so much for wool according to the grading of the wool and here are samples that show the grades and we will agree on what grade this is. You can save the money or walk right over to that wagon and exchange it for any of those goods.

Well, I remember one old man who had taken a long time to be convinced to bring his sheep in. But his friends finally convinced him. He brought his eight or ten sheep in. They sheared the sheep and held the wool up against the sample and he agreed with the grade stated and they weighed it. They paid him and he put the money in his pocket and started walking away. "Wait a moment, take your sheep." It hadn't occurred to him that he got his sheep back, that all they wanted was the wool. The Indians had also long believed that if you took all the wool off a sheep it would die from the cold, which would be true if you just put them in the open fields at night. But, if you put them in a corral and keep them there at night for a couple of weeks until they started to get their wool back they did fine.

Anyway, the wool went from there down to a production cooperative where women were receiving technical assistance in dying and spinning. Also there was technical assistance, and this is very controversial, to the marketing program: to what sorts of articles would sell in the United States.? That got controversial because a lot of people said, "Wait a minute here. You are corrupting their traditional patterns." Of course, they had been dyers and weavers for generations and had their patterns. We never resolved that, but that, at the time, was more of a dispute among gringos. You didn't hear much protest from the people that we were asking to change their traditional patterns.

There was also a llama and alpaca component of that. Now, Bolivia had long exported llama hair and particularly alpaca fur which as you know is very fine fur and very much in demand, but they had exported it raw. So, as part of the program they were doing more and more processing in- country and getting much better prices. They did almost all of their export to Britain and the Brits weren't very happy with us.

Anyway, that whole program hung together for a while, but nothing lasts forever in Bolivia. I don't know where it is today.

Another big program was a housing program, establishing a national saving and loans home finance. That is still going despite the fact it went bankrupt during a period ten or twelve years ago when Bolivia went through one of these inflationary crises. The saving and loans

organization which owed its debt in dollars was wiped out. They got refunding, but I don't think from AID.

Q: But we provided technical assistance to set it up originally?

LAZAR: We provided the original funding and the technical assistance.

Q: Trained the staff and all of that?

LAZAR: Yes. That was all under the housing program. And the guy who ran that, he doesn't any more, but ran it for years and years and years, is a guy named Ernesto Wende, who is one of the most influential businessmen in Bolivia today. He and his wife had both worked for USAID at one point. His wife, Daisy, started a fashion business as part of that wool marketing program, which still exists and is enormously successful. You will see designs by Daisy in New York shows. I am not talking about simple peasant costumes, but some very sophisticated high fashion stuff.

Q: Any other major programs or events that occurred in Bolivia while you were there?

LAZAR: There was an insurgency or a threat of an insurgency on the average of every six months. I shouldn't say insurgency, I should say a military coup. Some of them took place, some of them didn't.

Q: Were we involved in public safety programs at all?

LAZAR: Yes. In fact, a Bolivian who was brought up through that program subsequently became, among other things, Ambassador to the United States - Julio Sanjines Goitia. I was lucky to be here in Washington during part of his incumbency. Parties at the Bolivian embassy tend to be a lot of fun. His number two man has held various ministerial posts in Bolivia since then.

Q: What were we trying to do with that?

LAZAR: I don't remember much about the public safety program.

Q: You must have dealt with the government quite a lot and with a lot of people. How did you find them to work with?

LAZAR: They were warm and very polite. I could say this about the Peruvians too. I also had a wonderful time working with the Peruvians, but they were a little more reserved. You are not really doing business with a Latin American as a friend until you have eaten dinner at his house. Then you are operating on a friendship basis. That happened a lot faster in Bolivia than it did in Peru. The Peruvians are just a little bit more reserved than the Bolivians are.

I will tell you a story which is boasting but I am very proud of it. Both Irv Tragen (Mission Director) and I always negotiated with the Bolivians in Spanish. We negotiated with the

Bolivians the way they negotiated. Bolivian negotiating is something I have never seen anywhere else. You don't mention the specific topic of the negotiation. That is just giving your hand away. It also, and this is a particular aspect of something that is general in Latin America, if you get down to talking about a specific thing you may find that your interests really conflict and then you are face to face and in Latin society you don't get face to face. You stay away from conflict. So, you negotiate by not mentioning the thing you are negotiating, you talk around it. When you know what you are doing you don't have to describe that whole circle, you describe maybe eight-ten degrees of arc and that is enough. You do all the talking peripheral to the subject and you can reach agreements.

Q: On specific points?

LAZAR: Yes, you can. It used to drive the people who come down from Washington and participated in negotiations nuts, particularly if they were lawyers. There was a guy named Jerry Leverson, who was a lawyer, who would come down and sit next to me in a negotiating session and I would be translating for him. He would say, "We don't care about that; tell him we will give him that." And, I would say, "Shhhhhh. Let's just talk." "Why are we talking about that?" "Jerry, shhhhhh." At one point we walked out of a meeting in which the Bolivians had agreed to what we wanted and I said, "Are you happy you got what you wanted?" He said, "I don't understand. What happened?" I said, "Don't worry about it, we got it."

Well, the story I was going to tell is that at one point Irv and I got into a negotiation with the Minister of Economy who was our principal contact. The Minister of Finance, who was one of the old line revolutionaries who didn't much like us (gringos), was present. We went through this kind of negotiating process. We got what we wanted, although they got what they wanted. We put together a deal. Afterwards we went back to the minister's office and he said, "You guys out-negotiated us - and in the Bolivian manner." Irv and I felt very, very proud of that.

One of the things you learn working with Irv is extreme cultural sensitivity. For a guy who is hard of hearing, which he is, he is better attuned to what they are saying to him than anybody I have ever met. He hears overtones and nuances that are not there literally. But, again, that is the Latin way of speaking indirectly because speaking directly may get you involved.

Q: Is that common throughout Latin America?

LAZAR: I found it so. I even found it true in Brazil in a Portuguese setting. But, it creates some misunderstandings. For example, the use of the past subjective, which is contrary to fact. When you invite somebody to dinner you have to listen very carefully if they don't say, "Yes, I will be there." They will always say, "Yes." "No," would be impossibly rude. But then you have to hear what comes after that. It may be, "Yes, if I can," which is a conditional meaning, I may have a conflict and will let you know. It means exactly what it would mean in English. Or, they could use the past subjective, "If I were able to," which means "No." If you take that as a "Yes" you are going to have a couple of empty chairs. Again, that is just an example of: you don't say "no".

The head of the education program in Peru was Mike Chiapetta. Mike had been in Latin America for a while in USAID and was able to teach me a lot and did. One of the other examples of this

not saying “no” and how you work in Latin America. Mike and I shared a secretary and at one point I asked her if she would come in and work on Saturday. I had to get some work done. She said, “Yes,” but it was a funny yes and I pretty well knew it meant no. At that point, what do you do? I just let it go. Mike said, “You know she is not going to be there.” I said, “I know. How do you handle that?” He said, “Next time don’t ask her if she will come in, because she can’t say no to you. Tell her you have to work on Saturday and ask her if she can find one of the secretary’s in the office who is willing to come in and work. This elevates her making her your agent and it enables her to say she will come in. And if she says she will come in under those circumstances she will. In ultimate analysis it will enable her to come back to you and say she couldn’t find anybody. Then at least you know where you are and haven’t gotten face involved.” I must say for some of us straight talking gringos some of that stuff can be infuriating or frustrating, but it is the kind of thing that enables you to work and know where you are in a given culture. I got so I kind of liked staying away from straight talk.

Q: Well, anything else on Bolivia at this point?

LAZAR: I cried when I left Bolivia.

Q: How long were you there?

LAZAR: Three years.

Q: Did you have much dealing with the embassy while you were there?

LAZAR: Oh, yes. That was the real reason I went to Bolivia. This is kind of funny. The ambassador had been newly appointed. He had been our economics counselor in Peru, Doug Henderson, a marvelous guy. He was really the one who asked for me, although he didn’t ask me, himself. He asked through Alex Firfer. The funny thing is one of my informal jobs, but a very important part of my job in Peru, was standing off Doug Henderson, who was an economic counselor and as such, as was often the case in those days, wanted to run the AID program, or get as close to it as he could. He had a lot of good ideas about things that AID could/should be doing. But some designed to accomplish short-term political objectives. In those cases, I usually managed to find that what he was proposing was illegal. That was part of my job. So, I was quite surprised when Alex told me after I had been in Bolivia for a while that the guy who was really responsible for my being there was Doug Henderson. Doug and I always got along in Peru, but we weren’t close. We were both very civil. So, the next time I managed to be with the ambassador alone, I mentioned that and asked if that was true. He said, “Yes.” And I said, “Given our history in Peru, I find that strange. There was never any antagonism between us but I wouldn’t have thought I was a guy you would like to have around.” And Doug said, “What I need around is somebody who will tell me no when the answer is no. You don’t find many of those in the embassy.” A mark of a pretty good ambassador. Doug Henderson, by the way, did understand AID and the long term perspective. On his own, he saw things from that point of view.

At the embassy in Peru, Doug had some very good ideas, but Bob Culbertson was a very good salesman.

Q: Were the ideas ones that achieved immediate political effects or were they long term developmental ideas?

LAZAR: They were both. He understood the AID program but every once in a while he would get an idea for something with a short term impact. He did that too in Bolivia. We managed to come to a very good understanding. For example, the so-called “the road to the next election,” which we built all over the world. The one that doesn’t make the most sense in terms of any kind of a structured transportation plan, but which will get that district or districts for the guy we want to see win the election. We quickly came to an understanding with Ambassador Henderson that you don’t have to actually build a road, you could go on a road that has already been built and send some graders and a couple of these machines that spray on asphalt, so that the president and the ambassador could cut a ribbon on the resurfacing of the five kilometers of road and keep the heavy highway money for where we thought the road really ought to go.

Q: What was your perspective about Washington/Latin American Bureau, initiatives vis-a-vis these countries? Did you have much contact with them or feeling they were a little pushy on certain directions?

LAZAR: No, my feeling at the time, I don’t know whether this was generally true, was that the Bureau was very supportive. We would tell them what we wanted to do and I guess there was some debate, which I didn’t get into at the time. There was pretty much the sense in the LA Bureau, always was and continued to be, that the guys out in the field were the ones who know what needs to be done. The overall strategy was to bring development along as fast as we can but this can be different in every country which is why we have missions there and you support your local agents, which they did. It was that kind of thing and that continued when I was back in Washington. I always saw it that way.

Q: Looking back on it do you think our assistance, which may have done something good at the time, has it made any difference in a longer time perspective in Peru and Bolivia? Do you think the consequences of the program have made a significant development impact?

LAZAR: Yes, I think they did in both countries. You know those impacts get hard to trace because it is not just running out in a line, there are all kinds of stuff weaving in and out. The governments in both countries are better since being more efficient and more capable. In Peru’s case you have ministries that think like government departments in terms of carrying out programs and do carry out programs.

I must say one of the most significant changes in Peru, and I am going against the philosophy of the Alliance for Progress and what a lot of people think today, is that the military assistance program had a real impact in the developmental sense. In the first place it brought about a sense of the need for promotion based on merit. It taught a sense of mission, rather than just existing, a sense of the need for objectives and goals. You plan against goals, and then you move to carry out those goals. From that point of view, the military coup d’etat that overthrew Belaunde, which had a lot of negative impact, also had a very positive impact on development in Peru because the military insisted that that’s the way those ministries ought to be run. They really installed that

whole sense of criteria. It wasn't even and it wasn't perfect, but that happened. What also happened was promotion on merit rather than on family, because the military is that kind of a structure. So, I think that impact was real and was important.

Bolivia is just a better run country today, although it has been sort of going up and down. But the government is there and permanent and is in pretty good shape today, although it had been considered a basket case for years and years. I was there four years ago, working on a project design with people in the government. The educational level of the people I was working with was much higher. I was working with university graduates. You didn't find many university graduates when I was in Bolivia in the mid-60s and if you did, you certainly didn't find them in government. You could actually talk to ministries, sitting down and making plans about how something was going to work and they knew what you were talking about and were quite capable of doing it. Their economic policies were in much better shape, including an austerity program that was not politically popular at the time.

And, you saw things out in the country you wouldn't have seen 25 years ago. You saw large numbers of bicycles. Everybody walking or riding a bike down the road has a transistor radio, which is terribly important for reasons noted earlier. They know what is going on around them. Did AID do that? We contributed to it.

Q: Set it in motion in a way.

LAZAR: Well, or worked with Peruvians or Bolivians who wanted these things to happen but didn't know how to do it. Still, it is always hard when you sit in meetings with a congressman or someone else and they ask you point to a single AID success. Well, but for the people in the country nothing would have happened, so you can't quite say this or that was an AID success. But the impact was there and it was real.

Q: So, how can you take credit for what happened?

LAZAR: Right. How can you take credit for what happened in Korea? Well, we can take some, but the Koreans did it. And the Taiwanese did it. But, they did it with our help. And, I would say the same thing about Bolivia which today is ahead of Peru.

Q: Well, we have finished up on Peru and Bolivia and some general comments. What was your next assignment?

WILLIAM B. WHITMAN
Consular Officer
Cochabamba (1964-1967)

Mr. Whitman was born in New Jersey and raised in Illinois and New Jersey. He was educated at the University of Colorado and Northwestern University. In his posts abroad Mr. Whitman served variously as Consular, Political and Economic

Officer. In Washington, he dealt with Fuels and Energy. His foreign posts include Palermo, Cochabamba, Belgrade, Milan, as Director of the US Trade Center, Belgrade, as Economic Counselor and Rome as Economic Minister. Mr. Whitman was interviewed by Charles Stuart Kennedy in 2004.

WHITMAN: I spent a couple days in the embassy sort of getting my breath so to speak, and I went down to Cochabamba. And there I was for two and a half years.

Q: What was the situation in '64 in Bolivia. You say there had been a revolution. I thought that was sort of standard operating procedure. They had a government a year.

WHITMAN: Yes, they had a government, the government was, the head of state was a man named Paz Estenssoro who was ejected by the military. It was a military coup. And they had a pair of generals shared the co-presidency of Bolivia and the Department didn't like this idea of generals ousting legitimately, well maybe, elected governments. So, that was, we're not doing business as usual we're going to teach you a thing or two, we're not going to send Bill Whitman down to Cochabamba. And I was there doing visa work.

Q: Where does Cochabamba fit into the, what sort of city was it?

WHITMAN: It was nice, it was eternal spring, it was a Shangri-La kind of place, in the Andes 8,500 feet. It never really rained. You could always count on playing tennis, you could always count on getting out in the sun. It was a real sleeper post. It was pretty sleepy too. There wasn't an awful lot to do. I did all the consular work and it was kind of fun. And I was still single, so I was having that kind of fun too. And but, again, this was not exactly a hotbed or focus of American interest. We were holding up a very small consulate there. Two vice counsels and a counsel.

Q: Who was the counsel?

WHITMAN: Counsel was a guy named John McVickar, who was the guy who repatriated Lee Harvey Oswald. You probably already know this story.

Q: Tell me.

WHITMAN: Well apparently, John would talk about it because he didn't particularly think he was guilty of anything, but he was in Moscow doing consulate work and Oswald comes in and wants to renounce his citizenship. And then he's there when he comes back and decides he wants his citizenship back, he wants to be repatriated, so they sent off a cable asking what to do, and I think they were told to give Oswald a passport. So he did, but he was questioned rather closely by the Warren Commission about his role in that, about what the interview was like and whether Oswald seemed programmed. John thought he sounded somewhat that way. Anyway, it was pretty quiet. We both knew that we were just supposed to keep things going. One thing about Cochabamba was it was the home of one of the presidents, Rene Barrientos. So Cochabamba politics was a matter of some interest in his actions and activities, so we would report on that

stuff. And McVickar would go out and talk to politicians and things, and I did too. And we traveled a lot, it was a huge consular district.

Q: What sort of district was it? What were they doing?

WHITMAN: I was told it was the size of Western Europe minus Spain. And there was all kinds of places, very exciting in a way. All kinds of outposts, places in the Amazon basin, you had also towns like Santa Cruz which was essentially a Spanish colonial town. You had the capital of Sucre. If you wanted to wander around and see offbeat places, it was the place to be.

Q: Were there any movements going on there that you were watching?

WHITMAN: Well, Che Guevara.

Q: Did that happen during your time?

WHITMAN: Yes, that happened, he was not killed when I was there.

Q: Did you know he was there?

WHITMAN: Yes. We knew.

Q: Was there any feeling about why he was doing his thing?

WHITMAN: It turned out the man was operating on some very bad information. He landed in eastern Bolivia south of Santa Cruz. He apparently went there believing that as soon as he got there and organized his band that the people would rally to him, throw out the government and declare a communist state. Of course the Bolivians couldn't care less about this kind of thing and that never happened. It was a kind of a sad end, because he was sick and he was pursued and we would hear at the consulate that some pharmacy had been broken into in some remote village and because he needed medicine and finally they got him.

Q: Well also I mean, they didn't even speak Spanish where he was.

WHITMAN: Well yes, they spoke Cuban Spanish.

Q: Well I mean the people he was trying to rally.

WHITMAN: Where he was operating they spoke Spanish. It's in the highlands that you found Aymara and Quechua in Cochabamba. But they would understand Spanish.

Q: Do we much about him at that time, Cochabamba?

WHITMAN: Well, he was sort of surprised to find, remember he was thought to be dead. Nobody knew where he was and that was a bombshell, that he had been sighted.

Q: What about drug business, was there anything going on there?

WHITMAN: Well, I was the narcotics officer which meant doing reports from newspapers, about cocaine seizures involving coca, a staple of the Bolivian diet. There were cocaine mills and they would ship stuff out to Brazil. I'm sure there was a lot going on, but we weren't particularly interested in those days.

Q: Did you have coca tea and all that, or.. ?

WHITMAN: No, I didn't. But they do, they chew, it was pretty disgusting, I mean you chew, they make a beer called Chicha by chewing coca leaves, spitting out the fluid, then fermenting it. Then they drink it.

Q: Well that's always delightful. What, how did the rule of the embassy fall upon our consulate in Cochabamba.

WHITMAN: Our ambassador, Douglas Henderson, was a former vice consul in Cochabamba during World War II. The post was set up in Cochabamba to keep an eye on the Germans and particularly their activities in rubber and things like that on their plantations. So Henderson had been down there and he liked Cochabamba a lot and he would come down fairly often. In those days there was a military plane at his service in La Paz, and he'd come down, and, very nice man, really very nice man, and we had a lot of good times together, even though I was extremely junior. But the embassy counselors or the consul general, rarely turned up. People from La Paz would come down on vacation because the altitude was lower and the climate was delightful. So that was about it. The DCM, Bob Hurwitch, came down once or twice. But basically they wanted political intel from us and what Barrientos was up to, if he was in town, and that kind of stuff. For that we dealt mainly with the political section, that was Max Chaplin and Larry Pezzullo. And those were the people we dealt with the most, and it was McVickar who did that mainly.

Q: Just as sort of a sociological note, how was it dating in a place like Bolivia? I would think that you would be up against the chaperones and everything else.

WHITMAN: Oh no, it wasn't that way at all, they were very emancipated, I mean there was none of that, it was much less restricted than Palermo, and then there was a huge Peace Corps contingent there and I married a Peace Corps volunteer, and we're still married, so that was another source of social life.

Q: Well then, well just to pick up, what was the background of your wife?

WHITMAN: Good schools, from Charlotte, North Carolina, doctor's family, decided on the Peace Corps because she got tired of working in New York and went in the Peace Corps training and was assigned to a village near Cochabamba.

Q: How was the Peace Corps there? Were they doing good works and all?

WHITMAN: Yes. For example, my wife was teaching English, and sometimes Spanish because there were mainly only Quechua speakers in her village. She was also sort of helping with latrine stuff, things like lids for latrines. There were a lot of PCVs down there. Some were medical, some were teachers. If you put a stopwatch to them and did a time and motion study or something like that you would probably find out that there was, a lot of slippage, but that wasn't really what counted. We weren't running efficiency studies on Peace Corps volunteers. It was getting out there that was the important thing, and make sure they didn't get into trouble.

Q: What was the feeling in your area, I had, I had the feeling that, from what, up in La Paz and all, that the miners and all were quite leftist and were a problem for us, but...

WHITMAN: It's true, there was violence, and there were strikes, and these were people with really bad lives in the mines. But in the Cochabamba valley you had peasant militias and they were I think much more conservative than the miners, and in fact there used to be scuffles between them. In Cochabamba, the peasant militia came to town a couple of times they, shot all their guns in the air, and essentially took over the main plaza, I of course, that was part of my reporting job, I'd go down and see these things happen and report back.

Q: These were the militias?

WHITMAN: Yes, peasant militia organized for political reasons. And they supported the Barrientos administration.

RICHARD MCKEE
Rotation Officer
La Paz (1965-1966)

Richard McKee was born in Pennsylvania in 1941. He attended Cornell University for a BA, the University of Virginia for a MA and then joined the Foreign Service in 1965. McKee served overseas in Bolivia, India, Pakistan, Tunis, Morocco, Saudi Arabia and Turkey. McKee also served as the Office Director for the Arab Peninsula and on the Board of Examiners. He was interviewed by Charles Stuart Kennedy in 2003.

MCKEE: Anyway I can't remember whether I put in for La Paz or whether I was sent there or whatever, but I was quite happy because it was a twenty-five percent hardship post and it was exotic.

Q: You went to La Paz when?

MCKEE: I went to La Paz fairly early on, it would have been like November of '65. In other words, I had the A-100 course, the consular course in which I did not do well, four months of Spanish, and I was off to La Paz.

Q: And you were in La Paz from '65 to when?

MCKEE: '66, just a year, because again the budget struck, my second lesson of the importance of the budget in my life. I had done six months in the USO section and six months in the political section. All of us rotational junior officers, were transferred to funded positions. I was transferred to Barranquilla, Colombia. Which I had to look up on a map. I didn't know where it was.

Q: Well, in La Paz, what did, how did, what was sort of the situation in La Paz as you saw it?

MCKEE: Well, I was surprised, I remember, that Bolivia had relations with any other foreign country, because we were so important. I was really surprised that they even bothered having relations with places like Britain and Israel and Brazil. We were it. It's really provincial, but somehow it did come as a shock that there were all these other foreign embassies in town. The Embassy itself physically was in the Banco National, an old building with rickety elevators and a buzzer bell that would give you a shock if it was raining. The electricity just was not very well insulated. The Ambassador was a fine man, Douglas Henderson, still alive. His wife Dorothy was a very warm woman. It was his first and as it turned out only ambassadorship. He was very much an ARA type, very distinguished, very nice guy. The DCM was a guy named Bob Hurwicz, whom I remember very well. One of his daughters, he had several daughters, got into various kinds of scrapes when he was in Bolivia. But he was, I remember, he was a good DCM. He later got into a lot of trouble. He called all of us junior officers together, he really did look out for us. His own story I remember very distinctly. He'd served in the Army in World War II, and didn't even know that there were embassies, frankly. But he found out, thought it was a good way of life, got into the Foreign Service, worked his way up. I remember him saying 'You know, if you keep your nose clean and work hard, you might get an ambassadorship. But if you don't you will have had a very interesting career.' I liked Hurwicz a lot.

Q: Do you recall what was the problem with him later?

MCKEE: I remember distinctly. He later served as DAS for the Caribbean, maybe under Carter, I'm not sure, and then as Ambassador to the Dominican Republic. While he was Ambassador to the Dominican Republic he accepted a piece of land, beachfront property, for a dollar from a very prominent Dominican businessman. He started to build what would be his vacation retirement home there, using Embassy labor, using the assistant GSO to supervise. In a very short period of time this came back to Washington. He was called back here, put on trial in at the federal courthouse in Alexandria. Deprived of his pension, I think didn't do any jail time, and quite possibly he was fined as well. A bad ending.

Q: It really is, you wonder what happened. Well, it's sort of obvious you don't do that.

MCKEE: I really, I have a theory about why it happened, but since it's so personal I'd rather not go into it, it involves, essentially involves his family.

Q: Well, did you get out and sort of mix and mingle in the Bolivian society?

MCKEE: Absolutely! One of the best jobs I ever had, in all my years was, that the Ambassador, bless his heart, made me the Secretary of the Ambassador's Emergency Fund Committee. In those days, and I guess the amount hasn't risen much, the Ambassador has twenty-five thousand dollars a year to play with. Now, we had an AID mission there, but this committee existed and everybody in Bolivia knew about it. Groups of campesinos would send in requests for assistance. The maximum grant I think was a thousand bucks, which was a lot of money in those days. 'We've half-finished our school, it's been a bad year, the crops have failed, could you possibly come up with five-hundred dollars so we could put a roof on the school?' The project that I will never forget is this one. Bolivia had a very small winery operation, and there had been floods, and this is all in the pre-cocaine days. The little terraces that kept the vines in place had been destroyed, could we come up with money to repair them? And I would have to go and look at these projects, and it was wonderful, took me all over the country.

Q: I always think of Bolivia as having a bunch of miners running around with sticks of dynamite stuck in their belts. I mean, did that, that sort of thing...

MCKEE: Oh, yes, Bolivia had had its social revolution in '52 and tossed out the landowner class, members of the aristocracy who went overseas or moved to the cities of Bolivia. Mining was the backbone of the economy. The miners were nearly all in the MNR or parties that were friendly to the Left. Yes, they descended on the major cities from time to time. There were several counterweights politically to the miners. In Santa Cruz province and other provinces down in the flatlands were large landowners who were of course conservative. The church was very weak, unlike in other places in South America. There had been a revolution, I think just before I got there. By then René Barrientos Ortuño had come in as co-President and then as sole President. But one could still see the marks of the shots on the wall of the University campus.

Q: What about, how did you see the university at that time, Latin American universities sometimes can be places you can't go to, real hotbeds of leftism and all that, was that...

MCKEE: That was pretty much true. The University of San Andrés, big place, not far from the Embassy. Certainly no-one ever said it was off limits to me, but I never went there, and I had the sense that it was a dangerous place for an American diplomat.

Q: Were there any coups while you were there?

MCKEE: No. Barrientos Ortuño was in office the entire time I was there. He died, I think, in a helicopter crash. But after I did my GSO stint for six months I was put in the political section. I was asked to watch the Congress, which was a pretty anemic organization. I actually got to know one or two or three of the congressmen very well. I had a marvelous boss, Larry Pezzullo, who I just saw recently, still a truly outstanding person.

Q: Who was this?

MCKEE: Larry Pezzullo, Latin Americanist, always wanted to get back to Vietnam, never did as far as I know. Very good Ambassador to Uruguay and then particularly to Nicaragua at the time that the Somoza regime was collapsing. Immensely capable guy.

Q: By any chance, had the Che Guevara thing already gone,

MCKEE: I missed that, I missed that. He was captured in Bolivia in the spring of '67, by which time I was in Colombia. During the year that I was in Bolivia, I'm pretty sure in retrospect, the CIA knew that he was there, but I didn't know he was there.

ROBERT L. CHATTEN
Information Officer, USIS
La Paz (1965-1967)

Robert L. Chatten received an undergraduate degree in journalism from the University of New Mexico and went on to receive a masters degree in communications and journalism from Stanford. He was sworn in as a Foreign Service Officer in 1959. In 1972, he was stationed in Colombia as the new PAO in Bogota. In addition to Colombia, he was posted to Bolivia and Ecuador

CHATDEN: I was a newspaperman after all. In some sense I still think of myself as a newsie, even though in the overall scheme of things, I spent a lot more of my life doing USIA type of work. By the time we left Peru and I understood what the cultural side of the operation was about, I was beginning to develop the notion that what the Agency called for was not a cultural officer or an information officer, but somebody who was a USIA officer. That, of course, had been the notion of the JOT program. But at that moment, anyway, I still was oriented toward getting myself back onto the information side of the house. The biggest countrywide was "Well, this is my audience and this is how I choose to deal with them." It was a lot of fun.

Q: Let's begin our second session of this interview. We've got you into Bolivia, starting up an information program, at least partly on cultural section turf. Take it from there.

CHATDEN: We're talking about 1965 to 1967, in many ways a watershed time for the Agency as well as an absolutely fascinating time for me and for my family. The Agency was approaching its 1967 high water mark, in which it had the greatest resources in real terms than it ever had at any one time. It was mostly down hill ever after that, except for two or three years of early Charlie Wick. We had, for example, sixteen Americans in Bolivia when I went there. That was more than we had in USIS Mexico in Thailand when I was running those programs. Just as order of magnitude it's useful to keep that in mind. The Binational Center Program peaked as well in that same period.

Q: That number of personnel included the Binational Center people, the grantees?

CHATDEN: Yes, it did. As you remember, that was an era of transition for the Binational Center people in which they had only recently escaped the worst of their contract status and were beginning to emerge from the back of the bus. This eventually led to their integration into the career service. We had an American grantee in the Binational Center in Sucre, one in Santa Cruz, two in Cochabamba and two in La Paz.

The fellow in Santa Cruz was an old high school teacher of mine who had split with his wife and decided that a whole new life was really what he needed. He remarried a much younger woman, somehow found his way to the BNC program, and said, "Send me to the ends of the earth." So, voila, Santa Cruz, Bolivia. When I learned that this fellow, who had been the Spanish teacher and drama coach at Roswell New Mexico High School was there, I looked him up and we had a great reunion. Our positions reversed and I became a kind of mentor in the ways of USIS and the bureaucracy. It was fun.

Bolivia at that time was only a year beyond another of the iterations of the revolutions that so characterized it and during our two years there, there were four governments, though peacefully instituted, for a change. That colors a great deal of how you go about what you do and say. We had an enormous AID mission and a big military group, because the governments were largely run by the military. The colorful Air Force general, Rene Barrientos, "el paladin de los Andes," was president when I arrived. Then we had him and the General commanding the Army as co-Presidents for a period. Because you can run for president, under the Bolivian Constitution that was in effect at that time, only after you have been out of uniform for six months, Barrientos resigned from the Air Force, retroactively of course, to run. Then we had General Ovando, the head of the Army, as president, and then Barrientos again after he was inevitably elected. We tailored our messages largely in terms of the Alliance for Progress but the programs were not terribly distinct from what many people are trying to do in promotion of Democracy in the post Cold War Era. It just takes on a different name. It helped to have large resources in the AID mission of course.

Q: Did you have access to those resources?

CHATDEN: In many ways, we did. We could tap into them for example, for speakers and visitors. We had a good relationship with the AID mission there, which had very professional leadership. AID was doing some things that were easy to talk about positively. But one of their programs has become an almost classic example of the law of unintended consequences that we see at work in Washington so often. They were opening up migration roads into the under populated high jungle from the more populated altiplano portions of the country. This was in part an agricultural program, part internal migration, which had all kinds of potentially positive and large scale sociological and economic dimensions to it. Over time, some of that migration did indeed take place but most importantly, years later, these became the transportation and communication network for the drug trade. International cocaine traffic was not a factor at that time. The raising and selling of coca was entirely legal and its consumption primarily local. You could go into the market and fill up your pockets with coca leaves for a few cents any day you wished.

Q: Did you consider that a negative aspect? Was your program at all couched against the growing of drugs, cocaine, at that time?

CHATDEN: The international drug traffic was not a factor in the Andes of those days. It seems incredible now, considering what has happened there and in the rest of the world and, not least, in our own country. There was a perceived threat from domestically grown or Caribbean grown marijuana but the big menace was heroin, out of the Golden Triangle. Cocaine was just a distant blip on the screen in those days.

Q: Well USIS, to my knowledge, did not get involved in the program against growing drugs until the 1970s and we launched into it heavily in Thailand.

CHATDEN: We got involved in the Andean countries later on. By the time I got to Colombia in 1972, it had really become a consideration and was indeed a subject of no small contention between our post and the USIA support mechanisms in Washington. We knew that it was a major factor in the bilateral relationship between Colombia and the United States, that it had serious international dimensions and that it was on the rise as a factor in the internal dynamics of Colombia. But it was hard to persuade anyone in Washington that we ought to get their attention and resources focused upon this. Fortunately, at that stage, we were a big enough post that we could do considerable programming ourselves. As you know, it was happening in Thailand at the same time. To a certain degree we could go our own way. We had the support of the area office in the sense that their blessing was contingent only on having drug traffic fully justified in our country plan.

But in those earlier times in Bolivia, the focus was the Alliance for Progress. It was under that banner of infrastructure development that the development of a national market became a priority. That wasn't unreasonable since there were no paved roads outside of the cities in Bolivia in those days.

Q: How did the USIS program accommodate this focus on development?

CHATDEN: You'll recall that domestically the New Frontier had gone on to become the Great Society in the transition from Kennedy to Johnson. But the programs that had been set in motion in the hemisphere under the Alliance for Progress - in bilateral programs and internal development programs - were still essentially the same programs. A large dimension to the bilateral relationship in each of the countries of the Americas revolved around things that were done under the umbrella of the Alliance for Progress. Also, it's important to remember that, quite contrary to the prohibitions against USIA involvement in "nation building" which emerged during the John Reinhardt administration of USIA, in the Johnson years, USIS posts often were engaged in programs that could be called developmental.

Q: Would you call that "nation building?"

CHATDEN: I think a lot of people then did, though we didn't usually use that term. If you stood back and looked at the seminars that I was running for media people, these, were definitely efforts not only to orient the media people to our point of view domestically and internationally,

but also real efforts at development of the professionalism of those media people. We said so, self-consciously. They realized their own state of development. They talked about it openly. You can't help but talk about it when the sound deadening device on the walls of your radio studio is egg cartons, which work wondrously well, or cow dung plastered on the wall, which also works very well. It was no secret to them that they were not running high option radio stations. I did a week-long national seminar for program managers and station owners from all over this France sized country in La Paz. I brought them together with professional journalists and radio people and people who really knew what they were doing including Peter Strauss, who a number of years later became head of the Voice of America. The emphasis was upon how radio could contribute to the development of Bolivia. The fact that USIS was the facilitator of that discussion was, for them and me, a chance to be participants in what we wanted the Alliance to represent.

We're talking about 1965 to 1967, in which the debate was escalating dramatically within the United States about our involvement in Vietnam. Much of the material that we in the field were getting from the Agency had to do with that. There was an assumption, on the part of some people in Washington in particular, that the thing that is consuming us as North Americans is of as consuming interest to people in other parts of the world.

I can't speak for all parts of the world, but most assuredly in Bolivia and, I think, for most parts of Latin America their interest in Vietnam revolved around the degree to which it absorbed our resources and it focused our national attention away from the Third World and its development problems. They were interested in their own development. All of the serious people in the society were interested in how Bolivia could put itself together better. Their interest in us, aside from some historical roots, really revolved dramatically around what we could do to help them get ahead. That formed an important part of what you would do when you put together a national radio seminar, or a similar one we did for the print media. The radio seminar was titled "Radio at the Service of the People." In trying to make themselves better radio people, they had a notion, not widespread in the media of the United States, of radio as an instrument of social engineering. We tried to give them alternative ways of looking at their task, but it was their perspective and they were entitled to it.

It helps to remember that, in the second poorest country of the hemisphere, radio was truly important as a communication medium. In USIS, we had our own radio studio. This had a great effect upon my subsequent career in the Agency because among the people who came down to our national Radio Seminar was Ray Millette from the Voice of America's Latin American division. He was running the Field Services Branches, which supplied programs to field posts for use on stations which were interested and willing to use them. You did this in every imaginable configuration. You would use music programs, which they liked a lot, as bait to get them to take more heavily freighted stuff. For that matter, music itself carried its own important messages about the US. We did all of the things that USIS posts did in parts of the world where media placement was possible and important. Because radio was so central to our program, I developed an interest in it and came to the attention of the people in the Voice of America. And so after Bolivia, our fourth consecutive assignment abroad, I ended up at the Voice of America, replacing Ray Millette as Chief of Field Services branch at the Latin American Division. With the exception of a somewhat smaller operation in Africa, our preparation of programs for placement was unique in the Voice at that time. The nature of radio in Latin America made it all

possible. Package programming and local placement now have become a large part of what the Voice is about. We weren't even using VOA money. We were a branch of the Latin American division, but spent 350,000 dollars of program money that came to field services from the Area Office. They recognized radio as such an important part of the communications process in Latin America that they were funding it.

Traveling about Bolivia to help set up these media seminars led to a number of interesting side effects. I became stranded at one time in a place between Sucre and Santa Cruz, called Camiri. I was, according to a missionary family I found there, the first American Embassy Official in eight years to spend the night in Camiri, even if it was only because the Lloyd Aereo Boliviano plane broke down. Not long afterward, Camiri came up on a lot of people's maps because it was where the Bolivian military headquartered their search for Che Guevara. This became another dramatic dimension to that period of our lives.

Bolivia, as many people know, geographically is not on the way anywhere, but we found ourselves in the unaccustomed role of being inundated with international media and visitors of every description from abroad, who came looking for Che. It's worth noting that when the Bolivian Government first started coming to the Embassy and saying, "He's out there," we didn't believe it. Many thought that the Bolivians were just trying to shake us down for more military equipment and using Che as a trigger word. Some friends in the intelligence business were absolutely persuaded that Che had been killed in Africa. It turned out he wasn't, of course, and he ended up in the wildest, most inaccessible place you can possibly imagine. He might be out there yet if they hadn't made some really dumb mistakes. They isolated themselves from access to either Brazil, Chile, or Peru, where they might have gotten supplies. They cut themselves off from most of whatever help they might have gotten from one or another of the communist parties of Bolivia. They were out there with the arrogant notion that all they had to do was to show up and espouse revolutionary rhetoric and the campesinos would rise up. Well the Bolivian campesino is a very conservative person, just like campesinos and farmers everywhere, and they don't take readily to foreigners. Especially ones with guns.

Q: Was USIS playing a role in this? Did you describe what a bad guy he was, what he represented?

CHATTEM: We were as late as everybody else. By the time we got around to acknowledging that Che Guevara was indeed out there, we were just going along servicing the media with whatever we could get. The story was way ahead of us by that time. There were dissenting opinions at the time but the wisest counsel, and the one we pursued basically, was to let it be the Bolivians' story, not ours. A US military training team had trained the ranger battalion which captured Che but the Bolivians were all too ready to confirm that Cuba was a festering wound in the Western Hemisphere and Che was proof of the progression of the disease. The Bolivian Communists themselves were splintered with three communist parties: Trotskyites, a mainstream group that followed a Moscow line, and a more revolutionary one that looked to China. We left while the Che affair still was unfolding but I'm convinced that our people were really trying to persuade the Bolivians not to kill him, not to make a martyr of Che Guevara. The Bolivians weren't having any of it. They were saying, "Look, this guy has been killing our soldiers. He is an insurrectionist, a communist, which is anathema to our view of what the Government ought to

be, and he is armed and dangerous and has proved it." Arguing with them about the international repercussions of making Che Guevara a martyr to many all over the world didn't face them. They meant to get rid of the guy, and they did.

Q: How long did he live after capture?

CHATDEN: I don't know for sure, but not long. A Frenchman captured with Guevara, Regis Debray, who became a fairly well-known author, was the son of a prominent politician in France. The prevailing opinion in France at that time, at least as represented by the French Government, was, "Who do these Bolivians, who only recently came down from the trees, think they are? Arresting and holding in prison the son of a Paris councilwoman?" The poor French Ambassador would have to go into the foreign office and convey these arrogant messages. They of course wouldn't throw him out on the seat of his pants, but that was sort of the net effect of it. He was widely seen to be a very unhappy camper.

Q: I'll bet he was. Bob, do you figure with all of the activity going on in Bolivia and the overall nation building effort, that the USIS program was really important? Were you discovering any uses of the information instrument that you hadn't used before? Or were you feeling little bit disillusioned that after all the US Information Agency was still fairly new or was still experimenting? What were your views at the time?

CHATDEN: We did the best that we could at the time, and had some effect. Judged individually and in the short run, the effects of our programs are almost always transitory. The effects of them cumulatively may have had some more durable downstream consequences in terms of Bolivian development and later development of the media. We probably had more effect on the media than we had on the academic community, which was fairly thoroughly radicalized and very difficult to talk to. So much of what we do is in the seed planting business, that its hard to wait around to see whether the plant comes up and bears the kind of fruit you intended. We may have had a disproportionate share of Agency resources at that time, but Bolivia was considered important. It had had one of what were considered the three real revolutions in 20th Century Latin America, with Mexico and Cuba joining them on that list. And it was to the everlasting credit of the Eisenhower Administration, for example, that it sent Milton Eisenhower around the hemisphere in 1958 to assess developments. Important among these assessments was whether or not the Bolivian revolution of 1953 was a real one. And what did it mean for the United States? The answer came back, in essence, "they are not a threat to us. Leave them alone. Let them work it out with as much developmental help as we can provide. Let's help the thing go in directions that are useful to them and not threatening to us. If we had taken that attitude toward Cuba, let's say, who knows what would have happened? We did have the opportunity in Bolivia and we took it.

Q: I have another question about Bolivia. Were the miners on your target audience list? Did you work with leaders of the mining syndicates at all? The mining sector seems to be a rather dark mark, or questionable mark concerning our relationship with Bolivia?

CHATDEN: The tin miners were the heart of the organized labor movement in Bolivia. They were, to a large extent, radicalized politically. We communicated with them as best we could

about what the intentions of the United States were toward Bolivia. This was not a group that we had much success in getting leader grantees out of, though occasionally one would crop up. You'd try to keep hammering away that we were a force for good in Bolivia, supporting modernization of the government mining corporation. But this wasn't always credible from their perspective, especially when any sales of tin by the General Services Administration from the US Strategic stockpile would drive the world price of tin down, or at least dampen it.

Remember that only two years before a group of Americans had been held hostage by the miners. Mike Krystula and Tom Martin, of USIS were among them. They finally were released and the President brought them up to the US for Christmas, though there is some doubt he ever really understood what had been going on and what both had been doing.

One of the things that you got accustomed to in Bolivia was sound of dynamite exploding, proof that you can get used to damn near anything. People who had grown up around the mines played with sticks of dynamite, usually for their own amusement, but with more sinister uses always implicit. It could scare the liver out of you if you didn't have any context to put it in, and it was a little disquieting even if you did.

As I mentioned, one of the strong emphases of the AID program was to try to help COMIBOL, the state mining corporation, rationalize its investments. It represented almost the entirety of Bolivia's foreign exchange and if you're in the development business, as all of us were one way or another, it became a matter of USG concern how they were going to use this money. That was how they generated what little they were able to repay to the United States from what we were putting in, theoretically as loans. Thus there was a mining dimension whenever you would address yourself to any Bolivian public, be they universities, government, or leadership elements in the media. Fortunately we had an articulate AID director.

There are two other dimensions to my Bolivia story and then I'll get off of it. There's no such thing as a dull two years there.

One Thursday afternoon we got a cable in the embassy saying there was a U-2 flying due south out of the United States. They had lost contact with the pilot and believed him dead or unconscious. He was on autopilot, we were told, and if he continued on course, he would crash in the far south of Peru, the far north of Chile, or the far west of Bolivia. "Please inform foreign office that we mean them no harm." The foreign office was informed that we meant them no harm, just in case this bizarre eventuality would occur.

By noon the next day, reports began to drift in that there had been a plane crash in a remote area of far western Bolivia, near the Chilean border. We begin to put two and two together and formed a working group. Larry Pezzulo, number two in the political section, was on it. A good friend, he subsequently was a two-time Ambassador and Director of Catholic Relief Services and a point man on US policy toward Haiti. There was a former cop from the CIA station, a guy with the wrong kind of mentality about what his task was, and the flamboyant Air Attaché Ed Fox. We saddled up on Friday evening and headed south in a carryall to Oruro, a big mining town on the Altiplano, to see if we could track down what really had happened. We discovered that the Bolivian highway service, had actually been out to the remote area where the plane came down

and had gathered up the few remains that were still available. Dog tags established that it was our guy.

The military had done a very classy thing. In their headquarters, they had put those remains in a child's casket, and had it set up in a separate room with a candle at each corner of it and an honor guard standing by it. It was quite touching. We cabled the Embassy that we would be off at dawn tomorrow and see if we could locate the site.

By 7 a.m., we were stopped at a ferry point on the Desaguadero River, which flows into Lake Titicaca, and couldn't get across. We honked to rouse the ferry operator from his little hut on the other side of the river. Nothing happened, nor did it when we fired guns into the air. About nine o'clock the ferryman emerged, knowing he was our only answer. In the interim there appeared a taxi from La Paz loaded with journalists who had heard about the plane crash and that there was something funny about it which the American Embassy was investigating. Remember we're at perhaps 13,000 feet, more than a hundred miles from the capital, in the middle of one of the more desolate areas on the globe and a taxi-full of reporters had tailed us.

We crossed the Desaguadero bemused and wondering what we were going to do. The cop from the station was saying, "Let the air out of their tires." Just on the other side, their taxi broke down. There ensued a great debate as to whether we should give them a ride. I prevailed in this and Pezzulo, as head of the mission supported me.

Of the thousands of flat square miles in the Altiplano, the U-2 had to come down on the side of a mountain. There was a little village at the base of the mountainside and it was these people who had gathered up the remains and debris.

It was quite obvious that something had crashed because their stone walls formed a kind of checkerboard on the side of the mountain, each square of perhaps a hectare. One square was blackened, where the plane had come down. The cop's contribution was, "These people have stolen pieces of our airplane." He wanted to line them up, shake them down, and get our airplane back. The contrary view fortunately held that, no, they hadn't stolen parts of our airplane, our airplane had ruined their crops. We left the equivalent of \$100 in Bolivianos with the head man of the village and said we would like to have as many pieces of our airplane and pilot back as they could possibly manage. We leave it up to you, we said, how to administer this. We asked if someone from the village would help guide us to the crash site.

We were interested mostly in the pilot and in whether the film had been exposed. After a miserable climb, we found pieces of everything everywhere, including the unfortunate pilot named Hicks, as I recall, and the film all over the mountain. I still have a piece of the airplane. When we came back down, late in the day, the people had gathered up a truckload of airplane parts. We said, "Hang onto it; we'll send somebody back for it." We got back into Oruro that evening, too late to go on to La Paz, and phoned the Embassy.

We arrived in the capital Sunday morning to headlines of "American Spy plane over Bolivia." My role in the pageant was to go to the editor and to try to settle him down. He was a man who had been born in the States, and had a lot of hang-ups and ambivalence about his relationship

with the United States. Fortunately, for whatever reason, I was able to go to him, as somebody I knew, and say:

“Look, I can’t tell you what the plane was doing, but it is not a secret that the US flies reconnaissance missions over Cuba. So let’s just assume for purposes of argument that that’s what he was doing. I can’t tell you how high he was flying because I don’t really know, but let’s assume for purposes of argument that he was at about 90,000 feet. Now you know and I know that there is nothing in Bolivia that we might want a picture of from fifteen miles away. If we want a picture of anything, a military installation or whatever, I can hire one of your photographers for ten dollars after work and he’ll take a picture of it from fifteen feet.” He said that maybe that made some sense and, to my great relief, got off our back.

It was a huge story there for awhile, but interestingly never made it into the national media in the United States.

The follow up to the story was that a few months later, we were at a reception at the Ambassador’s residence and ran across a man who said that he was an anthropologist. Asked about his project, he said, “My project just got screwed up unimaginably and I’ve got to start all over again.” It turned out that he was trying to do a piece of research on how people in isolated places got information about the world. He had chosen little village out in the far reaches of the altiplano, forty miles due west of Oruro, toward the Chilean border, as a place that really didn’t have many sources of information about the outside world, so few that he could at least try to measure them. But a big bird falls out of the sky, the place was inundated with Air Force and other people from the United States, with money, and with Bolivian government interest that had never manifested itself there before. All of the dimensions to his study that he was interested in were completely laid to waste.

Q: Blew him off the Altiplano?

CHATDEN: Blew him and his project off the Altiplano. Weird story.

JACK R. BINNS
Junior Officer
La Paz (1965-1967)

Jack R. Binns was born in Oregon in 1933. He received a bachelor's of science from the Naval Academy in 1956 and subsequently served overseas with the U.S. Navy. In 1963, he joined the Foreign Service, serving in Guatemala, La Paz, and San Salvador. Mr. Binns was interviewed by Charles Stuart Kennedy in 1990.

Q: What was the situation in Bolivia in 1965-67 when you were there?

BINNS: As always in Bolivia, the situation was extremely poor. The country depended largely on its earnings from its tin mines. The political situation was that the Bolivian revolution, which

began in 1952 and was a real revolution--changed land tenure patterns, changed land ownership, gave rights to the rural campesinos, who had been essentially disenfranchised and treated as serfs--was ended by a military intervention in 1964, when the military threw out President Victor Paz Estenssoro. The military closed his political party and took over. It was initially at least a stressful period because they overthrow of a democratic government was seen as a set-back for the Alliance for Progress. Over the near term, the Bolivian military agreed to return to democratic rule, had elections which brought, not surprisingly, a military officer, to the office of President.

Our Ambassador at the time was Doug Henderson, who was very good. He was a first class human being. That is also true of Jack Bell; both were extremely able and admirable people. We had an enormous AID mission in Bolivia in the mid 60s. We were putting in big bucks in development funding for direct budget support of the Bolivian government. There were two types of budget support: one was direct allocation of US appropriated dollars that were given to the Bolivian government for mutually agreed upon uses to permit them to carry out their functions and the other was called "extraordinary government budget support" which was entirely funded from local currencies accumulated by the US government from the sale of PL 480 food sales and distributions. We basically fed the country of Bolivia for a long, long time and generated enormous amounts of local currency. We used that currency for developmental ends; much, but not all, went to the Bolivian government to fund programs that both they and we considered essential. At one time, the AID Director, Irving Tragen, said to me that we controlled over 60% of the Bolivian currency. Here was the United States controlling 60% of another country's currency.

Q: Of course, that kind of situation also has great dangers. What was the view of the Embassy in having all this power?

BINNS: The view of the upper levels of the Embassy and the AID mission, which I got to know pretty well through my CCPS assignment (all resource related questions used to come to my desk before going to the Ambassador, at least in theory, which gave me as a junior officer an unusual broad overview of the Country Team and US inter-agency operations) had a concern about our deep involvement. When I arrived, we were in the process of phasing out the direct budgetary support and the local currency support. The direct dollar support was being phased out at approximately 20% per year under what was known as the "Sullivan" plan. It was totally phased out in 1967. With it, there was a major restructuring of the Bolivian government.

The local currency support was a little trickier because we still owned the money. We could either burn it or spend it. The question was how we were spending it. It was hard to find developmental ways to spend local currencies other than directly supporting government programs--wages, etc. So the phase out of that program took a little bit longer until the local currency was exhausted.

There was a concern at the Embassy that its role was too big and clearly Irv Tragen, who was in my time in the Foreign Service during which I associated with a lot of AID programs, was by far the best mission director I ever encountered, both conceptually and in dealing with governments and people.

Q: Tells us about the Bolivian miners.

BINNS: They would occasionally be unhappy with the central government, usually as result of their wages not being increased as rapidly as the inflation or that the government had taken some action to close down the less productive tin mines. That would bring as many as 50,000 miners to La Paz where they would march down the streets with their mining gear and sticks of dynamite tucked into their belts. It was quite a dramatic scene. In La Paz, at least, they rarely set off the dynamite, but tales of their dynamite activities at the mines are legion.

Q: Were we during your tour in Bolivia very much involved in the drug issue?

BINNS: It was not a significant matter. Later, during the 1972-74 period, I was the Bolivian desk officer when the drug issue was a major one, calling for White House interest. There were special task forces to deal with the narcotic issue. Needless to say, most of those efforts were fruitless and the situation continued to deteriorate simply because the market for the products grew and grew.

PATRICK F. MORRIS
Director Office of Bolivian-Chilean Affairs
Washington, DC (1965-1968)

Mr. Morris was born and raised in Montana. Educated at Georgetown University, Mexico City College, and San Marcos College, Lima, Peru, Mr. Morris served in the US Army in Europe during World War II, where he was captured and imprisoned by the German Army. He joined the newly established Point IV program in 1950 and worked with that agency and its successors in various senior level capacities in Washington, D.C., in Paris and throughout Latin America. His final posting was in the Dominican Republic, where he served as Director of the US AID Mission. Mr. Morris was interviewed by Charles Stuart Kennedy in 2007.

Q: Okay, where did you go then?

MORRIS: Sixty-five. I came back to Washington and by that time the- in the Latin American area the State Department and the Alliance for Progress, which of course was part of AID, but the Alliance for Progress was incorporated into the State Department. We became part of the State Department and I was given a State Department job. I became office director for Bolivia-Chilean affairs. And we integrated all of the AID offices and the State offices and so I had under me a Bolivia desk office and a political desk officer and an AID desk officer and a Chile political desk office, a political desk officer and an AID desk officer. And so I was in that job from 1965 to 1968 and during - well, during that time there were two - in Chile, this was the time of a populist movement, Christian Democratic populist movement in Chile that resulted in the election of Eduardo Frei. That party was a new party in Chile that became very popular and came

to have a great influence and again, from the point of view of the Kennedy Administration, was another sign of great change.

Q: Today is the 2nd of April, 2007. Pat, Bolivia. What are we going to talk about?

MORRIS: Well, I just gave a general resume of the situation in Chile when I was in charge of Chile/Bolivian affairs in the State Department. Now I am going to review the situation in Bolivia.

I had been in Bolivia from the end of 1958 to 1960, July of 1960, and then I went to Venezuela. Actually, I left Bolivia in July and then I was in Washington on home leave and finally arrived in Venezuela the end of 1960. So now this is 1965, I had left Venezuela and was in charge of Chile and Bolivian affairs in Washington. During the time that I was in Venezuela the situation in Bolivia had deteriorated; they had successfully elected- had elections, two separate elections. The same political party was in control, that was Paz Estenssoro who headed the government after the 1953 Bolivian revolution and then he was succeeded by Siles Zuazo and Siles Zuazo was succeeded by Paz Estenssoro again and it was during the second presidency of Paz Estenssoro that there was a military coup. So when I came on Chile/Bolivian affairs there was a military junta in Bolivia headed by General Ovando from the army and General Barrientos from the air force. They were co-presidents, if you will, although Ovando had the title. But it was a co-presidency and not long after I arrived in that position Barrientos moved into a controlling place and was named president. I cannot recall now exactly what the mechanics of that was but Ovando still had a lot of influence but Barrientos became the front man for the regime and during most of my time the U.S. ambassador in Bolivia dealt with Barrientos in diplomatic negotiations of any kind. The U.S. ambassador was Douglas Henderson, Doug was a career officer, had been economic consular in Lima and was named by the Kennedy Administration as ambassador to Bolivia. All of this took place before I arrived so when I arrived Doug was in his job and Barrientos was the president or the president of the junta, I guess probably is what his specific title was.

But Bolivia had not made very much solid economic progress from the time that I had left earlier, although we had continued, the United States Government had continued to provide substantial economic assistance. We had technical assistance programs and a large budget support grant program providing funds to keep the government operating. This had changed somewhat in that the U.S. Government was giving a lot of money now to the mining corporation which was not the case during the time that I had been there. This was something that I personally and the AID director, I was deputy director, had resisted all the time we were there. We thought it was throwing money down a rat hole but subsequent administrations in Bolivia, that is AID people, had made other decisions; the State Department as well, made other decisions so that we were now heavily funding the mining corporation.

Q: The mining corporation was Bolivian mining corporation?

MORRIS: Well, what had happened was that the revolution in 1953, they had nationalized all of the mining operations in the country and they were put under a single administration. All mining operations were put under a single administration. Well, I take that back. All of the tin mines were put under a single administration. There was a ministry of mines that had responsibility for

other disparate mining activity that might be going on in the country and in fact there were a few private mines still in existence, small, mostly in the precious metals, in gold and silver but the tin mines, which had been the basis of the Bolivian economy for about 20 or 25 years was now under the mining corporation, Comibol, and Comibol was headed by Juan Lechin. And Juan Lechin was a politician, a very able politician, and union leader and he operated Comibol like a political slush fund; he spent lavishly on himself and those around him but had the full and enthusiastic support of all of the miners because he could give great speeches about how they were in charge and so forth and so on. And there probably was an improvement in the conditions in the mines, minor improvements of conditions in the mines and maybe some improvements in the miners' salaries. But the fact is that the mining corporation almost from the beginning was losing money; they were spending more money than they were making. And here the United States was in a position of propping up this failing enterprise.

Q: What is the rationale?

MORRIS: The rationale was that there would be chaos in the country if we let Comibol go under, because the miners were a very strong political force. There would be just widespread revolution and chaos. And so it was really a handholding operation. But I suspect, and I have never looked at the record, but I suspect that we were not completely unhappy that the military took over and kicked out Juan Lechin from the mining corporation and began to try to bring a little bit more order into what was happening on the economics scene in the country. But nevertheless the situation throughout the time that I was there was minor chaos. When I had been in Bolivia the fact is that the elected government really did not have control of the country. They controlled major cities but there were organized militias throughout the country and these militias were controlled by political leaders. And so each one of these political leaders had their fiefdom and Juan Lechin had the miners. But there were peasant organizations, the campesinos, which also had their leaders and you could not travel in Bolivia from one city to another without being stopped by roadblocks a half-a-dozen times; at each point you had to pay some kind of a tribute to get by. So that was the situation when I was there.

It improved a little bit under the military junta because the military could follow orders; the military was in charge and the military enforced their regime on the country more effectively than had been done previously. Nevertheless the economic situation continued to be rather precarious and it was during this time, I am trying to remember the date now; let me see, 1962, 1963, March the 17th, 1963, we got the first reports in Washington coming out of Bolivia, coming out of the CIA. Actually we had earlier reports of some kind of a revolutionary movement in the lowlands, in the Santa Cruz area and further to the south near Tarija, of strange guerrilla activities. And it was- the date sticks in my mind, March 17, 1963, when we got the first report that this was a group of Cubans organizing the campesinos in the area to begin to take over portions of these rural areas and Che Guevara was heading that group. The CIA had operatives in that area and I am not sure exactly- they had not infiltrated the insurgent movement but they had a pretty good idea of what was going on and they were working with the Bolivian armed forces and had become aware of these activities. When we were certain that this was an attempt by the Cubans to start a peasant revolution in Bolivia we, in cooperation with the Bolivian military, actually the Bolivian military came to us for assistance, and we sent a couple of Ranger battalions out of Panama to Santa Cruz, not to engage the insurgents but to train the

Bolivians in counterinsurgency. And we continued to get regular reports through the CIA as to the activities of the insurgents and the guerrillas in the lowlands and they had successfully evaded any confrontation with Bolivian armed forces for the most part. There were a couple of minor skirmishes but nothing of any significance.

But as this went on there was a surge of almost hysteria in Argentina because the Argentines were getting the same kind of reports and although the area that the guerrillas were in was closer to Paraguay, it was not close to the Argentine border, but since Che Guevara was an Argentine the Argentine military began making preparations to invade Bolivia and take care of this insurgency because they did not trust the Bolivian military. And the situation- we began getting urgent messages from our ambassador in Argentina, who at that time was Ed Martin, saying that he was doing everything that he could to calm down the Argentine military and that the situation was under control, that the United States was providing assistance to the Bolivian military, training them in counterinsurgency and that the Argentines did not have to consider moving into Bolivia to take care of this. The Bolivians could take care of it themselves, but he was not, he said, having very much success. So he asked for somebody to come down from Washington to help assure the Argentines.

So the assistant secretary asked me to go down; we were in contact with the U.S. ambassador, Doug Henderson in Bolivia; but the assistant secretary asked me to go down to Bolivia and to visit the counterinsurgency training camps in Santa Cruz that were the U.S. Ranger battalions- the training camps set up by the U.S. Ranger battalions. So I went first to Panama, to SOUTHCOM (U.S. Army Southern Command), and got a full briefing from the people there as to exactly what they were doing in Bolivia and then I went to La Paz and spent a couple of days with the ambassador talking about what he knew and what the immediate situation in the hinterlands was. Then I went to Santa Cruz and spent a couple of days with the Ranger battalion observing the training and getting assessments on the capacity of the Bolivian forces to take care of this insurgency. Then from there I went to Buenos Aires and spent a couple of days with Ed Martin going over everything that I had learned. Ed finally decided, on the basis of what I told him, that he did not think that it would be necessary for me to talk to the Argentine military, that he would take care of it, that he could use my conversation and the assurances that I had gotten on all levels about the competency of the Bolivians to take care of the situation.

I came back to the United States and shortly thereafter the Bolivian Ranger-trained battalions caught the Cuban insurgents and surrounded them and wore them down and either captured or killed all of them. In that roundup Che Guevara had been wounded but was captured and he was taken to a Bolivian army outpost someplace in the area and was assassinated by the Bolivian army and his body was absconded so that nobody would ever know where he was, so as to prevent anybody from building a shrine to him or in any way trying to utilize his death to further their cause. We were following these events fairly closely in Washington on the basis of the CIA reporting and by that time the CIA had incorporated a number of Cuban exiles into the Bolivian armed forces and at least one of them was there at the time of the assassination of Che Guevara. So we got fairly detailed and accurate reports of what was going on, what had been going on the whole time.

For me, the most surprising event out of all of this was that five days after we had gotten word that Che Guevara had been killed by the Bolivian military there appeared in Time magazine - Time had a stringer in Bolivia who must have had very close connections with the Bolivian military and it was not even a bold or a sensational article; it was just a, sort of almost an afterthought in Time saying that it had been reported from La Paz that Che Guevara had been killed by the Bolivian military. A short article and nothing more. In fact, I had known this stringer when I lived in La Paz and I guess I did not ever talk to him after that but I talked to the Time magazine people here in Washington and they would not talk about how they got the information. But the fact is that during that time it appeared only once and never again, as far as I know, in the U.S. media, about how Che was killed. Later on, of course, there were books and articles which detailed the whole thing, but at the time there were just indications that the Bolivian military had taken care of the insurgency and they had killed Che Guevara but there were none of the details about how he was killed.

Q: Was there any accusation at the time or any hint that we were involved in the killing?

MORRIS: Yes, there was some. And probably to this day - there are still some - I am not familiar with all the different books but there probably are accusations that we were involved in it. Actually we were not involved but we were aware of what was going on.

Q: One of the stories I have heard is that Che Guevara ended up trying to create a revolution in an area where he did not speak the language and with, basically with Indians who just did not-were not of the revolutionary type or something.

MORRIS: Well, that is exactly right. The fact is that the Andean Indian, not only in Bolivia but in Peru and in Ecuador and probably in Colombia too, had been exploited by outsiders for so long that they do not trust anybody. So here you had these mostly white Cubans, maybe a few blacks among them but mostly white Cubans who spoke Caribbean Spanish; and of course, Che spoke Argentinean Spanish, trying to convince Indians who spoke practically no Spanish and Quechua or Aymara speakers to start a revolution. From the reporting that we got it was clear that these people were really lost, that is the Cubans, they were really lost trying to get support. In fact, they had lost all support from the Bolivian communist party. The Bolivian communist party thought they were crazy and the Bolivian communist party was right. And so the Cubans cut themselves off from the Bolivian communist party because it was 100 percent against what they were doing. So they, as far as I know, they had some local support but mostly they bought it; they had money and they bought it. But I cannot think of any local groups that were ideologically tied to them which gave them any assistance. So it was a lost cause from the beginning.

From what I read about Castro, Castro was just glad to get Che Guevara out of his hair in Havana because he had sent Che to The Congo before that. And as long as Che was in The Congo he was out of his hair and then he came back to Havana and he was in the way so he encouraged him to start a revolution in South America. And the idea, of course, in the Argentine military was 100 percent correct; Che's idea was that if they could start this movement in the Bolivian lowlands that they could easily spread it into the hinterlands of Argentina and into Paraguay. But obviously it was a pipedream.

AARON BENJAMIN
Project Officer, USAID
Bolivia (1966-1969)

Aaron Benjamin was born on 21 March, 1932 in New York City. He attended Brooklyn College and received his BA in 1954. He attended Columbia University and received his MA in 1959. As a member of AID, his career has included positions in Bolivia, Ecuador, Peru, Nicaragua, the Dominican Republic, and Egypt. Mr. Benjamin was interviewed by Charles Christian on May 15, 1996.

Q: How did they get your name?

BENJAMIN: Well, they got my name through a non profit organization called the Cooperative Housing Foundation. It was then known as the Foundation for Cooperative Housing (FCH). The organization served as consultants to AID in the field of housing and urban planning. Two years before, they had invited me to take a short assignment in Argentina. Unfortunately, I couldn't do it because I was tied up with my job in New York and I couldn't get away.

Q: You and Robert Moses were handling New York's problems . . .

BENJAMIN: Although not quite on the same level. Apparently FCH had kept my resume and had eventually given it to Harold Robinson. As I mentioned, Harold called me and asked if I would be interested in going to Bolivia I had never met him or talked with him before and was a little apprehensive, but I was certainly anxious to explore the possibility, so I went down to Washington, where he told me about the assignment. After our discussion, I was absolutely raring to go.

Q: This was about 1961-62?

BENJAMIN: No, it was November of 1966. I had already put in about five years in the city of New York and Elizabeth. I got permission from the Mayor of Elizabeth to take off a month and go down to Bolivia on a TDY. My wife and I went down together. The specific assignment was to prepare a Capital Assistance Paper and Loan Agreement for the first loan to be made to the Caja Central, the Central Bank for Savings and Loan activities in Bolivia. There had already been created, with the help of the Bolivian AID Mission, a single savings and loan association, and the AID Mission was interested in establishing more. The Mission also wanted to create an organization like the Home Loan Bank Board that monitors the savings and loan system in the United States. I completed the loan paper and loan agreement, which were received by both the Mission and the Washington office. As a result, I was invited to join AID to serve a two year tour in Bolivia. My wife and I talked about it and decided that it would be a wonderful opportunity for us. We had no children yet, and were therefore very adaptable.

Q: It is fortunate that she had taken the trip with you on the short term assignment.

BENJAMIN: Yes, so there would be no surprises. In any event, we went down to Bolivia and settled in, but we really did not know what to expect. Bolivia was a fascinating, exciting place. Imagine landing at an altitude of 13,000 feet. The airport terminal was a tiny building with a roaring fire going in the fireplace. We were struck by the exotically dressed indigenous people from the Altiplano who were walking around the airport grounds with their llamas in tow.

Q: Did it take you a little while to adjust to the altitude ?

BENJAMIN: Interestingly enough, we didn't feel anything initially. We went everywhere and there seemed to be no strain whatsoever.

Q: You were young then.

BENJAMIN: Maybe that was it. But after a while, we did experience unusual phenomena. For example, in the middle of the night I would wake up short of breath and feeling flushed. I was told that this was "siroche", or altitude sickness, and that it only takes about three months to get used to it. What happens is that the body needs to build up an additional supply of red corpuscles so that it can absorb more oxygen from the air. The whole process takes about three months.

As for my assignment, I immediately got down to work. My major duties were to monitor the Caja Central loan; provide technical assistance to the Savings and Loan System, monitor the Housing Guaranty Program (three projects) and a Cooley Loan financed housing project promote a feasibility study for the construction industry; and monitor the Credit Union System, which had 150 branches, 50,000 members and 4 million dollars in savings. It sounds remarkable, but it was one of the most impressive community level credit systems that I ever encountered. In any event, I settled in to my major task and started working with the savings and loan system, helping to develop several branches around the country, and to strengthen the Caja Central de Ahorro y Prestamo.

In addition to regulating the Savings and Loan Associations, one of the major functions of the Caja Central was to secure financing from overseas and channel it down to the local S and Ls so they could start the process of lending for home purchase, home improvement and home construction. It was quite interesting, because in countries like Bolivia there had been no such thing as a long-term mortgage. At best, somebody who had some resources could go to a commercial bank and possibly obtain a loan for two or three years, although usually at an exorbitant rate of interest, to build or buy a house. But this program was designed to enable people, particularly middle and lower middle class, to obtain a long term loan at a reasonable rate of interest. Frankly, this program had a political objective in addition to the traditional development objectives. It was felt that it would be important, at least from a political point of view, for people to acquire land, build a house and develop, a real stake in the community, thereby, becoming true middle class citizens with all of the responsibilities, obligations and rights that accrue in a stable democratic society.

Q: Was there a separate Ministry for this activity?

BENJAMIN: Yes, there was a separate Ministry of Housing, but it was only indirectly involved, as guarantor of international loans secured by the Caja Central.

Q: So you worked directly with this bank?

BENJAMIN: Yes, I worked directly with the Caja Central but I also spent time with the Associations. My counterpart was the head of the Çaja Çentral- Ernesto Wende.

Q: Did you find those people to be very cooperative?

BENJAMIN: Absolutely, as well as capable, intelligent and enthusiastic.

Q: So they were educated folks?

BENJAMIN: Oh yes, in fact, Ernesto Wende was educated in the United States. He also worked for AID when he was younger. He was from the eastern part of Bolivia, and at some point migrated to La Paz. He subsequently went to the united States, came back to Bolivia, and eventually wound up getting a job with AID. After leaving AID, he established Bolivia's first Savings and Loan Association.

In addition to the savings and loan program, as I previously mentioned, I was involved in other activities like the housing guarantee program, which provided US Government guarantees to American investors, i.e. banks, labor unions, and insurance companies, that loaned money for housing programs in developing countries. The interesting thing about this program is that it didn't cost the US government any money, but actually earned money by charging an administrative fee that paid for the Washington operation of the program as well as the field costs. It earned about 1% which was enough to pay the expenses. The only appropriation that Congress had to authorize for this program was a very small reserve fund just in case there were defaults,

Q: But you didn't experience any defaults?

BENJAMIN: No, none during my tour of duty.

Q: That's terrific. How many years did you spend there?

BENJAMIN: I spent two years in Bolivia. But I also worked on the housing guarantee program in virtually all of the countries in which I served and did not experience any defaults.

Q: Oh, I see.

BENJAMIN: I also worked with the Peace Corps in helping to set up a vocational school for the construction industry. AID provided a grant to a local non profit organization to set up a vocational school that taught construction trades -i.e. carpentry, masonry, plumbing and electrical wiring. The teaching staff consisted of 8 Peace Corps Volunteers and 4 Bolivian

technicians. 30 students attended the school. This project was an excellent example of cooperation between AID and the Peace Corps.

Another related program funded by AID was a feasibility study for the construction industry. All of these activities were linked with the fledgling housing program that was financially supported by the savings and loan system and the housing guaranty program. Housing was a very significant component of the Development Program in Bolivia. Even the IDB was also actively involved in promoting low income housing in Bolivia in those days.

Q: Did AID have a big presence there in Bolivia at that time?

BENJAMIN: AID had a mission of about 25 direct hire Americans plus at least that many Bolivian employees. That was an interesting time to be in Bolivia. I was witness to a change in the essential nature of the AID Program. Congress had determined that AID's focus should change from major infrastructure--roads, electricity and major agricultural reform to a "Basic Human Needs" approach, emphasizing health, education, population and public administration programs, among others.

Q: And you said that Peace Corps had a presence?

BENJAMIN: A large one . . .

Q: throughout the country I guess, not only in La Paz?

BENJAMIN: Yes. There were many programs located throughout the country, but I was most familiar with the Vocational School Project in La Paz, since it was related to the construction industry.

Your mentioning the rest of the country brings to mind the many adventures that I had in Bolivia. If you like, I'll take a moment to tell you about some of them.

Q: Certainly . . .

BENJAMIN: On one vacation trip, we were out on the Brazilian border, traveling on a major tributary of the Amazon on a little 10 passenger paddle-wheeler. We saw many wonders of the Amazon, including giant anacondas, river dolphin and giant catfish, by taking some canoe trips here and there on little tributaries off the main river. On one of these trips, in the afternoon, we got lost and couldn't find our way back to our mother ship. Night fell and we were hopelessly lost. We kept firing rifle shots to signal our location, and after about 6 hours of drifting around, they finally found us.

There was a lot of excitement on that trip. The last night of the river trip at a party on board, the boat, my wife dislocated her knee cap, while dancing. Fortunately, the captain of the ship had some medical training and was able to pop it back into place. We all flew out the next day on a small plane to the town of Trinidad, where the knee was set in a cast by a local doctor. We stayed the night in Trinidad, and then boarded the plane the next day, bound for Cochabamba and La

Paz. Unfortunately, our DC-3 went down shortly after take off from the town of Trinidad. One engine failed without any warning and a moment later, the other one died. Amazingly, we just glided down and made a soft landing in swamp.

Q: Your DC-3 must have just have bellied in . .

BENJAMIN: Yes, we just glided in like a kite. It was a very soft landing. All of the passengers, (except for my wife who had to be carried off because of her cast) walked away from the crash without injury. On leaving the plane, we saw that the wings and the engines had been sheared off. We were rescued and taken back to Trinidad on horseback and jeeps. When we returned to the airport, we asked about the next plane to Cochabamba and La Paz, and were told we'd have to wait until the next day. We asked the airline manager if the company was going to pay for the night's lodging. He said No, adding "You're lucky to be alive. What more do you want?." This response was characteristic of the fatalistic attitude of the people who lived in that part of the country. Apparently, such accidents were not extraordinary.

In our travels through this part of the country, we saw everything from sugar growing to cattle raising, logging and tanning. It was interesting to witness the ingenuity that people used to sustain themselves.

Q: Lot of beef cattle there?

BENJAMIN: Yes, there were large cattle ranches near Santa Cruz, located toward the center of the country.

Another time, when we went to attend the inauguration of a savings and loan association on the Argentine border, in a town called Tarija. We drove down; and the trip took about three days, over terrible roads. The US Ambassador, Douglas Henderson, was scheduled to travel with President Barrientos, in the President's plane, to be present at the ceremony.

As the advance party, we had arrived a couple of days before and had made all sorts of preparations for the big event. For example, working with the leader of the local army band and a guitar, I had taught the band how to play the Star Spangled Banner, in honor of the US Ambassador. The conductor scored it for his 30 piece army band, and they were all out at the airport at 6 A.M., in uniform, with their instruments, ready to play. The plane landed, but unfortunately, the Ambassador did not show up. Apparently, he and the President were not getting along well that day.

Q: Oh, goodness . . .

BENJAMIN: Anyway, the door opened, the President came out alone, and the band started playing the Star Spangled Banner.

Q: Did he appreciate that?

BENJAMIN: Well, he was a good sport and had a good sense of humor.

Q: They had picked up a new piece of music .

BENJAMIN: Anyway he was nice enough to offer us a ride back to La Paz in his plane, which he flew himself. It was not pressurized, and we had to go above 20,000 feet to get over the peaks, so you can imagine what that was like. I don't remember if the plane was a DC-3 or DC-7.

It seemed that in Bolivia, we had a new adventure everyday. We spent about two years, there and had a wonderful tour.

Q: and had an interesting personal life as well as professional.

BENJAMIN: In addition to the satisfaction that came with professional accomplishments, we had a wonderful personal life seeing exotic places and meeting fascinating people. Bolivia was the kind of place that produces and attracts rugged individualists, renaissance men and adventurers. Bolivia will remain etched in our memories since it was our first long term tour in a truly "different" place, and perhaps most significantly, because our first child was born in La Paz in a small missionary clinic. I was en route home, after attending a conference in the Dominican Republic, when I received news that my wife had given birth to a baby girl. The proud father arrived 24 hours after the blessed event.

It's still hard to imagine, a savings and loan system with seven associations and a central bank in Bolivia, especially when you go up to the Altiplano, where the rural culture and indigenous civilization seem to be centuries behind us,

Q: Centuries?

BENJAMIN: Yes, Centuries.

Q: It is a land-locked country too, I believe.

BENJAMIN: It is. Bolivia has always been fighting with Chile, to secure access to the sea. Bolivians even have a special holiday every year when they proclaim their right to access to the sea.

Q: The Indian population there, is that predominant?

BENJAMIN: The Indian population there is absolutely predominant, The Indian's life on the altiplano (the high plain) is particularly severe. The climate is cold, he lives in a mud hut, weaves his own clothing from llama wool, and grows his own food, mainly potatoes. His life is a constant struggle for survival.

Q: So they're small scale farmers?

BENJAMIN: Yes, but production is at subsistence level. The land is virtually barren, since it is way above the timberline.

Bolivia is a country of contrasts. Just outside of La Paz you can drop 4,000 feet, in the space of two hours, to the so-called "jungas" filled with hot steamy tropical rainforests. Bolivia also has a gold mining area called Tipuani, in the same region. To reach this area, you wind your way down the mountain, driving on some very steep grades. But then in contrast, if you go five or six hours by car traveling east down the eastern slope of the Andes, you'll reach Cochabamba, which is in a temperate, zone at an altitude of 6,000 feet. Cochabamba has more abundant agricultural production and is a more prosperous community than you will find in most of Bolivia.

Q: What is the population of Bolivia?

BENJAMIN: I think in those days it was something like 3 million. There are two capitals. One is La Paz, the commercial center, where virtually all major business and international activities take place, the other is Sucre, the political capital, about 250 miles away, across the mountains. Then you have several other important cities, Cochabamba, which I mentioned before is about seven hours by car, over tough terrain from La Paz. In the central part of the country, you have Santa Cruz, the cattle raising center, which also produces natural gas and rice. It was in Santa Cruz, that I came across one of the most imaginative applications of appropriate technology: construction panels made of cement mixed with the hulls of rice, to give the panels strength and flexibility. Further to the east, are several small communities including Trinidad and Riberalta which produce timber, leather and beef. In the South on the Argentine border, you have Tarija, which is probably more Argentine than Bolivian since virtually all of its contacts, commercial and otherwise, are with Argentina rather than the rest of Bolivia.

Q: Everything seems quite spread out with the mountains dividing major sections of the country.

BENJAMIN: Yes. Everything is pretty well spread out. One of the thoughts that comes to mind when I talk about Bolivia being spread out is that it has common borders with several other countries and is centrally located in South America. You may recall that the famous Che Guevara decided to choose Bolivia as the staging point for his South American operations, probably because it has so many common borders.

Q: Sort of the body of the octopus?

BENJAMIN: Yes. However, there was something he didn't count on. In 1952, Bolivia had a revolution, and land tenure for the peasants was established, each peasant receiving his land title. So Che Guevara had nothing to sell to them. He could not promote his political views and simply antagonized them, to the point where they turned him in to the army- and that was the end of Che Guevara's career.

Q: So, Bolivia had quite a role in stunting communism, perhaps?

BENJAMIN: Well, at least in South America.

Q: On the program side, how was your support financially from AID Washington and were there other types of support forthcoming?

BENJAMIN: AID Washington support, financial technical and administrative was generally adequate, though problems often came when a program was initiated and support was not sustained. However, we managed to solve our problems through creative financing. I can give you a little anecdote that will show you how we were able to tap other funds when we ran short. In the case of housing, the AID mission was quite anxious to set up the savings and loan system, and committed, at least in principle something like 5 million dollars in grant funding for the program over a three year period. As it turns out, funds ran short and they could only come up with a million and one half dollars to meet the commitment. What occurred to me, was the use of the housing guarantee program to support the savings and loan system. Heretofore, the guaranty program was exclusively used to finance discreet, individual projects, each with a specific number of new houses, designated in advance of project construction. We were able to convince AID-Washington and some potential investors to let us use some of the guarantee funding to provide seed capital for the savings and loan associations, enabling them to fund individual homes or projects as they saw fit. So we were able to use the housing guarantee funding in lieu of grant or loan funding from AID. This approach solved the shortfall problem that we were facing and ultimately became the model for future use of HG funding.

Q: I see. Do I understand that your activity was part of AID's Regional Housing and Urban Development office or was it separate?

BENJAMIN: Any program decisions or commitments regarding the Housing Guaranty Program required the concurrence of the Regional Housing and Urban Development Office (RHUDO) and or the Washington Housing and Development Office. With respect to all other programs, I reported exclusively to the AID Mission in each country.

Q: You mean that you were directly responsible to the Mission and not to the Regional Housing and Urban Development Office?

BENJAMIN: That's correct. The Regional Housing and Urban Development Offices had just been established in the early '70s. I started my work in 1967, working directly for the Latin American Bureau, through the AID Mission in Bolivia. I was already stationed in Peru when the first RHUDO South American Regional Office was established in Argentina. Our relationship was collaborative, but I was still reported ultimately to the individual country Mission.

Q: Which is typical of RHUDO and AID relationships in many places.

BENJAMIN: I believe that it varies with the country. In my own case, although my job title and backstop classification had always been Housing and Urban Development Officer, the same designation used by the AID Housing Office, I had always been recruited by and worked for individual Missions. It was only toward the end of my career, when I came back to Washington, in 1986, that I was assigned to the Housing Office because of my title and backstop classification.

Q: Oh, I see.

BENJAMIN: I strongly believe that the most effective strategy for helping to alleviate the housing shortage in Bolivia was to strengthen credit institutions i.e. Savings and Loans, enabling them to promote local savings, finance housing, and stimulate the construction industry. These activities proved especially successful when coupled with manpower training and employment generation activities.

CHARLES W. GROVER
Political Officer
La Paz (1966-1969)

Charles Grover was raised in Gloversville, New York after several years of moving when his father was permanently assigned. He earned a major in American History from Antioch College in Ohio and then received his master's in history from the University of Oregon some years later. He joined the Foreign Service in 1956 and in 1971 served as principal officer in Medellin, Colombia. In addition to Colombia he was posted to Bolivia, Spain, Brazil, Chile, and Ecuador.

Q: Okay, we're on the air, so to speak, and I wonder if you would tell me your memories of the Che Guevara event in the attempted insurrection in Bolivia in 1966 and '67. How the embassy heard about it, how it got involved, and what it did, what Guevara was trying to do, how the embassy reacted, as much as you can tell me about it. Thanks.

GROVER: My memory for dates is going to be very bad, but it was sometime in the spring that the story broke, and at the same time President Barrientos called in Ambassador Henderson and explained to him what he thought had happened, and I gather at that meeting also asked Ambassador Henderson for what we came to call the Christmas list of assistance that he would need in order to combat this guerrilla activity. I don't think that Barrientos, who was a fairly charismatic character and a rather bold one, was particularly frightened by it but I think the Bolivian army was. One has to remember that the Bolivian army was made up mostly of one-year conscripts, and in the area where the insurgency took place there were mostly transplanted Altiplano campesinos, many of whom were illiterate and one of the functions of the army was to teach literacy. Most of them had World War I Mausers, and I think that only about 15% of them fired. But it wasn't even clear that any of the conscripts had fired the 15% that worked. They were simply figures in an area. Bolivia was divided into military division areas, but these divisions had probably between 500-600 soldiers which the population sometimes affectionately not called soldievados, who were simply doing their year of time.

So the army at that time, completely without mobility--I think the total armor in the Bolivian army at that time was three armored personnel carriers in La Paz which were kept at Estada Mayor, mostly to conduct golpes with, and a group of trucks up in Viacha on the Altiplano--not in Viacha, it was the 23rd motorized and I don't recall the name of the place right now, but just off Lake Titicaca.

Q: Excuse me. These terms: *Estada Mayor* is the...

GROVER: The Chief of Staff of the army, and that was in Miraflores, right in downtown La Paz.

Q: *Okay, and golpes d'estado?*

GROVER: Is coup d'etat, or overturn of government, of which Bolivia has had its share.

Although if I may digress another moment. I always felt that it was terribly unfair for American journalists to begin each story with a number of golpes d'estado that had taken place in Bolivia. Nobody would read the article unless the spectacular figure of 150 or 165 wasn't listed in the first paragraph. I always thought that was wrong and inaccurate because Bolivia at one point had a very stable kind of government between the War of the Pacific, 1879 or 1880 thereabouts, and the beginning of the Chaco War in the 1930s. Bolivia was one of the most stable governments, stable in very conservative terms. Relatively few people voting to be sure, but nonetheless it was stable so the image that American newsmen who liked to...they covered, during my time in Latin America, they seemed to cover principally crises. And they liked to understand Latin American crises terms, always began with this image which I thought was wrong, at least for part of Bolivia's history.

Going back to the Guevara insurgency. As I say, I don't recall the date. I do remember that we began an intensive review, and a concern. I don't think that any of us, early on, really believed that Che Guevara was there. We weren't quite sure what the nature of the problem was, but clearly there was an insurgency and it was more than just a small group of Bolivians. In fact, it became evident later on--and I have to try to be careful to avoid what I knew at the time from what we all knew afterwards, the hindsight version. Che's diary, I think, documents the communist party of Bolivia didn't take kindly to this rough kind of activity that Guevara had launched the group on; although a small group of Bolivians did join at some point. But we weren't entirely sure--I think Ambassador Henderson wanted to be as helpful as he could, but he always kept foremost the principle that the Bolivians had to want to do this themselves. And I think in doing that he had a very important role in restraint. The Bolivians were always urging that we do more and more. Ambassador Henderson on the other hand realized that the more we did, whether we wanted to or not, we would be out front and that might be playing into the hands of Guevara or the guerrilla chief. Whoever he was, early we understood to want to try to establish an indigenous insurrection in which the United States would appear to be the outsiders, and the Guevara people, or the insurgents, would appear to be inside people. There were a lot of reasons why ultimately this didn't work but that was the gist of what he had in mind in the model of Vietnam which was at its peak at that time was part of the script. And, in fact, I think, from some hiding point he made clear the message to Cuba that he wanted 1, 2, 3 Vietnams. I think intuitively, at first, but intellectually later on, Ambassador Henderson recognized that this is what he wanted, and even though he found himself becoming very unpopular with key Bolivians, he wasn't going to fall into that trap. He was going to compel the Bolivians to do as much as possible, that they should be out front. It would not be the Americans.

And, in fact, I remember in the first staff meeting, the first thing he did was to draw a circle around this area, and say no Americans were going to go in, which I think disturbed the military people, some of whom wanted to go down there and get a clearer idea than they could from

Bolivian intelligence. No doubt they were right in that, but more important, Ambassador Henderson was correct in knowing that their presence as observers would be elaborated and magnified as somehow or other as participants and he didn't want it to appear that we were participants in this, and thereby make something out of this that didn't exist.

It's hard for me to...I think it was the April 15 discovery--if that date is correct, and I'm not entirely sure--discovery of a guerrilla focus, that is, a guerrilla camp that caused people to think a little more seriously of this. Now, that may have come two or three weeks after the first meeting between President Barrientos and Ambassador Henderson, I'm not entirely sure. But on that occasion, or shortly thereafter, three foreigners were captured by the Bolivian military; one of them was Regis DeBray, of course; Mr. Bustos, who was a bit of an artist; and Mr. Roth. The Bolivian army had these three in camp and I don't think they knew what to do with them. If we had a role in this, I'm not aware of it, but in order to try to avoid the problem of simply sitting on these without knowing what to do, they used the presence of an American Catholic priest to reveal the presence of the three. And one morning we woke up and found Presencia, the principal newspaper in La Paz, with a picture of Monsieur Kennedy and these three people. The result of that was incarceration, I think, eventually Bustos and Roth may have been released but, of course DeBray was held for a trial that took place later on. As soon as the revelation of Regis DeBray was known, the French government--in fact, the government of General De Gaulle at that time--the mother of Regis DeBray, who was some fairly important person, I think in conservative politics, mobilized all of the Nobel Peace Prize winners of the world to try to petition President Barrientos to let this observer go. Clearly at the time DeBray--well, as he proved with his Revolution Within a Revolution--was philosophically akin to the Guevara movement. He may have moved quite a bit since then. I gather he is now an adviser to President Mitterrand in foreign affairs, in fact has been since the beginning of Mitterrand's time on Latin American foreign affairs.

But anyway, the military and the government were bludgeoned, in a public affairs sense, around the ears for a long time. I've always had the feeling that thereafter the military thought "we're not going to take prisoners." And probably one of the reasons they decided to eliminate Che Guevara, which they certainly did at the end of the line, was because they didn't want to face the public affairs dilemma of "what do I do with him, he should be punished, he's someone who should be executed but the world will not see it that way, and poor Bolivia will come out second best." So they solved the problem ultimately to go from the beginning to the end by killing him. The great irony was that the Bolivian army, which was indeed a threadbare army with relatively little equipment, had achieved something here and yet they could never take credit for it because they didn't produce the leader, except as a cadaver in a very unlikely scenario but that's getting ahead of the story.

Q: What was the embassy role, if any, in regard to DeBray on the trial and eventual release?

GROVER: Actually that trial took place after my time. I don't think there was any role in it. That was a purely Bolivian affair. I would imagine that the Ambassador, and I don't know for certain, would have argued for retaining the people, imprisoning them if necessary. Of course, the Bolivians knowing their political institutions were so weak, were concerned that any live insurrectionist would become rallying points for the opposition. The opposition being at any

given time most of the unemployed politicians in Bolivia, which are a large number. Therefore they don't need that kind of instability and therefore they'll try to do what they can. But what they didn't have clearly in mind was a sense of the international outrage that would accompany the killing of prisoners. And thereby weren't able to take credit for what was indeed an achievement of some note for such a small and poorly equipped army as the Bolivian army. They simply could not do it because they had sort of chosen to destroy the evidence.

Q: You're not speaking of the capture of Guevara?

GROVER: I'm just speaking of the capture of Guevara later on. They didn't do that with DeBray. I think they wished later that they had, and as I say, they weren't going to make that mistake again. That was a shame because then they couldn't take advantage of their achievement. They were always on the defense thereafter, and probably still are. Let's see where we are?

What sort of assistance did we give? I remember being in the neighborhood of Ambassador Henderson's office at one point when he was arguing with Washington to defer some kind of military assistance in favor of field rations. The Bolivian army, as I say, was poorly equipped, was totally immobile. It didn't have equipment with wheels on it. And the idea of feeding that army was to set up a 50 gallon tin and make an enormous soup, and that is not the most mobile way of running an army. You have to wait until the soup is hot, then you have to eat it and you can't move it without it slopping over. I think some people estimated that the number of calories that the army got was not enough to get it moving either. It was something like 1000 calories a day. There had been at one point a dehydration plant--this is beginning to come back now--in the Santa Cruz area, where yucca and possibly some other products were quick frozen, and that may have gotten repaired and activated by the end of the insurgency, but the important thing was to move to get some kind of mobility in the Bolivian troops and keep the guerrillas themselves on the move. I recall hearing just a scrap of a conversation between Ambassador Henderson and Washington in which he sort of put his job on the line and said, "you may have bureaucratic difficulties in this but I want you to know that this is the only thing that makes any sense down here; field rations to get these people moving, and if you can't find a solution to that then you better get yourself a new man down here." What the Pentagon was doing was saying that these are not products that can be put into the pipeline. You can't defer a truck and get an equivalent value of dry field rations. And the Ambassador thought that was ridiculous and unnecessarily bureaucratic. That was one of the important contributions that I think he made.

Q: What did Washington want to send? What was the point of contention between the Ambassador and Washington.

GROVER: I can't tell you specifically but I know that there were certain things that could be handled by the MIL group. And, of course, it had in mind peacetime development, slow development of a military program. And it had nothing to do with the kind of problem that Bolivia faced at that time. Ambassador Henderson, I think, found himself immersed with middle range of bureaucracy in the Pentagon and unable to get them to move. Not only that, he couldn't seem to get our own people, and I suppose this would be the Office of Bolivian Affairs--I guess that was before there was a PM in the Department of State--to get them to move to cause the Department of Defense to realize that these were important things so he had to do a dramatic act.

And I think I heard a piece of a dramatic act taking place. He eventually got the field rations, and they were important. And again, I'm not sure that my memory is entirely clear on this, but it seems to me that Ranger MTT, mobile training team, which came down to train the Rangers which eventually got him on the move, that that was programmed for the following year, and that was brought forward a year. Now whether or not it was financed through the deferral, through a truck or something, I'm not entirely sure. Perhaps some of the other participants remember. But everyone thought that was an extraordinary act of the US Government, and that it was part of the great knowledge that somehow or other we had, and it was very complicated to do. I think it wasn't that complicated.

Q: *This was...*

GROVER: This was the MTT, the use of the Santa Cruz area to train the first Ranger battalion--the mobile training team.

Q: *Everybody was impressed with the fact that we brought this in rather quickly apparently in response to the insurrection.*

GROVER: ...in response to the insurrection, whereas actually such teams were available in Panama and the team came simply one year earlier. Finally, I don't think that the money that was invested, the taxpayer money that was invested in this, was anymore than it would have been if there hadn't been an insurrection. They simply bought different products and services the year of the insurrection. So I think the MTT was an important role in training this Ranger battalion.

Q: *MTT is sort of in terms of numbers, and you may not know exactly, but what...*

GROVER: I think we're talking about probably no more than ten. There was a famous--fairly famous--Ranger type in charge of it, Major Pappy Shelton, who may have been involved in many training teams. But he was the commanding officer, he had an exec and then there were those who were engaged in the normal kinds of basic training the troops have to undergo. So it was not a large group, and they used a site for training which AID had financed a number of years before, unsuccessfully, for a sugar mill in the Santa Cruz area. They were there from four to eight weeks. I've forgotten exactly how much but I do recall that Pat Morrison and I were there for the last day of their training. Not by any great design, but I was simply showing him around the Santa Cruz area and we went there and it was the last day of their training. They then went out and it was only a month or so after, that keeping Che on the run, that...

Q: *Let me just summarize my own...to be sure that I'm clear on it. They finished the training on the day you were there, and then they went...*

GROVER: Then they went out to the field.

Q: *...with the specific objective of containing this insurgency.*

GROVER: That's right. Containing the insurgency. Let me say that the training took place outside of the insurgent area. It was in Santa Cruz Province. The insurgency was in another part

of the province so it wasn't even very close to it. If my memory serves, it was north of Santa Cruz that the training took place, and the insurgency was to the west of Santa Cruz.

Q: We hear occasionally the Americans referred to as Green Berets. When we hear that is that a reference to this group of ten or so people?

GROVER: It could very well be. This was an era when US military had all kinds of fancy gear because it came out of the Vietnam engagement. I remember that Air Force people sometimes...they had to have their Rangers, and they looked a little like cowboys, wearing cowboy hats and things like that. So I'm not surprised that there was a certain amount of exaggeration in the press. Of course, this was exactly what all of this flamboyance helped the Che message. But Che had made so many mistakes in the design of his program, and Ambassador Henderson, I think, had succeeded in keeping the numbers down so that the flamboyance didn't become overwhelming.

Q: The numbers of American military?

GROVER: ...American military.

Q: I was just about to ask you. This group was the only group of American military. Or were there others?

GROVER: Well, let's see. There was a MIL group attached to the embassy, and that was a fairly sizeable group, but they were all involved in education and training. How large was it? Maybe twenty. One of their numbers was an Air Force officer in Santa Cruz who was attached to the Air Force academy there. I think he was the one that always struck me as being very flamboyant with that ten gallon hat and all of that. There was an Army officer at Cochabamba. These were ongoing assignments at the time, and he was connected with some of the military schools in Cochabamba. And then the rest of the group was in La Paz. The man in charge at that time, I think, was a Colonel Kimble. I think Colonel Kimble was an Air Force officer. That was to satisfy Barrientos who was an Air Force officer even though the Army program was bigger than the Air Force program. It made sense to have an Air Force guy in charge because of Barrientos' role.

Q: And we also had two military attachés. Am I right? An Air Force and an Army?

GROVER: We had a Defense Attaché who was an Army...I'm sorry, we had a Defense Attaché who was Air Force also, Colonel Mance, who came in about the same time that I did. And then there was an Army Attaché who had been there for some time, whose name was Don Yoder. And there was an assistant Army Attaché. He doubled as a Naval Attaché too. You have to realize that the Bolivians had just created a political navy in order to seem to make good on their aspirations to return to the sea. They had converted the lake and river force into a navy, together with starched whites, and all of that which nobody seemed to take too seriously, but they did. Let's see, where are we?

One of the memories I have is when they came out into the open at one point, on the road between Santa Cruz and Cochabamba at Sorata. I think was sometime around the Fourth of July that year. There were some identifications made based upon interviews that, yes, you have a picture of Che Guevara, and yes, that man was among them. Some of us, and I confess I was one of the cynical ones too that thought that...somebody had asked a leading question and they got the answer. Campesinos are very complicated to ask questions of, because they simply will give the answer they think the person asking the question wants them to give. So I didn't find that particularly persuasive and yet he did come out in the open at that time. His health was beginning to deteriorate, as we found out later, and he had to get away from the humidity and the heat of the dry cane brakes that he was in. And he came out into this open area. I think he also needed medicine and that was evident.

At some point when they were on the move, the Bolivian army came across the caches of pictures. The group wanted to document its success and had left in caves film to be developed, and things like that, and it was at that point that it began to unfold, and more and more people were persuaded that, yes, Guevara was there.

Mr. Bustos, who was a bit of an artist had done some drawings in captivity which...or had he done them later? I'm not too sure, but anyway he had puzzled people by drawing a picture of someone who could conceivably be Guevara, but he had very short hair on the top of his head and long hair on the side of his head. That was a puzzle until people learned later how Guevara had managed to arrive at the airport in La Paz in the fall of 1966 as, I think, a professional with the Inter-American Development Bank, or the World Bank, I'm not sure which, over fed and with the crown of his head shaved so as to persuade people that he certainly wasn't Che Guevara.

Anyway, we had a number of visits during that period. I don't know that any of them were crucial except perhaps to reassure the US military that whatever assistance they were giving was justified. I remember attending one such meeting. General Porter was the General in Panama at the time, the commander of SOUTHCOM, and he would come in his plane with the usual number of spear carriers, and consult with the Army. And on one of these occasions, these pictures of Bustos' were trotted out and people sort of looked at them and wondered if that could be Guevara.

Ultimately the passports were found, and the analysis proved that it was Guevara. I think it was about the 23rd of September, about three weeks before the end of Che's career, that this became public knowledge, and it appeared in all of the newspapers in the US, and in Bolivia as well. We happened to be visited at that time by C.L. Salzberger of the New York Times who was making one of his once every five years trips to Latin America. He was there about the middle of the month, just before this revelation. He was staying at the Ambassador's, and we told him that we were persuaded finally that, yes, Guevara was there. He said--this was the middle of September of 1967--"I don't believe it. I don't believe it for a moment." He said, "I spoke to Dick Helms before I came down and he said, 'Whatever the case, you can be sure Che Guevara is not in Bolivia.'" Well, I think the analysts in Helms organization at that time...by then knew that Guevara was there. But it was fairly late in the game before people became fully convinced. Richard Helms, who was the head of CIA, wasn't convinced.

Q: *You say this was in...*

GROVER: This was in late September--middle to late September. I've forgotten whether Salzberger was there when the newspaper, La Presencia, had their big spread. I think that was the 23rd of September, I'm not entirely sure. But anyway, I think at that point, it was only three weeks though to the end of Che's career. He was on the move, he wasn't well, he was being harassed by the Rangers, and ultimately...I guess it was the little town of La Higuera where he was captured. I think he was captured on the 8th or the 9th and his body was delivered up on the 10th. Presumably he had been dead for two days, but he was still limp so obviously he had not been alive two days before this. The body that was delivered up in Vallegrande by a Bolivian government helicopter was a fresh body. Their cover story was that he had been killed two days before in an engagement and that clearly had not happened. He was captured, I gather, and had been executed, and then his body had been brought up to Vallegrande for the press to see, to have some embarrassing questions asked about his end. And then, of course, the body I guess was buried in some hidden place.

But the Rangers had managed to keep this insurgent group of diminishing size on the run, and finally had captured Guevara. And I guess there were, of course, as far as I knew, two assistants that were helping with the leadership aspects of the Rangers who were either Cubans or Americans. I'm not sure which, but they were certainly Cuban-Americans.

Q: *Is there any significance particularly in their being Cuban-Americans. I understand there were two people with the Rangers that CIA had provided, I'm told. Why Cuban-Americans?*

GROVER: I can only speculate on it, but I think it wasn't so far from the Bay of Pigs, and of course, there were Cubans, or Cuban-Americans who spoke Spanish and who had been trained militarily, and who had connections with the CIA. So the Cuban-Americans made a great deal of sense for the leadership role in the Ranger battalion. One of the ironies; a year after the Rangers terminated the career of Che, they were temporarily dissolved. All of their people were sent home because, as anybody who has spent any time with Bolivian history knows, a unit with that kind of a record of true success became a political factor almost overnight and in order to terminate it...and I think it was probably done during a succeeding regime, or it could have been done during Barrientos'...Barrientos lived until April of 1969 when he died in a helicopter crash. But anyway, the fact of the matter was that the Ranger battalion, even though some of them had come in since, were sent home and the unit temporarily disbanded because of the potential for making politics that such a group would have. And since the Chaco war that had become the bane of Bolivian politics, anybody who had proven important in a military achievement could look forward to becoming president of the republic for a brief period of time.

Q: *Did the embassy not know about the capture of Guevara until he was dead?*

GROVER: I have a feeling that we probably knew. I didn't know. I wasn't privy...I don't think I knew. I don't believe I did. But the story known privately, and the story known publicly is so intermingled in my mind that I've no way of sorting it out. But I think most people knew most of what had happened in a fairly short period of time, or at least some versions of what had happened. If I recall correctly, a Lieutenant Gary Prado was supposed to have captured Guevara

in a fire fight, and as I understand it Guevara's weapon was shot out of his hands and the stock broken so that the weapon became inoperable. Gary Prado, incidentally, was the nephew...and this is so Bolivian, was the nephew of Victor Andrade, who was perennial MNR candidate for president of the republic, and twice an ambassador to United States for Bolivia. Gary Prado became a political figure overnight as a result of that and I guess he underwent an assassination attempt a few years later and was maimed for life. I think he's in a chair if he still lives. Some of the other figures who were involved were assassinated: Zenteno, General Joachim Zenteno, who was a very bright and thoughtful person, was the commanding colonel of the territorial division that had responsibility for combating the insurgency. In an earlier Barrientos government he had been the Foreign Minister. He was only a colonel, he later became a general, but he was assassinated at some point. One of the ranking people at the Ministry of Government, Roberto Ketina__(?), was assassinated in, I think it was Hamburg, or some place in Germany where he was serving as consul, allegedly because of his role in combating Guevara.

Q: What would his role have been at the time?

GROVER: Well, he was doing the work of the Ministry of Government. The Ministry of Government is the police force in control of the police function in Bolivia. The Minister of Government, of course, would have the relationships with the CIA, for example, and whatever their police role would be, Roberto Ketina__(?) would have been involved.

Q: And Joachim Zenteno, what was his...

GROVER: He was a colonel in the army, and he was the commanding officer in the division--I've forgotten whether it was the eighth territorial division, or the seventh territorial division, but wherever, the division in which the insurgency took place. These divisions were more geographical than they were numbers of men. There were numbers of men assigned to these areas.

Q: Would he have been in command then of the Rangers?

GROVER: He was in command. He wasn't the tactical commander, but he was the commander of the region in which they operated.

Q: And General Prado was the man who presumably shot...

GROVER: ...well, captured. I'm sure he didn't shoot him.

Q: What was the interaction between the embassy and the State Department in Washington, NSC, and the Pentagon? In other words the Washington foreign affairs establishment in regard to this question.

GROVER: I sort of had the impression most of that interaction took place between the Ambassador, the DCM, and Washington. I did very little on this except to try clarify things from time to time. By and large the decision making was discussed and achieved between the Ambassador, DCM, and Washington. There were problems of Washington not appreciating how

difficult it was. I think I mentioned this case of trying to get the dry field rations. It was a case in point where the bureaucracy simply couldn't capture the notion that this was something that couldn't be handled through trucks and airplanes. I might say that there weren't any airplanes that were in the program that could be helpful here except for the old T-6s which had been given years before, and which were so slow they could actually get into some of those cane brakes and make a noise and cause the group to move on to some other location. It was not sophisticated weaponry that they needed. It was simply the sort of thing that would keep body and soul together until the insurgency had been quelled. And that's what they tried to do.

Have you gotten any of the old documents? Any of the old messages?

Q: I'm working on it. It involves the freedom of information in the State Department and I think they're going to be forthcoming, and the question of the fee which I'm trying to get waived. DIA I think is going to be stickier and will take a little while.

GROVER: They'll certainly take a long time to get anything.

Q: And I'm also talking to the Johnson Library and they're going to declassify those documents. They are certain that they can.

GROVER: This question of whether or not Guevara was there or not, why did...

Q: Before you get that, let me turn over the tape because I see we're running out.

GROVER: This question of whether or not Guevara was there, of course, wasn't crucial but it did elevate it to a more serious engagement. We spent a good part of the summer trying to wrestle with this. I had an intern from Washington that summer by the name of Ralph Haberson__(?), and one of the things I loosed him on was all of the information that was available, and could he come to a conclusion one way or another whether there was an credible reason to believe that Guevara was there. He later went with the Ford Foundation, and I suspect he's fairly high in there but he didn't come into the Foreign Service as he was thinking of at the time. But he produced a very interesting document, but the document said, "We're not sure." Because we couldn't be at that point, and we simply couldn't overcome our skepticism that he would be there.

Q: The summer of...

GROVER: This is the summer of '67. All of this took place between, at least the public aspects of it, were between March and October of 1967. Guevara had arrived, I guess, at the end of 1966 and sort of established himself slowly, and largely invisibly, in this remote area of Santa Cruz. I think there was some incident that resulted, possibly in deaths, which brought it to the attention of the Bolivian government earlier than Guevara would have wanted, I think.

Q: Was there ever any question of sending American forces--I mean not just this group to train--but to be operational?

GROVER: I don't think that was ever an issue. That was the sort of thing that Ambassador Henderson recognized immediately would have been counterproductive in the most dramatic terms. Ambassador Henderson has spent a long career in connection with Bolivia. He had been a consul in Arica during the war, and he had been consul in Cochabamba for something like four to six years at an earlier point, and he was finishing four years as ambassador. So he knew this country very well, and he knew the particular kind of xenophobia that if you added American troops in this you would immediately polarize the political situation and play into the hands of Guevara. Guevara was the one who turned out to make the principal errors by arriving bearded in an area where there weren't bearded people; studying Quechua, whereas the language was Guarani, and all of those mistakes, instead of bringing himself into harmony with the locale, he established himself as being another foreign element. And the campesinos in that area didn't like the government, but they didn't like any intruders. They did collaborate with the Bolivian government with the understanding that the Bolivian government wouldn't harass them afterwards either. So, I think, Guevara's strategy backfired on him. He appeared to be the principal foreigner; at least in this area of endeavor, and he didn't survive his errors.

Q: Did the campesinos in that area speak Spanish as well as the Indian language?

GROVER: Probably some of them did, but I know that in Bolivia generally probably...you know, there are Aymara, Quechua, and Guarani speakers and there are a lot of them that don't speak Spanish. One of the problems that Barrientos had as president; he used to say was, "I have to persuade people there's a Bolivia." He was quite a charismatic character and would take his helicopter and go all over the country. He visited probably every hamlet in the country once or twice before this finally killed him. He couldn't keep it up. One of the Ambassadors who succeeded Ambassador Henderson was invited to go along with him, and he took one trip and said, "Never again. It's too dangerous." And eventually, of course, the helicopter hit a high-power line and he went down in April of '69.

Q: I have the feeling that the result, perhaps of this episode, or perhaps of other factors, Ambassador Henderson did not emerge as a Washington favorite. Am I right?

GROVER: I think that's right. I think Ambassador Henderson didn't play the Washington game the way Washington wanted it played. Washington, to be sure, was deeply involved in Vietnam and other things and he wasn't patient with what positions he thought were foolish ones. I think that's probably true. He couldn't understand why people didn't appreciate that it was not a good idea to do certain things; or why there seemed to be misunderstanding. He thought that this was adequately reported so that they should understand the particular turn of mind in Bolivia. He didn't suffer fools easily, and he thought these were foolish positions. He didn't make friends in Bolivia either, and I don't think this view of his, which he thought was the right one, I think was very right, would make him a lot of friends in Bolivia. Because Bolivia wanted us to feel sorry for them, and to inundate them with materiel and probably more troops than would be wise--more forces than would be wise. Let's guarantee Bolivia's survival with the maximum public support. That wasn't Henderson's way of doing things. He said, "You guys have got to appreciate yourself. This is your job, you have to do it. We'll support you, but you show us that you have the resolve." That didn't make him at all popular as you can imagine.

Q: In Bolivia.

GROVER: In Bolivia, or then in the United States. He was trying to support what he considered to be their legitimate needs and the assistance bureaucracy had trouble adjusting their nozzles and their knobs to the kinds of demands that Henderson felt were important. They weren't expensive. It wasn't a question of being expensive. There was no additional money involved, it was just doing things differently than the Defense manual called for--the Defense assistance manual. In a way, you know, one can be happy that our people go by the book because our military are controlled by civilians and this is one way of keeping the military in check. But by golly, in a case like this, maybe they could understand that one truck deferred to next year might buy so much field rations for this year. He had a hard time getting that message across.

I really don't have too much insight into Henderson's problems in Washington within the Department of State. I think that he felt maybe, I don't know whether he may have addressed this point, that Bob Sayre was the deputy assistant secretary, that he somehow or other wasn't responsive enough. Of course, Bob Sayre had, I suppose, all of South America to be concerned about at that time, and I'm sure that there were other demands. But I think Henderson's instincts were right from the very beginning, and if there's anyone who comes out of this with very special marks I think it should be him.

I remember once when he was consul in Cochabamba he mentioned that he had been reprimanded for not being present, in an efficiency report--one of our old efficiency reports--for not being present during a period of an attempted coup. He was off fishing. Henderson loved to fish. He said, "Yes, that was true that he was reprimanded for that." He said, "They didn't understand" (this was La Paz, not understanding, who was writing his efficiency report, I suppose), he said, "But I took Ricardo Anaya who was the golpista fishing, and that's why the golpe didn't take place, because the principal golpista was fishing with me." That's a great story.

Q: You said he came out with high marks, but apparently he didn't get high marks.

GROVER: He didn't get high marks, but he should have gotten high marks, I think, because I think he was right from the beginning. Bolivia had a pretty effective lobby in Washington, and of course that lobby was pressing for the Christmas tree list of things. Who did they have up here? They had Julio Sanjinez, who was the Bolivian ambassador, who was a West Point graduate, had lots of friends in the US army. People in those days...Bolivia was a very effective embassy and it went back to the days of Victor Andrade as the ambassador. He had worked in between his embassies for the Rockefellers. He knew an awful lot of people in Washington. I don't know that he was involved but he passed on to his successors as ambassador...

Q: Andrade?

GROVER: This is Victor Andrade, including two, Julio Sanjinez, this network of people who were inclined to think that Bolivia was important. People like Drew Pearson was on the Bolivian embassy list of special friends, and when Julio Sanjinez invited (successfully I should say, he actually visited), Earl Warren to visit Bolivia in early 1967--March of 1967--he was accompanied by Drew Pearson. It was pretty evident that Julio Sanjinez was a very effective

ambassador. He was one of the betes noires, and Ambassador Henderson, I think, saw him as getting way out of line, and giving him a lot of trouble in Washington. Henderson wanted to see this insurgency handled in a very controlled way because he thought it could get out of hand, and the US government might get itself involved in a wholly counterproductive escalation through polarization by appearing to be too much involved in this thing. Julio Sanjinez's view, I'm sure, is, "You've got to do more." Julio Sanjinez was a colonel, and he was responding not only to Barrientos but also to Mr. Ovando who was the commander of the army at that time. And who was a nervous nellie if there ever was one.

Q: I want to ask you several questions. One, you mentioned finding documents at one time in the group of items that apparently pretty clearly indicated that this was Che Guevara who was in Bolivia. The Ambassador mentioned this to me as well. I understand that that was not told to him immediately, or even to the station, and that it caused a great row, not so much there, but in Washington between CIA and DIA in the Pentagon. Do you know anything about this?

GROVER: No, I don't. I don't know anything about it, but DIA had it I suppose, and they just sort of sat on it probably. Do you recall the dates when this was. It's not clear to me in retrospect what the date of the capture of the material, the passports, the pictures?

Q: No I don't. I presume it would have been fairly late, it was the Ranger group.

GROVER: If it was that Ranger group, that would have been probably early September, or late August.

Q: Sounds right, but I'd have to check.

GROVER: I wasn't privy to that sort of internal conflict of the intelligence community.

Q: What were your impressions of the Bolivian reaction to the fact that it may have been Che Guevara in the country?

GROVER: Early on they were extremely alarmed. There was panic in the streets. There was a great deal of panic and that was why they kept coming back and saying, "You're not being helpful enough. We need more things. You have to realize we have a very poor army." No, they were very much alarmed at the prospect of being singled out. They assumed that he was much more acute on rural insurgencies. Of course, a rural insurgency had worked beautifully in Cuba. This, I think, was the last rural insurgency to have any degree of success until Sendero Luminoso came out, and of course, that was wholly indigenous to Peru. This was a foreign entry into it, but the Bolivian army, and government, that was a fine point that missed them completely. They didn't have enough information. They thought there were other people involved besides whoever these foreigners were. But they were pretty sure, I'm sure longer than we were, that Guevara was there because their panic told them that.

I'm trying to remember whether that was the year--that was also the year when the Catari, Siglo Veinte went on strike, and the Bolivian army moved in. That was about in June. It was pretty clear that Barrientos wasn't going to brook an insurrection in the mines when he wasn't quite sure

what was happening in the south of the country and he sent in General Vazquez Sempertegui who killed an awful lot of miners, I think, going in there. It was on the 24th of June. It was the day of San Juan, and he simply could not afford, he thought, to have them trying to make points economically or socially or politically, while he was engaged in this in the south and therefore Vazquez Sempertegui was one of his toughest, roughest generals who tried a golpe the following year and went into exile on his Bolivian army retirement, I suppose. He didn't succeed, but he tried, but he was the right man for Catari, Siglo Veinte, he had no reservations at using his guns. And the mines were thereafter quiet, I think, until after this.

Q: I understand that the Argentines were very concerned, at least the government was. Did you have any sense of that?

GROVER: I'm sure they were. I don't recall anything particularly about the Argentines. I don't know whether they had people there. Of course, it was in the southern part of Santa Cruz so it would have been not too far from Argentina. I don't recall anything especial. I think there were some visitors from Argentina. I think General Lanusse may have come up who later became president of Argentina during one brief period.

Q: Doc Morris told me that when he was on a trip there one of the things he used to do was go and call on the Argentines, and told them it would be all right. That the thing would be contained. Do you have any feeling also about, going back again, when the Barrientos government came into power by force, Paz Estenssoro was going for a third term, he served once then came Siles Zuazo.

GROVER: Then he came back. Then he tried to succeed himself.

Q: Was that unconstitutional? That effort to succeed himself and have a term...

GROVER: Probably, probably.

Q: That was at least the excuse for the golpes d'estado.

GROVER: I don't know. I wasn't there at the time that took place in 1964. Then there was an ad hoc period of two years before an election was held, and during part of that time there was a joint presidency of Barrientos and General Ovando, and then Barrientos sort of put Ovando aside, ran for office in '66; put together a group of virtually non-existent parties; some of them had been around since maybe 1946; most of them, however, had been put together with paste and cellophane on the eve of the election, and got himself elected. I think probably it was a fair election as far as elections go in Bolivia but I suspect that you make arrangements with campesino chiefs and they deliver the vote. So you know, it was a fair vote, as fair as a vote can be in a country where the vast majority of the voters are illiterate.

Q: This event ____ Barrientos...

GROVER: In '66. Well, I think people feel it was a fair vote. He was a very popular guy. He was a charismatic character. He'd come from a small Cochabamba town that had produced one of the

most colorful caudillos in Bolivian history, Mariano Melgarejo, who was like, and I think in a way Barrientos was very sophisticated, Milgargo was a very crude person but that was part of his century. But he spoke Quechua, both of them spoke Quechua, and when Barrientos went into the Quechua area he spoke Quechua with people. They appreciated that, I suspect.

Q: *Was he popular with us?*

GROVER: Yes, I think so.

Q: *...from the beginning.*

GROVER: Well, you know, popular as an individual, or popular from a policy point of view. I suspect that back in 1964 we would have preferred not to see a golpe. That was one of the occasional bloody ones, I think, in 1964. That was tough sledding. I doubt if we favored it particularly. I think we probably had swallowed any sense of impropriety at Paz Estenssoro succeeding himself again, or succeeding himself and going for twelve years in office. At least that had the semblance of democracy with it. But I guess we come to terms with those things after usually about a week of no relationship with them. Eventually some Latin American countries...our position has always been, or at least at that time was, that we are not the first, and probably not the last to recognize a new government. And once a government is recognized you begin to unlimber all of the relationships that exist at various levels. So I'm sure that if we were unhappy with the '64 thing, it didn't last for more than a week or so.

Q: *Okay, well I think on the Guevara subject we've probably covered it unless you can think of anything that...*

GROVER: I remember, just a story, speaking of Melgarejo, and Barrientos favorite predecessor, although he was a bit of a beast in a way. This goes back to the period, I guess, in the 1870s. Melgarejo was occasionally in power and his great rival was a General Belzu. And I remember General Porter, when he visited on one occasion, asked Barrientos, "What kind of political problems do you face?" And Barrientos told him this story. He said, "I'll tell you this story and you can draw your own conclusions as to what kind of problems I face with my constituency here in Bolivia." The story he told was about a period when Melgarejo was attacking the forces of Belzu outside La Paz, a regular insurrection. One cadero__(?) against the other, and Melgarejo was defeated and captured, and brought up to the balcony of the Palacio Quemado, which is the name of the...I guess its been burned enough to be the White House of Bolivia, and the crowd was shouting "viva Belzu, viva Belzu" and Melgarejo had with him a weapon that had not been detected, and he came forward right on the balcony in the full public view of this enormous crowd out there, and shot Belzu dead, and then looked out at the crowd, and said, "Quien vive ahora." And without breaking stride the group said, "Viva Melgarejo, viva Melgarejo," so that's the kind of political problem I have." I thought that was a very interesting story.

Q: *One thing I would like to have you talk about, just briefly, then we'll break off on this topic. You were talking about the emissario del __*

GROVER: Arguedes, Antonio Arguedes.

Q: ...and the diaries. Could you say a bit for the record on that?

GROVER: Well, yes, the question why would Arguedes send the diaries to Castro. I think that he had possession of them. They were supposed to be in the top drawer of his desk in his office in the Ministry of Government. They were supposed to be private, but nothing is too private in Bolivia. There was a dispute within the Bolivian army as to what they should do with the diary of Che which they had captured, and their conclusion was they should sell it to the person, or institution, that would make the highest offer. And I have a feeling that probably Arguedes, who, by the way, got his position because he had been the navigator in the Bolivian Air Force for Barrientos years before. Barrientos was the pilot and Arguedes was his navigator, so they had a close friendship over a period of years. Arguedes probably held the Bolivian army in very low respect and he thought that this was a very bad show. He was supposed to have had certain revolutionary views himself. I have no knowledge of that, but I have a feeling that he may have been so disgusted by this display of public greed that he simply put it in an envelope and sent it off through the mail to Fidel Castro in Cuba.

Q: What display of public greed?

GROVER: On the part of the Bolivian army debating within themselves as to how they should get rid of Che Guevara's diary, and the conclusion was that they should sell it to the highest bidder. They didn't get to the point of identifying too many of the bidders, I think, when suddenly it appeared published in Cuba, and the cat was out of the bag. Arguedes had sent it out.

Q: We're getting to the very colorful and mysterious characters, wasn't he.

GROVER: He was sort of a brooding character. I sort of got the impression...I didn't see him smile very often in public anyway. He was, of course, the role of Minister of Government is not a very...I've got some pictures here somewhere if you'd like to see a picture of Arguedes.

Q: Yes, I would. He himself said he was a CIA agent.

GROVER: This was later on, I think it was 1969. I have to think carefully about this because I took home leave after three years and I found myself getting on the plane in Lima coming back with Arguedes just having completed his world tour. Arguedes made this revelation and the agency associated him with one of his old friends, I guess, and took him on a world tour. Arguedes was determined that he was going to blow the whistle so the agency withdrew their person. He came back and he did make the revelation in his own office there in La Paz as to his association with the CIA over the years. He couldn't remember enough to cause too many problems but it was a public revelation which did our relationship no good.

Q: Then too you said with someone else on a trip, or...

GROVER: The story was, and I don't know this was true, that he left Bolivia and went with somebody who somehow or other had been associated with the agency at some time, if not then, to try to talk him out of blowing the whistle, on revealing all of the knowledge that he had. Well,

he came back and he had a very long press conference at the end of about a month. This was when I was returning from home leave, and had a lot of things to say but his memory wasn't terribly clear on some aspects of it. Let me see if I can find some pictures here. This had nothing to do with...I was looking at these last night... had nothing to do with this at all. I mean since this insurgency was an insurgency, nobody who was in the public domain was involved. I have lots of pictures of Bolivian politicians but none of them were involved in any significant way with this because that was such a...here's John Fisher, the fellow on the far right.

ANTHONY G. FREEMAN
Labor Attaché
La Paz (1967-1970)

Mr. Freeman was born and raised in New Jersey and educated at Rutgers and Princeton Universities and the Johns Hopkins School of Advanced International Studies (SAIS). He served in the US Army, later joining the State Department in 1961. After Labor Training at American University, he was assigned to Buenos Aires as Assistant Labor Attaché. His subsequent assignments to Rome, La Paz and Buenos Aires were also in the field of Labor Affairs. He also served in Valencia, and Sao Paulo. In Washington Mr. Freeman was Special Assistant to several Secretaries of State on Labor issues. Mr. Freeman was interviewed by Don R. Kienzle in 1995.

FREEMAN: The second semester was to be the best part of the program, up at the Harvard trade union school, but in the meantime the State Department needed a labor attaché in La Paz, Bolivia, and I was selected for that. So I curtailed my training and went off to La Paz in February 1967. Just recently I had occasion to be in a meeting at the Department of Labor where I renewed my acquaintance with former Assistant Secretary of Labor George L.P. Weaver. I remember being summoned into his office for a handshake before I went off to La Paz, and I'll never forget what he told me then. He said, "There's nothing to concentrate the mind so much as a man about to be hung!" That was his parting benediction to me.

It's conceivable this was a reference to the fact that a President of Bolivia named Villarroel had been hung from a lamppost in the main Government square in an uprising in 1946. More likely, however, Mr. Weaver was referring to an incident involving three or four U.S. labor experts which had taken place in Bolivia just a few years before our conversation, in 1963. At that time several different USG overseas agencies had their own labor experts. We had a USIA labor program. We had an AID labor program. The Peace Corps was in Bolivia and had somebody working on labor, and of course there was the Embassy Labor Attaché. All those guys were together one day at a miners' congress in Bolivia, and shortly thereafter they were all taken hostage.

This was during the Kennedy Administration, and it was a serious event. Kennedy was actually contemplating sending U.S. airborne units in to extricate them. But they got out otherwise – with an assist from consular officer Charlie Thomas, who is now special envoy to Serbia. But that was

a big event at the time, and George L.P. Weaver, who headed the International Labor Affairs Bureau in the Labor Department, undoubtedly followed this story as it unfolded. I presume what he wanted to tell me was that Bolivia was a wild country and I should keep my guard up. Bolivia really was a primitive place and a classic case of underdevelopment. And that was my first assignment as labor attaché.

Q: Did the unions play a major role in the political process in Bolivia at that time?

FREEMAN: Well, they did in terms of sabotage, yes. They were in opposition to whatever government was in power in La Paz – unless it was a “socialist” government controlled by them and maintained in power by their own force of arms, that is, by the workers’ own militias. This was a distant goal they were never quite able to pull off. But basically I had the sense that these guys did not believe in a national government. In some sense, they were just anarchists at heart. For them, whoever was in power was bad, whether they were the military “gorillas” or the “national bourgeoisie” (i.e. the MNR), because they thought that, under either, they – the workers – were equally likely to be “sold out” to capitalism and “Yanqui imperialism”. Undoubtedly, there was an ethnic underpinning to this. The miners were mostly Indian or of mixed race, largely divorced from the urban white minority that controlled the country, and from whose ranks the government was formed. The miners started several revolts when I was there. This was during the time that Che Guevara had infiltrated clandestinely into the country. During one of the revolts the miners got on the radio and declared their independence from the rest of the country, calling themselves the “Independent Republic of the Mining Area.” Of course, the miners were armed only with their ancient weapons and dynamite sticks. They had been allies up to a point of the MNR party, which took power in a revolution against the landholding and mine-owning “aristocracy” in 1952, and ever since then had stashed away their arms “for a rainy day”. The campesinos, that is, the Indian peasants, also had their militias and remained armed. Bolivia was also a feudal country in another sense. Since the MNR revolution, the state had been much involved in the economy, with a nationalized mining company, a nationalized oil company, and so forth. These state enterprises were run like feudal entities. For example, COMIBOL, the state mining corporation, was its own feudal empire. YPFB, the state oil monopoly, was another self-contained entity which was a relatively privileged place to work that resisted efforts to make it more efficient and have its earnings diverted by the Government for the greater benefit of the country. It specially resisted Government efforts to grant foreign oil companies concessions in the country. Towards the end of my tour in Bolivia, the government of Army General Alfredo Ovando Candia (which had come to power by coup following the accidental death of President Barrientos in 1969) nationalized the Gulf Oil Company’s interests and put them under YPFB control. This, I suppose was intended to make his seizure of power (from Barrientos’ hapless civilian vice president who headed a tiny bourgeois party called the “Social Democrats”) more palatable with the people and reflected the beginnings of a leftward nationalist drift in Ovando’s military government that became clearer in 1970, after I had departed from the country, with the seizure of power by a more clearly radical leftist nationalist military regime headed by General Juan Jose Torres. Torres’ coup was backed by the leftist trade union and university student movements, at least up to a point. Bolivia was a fabulous place for a political observer, because every political party under the sun was in this place. If there were 10 varieties of Trotskyism in the rest of the world, Bolivia had 20 varieties, particularly in the mines. There were some really fascinating characters. The trade union movement was a Marxist dominated movement which

came in many different hues. They were uniformly hostile to the United States, so to try to build labor contacts meant working in a fairly hostile labor environment.

Q: Were you able to meet them?

FREEMAN: Oh yes, I met them although I can't say I ever had a successful dialogue with them. This was an interesting time. AIFLD by this time was a well-established entity, and AIFLD had a program in Bolivia. But AIFLD couldn't get to first base with these leftists and really didn't care to either. The AIFLD strategy at that point was to try to work with professed anti-Marxists, who were a distinct minority in the Bolivian labor movement. Well, it so happened that there was a Falange, a Falangista movement, which must have been fascist in its origins but, I suppose, by this time was evolving in Bolivia as a kind of social Christian thing. The majority of the country's union leaders were on the left, but this movement was somewhere to the right in the spectrum, or at least I assumed that it was.

Q: Was it aligned with any foreign philosophy?

FREEMAN: No, I don't think so. At least, I wasn't aware of any direct support from the Spanish Government or Falange, although it's conceivable.

Q: A nationalistic Falange?

FREEMAN: Yes, I suppose, although they called themselves "Socialist Falange" which sounds like something that comes from the original Spanish model. There must have been some connection in the early years to Spain, at least in inspiration. But I wasn't a great student of their history.

Bolivia, as you know, is an Andean country. The high Andes run generally north-south through Bolivia along the western edge of the country, somewhat similar to the Rockies in the U.S. Actually, the trajectory of the Andean system through Bolivian territory is more crescent-shaped, running more in a northwest-southeast direction. In Bolivia the Andes actually split into two great parallel mountain chains, making space for a high, more or less flat plateau median strip between the two chains about 80 miles wide and 500 miles long, which is at an altitude generally of about 12,500 feet above sea level. This mostly barren, windy plain is known as the Altiplano. The capital city, La Paz, lies in a deep gorge cut into the Altiplano, a thousand feet below. The western cordillera marks the border with Chile. The eastern cordillera is actually made up of several ranges and valleys. The snow peaks of the eastern chain hovering over the Altiplano range from 15,000 to 22,000 and up. Most of the population of Bolivia traditionally lived in the Andean highlands regions – on or near the Altiplano and in the valleys. The mines are located mostly in the eastern cordillera of the Andes. The Indians of the Andean Altiplano and cordilleras (Aymara and Quechua) are quite distinct from the Indians of the great expanse of savanna and rainforest lowlands of the Amazon river watershed which lie beyond and below the eastern slopes of the eastern cordillera. Southeast of La Paz and Cochabamba in this lowlands country just beyond the eastern slopes of the eastern cordillera and about halfway to the Brazilian border to the east, there is a large city (and province) called Santa Cruz, which was a stronghold of the Falange, at least relatively-speaking. Not to confuse my digression about the

Indians in this geographic picture that I just tried to paint, the agricultural planter class – indeed the economy generally of the Santa Cruz region – has been dominated by criollo Spanish-speaking settlers since colonial days. (And I doubt there are any Falangistas among the Indians). But this is a land of much recent migration also where a frontier spirit prevails and free market ideas have a better chance of taking root. AIFLD strategy was to work against the leftist-controlled Bolivian Labor Central headquartered in La Paz known as the COB by cultivating and training whatever anti-leftists, dissidents (such as the Falangistas), or ideologically undecided people they could find among the workers anywhere in the country, and Santa Cruz was an area easier for them to work in. AIFLD had a sizeable training program which concentrated on special sectors such as the teachers, commercial workers, campesinos and the like, but it was an uphill struggle against the leftist juggernaut which controlled the COB.

This was my first labor assignment. I quickly got the sense of Bolivia's being an isolated, landlocked mountain hermit state. Some time in the early 20th century the Bolivian labor movement, led by the miners, had become impregnated with leftist, Marxist doctrines. The Bolivian worker was indoctrinated with the idea that Bolivia was an immensely rich country because of its mineral resources whose native Indian population had been robbed, enslaved and exploited since the beginning of time, first by the Spaniards and then by the United States with the aid of a traitorous white minority Bolivian ruling class of descendants of the original Spanish conquistadores who had "sold out" to the foreign interests for their own self-benefit. This lent itself to leftist and collectivist doctrines and the prevailing notion that Bolivia's fabulously rich (supposedly) mineral resources were better off left in the ground than to be exploited by voracious foreign, especially American capitalist interests. The immense majority of Bolivian labor leaders were all basically Marxist of one shade or another, although some less hostile than others. I use the term "Marxist" to best describe them collectively, but this covers a rich variety of leftist ideologies – of people claiming allegiances to the orthodox Soviet Communist Party, Maoists, Trotskyites, and who knows what else. Actually, as I think about it now, there was probably a lot of just plain nationalist sentiment reflected here as well. I saw it as my role when I arrived in Bolivia to try to establish some kind of civilized dialogue with a basically hostile, Marxist-dominated or leftist nationalist leadership. I was initially skeptical that the AIFLD approach, which I would characterize as one of trying to chip away at the Marxist monolith by identifying maverick would-be leaders here and there for training programs and scholarships, was going to get us anywhere. And I was especially not inclined to work with would-be labor leaders who called themselves "Falangistas". Besides, they had no great influence in the Bolivian labor movement that I could detect. I'm not even sure how strong the Falange actually was in Santa Cruz.

This was a very interesting assignment for several reasons. Bolivia was a country where the United States Government had extensive excess currency reserves. Bolivia repaid AID in local currency counterpart [funds equal to] whatever the dollar amount of the wheat was which was exported under the PL 480 program to Bolivia. The United States had enormous stocks of local currency, and in fact we owned something like 60 percent of all Bolivian currency. So AID had a lot of local currency. And the AID director at that point was Irv Tragen, a very smart and dynamic guy who had some prior experience in labor affairs before joining USAID. I believe he had once worked as an industrial relations expert in the Bolivian mines before the 1952 revolution. He was greatly interested in the social and labor programs, and he set up the Embassy

Labor Attaché with a little “slush fund” for social action programs. When I arrived there, I was told that there was cash in my safe that I could use for “social projects”. My predecessor had been Russ Olson, who had attended the same classes at American University as I several years before. The political counselor, Chuck Grover, told me that up to the last day Russ had been there, there were two lines of people waiting in front of the American Embassy daily. One was for the Consulate and the other for the Labor Attaché. The Labor Attaché was a well-known and “popular” person in La Paz.

Several days after Olson left, the news got around that he wasn’t there any longer and the line evaporated. The day after I arrived the line reemerged. So I got to meet a lot of people, of course, not the best people. I really didn’t like this program because there was just one poor desperate fellow after another trying to persuade me to provide cash for one proposal or another supposedly of some social value when there was really little payoff for us from this nickel-and-dime stuff.

Q: How did you evaluate programs?

FREEMAN: Well, if the project seemed reasonable, I would ask to go out and take a look at it on the ground and, if I liked it, I would put some money in it.

Q: Did you have any local employees who could help you in the evaluation process?

FREEMAN: I didn’t have a local employee, but USIA had a labor information officer, and of course USIA could come to me with their own project proposals, too. And the USIA officer had a local employee, a publications distributor, who was a former mine leader in his own right named Walter Camacho. Walter had the job of distributing USIA publications in the mining district since that was his home region. One day, on a visit to the mines, a miner contact alleged to me that Walter was actually a Communist and that he was bringing Communist Party literature into the mining districts on the USIA information truck, avoiding inspection by the police manning the roadblocks thanks to his US Embassy ID. (Pause)

Q: We were talking about Walter Camacho. Was it really true that he was distributing Communist literature?

FREEMAN: That we were never actually able to establish. I don’t know whether it was true or not, or whether he was fired or not. The USIA labor information officer thought it was a calumny, but there may have been some action taken against Walter. By that time, my tour was up and I had left the country.

Q: Did he help you with the evaluation process?

FREEMAN: Perhaps on occasion he had a comment to offer, but I didn’t look to him principally for that. Nevertheless, I had a great deal of respect for Walter. He was a taciturn but clever guy who was direct and to the point and capable of a rough-hewn political philosophy. He made an impression on me. All of these people were interesting, especially the miners. But let me just tell you about Walter. On my first trip to the mines, I was driven by road to Oruro, a city on the

fringes of the Altiplano to the southeast of La Paz – one of the largest Bolivian cities in the mining district. I was to link up there with this USIS local employee named Camacho and he would then accompany me to the mines. I got into this town, which had a very bleak landscape. I was put up in a rundown old hotel which had long since seen its finer days. This was one of the two worst hotels I've ever been in. The other was on one of the more distant Filipino islands. It was a misty, foggy day. I was supposed to meet this guy at a certain street corner, and out of the fog at dusk comes this weary-looking apparition in an oversized Second World War U.S. Army winter trench coat hanging down to his knees. I rarely saw him take the coat off afterwards. He had a sad sack demeanor and was a sight to behold. But over time, we had many conversations and I began to understand and appreciate the miners' mentality from him.

Walter was by no means obsequious. Albeit with a requisite amount of tact, he would let you know what he didn't like about U.S. policy, and he certainly did not like the pro-U.S. government of Air Force General Rene Barrientos, who was elected President in 1966. Barrientos was both a military pilot with fly boy panache and a talented politician with charisma and ward boss skills. He had associated with the MNR party early in his career and was chief of the Air Force in the MNR government of Victor Paz Estenssoro. He had received his pilot's training from the U.S. Air Force and this helped give him the aura of being a modern man familiar with the outside world, but he also enjoyed his own political base in his home area of Cochabamba and had a following even among the Indian campesinos there. In 1964 Paz Estenssoro was reelected President with Barrientos as his vice presidential running mate on the MNR ticket. However, a few months later, Barrientos conspired in a coup against the Paz government with the support of the Army's Chief of Staff General Alfredo Ovando Candia. New elections were scheduled in 1966 and Barrientos was elected President. As President, Barrientos pursued pro-US and pro-market economic policies until he was killed in 1969 in a helicopter crash.

The MNR, or Revolutionary Nationalist Movement, was the broad-based nationalistic populist movement containing a ttaché of disparate elements that had come to power in a social revolution against an older order in 1952, a major event in Latin American history. Actually, "order" is the wrong word. Bolivia had suffered from successive coups d'etat throughout its history. Opponents of the Movement alleged that in its origins in the 1940s MNR leaders such as Paz Estenssoro held pro-Nazi sympathies similar to the Argentine Peronists, but in 1952 the MNR's muscle came from (besides the dissident police) the movement's left-wing, composed of armed workers and campesinos. The core of the armed worker forces was the miners' militia headed by the maximum leader of the FSTMB mineworkers union, a legendary leftist nationalist figure named Juan Lechin Oquendo. Lechin served as Paz Estenssoro's vice president in one of the MNR governments, but policy differences and succession issues led to a falling out between President Paz and the party's left-wing, represented by Lechin and the mineworkers union. On taking power in 1952 the MNR purged the military officers who had defended the previous regime against the revolution, forced the Armed Forces to swear allegiance to the MNR, and kept the military weak. After Paz's falling out with Lechin and the MNR's left-wing, however, Paz Estenssoro had to rely increasingly on the military as the major source of his government's support and the Bolivian military restored itself as an institution. The professional military, of course, did not appreciate the fact that it didn't enjoy a monopoly of force in Bolivia and that there were armed civilian militias throughout the country. When there was rebellion in the mines,

it was the Army that was historically called in to restore order, so there was mutual enmity particularly between the military and the mineworkers as there had been a number of armed clashes between them. There was mutual enmity between the workers and the military generally because they were natural rivals for political power in Bolivia, but hatred for the military was especially intense in the mining districts.

Once, Walter and I were in one of the mines in the South and we were having our meal in the guest house. Camacho turned to me and said, "See those guys at the other table? Those are all President Barrientos' body guards. Barrientos must be here" They were all young, crewcut security types. It was clear that Walter didn't have any liking for these people or for Barrientos, or for the government, and probably not much for us either. But he had been working for USIS already for a number of years and he was my guide in the Bolivian mine country. I had to treat him with a certain reserve, but I learned a lot from him.

Q: He was a Bolivian national?

FREEMAN: Oh, yes, a Bolivian national. I believe he had been a board member of the Bolivian Mine Workers Federation (FSTMB) at one time before having been hired by USIS. Now I was not the first Labor Attaché in Bolivia, as I said, and there were some guys who had really done a lot of work before me, including a fantastic character named Tom Martin. You ought to interview him, if you haven't. He was a USIA labor officer and Bolivia was his first assignment. All of us always love our first assignment, you know. We really go all out, and he went all out. He knew everybody there was to know in the Bolivian labor movement. This was during the Kennedy Administration, and incidentally, he was one of the guys who was taken hostage in 1963, and up until that time, he had made it a point to know everybody. He went a long way towards deepening U.S. Embassy relations with the miners. Maybe there had been predecessors like Mike Boggs' father, who had been labor attaché in Bolivia earlier, but Tom Martin was undoubtedly a pioneer in reaching out to Bolivian miners to an extraordinary extent. I tried to do the same. I made an effort to meet the COB people even if they didn't like us much. That's the labor attaché's job, to meet the people and understand what's going on in the workplaces and streets of the country, rather than being stuck in the Embassy writing reports or engaging only in government-to-government relations.

The other assignment I received when I was there as Labor Attaché, which took me on visits to the mine districts fairly regularly, was to coordinate a USAID project called the "COMIBOL Social Projects Program." It was a \$ 1 million program of building health centers, schools and workers' housing in the mining regions, and I was in charge of monitoring it. I didn't actually handle the money or supervise the construction work, but my job was to help promote the program and to monitor its effectiveness. So that brought me to the mines on a regular basis and occasionally into conflict with the COMIBOL management, because we had different philosophies about what was supposed to be done with the money.

Q: With whom?

FREEMAN: With COMIBOL, the state mining enterprise. These were local currency funds that we had and AID decided it was going to be used to invest in social capital in the mining areas to

try to raise the workers' [living] standards, and of course there was a political objective behind this of constructively engaging and hopefully mollifying the mineworkers, who represented a potential threat to the stability of the country.

This was a politically volatile territory. The country's major tin mine complex was called Catavi-Siglo XX about 40-50 miles southeast of Oruro next to which there was a small civil town called Llallagua. The mine itself, called Siglo XX ("Siglo Veinte" or "20th Century"), was separated by a mile or so from Catavi, which was where the mine offices, the processing mill and mountains of mine tailings were located. This was where the hostages had been taken several years before, and I used to think when I traveled to this district that they should put a big red star up over the mine entrance. Given the prevailing political attitudes in this zone it would have been appropriate. It was like traveling to North Korea or something like that. For me, it was just a Commie land of 25 different varieties.

Q: These were primarily copper mines?

FREEMAN: No, tin mines. I met with the leaders and they talked with me, thanks to Walter Camacho's intervention, but they were very cautious and reserved, if not openly hostile. They didn't care much for strangers anyway, let alone Americans.

Q: You never had any problems?

FREEMAN: I never had any problems myself. I had a pistol stowed away on these trips in case of an emergency. Thank God I didn't have to use it. No, I never had any real problem I can remember. But I got into a heated debate with the mine management once, because they wanted to take the AID money and run, and they probably were right. The American idea was rather naive. The American AID officials believed in something called "self-help." You don't give money to somebody unless they are willing to help themselves and the U.S. investment was supposed to be matched by self-help labor on the recipients' part. That was what I was supposed to tell them.

And so we said, "We're going to take this money and invest in materials and contract out the heavy construction, but the mineworkers themselves have to contribute some of their own labor also if they want a new house or a new hospital." That was the American idea of self-help. And the reaction from the COMIBOL management would be, "Self-help, my ass! These people (the mineworkers) will not lift a finger to build or even repair their own housing. They believe that the state owes them the housing. They risk their lives in the state-owned mines each day and they feel it to be the state's obligation to provide them with shelter and food. Why should they spend their time off on improving their housing, when they think it's the state's obligation?" Probably the mine management was right, but I was American and put naive faith in AID's credo. Besides, that's what I was paid to do. At one mine the manager sought once to bar my entry to the property because of our sharp differences over this issue, which led to a shouting match at the entrance to the compound before he let us in.

Q: How would you evaluate the social programs on balance?

FREEMAN: Well, we completed the construction of these projects without any mineworkers' self-help, and the projects met the objective of creating a physical social asset, but whatever political impact they had I think was probably marginal.

Q: Did the programs affect attitudes?

FREEMAN: I strongly doubt it. Well, we did our thing, which was to build social projects in the mining districts, and the miners did their thing, which was to rebel whenever they could, and they still do. These mines have since become of even more marginal value than what they were during this period, but the miners are still kept at work just to keep them employed and hopefully out of trouble. We had a number of Peace Corps volunteers assigned to the mining areas during the time I was there working on the social programs. Once when the Ambassador received some early intelligence that a new rebellion was about to break out, he asked during a Country Team meeting what the Embassy staff thought about pulling the Peace Corps volunteers out. Of course, he had already decided to pull them out, but it was the Ambassador's practice to hold town meeting-like gatherings of the Embassy staff on Friday mornings which he presided over using the Socratic teaching method. He explained these meetings as performing an important function because he felt the altitude and lack of oxygen did strange things to everyone's thinking processes and he wanted to check his own decision-making with the collective wisdom of the Embassy staff. Anyway, he asked "What do you think about pulling out the Peace Corps volunteers?" Everyone else said, "Yes," and I was the only one who said "No! We're there to show the flag," I said naively. "We've got to stay there!" But the Ambassador was right. He pulled the PCVs out, and next day not only did the rebellion start but about two or three days later the Army sent a train full of troops hidden inside the boxcars into the railroad yards overlooking the mining camp like a Trojan Horse. A freight train slid into the camp the evening of the San Juan fiesta and parked in the railway yards just above the housing area. At midnight the Bolivian Army's U.S.-trained Challapata Rangers came out of the freight cars and, taking advantage of the miners sleeping off their holiday binge, seized control of the district, shooting up the place. A number of people were said to have been killed in that particular incident which came to be remembered in the mining districts as the night of the "San Juan Massacre". That was in June 1967, I believe.

Q: Who was the Ambassador at that time?

FREEMAN: That was Doug Henderson, another great Ambassador I was proud to serve under.

Q: Did he have intelligence that this was about to begin?

FREEMAN: Yes, I'm sure he did. He didn't tell us that, but I'm sure he did.

Q: He didn't share it with you?

FREEMAN: Well, he didn't say he had an intelligence report, but he said something like, "There are some stirrings in the mines. Should we pull the Peace Corps volunteers out?" and again I was the only one to say, "No." But I think he knew what was coming. He was a Bolivia expert and had been there many years. He was the Ambassador during the 1963 kidnapping incident I

mentioned earlier. Incidentally, that hostage event was very interesting, if you're not familiar with it.

Q: Go right ahead and describe it.

FREEMAN: I think you should talk to Tom Martin about it. I learned all about it before I went to Bolivia. Tom Martin was USIA Labor Adviser in the Embassy. The Labor Attaché, if I'm not mistaken, was Emanuel Boggs, Mike Boggs' father. He was not among those taken hostage. Martin was the USIA guy, but he probably was doubling as a kind of Assistant Labor Attaché for the Embassy, and there was also a guy whose name I don't remember right now, Bernie something or other from Brooklyn (Rifkin?), who was an official of the Teamsters' Union in New Jersey and who later became Jackie Kennedy's lawyer. He was the AID labor officer.

What happened was there had been a Bolivian Mineworkers' Congress in one of the mining towns – I believe it was Colquiri – and this U.S. Embassy delegation of four or five people attended, after which they were supposed to travel further into the mining district, passing through the city of Oruro and then proceeding to Catavi-Siglo Veinte. But when they got to Oruro, they learned that the Paz Estenssoro government had arrested two leftist mine labor figures named Federico Escobar and Irineo Pimentel. It was in reaction to these arrests that a rebellion erupted in the mining region, and in the midst of this particular event, this American group innocently showed up in Catavi-Siglo XX. They were invited to the mine manager's home, and while they were having a meal there, they were all taken hostage, including the mine manager, and put in the mine.

The mine manager was a Dutchman, who later worked in AID at the American Embassy, so I got to interview him, too. I also heard the story from Tom Martin; I heard it from Bernie Rifkin, or whatever his name was, because he was living in New Jersey, which was my home state, and we got together at a bar one night while I was home. And I also heard the Ambassador's version of the story when I got to Bolivia. Also the former mine manager and later, I believe I spoke briefly with Charlie Thomas also. So I had a pretty good picture. It was something like the famous Japanese movie Rashomon. Everyone had a different version of what had happened. Tom Martin's version – and I am a bit hazy on this now – was that the miners had justification for taking them hostage; it was the only practical way they could deal with the double dealing their union leaders Escobar and Pimentel had received from the hands of the government. According to Tom, the mineworker who had been guarding them inside the mine simply walked off his post at some point and the hostages got up and ran out into the open, right into the town square of Llallagua, where there were intermediaries present from La Paz who had been sent down to negotiate their release, along with the world press as well as U.S. consular officer Charlie Thomas waiting with his Embassy vehicles. The Americans burst out into the sunshine, and the crowd, according to Tom Martin, instinctively cheered the Americans. The Embassy vehicles pulled up, they all piled in and off they went to the applause of the mob. According to Tom, a nice, heart-warming affair. Maybe, I'm not doing him justice. You will have to interview him directly. Rifkin, as I recall, had a slightly different version. According to Bernie, he overpowered the guard and then they all escaped.

But I heard a very different story from Ambassador Henderson. The Ambassador had traveled to Oruro and set up his temporary headquarters there, keeping in touch with the Bolivian authorities and communicating with Washington. He had some of his Embassy staff with him, including his Air Force Attaché, when the freed hostages showed up in Oruro.

Oh, I left out an important point here. Tom Martin told me that the government announced from La Paz that it was going to release the two mine leaders, and that was what changed the atmosphere down in the mine, permitting the release of the hostages.

But the Ambassador did not have a very sympathetic view of what was going on and he was ready to take drastic measures if necessary. Of course, he had the safety of the Americans at stake here. But then the hostages showed up safely in Oruro and met with the Ambassador. He informed them that the Bolivian Government had not released the union leaders and didn't plan to either. And Tom Martin became very upset, according to the Ambassador, and said that if the Bolivian Government was not going to keep its word to release the Bolivian mine union leaders, "I'm going to go back and turn myself over as a hostage again to my friends. These are my friends. They've been betrayed, and I'm not going to be part of the betrayal." Henderson said he turned to his Air Attaché and asked, "Colonel, do you have your '45?" and the officer said he did. And Henderson said he ordered him, "If this man leaves the room, shoot him!"

Q: Was Tom Martin asked to leave the country at that point?

FREEMAN: I don't know. He probably left some time shortly afterward. You will have to ask him. But anyway, it was an exciting time. So I monitored the COMIBOL social projects program. There was this one other important incident I have to tell you about. It was discovered that Ernesto "Che" Guevara was in Bolivia. He had entered the country with false documents around February 1967 or so and managed to keep his presence a secret for a number of months. I think it was 1967. And around June, if memory serves, a French leftist named Regis Debray, who had entered Bolivia with journalist credentials, was arrested and revealed that he had just come from the very southeastern part of the country where he had, supposedly as a journalist, interviewed Che Guevara, who was roaming the hills down there with an armed band stirring up a guerrilla "focus". In retrospect, relatively isolated and uninhabited southeastern Bolivia seems an odd place to start a revolution aimed at toppling all of South America, but it wasn't so funny at the time. A U.S. green beret specialist went down to the region to take a look and came back to the Embassy reporting that Che Guevara was winning over the peasants and the whole region was about to fall. It would be Vietnam all over again. The Castro revolution had been successful in Cuba and now Che Guevara himself was leading a band of some 50 Cuban regular army veterans in an attempt to do the same in Bolivia as a first step towards bringing revolution to the entire South American continent. This Army officer urged massive U.S. military intervention in Bolivia as the only reasonable course of action, which the Embassy and the State Department strongly and rightly opposed.

But there was ample reason for concern. Bolivia being a very unstable country, it wouldn't have taken much to destabilize the government. True to form, the Bolivians fell back on old political habits. The political temperature began to rise in La Paz with the news of a rebellion in the southeast. The Government alleged there was coup plotting underway in La Paz and some

politicians indeed sought to take advantage of the Cuban mini-invasion by demanding a change in government. And the miners, potential allies of any coup against a non-leftist government, were of course stirring. It didn't take much to get them started. The Government was very much concerned. I'm no longer exactly certain of the timing of all these different events now, but it was in this kind of atmosphere – with Che Guevara and a band of Cuban Army volunteers running around the southeastern part of the country and coup plotting by Bolivian politicians in high gear in La Paz – that the army came into the Siglo XX mining camp on San Juan by night, shot the place up, and regained control of the mining area. A few months later, the Bolivian Army caught the Cubans in an ambush and captured Guevara, following which he was executed.

Q: In Bolivia?

FREEMAN: Yes, he was captured and killed after being wounded in a firefight in the southeastern part of the country. In the end, Che and the Cubans defeated themselves. They chose an isolated, inhospitable geographic region of Bolivia to start their guerrilla war. As revealed by Che in his diary, which later turned up, he looked into the faces of the campesinos who he thought would welcome him with open arms as a liberator and all he could see were stony eyeballs. Some rag-tag remnants of his band escaped and it was rumored that they had actually come through the Siglo XX mining area on their way out of the country. Whether true or not, I don't know, but it's plausible as they actually escaped through Chile, so they may have traversed the mining territory when they escaped from Bolivia, four or five or six or ten or however many they were that escaped. It is plausible that they were put up for a night by the Siglo XX miners on their way out of Bolivia, as there were a lot of Communist sympathizers in the mining region.

So it was a very exciting assignment. But I don't feel we made very much progress in Bolivia in terms of winning the minds and hearts of the labor movement there, which was what we were trying to do, or at least that's what we thought.

Q: Was that still the Alliance for Progress period?

FREEMAN: Yes, it was the Alliance for Progress. To this day the same kind of people still dominate the Bolivian labor movement. Of course, tin mining has gone down hill since then and is no longer a viable economic pursuit. Even then it wasn't very much of one either. This was a greatly subsidized industry. The Government had to put more money into the industry than they actually got back from selling the tin.

Q: Was there an urban proletariat at all?

FREEMAN: Yes, there was. There were factory workers. They were somewhat less volatile and probably less ready to pick up the gun, but not much less. They had been armed during the 1952 revolution also, but it was much more difficult to operate in the cities. You could feel a steamy smoldering resentment among some of the factory workers, but relatively milder views were also present and it was possible to carry out a dialogue and meet with factory worker union leaders in the city. I vaguely recall having discussed a possible social project with the brewery union. But I cannot say we really made any substantial or sustainable inroads politically with the labor

movement. I think, even to this day they are still dominated by a leftist political mentality, the only difference being that the labor movement isn't so strong or powerful any more because mining is no longer a major industry.

Q: What years were you there, Tony?

FREEMAN: I was there from February 1967 to June 1970.

Q: Then after Bolivia, where did you go?

FREEMAN: After Bolivia I was the desk officer for Bolivia in the State Department for two years, and then I had a year as Congressional Fellow on the Hill interning for Senator Charles Percy (Republican, Illinois) and for Representative Peter Rodino (Democrat, New Jersey) for four months each. That was interesting also.

ERNEST V. SIRACUSA
Ambassador
Bolivia (1969-1973)

Ernest V. Siracusa was born in California on November 30, 1918. He obtained a B.A. from Stanford University. He had service in the U.S. Navy during the Second World War and spent one year at MIT as a graduate student in economics. He served in Buenos Aires, Rome, Lima. He was ambassador to La Paz and Montevideo. He was also in the U.N. as an advisor on Latin America. He retired in March 1974. He was interviewed by Hank Zivetz in June 1989.

SIRACUSA: When OIGA's blast first came out there was a great outcry in Bolivia and pressure from Ovando's most radical ministers to revoke my agreement which had already been granted. When the Department of State very firmly rejected the charges and refused to back down on my nomination, Ovando relented. But a somber cloud had been floated over my arrival in Bolivia where I was to be treated to ubiquitous graffiti demanding MUERA CIACUSA (death to Ciacusa--a new name for me) and FUERA CIACUSA (get out, Ciacusa) painted on walls along the single access road from El Alto airport at 13,400 feet to La Paz city at 12,500 feet.

And I remember too well the effect on my family when they arrived a few weeks later. My two daughters, then 11 and 15, were very brave little girls, but they disliked the fact that I was to be an Ambassador. They said when I first told them of my appointment that it would "ruin" their lives because they thought it would set them apart from the other children and they did not want to be in that position. So when I met them at the airport and they got their first glimpse of the striking city of La Paz far below they kept saying--"Oh, Daddy, it is so beautiful" while studiously looking the other way as we passed all the threatening graffiti.

One can imagine the concern my wife and I felt for the poisonous imagery injected into our daughters' minds, and our feelings the first day they set out for school, chauffeured and with guards. But one must learn to live with it or leave and we did not choose to do that.

It seems that most, if not all, Latin American countries have publications such as OIGA in Peru which are "mysteriously" financed and mutually supporting. So, as though OIGA's attack was not enough, in the week of my arrival in Bolivia, MARCHA, the Uruguayan counterpart of OIGA, published its own cover-story rehash based on a report of its Bolivian "correspondent's" who had investigated Bolivian reaction to the original. Arrival of Marcha in La Paz produced a new bout of screaming headline treatment in Bolivian papers, egged on, no doubt, by the aforementioned Minister of Information Bailey, and the inevitable request for my comment and reaction. Not a very happy welcome to ones first post as Ambassador.

Although it is policy not to dignify such accusations with comment, I was so outraged that I could not resist saying it was all untrue as President Ovando well knew because of his previous investigation. In a way that was a challenge to him but it seemed to work as he did not contradicted me and, happily, the Department did not comment on my act. In the long run I believe it helped. The fact is, however, that the Bolivian media were literally paranoid on the subject of the CIA after the Che Guevara affair, this notwithstanding the fact that whatever the CIA may have done was in collaboration with and at the request of the Barretos government, in which Ovando had been Vice President.

So I was constantly guarded and traveled in an armored car with a follow car and sometimes with a lead car as well. Guards were armed with pistols, Uzi machine guns, sawed-off shotguns and teargas. My residence was under constant guard and my wife and children had guards. We all had gas masks beside our beds and radios for communication with the Embassy Marine Guards and with other officers homes, and my wife and children were regularly briefed on security measures by the chief Security Officer. In summary, as described, the omnipresent need for security surely affected the way one could live, there is no doubt of that. It was also especially unwelcome for one who dislikes guns as I do and literally hated to see my children practice donning their gas masks.

Q: Isn't it true that Bolivia has had a violent past?

SIRACUSA: Yes. That has been the case throughout its history and the situation when I was there was very volatile and no exception. There was extreme radicalism in the government itself and the University was a locus of Marxist teaching, of indoctrination and training for terrorists acts, and of shrill and constant anti-Americanism. Night after night bombs would explode in various places, often--but not always--for the purpose of intimidation rather than for destruction of a particular target. And from the University, only a few blocks from where we lived, there would be almost nightly bursts of random rifle and machine gun firing, apparently just for the hell of it. But one could not always be sure and noise not only interrupted sleep but could be quite disconcerting as well.

One night, early on, during as especially scary occupancy with bombs in the plaza across the street from our residence, I saw the Bolivian gate guards running away and leaving us without

any protection if needed. Thereafter we posted a Marine Guard at the Residence over night so we could have at least one person fully reliable. The Marine house was about three or four blocks away and could provide quick backup if need should arise.

While reassuring this did not prove infallible--one night, a jumpy marine just back from Vietnam, fell asleep at this post and did not awaken when our burglar alarm system went off or when I called to him to check on the reason. But he awakened just as I approached his post to investigate and, startled, grabbed his 45 automatic which was on the couch beside him. Fortunately, he recognized me in time to avoid a disaster (to me)--but his career as an Embassy Guard came to an abrupt end.

And to illustrate that there were tragic bombings as well as noise making ones: Assistant Secretary Myers came to La Paz and the anti-American press outcry and student blocking of the road down to La Paz forced us to use a circuitous route, many miles longer, to approach the inner city from the so called "valley of the moon" far below. While we succeeded in thwarting student plans, Myers was still in for some classic Bolivian reality.

The next morning as we were having breakfast, preparatory to calling on President Ovando, a single, loud bomb was heard to detonate very nearby. A few minutes later we learned that a neighbor (publisher of a prominent La Paz newspaper and the only one with any semblance of independence and courage) had been killed together with his wife. A well dressed chauffeur had given their butler a nicely wrapped "birthday gift" which exploded as he and his wife, breakfasting in bed, started to unwrap it. A few minutes later, when Charlie Myers and I called on the President, whose residence was also in the immediate vicinity, we could not help but wonder as he impassively expressed his sorrow over the tragedy.

A further comment on the challenges of my early days in La Paz which bears on the question of security and diplomatic atmosphere. I had not been there a month when the nightly television news program--at 9 PM over the only and government-owned station--which began with panoramic shot of the city, far below the stations locale near the airport, started to zoom onto one of the MUERA CIACUSA signs before starting the news. This held for about 20 seconds and immediately became the talk of the town and was intolerable to me--the last straw, so to speak.

Without asking or receiving any instruction from the Department I let it go for several days to be sure it was not an accident and then demanded an audience with the President, which was promptly granted. Without wasting many words on niceties I firmly but politely told Ovando that he would have to decide whether he wanted an American Ambassador in La Paz or not. I said that the attitude shown by the official TV station could quickly render ineffective any efforts by me to promote good relations and that Bolivia should know that my President could not send anyone else who could not be dealt with in the same way. So I asked for his answer. Did he or did he not want an American Ambassador in La Paz?

The President was silent for a moment while he contemplated me, chomping his teeth or gums in their absence as he had a habit of doing. He then picked up the phone and dialed the Minister of the Interior (incidentally, the only one friendly to the US at the time) and told him in my presence to see to it that the sequence was stopped. I thanked the President for his action and

reiterated my desire to promote good relations with Bolivia which I would try to do if given the chance. That night and thereafter the panoramic zoom focus on the graffiti was not seen again, but the graffiti took a long time to fade.

To return to a more general account, during my nearly four years in Bolivia we had not only the Gulf case to deal with but several other expropriations as well. There was the case of the Mina Matilda silver/lead mine owned by U.S. Steel, and that of the International Metals Processing Company, IMPC, which had a specialized process for recovering and refining tin from old mine tailings. This case had the additional complication of financing by the OPIC, Overseas Private Investment Corporation, a US Government agency. Finally, there was the case of our Binational Center in La Paz which had been invaded by the University students whom the government lacked the courage to eject.

Without going into details I can say with some satisfaction that before I left Bolivia each and everyone of these cases had been settled with "prompt, adequate and effective" compensation; this in spite of the volatility of the period with frequent coups and changes of government. (in fact, on one memorable day, Bolivia actually had six presidents.)

While a lot of people and interests were involved in the negotiations, the Embassy did help to provide good offices and action to keep the talks alive. It is also to the credit of Bolivia (unlike Peru) that it recognized its responsibility under international law and negotiated responsibly, however reluctantly. US policy, as is well known, fully recognizes the sovereign right of expropriation, but it correspondingly insists on the obligation to make fair compensation.

I might note here that I actually encouraged the expropriation of our binational center. After our appeals to the Foreign Office for return of our property was fruitless (the government had no stomach for kicking the students out and denying them their "victory" over the U.S.) I called on the President (Torres at that time) and suggested that if the students could not be dislodged then the government should formally expropriate the property and pay compensation. He thought this a good idea and a relief for him so eventually we agreed to trade our property for a much more suitable and better located one in the center of the city, several blocks from the Chancery. I had never liked the location of our traditional center in any case since it was just across the street from the University and thus a constant target for harassment or worse.

Incidentally, in connection with the unrest leading to the occupation of this binational center, (during other periods of unrest others had been sacked) the students also were able to steal one of our Embassy carryalls which they presented to the Rector for his personal transportation. Our protests and demands were of no avail, even when we told the Foreign Office who had the car, but the surprising outcome was very satisfying.

Several weeks later, two of our chauffeurs happened to see the car at a service station where it had just been washed. Seeing the keys in it they commandeered it and returned to the Embassy in triumph for which they were praised and appropriately rewarded. However, the real satisfaction was yet to come.

Later that afternoon a messenger delivered a most flowery letter to me from the Rector, pleading for the return of the vehicle and making the case that the Ambassador must surely understand the great difficulty which this incident caused for his relations with the student body, and so on and so forth, with mighty praise for the Ambassador's well-known goodwill, tact and diplomacy. (This from one of the most vitriolic Yankee-haters one can imagine who presided over a school for terrorism rather than a university in any real sense).

I need not describe the great satisfaction I had in drafting my reply which while professing full sympathy for the Rector's plight nonetheless blamed my inability to comply on the rigidities of U.S. Government regulations. I did offer hope, however, by saying that when the carryall had served its appropriate time it would be offered for sale on a bidding basis in which the Rector or anyone else could participate, and we would be sure to let him know when the time came. I did not receive a reply.

The Ovando administration did not last very long. He was under constant pressure by his leftist people to do more and more extreme things and finally the military were not going to take it anymore. There was a general named Miranda who was then chief of the armed forces. General Miranda announced a coup from the city of Santa Cruz, several hours by air from La Paz. One of the most interesting political times I have ever experienced happened then as Miranda's challenge split the military forces in the capital. So, as he progressed from city to city on his return to La Paz, making frequent announcements and pronouncements, the tension mounted as varying factions jockeyed for position and advantage. But none, it seemed, were disposed to support Ovando.

My wife and one daughter were in Peru at the time. My youngest daughter was with me and I was very concerned about her welfare should there be fighting as almost any unrest for whatever motive seemed to provide excuse for someone to attack the American Embassy or its property. So I asked my friends, the Ecuadorian Ambassador and his wife, if they would take Kristin into their house. I always kid Crissy today that I put her in asylum in the Ecuadorian Embassy. I felt very much better that she was in a place not so targeted as we frequently were.

But back to the coup. The next morning, about six o'clock, Ovando read his tea leaves and decided that the jig was up. So he fled his house and took asylum in the Mexican Ambassador's residence, just across the plaza from my own.

Upon arrival in La Paz that morning General Miranda went to the major military cartel and from there proclaimed himself President. By noon, however, realizing he did not have full support, and to avoid a fight, he withdrew in favor of an agreed upon triumvirate made up of the Chief of the Air Force, General Satori, the Commander of the Navy, Admiral Albaracin. And an Army General whose name I forgot. Later in the afternoon there was a ceremony in front of the Presidential Palace to install the three, complete with oaths, sashes and speeches. Alas, this lash-up did not survive the sunset.

While the ceremony was in progress, another prominent general, J.J. Torres (recently forced out of his post as Chief of the Armed Forces for some scandalous excesses, and replaced by Miranda) was on his way to El Alto airport hoping to commandeer a plane to flee the country.

While he was there negotiating for transport he was joined by the newly anointed 1/3-president, General Satori, and together they cooked up the scheme to denounce the triumvirate and install Torres as President with air force backing.

Thereupon a flight of venerable Mustang fighter planes was dispatched to overfly the capital with satisfying swoops and the firing of rockets harmlessly into the darkening sky.

Simultaneously the air force took over the TV transmitters nearby and passed the news of the new President, the sixth for the day. There was no counter move from the Army where Torres had some support, especially with air force backing assured, and good old Admiral Albaracin went down bubbling, so to speak, his Navy having neither the wherewithal nor the will to resist the trend of affairs.

So that remarkable day passed into history, six presidents in one day, ending with Torres triumphal return to the palace for his own oath-taking, complete with sash and speech. Given his escapist intent but a few hours before, no one could have been more surprised than Torres with such an outcome. I was later given to understand that my reports on this eventful day, presidential musical chairs, had helped lighten the day for then NSC chief Kissinger and for President Nixon as well. Torres, incidentally, had previously commanded the forces which captured and then killed Che Guevara. Also, during his relatively brief stint as President, he presided over a regime which nearly made Bolivia another Cuba. In the long run, years after his ouster, he was murdered in Buenos Aires in a crime which, I believe, was never solved.

Usually when there was unrest from almost any cause it provided excuse for someone to attack some American installation. On this day our Marine house, near the University, was invaded and sacked by a gang of students and much of the Marines personal effects and gear was stolen. The three Marines in the house at the time followed their strict training and made no effort at armed defense, which would have provoked a worse crisis had any student been killed or injured.

But among the items stolen was the base radio, a relatively sophisticated one, used for communication with the Chancery, radio equipped cars, residences, etc. Some weeks later, after Embassy notes demanding restitution of property and damages had been ignored, one of our Military Group officers working in the Ministry of Defense discovered the radio in the office of the Minister. He had received it, he said, as a gift from the students and pretended no idea of its origin. Such, sometimes, is Bolivia.

Perhaps this account can give some insight into what service in Bolivia can be like and why all US personnel who have served there term themselves, in a comradely way, SOBs, survivors of Bolivia meaning both altitude and atmosphere. But almost to a man they have a genuine fondness for the place because of its spectacular scenic beauty and the appealing charm and mystery of the Aymara and Quechua Indians and their way of life. No one can have a harder life-yet none are more ready to have a fiesta with costumes, booze and band for interminable dancing. Perhaps the mild narcotic effect of the coca leaf and lime helps endure what must be endured.

Q: It sounds like a comic opera, but I am sure there was a lot of serious business in terms of the terrorist threat. These were the leftists in the hill? Who were these people?

SIRACUSA: So it may sound, but it was serious and all too real. The principal terrorist organization was called the ELN Ejercito de Liberacion Nacional) Army of National Liberation. But, although vociferous and even dangerous, and adept at the tactics and instruments of intimidation, the ELN was never large in numbers nor did it have popular support to any significant degree. Its emotional, idealistic backing came from the Marxist-dominated universities and the students so inspired. The logical target, supposedly to blame for all of Bolivia's miseries, (the three "Tin Barons" having long since been eliminated by confiscation) was, of course, the United States.

Apart from these radical agitators, Bolivians in general were hardworking, decent people with heavy burdens to bear (not the least being the political volatility of their land and its penchant for violence) and I did not believe them to broadly disposed against the United States and Americans.

As for violence, there was one memorable spot on the road to Yungas Norte where large blocks of granite were to be seen beside the road. They had been there for years, intended to form a monument - unfinished - to seven men hurled alive into the abyss in an act of "political" retaliation. Also, on the road to Oruro, there was a similar finished monument of six or seven iron crosses marking the spot of a similar political execution.

Finally, Bolivians all remember the fate of President Villaroel who, in the late 40's or very early 50, had been dragged from his office at the Moneda palace and hanged to the lamp-post at the doorway. The lamp-post remains as a grim reminder known to all of this event. In the more remote past the same plaza had been the site of various political executions.

There was also the strongly unionized, very active miners under their colorful, leftist leader, Juan Lechin Oquendo. When the miners demonstrated in support of a cause they all carried bandoleers of dynamite which they surely knew how to use and would set off a few sticks just to let it be known what they could do if they wished. Their presence on such occasions caused much uneasiness and even fear among the populace, aware of the potential, and people stayed off the streets..

At the bottom of the heap but most in numbers was the Indian peasantry, benefited somewhat by land reform accompanying the 1954 MNR Revolution led by Victor Paz Estenssoro) which most prominently expropriated the great tin mines. For the most part these people simply wanted to be left alone and were not a political factor, even though the ELN in its not very effective guerrilla efforts sought to enlist them, but failed, as had Che Guevara.

The University in La Paz and on all campuses was extremely leftist, Marxist-influenced and supported the ELN's tactics of intimidation. In La Paz, for example, the University was located on the single road going down from central city to the residential suburbs 1500 feet below. From this strategic location the students could and did command the road, often impeding traffic at minimum or when so inspired overturning and burning cars. Because of the traditional Latin American immunity Fuero Universitario) they could perform such acts and then retreat to the

adjacent campus with no disciplinary consequence. And none were to be expected there where professors and even the Rector might be the instigators.

One night they intercepted two of our Embassy carryalls which inopportunely happened by and burned them on the spot. Happily, drivers and passengers escaped unharmed and, of course, Embassy notes demanding restitution went into the "slow man" pile which was the fate of most of them.

More directly related to ELN activity, a large group of students left the university one Sunday afternoon in trucks festooned with banners proclaiming support for a literacy program to be held in the Jungas, the upper Amazon regions. Ironically, this program was sponsored by USAID which was virtually without contact in the university and hoped with such a noncontroversial, beneficial program to establish some useful ties with students.

However, instead of literacy materials, the trucks carried weapons of all kinds and students bound on starting an anti-government guerrilla campaign with ELN sponsorship. Tragically, this ill-fated enterprise, doubtless advocated by their ELN-conniving professors, was put down by the military after some fighting and very much suffering by the poorly prepared students who had been sucked into it by their idealistic fervor. They had neither training nor equipment to endure much less fight in the jungle and many were killed or died of other causes.

One victim of the affair was President Ovando's son who was taken without authorization by a fighter pilot for a view of the "war zone". Returning, they crashed into Lake Titicaca as the pilot was thrilling the youngster with a demonstration of low-level aerobatics. If being a President in Bolivia can be risky, apparently so can being a President's son. About two years after the death of Ovando's son, then President Banzer's oldest son also died. In this case, however, he and a friend were at home playing with an automatic pistol, with tragic results to young Banzer.

In connection with the ELN guerrilla incident I might insert here the story of Jenny Koeller, a Marxist student activist and leader who had left La Paz and established herself in Cochabamba with her Chilean husband. Once when I visited Cochabamba to host a reception at our binational center I was surprised that the avowedly communist Rector of the University there attended; that in spite of rowdy and vociferous parades and demonstrations against my presence in the city, Ms. Koeller having much to do with this. Maybe the Rector was lured by a taste for good Scotch but we did have a very civil if wary interchange.

Some time later, when Ms. Koeller and her husband were found murdered, dire charges were made that I, the Embassy and the CIA, had been the perpetrators. The press had a field day with this story which we ignored except prudently to increase our own security. Later, and in a rare occurrence, the real story came out. It was contained in a long, wordy ELN "MANIFESTO" issued to kickoff the ill-fated guerrilla campaign mentioned above. Surprisingly, this document carried the admission that the ELN itself had dispatched Jenny and her husband as punishment for some deviationist activity which allegedly caste suspicion on them. Presumably the admission was intended as warning to the students not to defect or they might meet the same fate.

So my name was cleared of this charge which was a relief. However, I'm sure it was not expunged from the morgue files of the media agencies which thrived on such stuff and presumably remains to this day as part of my "dossier".

I finally felt it wise to send my family home in June, 1971 when my eldest daughter would be graduated from high school. By that time, this was during the increasingly radical Torres regime and at a moment when the Embassy felt his days were numbered. We had had many attacks on American installations, two more expropriations after that of Gulf, and the seizing and destroying of our cultural institutes around the country.

Also there had been terrorists threats against my children. One day their guards, being advised by my wife of someone in the adjacent Plaza Abaroa suspiciously observing their activities, moved in to apprehend him. As they grabbed him he was rapidly swallowing notes he had been taking. It turned out that my youngest daughter was being targeted for kidnapping and who knows what. The "spy" it developed was affiliated with an ELN leader in the village of Sorata, below the great mountain Illampu.

So as soon as my daughter was graduated from high school my family departed with me planning to join them on home leave later in the summer. Since my daughter was to start university, my wife planned to stay on at least for a while to take some courses herself, and my youngest daughter would go to school there as well. So they left and it proved to be timely.

Shortly thereafter we discovered that Torres' Minister of Government was a secret member of the ELN. Well, this was crucial intelligence as our guards were all Bolivians taken from the Bolivian police force, seconded to the Embassy. We paid and trained them and, of course, they lived in intimate proximity with us. To discover that their ultimate boss in the Bolivian hierarchy had terrorist connections was disconcerting to say the least.

Based on this information the Department of State sent a contingent of four specially trained Marines to serve as my PSU or Personal Security Unit. Since they were to bear arms and accompany me, thus operating beyond the chancery where Marine guards traditionally work, we had to obtain special permission for them from the government, which I did, directly with the President.

Thereafter, one or more of these guards was constantly with me, in addition to the regular Bolivian guards and chauffeurs. I understood at the time that I was the only Ambassador apart from Ellsworth Bunker in Saigon who had such a unit of guards. In my case, this lasted until Torres was thrown out about two months later and things changed drastically for the better, for us as well as for Bolivia and Bolivians in general. A few weeks after Banzer came into power we were able with confidence to send this PSU unit home.

About the same time the PSU came for me we felt we had to expand protection for all our personnel and arranged to have night guards outside the homes of those living in residential areas. This was not much but we thought better than nothing and hoped for the best. One night of general noise-making bombing around the city a quite powerful bomb was exploded against the wall surrounding the home of one of our senior officers and blew out the windows along that

side of the house. Fortunately, security instructions were practiced there and closed blinds and heavy drapes protected the family, with four daughters, from any injury. Later when the officer asked the guard for information he had seen nothing. When asked where his weapon was he replied, pathetically, that he did not have one, but he did say he had a bullet which he displayed between two fingers!!! So much for protection.

As we viewed Torres, especially toward the end of his Presidency, he seemed to be in a sort of suspended animation with little or no visible means of support. There was clear evidence of unrest as elements of the military began to turn against him, alarmed by his increasingly radical measures. It seemed clear to us that he would not last much longer, and we so reported, although we could not say exactly when it would happen. Also, while he had apparent support from the unions, the university, and much of the media, they all seemed to have separate and not always compatible agendas and sought to use him for their own purposes alone. All of these, for different reasons supported him, and exploited him, one against the other. Not a very promising formula for stability.

The Embassy reported that it was just a matter of time when a new chapter would be written. Our recommendation to Washington was to pursue our interests as best we could, keep our heads down and be patient as internal Bolivian forces appeared to be moving toward a change. The worst thing we could do, we said, was to do anything which might make us appear to be participants in Torres' certain ouster. Meanwhile, the Gulf case having been settled, we would do what we could to further talks on the two mining expropriations and the newly captured binational center in La Paz which was the subject of several meetings I had with Torres.

President Nixon, about this time, made a decision crucial, we thought, to our interests, almost akin to the one in which I participated in regard to Peru. In the early spring of 1971 there was strong support in Washington for making a rather massive sale of tin from American stockpiles as a budget supporting measure. But to the extent this might affect the price of tin on world markets it could be devastating to Bolivia. And, regardless of the actual impact, it would have been blasted in Bolivia as an unfriendly act aimed at them. That, in turn, could have clear security implications and would also affect adversely our various negotiations in progress.

Out of such concerns I went to Washington in May of 1971 and, in a meeting with the President, strongly argued against the sale at that time as being harmful to our interests in Bolivia. Some of my arguments were the same I had used in Coral Gables to advise against punitive measures against Peru. I found President Nixon to be very interested in Bolivia and well informed on Latin America in general. Although General Haig, who met me, said I was really having a photo opportunity of about 5 minutes, the President kept me for more than an hour. The President himself signaled the end when he finally gave me the usual gifts, autographed golf ball and cuff-links, and summoned the photographers.

Later I had a hard time reconciling the image of the President I had known, then and at Coral Gables before -- poised, formal, articulate and careful of language -- with the sort of bowery bum image and language which emerged with the Watergate tapes. But I must admit that if I, as Ambassador, was always careful of my poise and image, publicly and privately, there were plenty of times when, surrounded by my closest advisors, I could let my hair down and use very

pithy language as well. Letting off steam privately, I believe, is an aid in promoting a calm and level-headed decision-making process. So I could feel more understanding of the President as I in some amazement read the tapes.(.later some Embassy wag had tagged the picture in my office of this meeting with the words "being bugged")

A small illustration of President Nixon's interest in Latin America came to my attention when I received a letter from him dated April 6, 1971, complimenting me for a speech I had made before the Bolivia-North American Business Council on February 16 of that year. Frustrated and fed up with the unrelenting attacks made against me and the U.S., I decided to attack the problem head-on, come what may. So, in spirited defense of the contributions which had been made in Latin America in general, and in Bolivia specifically, by American private investment and government aid programs, I contrasted these benefits with the attacks of "el Imperialismo Yanquis" so commonly tossed about. I suppose it was this which came to the attention of the President or, at least of one of his advisors, knowing his keen interests, and who doubtless drafted the letter. However, it was nice to receive it.

The reaction was interesting and, on the whole, I think, beneficial. Expected quarters were outraged but their attacks shallow and unoriginal. But others had a more thoughtful reaction and words of encouragement were received from many quarters, even some unexpected within the government.

Encouraged, we decided to maintain the offensive and so prepared for wide distribution a pamphlet entitled "EL IMPERIALISMO YANQUI." This, under an attractive red, white and blue cover consisted, only of page after page of photographs of completed U.S. projects, with some indication of costs and benefits, all under the repeated title on each page, "El Imperialismo Yanqui." This was very satisfying, sort of "in your face" as one might say today. My able staff and I were very pleased and confident in what we had done. For once, the detractors had little to say as the case was quite clear.

But, back to the tin problem. At that time Bolivia had in Washington a young, American-educated Ambassador, Tony Sanches de Lozada, who while seemingly incompatible with the Torres regime, nonetheless represented it. Most of us considered Sanches de Lozada to be a friend and his brother in Bolivia, tending the family mining interests, not to be a supporter of Torres. In any case, Tony also got to see the President and if there was any issue he could argue with passion and conviction it would be this one. Whether our two efforts influenced the President we do not know but, happily we thought, and to the surprise and doubtless chagrin of many who thought the sale a forgone conclusion, he decided against sales at that time. We breathed a big sigh of relief.

I left for my home leave in late July of 1971 and my family already being in California) decided as a means of pressure relief to do something totally different for a while, all alone and above all without guards surrounding me: nothing can be more oppressive than never to make a move without guards. I wanted to buy a motorcycle and for three weeks take a tour through Nova Scotia. The Department was not much taken with this plan as they wanted me more closely in touch, the situation being tenuous as it was in Bolivia. However, with my consultation finished

and my promise to call in every day, I flew to Boston where I bought my bike and took off for a memorable, relaxing journey, first to Martha's Vineyard and then to Nova Scotia.

On my way back two weeks later, having put 3000 miles on my bike, I awakened in a Boston motel to the TV news of a revolution in Bolivia. So I sold my bike back to the Agency I bought it from and flew to Washington. At two o'clock the next morning I was on a special military flight to Miami to join with a delayed Braniff flight and thence back to La Paz for whatever awaited.

By the time I arrived the contest was almost all over and a new president was in command.

Q: He was not a military person?

SIRACUSA: Yes he was. Hugo Banzer was a military officer and, I thought then, a remarkable one for Latin America. I had been told by the Bolivian Ambassador in Washington when I went there first to keep an eye on Banzer, then a colonel commanding the military school. In that capacity I came to know him quite well and to see in him a man of courage and principle. In fact, he had been fired over a matter of principle, a speech to students including some daring political criticism of attitudes of the regime, and more pointedly of the Army command.. As I recall, the firing officer was General Torres, then Commander in Chief of the Army, who now, Banzer had deposed.

Torres, under the influence of the various interests supporting or exploiting him to their own ends, but none really loyal to him, had been doing alarming things such as establishing "peoples courts" and "peoples assemblies" much, many thought, in the example of Cuba. In fact, many thought Bolivia under Torres was on the verge of becoming another Cuba, but this one in the heart of South America. And, the Soviet diplomatic presence was growing rapidly, another reason for concern.

Another thing Torres had done which did not help our relations was to expel the entire Peace Corps from Bolivia. It seems that the ability of our volunteers to go anywhere in the country and work peacefully with the Indians and other common people projected an image intolerable to Torres' more extreme supporters who tried to cast us in an entirely different image. Some of their charges were outlandish in the extreme--such as that they were sterilizing the Indians in a secret genocide program or, that oils secretly rendered from Indian corpses was vital for intercontinental missiles!!!.

Some of this was doubtless inspired by a widely circulated but vicious propaganda film called YAWAR MALLCU ("The Blood of the Condor") which denounced "Yankee imperialism" with emphasis on the Peace Corps.

In any case, on trumped up charges of Peace Corps espionage, I was summoned to the Foreign Office and handed a formal demand that all Peace Corps activity cease forthwith and that all volunteers must leave the country. After vigorous protest and total denial of all charges-which we publicized as best we could in an intimidated press-we had no option but to comply and did so as quickly as possible as we feared that the charges, highly publicized by the government,

could place the volunteers in jeopardy. Within less than two weeks they were all gone and I made it a point to go to the airport to shake the hand of every volunteer who left. So this program, which reached to the lowest of the low, bringing some help, comfort and support, was ended with the real losers being those whom the Corps had been helping.

To illustrate how we never knew just where a threat might be coming from I should mention the case of Mary Harding which came to the fore several months after Banzer came to power. A former Maryknoll Nun, Mary Harding had left the order and was working at least part-time for our binational center when she was arrested on charges of being a member of the ELN. The Embassy immediately established contact with her through our Consul with intent to see to it that she was fairly and lawfully treated. However, she proved hostile to such visits and said she wanted no contact with the Embassy. Nevertheless, she was visited regularly by the Consul who was satisfied that she was in no way mistreated.

Also, I personally had spoken both to Banzer and the Minister of Government about her, warning of the potential sensitivity of this case and urging that they proceed with extreme care. I feared that Catholic organizations would rally to her support, notwithstanding her having left the Order and regardless of the charges lodged against her.

About three weeks later, when I was in California picking up on my interrupted home leave this sensitivity was most clearly illustrated. I received a phone call from Senator Kennedy's office demanding to know why I was in the United States while "Mary Harding was in jail". I assured the caller that Ms. Harding was being given every protection due her and that she was being visited regularly by our Consul even though she had rejected Embassy help. For her to receive full protection of the Embassy did not depend on my being there but I said that upon my return I would follow the matter closely. I might also have said that while I could appreciate the Senator's concern, I did not feel criticism of my absence on leave, just because one American was in jail, and when an entire Embassy was there and competently affording due protection to her was in any way justified. There was no follow-up call.

Upon my return I again told the President and the Minister of Government how sensitive this matter had become and urged them to resolve it as soon as possible, preferably by deporting her if they considered her guilty rather than having a trial where, if convicted, she might be sentenced to prison. In short, I said, this was clearly a no-win situation for Bolivia, regardless. and that Bolivia would have no peace as long as she remained in a Bolivian jail. So far as I knew, she had not been accused of any specific act or crime except that of association with a terrorist group.

About this time I was visited by a Maryknoll priest who said he was authorized to do whatever it took to get Mary Harding's release and that money was no object--by this I assumed he meant for legal fees or homeward transportation if deported. Almost at the same time I received a visit from the Mother Superior of the Maryknoll Order who had come from New York ostensibly for some Order matter in Cochabamba but also, I suspect, because of Mary Harding as well. In our meeting I told her that I thought her visit opportune as it gave me another angle for seeking a solution, possibly even to arrange for her to escort Ms. Harding from Bolivia.

The reaction of the Minister of Government was that he wished to personally conducted one last interrogation of Ms. Harding and that thereafter, regardless of result, he would turn her over to me for insuring her deportation which I could arrange in company of the Mother Superior. At that point it was my plan to have her brought to my residence where she could stay in my custody until departure on the Sunday evening flight, the final interrogation to occur on Saturday. I so informed the Mother Superior and invited her to return to La Paz as my guest to be with Ms. Harding until her departure. Also, my wife was not in Bolivia at the time.

Ms. Harding disrupted this plan, however, as she refused after the final questioning, to accept my invitation, saying she would rather stay in jail--and so it was. Actually, I was relieved as I feared a possible security problem should the ELN, assuming she had done something to buy her freedom, might attempt a reprisal. In any case, the next evening, a caravan of Embassy cars, with lead and follow cars and guards, and the American Consul, picked up Ms. Harding at the Ministry and whisked her to the airport for direct loading aboard a waiting Braniff plane, the Mother Superior already being aboard. And she was safely off to home, much to our relief.

However, once home, she was picked up by various activist groups and began to make charges against Bolivia for abuse and against the Embassy for its lack of protection, which seemed ungrateful as we could not have done more for her and were satisfied that she received all her rights and was never abused while in custody. I doubt any Bolivian Ambassador could have arranged such a solution for a Bolivian under similar charges in this the United States.

I often wondered about what could have happened to someone with the selfless vocation she once had becoming so disillusioned as she worked among the impoverished Indians to cause her to resign and embrace a group practicing terrorism, as she was accused of doing. But many others joined in the so-called "theology of revolution" and some Orders, if not becoming activists, were known nonetheless to provide sanctuary for sought after individuals, even accused terrorists, and often safe storage for weapons.

If Mary Harding were indeed affiliated with the ELN, which was never proved at trial as there was none nor, I believe, did she ever admit it, one wonders what her targets might have been. She was, after all, working for one of our centers and the night before her arrest had been a guest at my house at a reception given for Bolivian and American workers at the Centers.

To return to the narrative in reaction to Torres' excesses, and with some feeling of alarm, business, mining and commercial interests, and factions in the military, joined with leaders of the principal political parties, the FSB (Federacion Socialista Boliviana), actually the most conservative party despite the name, and the MNR Movimiento Nacional Revolucionario) Victor Paz Estenssoro's old revolutionary party, to engineer Torres' ouster, calling upon Banzer to lead. Thus was formed the unusual coalition and there was no real fight as Torres had no adequate military support and no cohesive non-military political base. General Banzer, then in exile but enjoying popularity both civilian and military) returned to lead the revolt against Torres.

Although conflict was minimal, there was bloodshed. At a meeting of FSB adherents in Santa Cruz, called to celebrate Torres' ouster and to plan for FSB participation in the new regime, a bomb was somehow placed, apparently in a satchel, under the conference table. The explosion

was devastating, killing some and maiming others. The sister, or sister-in-law I can't remember which) of Mario Gutierrez-Gutierrez, later to become Foreign Minister under Banzer, had one or both legs blown off but did survive. Later we helped send her to the US for specialized treatment.

As usual, however, there was the inevitable attack on an American installation, this time, again, the Marine House in its new location away from the University neighborhood. And this time it was an armed attack, which sprayed the house with automatic weapons fire, causing considerable damage. But there was no attempt to enter, possibly because several marines were there and in these circumstances would have been justified, having been fired upon, in using weapons for self defense. Fortunately this was not necessary as the attackers only hit and ran. The Marine Gunny Sergeant, who fortunately was in the house and coolly in command, was the only casualty, being wounded slightly by flying glass and plaster.

I arrived in La Paz early in the morning two days after Banzer had been proclaimed President, just in time to witness a brief uprising in the university. Banzer possibly with more bravado and courage than judgment, planned to walk to the University to reason with the students and seek their cooperation. However, being met with gunfire as he approached, he returned to the Palace and ordered a disciplinary air strike.

About an hour later two Mustangs released a couple of rockets into the University tower and that settled the matter with the government then "intervening" the institution as an extreme measure (violating university immunity) to try to make it a school again and not a haven for terrorist indoctrination and training. Just arrived in La Paz from my interrupted home leave, I observed the air strike from a back office of the chancery about half a mile away.

I believe that Juan Lechin Oquendo, the colorful, celebrated and perennial leader of the Miners Unions, having some fear because of his support for Torres, is said to have escaped to Peru concealed in a coffin. Coincidentally, Victor Paz Estenssoro, leader of the 1954 revolt ousting the tin barons, Patino, Aramayo and Hochschild, returned from exile in Peru to take his previously agreed role as leader of the "loyal opposition". He later exiled himself again to Washington where I last saw him four years later pushing a cart through the Safeway near the Department of State.

Most of the young extremists of the Torres regime managed to flee, many apparently going to Uruguay, Chile, Mexico and other countries hospitable to people of their political bent. And Torres, from embassy asylum, went to Argentina where he was mysteriously murdered some years later, a mystery insofar as I know which was never solved. Hearing this while in Uruguay, I was very sad for Torres. Even though I had suffered much strain and anguish during Torres' regime I never held him responsible. I always found him to be a decent person to deal with and on a personal basis he treated me well. On one memorable occasion he accepted my invitation to a unique occasion, a symphony in La Paz by the Utah symphony, Under the baton of their celebrated conductor, Maurice Abravanel, a truly delightful personality.

I know Torres and his wife were emotionally impressed when the program started, to the surprise of all, with a stirring rendition of Bolivia's national anthem, followed by the Star Spangled

Banner. Never had Bolivians heard their anthem performed by an entire symphony such as this one.

Arriving just a couple of hours before the performance, Maestro Abravanel was resting when my request to have this done if possible, was conveyed to his concert master who had responded that they did not have the music. However, as the Maestro told me at my residence after the performance, he had said, when informed of my request on awakening, that it would be done. In about a half hour, with the help of our cultural officers a score was provided and enough paper prepared for the orchestra to work from. The maestro for his part listened to a recording and committed it to memory. The one and only time they played it was truly beautiful-but real professionals are really professional, as so they proved to be.

But to return to the Banzer era, for our part, my staff and I saw this unusually broad-based coalition of forces and capable leadership as providing a singular opportunity to turn things around in Bolivia to their benefit as well as to our own. The tie which bound these diverse forces was a common reaction against the Torres regime's extremism. And if some degree of moderation was the opposite of extremism, that, we thought was what Bolivia sorely needed. We therefore, once the new regime gave the required assurances of respect for international agreements, and was seen actually to be in charge, we recommended its prompt recognition, which was accorded. Then, in my first meeting with Banzer, I listened to his appeal for help in what he called his desire to build a new Bolivia on basis of the unprecedentedly broad political coalition with then supported him. The sooner the coalition could see some success and internal improvement, the more likely it was, in Banzer's view to stay together.

Thereafter, the Embassy recommended a strong assistance program aimed at quickly creating jobs and restoring optimism in a country which had known so little and had been experiencing very hard times. But it took persuasion to get approval of what we wanted as there was strong opposition in the leadership of USAID for Latin America at the time, even though the Assistant Secretary of State for Latin American Affairs, Charles Myers, supported the Embassy's plan. A near impasse was broken, however by the timely personal intervention of Henry Kissinger (then still at the NSC) who, I was later told, intervened to say "give the Ambassador what he wants". This quickly resulted in instructions for me to offer Banzer an initial \$10 million emergency tranche, with more to follow in a program to be developed jointly, and with the help of a special team from Washington.

Such was my personal insight into the strange relationship between Kissinger at the NSC and the Department. As beneficiary of a decision favoring what I thought we should do, it enabled us promptly to seize the moment and cut through red tape. So I was pleased and I believe the decision clearly served our interests, as the results showed. However, if such power to override the norms of decision making got behind a bad policy or recommendation it could be damaging as well.

In conveying or decision to Banzer, I laid down the strict condition that pursuit of the program would depend on the government's respect for individual rights and that harsh treatment of political adversaries would immediately change our attitude toward him and his government. I believe, on the whole, that Banzer's government respected this condition then and for some time

to come. At the same time, since most of the young, hothead extremists and terrorists had escaped to friendlier climes, there was not that much target for repression, at least at first any for as long as I was there.

From that moment Bolivia started on almost a decade of unprecedented progress. There was a building boom in housing, offices and hotels. Several unsightly steel skeletons of buildings long-abandoned in downtown La Paz were soon completed and inflation, always a plague, was brought under reasonable control. When I left Bolivia two years later I could see much of this already happening and so could leave with the satisfaction that Bolivia was a more stable place, that some of our problems had been solved and that US/Bolivian relations were quite good.

We were even getting good cooperation for our expanding anti-drug campaign which featured training and equipping Bolivian forces and several cocaine- burning demonstrations of captured drugs had taken place. However, the dimension this problem achieved in subsequent years, pulled by the insatiable US dollar demand for drugs, was yet to come. The brutality of drug kingpins and the corrupting effects of seemingly limitless funds inevitably took a toll on U.S./Bolivian relations even though cooperation still seems to be extensive.

Once I flew with Banzer in a small Cessna airplane from Copacabana to a site on the Chapare where he was to dedicate part of a road built by USAID. I was sitting in the backseat and as we began our descent to land of the highway, Banzer took his shirt off and put on a bullet proof vest which had been furnished him by the U.S. Needless to say I felt a little naked as we climbed out of the plane, and I stood near him during all the ceremonies. But nothing happened.

During all my stay in Bolivia we tried to help the country with military "civic action" flights to promote development, this through all the Presidencies. Periodically, when several items of heavy equipment such as bulldozers) and other supplies were accumulated in La Paz we would request a C-130 Lockheed Hercules cargo plane from Panama and transport the needed items to remote areas, usually in the upper Amazon regions. As an amateur pilot I always liked to go on these flights when I could and was usually invited to sit in the co-pilots seat and steer the plane.

Returning to La Paz after one such flight the young captain asked if I would like to land the airplane. I told him he was crazy as my license was only for "single engine land" aircraft. He insisted I would have no problem so as we rounded the great mountain Illimani behind La Paz I throttled back and started down. I believe I made the longest approach ever, going miles away and over Lake Titicaca to establish a very long shallow descent.

As we neared the airport I said I had no experience to judge how high I was but the captain said all was fine and he would tell me when to flair out, raising the nose. We crossed the threshold 13,400 feet high) and going quite fast at that altitude and when he said flair I hauled back on the yoke and we sat down smooth as could be. He reversed the props and braked and that was that--my proudest landing as a pilot.

I was not completely inexperienced as I would frequently steer our old four-engine C-54 which the Military Group had, but never did I try to land it.--one final note of my piloting--years before as we were returning from Brasilia on an official visit (I was then Director of Brazilian Affairs in

the Department) Secretary Dulles came looking for me at about 2 AM and was quite puzzled to find me driving the Constellation he used while the pilot semi-dozed. He harumphed a bit but that was all.

It was not too long after the Banzer government came in that Mario Gutierrez-Gutierrez whom we called MG-squared) took some alarm over an incident with the Soviet Embassy, by that time grown to about 150 people. One wondered what they all did as their apparent programs of technical aid did not seem in any way to warrant so many. In any case, in reaction, Gutierrez ordered the summary departure of all of them except for the Ambassador, Shervansky, and about nine more of his choosing.

This caused a notable change in the attitude and demeanor of the Soviets. The Ambassador, whose wife never came to the post, had been rather arrogant, especially while riding high in the Torres regime. Thereafter he became quite subdued and sought a friendlier relation with me, the Papal Nuncio and others. Finally, perhaps because of this and also of the progress by then of détente, the Soviet Ambassador offered my wife and me one of our more memorable black tie farewell dinners upon our departure for Uruguay.

In great contrast to my early experience, my last two years in Bolivia were not only satisfying professionally but were highly enjoyable as well. For one thing, after my brief vacation experience, I decided that I liked motorcycling and that Bolivia was ideal for that sport. Besides, the security situation was much improved even though guards were still required. So I bought a new bike and, as the American Ambassador set the example, many others did so as well. Soon my regular companions included the French Ambassador, the head of the Bank of America, some local businessmen, other members of the Embassy and several teachers from our American School.

Riding challenges were spectacular so we could go from out La Paz altitude of 12,500 feet over a pass at 18,500 and then plunge down to the tropical Jungas at around 2000 feet, and back again, all in one day. Eventually I bought smaller motorcycles for my wife and youngest daughter, now returned, who enjoyed the sport as well.

One of the Embassy's programs I like very much was the Alliance for Progress AID program called SPECIAL PROJECTS. Each Embassy was given, in tranches of \$50,000, funds to spend on small projects designed to help people help themselves. In Bolivia this mostly meant work with campesinos or Indian peasants. As I had to approve the awards I asked our Special Projects Officer to tell me whenever an inauguration ceremony might be one I would like to attend. So I frequently did so as it gave me much pleasure and a chance to contact these really colorful people.

One such project involved a grant of \$1800 to the people of Huatapampa, a small Indian village on the shores of Lake Titicaca, dominated from across the narrow lake at that point by Bolivia's highest peak, the majestic and always snow capped Illampu at about 23,000 feet. The money was for dynamite and hand tools picks and shovels, mostly) to enable them to build a road down to their village from the highway several hundred feet above which went on to Peru. Without the road there was only a footpath running up through the remnants of old Inca terraces. The men of

the village wanted a road so trucks could come to the town and so facilitate the movement of such freight as there was.

With the grant made, in several months, the village men had designed and built the road with no outside engineering help. A big inauguration ceremony was arranged and I was invited to attend as special guest and honored by a luncheon. For such occasions the special projects officer would always say that the Ambassador likes chicken, thus to be spared something exotic such as a plate with half a sheep's head, complete with eyeball, brain and beard -- a special delicacy. I knew the chicken would be hot but I liked that. Anticipating something special this time I took my wife and several Embassy couples along.

We arrived about 9 am after a three hour drive from La Paz and a short ferry ride across the Straits of Tiquina, the narrowest part of the lake which really makes it into two large lakes rather than one. The altitude is 12,500, the same as the city of La Paz. We were met at the head of the new road by the Mayor and other dignitaries, all of the men of the village, and by the colorfully costumed village band. All Bolivian Indian villages, no matter how humble, have a band.

After the formal greetings and abrazos (embraces) in which we were all showered with confetti a typical gesture} we started down the new road, the mayor and I leading the party behind the band, followed by all of the men and then by our three carryalls making an historic first entry of motor vehicles into Huatapampa.

Below we could see all the women and children awaiting in their best fiesta finery; the women, of course, in their brown derby hats, broad skirts over multiple petticoats, and each carrying a silver jug of refreshment. About every hundred yards along the road we passed under a special arch decorated with colorful bayetta cloth and hung with the villages best silver plates, combs, dishes, spoons, etc.(no matter how poor, Indians seems all to possess these treasures) And, as we neared each arch, sticks of dynamite would be exploded in our honor.

It was a grand and unforgettable moment and the chicken for lunch was delicious-though peppery beyond belief. After the speeches I and the Embassy men had to dance the cueca with the Indian ladies, called CHOLLAS, but the men did not ask to dance with our wives. We were also served Peruvian beer and champagne, much to our surprise, although we divined the reason later, as follows:

My wife and I chose to walk up to the highway along the old Inca trail and observing small plantings on some of the terraces we asked the mayor who did that work. The women, he replied. So, when we asked what the men did he said, "we travel". Thus we divined that the men must be engaged in smuggling by boat from Peru and really wanted the road to facilitate carrying heavy cargoes up to the highway and thus into commerce. That explained the Peruvian champagne. We thought!!!.

This was not to be my last contact with Huatapampa. Always enterprising, the mayor after lunch showed me that their recently built new church, with two bell towers, had but one bell. He asked if another special project could be approved as, he said, one bell was not enough for funerals.

By then I had little resistance to the charm of Huatapampa and its citizens. So I told the mayor that although such a bell would not be possible under the program rules I would consider it a personal honor to have caste an appropriate bell and present it to the village as a gift from me and my family. Also, I said I would do this in memory of my father who had come from a beautiful lake country in the Alps of Italy, Lake Como. The beauty of Huatapampa, I said, reminded me of that place.

So, nearly two months later there was an even grander fiesta at Huatapampa when we returned to install the bell, 80 kilos of bronze inscribed simply with "SIRACUSA 1971". This time we took our daughters and several Embassy families so our children could see that the writers of hateful graffiti in La Paz did not represent all Bolivians. Being less than two months before the fall of the Torres regime, when we were in perhaps our period of greatest tension, such an experience was meaningful and welcome to us all.

Nearly two years later as I and about 15 of my motorcycle companions were on our way to Carnival at Copacabana, a religious shrine adjacent to the islands where the first Incas are said to have descended from heaven Islands of the moon and of the sun), I noticed, as we passed above Huatapampa, that the whole town was in full fiesta. On impulse, I decided to pay a visit and quickly realized, as we swooped into the town, that the celebrants all men masked as "peppinos" (as was traditional at Carnival) felt some consternation over the sudden appearance of these bike-mounted and helmeted strangers. So I quickly removed my helmet and, when recognized, was overwhelmed with an enthusiastic welcome--abrazos, offers of refreshments and demands that we all dance with the Chollas. After about a half-hour we begged off insistent invitations to stay and went on our way, but the welcome had been truly heartwarming and, I believe, significant.

A word about "Peppinos" is here in order. During Carnival dancing, Bolivian Indian men always wear the same mask, called "peppino," and further to disguise themselves they speak when so masked in high falsetto voices. This they did during our visit, and I could only guess at who was talking even though I recognized the mayor as he took the lead.

Incidentally, Monsignor Dante Gravelli, the Papal Nuncio then and my personal candidate for Pope (what a wonderful man) told me that there was always a big increase in the birthrate 9 months after Carnival. And when the Chollitas, presenting the babies for baptism, were asked about the father they would respond, "Peppino, Padre"--so Carnival was always a jolly time. What I wonder today would the NOW think of such protected anonymity for the philandering males.

There was to be a final visit to Huatapampa when I went there a couple of months later with President Banzer who had invited me to go along on a visit to several villages on the lake where he was to inaugurate projects. We traveled by hydrofoil speed boat and when we arrived at Huatapampa I could see that Banzer was puzzled by the reception I got which, I'm afraid, may have surpassed his own even though I tried to hang back. Such is my warm memory of that beautiful place and of its sturdy people, a fitting memory of what Bolivia is all about.

Speaking of the color of Bolivia I must assert that there has to be something special about a country where the then President of the Central Bank would disappear from La Paz for about a

week at Carnival and go to the mining city of Oruro to don his devil costume, in the high rank of Lucifer, and spend the week parading and dancing, day and night, in the great Diablada Ferroviario or railroaders devil dance team, the largest and best in Bolivia. It is a phenomenon that all males in Oruro, mostly poor miners, invest heavily in their scarily designed, horned helmets and elaborate and expensive, jeweled and embroidered costumes, the least ones costing hundreds of dollars. If young Americans aspire to own a car, young Bolivians of this class aspire to own a devils costume and invest heavily in them. And, there is absolutely no more colorful show on earth, at least in my experience, than the "Entrada" at Oruro and the week-long festivities.

Bolivians also have many more charming customs, unique to them, such as the annual Christmas visitation of costumed children Villancicos, singing for sweets. Their visit to the American Ambassador's residence just two weeks after my children had arrived and amid all the bad press and graffiti helped to show us all, and especially our children, that there was another side to Bolivia, or at least to Bolivians as a people. And then there is the dance of the Doctorcitos, people dressed as little old men with formal attire, tails and top-hat, and with cane, more or less feebly dancing in a bent-legged rheumatic sort of way. Hard to describe but utterly charming. This dance and costume was developed as an Indian burlesque of their Spanish conquerors.

And lastly there is the festival of the Alacitas, uniquely Bolivian, where all the markets are laden with tiny miniatures of all familiar articles, food, drink, costume, tools, house, animals, etc. etc. The idea is that you buy in miniature whatever you might want and in the coming year it will be yours; a poignant fantasy but perhaps a useful one for those who have so little. And the crowning figure of Alacitas is the Ekeiko, the figure of an Indian laden with all the things one might wish. This can be had in ceramic or in fine silver and trading, buying and celebration, with band, special foods and dance, is always brisk at Alacitas which last about a week.

On my departure from Bolivia I was accorded their highest decoration, Condor of the Andes in the order of Gran Cruz, a satisfying honor, I thought, for one so vilified as I had been upon my arrival. While I refused when the government's intention was made known to me and so reported as US policy requires, Secretary Rogers instructed me to accept, saying that I had earned it. I happily did so at a ceremony attended by my colleague Ambassadors as well as by my wife and two daughters who I thought had more than "earned" it as well for the pressures and concerns they had endured in our first two years in Bolivia.

I also received another sort of "decoration" which pleased me very much. A musical novelty in Bolivia is the PENA (pronounced Penya), a performance in a small, intimate night-spot where people gather to eat popcorn, drink beer or wine and listen to musical groups. The whole thing is youth oriented and while folkloric music is traditional there was also much "political protest" type lyrics, often aimed at the US and in the early days sometimes at me. In my first two years in Bolivia I did not go to the Pena, either the Koritiko or the Naira, the two best in La Paz.

However, in my last two years that changed and I was a frequent enthusiastic visitor to both. The outstanding group in Bolivia at the time, specializing in more modern themes and adaptations than in the traditional folkloric, was Los Caminantes who had star billing at the Koritika. In my last week in Bolivia the Camoinantes invited me and friends to a special, farewell program,

dedicated to me. So even a representative youth group had come to see me as a friend, a very heartwarming event indeed.

One final note. As part of our support for the Banzer regime, and to facilitate his getting around the country a meeting with the people, we provided a Pilatus Porter STOL aircraft, the same as the ill-fated one provided in Peru. Banzer had wanted a helicopter but we thought this aircraft, capable of small fielding landing and at high altitude would be more useful and safer, and it proved so to be.

WILLIAM JEFFRAS DIETERICH
Director, Cultural Center, USIS
Santa Cruz (1970-1972)

William Jeffras Dietrich was born in Boston in 1936. He received his bachelor's degree from Connecticut Wesleyan University in 1958 and then served in the US Navy. His career included positions in Bolivia, Argentina, Brazil, Israel, Italy, Ecuador, El Salvador, and Mexico. Mr. Dieterich was interviewed by Charles Stuart Kennedy in 1999.

DIETERICH: Keiko and I finished our Spanish courses at FSI and headed off for Bolivia with our four and half year-old daughter.

Everything they say about the altitude - roughly 12,000 feet -and how lousy you feel for the first couple of days is absolutely true. It was a big USIS post in those days. About 20 years ago my wife ran across a group photograph, taken just after we had arrived, of the USIS American staff, and there had to be 20 people. Twenty USIS officers in La Paz! Cochabamba had its own USIS post. It had a two officer post, plus two Americans assigned to the cultural center. We were to go down to Santa Cruz, which at that time was smaller than Cochabamba, and seemed much less important in Bolivia. There was only one other official American in the town, and he was a military advisor assigned to the Bolivian Air Force's aviation school.

Q: You were in Bolivia from '70 to when?

DIETERICH: I was in Bolivia from '70 to '72. I actually did get there early in the year of 1970.

Q: What was the political situation in Bolivia at the time you were there?

DIETERICH: The country was under a military dictatorship of a conservative stripe headed by a general named Ovando. It was barely stable at that time. We used to say Bolivia had had more governments than years of national existence. A very unstable country, the poorest country in the hemisphere, with the exception of Haiti. Bolivians spend time thinking about the fact that they are landlocked. In the war of the Pacific they lost their access to the sea to the Chileans. They have never reconciled themselves to it, nor forgiven Chile for it, and no matter what goes wrong in Bolivia, they tend to think, "Well, if we just had access to the sea things would be better."

The country also has some peculiar geographic views and where it is. In the Eastern provinces of Bolivia, when they talk about La Paz, they refer to it as the interior of the country. Now La Paz It is not all that far from the ocean in anybody else's geographic view. It is the capital and it is the closest to the coast. It is the Santa Cruz region that is the interior of the country. But nevertheless the people in Santa Cruz and the Beni province look toward the Atlantic because that is the way that part of Bolivia developed. Jesuit missionaries came up the Paraguay River and other rivers into Bolivia. La Paz and the highland region were settled as part of the early Spanish silver trade which flowed into the Pacific through the port of Lima. It also has to do with the travel conditions that prevailed until well into the twentieth century. Until some roads were built and air service initiated, it was easier, or at least more comfortable, for people of means living in Santa Cruz, or Riberalta or Trinidad - the Eastern Bolivian cities - to go to London, Paris or Madrid than it was to go to La Paz. You could float down the Amazon and get a steamer across the Atlantic, whereas going to La Paz required three punishing weeks on mule back.

The two basic regions of the country also had very different indigenous bases and that is very important in Latin America. In most of Latin America, the Indians could never get rid of the *conquistadores*, but the *conquistadores* could never get rid of the Indians. The indigenous peoples of the Andean highlands are the descendants of the Aymara and their Incan conquerors, and they speak Aymara or Quechua. (Some experts have estimated that only about thirty percent of Bolivians are real native speakers of Spanish.) The lowland Indians are very different. They relate to the Guarani speakers of Paraguay and follow tropical forest, river-based life style. In the lowlands there is not much contact between people who live a basically European lifestyle and those who follow indigenous lifestyles. I think historically lowland Indians always had a choice of almost total assimilation into Spanish culture - and many did - or total retreat into the vastness of the Amazon and Parana river basins. Many groups are still there, living relatively undisturbed traditional lives in the middle of the continent, but always aware that their retreat never really ends.

So there is an historic and social background to the highland-lowland regional rivalry that is so important in Bolivian politics. It works itself out in very classic ways. You almost see classic patterns of prejudice. People in the highlands tend to see the people in the lowland as sort of lazy, not very sanitary, over-sexed, and they breed too much. They are also emotional and unstable. Whereas the people in the lowland tend to see the folks up in La Paz and Cochabamba, and especially those with Indian blood (which is a lot of folks), as being clannish, dishonest in their business dealings, and mean. You can see those patterns of prejudice play themselves out in lots of parts of the world. In a way, it is almost the same sad pattern we see in this country - classic anti-black prejudice on one hand and anti-Semitism on the other.

Q: Were there any repercussions from Che Guevara and his little escapade? That had happened a little before your time I think.

DIETERICH: A little before. You have a good grasp for dates. Yes, it had happened by the time I got there, but there were still a lot of stories about it. There was a very strong and, at times, a rather nasty streak of anti-communism in what was called the Phalangist party of Bolivia. Those are persons that don't pay much attention to history, or don't know any, when they pick a name

like that for their party. They were really proud of their roots in the Spanish *Falange*. The *Falangistas* really did have a lot of support among the peasantry of Santa Cruz province, and I think a lot of that came from their sense of having been invaded. They didn't know whether they liked Che Guevara or not, but they knew they didn't like the idea of Che Guevara as an invading foreigner. In the first place they don't like "carpetbaggers", especially Argentine carpetbaggers. They would see Che Guevara more as an Argentine than a Cuban. His accent was not right for a Cuban and they know an Argentine accent when they hear it, and they especially don't like it when it is telling them what to do. Also, Bolivia is a country that believes it had a revolution - the MNR revolution under Rene Barrientos.. It was a revolution that did change things. A lot of people say, "Well, it's not working like it should but it was a good revolution, it was a good idea, and maybe it will." To a foreigner who came in and said, "That wasn't a real revolution, you have to have a real revolution," they said, "What do you mean? Our revolution is just as good as your revolution. Get out of here." Probably the upshot of Che was to turn the Santa Cruz region to the right.

Q: Later, that whole area became a real problem with narcotics. How was it at the time you were there?

DIETERICH: Nothing yet. It was a region beginning to taste prosperity in the sense they had figured out that all you had to do was grow the right crop and you could make money. You could see them beginning to get good at shifting crops. Shifting from cotton to soy beans, for instance. There was evidence they had made some crop shifts already. The land was mostly in the hands of middle class landowners who were smart enough to know you had to pay attention, for instance in making a shift from cotton to sugar cane or vice-versa. That does help explain what eventually happened. They figured out what the most profitable crop was.

Q: How about the writ of the government of La Paz, was that very strong there? We are talking about the '70-'72 period.

DIETERICH: In the first place, people in Santa Cruz almost always resent the government of La Paz. There is a history of bad behavior on both sides. At that time, Santa Cruz was not quite big enough to get much power in Bolivia, but they were too big to suppress entirely, so there was a sense in La Paz that Santa Cruz is separatist, troublesome, and needed to be kept in line. There was also a sense that it might be the economic future of the country, therefore had to be kept under control. This never extended to wanting to give Santa Cruz much political power. A governor has been imposed who was not from Santa Cruz. A big mistake. I'll get back to that later.

Q: Who was our ambassador when you were there?

DIETERICH: Ernie Siracusa.

Q: How did the writ of the embassy run in Santa Cruz?

DIETERICH: This was after BALPA won. (BALPA was an acronym for a U.S. government to reduce the balance of payments deficit by cutting U.S. government expenditures abroad.) As early

as 1967 it began to impact budgets. We were reducing our commitments Bolivia. There had been an AID mission in Santa Cruz and it had closed. There had been a Peace Corps office and it had been drawn back to La Paz. By the time it got there, there was a rump USIS post, but without an American officer in charge, only a national employee who handed out films and things. I was given supervision over him without being named BPAO (Branch Public Affairs Officer - a traditional USIS title) for Santa Cruz, because that had financial implications. I was named only as the Director of the *Centro Boliviano Americano*, a USIS accredited binational center.

All of us who worked for the government at times have had to listen to some private-sector windbag tell us how we don't know anything about the real world because we have never had to meet a payroll. If you are the Director of a U.S. sponsored binational center, you had to damn well learn how to meet a payroll. Although we got *ad hoc*, occasional subsidies from USIS La Paz, basically we had to take in enough money from English teaching to support the building and to support the Center, including a program of cultural activities if we could find any. I went in and found a building that was in pretty bad shape. The administrator of the Center was a lady well into her '70s. It was a tough assignment to try to keep the place financially solvent. The building looked so awful, I decided we had to make it look better. The cheapest way to do that was to whitewash it because that was the cheapest stuff you could get. I did scrape together the money to have people come in and whitewash the place and then was absolutely delighted when a comment in one of the newspapers congratulated the American Cultural Center on its restoration of an historic building. All I had done was have it whitewashed.

And we found out, to our delight, that we had Okinawa connections in Santa Cruz. On my first day in the office, almost the first person to come to call on me was a very successful immigrant from Okinawa to Bolivia who had been a colleague of my father-in-law in the early days of the U.S. administration.

I was talking about the Japanese immigration. There were two programs - one on the mainland of Japan funded by the Japanese government and one in Okinawa funded by USAID. Both programs were based on the willingness of the Bolivian government to give generous amounts of land to people who would go down to Eastern Bolivia and farm it. The Bolivian government, of course, had the land because of the U.S. supported land reform carried out by the MNR government of Rene Barrientos.

Q: Was this in connection with the same program that was going in Brazil too?

DIETERICH: Yes, in a sense guess it was, although I don't think there was any USAID involvement in Brazil or any program specifically for Okinawa. Also the programs in Brazil and Peru, and perhaps elsewhere, predated World War II.

Basically, the USAID Okinawan model would provide a basic village infrastructure. There would be a community hall and some basic machinery, with a place to store and repair it, and some other things. I don't remember now how much land the Bolivian government was willing to give, but it was a lot by Japanese or Okinawan standards. I remember being in the port of Naha once and seeing a ship leaving, with a band playing, paper streamers going from ship to

shore and people calling their farewells. Someone explained these were people leaving Okinawa as immigrants to Bolivia.

As I mentioned before, a Mr. Ishu came to call on me on my first day at the cultural center and we had discovered that he had known my wife's father. He had held a similar position to me father-in-laws in the U.S. administration, right after the end of the war, when my wife's father had worked on programs to provide emergency housing. Mr. Ishu had been involved in food distribution at that time. He had a fascinating history. He had first immigrated to Peru before the second world war. When the war broke out he returned to Japan. I don't know quite what he did, but toward the end of the war he managed to be captured by the British, maybe in Malaya, and somehow was turned over to the Americans. He finally found himself working in Okinawa, and once again decided to immigrate to South America. This time went to Bolivia. Keiko and I visited them a few times. The Ishu family was unusual in that they had left the agricultural business and moved to Santa Cruz. He had done well distributing films to the Okinawan and mainland Japanese colonies. He would import Japanese language films and get a projector, take them out to villages, and show movies.

The colonies weren't really very prosperous in the eyes of the people who had to live in them. But by Bolivian standards they looked miraculous and there is little doubt that the Japanese-Okinawan colonies radically changed the diet of Eastern Bolivia (maybe all of Bolivia) by providing a lot of fruits and vegetables they had not had before. But for the colonists, in terms of making your fortune and a very good life, they didn't work very well. I suppose the Bolivian market was too small and too poor and transportation links to population centers in Brazil, Argentina or Paraguay too primitive to make anybody's fortune in truck farming. Keiko and I visited one of the colonies. It was basically a pretty tough life - hard farm work and very few conveniences. You had to wonder whether the immigrants had made the right decision about their lives when you thought of how they might be living in prosperous Japan and Okinawa. I also think the colonists lived with a constant wary tension about Bolivian politics. There is an old Japanese saying that the nail that sticks its head up gets pounded down. The Bolivian government also had programs to get Indians from the *altiplano* - the highland plain of the Andes - to move down to the subtropical lowlands. It was not an easy move for the highlanders. Some suffered from a kind of reverse altitude sickness and all had to learn new ways to farm. Bolivia had had a land reform and a tradition of *campesinos* occupying agricultural lands. I think the colonists may have felt that if they did too well, they might lose it all. As far as I could see there was virtually no Japanese or Okinawan presence in the political life of Bolivia.

Consequently, the colonies in Bolivia lost people to Brazil. The big magnet was of course, Sao Paulo, where Keiko and I were to later to serve. By the 1970s there were perhaps a million ethnic Okinawan and mainland Japanese living in Sao Paulo state with by far the largest concentration in the city of Sao Paulo. And they were very successful in Brazil. They had done well in businesses of all kinds and were active in politics. In the mid-seventies, the minister of mines and energy, Shigeaki Ueki, was an ethnic Japanese. At the same time a majority of the students at the University of Sao Paulo's prestigious medical school were Japanese-Brazilians. And those young people, now at least into a third generation, were very Brazilian. A Japanese-American colleague of mine at the Consulate General, used to joke that it took two generations in the U.S. to ruin a good Japanese while in Brazil it only took one.

Japanese were of course not the only non-Hispanic immigrants to Bolivia. There were Germans - both pre- and post World War II, both Jewish and non-Jewish - as well as Levantine Arabs, overseas Chinese, and smattering of Serbs and Irish. These groups can be found throughout most of Latin America. The Arabs and Jews were particularly well-established in retail commerce, a field traditionally undervalued by Hispanic cultures. In popular parlance the Arabs are still called *Turcos* since early immigrants from the had carried Turkish passports.

Perhaps the most curious of the immigrants to eastern Bolivia were the Canadian Mennonites. I first noticed them selling butter from horse-drawn wagons in the streets of Santa Cruz - men in the bib-overhauls of prairie farmers and women wearing long dresses and poke-bonnets, accompanied by similarly dressed children. They were twentieth century immigrants from Canada who left to avoid such governmental outrages as compulsory education for their children. Keiko and I also visited one of their farms In a land of Spanish colonial adobe and Floridian concrete block it was an amazing sight - a one-story farmhouse with a long, low front porch that looked like something of a western movie about sod-busters. Although the residents were courteous enough, communication in Spanish was difficult.

Meeting the daily plane from La Paz at the Santa Cruz airport was an experience in diversity, although I don't think we used that word yet. On a good day you would see groups of highland Indians in their bowler hats and ponchos, Santa Cruz natives in *guayaberas* and sport shirts, Japanese with a young girl in a kimono carrying a bouquet of flowers, overhauled, poke-bonneted Mennonites and maybe even a couple of young Mormon missionaries in their white shirts and black trousers. And top it off, the second best restaurant in town was Chinese.

I was the only civilian American official in Santa Cruz. There was also a U.S. Air Force major who was an adviser to the Bolivian Air Force flight training school at the Santa Cruz airport. This meant that when I made trips to La Paz, people in other parts of the embassy were more interested in talking to me than they would have been had there been a bigger U.S. government presence in the region. I would get a lot of phone calls and little jobs to do every now and then. Not exactly political reporting, but talking on the phone with somebody who was doing political reporting.

Life became fairly pleasant - the Center was fun to run, we had a nice house, Keiko had done a remarkable job in learning the local markets and hired a competent maid, and our daughter was in a nursery school sponsored by the local *Club de Leones* - that's the Lions Club - the same one we have here in the States. We ran into one linguistic snafu with my daughter's name. We had given her the lovely traditional Japanese name, Mariko. We noticed some puzzled, if not horrified, looks when we introduced her. Somebody quickly explained that the name sounded very much like *maricon*, the popular Spanish slang term for a male homosexual. We quickly dropped the "ko" and settled for Mari, with the emphasis on the first syllable. It was not a difficult adjustment since many modern Japanese women have made the same deletion from their names. How I had missed the word *maricon* at FSI, I'll never know. Maybe it never came up. As someone once said, "At the Foreign Service Institute they teach you how to discuss the balance of payments but not how to ask for the rest room."

As was customary, the Center had a local board of directors. They were well-established residents of Santa Cruz. The president, as I remember, was Fausto Medrano who was active in the Phalangist Party (*Falange Socialista Boliviano* - FSB.) Although the board didn't pay much attention to the Center and let me run it as I wanted, they were good friends, contacts and at times advisers. English teaching was the mainstay of the Center and the biggest source of funds. It was the only serious English teaching in town, but it was still awful. I was able to hire some native American speakers of English who knew the system that was being used at that time. By getting to know some of the Americans and hiring some American wives of Bolivians to teach for me, we made a bit of progress.

Shortly after I arrived I was visited by a group of young people asking me if I would direct the Santa Cruz municipal chorus, known as the *Coro Santa Cecilia*. Dumbfounded I asked them what made them think I could direct a chorus. They said, "Well, our last director was an American Peace Corps volunteer and he knew how, so we thought you might know, too," Funny thing was I had briefly directed a chapel choir while in the navy and after years of church choirs, high school and college choruses I knew enough of the repertoire that I figured I could fake it. The only trouble was they, understandably enough, also wanted to do Bolivian music, of which I knew nothing and lacked the training and talent to learn. Fortunately, the accompanist, the daughter of our friend Mr. Ishu, agreed to direct the Bolivian music if I would do the classical stuff. So that's how I became a choir director. We had maybe thirty singers and it was fun. We did wedding gigs and prepared a full, formal concert that went just fine and got good reviews in the local papers.

I guess I got there in January. Sometime in November, or maybe December, I'm not sure, one of my friends on the board who was an avid hunter, "Jeff, we want to take this great trip. We want to get on the Amazon headwaters and float all the way down to Trinidad in Beni Provence. We are going to hunt and fish all the way down." At any rate this was going to be a major two week expedition, and I thought that sounded like just about as much fun as I was ever going to have any place. I went out and bought some basic equipment, including a shotgun, although I had never hunted in my life, as well as a bit of fishing gear and a good pair of boots. I asked USIS La Paz for and got two weeks leave. We took off in a couple of pickup trucks one day and got up to the Yapacani River where I saw one of the most astounding sights of my life. Near the river is a bridge, funded partly by AID, which is a bridge over nothing. After they started to build the bridge and got it almost completed, there was a big series of storms and the river changed course. This happens more than people realize in South America. It built up a big head of water coming down, and broke through some barriers, and decided to be elsewhere. The bridge was there but somebody moved the river out from under it.

Anyway we crossed the Yapacani and on the other side we picked up a guide in a big flat bottom wooden boat with an old Volvo Penta outboard motor and two 50 gallon drums of extra fuel. We took off on this marvelous trip. We were on the river in the mornings, then got out of the heat, rigged our hammocks and rested through the lunch hour, and then doing some hunting in the late afternoon before making camp. We were a bunch of Bolivians, me and one German. He was a school teacher at the German school. We ate all sorts of stuff that I never want to eat again in my life. We managed to bag a tapir which is a pretty big animal and good to eat. All you could take

with you was dry stores, and we drank river water. Put tablets in it. My Spanish got a whole lot better.

About a week into the trip, I had a short-wave radio with me, and we rigged up an antenna on our lunch time break and got the news from Santa Cruz. The lead item was - my Center had been bombed. The tail end of the broadcast, and I'm not making this up, was a little item saying a group of hunters that had been rumored as kidnaped had been spotted at the confluence of the Yapacani and Marmore Rivers. They had been seen by the Bolivian Navy, and were all right, and on their way to Trinidad. We were laughing saying, "Boy, what a pack of idiots, who are those persons?" Then all of a sudden we realized that we had checked in at a Bolivian Navy post and that we were the idiots. There had been disturbances on the other side of the Yapacani River when we left. Some peasants had gotten out of control. There was some politics involved in it, and somehow out of that, and us being in the area, the rumor had gotten started and believed by lots of people, that we had been kidnapped. This had gone on almost a week with none of us knowing this story was around. The embassy was very worried about it, not to mention my wife. The Air Force person in Santa Cruz had borrowed an airplane and flew out to try to find us. The trouble was he tended to fly during the middle of day when we were ashore under cover.

We decided we had better make tracks and get to Trinidad, which was the nearest city with any communications. However, it took us a couple more days to get there. Once there, I was able to call in. Of course the pressure was off by then because we had been spotted. I was able to call in and get a bit of a report as to what happened to my Center. Then it started raining, so it was about three more days before I could hitch a ride back to Santa Cruz on a private plane. The air strip was dirt and not usable during the rain. Air was the only way out. There was no road. People used to say that Trinidad had more planes than cars. Finally I got back to Santa Cruz. The Center had been bombed and occupied, and sacked by students. It had not reopened. We are now into the month of December of '70. The Center was basically closed down and not functioning.

Q: Who was doing this?

DIETERICH: The attack had been run by leftist students out of the university. They also had been circulating leaflets saying that any American official found in Santa Cruz would be brought to justice. La Paz decided I needed to be pulled out of there. We, very discreetly without saying good-bye to anybody, got on the plane to La Paz.

On October 6, 1970 there had been a military *coup d'etat*. General Ovando, who had been in power only slightly more than a year, was overthrown by General Juan Jose Torres. Torres was a bit of an oddity, although not an unprecedented one, in Latin American politics - an ostensibly leftist general. This made a certain amount of sense in Bolivia, a country that believed that Rene Barrientos had already given it its revolution. Espousing populist doctrines, Torres came to power with considerable support from the Bolivian left. Although he had some good people with him, he eked out his eleven months in power trying to pay off political debts to far left elements who had supported his *coup*. Student groups would occupy university buildings, or our cultural centers, or *campesino* agricultural workers would take over farm lands and, in effect, dare the government to do something about it. The tactic was to radicalize the government by creating "facts on the ground." Given his political debts and his tenuous hold on power, Torres chose to

do nothing. You have to wonder why we keep referring to military dictators as "strong men." Most of them are anything but.

There had also been another unpleasant incident shortly after the Torres *coup*. A U.S. military jazz band - probably out of SOUTHCOM (the U.S. Southern Command) in Panama had come to give a concert in the main plaza of Santa Cruz. These concerts happened from time to time and were very popular. During the concert somebody - I guess university students - shot off firecrackers and threw animal blood on the band. The band ducked for cover and the large audience looked around to see what had happened. When the perpetrators broke for cover in the university building which was right on the plaza, they were chased by some very angry music lovers who - I was told - caught them and treated them rather badly. The band continued with the concert.

So, with the leftist student groups thinking they had tacit support, or at least a certain tolerance, from the Torres government, our cultural centers became fair game. By mid-1971 all of cultural centers except Santa Cruz - that is La Paz, Cochabamba and Sucre - would be under occupation.

In the case of Santa Cruz center there had never been a real occupation. They had attacked the center with a bomb and then sacked it. We were quickly back in the building but essentially out of business because of security concerns, missing equipment, and damage to the building. With the center in our hands, the head of USIS in La Paz, Al Hansen, under pressure from Washington to reduce American positions and with the Ambassador's concurrence, decided it was time to close out the American presence at the Santa Cruz binational center. We would continue to support it but with a Bolivian director.

My job would be to move to Cochabamba, where they needed a new director anyway, and I would have about a year to work myself out of a job and turn it over to Bolivian management. I would retain some sort of titular directorship also at the Santa Cruz Center, because that gave us some administrative advantages with the USIA in Washington. We would send a Bolivian down from USIS La Paz to run the Center. The Bolivian chosen for the job was Raul Mariaca, an extraordinarily competent USIS national employee. He was an accomplished portrait artist who had served at the Bolivian embassy in Washington and wanted a breather from the unsettled political climate of La Paz. So Raul and I went down to Santa Cruz and put the center back in business. Then Keiko, Mari and I got in our 1968 Corvair and drove to Cochabamba. It was an adventurous, day-long trip with the poor Corvair gasping for breath and barely making it over a ten thousand foot-high pass nicknamed Siberia for its miserable climate.

Cochabamba was a very different town. Santa Cruz had been a frontier town (almost a cowboy style place) with a strong sense of all that empty land to the east and its links to the early Spanish colonization of Paraguay. Cochabamba is a classic Andean colonial city, on the model of Cuzco in Peru. A beautiful place with beautiful buildings, in a heavenly climate. It sits at about 8,000 feet which means that, unlike Pa Paz, there is enough air to breathe, and the climate is wonderful. Its cultural and political traditions look to the Andean *altiplano* and the Incan and Spanish empires. The Center was fairly prosperous.

Q: What was in it for the people studying English?

DIETERICH: Learning English. Look, this became important in Cochabamba. The real support for those Centers, I guess, was sort of middle-lower middle-class families who really thought part of their kids education ought to be to learn English. It was a very important thing. They could travel; and they could study in the States they were smart. All sorts of things. It was a very respectable, middle-class thing to do to have your kids study at the American cultural center. The cultural center did offer other things. We had a library; we had a small auditorium; we showed films all the time; and when we could put something together we would have cultural events. A concert, an art show with local artists, and concerts with local people. Every now and then some sort of traveling attraction - an American pianist, or a U.S. military band - would come through, sponsored by USIS La Paz and they would send them down to Cochabamba to entertain in our center or to Santa Cruz. Those Centers really worked. They were seen as bi-national and had a lot of local support. People liked them. That was soon to be proven to me in very graphic terms in Cochabamba.

I'm not exactly sure when this happened but probably in June or July. I had come back from lunch and gone into my office in the center when I heard a commotion out in the patio. A bunch of students from the university had come storming in and occupied the center. The students that occupied the center had been pushed out and told me they were going to keep the center because they couldn't let "this nest of spies and imperialist penetration continue to exist" in their city. They advised me to leave, and after thinking it over very briefly I did. In the meantime the center administrator, Raul Peredo, known affectionately as the colonel because he was a veteran of the Chaco War against Paraguay in the 1930s had contacted local authorities. They said, "We recognize there is a problem and the students have to leave, but the Americans can't come back, and we will take care of this Center until this problem is resolved."

I can't remember what I did first - probably called the embassy to tell them I had just lost another center . Probably the next day, I went to see the prefect, who was the presidentially appointed governor of the province. He was an army colonel, or maybe even a general, named Jaime Mendieta. It was an extraordinary interview because he basically said, "You persons have the support of the people in this town and everybody loves your Center. Why don't you put on a demonstration? Why don't you march in the streets?" Weird. Here was the senior representative of the government in the region suggesting to an American that he organize a demonstration. So I did. Given the fact that I was working with the center's excellent board of directors it wasn't hard.

Q: How did you go about that?

DIETERICH: First I met with the board. They were all for some kind of action. We put out the word that everybody was going to meet at a certain time. I of course did not participate in the march. We just put out the word among the students and their parents, and the soccer team we sponsored, and the other institutions we gave things to. We called in all our contacts. Individual board members helped a lot. There was a big rumor in town that this was the precursor of a move to outlaw private education. Personally, I think it was horse-hockey. I don't think there was ever such an intention on the part of the government. But it made a good rumor and it certainly

worked to our advantage. The march was held. It was big and got a lot of sympathetic attention in the press.

The president of the board was Enrique Huerta, a gentleman of great good sense and political savvy. In our meeting the next day, after flailing around a bit on trying to organize a delegation to go see the president of the republic, somebody, I don't remember who, came up with a much better idea. Even though we had been deprived of our building, there was no reason why we couldn't continue with the center. We would go out to the Plaza Colon, which was a big beautiful park right across from the center, have our classes out there, and do everything that we did in the building. We would have regularly scheduled classes, and the cultural events that were scheduled. The more we thought about this, the more we thought it was a very good idea. It would be our own form of student protest.

So the board president, the center administrator and I discussed the idea of holding outdoor classes with the teachers and they were enthusiastically in favor. We decided to go ahead and set a date for the first classes. All classes had always been held in the late afternoon and early evening to accommodate students in other schools and working people.

By that time Raul Mariaca had the Santa Cruz center up and running well so he came up to Cochabamba to help out. Although I had not given the embassy any advance notice of the earlier street demonstration, I did discuss the Plaza Colon idea with Al Hansen and, at some point with Ambassador Siracusa, since I thought eventually we were going to need some financial support. I was grateful for their support. I guess they both figured that while we might give up a center for budgetary reasons, we sure as hell weren't going to have one taken away from us. I was also getting a lot of help from John Maoist in the embassy political section, who had been one of my predecessors at the center and knew the territory and the players. As I remember he was in contact with one of the organizers of the takeover, who, ironically enough, we had sent to the States earlier on as part of a program for student leaders. I guess we sure could pick them. He certainly was a leader. But come to think of it, in those days the States was a great place to learn how to take over things.

On the day classes were to begin Mariaca, Keiko and I a couple of other had dinner at our house. Afterwards we decided to walk down to the Plaza Colon to see how it was going - to see whether this was working. I had purposely not been there for the beginning of classes because it was important that I not appear to be the organizer of this thing. We wanted to make it look very Bolivian. I remember going down there and realizing the Plaza was full, and this almost brought tears to my eyes. There were these kids - maybe a couple hundred of them - sitting in circles on the ground spaced around the Plaza, and teachers running them through their English lessons. It was quite a sight.

Q: How did the leftists students react to this?

DIETERICH: Well, they began to threaten. They began to wander around muttering threats. I mentioned we had a soccer team. Our soccer team had been started by one of my predecessors who had worked with an American Maryknoll priest to get it started. It was from about the toughest, poorest, hard-scrabble neighborhood of Cochabamba. We had sponsored this team for

a number of years and they were a very good soccer team. I used to go to their games and hope they wouldn't win, but they almost always did. When they won I had to drink, what seemed to me, about two gallons of fermented *chicha* out of the trophy cup they had won. Drinking out of a trophy cup doesn't taste good to start with, and to my taste neither does *chicha*. They became our security guards in the plaza. More than once, they simply ushered the university students out of the Plaza. And as the threats became known, parents began joining their kids in the Plaza. That increased security, and also increased the size of the crowd. Parents were bringing their kids to class and staying there to keep an eye on them during the class, and then taking them home. This went on for six weeks.

Q: I would have thought this was really sticking it to the leftist students.

DIETERICH: Oh, it was. But they didn't have enough support. In the meantime, parents were joining their kids, and rumors of the end of private education are circulating. A couple of members of my board were writing scurrilous handbills and then paying the soccer team to distribute them at soccer matches. The bills said things like, "Sure, the spoiled university students want to close down the bi-national center because that is where the people of this town have a chance to get some education. They want to keep the education for themselves." It was close enough to the mark, and written in extremely insulting terms, that it worked pretty well.

About half way through it the Prefect again got hold of us and said, "You persons have all those people in the Plaza Colon, why don't you take back your Center? Saturday would be a good time to do that." I had some reservations, but the board members wanted to do this, so on Saturday the people who usually studied there gathered, and went over the wall into the Center. Unfortunately, the police were waiting and kicked them out and not very gently. I had spent a nervous Saturday morning in my house getting reports over the phone. On Monday, I went back to the Prefect and said, "You told us to do this." He said, "Think of the great publicity you got. The police have expelled the rightful owners from their own house."

Anyway, we stayed in the Plaza for about six weeks. And remember the students were paying for the right to sit on the ground during fairly chilly Andean nights, although thanks to a subsidy from USIS La Paz, we were able to reduce tuition and still pay the teachers. Finally we got a call from the Prefect saying, "I have the keys to the center. Send a Bolivian and I will give them to him, and you are back in business." I sat on a park bench in the Plaza Colon and looked at the Center while Colonel Peredo marched down to the prefect and got the keys, came back and opened the Center. I was the first one to walk through the door. The next morning classes began again. The Cochabamba newspaper, *Los Tiempos*, wrote an editorial congratulating us.

So we got our cultural center back. But the occupation of the centers in La Paz and Sucre continued. There was an important difference. In Cochabamba, the local authorities had expelled the occupiers as well as the owners saying that they would maintain control until the "problem" was resolved. In La Paz, the government let the leftist students hold on to the building. The real credit of course goes to the board members, teachers, parents and students who were not going let what they saw as a bunch of snotty little university students take their English school away from them. The students - both kids and adults - as well as parents, had stuck it out during chilly evenings in the plaza. The middle class had won one in Cochabamba.

A few weeks later, in August 1971, the Phalangists and their military allies, sensing an opportunity in Torres' inability or unwillingness to control the radical left, launched a *coup* from Santa Cruz. Within a two or three days they controlled the country and installed Gen. Hugo Banzer Suarez as one more so-called president of Bolivia. I got very involved in reporting because I was sitting in Cochabamba but knew some of the territory in Santa Cruz. Being a sort of radio buff, I was able to get a lot of broadcasts out of Santa Cruz that couldn't be heard in La Paz. So I spent a lot of time on the phone with Tony Freeman, who was the political counselor at that time. We were trying to sort out who was doing what to whom during that coup.

The Banzer government proved to be pretty durable. Some of my Bolivian friends thought the first blow of the *revolt* was the return of the Cochabamba cultural center. I think that was an exaggeration, although Jaime Mendieta, the friendly prefect, did become Banzer's defense minister.

Q: When the oral history of Ernie Siracusa was talking about a lot of death threats, I think he was talking about the time during the Torres thing. This was students he was talking about.

DIETERICH: Well, only in a very general sense. There was a certain specialization on the left. Students occupied university buildings and our centers; *campesinos*, logically enough, carried out land takeovers and urban workers would grab an occasional neighborhood. I guess I really don't know who specifically would have been responsible for death threats, but they were certainly in the air. It's not impossible that they could have come from the far right also. Just a word about Siracusa. When the Cochabamba Center was taken I think the PAO (Public Affairs Officer), who was under a lot of budget pressure, was ready to cut and take the losses and withdraw to La Paz, and I wouldn't have blamed him. But Siracusa, who like most ambassadors had never shown an overwhelming interest in cultural centers, was very supportive and encouraging of our efforts in Cochabamba to keep the center alive. He was very much in favor of our classes out in the Plaza. He earned my gratitude for being so helpful.

Q: Did you feel the students in Bolivia were having a great time being leftists until they got out into the world, at which time they turned into titans of industry?

DIETERICH: Sure. I mentioned that the person who engineered the takeover of the Center in Cochabamba had been up to the states for a few months as a potential leader in one of our old leader grants. We picked him pretty well in terms of leadership qualities - we just didn't know he was going to lead people against us. He eventually ended up in senior positions in a couple of governments in the eighties. I think he even was a minister at some point. I guess that's being a titan or something or other, and there's not a whole lot of industry in Bolivia.

Q: When university students start playing games with the "town and gown" type thing and screwing things up, did you get the feeling they were getting desperate trying to do something? It was cute but it wasn't working out very well.

DIETERICH: I don't know whether desperate - it wasn't working out very well but I think they knew that. I think they thought this was their chance to assert some power with the Torres

government in charge. I mentioned before a Latin American political phenomenon which I think is important. Probably the most graphic and tragic example of it was in Chile. When people like Torres come to power with great support from the left, they start to do the sensible pragmatic thing, and begin to solidify their support in the center. This of course begins to alienate them from the extremes. The tactics of the extremists then is to do something, and dare the government to undo it. Then if you do something and the government doesn't undo it, you can say to the people you are trying to recruit, "We have the support of the government. They didn't do anything about our occupation of whatever. We helped them get into power and they are now helping us." Part of it is the act itself, to get a commitment out of the government. If the government lets them take the Cochabamba Center, why would they object if the students take some other private schools? Or, why would the government object if students want to do thus and so with the university? It's the committing act. It is what the Cuban-American National Foundation has done with success to the U.S. government with stuff like TV Marti. The Prefect in Cochabamba was an appointee of the Torres government but one of the moderates who said, "I don't want to see these persons win this."

Q: He wasn't particularly taking action, but telling you what to do.

DIETERICH: He was trying to get me to take action. And I was trying to get someone else to take action because I felt making this an issue of Americans against Bolivians would be a loser. It was in our interest to present the center as a Bolivian institution, as a Bolivian private educational institution.

Q: Were you ever under threat personally?

DIETERICH: I suppose I was. There was a time when the embassy advised me in those last days in Santa Cruz to hire a bodyguard. It wasn't a very satisfactory operation. All I could get was an off-duty policeman that I didn't much trust. He was supposed to follow me wherever I went. I don't think I was under any particular threat in Cochabamba. There was no bombing. There was no evidence of firearms. There was no violence. It was a 1960s sort of thing. People can be on the opposite side of a dispute but if they are coming out of a common shared political base, they can often carry out the dispute without having to kill each other. We were dancing a dance where we both knew the steps.

Q: What would you say our interests were in Bolivia at that time?

DIETERICH: In context of the cold war, geography was a lot. Okinawa was the keystone of the Pacific because it was in the middle of everything. Bolivia was the keystone of Latin America - it borders on more countries than anybody else. It has a lot of isolated border areas. It has poverty and a social system which is almost a western hemisphere kind of apartheid. There is a great gulf between those people who consider themselves to be whites of European ancestry, and those who consider themselves Indians and follow Indian culture and tradition. We, like Che Guevara, thought it was ripe for revolution and would make a great base for revolution to spread in all sorts of directions. The U.S. government had been in support of Rene Barrientos and the MNR in the sixties. This was their revolution. We liked him and it was a USAID revolution in many ways, and we were very supportive of it.

Q: Were you concerned about Nazi Germans? Were they around?

DIETERICH: I suppose so. I was much more worried about Phalangist Spaniards. There were a few Germans. We didn't get quite the same stories you did in Argentina. When Banzer came to power, his main support was the Bolivian Phalangist party, the FSB. After the *coup* there were some nasty anti-Communists moves, with tinges of anti-Semitism. I remember a publishing company called *Los Amigos Del Libro*, owned by a person named Werner Gutentag, who was a Jewish emigrant from Germany. He was running Bolivia's only publishing enterprise, as well as two or three book stores in the major cities. He had published some books under the USIS book program. That was a USIS program where you would get a publisher to publish a book and you would agree to buy so many copies to distribute to libraries, etc. One day Gutentag was at home and a bunch of police goons broke into his house, confiscated books, many of which had communism in the title because we got him to publish them. Those sub-literate boobs couldn't tell the difference between a communist and an anti-Communist book. They accused him of being a communist and put him under house arrest. The embassy was outraged. USIS knew Gutentag well and liked him. Many people in La Paz thought well of him and the fact that the government was doing this seemed outrageous. The Cochabamba police had gotten out of control. Like the center occupation, it went on and on. As a show of support from the embassy, Keiko and I would sort of ostentatiously drive to his house in a very recognizable U.S. official vehicle and call on him. I guess the guards were bright enough to figure out that meant the Americans liked Gutentag. It was sad to see this person confined to his house. It was a precursor of the situation we would have later on with Jacobo Timerman in Argentina. Eventually Gutentag was released and his work was given back to him.

Q: Did Allende's election have an influence in Bolivia?

DIETERICH: Allende was elected in September of 1970 and Torres staged his *coup* in October. Sure, I think that probably did have a kind of generalized ideological influence, but remember that Bolivians don't want to admit any kind of influences from Chile. They were the folks that took away Bolivia's access to the sea in the War of the Pacific.

Q: I was wondering if there was a concern that Latin America was going to go left and anti-American? Was that sort of in the air?

DIETERICH: That was always there. Latin America was an ideological battle ground. The Soviets working out of their base in Havana were trying to undermine all of the somewhat vulnerable Latin American dictatorships. Depending on where you stood in your own personal politics, you either thought that the military dictatorships were a defense against communism or that they were creating the very conditions that would bring communism. That is another reason why the MNR revolution in Bolivia was important. The United States was trying to come down squarely at an intelligent middle. It didn't always work well. We gave a lot of support to land reform during the Barrientos period. First, AID spent a lot of money on land reform, then they spent a lot of money on forming cooperatives, because the land reform was too inefficient. Lots of folks had their little plot of land, too small to make a living from.

That about wraps up Bolivia. I left Cochabamba feeling real good. I had my Center back, and was given some nice farewell parties. And I was very happy with my next assignment in Argentina. General Banzer stayed around for quite a while. In 1977, after having retired from the military, he was elected president in reasonable free elections.

MICHAEL W. COTTER
Political Officer
La Paz (1971-1973)

Ambassador Michael W. Cotter was born in Wisconsin in 1943. He graduated from Georgetown University in 1965 and received a JD from the University of Michigan in 1968. Postings throughout his career have included Saigon, La Paz, Can Tho, Quito, Ankara, Kinshasa, Santiago, and an ambassadorship to Turkmenistan. Ambassador Cotter was interviewed by Charles Stuart Kennedy in 1998.

COTTER: Anyhow, I left there in the summer of 1971. I spoke Spanish when I entered the Foreign Service, and what I wanted to do was go to Brazil. Those were the days before open assignments, and you contacted your career officer and were told where you were going to go. I got sent to Bolivia, which I suppose the system felt was in Latin America, began with a "B" and it was close enough to Brazil for government work. So, I was assigned to La Paz. Again, being a junior officer and not being wise to the ways of the world, I didn't take my full home leave, of course, because the embassy said that I had to be there yesterday. I was fat, dumb, and ignorant, and showed up fairly quickly. I was very impressed because I had gotten a message from the ambassador, Ernie Siracusa, inviting me to stay at his house. I thought, "This is what Foreign Service is like." I was very flattered and impressed. I discovered later on that he was going on leave and wanted somebody to housesit the residence while he was gone, but nonetheless, I showed up in La Paz. It is the highest post in the Foreign Service. The airport is at about 13,000 feet and the capital is about 12,000 feet. When I arrived there, the ambassador was on leave, and the political counselor was on leave. We had a political section of four people: counselor, labor officer, one mid-level and one junior officer. In fact, there were two junior officers. I and the other junior officer both arrived the same summer. I'm not sure the second officer had arrived yet, so it was me and the labor officer, and the DCM. I had been there just a week or so when a coup broke out. Bolivia is known for coups. Historically, there has been a coup on the average of every 18 months. There had been a left of center government in for about two years, which had also come in via coup, headed by a General Juan Jose Torres. Remember, this was 1971. Allende was in Chile. One really has to take these things in context. It frustrates me so much when you now see revisionist history, after the Cold War is over, which simply discounts how all of us felt in the early 1970s about the course of the fight against Godless Communism and for domination of the world. In fact, that conflict was in serious doubt in the late 1960s and early 1970s. We were clearly engaged in ideological, and in some places, a shooting battle. There were clearly sides on these things. In Chile, Allende was the wrong side and Pinochet was the right side, with whatever casualties came later as a result. In Bolivia, Juan Jose Torres was on the wrong side. He kicked out the Peace Corps, among other things. He pushed a campaign of accusing the Peace

Corps of genocide against the Indians by preaching sterilization of Indian women. There was a very well done agitprop film made in those days in Bolivia that purported to show Peace Corps volunteers advising Indian women to be sterilized. Anyhow, Hugo Banzer, who is now, once again, President of Bolivia, was at that time an army colonel who had gone into exile in Argentina. He began a revolution in the eastern part of Bolivia. We sat up in La Paz in the embassy, getting radio reports, primarily from missionaries, as it progressed towards La Paz. Then, it broke in La Paz, with some quite serious fighting. I had been in the embassy for a couple of days, and I had finally gone home to get some decent rest and to shower. The ambassador's residence there sits on a square, with the ministry of defense across the street. In the middle of the afternoon, all of a sudden, I was awakened from a nap by shooting. I looked outside to see tracers going back and forth across the square, in front of the residence. People were firing from and at the ministry of defense. I was the only one there; the resident guards and staff had long since left, so I was sitting there, in the ambassador's residence, all by myself, hearing more firing closer than I had heard in 18 months in Vietnam. I got on the radio to the embassy to get rescued. People said that they had enough other things to worry about. Finally, at about 9:00 that night a group of armed men attacked the Marine house. That was a four-story house, and the Marines were up on the roof, dropping tear gas grenades down the stairwell. The attackers were on the first and second floors shooting up.

Q: Who were they?

COTTER: This is interesting. That is a good question. It turned out, in the aftermath, that as far as we could tell, these were probably not "leftists," but a group of young men who were unhappy because the Marines either allegedly or actually were stealing their girlfriends. They had decided to take advantage of a certain amount of unrest and come in and get even. A lot of the shooting in La Paz, it turned out - and this happened later in other countries - was the result of hit lists which both the rightists and leftists had. They had developed these hit lists over time of people who they saw as opposed to them. Both sides, when the revolution broke out, had armed groups that pulled out the hit list and, in some cases, went from house to house, pulling people out and shooting them. There were armed groups of both the right and the left cruising the town. Finally, the embassy sent out a Chevy Suburban with the defense attaché and CIA station chief, armed with a couple of shot guns, to come and relieve the Marine house. They picked me up at the same time and got me out of the residence. There were no casualties in the embassy. I think the embassy building took one round. The embassy was on the upper floors of a building, above a bank, on a narrow city street. It would have been very vulnerable to a car bomb, but not so vulnerable to physical attack.

The Banzer forces won and he took over and imposed a military government. There was some of the same kind of thing that took place in Chile and Argentina later on, although to a much lesser extent. You had, in those days, in Bolivia what they called the "Ley de Fuga"- the law of flight. You have someone who had been interrogated when they didn't want to take them out of the countryside. They would say, "You can run away." They would let them get 50 yards away and then shoot them down. One of the very well known leftist labor leaders in Bolivia in those days escaped to Chile in a coffin. To my knowledge, we weren't involved in the bombs or the coup. My guess is that we certainly sent signals to the extent they had asked that we would not at all oppose the change. Something that I found later on in Latin America, by which time our policy

had pretty much changed in later years not only in Latin America but in other places, you would have people approach us and say, "We are thinking of doing a coup, what does the United States think about that?" By the middle to late 1970s, I think, at least in places I served, we pretty much decided we didn't like coups very much. In all cases that I know of, we told people we weren't in favor of them. But, certainly in the early 1970s, when somebody like Banzer came down the pike, I am certain he got a very positive go ahead.

The difficulty, and again these are areas where our policies have always had problems, one of the things, of course, that Torres had done was expropriate American property. As a result, we had cut Bolivia from a whole series of programs. There were pieces of legislation at the time that prohibited aid to countries that expropriated our property.

Q: *The Hickenlooper Amendment.*

COTTER: Hickenlooper. That is correct. When Banzer took over, of course, he comes to us and says, "I am a good guy. I am your friend. These guys have ruined the country, and I need your help to get started again." The answer was, "We would love to help you, but we can't until you pay off the expropriation." The answer was, "We don't have any money." The answer we gave him to that was, "Yes, we are sorry, we know you don't, but you have to do something about it." As a result, by the time we got this sorted out, we had lost a significant amount of goodwill with the government that wanted to befriend us.

Bolivia is an absolutely fascinating place. It is the strangest place that I ever served, in terms of culture and everything else. When I was there, and I don't think it has changed very much, less than 50% of the population spoke Spanish, in spite of the fact that the Spaniards had conquered the area 400 years earlier. The Indians up in the mountains have still not accepted the premises of Western Culture. Something that is very common in all of the Andes. They live in extraordinarily difficult circumstances, very high, few trees, where very few things grow. Quinoa is the grain grown at that altitude and potatoes were very staple. It was the most difficult living conditions I had ever seen. I have been in lots of poor countries, and not the least of which Vietnam was certainly one; Zaire, later on, was extraordinarily poor. But in Zaire, if you had a plot of land and stuck a stick in the ground, it would grow. You could grow all sorts of things. You had lots of diseases, but you weren't in much danger of freezing or starving to death.

We did a number of things, things to which the law of unintended consequences applied. When I was there, AID had just finished building a road on the eastern slopes of the Andes: a project which had been widely criticized in Congress because it was a road to nowhere. Now in those days, in the 1960s, AID was deeply involved in infrastructure building, in major infrastructure projects. There was a significant backlash against this because the projects had cost a lot of money. Congress and others couldn't see any benefit from it and thought we would be better off giving money to more tangible things than investing in these projects. One of the examples that was used was the road to nowhere. Well, the road to nowhere was built on purpose. It was built to open areas to agriculture, to get Indians off the Altiplano, where it was difficult to live, and convince them to move to areas where their quality of life would improve. Indeed, a lot of them moved. Their quality of life improved. There was only one problem. What they chose to grow was coca. Now, when I was there, Indians chewed coca leaves. You could then, and you still can

-- although it is not advised that you do it -- drink coca tea. We would drink coca tea regularly because it had a stomach settling effect, and the altitude in Bolivia had all sorts of effects of people, one of which was, you couldn't eat late in the evening or you wouldn't sleep. If you ate anything heavy, you would have an upset stomach. Coca tea was great for settling upset stomachs. Nowadays, in the days of random drug testing, you are not advised to drink coca tea because indeed it will show up in urine. In those days, cocaine was not a problem. As the Indians moved down into these areas on the eastern slopes of the Andes, they found coca the easiest thing to grow. That lead to an explosion of coca production, which fed the cocaine problem. You really have a law of unintended consequences because it had the good result of getting people off the Altiplano, but it contributed to a greater social problem.

Q: Were drugs a problem? Was it considered a problem at that time?

COTTER: No. It wasn't an issue at all, because cocaine, I suppose, was known, but it wasn't an obvious problem. We had nobody assigned to the embassy for counter-narcotics. At that time, DEA (Drug Enforcement Administration) hadn't yet come into being. You had a great conflict between the Justice Department's Bureau of Narcotics and Dangerous Drugs (BNDD) and the US Customs people who fought a major bureaucratic battle within the U.S. Government over who was going to control the counter-drug war. It was finally resolved - I'm not sure if it was the Carter Administration - when the DEA was created. But we had nobody assigned in La Paz at that time. It was not perceived as a problem. That changed by the time I was in Ecuador in the late 1970s, when we did indeed have a BNDD officer assigned to the embassy.

Q: What were our concerns in Bolivia at the time, when you arrived as a young officer in the political section?

COTTER: Well, the major concern was keeping Communists out of governments in Latin America and preventing the Cuban-supported spread of Communism. I arrived in Bolivia a year, I think it was, after Che Guevara was killed in Bolivia by Bolivian soldiers trained and assisted by U.S. Special Forces. Again, the threat of Communist revolutions was very real, all over the region. Cuba was very aggressively supporting these kinds of groups. Our major concern was helping to shore up anti-Communist regimes. We weren't particularly interested in looking beyond that. The issue of creating development as the best way to prevent Communism was there, but only beginning to be articulated. Kennedy had begun the large AID program.

Q: Alliance for Progress.

COTTER: Yes. We began to put money into social development and to build up AID missions, but from a political section perspective, the primary issue was supporting a friendly, anti-Communist government.

Q: My understanding about Bolivia is that a coup occurred every 18 months, and you had miners running around with sticks of dynamite stuck in their belts. What would be the concern about Bolivia doing whatever it wanted to do, from the American point of view? It is pretty isolated.

COTTER: Yes, but of course, both in Vietnam and elsewhere, you had the domino theory, if you want to call it that. As I said, Chile was under Allende. The Tupamaros were wreaking havoc in Uruguay. They never took power there, but they certainly were creating great difficulties. As you will recall, we had two AID police advisors assassinated in those days. Argentina, as I recall, probably, since that was before the military coup, was probably under a very left of center government. I think there was a real specter of a domino progression. Bolivia, in and of itself, was probably not significant. Tin was the major thing they produced.

The question you raise is a good one, that comes up in spades to me, later on, in an area that I wasn't working, but Central America. What, by the mid-1980s, was the importance of Central America, when it was obvious that the communist revolution wasn't going to succeed? In the early 1970s, I don't think we had the same qualms. I think it was fairly clear what we were doing. Among other things, I had the pol-mil (political-military) portfolio. That was largely because I had just come out of Vietnam, and my colleagues said, "Great, you have been in Vietnam, and you understand how the military works, so you have the political-military portfolio and the military assistance portfolio in the embassy." We provided quite a bit of assistance to the Bolivians. The Bolivians, in those days, were still flying P-51 Mustangs. I remember during the height of the coup, the university was the tallest building in town, it was a 21 story-building that you could see from the embassy, and about the fourth day of the coup, I remember seeing a Mustang fly over. All of a sudden, I saw smoke come out of the university. A group of radical students had barricaded themselves in the university and were being attacked. The Mustangs, at that point, were very quickly reaching obsolescence. We then got them some F-86s. Again, this was 1973, and you are talking about giving Korean vintage military equipment over 20 years old.

Q: The Mustangs, the P-51s, were World War II?

COTTER: That's right, and they were trading up. We had a lot of controversy over the years about this. It was interesting because, during the early 1970s, what we would do in our military assistance programs was give ex-Korean War vintage stuff to these countries. By the end of the 1970s and the early 1980s, we were passing along Vietnam War equipment. We really came into a crunch on our military assistance program by the late 1980s when there was none of that left. The only thing we could give or sell to countries was new production at enormously higher costs than the things we had been able to give them before, which essentially had been war surplus.

We had lots of strange anomalies, some of which still exist in our military assistance policy. One of the things is that countries are required when they accept military assistance from us to maintain it and keep it in the inventory, because we may at any time come out and inspect to see if the stuff is still there. Well, there was never an "end date" written to that. In a place like Bolivia or in Ecuador, where I was a couple years later, you would find reams of computer printout paper of stuff we had given these governments, going back to 1952 in some cases. The stuff was still on the books. In theory, they were still responsible for it. What they were supposed to do if something were destroyed or decommissioned was to come to us and say, "We are going to decommission this." We would make the decision whether we wanted it back or wanted them to scrap it. Of course, the fact is, nobody ever did this. One of the things our military advisory group people did was like handing off a bomb with the fuse lit. You signed on for all of this, and hoped the GAO (Government Accounting Office) never came down during your two years and

discovered that nobody knew where this stuff was. When you finished your two year tour, you would sign it off to somebody else, because there was simply no way that you could manage it. Every once in a while, a GAO would come and look at an embassy and discover that people had no idea what was happening to all this military equipment, and find that it had wandered off somewhere. In most cases, it simply decommissioned to scrap, because it was already old by the time we gave it to them.

Bolivia was a little bit difficult to work on external political affairs because they never really had true Civil Service protection. As a result, staffs in most of the ministries changed every time a government changed. As a result, looking for anyone to deal with was virtually impossible. This was my first experience with what I found to be one of the most frustrating things in my career - the exercise we go through every year, preparing for the UN General Assembly. Our colleagues in New York come up with long shopping lists of things we absolutely have to have every country's support for, and demands for immediate demarches to get it. In most countries, this is certainly true in Bolivia, once the General Assembly started, anybody in the country who had anything to do with the UN was up in New York, including the foreign minister, who was up for a good part of it. We would get these frantic cables. The answer, more often than not, was, "Go talk to the guys in New York, because that's where the people are who know anything about this." For most of these countries, the foreign minister and probably the director of their international organizations office, and perhaps one other guy in the foreign ministry, knew the portfolio, all of whom were up in New York.

Bolivia was very hard to travel in. There were practically no paved roads. In many cases, we had to ford rivers at very high altitude, carrying our own gasoline, carrying our own provisions. But there are some fascinating places. The town of Potosi was the major silver production area in the days of the Spanish Empire. The river by Buenos Aires is called Rio de La Plata, the river of silver, because that is where most of the silver was exported. There is one mountain in which they are still mining. There is no silver left. I think they are mining other things. But, Potosi in the 16th century was the largest city in the Western Hemisphere. It happily avoided the fate of lots of other cities, because it simply is now a tenth of the size that it was then. As a result, things were never torn down to build a new building. The colonial city is still virtually intact. It was 20 years ago, and I think it probably still is today. Potosi is at 14,000 feet, which makes it not an easy place to go to. Bolivia, at least, had something approaching a social revolution. Ecuador, which I later served in, had not had one. Juan Jose Torres was clearly an Indian. He had Indian features. In Peru, to this day, or in Ecuador, or in Colombia, someone with clearly Indian features simply could not run for president of the country. But, in Bolivia, they could. The revolution came in 1952. The Bolivians had kicked out Patino, who owned the tin mines, and expropriated most of the tin mines. But, even though there had been a social revolution, it had never really gotten up to and affected most of the Indians. I remember there, and in Ecuador later on, they would say that an Indian who decided to join the dominant society put on shoes, and putting on shoes for an Indian was a right-of-passage; someone who had come out of the village and was ready to adopt Western ways and learn Spanish, and dress Western. The Bolivians, in those days and I think still, maintain really well, however, out in the villages and small towns, traditional folk patterns. I think the only other place I have been in the world where that is the case is Bali, where villagers, to a large extent, have their religious and folk festivals for themselves, even though there are an increasing number of tourists who come to watch them. It

is not done primarily for the benefit of the tourists. It is primarily done for the people themselves. The Bolivians have some absolutely fascinating folk dances and folk rituals, apart from miners and sticks of dynamite that used to happen. On one occasion, before I had arrived there, the labor attaché and another officer had gone down to visit a mine, and they found themselves seated on kegs of dynamite and held hostage for several days. Again, the miners' complaint had nothing to do with us, but it was the one way they could get the attention of the government. Because having an American diplomat blown up was not something the government wanted, and so, that way, they could get the minister of labor, or the minister of social welfare, to at least come down and listen to their complaint. I know, as we traveled to the mines, we hoped we wouldn't get set out on a keg of dynamite. Our embassy in Bolivia had some great people; it always has over the years. Again, it's typical of some of our really difficult posts, because the only people who end up there are people who want to be there, or people like me who, as a junior officer, didn't know any better. Because it is so high, there are any number of health reasons that can exempt you from service in Bolivia. As a result, you get people who want to be there and who enjoy being there. We had a very good group of people. Siracusa was the ambassador, at the time I was there. Dick Barnaby was the DCM, who was a very hard man with a red pencil on editing. He taught me good editing or writing lessons that I have never forgotten in the Foreign Service, such as, avoid using the passive voice. You learned the hard way, in those days, when you worked for somebody like Dick Barnaby. Perry Shankle was political counselor. Roger Gamble was the labor attaché, who later on was ambassador to Suriname. John Maisto was one of the officers who had left when I arrived, who is now ambassador to Venezuela.

I left Bolivia in January of 1973 to go back to Vietnam. As I mentioned, I had gone back to Vietnam after the cease fire. This was done in great secrecy and with very short notice. I remember I was called into the ambassador's office just around New Year 1973. He had received a Top Secret cable. This was the first Top Secret cable I had ever seen and said, "There is going to be a cease fire in Vietnam. This was negotiated in Paris. There is going to be a Control Commission, and we are going to send back 100 language officers to serve as vice consuls and to monitor the cease fire. The following officer is in your post, and he is going." They called me in about this. I said, "Fine, I am perfectly up to going." It was very difficult because you couldn't tell anybody. The assumption was that you would go out for six months and then go back to post. But at the time they were doing this, I only had six months left in my tour in Bolivia. So, I said, "Well, fine, let's do this, but there is no sense in my coming back here. Why don't you expedite the assignment of my successor, in trying to get him out here, and then we will just cut my tour?" Well, this caused great consternation, because the mechanism wasn't set up to do this, to actually curtail my tour. It wasn't curtailed. They did get my successor out about three months early. I had to dispose of my car and pack up my personal effects. When I left Vietnam and went to Bolivia, I had a foot locker and two suitcases, I think, for all of my worldly goods. Half of the worldly goods were the stereo set that I, like everybody else, certainly used. You did two things when you were in Vietnam: you got a stereo set, and got a fancy 35 millimeter camera, and a watch probably, from AAFES (Army and Air Forces Exchange). I still have the Omega watch that I bought in 1971. Anyhow, we sorted this all out, and I packed up and went back to Vietnam.

Q: I have a question about Bolivia. Were you, particularly in the political section, getting information about Allende in Chile? What sort of terms were you hearing about Allende?

COTTER: Not positive terms. I mean, Allende was running Chile into the ground. I visited Chile during the Allende period and was struck by the fact that there were no goods to be had. You would go by shops after seeing things in the window, and one could go in and ask about them. The only thing the shop had were those things in the window, which they couldn't get rid of or they would have no reason to stay open. It was a terribly depressing place to be. What you don't know about these things is, how much of this is reality and how much of it was perception. Clearly, wealthy Chileans were bailing out as fast as they could. I know colleagues who served in Chile at that time were buying colonial furniture for practically nothing. The U.S. Government, in those days, because of Congressman Rooney was very limited as to what kind of real estate we could acquire, but we bought some houses in those days from people who were trying to bail out.

Allende's agenda was clearly to carry out a socialist revolution at that time. Indeed, the more radical followers of Allende were not the Communists, but the Socialists. The Socialist Party in Chile was more radical in those days than was the Communist party. It was the young Socialists who were pressing Allende to carry out even more radical change. I know when the Pinochet coup took place, the pretext they used was that there had been an inflow of arms from Cuba, as well as Cubans, and that the more radical elements under Allende were preparing a coup to carry out the revolution. We tracked this very much and were interested in it. Bolivia had had its coup. The sense was that the Chilean military and the Chilean Right looked at the Banzer coup and our reaction to it, and they took a signal from it as to what our reaction would be to a coup in Chile. I think the record has become clarified over the years. I don't think we were involved in the Pinochet coup, but I think it is fairly clear that we certainly made it clear that we would be perfectly happy to see that change of government take place. I think in Chile the same thing happened that had happened in Bolivia, where both the left and the right, particularly the right, had a hit list of people. I think in Chile, as in Argentina, they went considerably further than they had gone in Bolivia, in terms of picking up family members of people they couldn't find. I see today where Pinochet is. I must say that as I look back on this in hindsight, and with what the Pinochet government accomplished in reforms in Chile, that it is probably fairly cold to say so, but the cost of human lives that it took to bring about those reforms in Chile was probably cheap at twice the price. I know that it is politically incorrect to suggest this, but the fact of the matter is that, if some 3,000 Chileans died, there are a heck of a lot fewer than Salvadorans and Hondurans who died, or than have died in most other conflicts, and an order of magnitude less than the number who died in Argentina, where the estimates are ten to twenty thousand babies being sold, and everything else, which didn't happen in Chile. In fact, when you look at Chile today, and I served in Chile in the early 1990s, it was at that point the only truly reformed liberal economy in Latin America. It was reformed in ways that the Argentines are still struggling with, somewhat unsuccessfully. The Brazilians really haven't come to grips with reform yet. Chile was reformed in a way that opened the economy up to foreign and other influences. One of the things that was true in Latin America in those days, and is still true in many areas, is that these aren't really market economies. Most of them are oligopolies. You have a number of families who run things, and they run things very happily for themselves. So the market is divided up, prices are controlled, and things are divided amongst these groups with very little true competition. Most of them don't want outsiders in. Most of them are not really open to true competition. The Pinochet revolution changed that significantly. It broke the power of what had been extraordinarily strong labor unions. These are labor unions that are somewhat reforming in Argentina. The Argentine

experiment under Menem in the 1990s is a very critical one because it is a question of whether you can reform, create a liberal economy, under a democracy because there is a clear pain to this. If you have a statist or statist-type economy where lots of people work for the government, and you are going to change that and increase the private sector and reduce the role of government, people are going to be put out of jobs. If it works right, they will find new jobs and revitalize the economy. But the fact of the matter is that you are throwing people out of work. In very few places are people going to vote to have themselves thrown out of work. So, there is a question whether you can do this democratically. Menem, indeed, I think, has gone a long way toward succeeding in it.

Q: I want to move back. How did you find Siracusa operated, both with the embassy and with the government?

COTTER: Siracusa was very effective. We had a very good group of Spanish speakers at that embassy. Actually, most of the embassies I've been in in Latin America have good Spanish speakers. Siracusa was quite effective. Siracusa did have his quirks. He had gone on home leave and bought a motorcycle. He spent six weeks of his home leave traveling around the States on a motorcycle. He grew his hair, which for those days was quite long. It was down to his collar and quite scraggly. When he came back to Bolivia, he brought his motorcycle back. He convinced a couple of us to buy motorcycles. I bought a Honda. We would go out and ride through the countryside on motorcycles. It is really the only way to do it. The follow car would come along, and we would have a picnic basket. If your bike broke down, the driver and guard would get out and fix it for you. Every once in a while, the embassy would get reports about a band of hippies terrorizing the countryside. (Siracusa also had a beard at that time.) Of course, it turned out it wasn't a band of hippies, it was the American ambassador and his colleagues who were terrorizing the countryside on their motorcycles. But he had a good relationship with the government, and he was a good officer to work for, he and Dick Barnaby both. As I said, Dick was a very tough editor, which from my perspective turned out to be very good. He taught me Foreign Service writing skills that I wouldn't have learned under an easier editor. Those are good lessons I learned. One lesson I learned that I never made the mistake of doing again was that we spent a lot of our time trying to beat FBIS. They hated to be scooped by FBIS. FBIS is the Foreign Broadcast Information Service which publishes things based on radio and newspapers around the world. Siracusa and Barnaby did not like having Washington hear about something through FBIS before they heard about it from us. That put a great premium on us picking up on news.

In terms of traditional political work, of course, there wasn't much, because there were no political parties. Bolivia was under military government during the time I was there. The political party individuals were around, and you could have contacts with them as individuals, but not as political parties. There was not much opportunity for changing things. We ended up with lots of controversies. Human rights, which at that point was not as well developed in American policy as later, certainly arose. The Maryknoll Catholic Order has long been a very socially active Catholic order, and indeed, when you found a conflict in most of Latin America between the left and the right, you would find Maryknolls involved. I think the nuns in El Salvador who were killed were Maryknoll nuns. The Maryknolls had a very active way of maintaining contact with their people because their people were engaged in social work that very often got them in trouble.

I remember one case where we received a call one day from Senator Kennedy's office about a Maryknoll priest who had been arrested. This was the first we had heard about it. Indeed, we explored, and we discovered that this nun had been arrested. Actually it was a nun, not a priest. She was found with a printing press in her basement that was printing anti-government propaganda. After much work and much pressure from Kennedy's office, we got her out of the country, but what was interesting was that she and people like her had shortwave radios. They called in at a regular time every day. If they didn't call in, the assumption was that something had happened to them. So, the first thing that the people back in the States would do was obviously not go to the State Department about this. They would go to Senator Kennedy's office. So you would hear these things first from one of these avenues when someone was arrested. There was some involvement, not a lot, but of Maryknolls.

Another group that was surprisingly active in some of this were Mennonites. There was quite a large Mennonite community in Bolivia, as there is in Brazil. It had begun, of course, from Mennonites wanting to live as a community, and under less government control. The United States Government made it much harder for self-schooling and self-contained communities, so communities of Mennonites moved down to the interior of Bolivia and interior of Brazil, where they could maintain a community life without much impact from the outside government. A number of Mennonites got active and involved in social change areas that brought them into conflict with the government.

DAVID JICKLING
Head of Public Administration and Education, USAID
La Paz (1971-1976)

David Jickling was born in Michigan in 1927. He received a B.A., and M.A., and a PhD from the University of Chicago and served overseas in the U.S. Army from 1963 to 1965. His postings abroad included Guatemala, Bolivia, Nicaragua and Ecuador. Mr. Jickling was interviewed by W. Haven North in 1998.

JICKLING: We were in Bolivia from 1971 until 1975. I say we, because this was very much a family experience in all these assignments, as you know. For me to talk professionally, I constantly think about my own family. My wife was a fourth grade teacher in the American School wherever we went. She got off the airplane and went to work the next day. She was in constant demand wherever she went. I went to Guatemala three months early because they needed her there the first of September. I was supposed to go through language training and come at Christmas time. My boss, the head of public administration, was also chairman of the local American school board, and he needed a fourth grade teacher. I got immediate orders to leave for Guatemala on August 15, so she could go to work on September 1. It is part of our family story.

We went to Bolivia, it is a joke but it was a high point in my career. It was a remarkable experience. I felt that I had never been in a country where I had as much job satisfaction. I enjoyed my work so much and our family enjoyed the country. The Bolivians were just

delightful to work with. Guatemalans are reserved. In five or seven years in Guatemala, at the most, we were in five Guatemalan homes. In one week in Bolivia, we were in five Bolivian homes. We were in constant social contact with local people.

Q: What was your position?

JICKLING: I was head of public administration and then head of education. The two functions were combined about 1973. Public administration was phasing out at that time, and education was increasingly important, so I did both jobs. I headed about 10 projects, and for each one of them during the five years, we had five or six counterparts because the government was constantly changing. Even when they had the same President, the counterparts changed all the time. That was interesting because they were all very dedicated, intelligent people, but each one wanted to change the project organization and orientation. They did not want any link with the past; they wanted to do something different that they could identify themselves with and could be their contribution. We the outsiders, were the ones who were saying no we've done that; we've tried that; it doesn't work. We were the ones who were putting the brake on new ideas and saying we've got this project that your predecessor committed himself to. We've got to do these things in the next three years; we've got to achieve these results. It is a wonderful story because our roles were completely reversed. The outsiders became the conservatives and the local people were the innovators.

We spent the month of August last year in Bolivia. My wife's fourth grade students are now professionals; they are now in their early 30s. They were the ones who were my counterparts in this short term assignment a year ago. It was an incredible story. They remembered my wife very fondly. The people I had worked with are still in Bolivia, but they are retired and mostly in the private sector. Some are doing very well. It is just how things change. It was a wonderful, warm experience. Bolivia was considered the least desired assignment in Latin America, but for us it was perhaps our best overseas experience.

Q: Why was it the least desirable?

JICKLING: Because of the altitude, and it was a relatively less developed place. It still is remote and because of the altitude, a lot of people have trouble adjusting to it. It had that reputation of being a difficult post. They didn't want to go to Bolivia. I was offered this job in Bolivia. It was the first time I headed a public administration program, and I jumped at the opportunity and it worked out perfectly.

Q: Well let's talk about some of these projects. You had ten projects; what were they?

JICKLING: Number one and most successful was with CENACO [Central Computer Center], a computer center with the highest skills, amazing people who have gone on to do all kinds of innovative things. For example, developing a program to translate English into Spanish with computers, but using Aymara, the local Indian language in Bolivia as the link between the two. An amazingly creative system. That's what the head of the center did. The number two man went on to be the senior person at the regional tax administration center based in Panama. He is still there today concerned with professional exchange on tax administration matters, an outstanding

group in this area of public sector management. The CENACO organization still exists and does creative work.

We went into computers for statistical and census purposes, but above all for tax purposes. The IRS, Internal Revenue Service, provided people on loan from their system to work specifically with CENACO. We bought the equipment for them, and then helped them put it into practice to improve their tax collection systems, income tax and sales tax, and it worked. Customs was equally important. The major source of revenue was not income tax or sales tax, it was customs collection for Bolivia, and we had a major input dealing improving the customs operations.

We helped create an institute of public administration. We built a building for them. It is one of these cases where the shell exists but not too much happens inside. We created an institute for local government development, Service for Urban Development (SENDU). It went literally out of business because it became an institution to provide welfare for its own employees. It had little if any outreach.

We had a separate institution concerned with auditing, and this has caught on. This was a program on fiscal responsibility which was a great success story in Bolivia and elsewhere in Latin America. This was of major interest to the IDB, as it was concerned with control of corruption and how to get public sector people to use resources more effectively for public purposes. Auditing is the key way you do it. You don't do it by talking about ethical standards and codes of ethics and whatever. You talk about it in terms of people going out and checking up on how money was used. We had a Puerto Rican who was an absolute master in training in this area, and it caught on. The Controller General's office in Bolivia is a great success story, and with our support. It clearly had local support, but outside technical assistance clearly made a difference. When I was there last August, I had a chance to talk to people about this activity. The heads of the organization were both junior officers, collaborators with us in the '70s, and now in the '90s they are in charge. In other words, the program has achieved greater public accountability in a government which was as corrupt as any in Latin America.

We worked in other areas. We had a budgeting improvement program. We had a fiscal management program, which except for auditing, had very little impact. It was supported by one of our best public administration consulting groups in Washington. They worked for 10 or 15 years in Bolivia, but their notion, at least in my time was that they were the experts and they would sit in their office and if the Bolivians wanted help, they could come. But the Bolivians didn't come to them. They should have taken the initiative and gone out to the people. They had that self-centered kind of egotism.

Q: In 15 years they didn't learn?

JICKLING: They were the experts, and if the Bolivians want assistance, let them come to us. They know we are here. It is a sad thing because I don't think you get anywhere that way. That was a good case study of a technical assistance team with marginal results. We were constantly trying to work out a strategy to get them in touch. For example, hosting parties. Every Thursday night for five years in Bolivia, we had a dinner party at home. It was very carefully orchestrated every time. We had Americans and Bolivians concerned with a problem. We sat around the table,

we had a good time, a social time, but we also were trying to overcome this problem of hesitance about really getting in touch with the concerns of the managers. Often, in office situations, the person who is hired by AID is concerned with specific project objectives. The counterpart has his own priorities, and if they don't coincide, they just ignore each other and go their own way. It is a tragic waste of resources, so very often these informal dinner occasions were the perfect circumstance to get this kind of informal linkage to get things moving. I worked with all of the projects, but I was directly involved in the day to day operations of the local government program which went absolutely nowhere. Tony Cauterucci, a former AID Mission Director, is a contractor there working with local government development organizations, very similar to our efforts 20 years ago. It has the same basic objective and I hope he achieves more than we did.

Meanwhile I picked up other education areas. They were concerned with administrative reform within the Education Ministry. There was a task group concerned with the administrative reform of education. We also had a group concerned with rural education. We were developing projects concerned with teacher training, bilingual education, and rural education. This was the 1970s, and the old timers who had done their service in the Ministry of Education in the servicio days of the '50s working with American ideas and American people felt right at home. We just picked up on the same ideas. We were just going back to the servicio ideas which said Indians count. Let's see what we can do to get school systems to work at the community level with the Indian population. How do we train teachers; how do we provide materials; how do we provide bilingual education. There was a real push on rural education. Rural education in these countries like Bolivia and Guatemala is essentially Indian education, non-Spanish education, and it is another ball game. It is like nothing that most teachers or advisers from the United States at that time had experience with.

Q: Well, looking over those projects, some worked and some didn't. What would you point to as the principal characteristics of why some worked and some didn't?

JICKLING: It's a good question, but it's hard to pinpoint an answer. So many of these successes depend on happenstance. They depend upon a local person in charge who has real mystique. Ivan Guzman de Rojas who was head of the CENACO group, for example. His father was a master painter, a real giant in Bolivian painting. Ivan had within him somehow this self-confidence that he got from his father. He came in to this data processing situation. He is the one who went on to use Aymara as a bridge for translating Spanish and English with computers. The mystique, the dynamism, the confidence, the leadership that he expressed, was important for the success of the activity.

Q: He was there for quite awhile.

JICKLING: He was there for 10 years, and also was able to get the resources from the government, not just the outside resources. We bought the computer. The government provided the building and the people. He provided training and we provided some technical assistance. The whole thing came together because of the exceptional leadership of that one person. That's one example. In education we achieved marginal results. I remember vividly one of the headaches over contracting. We let a contract for rural education. A support group from the United States was coming to help Bolivia with rural education. One of the contractors who didn't

win the contract came forth with a corruption charge that the winner had paid off the Bolivians in such a way as to get the contract for themselves. I was in the middle as the project manager. I remember it all to this day. I don't know whether someone was paid off or not, but I remember how it just poisoned the whole process, about whether there had been an illegal bribe for this group to get the contract. They went ahead with the contract. They are a major contractor here in Washington today, and you would know the people that brought the charges against them.

Q: Was it investigated by the Inspector General?

JICKLING: The Inspector General came right out and talked to me, asking what happened and why did it happen. I was as cooperative as I could. During the rest of my time in Bolivia and in AID later, it was hanging over my head, this charge that things had not been done properly. The failure in education related to a charge which may or may not have been true, but which poisoned the whole atmosphere. You can imagine how our counterparts were dismayed. Whether or not they had been paid off I don't know, but things were never the same again.

Q: That held it all up.

JICKLING: Yes. It not only held it all up but created this atmosphere of suspicion. In other areas like local government we created what was I thought an effective institution, but when I went back 10 years later, I found that impossible situation of an organization with no other function than serving its own staff. Then when I went back last year, the organization was gone and absolutely forgotten. Another organization we created, this public administration training institute, exists, but as a shell. It doesn't have any real impact.

Q: You don't know why they deteriorated or never got off the ground. Lack of leadership, lack of government commitments, or...

JICKLING: Yes. All of the above plus others that I don't know, but I just am saddened by it because we didn't achieve what we set out to do and yet instead of disappearing like the local government institute did, the training institute persists but without any substance.

Q: Some officials think that sometimes when you are introducing a new technology like you did in the computer business, it tends to grab talented people with enthusiasm and therefore tends to succeed where if you don't have that you don't get the attention and priority that a project needs.

JICKLING: That's true, but those are happenstance things that you can't really predict.

Q: Well, any other aspect of your work in Bolivia? Does that pretty well cover it?

JICKLING: We loved the country. We traveled the country. I was in every department (province) except one, the most remote of all. Every region of the country is dramatically different in terms of culture, language, tradition, the way people behave. Often people say it isn't a country; it is a conglomeration, but it is a fascinating country in terms of topography, people, local culture, and crafts. Like Guatemala, half the people are Indian. It has about the same population as Guatemala, but it is 10 times bigger. It is in the middle of South America so that in the course of two tours

and five years there, we were able to visit every country in Latin America except the Guyanas. I visited them professionally in temporary assignments but with our family we visited many of them and had a wonderful time. We enjoyed it and it was a most memorable and satisfying experience, although it wasn't highly successful. It was kind of the swan song of public administration. I don't think I was replaced.

I did sit at the ambassador's table in Bolivia. First I sat at the table of Ambassador Ernest Siracusa. That is a fascinating story that I don't think has ever been told. Siracusa served during the government of J.J. Torres, a left-leaning government. He threw out the Peace Corps and was ready to throw out the Military Advisory Group's aide before he got displaced by a coup d'état which brought in Hugo Banzer who is the current president. I sat at the ambassador's table when the American embassy was under siege. Posters all over the country were anti-Peace Corps. This is Bolivia during the 1970-71 period when it was the target of an anti-American campaign in which the Peace Corps was portrayed as a pig with the American flag very prominently displayed on them. Week after week while we talked about this and suffered the tear gas, there were demonstrations in front of the Embassy, the Peace Corps volunteers in the countryside being assaulted, being robbed, being driven out of town. It was a tragic experience. I didn't suffer directly except for the tear gas, but I did observe a difficult moment for U.S.-Bolivian relations. The Peace Corps finally was withdrawn. Within a few months the government itself fell, but it was a difficult time. The new ambassador, William Steadman, was a University of Maryland graduate. He got the University of Maryland people in Bolivia together like an alumni meeting. I had a special relationship with the Ambassador, as I had been teaching at Maryland. Do you know Steadman?

Q: No.

JICKLING: Wonderful guy. Absolutely a straight arrow, just an amazing person. He has been active in a number of activities for the development of Latin America and Bolivia since he retired from the State Department. Sitting at his table was a completely different circumstance because there was an immediate rapport and an interest in his success and the way in which he handled the administration of the programs. He had been a State Department Officer; he had been a Program Officer on loan to AID. He did a beautiful job, and he became sensitive to AID strategies and problems in a way that no other ambassador that I had ever known. This man was remarkable, and to sit at his staff table was a wonderful experience, and to be invited to things not just of a social nature but of a business nature, things that showed a man of just great interest and empathy with Bolivian development, Bolivian leadership, Bolivian activities. This was the first time I had ever in my career felt that I was part of a country team. Later in Nicaragua something like it happened when we were trying to push Somoza out. In Bolivia, we were trying to help a new government, a government that was not anti-American. It was a military government. Banzer was a general who came in to overthrow the left-leaning government. Steadman was a dedicated, professional diplomat, a development diplomat of the highest quality, with concerns as to how to orchestrate the whole range of programs in a way that would be creative and constructive. He was an absolute delight to work with.

Q: Well, he may have already been interviewed. Why was there this anti-American feeling at that time?

JICKLING: There was no question that left-leaning people interested in communism were partly the basis for anti-Americanism. Whether true or not, there were reports that Americans, particularly the Peace Corps, were involved in sterilization activities. This probably was trumped up, but it was widely believed.

Q: A population program.

JICKLING: A population program, yes. The Peace Corps to my knowledge, were not involved in it at all, but there was a film made of it which is still shown at American universities among liberal student groups. It showed the American advisors, ostensibly Peace Corps volunteers, carrying out abortion and sterilization activities in the most forceful way that created the basis for a lot of the opposition to the Peace Corps. The Bolivians have had a love-hate relationship with everybody including the United States for a long time. They have been in conflicts with every one of their neighbors in the last century and have lost every war, every conflict they have had. It is a country besieged.

Q: What is in the Bolivian character that sort of...

JICKLING: Well, the Bolivian character is one of a feeling lack of self-confidence, the fact they lost these wars, the fact they lost their access to the sea which to them is a national tragedy, the fact that the U.S. has often not been supportive. Time Magazine ran an article while we were there where anonymous State Department officials were quoted say well the best thing to do with Bolivia is to carve it up into six or eight parts and just give it to their neighbors. It just doesn't have anything to hold it together. This report embarrassed the American presence and contributed to anti-American opinion.

Q: What was your understanding of the U.S. interests in Bolivia? Why were we concerned with having a program there?

JICKLING: Because it is the poor country in South America. Haiti is poor in the Caribbean. Honduras is kind of a close second. Bolivia is the poorest country in South America. It is a country with tremendous potential in terms of resources, not only mineral resources but others like forest resources. Unfortunately, the great growth industry for the last 20 years has been coca for cocaine. A major portion of the cocaine coming into the United States is produced in Bolivia, processed in Colombia and shipped to the U.S. The strongest U.S. interest in the last 20 years has been control of coca production. Earlier, it was related to its resources like tin, the potential of the country, the fact that it is so centrally located, and the fact that it is extremely unstable. In 100 years it had 100 different governments.

Q: Why is it so unstable?

JICKLING: That is a good question. It is not easy to answer. It is one of these things that is self-fulfilling. Everybody wants to be president, and there is a good chance that a lot of people will be president in that situation. If not president, at least ministers. If you believe you are unstable,

everyone has a desire to become president or minister. People are always plotting; the rumors are persistent. Politically it's a very exciting place, but...

Q: It must be hard to get anything done.

JICKLING: As I mentioned, in our projects we had new counterparts typically every year trying to do new things. The achievements in that type of situation are often marginal.

Q: In a more recent development, my understanding is that some agencies have pulled back and others simply try to bypass the government to implement their program.

JICKLING: Yes, they try to use PVOs [private voluntary organizations]. My son went back two years ago to work with Catholic Relief Service. That is a good example of going the PVO route. They were doing essentially the same thing our agriculture projects and our community development, social development kinds of things, but they were doing it independently.

Q: Does this approach undermine the development of effective government?

JICKLING: No. I don't think so. I think it is complementary and lots of AID programs have gone that route. I think it is an important approach to development. I don't think it replaces government to government, but it complements it. Whenever you have instability and inability to carry out programs by government agencies, it is a reasonable approach.

Q: Anything more you want to add on the Bolivian experience?

JICKLING: It was the high point of our career overseas. My wife and my family really enjoyed it. It was a wonderful experience because of the warmth of the Bolivian people, the interest they had in cooperation with the program, even though they changed all the time, their diverse cultures, and the opportunity it provided us to visit all the countries in that region, to get to know South America.

Q: How have you seen Bolivia change over the years from the time you were first there?

JICKLING: Tremendous modernization, incredible growth, vertical growth. The city La Paz has grown up with multi-story buildings. When I was there in the early '70s, we were in one of the tallest buildings in the city. It was six or eight floors, the American embassy. Now there are 20 and 30 floor buildings throughout the central area, just tremendous investment, business, traffic, new streets. The growth is dramatic because La Paz was a backwater and a relatively less developed place. Now it is a dynamic center, and Cochabamba, the second city, even more so. It is full of activity and growth, construction everywhere, and remarkable change. The third city, Santa Cruz, in the '60s and the '70s because of oil wealth, was a dynamic modernizing city. It was the only city in the country where you could drink the water because of the wealth generated by oil revenue. A portion of that income was used for local public works, for development of the community. The reason for the growth today is coca. Coca is the one crop in Bolivia which has been a major success in terms of the kind of thing we were looking for in the '70s, an agricultural product that would help small farmers and be broadly beneficial. Not plantation agriculture, not

just help the rich from the elite families. It would be a crop that would help a broad range of small producers. Coca has been exactly that. I talked to several people who worked in the coca growing area with technical assistance programs. Those farmers who raise coca are eager clients for technical assistance in agriculture. They absorb all the information about alternate crops, oranges or tea, about improved agriculture techniques like fertilizer or insecticides. They raise all the new crops, but of course, they use that same improved technology on their coca crop, and they are increasing their production every year. For the last 20 years coca production in Bolivia has gone up, and with it really dramatic broadly based wealth. A large share of that has not just gone to Swiss banks; it has gone into real estate development and high rise construction in La Paz and elsewhere in Bolivia.

Q: Have you been involved with any of the programs for reducing coca growing?

JICKLING: No, I have only had conversations with people like the friend who worked in the Chapari which is a major coca growing area. Their effort to introduce alternative crops and how the coca farmers are wonderful clients. I think it is an uphill battle. I just don't know if and when the supply can be reduced. The demand they say is the big problem, but the problem has both sides: supply and demand.

Q: Has this distorted the effort to develop a viable government?

JICKLING: No, I think it has been a positive constructive source of income which has not gone just to the rich and not gone abroad but has been invested in the country.

Q: It doesn't have a Mafia that controls it?

JICKLING: No question the Mafia controls the processing, shipping, and marketing in Peru and Colombia. I have worked in Paraguay which is another major trans-shipping point

Q: This doesn't lead to corruption of governments and other functions?

JICKLING: I'm sure it does. I don't know if it is more than previously but in Guatemala which is a major trans-shipping of cocaine coming to the United States, there have been local government people who have been bought off so that the airplanes coming from Colombia can land and refuel and go on. There is certainly lots of corruption in how the money is laundered. Building after building in Guatemala, and I assume in Bolivia, are paid for with cash, U.S. greenbacks, the whole construction right through to the final turnkey apartment or office are paid for with cash. Then the building becomes marketable in local currency. It can be rented or sold at a bargain price. That money then becomes legal and can be freely converted into any currency.

Q: Well, any other dimension of the Bolivia experience you want to bring up at this time?

JICKLING: It is interesting for us, because our lives have been focused on Guatemala, in that there are so many similarities between the Indian population, the traditions, also the difficulty of working with the indigenous people, but also the great differences between Bolivia and Guatemala. The differences in terms of the spatial dimensions. You can drive in Bolivia for

several hours and not see a person in many parts of the country on the major roads. It is a broadly spread out population. While in Guatemala today, throughout the country, you can hardly get out of the sight of a house wherever you go. This, of course, is extreme in countries like Indonesia where you literally urbanize the whole countryside. For 60 miles roads in Indonesia are lined on either side by houses, for example, between Djakarta and Bandung.

Q: The population pressures in Bolivia are not that great?

JICKLING: The population pressures are concentrated in certain urban centers but the countryside is essentially devoid of people. Probably because the Altiplano has a very inhospitable climate and inhospitable soils.

ROGER C. BREWIN
Deputy Chief of Mission
La Paz (1972-1974)

Roger C. Brewin was born in Columbus, Ohio. He entered the U.S. Army in 1944. He received a bachelor's degree from the University of Miami in Ohio in 1948 and a master's degree from the Johns Hopkins School of Advanced International Studies in 1950. Mr. Brewin joined the Foreign Service in 1951. His career included positions in Switzerland, India, Bolivia, Paraguay, Iran, and Washington, DC. This interview was conducted by Charles Stuart Kennedy in 1990.

Q: You left Paraguay in 1972 and went to La Paz as Deputy Chief of Mission. Were you beginning to feel a little land-locked?

BREWIN: I was. But I was attracted by the prospect of working for Ambassador Siracusa, then our Ambassador to Bolivia. I had known him, although not well, since the '60s. I had some familiarity with Bolivia, having served there previously. That may have given me a leg up on the job. In going there, I was not surprised to find that not too much had changed after all the years. The same unfinished office buildings were there; the same problems were at hand; it was just as expensive to mine a pound of tin as it had always been. There had been one salutary development, however, which may have kept the country together--to the extent it was kept together at all--, had been the discovery of oil in the Eastern Provinces. That was a substantial development which occurred in Santa Cruz as a consequence of an oil strike. Gulf found the oil; it was nationalized in 1970 by the Bolivians much to everyone's distress.

The years 1972-74 saw the beginning of the drug issue as a major problem for the United States. Unlike the Paraguayan experience, where it took sixteen months to get a well known heroin trafficker before our courts, in Bolivia it was always fairly easy to get the malefactors transferred to our custody in the middle of the night at the airport. They were cooperative in the law-enforcement sense. It became difficult for the Bolivians to respond some time later. When it came to the matter of growing the coca leaf, which was the sole support for many Campesinos,

this was much more difficult and we still have that problem today. I don't know where the answer will be found.

Q: You worked for two Ambassadors: Siracusa and Bill Stedman. What was the difference in their methods of operations?

BREWIN: Only to the extent that Siracusa had been there for four years when I arrived. It is best to describe his approach as relaxed. The mission was running smoothly by and large. People knew what their jobs were and did them well. I would say that there was no real significant differences between the two men in their styles. Both were quite "hands-on" when the need arose which it did from time to time. I enjoyed working with both; I think I learned something from each of them.

Q: Were there any other developments besides the growth of the drug business and the finding of oil while you were there?

BREWIN: We were looking to see what would happen after President Banzer. He had been a general who has seized power from Torres who was almost a "nightmare come true"--a crypto-communist chief of state. Banzer's military coup threw out Torres. Banzer was a center-right person who governed in a quasi-martial law environment. He was favorable toward the United States. He had aspirations to become a civilian, elected President; we encouraged him along this path.

Q: Were you there when Torres was in?

BREWIN: No. Banzer overthrew Torres in late '71 or early '72. Torres had been a very difficult problem for the Embassy and for Siracusa in particular because Torres seemed to make real the fears we had in the early '60s about Juan Lechin, the chief of the tin mines, coming to power. That seemed to have happened when Torres came to power. The government had been penetrated at various levels by communists; the Peace Corps was harassed by the government as agents for American imperialism. It was a very difficult period. Banzer was like a breath of fresh air for us. Siracusa and I and others regarded him as the last hope for Bolivia in terms of political stability.

J. PHILIP MCLEAN
Economic Officer
La Paz (1973-1975)

Mr. McLean was born and raised in Seattle, Washington and was educated at Seattle University and the University of Indiana. He entered the Foreign Service in 1962. A Latin American specialist, his service in the State Department in Washington and abroad, primarily concerned Latin American Affairs. His foreign posts were Brasilia, Edinburgh, Panama City, La Paz, Milan and Bogota, where he was Deputy Chief of Mission. In Washington Mr. McLean held positions

dealing with Latin American Affairs, including that of Deputy Assistant Secretary for South America. Mr. McLean was interviewed by Charles Stuart Kennedy in 1999.

Q: What got you called to Bolivia?

MCLEAN: Well, that's an interesting question. Those were the days before we had an open bidding system, and you had to rely an awful lot on your officer who was taking care of you. I guess I had had a reputation in Panama as someone who got along well with the AID and worked with them, and so Frank Leventhal, my personnel officer, called me up and sold me a job in Bolivia that would be working in the economic section of the embassy, which I wanted to get. I wanted to get some economic background and be working with AID. I would be in effect sort of a *campesino* (farmer) attaché. I'd be someone who would be involved in arranging small grant programs to *campesino* communities. Then Frank thought that my political background would be good for that. Of course, he didn't tell me--I discovered thereafter--that he was going to be the political counselor, so I imagine he had at least partly in mind the fact I was going to be a help to him in his work. So that was it. Of course, it turned out that when I got there they had given away the AID portion of the job, which was really my thing, and in effect I ended up the junior person in the economic section, which really was not a good job for me, because there was something I don't do well in economics and that's count, and this job was all about counting, statistics, and I had no background. But nonetheless, it was, like all jobs, it was interesting in a lot of respects.

Q: You were there from 1973 to when?

MCLEAN: To 1975. The interesting thing was the day that I arrived. I arrived on the 11th of September, which was the day of the overthrow of the Chilean government. I always remember being in the airport in Lima on my way to go up there, at this long front area of the airport. We heard at one end, which I now know it as we had little airplanes come in, and we heard a shouting and screaming that just like a wave flowed toward us at the other end, the departure line, because the news was coming in of the coup going on at that particular moment. Of course, I got involved just a little bit as soon as I got to my next post. I was beginning to see cables about being on the lookout for various American citizens who were disappearing.

Q: Can you describe Bolivia at the time you arrived there?

MCLEAN: Well, Bolivia was and is a poor country. Of course, the most extraordinary part when you go there is the altitude. You arrive at about 13,000 feet. I remember we were greeted by Ken Blakely's wife, a friend from Panama, and driving out she said, "Oh, by the way, you'll like this view," and I'll never forget it. It was the most impressive thing. You land on this sort of barren *alto plano* (high plain)area, and at that time you drove to the edge and you suddenly saw the city way down below. They were like Monopoly pieces down below us in the city, and up above you had these very high, beautiful mountains and what you call in photography a depth of field that was extraordinary, and it gave you a real high. That's one of the phenomena of being at that altitude: you really feel very supercharged. At the same time you're out of oxygen. It was a poor place, and the government had just come through a time when there had been a very

revolutionary government, and so the United States was pouring in a great deal of assistance on promises that we made just after that, the overthrow of the left-wing government by a coalition of civilian parties and the military, and the military at this particular process was in charge of shoving the civilian parties out of power. In some ways it was an exciting place physically, exciting culturally, and the strangest, differentest places in all of the Hispanic world, but at the same time the work was rather boring, because there were really too many of us, we were overstaffed. I don't think people recognized that, but that made a very heavy U.S. presence, and a lot of the people whom we normally dealt with had left the country because of, first, the leftist and then the right government that was coming in.

Q: Who was the ambassador when you were there?

McLEAN: The ambassador was Bill Stedman, a very pleasant and fine person. I stayed in contact with Bill. He had a background in the Andean countries.

Q: Your work was what? Was it mainly dealing with statistics?

McLEAN: Yes, as the junior person in the section. The section had the head of the section and a minerals attaché who had been there for 20 or 30 years and an engineer. In fact, there was a commercial job which I was offered half way through, and perhaps I should have taken that job. And then there was an AID economist on the staff. The job really only made sense as it was originally sold to me, which was two ways. It was going to have an AID component to it, but in fact it turned out not to have that component. So for me struggling along, I did agricultural statistics, I did some weak negotiations, but in terms of family life it was a good time because I had a lot of time on my hands to be with my family, and the rest of it, but for me it was really quite boring. I did take advantage of it to travel a lot. The ambassador, I think understanding I was a little bit underemployed, would bring me in as a staff assistant from time to time, and I could be his advance on trips, various official trips. Once we were going out to see a project outside of Santa Cruz in a car that I had rented for him. He still remembers that. But the more exciting trip was going to Potosi and Sucre, which is officially the capital, and we were going to do it by train. It had been done by train by some people before us, but in the meantime the cars, the representation of cars they had used for this, had run down, so I negotiated with the railroad to allow us to refurbish the cars, and that would be the cost then of the trip. We went up onto the *alto plano* and across, then down into... In fact, they abandoned us up there on the *alto plano* overnight--I'll always remember that--and they linked us, connected us, when the train came along the next morning. But these cars were the cars of the former British owners of these railroads, 50/60 years old and older, with a fireplace and lots of combinations. I had done the advance for the trip to Potosi and arranged with the officials how we would meet and who we would meet. Of course, Potosi once the most popular place in the Western Hemisphere...

Q: Big silver mine.

McLEAN: We arrived the day the head of the museum in Potosi died, and that sort of marked this trip with a sort of strange.... I should never say that's a comic thing, but it was certainly a bad, very bad coincidence. It made the trip all the more difficult to pull off, and it was comical in other ways because of the efforts of the provincial authorities to put on a good show, but

nonetheless interesting because it was a very ancient town and once a great source of wealth for the Spanish crown in Bolivia, but it experienced hard times at that particular point. It was extraordinary cold. You were even above the level of La Paz at that point, so it was very hard to breathe. But then we went down to Sucre, which is one of the great hidden secrets of Latin America. It's a beautiful little town. It shows up on the maps as the capital of Bolivia, and the Supreme Court is there, but it's small and set in just the right climate with wonderful churches and monasteries. The library from colonial times is beautiful because the weather is just perfect for conserving the documents, and we took our party there and showed them. In fact, I remember seeing in one document they were showing us a picture of torture in the late 1700s, and I told the ambassador that we should write it up and send it in as an airgram and see if anyone noticed that the date was 1790, by way of showing that there are certain consistencies in Latin American history. Again, it was the problem of how the courts work and how they bring real justice to people. But it was a good trip. It was such a good trip that I decided that on a personal basis I rented a heavy-duty Jeep and took my children back there, the hard way of going back through the mining area and through areas that, I must say, you feel, or you did feel at that time, that you're as far away from European civilization as you can get in these Americas. But it was fascinating, the colors of the different villages, one after another, the different cultures. Of course, they hardly spoke Spanish, they didn't speak Spanish in many cases. But it was a good trip and fascinating.

Q: Bolivia is renowned for having coup after coup after coup. These coups, were these pretty much limited to, in fact was the government sort of limited to, La Paz, and life went on elsewhere in the same old pattern, would you say?

McLEAN: Well, it certainly is true that the Indian indigenous communities were a world unto their own, had learned to throw off almost literally the Hispanic civilization around them. So that is a truth to a degree. The military and the government did have a projection out into the corners of the country, so it wasn't quite like maybe even Colombia today, where there are just parts of the country that the government does not rule, where it would like to rule but can't. In the Bolivian case, they had a system that went back to colonial times of relationship between the capital and these *campesino* communities. The 1952 revolution had caused a type of land reform that had returned the land to these *campesino* villages, which again made them even less dependent upon the culture and the trade and economy of the world. You had to be very careful. One of our embassy people, one from our embassy group, went out fishing one time and found themselves trapped in their cars with a community around them jumping the car up and down to give them a good sign don't come back, this was their land. But you can walk. I got involved, my wife got involved, in a village outside of town and went up to it one Sunday when she had been going up with a youth group, and we decided to walk on to go to the next village. Within an hour walk, we got to an area where nobody spoke Spanish. So you're right, there was that aspect. That's how it was at that particular time. We also had this very strong labor movement that controlled the mines, and the mines were becoming less and less productive. There were some limited efforts at getting modern mining. One was led by a young engineer in his 30s by the name of Sanchez Gonzalo. Of course, he later becomes president and a person I would deal with later in my career. So I knew some people and I knew the president, because this mineral attaché was married to one of the relatives of the president, so we did meet lots of people of that rank, but what we didn't meet was a lot of middle class, because, as I say, the middle class was outside

the capital. We all lived very well, because the housing had been abandoned by this middle class and had been rented out, and so we could rent some very nice houses at little price. I'm sure that living was in that sense good, tennis club and all those things. They welcomed us with open arms, because so much of the middle class was out of the country.

Q: Were they beginning to drift back?

MCLEAN: I guess they were beginning to drift back. What I remember is the fact that our conditions at the tennis club got more difficult as they started upping the price, as things calmed down, so that the middle class was coming back. And we had, as I say, just an extraordinarily large AID program and military assistance program. During the time I was there--I had worked in Washington on these country analysis papers and worked on them in Panama--so when we went through that exercise in Bolivia, I became a critic on them. I said I don't think that we really thought through why are we giving these resources to this country, particularly the military resources. We were coming up to the anniversary, the 100th anniversary, of the War of the Pacific.

Q: Did the War of the Pacific raise any of this? Was this something always in the air?

MCLEAN: Oh, yes. Right in front of the ambassador's house, in fact, there was a famous statue of Abaroa. Of course, he was pointed in the wrong direction, but he was the only hero that came out of that war for Bolivia. But the idea of returning to having a Pacific coast was a great touchstone of all politicians. They had to say the right things and do the right things.

Q: Were there efforts to drag us in?

MCLEAN: I think they would have liked to have, but we were very careful in not being dragged in at that time. I guess my one contribution to that--I guess I made two contributions. One was that those railroad cars that I refurbished in fact served the president a year later for his meeting with Ben Shade, the Chilean dictator, on the border. The second point was that there had been a study done at INR, the Intelligence Research part of the State Department, on the War of the Pacific and tried to bring it up to date as to other incidents that took place thereafter. It basically said that Bolivia should have no problem because there were lots of European countries, Austria and others, that did fine not having a coast, and I took that issue on and tried to show that in fact this was a considerable problem for a country because it was not in control of its own trade and it had to pass through other countries, and that was the stimulus to trade.

Q: Where did Bolivia point as far as trade goes? Was it Pacific, or would they aim going to Paraguay?

MCLEAN: At that time, one, trade was a very low proportion. It was only tin, and the tin could go out in either direction, mostly the Pacific.

Q: What was your impression of the aid program, both military but also the other aid program?

McLEAN: I thought it was overstaffed just in numbers, and what we were doing was bringing in lots of contractors, and you had a problem because you had to break through this cultural barrier. In fact, one of the few studies I thought, or the few groups I thought, that dealt with these problems was the agricultural group, but in effect their studies--basically done by Utah State University--had been there for many years, but their conclusion was you can't get there from here, you can't do this. You couldn't, there wasn't a way. The *campesinos* were so involved with different culture. For instance, they maintained large stocks of llamas and sheep, because that was their savings, their store of value, and of course this had a terrible effect on the ecology.

Q: Eating the trees, grass...

McLEAN: They overate. The land was held in common in many cases, so it didn't really work, so they ended their program during the time I was there. What we did try to work on, we tried to work on the bureaucracy through public administration studies, but those didn't work so well because people moved in and out of the bureaucracy and the bureaucracy had a political function rather than an economic function. You couldn't send anyone off to training and expect that they would either want to have a job or stay in the job after they got back. A big public service loan wrapped up when I was there, and most of the people they had trained for these didn't want any part of the government at all. I think there were only three or four that were still with the government out of some 200 they had trained over the years, and those were the last three or four that they trained.

Q: Was there a certain almost inertia about our aid program? This is what you did, and whether or not the results were coming out or...

McLEAN: My own impression is that people truly wanted to reap effective and adequate programs. The problem: Just how do you do this under these circumstances? I think it was the case that you just didn't know how to have that effect at that point. It's a very conservative country in terms of the massive population resisting change.

Q: How about the government, your experience and your colleagues', in dealing with it? Was it an effective one?

McLEAN: I would say it was fairly ineffective. Below the minister level they weren't people of great quality. They didn't seem well prepared for the jobs that they had. There were individual exceptions, and there were fine people, but I think too many people were out of the country at that particular time. I dealt a lot with the minister of commerce. At one point the man was a general. When he was a colonel, he was identified as the man who pulled the trigger under Jagavar's chin. That was probably his main qualification for that job. Another one was a politician from the Santa Cruz area. I remember one time I was flying with him and he pulled out a book he was reading. It was called Meenia Estodia; in fact it was Mein Kampf. There were fine German families in Bolivia, but there also were at that time ex-Nazis. I used to see Klaus Altman, as he was called on the streets. Of course, we all knew already that he was Klaus Barbee, a butcher from France, and he used to walk down the street with two big bodyguards. Of course, he wasn't there by accident. Somebody was protecting him at that particular time. It's interesting

in retrospect why we didn't make more of an issue of it than we did, since we had so much influence with the government.

Q: Was it the French were impressing us probably, and the French really didn't want to get into this thing?

MCLEAN: I don't know. I never saw any sign of anyone pressing, either the French or even the Israelis from the Jewish community, at that time. Maybe those pressures were taking place. It just didn't appear on our screen, at least my screen. But it's just incomprehensible today in 1999 to think that that would have been going on. He was very open. In fact, I think he had a pretty regular route of having his coffee in the mornings down in the bar, sort of a German-centered bar that was not too far from the embassy, and he would walk right by the embassy during the daytime.

Q: Were there any coups?

MCLEAN: I'm sorry. I have a great deal of respect for a lot of Bolivian friends now, but at this particular period sometimes it could be very comic. One time, just in order to try to stir up some interest, the political section, Bob Pace and I, tried to get a group together in the embassy of people who would be interested in some of the issues so we could get into it a little more deeply. So one night at my house we invited over a man who was a leader of a group that sought to make the Indians an organized political force in the country, which they weren't, so I had him over, and when it was over with, I took him up into the city, and in the strange geography of La Paz you go a long way up to the downtown area, go up to the downtown, and you keep going to where the poorer people live on the sides of the hill just below the *alto plano*. I took this man to his house and let him off when I took him back, and I just missed being involved in a little comical coup d'état, because at that moment the forces stationed on the *alto plano* were coming down into the city with their antipersonnel carriers and trucks, particularly antipersonnel carriers, and they got to the presidential palace and banged in the door. At that point their antipersonnel carriers ran out of gas. It was typically very much an intermilitary origin and not something that was going to affect us one way or the other. It was rather silly. One of the interesting things I did there was I did civil aviation negotiations and also followed the civil aviation trade, and at that particular point again things were not going well. They lost a third of the planes, registered civil aviation planes, that were, most of them, bringing meat up from the lowlands to the city of La Paz, running into a mountain. Eventually they found the radio beacon was badly placed and was steering the planes right into the mountain. One of our own planes went down in other circumstances where a C130 was coming into La Paz and a propeller cargo plane of the Air Force was coming into the city and was told it could drop down to a certain level. Of course, when it dropped down, it ran into another one. Things weren't going too well, and there was a lot of chaos in institutions.

Q: You left there in 1975 after not what one would call an over-challenging tour?

MCLEAN: No, it wasn't a great tour. On personal terms it was fun. There were these trips that I made, and what I did develop was something of a claim to expertise in the Andean area, because I traveled a lot, privately and with trips. One time I saw the first coca coming out, and I was

beginning to get acquainted with some of those issues which were to do me in good stead later on. And I met some people who were low-level people who I would think of later on and consulted with a group of people who later became ministers. But at that particular point, not a great trip. And I was a little frustrated by the economics, because I felt I wasn't being effective, and therefore I asked as an onward assignment either to get me out of this completely and off to eastern Europe, central Europe, or teach me some economics. I then went from there to start on my way towards economic training. I wanted very much to get out of there. They wanted to keep me in La Paz until I would touch with my replacement, which would be a couple months beyond that, but I just for family reasons wanted to get back my family and get them started in school, in university, and so I showed up early in September...

WILLIAM P. STEDMAN, JR.
Ambassador
Bolivia (1973-1977)

Ambassador William P. Stedman, Jr. was born in Maryland on January 1, 1923. He went to the School of Advanced International Studies and to George Washington University. He joined the Foreign Service in 1947. He served in Buenos Aires, San Jose, Guatemala, Mexico City, Lima, and Bolivia. He served in the ARA in Economic Policy, as a Country Director and as a Deputy Assistant Secretary. He was interviewed by Charles Stuart Kennedy on February 23, 1989.

Q: *I'd like to now come to your assignment as ambassador to Bolivia. How did this come about?*

STEDMAN: You mean other than recognition of my brilliance? (Laughs)

Q: *Other than recognition of your brilliance, yes. (Laughs)*

STEDMAN: My guess would be that I owe a considerable amount to Jack Irwin, with whom I had been associated when he was the special negotiator on the Peruvian problem. He had subsequently become Under Secretary of State, and my Peruvian desk officer, Alan Flanigan, was a special assistant to the counselor of the Department, so I had two friends, let us put it that way, in the upper reaches of the Department. But I think Jack Irwin probably was responsible. I never have talked to him about it, but that's my presumption. I presume that the recommendation was made, and then it worked its way through.

Curiously enough, I seem to follow a pattern. My immediate predecessor was Ernie Siracusa. Ernie Siracusa had been DCM in Peru before he became ambassador to Bolivia. Before Siracusa, was Doug Henderson, who had been in Lima and then became ambassador to Bolivia. So I thought I was following a pattern of serving in Peru, then going up to Bolivia as ambassador. That would be my guess.

I might say also, these were the days in the bureau when office directors would go out as an ambassador. Desk officers were more important. Office directors were very important. This is

before the age of five or six deputy assistant secretaries running around the Latin American Bureau. Office directors really had a position.

Q: You were assigned to Bolivia in 1973. What were our interests there as you saw them?

STEDMAN: To try to keep Bolivia moving economically, to try to keep them politically acceptable, let me put it that way.

To back up a little bit, let me say that the president was a military man. President Banzer had overthrown a previous military government. The previous military government of President Torres had been viewed by us and by the world at large as leading Bolivia toward some kind of radicalization, some kind of extreme possibly Marxist orientation of its economy. When Banzer overthrew him, by and large it was welcomed in the world. Obviously, the government was de facto. There was no functioning Congress, no labor unions really of any significance, political parties more or less existed, but were not really dominant forces. It was the military that was running the show. But it was considered to have been a good development, because it brought some stability back to the country.

We had assisted them under Siracusa mightily with budgetary support. We were moving away from direct budgetary support toward project assistance, because their economic situation was, in macro terms, actually improving. That is to say, they had some petroleum, and petroleum prices were pretty good. They're a tin producer, and tin prices were pretty good. They had a lot of gas, and gas was being sold at reasonable prices to the Argentines. People were returning to Bolivia. Bolivians were coming back and were bringing some money back. It was looked upon as a good period. So keeping this going was a concern and an interest of ours.

My own particular analysis, my own particular decision, my own particular style was to try to instill in Bolivians a sense of their own capacity to deal with their own problems, to make them feel more independent. This was a good time to try, because they had resources which they were earning. They were not just aid recipients; they were actually earning in international trading.

There's a long history of dependence by Bolivia on the United States economically. There's a long history of intense involvement on the part of the United States through the embassy in the inner workings of the Bolivian Government. In my view this kind of relationship on the political side was very unhealthy. It should not be that the local embassy has a veto on Cabinet nominations within a country; it should not be that way. The government should learn to take the consequences of its poor acts, and credit for its successes. Cooperation was at a high level on those things which were of concern to them and us, but U.S. ought not to be so meddling and so interfering.

I felt that one of the best things we could do in this period was to instill in Bolivians a greater sense of confidence in themselves. I think that they, by and large, welcomed that opportunity and they did a good job.

You mentioned before that activists go out and want to be activists, and policy says throttle back. How do you throttle them back? I've been sort of an activist in the economic side. We were still

active economically in a cooperative sense, but I really put the damper on activism in a political sense. Know what's going on, talk to people, talk to all elements, but stay out of the business of trying to determine whether this is a better Cabinet position for this person or another. The temptation is great. Our people frequently found themselves invited to make pronouncements--privately, of course, but to make judgments on prospective Cabinet members.

It's easy to be overly involved politically in Bolivia. It's very easy. Maybe at certain times it's required. At other times where it isn't required, we ought to know enough to be able to back off. This was a period primarily of backing off. So in a remarkable way for that country during my time there, there was the same government, the same president.

Q: Later on it turned into much more of a merry-go-round. I think no government lasted more than a year.

STEDMAN: That's right.

Q: How about Washington? Did you receive any instructions?

STEDMAN: To be perfectly frank, I don't think anybody ever gave me any instructions to do anything. I've thought about this for a long time. I don't recall anybody ever calling me in and saying, "These are our interests and this is what we want you to do." I think we went out there, I called the guys together, and said, "What are our interests? What do we do?" We sent it back to Washington, and they said, "That's okay, but not so much here, not so much there." The process of determining interests seemed to be from the bottom up rather than from the top down. We prepared an annual policy plan, whatever we called it, and we would describe these things.

There was also an attitude in Washington during my days of being sort of tired of Bolivia, which had been so dependent. If you have a very good case, some financial help, a loan for some specific project, quite often the reaction around Washington is, "Oh, God, for Bolivia? You've only been down there six months and you've already sold out. My God, you're on the Bolivian bandwagon." I'd say, "No, this is a legitimate project. Let's do something."

A case in point. It seemed to me then that we ought to do something about the areas in which coca bush was being produced. It seemed to me that we ought to find some way in certain specific areas, maybe not in the area where there was growing for traditional chewing, but some of the newer areas where you could see the growth and expansion of crop production, maybe somehow we could work an arrangement where we could get them out of that and get them into something else. I knew all the difficulties of this, but I said, "Why don't we try?"

AID wouldn't touch this with a ten-foot pole! "That's political; that's DEA; that's State Department; that's drugs. That's got nothing to do with development. That's not the best area for development."

So we had one dickens of a time ever enlisting anybody's interest in trying to do something about containing the growth of the coca crop through what I would call a kind of substitute or rational means. We didn't have any possibility of throwing the army or DEA in there, because such

operations hadn't come into acceptability at that time. I couldn't get to first base on this thing. I had a terrible time!

Then to my absolute, utter amazement we got this cable saying, "Secretary [Henry] Kissinger is en route to an OAS meeting in Santiago, Chile. He would like to stop over in Bolivia. He will not stop over in La Paz." I think they fudged this, but I think it was because of the altitude. "He will stop in Santa Cruz. So set up everything for him." So here comes Kissinger.

So Banzer goes down. President Banzer is from Santa Cruz, so we had meetings in Santa Cruz. In the meetings, either Kissinger with me, or Kissinger with Banzer, or Kissinger with both of us, said something about, "What should the United States be doing here?"

We said, "We ought to be doing something in the drug field, something to do with the coca problem." So that was sort of the beginning of doing something with the coca crop in Bolivia. So our interests began to shift toward doing something on the narcotics front.

Another dimension arose during my time there, which brought the whole drug thing so forcefully to my attention and to the Department's attention. This was the increasing number of U.S. citizens put in jail on charges of drug trafficking. By the time I left, there were something like 35 U.S. citizens in jail in La Paz, about 15 in Cochabamba, about 20 in Santa Cruz. For many years, Americans had come in to either experiment or get some coca paste and go out, and if they had been apprehended by the police, they were summarily deported. The flood became so great that the police couldn't do this anymore and still maintain any kind of credibility. So they had to start putting people in jail.

The judicial system in Bolivia is archaic, as you can imagine, not only built on the Napoleonic code, but full of corruption and inefficiencies. These folks were in jail for prolonged periods without their cases being brought to any kind of logical or legal solution. In the population we had men and women, young people, older people, some who were experimenters, some who thought it would be fun to come down and see what it was like to find some cocaine in the area of production. We had mules, paid couriers to come down and get a load and bring it back, who would do it just for the payment. Then we had hardened criminals who were trying to set up the networks. We had quite a collection.

So this became a major, major political issue which arose during the time when I was there. Just before I left, I must have been spending fully 50% of my time on this, which is, in essence, a consular protection issue. I visited all the jails, I went to see all the prisoners in jail. We had to get a second consular officer, because the poor devil who was doing the regular work in the embassy with visas and passports was unable to do this and also look after the prisoners, to the extent that we can look after prisoners.

We got some imaginative procedures going. I think somewhere in the regs it says a Embassy cannot hire a lawyer. We got the Department to issue a waiver. We hired two attorneys. We did not hire them for specific American citizen prisoners; we hired them as advisors to us. Their approach was to force something out of the Bolivian judicial system and force these fellows'

lawyers to get moving. That had some modest success. We got some allowances to provide toothpaste, toothbrushes and aspirin tablets for the people in jail.

Finally, we got a treaty negotiated, wherein for the last six months of a prison term you can be transferred back to a jail in the United States and serve out the balance of your term, if we ever got them to the point where they would convict them and give them a term. In the meantime, we were getting visits from parents, and a Committee of Concerned Parents of the Prisoners in Bolivia was formed in Washington. They had a sit-in at the Bolivian desk one evening. They were having testimony on the Hill. This thing lived with me after I left Bolivia, because I had to testify a couple of times and be beaten around the chops by senators in testimony.

Q: There's sort of a double-face on this, that no one is particularly interested at any time--and certainly today they aren't--in people who are engaged in drug trafficking or the users of it. Yet when they're abroad, there seems to be--I won't say undue sympathy, but exaggerated sympathy for the plight of people who are patently breaking the law, particularly in the drug business, which we consider, and always have considered, to be a pretty nasty thing. Did you find yourself caught in this?

STEDMAN: You do find yourself caught, and you find yourself caught in another way, too. We had been attempting to motivate the Bolivians to do a better job of policing their own country with regard to the production, the transport, the manufacturing, the consumption of drugs. If they picked up somebody and they summarily let them loose, we would go around and chide them on this, that they weren't really vigorous enough. Then when they began to pick up American citizens, the pressure was on us to make sure that the citizen was well taken care of. If you say you only want national treatment, national treatment in a Bolivian jail is pretty horrible. So always we are espousing something better than national treatment.

Then we would get the accusations on the part of our Bolivian interlocutors, "My God, you kept telling us to do something. Now we pick up an American citizen, now you're around here telling us to take it easy." So we were sort of arguing about this. I think that it was semantic, to a large extent, and could be explained.

We had another lovely example when DEA came on the scene. DEA became fairly prominent in Bolivia when I was there. We finally got a Bolivian deported rather than fully legally extradited--deported to Miami on drug charges for some activities that he'd conducted when he'd been in the United States before. We thought the case was solved and we had the goods on him. The judge let him go, and he was back in Bolivia thumbing his nose at us. So we had this extra complication. Here's a big producing country, and we're having a hard time with U.S. bureaucracy getting anything going. We finally got something unlocked by Secretary Kissinger's visit. Then we had this business of the American citizens in jail.

I tell you, at the end of my time there, the U.S. interest in Bolivia was exclusively in the drug problem.

Q: Henry Kissinger was renowned for having said, at least in his earlier incarnation as a professor, that Latin America is a dagger pointed at the heart of Antarctica, i.e., that Latin

America did not play much of a role in his view of world politics. He came at the end of his time as an official, 1976. Did you have the feeling that Henry Kissinger had any interest really in Latin America?

STEDMAN: Not a great deal, no. I don't think he had a great deal of interest in Latin America, and, in general, he probably didn't have a great deal of interest in the "underdeveloped world," so to speak. He did come to it at the end of his term, and he had been worked on real hard to go to a couple of OAS meetings. That may be one of the worst things to take a Secretary to, to interest him in Latin American affairs, because the OAS meetings can be--not always, but can be an interminable set of long-winded speeches. I think that Kissinger's patience with this was very, very thin. So it's conceivable that we got him engaged and also reinforced his disenchantment at the same time.

He really didn't like specialists so much. This whole GLOP thing, global outplacement, was his idea. That is to say, if you'd been specializing in a particular area for a period of time, you ought to get out of there and go learn some other area.

He did rely upon Bill Rogers, and I guess he liked Bill Rogers as assistant secretary. He brought him down there to Santa Cruz. He liked him. I would say he really was not all that much interested in Latin American affairs.

Q: Speaking of the OAS, I see that in 1975, Bolivia fired their ambassador to the OAS for not voting against the United States on a trade reform act. Does that ring any bell with you?

STEDMAN: No.

Q: There was also a to-do about a Bolivian who was a local agent for the Gulf Oil Company. He was arrested for supposedly making illegal contributions to Bolivian officials. Then there were stories about the CIA back in 1966, but it came out on your watch, that the CIA had given \$600,000 for a presidential campaign of Barrientos. How did this play when you were there?

STEDMAN: It played badly, but it only played briefly. The Gulf thing was one of these remarkable developments. Somewhere in Washington, I don't know whether it was congressional testimony or SEC hearings, it came out that Gulf admitted that it had bribed an official of some country somewhere in connection with its operations. When that announcement was made, some countries around the world demanded that Gulf state publicly that it wasn't in their country. So a couple of countries began to get these certifications from Gulf. Well, it wasn't here. It wasn't there. It wasn't the other place. That sort of left Bolivia hanging out to dry. Then they said, "No, we didn't bribe anybody in Bolivia, but we loaned a helicopter, with no hope of ever getting it back to then-President Barrientos."

This enraged everybody. "How dare you accuse us and our noble leader, Barrientos, who had been killed in that helicopter? How can you do this?" He was an Air Force officer and the Minister of Interior was an Air Force officer. "You can't impugn this man by saying this." So they took the Bolivian representative of Gulf Oil, who was only a nominal figure, and put him in

jail. Then Gulf wanted to communicate with the man. How do you communicate with the man? They'd communicate through us.

I felt it incumbent to do something to help the guy, because I thought this was grossly unfair. So I went over to visit him in jail. Well, this created a bit of a stir. I went to see the minister, who, curiously, was my next-door neighbor. He was furious, no question about it, but it died down after a bit. It died down after a bit because it then came out that the real bribing that had been discussed was Korea, or some other place. So this whole thing then ran down.

CIA involvement with Bolivia was pretty heavy in a previous period. A lot of it might have been associated with Che Guevara and our efforts to get Che Guevara by training of a hunter-killer squad in the Bolivian Army. All of this came and went by the board.

The tendency is for a flare-up and then for it to come back down again. None of it damaged or affected us in any way, I don't think.

Q: Speaking of the CIA, how effective and helpful was this as an operation? Do you care to comment on it?

STEDMAN: My own view is that we should have a strong CIA if for no other reason than to collect information on political activities, groups, which cannot be reasonably penetrated or associated with by our regular political officers in the embassy. There's enough of that action and activity going on in Bolivia that I think it's useful to have a competent staff to make sure that your information is good on what the fringe radical groups are doing. In that sense, I think I was well served when I was there.

Q: How well did you think the post was staffed, also with the military? There is a sort of corridor reputation which waxes and wanes, that ARA is sort of a particular breed of cat and they're not quite up to the Europeanist thing. What's your feeling on this?

STEDMAN: My feeling is that the Europeanists are talking through their hat. (Laughs) First of all, I've always been impressed with the high-quality people that we've attracted in the Latin America circuit. I know full well that corridor gossip is that this is historically a backwater, it's not a central playing field, Europe is where you go to be a political officer, you become an ambassador, and that's a successful career. I think recent years have shown us that we've got to have good people--and we do have them--in Latin America, and that you can have an eminently successful and highly recognized career from this, go on elsewhere, and do other good things. Lots of men who have been ambassadors in the hemisphere have gone on and done great things in their career after leaving the Foreign Service. I think it's a testimony to their competence.

The staffing of our embassy in Bolivia is complicated because it's a hardship post. You're operating at 12,500 feet above sea level. You have to recognize that this has a bearing on the officer, as well as his family. If anybody has any kind of physical weakness at all, you'd want to be very careful of sending him into that altitude. Most healthy people do perfectly fine, but you still have some concern. As a consequence, I would suspect that occasionally we get somebody who's quite good, who will opt out or wouldn't get himself in line for assignment there.

We have a tendency in Bolivia, generally, to get younger people in senior positions. The political officer, the economic officer, the administrative officer are generally a little younger than you would find at a comparable sized post if you didn't have that altitude hardship. They all do a good job. In fact, they may do a heck of a good job because they're energetic and they know full well that they have an opportunity to show their stuff at a somewhat higher-ranking job.

We have had pressure to cut back senior-officer positions, and I tried one experiment which probably may have worked with one individual, but didn't work subsequently. That is to combine the political and economic sections. I had one chief of the combined section. It seemed to me that we were making some gross mistakes. We would send a political officer into the foreign ministry, and the fellow you talked with there, since they're a relatively small establishment, would want to talk both political and economic subjects, and our fellow would only be able to talk the political side. It seemed to be rather silly. Also it seemed to me that the economic officers ought to know more about the political situation. So the notion of breaking the barrier and bringing them together appealed to me. I did it under pressure, I must admit, to cut back. It worked well with one or two people, but then I think it generally has disintegrated.

So I think we get good people, in general, in the hemisphere. We had a good band of junior folks in La Paz. They're enthusiastic. Probably like most hardship posts, when people leave there, they have established fraternal ties that continue to exist. There's a kind of esprit among people who have served in Bolivia.

Something that I did that I was really quite pleased with was to create a consular agency in Santa Cruz. I never convinced the Department to give us the funding for a regular consular post. We had had a consular post years ago in Cochabamba. That's been closed. But I got the Department to create a consular agency in Santa Cruz. Thank God I did. We got a marvelous woman, a resident who's married to a Bolivian, who had been a teacher and actively involved in the community, a very competent person, because then we began to have these Americans in jail on drug trafficking charges. We had an airplane crash, which killed an American crew. We had others there with difficulties, and she's just been an absolute marvelous assistant in dealing with these matters. She also takes applications for visas and passports. For this we pay her the princely salary of \$3,000 or \$4,000 a year!

I must say, too, we've had some awfully good Bolivian nationals on our staff. We don't have a minerals attaché anymore in the embassy in La Paz, but we have a Bolivian local national who is a graduate of an American University, bilingual, very knowledgeable in the mining field, highly respected and regarded within Bolivia and the mining community. I think it's a remarkable thing that we have a local employee of that caliber. That's one of the things we've been fortunate with in that post, is having good local employees, as well.

Q: Were you there when the Carter Administration came in?

STEDMAN: I was. I was also there when President Nixon went out to office and President Ford came into office. Yes, I was there from the change from Ford to Carter.

Q: With the human-rights business, did you have to change gears at all?

STEDMAN: It was too soon. I left in about June or July. It was too soon, although you could tell that something was coming. I must say that there is some kind of belief that we engineered the desire on the part of Bolivia to move toward having elections and democracy and electing presidents and re-establishing the constitution. I can testify personally to President Banzer himself holding these views long before Carter came into office. In fact, President Banzer, in the meeting that we had with Kissinger, was telling Kissinger it was his desire that the country turn to democracy, have a constitution, and have an elected president. Banzer would like to be the elected president. I heard that in 1975, I think it was, before Carter came in.

In any event, the manifestation did come later on with the interest on the part of Banzer to move toward elections, then three years of incompetent, unsuccessful elections and, as you mentioned, sort of a president for six or eight months, then another man six or eight months. I didn't feel anything when I was there from the new human-rights policy, but you certainly knew that something was coming.

THEODORE A. BOYD
USIS Officer
La Paz (1975-1977)

Theodore A. Boyd was born on October 9, 1941 in Terre Haute, Indiana. He served in the U.S. Army from 1959 to 1964. Throughout his career he has held positions in countries including the Congo, Kenya, Ethiopia, the Dominican Republic, Bolivia, Iran, Nigeria, Ecuador, Togo, and Cameroon. Mr. Boyd was interviewed by Charles Stuart Kennedy on November 29, 2005.

Q: How did you find the Bolivians?

BOYD: They were all right. Remember, La Paz is the world's highest capital city so lack of oxygen was a factor. Once they got to know you they were ok.

Q: Was there much unrest when you were there?

BOYD: Not much. We lived near the university so when the university students demonstrated we got a whiff of tear gas every once in a while but there wasn't rampant unrest and there wasn't any insurgency or guerrilla activity as such.

Q: Who was the ambassador while you were there?

BOYD: The ambassador there was Bill Stedman?

SCOTT E. SMITH
Project Officer, USAID
La Paz (1976-1979)

Scott E. Smith was born in Indiana but graduated from high school in Brazil. He spent three years at Johns Hopkins University in Maryland and then transferred to the School of Advanced International Studies (SAIS) in Washington, DC, earning a B.A. and an M.A. Mr. Smith joined USAID in 1974 and served in Bolivia, Haiti, Swaziland, Zimbabwe, Ecuador, and Washington, DC. He retired in May 1996 and was interviewed by W. Haven North on January 14, 1997.

SMITH: In October, 1976, we went to Bolivia. Bolivia had been my father's first assignment in what was to become an 18-year AID career. Bolivia was a very special country for me and it remains so. I was really fortunate that a position came open in Bolivia and that I was able to go there for our first overseas assignment. I was graduating from the IDI program at that point so it was actually a permanent position. We spent a little over two years in La Paz where I worked in the projects office.

Q: What were our interests in having a program there?

SMITH: Bolivia was one of the largest AID programs in Latin America at that time. It was a fairly broad program. There were education activities, a large agriculture program, a number of credit projects in which I played a more significant role, large health, population, maternal and child care (called child survival activities later on), but also a large engineering program of mostly road construction and rural electrification, and a housing guarantee program. I don't recall specifically, but I am sure there were Food for Peace programs there, too. So, it was a large program with a large variety of activities.

Q: This was the time of the Alliance for Progress?

SMITH: This was in 1976. I guess the Alliance was still officially on the books but it was fading a bit.

The area in which I worked most directly was agricultural and rural development programs, and on a variety of credit programs that we were funding. We had a couple of credit programs for small businesses. We had just started up a productive credit guarantee program, which was a new initiative in the Latin American region, 1976-77, and the project in Bolivia was one of the first of its kind. In a couple of cases, I was the design officer and later the project manager. The finance programs that we had with the central bank, that didn't fit into any of the traditional technical offices, were turned over to our office, the project development office, for implementation and those were the ones that I worked on.

We also had a number of agricultural projects with credit components. There was a community development program, an agricultural credit program, and a colonization program, each of which had credit components. One of the things I tried to do was get a whole picture of the credit

programs that AID was assisting in Bolivia and look for ways to make sure that they were working together, or that at least they were consistent. As I look back on all that, with the benefit of experience and hindsight, some of the things that we were doing or hoping to do were not destined to succeed. Separate credit funds with subsidized interest rates, central bank discount lines and those kinds of things, have now been shown to be ineffective at reaching the people who were our “target groups” and unsustainable.

Q: Why is that?

SMITH: Well, most of them included subsidized interest rates and a series of special eligibility criteria. A lot of these credit programs were not really of interest to private banks. Some of them were, and that is one of the things we were working on. But, the whole notion of special credit funds with lower interest rates, of course, as experience there and elsewhere has shown, really tended to be misdirected towards people who were better off.

Q: Who were they intended for?

SMITH: They were intended for smaller businesses or small farmers. And, of course, subsidized interest rates were based on the belief that small businessmen and farmers couldn't pay the higher rates. Of course, experience has proven that not to be the case. It has also shown that those special funds tend to be diverted to those who have other influence with the banking system and can subvert them and the eligibility criteria.

Q: Was that apparent to you at the time you were working on this?

SMITH: No. I suppose it was new at that time. In 1973, AID had done the spring review of agricultural credit which I'm sure pointed out some of these things. I actually carried a copy of the spring review report and paper around with me for many years. But, I didn't really spend as much time as I might have looking through and digesting this experience. I suspect a lot of this was identified even then, in the early '70s.

Q: Was there any particular factor that was driving them to subsidize rates?

SMITH: Well, it certainly was the government's policy at that time, and I think it was AID's as well, to come up with special funds targeted on particular individuals at preferential rates. I think that was pretty much the practice and felt to be one effective way of reaching people who were outside the banking system. But we had tremendous difficulties between the central bank and the private banks that we were trying to encourage to participate in those programs. A key issue was the role of a central bank, which performs a regulatory function, also doubling as a development bank and trying to encourage private banks to undertake particular kinds of lending programs through a discount funds for specific kinds of things. It proved not to be particularly successful, and the politics and the bureaucracies were not particularly suitable for the central bank. The central bank really had much more of a regulatory mentality, not the kind of facilitative, private sector mentality. So, there were a number of clashes and difficulties, which meant that the funds were not only sometimes being diverted to other uses, but in general were not being used as rapidly and effectively as they might have been.

The program in Bolivia also had a strong focus on childhood diseases, immunizations. There was a family planning program there as well.

Q: Was that well received?

SMITH: I don't recall. It wasn't something I was specifically engaged in. I don't recall that there was a lot of controversy about it. As is true throughout Latin America, there are a number of different influences on family planning programs, but I don't recall that there was a particular opposition to the program.

Q: Why do you think those programs were working better than others?

SMITH: I don't know. I think they probably responded more, certainly than many of the credit programs did, to what the Bolivian government wanted to do. There was fairly broad support both from government and a variety of PVOs and NGOs for working in those areas. So, in that respect-- not that there weren't difficulties--I think there was more coincidence of interest, commitment maybe, in those areas than was true elsewhere.

Education, which was another big program we had there, I think was less successful. Education programs in Latin America tend to be a little more controversial and you begin to get into issues like curriculum, teacher incentives and other issues which can become quite politicized. Bilingual education, which was a focus at the time, had a lot of issues. In the health sector, I think this was true in Bolivia at that time and I think generally probably true in lots of health programs in general, there is more of an agreement on the need to do something, what to do and more of a commitment by the people.

Q: Was this a countrywide program?

SMITH: Yes.

Q: Did it actually get out to all parts of the country?

SMITH: I think so. My impression was that it was a fairly successful program. The focus of the program was probably on the Altiplano, the highlands area of Bolivia, which was the focus of much of our program there. That is also where much of the infant mortality and maternal health problems were also greatest.

A couple of other impressions from those days. One of the projects that we were supporting then was a colonization effort down in the lowlands, basically a tropical forest area. It is interesting to think back on that now in light of work I have done on environment programs and biological diversity and the whole issue that emerged later on with tropical forests and the unsuitability of these areas for permanent cultivation. But in the mid-'70s we were very much involved in a colonization program down in the Santa Cruz area which was not especially successful.

Q: What were we trying to do?

SMITH: It was largely a project of building roads and infrastructure for settlers.

Q: Where were the settlers coming from?

SMITH: They were coming mostly from the highlands where there was a lot of pressure on agricultural lands from high population density. The idea in those days, and I think to some extent unofficially and officially now, in the Andean countries of Latin America, was that the tropical areas are a solution to the overcrowding and poverty of the highlands. And, of course, this was the driving view for that project. It was unsuccessful for all of the reasons that one can now imagine. The lands were not particularly suitable for cultivation. The kinds of crops that would grow there were not the kinds of crops that the people were used to. The weather conditions were not the ones people were used to. You were taking people who were used to living at 14,000 feet and putting them down at 1,000 feet in a tropical environment, clearing all the trees and trying to get them to plant things. The technical, cultural and social issues were just overwhelming. New bridges were being wiped out by flooding and access was cut off from the area. There was a tremendous series of issues and problems. The area today is probably settled and the people making a go at it the best they can, but it was quite a struggle and something that probably was highly questionable in view of environmental concerns that have become clear over the last 20 years.

Q: It might have been done differently or not done at all?

SMITH: I shouldn't have done it at all in retrospect. I think that the notion of colonizing tropical forest areas is not a means of sustainable development.

Those days, 1977-78, were the beginning of an issue which has characterized, even dominated, the AID program in Bolivia ever since, and that is the whole coca crop problem, the drug problem, cocaine from coca production, coca eradication, coca crop substitution. During the time I was there was when the first crop substitution programs were designed and put into effect. I think we were all not under any illusions that we were going to be able to find a crop that competed with coca economically. The real solution to the coca cultivation problem was going to be a combination of demand reduction, actions in the US or wherever, as well as enforcement actions there. And, of course, it was those things that were lacking. In the absence of that, the efforts to grow pineapples or citrus fruit could provide some additional income and perhaps a more diversified product mix, but they weren't going to solve the drug problem.

Q: You did pursue crop substitutions?

SMITH: Yes. There was a strong imperative to do that. For people who were looking for alternatives in the few areas where drug enforcement was working, substitute crops did provide an alternative livelihood to them.

Q: An alternative or complement? Did they really stop?

SMITH: In many cases they probably didn't stop. It was, I think, a vehicle for getting resources devoted to development and adapting a number of crops which were suitable for growing in those areas. To that extent, it was a useful development program. But the context was the whole drug enforcement issue and the commitment of the Bolivian government to it. Several of us felt that if the drug issue was a way to get some money for development purposes for things that could be useful, then that is great. After a couple of years it became real clear that that was not the only reason for making funds available, there was expected to be some true substitution, some enforcement and the program in the late '70s began to get much more heavily criticized.

Q: What did that mean?

SMITH: It meant getting the AID program a lot more interested in, if not involved in, what was happening on the enforcement side...the military, the police and DEA kinds of activities. And, it also meant the AID program began to be expected to meet objectives that were more than just agricultural objectives, more than just development objectives, ones that were linked to the actual substitution of coca, not necessarily on a particular piece of land, but in general. And, of course, what often happened was that a particular parcel on which the coca had been destroyed may have been converted into something else, but then the next parcel down would begin to be cultivated in coca. So, there wasn't any actual decline in coca production, in fact quite the opposite. So, the standards by which our programs were judged began to change from ones that had strictly to do with the more usual development criteria, adapting of particular crops and getting people to adopt them, to a much more political agenda. And, more and more, especially after I left there, the whole crop substitution program became much more a significant feature of the AID program in Bolivia than it was in those days when it was just beginning.

Q: What were the other features of the program that we were engaged in other than the crop substitution?

SMITH: Well, there was the health, education, construction, etc.

Q: Were you involved in trying to reduce the demand for coca?

SMITH: I wasn't and I don't think AID was involved during the time I was there. I don't really know the extent that AID subsequently became involved in some of those activities later, but political agenda is one that was just beginning to emerge in the assistance program in Bolivia in the late '70s and is one that has dominated our relationship with Bolivia pretty much since then.

Q: Oh, the drug issue. Congress got involved?

SMITH: Yes.

Q: Having to certify part of it?

SMITH: Yes. That is part of it.

Q: What were we certifying?

SMITH: The certification related to efforts by the government to eradicate or reduce the area of coca being cultivated and also steps to address and stop the transformation of the coca leaf into cocaine.

Q: How did you find working with the government on all these programs?

SMITH: It varied. In terms of the coca crop substitution programs, the part that we worked on during my time there was really more on the research and extension side. I think several people in the Bolivian government who were responsible for that also saw it, if not a windfall, then certainly something that gave them additional resources for doing research work on various crops in these particular areas. At the time I was there we really didn't work with the government on the enforcement issues.

Working with the government in general is another point I wish to make. The Carter Administration came in and was very interested in human rights and democratic governments. This also began to affect the AID program indirectly in that issues about elections and the form of Bolivia's government got introduced as criteria effecting the size of the assistance program. Bolivia was in those days a military dictatorship, but unlike most of its history, it had remained fairly stable over a period of six of seven years to that point. That stability, I thought, was beginning to pay off in terms of some of the economic goals and social development as well. But, it was very important to the US government and the Carter Administration that Latin American governments--governments throughout the world-- become democratic. I think that that pressure and using the AID program as a tool in that pressure, was fairly significant and may have forced the Bolivian government to have presidential elections a couple of years before they were otherwise planning to do so. So, elections were held in 1978.

Q: What kind of pressures were we applying?

SMITH: I think a lot of statements behind the scenes, certainly ambassadorial statements, encouraging them to have elections and using as a carrot or perhaps a stick the AID program as a way of stimulating them to move more quickly to a democratic elected government than they might otherwise have been inclined to do.

Q: Were AID programs linked with the condition of having early elections?

SMITH: Well, it wasn't explicitly so at the outset, but it became a process where more and more of those were linked. I have become a major fan of Jimmy Carter and am also a life long Democrat, but in those days I felt that the rush to move to a particular form of elected government ignored the importance of stability in what has been historically a very unstable country, government-wise. In the history of Bolivia there have been more governments than years of independence. In that environment, I felt then--and feel that history has not proven me incorrect--that moving too quickly could be too destabilizing and upsetting. But, nonetheless, elections were moved up a couple of years ahead of the schedule that was envisioned and the result of that was pretty disastrous for the next ten or fifteen years in Bolivia and certainly for the

remainder of the time I was there. Elections were held in mid-1978. There were a lot of questions about the elections and they were eventually annulled because of alleged irregularities.

Q: Were we providing support?

SMITH: I don't recall that we were. I don't think so.

The government candidate who ostensibly won the election then staged a coup and took over the government and a few months later there was another coup against him. This started the cycle of revolving doors that destabilized the country for a number of years. The last six months or so that I was there, the last half of 1978, was a time of great uncertainty and instability and it was tremendously difficult to get things done with the government. Even when there were three or four months of a particular government there was a lot of shuffling of cabinet ministers making it a very difficult and frustrating time.

Q: The elections were a destabilizing factor?

SMITH: Yes. I am certain there were issues of human rights with the Banzer government. There probably was a growing involvement, which certainly became much more pronounced later, of the military with drug trafficking. All of these were important issues, but I think that the move to elections and Bolivia's superficially symbolic return to democracy through the vehicle of elections turned out to be destabilizing. I think moving from authoritative to democratic rule in countries is not merely as simple as having elections. Just like economic development requires a nurturing process to work, political development requires a long term process that just did not seem to be recognized or acknowledged there at that time.

Q: Bolivia didn't have any prior democratic governments?

SMITH: There were a number of periods of times where there was democratic rule, elected government. Particularly from 1952-64, after the Bolivian revolution in 1952, there were four year administrations and peaceful transitions from one president to another. That ended in 1964 in the coup that kind of set up the whole process for the next seven or eight years, and then led to the Banzer years in 1971.

Part of the problem in Bolivia was that a lot of the old players were still around. The people who had been the leaders of the revolution in 1952 were still the names in politics in 1978. These had been the people who had been the presidents in the '50s and early '60s. Bolivian politics had not moved on, matured or grown from the days of the revolution. After the revolution the leaders broke up into various little factions. So, there was really no next generation of politicians that had an interest in a more national consensus and view. Politics was put into the deep freeze and when taken out was pretty much the way it was when it was put in. There hadn't been any real development that would allow things to change. And, on top of that you had the military as another player and it was an extremely unfortunate and unstable time. I haven't been close to Bolivian issues for a long time, but I think what you see now in Bolivia is finally the emergence of a new generation of politicians and leaders there. Siles Zuazo and Paz Estenssoro were the first presidents in the mid '80s after the return to democracy and the period coincided with

hyper-inflation and a lot of other issues. It was after Paz Estenssoro's last term that new leadership emerged. But, in 1978, that was not there. It was still in the old days of revolutionary leaders and it was not an appropriate time. So, I think a lot of advances we were helping to make in the development field were set back enormously by the political instability that resulted from what I felt then and still feel was premature urging of return to democratic government.

Q: Did we have a program on developing democratic institutions at that time?

SMITH: No, nothing.

Q: Maybe it was after that period, but I understood that in Bolivia there was the tendency for the government to turnover implementation of programs to the UN, donor communities, etc. because of bottlenecks; they got out of that implementation role.

SMITH: First of all I think there were several different threads to that. Most of that probably occurred later, but there were elements of it that occurred then and perhaps going back to the '50s and '60s with the *servicios*. In the '50s when the assistance program started in Bolivia and other places like that, there was no health ministry, no agriculture ministry, no education ministry. The *servicios*, which were bilateral Bolivian and American organizations that brought people from both countries together to focus on development issues, became a nucleus around which those ministries formed. But in the early '60s when my father was there, he was in an operational role together with counterparts. So, there is that kind of history, not only in Bolivia, but in a lot of places, where *servicios* were an implementing mechanism.

But, even in the mid-'70s when we were there, there was a tendency--mainly because of corruption and the inability of the formal government structure to carry out programs because of its bureaucratic procedures and the length of time it took to get things done--for a lot of the donor programs to create implementation units for carrying out their projects. The World Bank and others had special units set up outside the official government structure to administer the projects they were financing. These perhaps were useful devices for implementing projects, but certainly did nothing for mainstreaming and internalizing or allowing for project activities to become models for anything that the government did more generally. They, in fact, created a feeling of competition because often these implementation units were able to pay people higher salaries, had all the equipment, vehicles, etc. There was a vast difference between that and what the run-of-the-mill ministry had, so they created resentment and competition instead of cooperation.

Q: You had a lot of experience working with Bolivian people. How did you find them to work with inside and outside the government?

SMITH: The Bolivians were somewhat frustrating to work with. I think it was often difficult to work with a lot of the government officials. Bolivia had a real undercurrent, that sort of came closer to the surface sometimes more than others. It was sort of an anti-Americanism. Going back to my childhood and thinking more recently about the impact of this on my career and life and perspective of Latin America, growing up in Latin America I was part of a fairly privileged American family and working for the government. But seeing those radical differences that I mentioned earlier about rich and poor made me somewhat receptive to the ugly American kind

of caricature and also the image that many Latin Americans had and probably still have of the United States, and their sense that their relationship with the United States is as kind of second-class citizens. I think a lot of the difficulty in getting along with a number of Bolivians officials and others was reflective of that. That sort of chip on the shoulder. The feeling of second-class citizen. The feeling of being pushed around by Uncle Sam. And, of course, some of the things that I mentioned, the drug programs and the timing of elections, didn't do much to sway them from those views. So, I think there was an element of that.

Another element was corruption. I must say it was not something I particularly focused on a lot at the time, but certainly there was some of that emerging and there was a lot of probably agreeing to things that they really didn't agree too. A lot of subversion, probably in smaller ways, not massive padding of bank accounts out of the country. This type of thing made for difficult relationships. After the aborted elections in 1978, the revolving doors of officials you dealt with just made things very difficult.

Against that, I must say working in Bolivia was actually one of the better places that I have worked. There is a whole fabric of institutions in Bolivia that really resulted from a long involvement with the US assistance program. I mentioned earlier the *servicios* and how they evolved into sort of mainline ministries of education, health, agriculture. This is also true of the private sector. The whole savings and loans system in Bolivia was really a result of a series of housing guarantee programs and work with AID over decades. The person who was the head of the savings and loans system when I was there was somebody who had worked in AID in the early '60s and, in fact, was a friend of my parents from the time they were there, Ernesto Wende. So, he was someone who knew AID from the inside. In fact, what you had there in Bolivia, this kept coming up time and time again, were people who had spent a number of years working as Bolivian officers in the AID mission and then going out and becoming significant fixtures in the private sector institutional fabric of the country. So, at one level there were some difficulties in dealing with people, but on another level it was very nice because there was a whole institutional connection with AID that had grown up over the years. AID helped create the industrial bank and several other institutions in the private sector. Agricultural cooperatives, savings and loans, were really the creation of AID and Bolivian projects.

Working in the mission was very good too because you did have Bolivian employees for whom working with AID was their career. So, you had some people who had seen all of the coming and going of us folks who were there for two or four years, but they had been there for 15 or 20 years themselves and were able to be a source of continuity and institutional history of what worked and what didn't work. They were just very, very good people.

So, there were some difficulties at a certain level, but by and large, I think, working there was a very positive experience.

Q: Did you have much opportunity to get acquainted with the rural population?

SMITH: Not really very much. I think one of the main issues for AID is the extent to which we live protected lives, insular lives, in the countries where we work. Some people are able to reach out more than others, but in general, I think, that the commissaries and privileges that we have

access to really insulate us from understanding the countries in which we live. My own feeling, too, was that being an official in an aid giving organization always created at least some suspicion about why people from the country wanted to know you, whether they were expecting to get something from it. It made it very difficult in many cases for me to form friendships or relationships with people. And, certainly, getting to know the circumstances that affect the livelihood of the vast majority of urban or rural poor is very difficult. A symbol of that which I always thought was a move in the wrong direction, although I personally benefited from it in a number of ways, was after the passage of the Foreign Service Act in 1980 all AID people suddenly got black passports and became diplomats. The official passport was separation enough from what was going on in the country, but when people then thought of themselves as diplomats too, I think it made it very difficult to really get much of a feel for the country in which they were living. I think that remains a major structural obstacle to AID development work.

Q: Like the embassy?

SMITH: But, the embassy had a different role. The embassy's role I have always seen as being sort of the outpost of the United States in country X. Their role is to look at developments from the US perspective or in many cases, to serve customers who are Americans through visas, business people, etc. Certainly some understanding of local cultures and peoples and what is going on is important to that, and I think they are insulated from that kind of understanding too. AID's role, I feel, and I am not sure how generally this is shared, is very different. Its role is not to be looking out for US interests, but one that tries to understand the perspectives of the country and peoples and how we can form a partnership with them to help them improve their lives and conditions so that over time there will be that partnership, an acknowledgment that the US helped them improve their situation. That is what is in our benefit. We don't take those measures with short term political or other interests in mind. That principle has gotten violated a lot over my career and has been one of the things that has gotten me crosswise with the prevailing winds of the agency. But, I believe that firmly.

Q: But AID is an instrument of foreign policy. How do you draw the distinction?

SMITH: The instrument that it is, is a long term instrument. It is one that helps to create conditions in countries which will be in the long term interest of the United States. And, forming partnerships with people of all levels of society helps to create a favorable impression of the our people and values and what our country stands for. That is what I think the foreign assistance program contributes to foreign policy, not that it influences this week's vote in the United Nations, not that it helps a country take our side in some international dispute, not that it will now do things that are more beneficial to US business interests in the country, but that over the long range what will emerge from our assistance efforts is an independent country, one that is confident in its own voice, feelings and interests and which recognizes that there was a mature partnership that existed between our two countries and is at a level that is so fundamental that you don't begin to question their basic loyalty. That there will be differences on votes in the UN or positions taken on particular issues, but the underlying friendship and loyalty and sense of partnership that exists among the countries is there. That is what I think US foreign assistance contributes to US foreign policy, not any of the short term issues which I have already mentioned and others that I will mention later.

Q: Well, we will come back to that towards the end. Is there anything else on the Bolivia experience?

SMITH: No, I think the only other thing that I would mention is just in terms of my own career and how that was developing. I went to Bolivia just out of the IDI program and was the most junior American member in a five (US) person project development office. But through a variety of circumstances, for most of the last year that I was there I was the acting chief of the office. I began to play a management role and think more about management issues. Any kind of “acting” role is frustrating because you were by definition down a person or two, and we definitely were that during those times. Being shorthanded, recruiting and hiring became part of my more formal role during the last year I was in Bolivia. Being thrust into these broader responsibilities was partly responsible for my quick rise in the organization over the first several years.

As I look back to my time in Bolivia, there was a tremendously good group of Americans who were there at the time. Bolivia had one of the biggest and most diverse programs in AID at that time, but it was to some extent a backwater country.

Q: How big a program was it? What kind of scale are we talking about?

SMITH: I think \$35-50 million a year in the mid ‘70s.

Q: All projects?

SMITH: Yes. It had a US direct hire staff of about 35 when I first went there. As I look back at the names of some of the people who I worked with during my two years there and who became friends and colleagues throughout the rest of my career, it is an impressive list of folks, many of whom are either now or were mission directors or deputy directors.

Q: Who were some of these people?

SMITH: In the agricultural office Dan Chaij, who was later Director in Costa Rica, was the head of the office. Bastian Schouten was his deputy and Steve Wingert, who also became Mission Director in Costa Rica, was working on cooperative programs. In our project development office were Kevin Kelly (who became Director in Panama), Ed Kadunc (who has been AID Rep in Colombia and Brazil), Mike Deal (currently the Deputy Director in the Dominican Republic). In the program office, George Lewis, who is now director in Rwanda, Howard Handler, Dick Archie. Our lawyer there was Chuck Costello, who has been mission director in several countries. So, a tremendous number of people, many of whom were just starting out their careers as well. Steve Wingert, Bastian Schouten, Ed Kadunc, Mike Deal, Chuck Costello were on their first tour. It was a good group of people and actually one that would be really difficult to replicate today I am afraid.

Q: Why was that the case?

SMITH: I don't know. Possibly because of the program that it was. The size made it more likely to attract those kinds of people. But, also I think it was perceived as a good development program. Other than that I really don't know. But, it is interesting that so many people who later became very successful had their first tour in Bolivia.

Q: What was your perspective from the field about what AID was trying to do, how it was being managed?

SMITH: I don't know that I had any big perspectives in terms of how AID was being managed. There was a change of administration during that time. But, I am not sure I had much of a perspective on big management issues. The agency had just gone through this PBAR exercise where it had shifted around its formats and documents for programs to unify a system of loans and grants. So, that was kind of in the digesting phase, there wasn't a lot of new work on management systems that was being done. We were trying to make the new system work, so in terms of systems and things there wasn't much turmoil in those days, although there had been earlier and would be later on. I think the major change in terms of emphasis of agency level or US level over the years was this emphasis on democratic governments and human rights that the Democratic administration brought in and then also the focus on drug issues, which was not partisan at all, but something that was part of the time.

Q: Okay, let's move on.

DAVID N. GREENLEE
Political Officer
La Paz (1977-1979)

Ambassador Greenlee was born and raised in New York and educated at Yale University. After service in the Peace Corps in Bolivia and the US Army in Vietnam, he joined the Foreign Service in 1974. In the course of his career the ambassador served in Peru, Bolivia (three tours), Israel, Spain and Chile, as well as in the Department of State, where he was involved in Haitian and Egyptian affairs, and at the Pentagon, where he was Political Advisor. Three of his foreign tours were as Deputy Chief of Mission. He served as United States Ambassador to Paraguay and Bolivia. Ambassador Greenlee was interviewed by Charles Stuart Kennedy in 2007.

GREENLEE: I was in Bolivia from November of 1977 until December of 1979. In those days it was 25% hardship assignment, that is, a 25% increase in pay. Some people, I think, were reluctant to go to Bolivia because it was turbulent. Also, La Paz is at a very high altitude, about 12,000 feet. For me it was serendipitous. I loved Bolivia and my wife, of course, was right at home. She had family there, not a large family, but cousins as well as her sister. Her sister has since died, but she was married to a guy who was active politically and part of a political party. I was very well connected going in, and, frankly, much better connected in many respects than others at the embassy.

The ambassador was Paul Boeker—he died a few years ago. He was a very young ambassador, a smart guy who had been part of Kissinger's inner circle. I found him to be a good man to work for, and I found the political section interesting. The political counselor was supportive, but I had to be a little careful of how I...

Q: It sounds like it must lead to trouble.

GREENLEE: It could have, but I tried not to grandstand. I went through the system. As I started to hit the nail on the head, I think my information was particularly appreciated. I would not put stuff in cables immediately. I would write memorandums for the files, and the memorandums would be distributed around. I would get notes back from the ambassador, so it was a heady thing for me. Some of the other section heads—not my boss—resented my access to the ambassador. I started to learn about careerism.

I had trouble at first writing the cables that I really wanted to write. Sometimes they were substantially rewritten, either watered down or elaborated on so much that the focus was lost. Another thing was that I was a slow writer. I mentioned this before. I always wanted to get things exactly right, and I wanted to write with verve, with a kind of snap. It took me a long while to write. I remember one time the political counselor came in and said, “You write good stuff, but sometimes you’re in there with your door closed, and you produce a mouse.” [laughter] One thing that I learned in La Paz was the importance of contact work. I wasn’t an eight to five or nine to five officer. I was working all the time and working lines that the embassy didn’t have easy access to.

Q: Let’s talk about the political situation and the lines that you were working.

GREENLEE: Political turbulence is the norm in Bolivia. It was still the Cold War, but Jimmy Carter as president wanted to promote human rights, which was a new concept for the region and especially novel after the Kissinger period. Bolivians, at least those in the established political class, were not too interested in our views on human rights. They thought it was interference in their affairs.

The other thing was democratization. Jimmy Carter wanted to see elections and wanted a reversal of the trend that had produced *de facto* governments throughout the region. He wanted to have it go the other way. In fact, the week that I arrived in Bolivia the *de facto* president, Hugo Banzer Suarez, an army general, announced that there would be elections and that he would not be a candidate.

The elections were held about seven months later, and there was massive government-driven fraud. Banzer had designated as his successor an air force general, Juan Pereda Asbun. Pereda supposedly won, but everyone saw the fraud. People rose up in the streets—the leftist opposition—and the election was annulled.

Pereda was pushed aside soon after he was sworn in. Another general came in as *de facto* president. Eventually new elections were organized. These ended in a dead heat between the two

main presidential contenders, Victor Paz Estenssoro and Hernan Siles Zuazo, the two grand old men of the 1952 MNR revolution. Congress couldn't decide the outcome. There was an absolute deadlock. But the Bolivians, historically, are good at working their way back from the brink. The congress finally came up with a way to break the stalemate, which was to elect as president neither of the deadlocked candidates, but rather the president of the senate. His name was Walter Guevara Arze. He was president a couple of months, and then there was a coup and another military guy came in, Alberto Natusch Busch.

That coup was smothered by the international community, which threatened to cut off aid, within three weeks. Then the president of the lower house, a woman named Lidia Gueiler Tejada, was selected by the congress. That was about the time I left. She was pushed out several months later in a particularly nasty coup led by an army general named Luis Garcia Meza, who is now languishing in a Bolivian jail.

I was in Bolivia as political officer for two years, roughly. Two years and a month or so. During that time there were two general elections, the annulment of the first of those elections. There were three coups and, I believe, seven presidents. This was a great way to learn how to write about politics. This was not long after the Freedom of Information Act was promulgated. There had to be a system for declassifying cables and making them available to the public. The way they initially tried to do this was to have the drafter or the person responsible for the cable identified as the classifying officer. At some posts this was always the ambassador or the dcm, but in La Paz it was the drafter. It was quite good for my career because people in Washington said, "We're waiting for the Greenlee cable." It gave me some currency with the front office, and we would get kudos occasionally from Washington.

Q: At that time, what was America's interest in the drug situation?

GREENLEE: This was before Bolivia moved seriously into coca/cocaine production. There was some of that, but the problem was not as grave as it would later become. Here was a country that had been on the skids for years, into which we'd poured a lot of aid. We wanted to see it develop politically, as a democracy. But Bolivia historically is the most turbulent republic in the world. It's had more changes of government in years of existence as a republic. It was almost a laboratory for political theorists. People wanted to see democracy work, but democracy was also seen as instrument for consolidating power and a cover for abusing it. Our main interest was trying to stabilize the country and help it become more viable. In the late 1970's, the anti-drug effort was secondary.

Q: Why did we care?

GREENLEE: We cared because Bolivia was in the center of South America, bordering on five countries. When I was a Peace Corps volunteer, Che Guevara was trying to make the country a focal point for revolution. There were two active communist parties. There was Peking-line party and a Moscow-line party. There were socialist parties and right wing groups as well. There was a dance we were doing with the Soviets, and the Bolivian governments, left and right, were adept at playing us off against them. The Bolivians would say, "We don't want the communists. We don't like them. But we need more help to keep them at bay."

Q: How about the universities?

GREENLEE: The universities were and are today very left wing. There was a lot of pro-Soviet and pro-Cuban—and anti-U.S.—sentiment in the universities. There were some right wing elements, but the dominant tendency was towards the left, and even the totalitarian left. Bolivia is one of those countries that had and still has Trotskyites. They were a very strong element in Bolivia. I know they exist in Mexico also, but you don't hear about them in the U.S. or Europe.

Q: Is Bolivia one of those places where the young tend to be Marxists or communists but when they grow up they go into business?

GREENLEE: Yes, there is an evolution there—just like in some cases here. They start out being idealistic, leftist, against everything, but as they try to make a living, they change. Sometimes they want to protect inherent privilege. Sometimes they come to the conclusion, intellectually, that a traditional economic system ultimately works better for the country. But there is a hardcore intellectual left. They become university professors or politicians. They, more than the businessmen, are the opinion-shapers.

Bolivia, being a country that does not have a seaport, that's locked away in the center of South America, is inward-looking, provincial in many ways, and susceptible to populist appeal and nationalist appeal. It is easy to stir things up in Bolivia. It is also the most indigenous as well as the poorest country in South America. Today 65% of the population describes itself as indigenous, and about 65% of the population lives below the poverty line. This is also a source of political turbulence and political opportunity for strong nationalist populous leaders.

Q: Where did your wife's family fit in?

GREENLEE: My wife's immediate family was not a factor. Her father was deceased. She had a brother who was not in politics. My wife had a first cousin who was married to a former army general who was politically connected on the right and another cousin who had been, in the Banzer dictatorship, a minister of interior. But I did not use those connections. My wife's sister's husband, however, was a good interlocutor, somebody who could keep give me reality checks. That was a valuable connection. I worked around the political spectrum partly through him. But I would also make cold calls on pivotal figures that the embassy wasn't talking to. I'd say, "I'm from the U.S. embassy. I'd like to sit down and talk with you." They would always say yes.

My wife has an interesting family history. On her father's side she is descended from the first martyr of independence in South America, in 1809. This fellow, Pedro Domingo Murillo, rose up against the Spaniards. He was a Creole. In fact, he was the son of a Spanish priest and an Indian woman. He was caught, hanged and decapitated. His head was put on a stake. He was said to have said something like, "I die, but the torch I have lit will never be extinguished." A decade and a half later, Bolivia finally achieved its independence, but Clara, my wife, is a direct descendent of that guy, a great-great-great, however many greats, grandchild.

Her mother's side was more of a pure Spanish line. They had extensive properties and had been wealthy before the agrarian reform, in 1953, when they lost everything. My wife grew up partly in a world of privilege but her father died, in 1964, when she was just beginning medical school in the university, and she had to drop out and study to become a teacher. When I met her, she was holding her family together. She was also, for me, an interpreter of Bolivia.

Q: At that time, how was the indigenous population looked upon, and what was their role?

GREENLEE: Bolivia is a mestizo country. There are very few of pure European stock. Even the people who are comparatively well to do and who in those days were running the country take pride in having indigenous blood. But there are very sharp class distinctions. The poor of Bolivia—and I mentioned this in the Peace Corps part, when we were talking about that and the deep, indigenous people—had lived in conditions of chattel servitude until 1952. They remain today excluded from opportunities, from avenues that could lead to prosperity.

Then and to a large extent now, many of the poor work almost as beasts of burden. Many of the men are bent over, hammered down from a very young age. There are linguistic divisions, too. There is an indigenous lower middle class, the *cholos*—with resources, like trucks, a kind of in-between class. Bolivia is one of those countries—Guatemala is another one—where there really is a particular kind of culture, a rich culture that is not a knock-off of European culture or U.S. culture. It's very specific, very unique.

The women in the indigenous lower middle class wear voluminous pleated skirts. In the upland areas, around La Paz, they wear derby hats. In Cochabamba, where I was in the Peace Corps part of the time, they used to wear white stovepipe hats. Those hats have been modified a bit in recent years. Bolivia has a little bit of everything. Recently somebody described Bolivia as a medieval country, alongside a colonial country, alongside a modern country. It has all of those elements, and they become inter-meshed. In those days, though, in the 70's, there was much less that was modern.

Q: During the two years that you were there, were there any crises or developments that stand out in your mind?

GREENLEE: There were the crises of the coups and the elections. There was plenty to try to understand and plenty to report on. It was an adrenalin trip, the whole of those two years there. There were a couple of things that stand out. One was the last coup, which was run by a colonel named Natosh Busch, a coup that lasted only 16 days.

We knew that this coup was developing, and I had a lot of information about it. The coup actually happened on the last day of the 1979 OAS ministerial, which was held in La Paz. Just before it broke, the ambassador sent me over to talk to a prominent MNR politician named Guillermo Bedregal. He was a contact of mine. I told him that we had information about what might happen and asked him to help head it off. This was not out of line, because we knew he was involved. He acted like he didn't know what I was talking about. When the coup happened, he became foreign minister. Later, after it collapsed, he denounced me, publicly, for interference in Bolivia's affairs, and accused me of being the "station chief." That charge became attached to

my reputation, and if you Google me you see it there. This was a coup from the right, but this guy's accusation against me was later exploited by the left, when I returned as ambassador.

Q: At that time, as a foreign service officer, you saw coups up close and reported on them. But did you find that back in Washington the attitude was, "So? What's new?"—an attitude like, "Who cares?"

GREENLEE: Washington certainly cared, at least briefly. They cared because the push to consolidate democracy was faltering. Remember, we started out with the *de facto* president declaring that there would be elections, and then we had all these problems. There was some explaining to do. "How is it you guys are promoting democracy and the people aren't ready for it?" Attention was paid at the State Department. But not much. It was really just a blip among other, larger concerns. The Natusch coup was a 16-day blip.

Q: What were you doing in those 16 days?

GREENLEE: Talking to the new opposition, the people who had been trying to form a government before. The ambassador was the one doing the heavy lifting and the dcm and political counselor were certainly active. There was a lot of pressure and the coup collapsed.

Q: What about the Bolivian military? What constituted it? What was its role?

GREENLEE: The military conducted coups. It was a factor of power and could not be ignored. When the military understood that it couldn't sustain itself in government, it stepped back. But it remained an important factor of power.

One of the things we had to contend with was a perception in Bolivia that although Jimmy Carter and the State Department wanted democracy to succeed, the Pentagon had a different view and was willing to tolerate a *de facto* government to keep the Soviets out. It was not a correct reading of the thinking of the day, but it was what I think most Bolivians believed. There were in fact some issues with people connected with the defense attaché office in Bolivia. There was at least one guy who never understood why it was important for us to promote human rights. He would always be saying, "It's their country, why can't they do it the way they want?" I think he probably said a bit of this to the Bolivians. We didn't have as coherent a policy line as we should have, but some of the Bolivians who wanted to see military intervention were eager to detect splits in our policy that didn't exist.

Q: Human rights. This was one of the main focal points of the Carter administration, and it was new on the horizon, more or less on a worldwide basis. How much of a problem were violations of human rights in Bolivia?

GREENLEE: Human rights were a concern not just in Bolivia but certainly in Chile and in Argentina. There were massive violations of human rights. When Carter insisted on human rights as an essential component of democracy, it seemed a novel position. I think Bolivians on the left didn't quite know what to make of it. Maybe they thought we were being cynical. In fact, through our position, we carved out a base for the left to develop.

What really was eye opening for me was how powerful our human rights policy turned out to be. It was powerful because it made sense to us, it tripped easily off our tongue, and it was powerful because you have to have human rights if you're going to have respect for rule of law and for the institutions of democracy. It didn't surprise me when, after Carter lost the election to Reagan, the policy continued. Now nobody thinks about it. It is a component of what everybody understands to be necessary for democracy. But it wasn't always so.

Q: Was the military government beating up and imprisoning a lot of people? You mentioned Argentina and Chile, where there were "disappearances." How about Bolivia?

GREENLEE: The de facto military governments had no compunction about using lethal force. Bullets sometimes flew, and opponents were rounded up. People were killed. What happened in Bolivia didn't get as much publicity as what happened in Chile and Argentina., and happened on a much smaller scale There were things I found out later, such as Banzer's participation in "Operation Condor," which was about hunting down and assassinating left-wing figures in those countries.

A former leftist president of Bolivia, an army general named Juan Jose Torres, was assassinated in Argentina as part of Operation Condor. Torres was president for a little while in 1970, and later sought asylum in Argentina. My brother-in-law was connected with a party of fairly young people. He was identified as a leftist and under Garcia Meza and was threatened with death. He was taken out, put against a wall, and I think bullets were shot over his head. He was told he would be killed if he didn't leave the country. And he left for about ten years. The military operated that way.

Q: What about the neighbors, the countries surrounding Bolivia? Did they interfere?

GREENLEE: Bolivia had lost territory to each of its five neighbors, but the most significant loss was its outlet to the sea during the 1879 war in the Pacific. Banzer, as a right-wing de facto president, had a kind of affinity for Pinochet and came close to making a deal that would have given Bolivia a sea outlet through former Peruvian territory. There were discussions with Chile and a real effort to resolve the dispute. Bolivia wanted a territorial concession, but the Chileans wanted Bolivia to give up an equal amount of territory in return. There were also problems in the arrangements with Peru. So a promising effort ended up being a setback in the Bolivia-Chile relationship, with repercussions that continue.

Q: You mentioned this Operation Condor. Was this a South American right wing operation or was the CIA (Central intelligence Agency) in it subsequently?

GREENLEE: I knew nothing about Operation Condor when I was in Bolivia, and I know nothing about it from my work in the U.S. Government. I only know what I've read in the newspapers. It is clear from media reporting that there was such as thing as Operation Condor. It is not at all clear that the U.S. had anything to do with it. In fact, what I've been given to understand is that the U.S. was not involved in Operation Condor.

Q: Did you get any feel for American business interests in Bolivia at the time?

GREENLEE: There were U.S. interests in the mining sector. I knew people involved there. Being a fledgling middle grade political officer, I had no particular role in trying to defend U.S. business interests. It wasn't until later, really until Larry Eagleburger became secretary of state, or a little before, that, U.S. diplomats, particularly ambassadors and senior-level people, were ordered to be very conscious of U.S. business interests and to promote and to support them. This became a large part of our responsibilities as I went on in the foreign service.

Q: How did you find your social life? Was it useful professionally?

GREENLEE: In Bolivia, first of all, there's always a very active social life in the family circuit. Families are always doing things with one another and their circles of friends, and social life can be very intense. We were entertaining people a lot and we were going out to barbeques and receptions. There was also the school, the people connected with the school. We had an active social life. My wife loved it, and I found it to be useful for my professional interests, my political reporting interests. There are few secrets in Bolivia. The trick is to separate what is real from rumor and gossip.

Q: Were there any other events while you were there? Did you get any feel about how well Bolivia was represented back in the States, their embassy? Some embassies really know how to play the game. Did you get any feel for this?

GREENLEE: I did not get a good feel for Bolivia's representation in Washington during that particular tour, 1977-79. I had a better feel when I went back '87-'89 as deputy chief of mission. Then Bolivia was very well represented. Bolivia has a problem that many other countries don't have-- that Israel doesn't have, the UK (United Kingdom) doesn't have, and even Brazil doesn't have--and that is that it is a small country without a U.S. constituency. If the ambassador in Washington isn't really good, there isn't much he can accomplish; it's hard for him to make an impact.

There have been two ambassadors that I am aware of who made a difference. One was Victor Andrade, who was able to convince Washington that the 1952 revolution was not an ideological threat. The other, in the late 1980's, was Fernando Illanes, who negotiated a complicated debt buyback, a model of its kind. But most Bolivian ambassadors in Washington pass unnoticed. Bolivia's best lobby has been via our embassy in La Paz. That is so today.

Q: I take it there wasn't much of a Bolivian ex-pat community in the United States.

GREENLEE: No, there wasn't and there isn't. Such as it is today, there are Bolivian workers, a lot of them around Arlington. It is not an ex-pat community, really. Most of them are illegal and don't try to make a political impact. They keep their heads down. There are also prominent Bolivians here, often treading water until conditions improve and they can go back.

HOWARD L. STEELE
Coca Crop Substitution Program
Bolivia (1977-1980)

Dr. Howard L. Steele was born in Pennsylvania and graduated from both Washington and Lee University and Penn State University. Assignments abroad have included Brazil, Guatemala, Bolivia, Honduras and Sri Lanka. Dr. Steele was interviewed by Charles Stuart Kennedy in 2003.

Q: Then you went to Bolivia?

STEELE: Yes, from there I went to Bolivia.

Q: You were there from when to when?

STEELE: From October 1977 until the late summer of 1980. I was asked to head up a program which they called Coca Crop Substitution in the Coca Zones of the Yungas and the Chapara. As soon as I got there, I said (and I was not real popular with the Drug Enforcement Agency), "Hey, there is no true substitute for coca either technologically or economically unless it's opium poppies for heroin, so let's be realistic about this." So we renamed the project Diversification in Coca Zones. We started to bring in specialists to find out if those farmers could produce in the jungle of the Chapara and up in the Yungas in the valleys things like black tea, bananas, pork operations, other commodities. We started by working with the groups of peasant farmers called syndicatos. I had 12 University of Florida professors there working with these syndicatos, (syndicates, of campesinos or peasant farmers). We started finding out what their needs were. They needed a school or a gravel road or this, wanted that. So, we started trying to win over their confidence and their loyalty by doing things for them.

Well, the drug mafia didn't like that very well. So, they were paying these poor campesinos \$100 for a hundred kilogram bag of dried leaves out on the highway out of which they would make a kilogram of pure cocaine hydrochloride. Cut to ten percent purity at this time, the finished product would sell from \$250-500,000. So, as soon as we started making a little progress with some of these syndicates and they wanted to move away from the production of coca for cocaine, the mafia doubled the price to \$400 without significantly hurting their marketing margin at all. It wasn't all pure profit. They had to pay off the police. They had to pay the "human mules" to smuggle "bricks of cocaine." They had some transportation problems, etc. But, man, what a powerful thing that was.

Q: Were you under threat?

STEELE: Absolutely. At first, until we started really making inroads, it wasn't serious. They just doubled the price and then they'd try and get these farmers not to cooperate with us. Some would pull away. But then as time went on, they started flattening the tires of our Florida team's vehicles, or the group of Bolivians that we had organized called Prodes (Project for the Development of the Yungas/Chapare). We had a big group of Bolivians that were working for Prodes. I had imported 70-some vehicles, pickup trucks and jeeps and what have you,

motorcycles, too. Well, then they started pulling distributor caps. Finally they started shooting. That phase of my career ended with the cocaine coup d'etat of General Garcia Mesa in Bolivia in the summer of 1980.

Q: What happened?

STEELE: October 1977 when I arrived until July of '80, we had 7 different presidents claiming to be president. Three in one day. So, we had 5 serious coup d'etats. Two of those were shooting. The others were peaceful. Then some things happened. General, Garcia Mesa, wanted to be president. He brought in a bunch of argentine guerillas, security types that came out of Argentina's dictatorship. They started driving around La Paz in paneled trucks with green crosses on them. These goons would take people out and imprison them - I guess some of them never came back – who were opposed to Garcia Mesa. Our ambassador tried to reason with the political people before this all came about. Our intelligence knew what was happening. So, our country pulled him out. I was up here on vacation because my father had passed away and I had to arrange for his funeral and take care of the farm in Pennsylvania. It was time to go back. I had used my vacation up. So, being a good guy, I drafted a cable to let them know I was coming back with my wife and little daughter. There was a man in the State Department working under the Assistant Secretary for the Bureau of International Narcotics Matters. He refused to sign off on my travel cable. He said, "You can't let your wife and daughter go back. We have an evacuation going on. You have 2 weeks to get back there and get everything finished up and get out of there." I said, "Well, that's impossible. If you're not going to allow her to go back, I'd like to see this in writing because she's entitled to separate maintenance." But he refused to do it, so I knew he was lying. So I called Alex Watson, the charge d'affaires. Alex is a great guy. I told him what was happening. He said, "That rascal. We're having a phasedown because we're not happy with this new government. But it's not an evacuation. You get Jane and Jenny on the plane and get back down. Would one month be enough for you to finish up your reports and get your stuff packed?" I said, "That's wonderful, Alex. I really appreciate it." I always have liked that man. So, that's what happened. It was sometime later. In the meantime, I had been invited to go to Honduras and I was planning on going to Honduras with my family, but it moved it up a month.

Q: By this time had the diversification program pretty well broken down because of the new president?

STEELE: Yes. One of the things that I disagreed with was putting the monkey on the back of the poor little campesino. I never agreed with the DEA's idea of going in there and burning those fields up, poisoning them. That's not the way. The only way you're going to stop this nonsense is 1) education, getting the demand down. That's extremely important and difficult, I know that. The other thing is, you interdict the central marketplace. You go after the mafia. But you've got to have a companion program in place that you give those farmers alternatives so they can make a living. They're not going to make as much money perhaps as they did growing coca leaves. But a lot of them pleaded to us that they wanted chocolate beans, cacao. They said, "The mafia steals our bananas and oranges. Yes, they pay us for the coca, but they make us produce coca. They bring in the seed. We don't do record keeping. We don't know what kind of charges they're charging us for it. But we don't like to be in their tentacles." It wasn't every one of these groups, but we ran into a lot of them that were being discriminated against. So, I suggested that if

you wanted to do this thing right, you interdict the central market at the same time we have these alternatives. We have rooms full of options for those farmers that would have worked. But first you had to get the truckers independent. That was another thing the mafia did. They controlled all the truckers, and a lot of policemen and a lot of military.

ALEXANDER F. WATSON
Deputy Chief of Mission
La Paz (1979-1981)

Ambassador Alexander Watson was born and raised in Massachusetts and was educated at Harvard and Wisconsin Universities. In 1962 he joined the Foreign Service and was posted to the Dominican Republic, the beginning of an impressive career specializing in Latin American Affairs. His other overseas posts include Spain, Brazil, Bolivia and Colombia, serving as Deputy Chief of Mission in the latter three countries. He had several Washington assignments, the last being Assistant Secretary of State for Inter-American Affairs. From 1986 to 1989 he served as United States Ambassador to Peru. Ambassador Watson was interviewed by Charles Stuart Kennedy in 1997.

WATSON: I went to Bolivia as Paul Boeker's deputy chief of mission in August of '79. About four or five or six months after that, Cy Vance, who was the Secretary, asked Paul to come back and run the Foreign Service Institute. I was chargé d'affaires briefly in Bolivia. We can get back to Bolivia at greater length. Then came Marvin Weissman, who was an AID officer who had been ambassador to Costa Rica. He came to Bolivia as ambassador in March of 1980. Then in June of 1980, we had a military coup and we withdrew our ambassador preemptively as a demonstration of our opposition to the coup. Also, we feared they would probably throw Marvin out anyway. The government would declare him persona non grata because there had been this huge campaign against him—about the ugliest thing I've seen in the Foreign Service. They had swastikas all over the wall pointing out that Marvin was Jewish. They were attacking his wife, who is the nicest person on earth, I assure you. She was a Chilean from Chile even though, in fact, her mother was Bolivian and her father, if I recall correctly, was a Chilean of Norwegian extraction. He came as an engineer to Bolivia to do mining work and that's where he met the mother. So she was born in Chile. She wasn't Chilean, but she was at least half, but that didn't matter. The whole point was to undermine the U.S. government in the eyes of the Bolivian people and thus undermine the president Lidia Gueiler, a woman who was president that we were trying to support, thus weakening her position and preparing the ground for the coup; and that's what was going on there at the time. So we pulled Marvin out on June 20, 1980 or 21, 1980 and I was chargé for the rest of the time. Of my 24 months in Bolivia, one way or another, I was chargé d'affaires for 18.

Q: That was from '79 to '81 then?

WATSON: Right.

Q: Today is the 7th of March, 2000. Alex, let's talk about Bolivia. We've picked up why you were chargé for so long, but we really haven't talked about anything else. What was the Bolivian government like? I mean, when you talk about Bolivia you have to use a plural as far as governments at that time. And you arrived and, what developed?

WATSON: I think in retrospect it has turned out to be a really crucial period in Bolivian history. Once this period I was there ended, Bolivia entered into a period of great democratic stability and transition from one cleanly elected civilian government to another several times now. I think I was there perhaps in the new era of Bolivian political experience in some respects. When I arrived there, a fellow named Walter Guevara Arze had become president. He had become president of the senate. To understand one reason why the system was so fragile at that point, I think it's important to say a word about how the presidential electoral system worked in Bolivia—traditionally the most unstable of countries in South America, certainly. If I recall correctly, if a candidate for the presidency does not get 50% of the votes plus one, the election then went into the chamber of the congress, where the congress decided among the top three candidates; so enormous political jockeying took place. I was not there exactly... especially when Guevara came into office, I don't quite recall how this occurred, but in fact I don't think he was even one of the top three. But he was the president of the senate and the congressional coalition put together supported him. So, Guevara had a very tenuous hold on the presidency, but he was the legitimate president of the country when I arrived there.

Meanwhile there was a lot of activity on the left—sort of traditional Castro style or influence left that had emerged from sort of a guerrilla phase and moved into an incipient to politically active phase, or in a democratic mode, and then there was of course the military. The military was agitating all the time and threatening to overthrow the civilian government, and there was General named Alberto Natusch Busch, a German...

Q: B-U-S-C-H?

WATSON: Yes. He was one of the leading agitators, and there were many other players. I don't think it's all worth going into all of that right now, and there were severe divisions within the armed forces, but there were a couple of key units in this regard, including a motorized unit just outside of La Paz, on the surrounding plains, where the airport is at 13,400 feet. Whoever commanded that motorized unit had the tanks and armored personnel carriers that would come in and take over the city. Plus, there was a major military headquarters downtown which was full of troops and a couple of other units right around La Paz that were crucial to any kind of military effort to seize the city and overthrow the government. There were units in Santa Cruz and Trinidad and other cities, which were relevant in terms of expressing their support for military coups, but not vital to the success of an operation which would necessarily have to take place in and around La Paz itself. In any case, Natusch's government was fragile, based on a rather weak coalition within the congress, and he himself did not have any strong political following, although he was a respected member of the senate. He was from the party of the 1952 revolution, the MNR (Revolutionary Nationalist Movement) if I recall correctly, whose leader was Victor Paz Estenssoro, who had led that revolution in '52.

Okay, so the leading political figures were Victor Paz, who was in his '70s at that time, but very agile and alert and an enormously clever politician and probably the most effective political figure in Bolivian history. He was sort of in the center, center right maybe at this point. _____ was a former colleague of Victor Paz who had been president himself once and been overthrown in the past, who represented the left—including this emerging bunch of formerly violent leftists who were now entering the democratic political stream. Then there was, on the right, Hugo Banzer, who was a military dictator in the '70s, but who was trying to lead a right conservative party based in Santa Cruz and was seeking the presidency through democratic means. Then there were lots and lots of other candidates ranging from the extreme left to the extreme right. It's important to recall that there was a very extreme right, even Nazi-loving element in Bolivian politics, because some Nazis actually came to Bolivia after World War II. There was a lot of confusion in all the political parties, too, as to which factions would prevail. In any case, _____ was the president, but I wanted to describe all these factions and give you an idea of them because they're all manipulating and maneuvering all the time, like molecules that are being heated up by a Bunsen burner; and the military, if they can try and take advantage of these things—everybody is trying to manipulate everybody else.

In the midst of this, sometime in late 1979, the Organization of American States had its meeting there in Bolivia, its annual meeting, and Secretary of State Cyrus Vance came. Foreign ministers from many other countries came. Our ambassador to the OAS at the time was a former senator from Wyoming, Gale McGhee, and the secretary general of the Organization of American States was Alejandro Orfila, of Argentina. So this annual meeting took place in La Paz. There was, I remember, an incipient movement to overthrow the government, which happened just before this OAS meeting by the military, and it then did not. It started but then stopped and the military was told by the higher level military, "don't do anything bad to the OAS meetings," so they had the OAS meeting. Literally as soon as Secretary Vance and the other foreign ministers had left the city, and because the OAS meeting was set up for the ministers, for the first day or so and then the current representatives would come out for the other two days, had left and the meeting had just drawn to a close, but the delegations hadn't left yet. There was a military coup led by this fellow Colonel Natusch Busch. We used to call it the Natusch Busch Putsch, and it was a huge mess. A colonel named _____, who commanded this motorized regiment up in El Alto, came into town where these people and students had come out of the military academy; they are always an easy spotter for their leaders to manipulate, and the other groups had a military coup. There was a lot of violence, shots fired all over the city, and it was really a mess. There were so many different coups, or attempted coups, when I was there, it's hard for me right now to tell you which one was which. One of them they took the tanks and just blasted the hell out of the labor union headquarters, the COB it was called: C-O-B. This was a major political force in Bolivia with highly unionized tin mines and other mines dealing at the center of political activity on the rather traditional left. This building was decimated by the tanks. In any case, it was a terrible scene. Our delegation, including Senator McGhee, were up in a hotel room and they had to keep their heads down. People were filling the bathtubs with water because bullets were ricocheting all over the place and they were trying to have enough water on hand in case the power systems in the hotels failed. Mr. Orfila jumped into his own private plane and abandoned everybody flying back into Argentina, leaving everybody else there on his own. We had to make efforts to bring this under control. I think it was on this occasion when I had to summon in the

C130s from Panama to evacuate a lot of people. That may have been another coup or something. In any case, it's hard to recall it all now, but finally this thing came to rest. We got Senator McGhee and all the delegations safely out of the country and the Natusch Busch government lasted about two weeks and then just collapsed of its own incompetence and they put another congressional figure, a woman named Lidia Gueiler Tejada who had been the leader of the lower house of the congress, as the president of the country. So Lidia was then president of Bolivia from whenever this time was in late '79 until about June of 1980. But she had a tenuous hold on the leadership. All of the manipulation and maneuvering among all the military factions and all the political factions continued.

Shortly after this, early in 1980, Ambassador Boeker left to become head of the Foreign Service Institute, something that Cyrus Vance had asked him to do when he was down there, or shortly thereafter. Paul cleaned up his affairs and moved out in February 1980 to go back and take over the Foreign Service Institute. Marvin Weissman, who was a career AID official who, at that time, was serving as ambassador to Costa Rica, was named the new ambassador. He was confirmed in March of 1980. Meanwhile, the political agitation continued, the economy was in serious straits, and the military particularly was trying to drive a wedge through the United States and Lidia Gueiler to undermine support for her because it was viewed correctly or incorrectly in Bolivia that the U.S. support was legitimate to the extent that she was legitimate. She certainly was more legitimate than anybody else. The president of the country was a key factor in her ability to retain her office despite this... all this agitation. There were coups being rumored all the time.

Q: While all this was going on, I mean, you know, in Bolivia we must have had a standard operating coup procedure.

WATSON: Of course we did. I was the deputy chief of mission. I managed that whole process and I had my various lists of people and who we would bring in as what I called the "skeleton staff." I didn't like to use the word essential or non-essential because everybody is essential, so I used the word skeleton. There were certain people I would move in at the right time to make sure we were in the embassy and therefore the access to our communications facility at the time that some things were happening. We increased our reserves of fuel, put our gasoline tanks underground. We had armored vehicles. We had all sorts of provisions taken for dealing with these phenomena.

Q: What was our interest?

WATSON: It was to support the democratic government of Bolivia and the higher administration and to collaborate with them in fighting narcotics, which was a major issue. The cocaine industry was just starting to boom at that point. One of the things I spent a great deal of time on was with the DEA with the State Department narcotics enforcement folks and the Central Intelligence Agency and others all engaged were trying to sort the Bolivian dimension of the international cocaine cartels. We can talk more about that later if you're interested, but affecting everything was the political unrest of the country. They had a very large AID mission there, Bolivia being the poorest country in South America. We had a very large AID mission there; we had a large military mission there. We were in touch with all the factions of the military, both to our attaches and to our military missions, trying to professionalize the military forces.

Q: The military either has when the Busch, came on, I mean, did we, we've got all this stuff, do we just stop everything or what... I mean, what were we doing?

WATSON: Well, I'll get to that when I tell you when the real coup took place which was in June of 1980, but I haven't gotten there yet.

Q: Okay.

WATSON: I don't want to take too much of your time on this, but it was really an enormously complicated tale. To get all of the threads right I'd have to go back into the records at this point, but what I wanted to get to was that they lit out at the military. The leader of the military forces was the commander of the military academy, a guy named Garcia Meza. Natusch Busch was still a factor, but he had faded somewhat and did not really have a major command. Garcia Meza was emerging as the most prominent leader of the ultra right wing faction in the military. There were lots of other military people including people with major commands who did not support Garcia Meza, but in the final analysis he was proved to be the central figure. Anyhow, they lit out after Marvin Weissman, that's the point I'm trying to get to here. And there were swastikas all over the walls because Marvin was Jewish. They also attacked his wife because she was a Chilean although in fact her mother was a Bolivian and her father was a Chilean of Norwegian extraction who came to Bolivia as a mining engineer and met her mother in Bolivia, but that didn't matter. For their purposes she was a Chilean and therefore the enemy and so there was a very, very hostile campaign against the Weissmans by the military that linked up with these ultra right wings phalanges party, that's what they were called, and others who were of course looking for any crumbs that you get from whatever the military might do. It was a terribly agitated situation. There were coup rumors all the time. There were also civilian politicians there maneuvering

_____ 's group in the congress was threatening to go on a hunger strike and they were threatening to paralyze the work of the congress because they opposed something that the Bolivian government was trying to do. We tried to dissuade _____ 's people, but this was exactly playing into the hands of the military and _____ may not have liked Lydia Gueiler, although they were old comrades in arms from the 1950 revolution. It was certainly not going to be in the interest of that group that had the military takeover. If they paralyzed things even further, they could bring about a situation that would be more conducive to that. They were successful, I think, in persuading them not to do that and because of a lot of other factors that worked there, too. There was just a situation of turmoil.

In the middle of this situation, I remember I became ill for a moment with what appeared to be some kind of a heart condition, and I had been working just about every night until 2:00 in the morning and up at 6:00 dealing with these various things and trying to manage the embassy in this kind of a situation in lieu of the political activities that were going on. I also had a case of the flu and was also over 12,000 feet in altitude. Just one morning I felt at my desk that something of a strap had been wrapped around my chest and I couldn't take deep breaths, that's how I felt; I felt really strange. Fortunately, the State Department doctor, who was at that point based in Lima, Peru, was there in country and so my secretary called down and asked if he could see me at some point. He said yes, he would see me around noon. Two or three hours later, I went down to see him. I still had this condition and he gave me an EKG and said, "Oh, my God I think there is

something wrong with you." He shot me over to the intensive care unit of the clinic there and kept moving and evacuated me medically to Washington and the doctor went with me and they had me wired up to machines and all that sort of stuff. I went to Georgetown and had to take several weeks completely off and then come back for some tests, which I did, in radioactive thallium; stress tests on me. The upshot of it was that by mid-June of 1980 they had said I could go back to work, but I had to sort of ease my way back in. What I had apparently was something called a t-wave inversion—not a serious problem, but something that should be watched. They had no idea where it came from and it had left no damage to my heart, so I was basically given a clean bill of health but told to be careful. What happened then, just when I got this word, is that Garcia Meza moved and they had the coup on June 20, I think it was of 1980. We quickly made the decision that I should get back there. They should remove Marvin Weissman before they declare him persona non grata. We should take the initiative and remove him to preempt. This would make it our political statement and not theirs. I had to get back down there immediately so, rather than easing back in, I had to go charging back in. I flew immediately down overnight. We could not land in La Paz because of the chaos there. I had to land in Santiago, Chile, slept on the bench in the Santiago airport, flew from Santiago into La Paz the next morning in time to go and see Marvin and his wife and bid them farewell as they left. From that point on, I was in charge of the embassy. We drew down the military mission completely and the airplane left and drew down our AID mission to remove the AID director and scaled down the mission bit by bit. We ended all of our programs there except those that went around the government and directly to the people or had dealt with kinds of housing or programs that would really totally collapse if we did not maintain them over some period of time. We pulled out all of our DEA people against my recommendation. I wanted to keep at least one or two there and ended up that I had to perform the functions of the DEA—that is to say paying informants myself, which I had never done before because, while I had no DEA people there, they still wanted these certain functions to be performed. It was really a wild time.

The military plotting did not stop, of course. The other military factions rallied against Garcia Meza and wanted to have the U.S. blessing for their efforts to overthrow him. I was meeting all the time semi-secretly with all sorts of political and military leaders. Garcia Meza's regime was absolutely brutal. He was a gross violator of human rights. The Argentine regime that was in power at that time was an accomplice up to its ears in the coup. They had people inside the interior ministry and Argentines were engaged in the torture of people at the military headquarters in downtown La Paz; I know for a fact. We had excellent information as to what was going on inside that place. The regime itself was engaged in drug trafficking. The former army intelligence chief Luis Arce Gomez became interior minister. He had his own fleet of 13 airplanes flying cocaine from a base up in Colombia, where it was refined. They were stealing everything in sight. It was absolute—almost, if it wasn't so tragic—a cartoon of what a corrupt incompetent Latin American military regime would be like. It was extremely difficult for us. We were viewed in the embassy as the enemy of this regime. We were under pressure at all times. I had to be very careful. They were trying to trick us into symbolic situations that would look like U.S. endorsement of them, photos and things like that. You had to be alert all the time. I have a thousand stories about these things that I could go into with much greater detail. We had a curfew, which was manned by illiterate 16, 17, 18 year old soldiers from the countryside who were scared to death and whose AK47s trembled in their hands as they put their guns up to our ears. We'd move around the town and got nervous when we had to reach into our pockets

looking for our carnets, diplomatic IDs, and etc. It was extremely difficult on our kids, particularly on the teenage kids who were driving around town. They had to be home by 11:00 or midnight or 1:00 or whatever time the curfew was set. It was really an amazing time for me, but truly rewarding in many ways because I think we handled the situation extraordinarily well, but it was a difficult one.

When the military coup took place, among the other things that occurred was that the students in the military academy starting roaming around the town attacking certain spots, including the American commissary. The pilot for military aircraft, who we had there with _____ Air, came out to see what was going on and they shot him in the face. Fortunately, the bullet went right parallel to his teeth and into his cheek and the front of his mouth, out the back of his check and didn't even break any teeth or bone, but that was pretty serious. They also raided our commissary and stole most of the liquor that was in it. They destroyed the kindergarten—the embassy kindergarten, which was on the ground floor of the building. So anyhow, the U.S. government set some requirements for any incipient normalization of relations with the Garcia Meza regime. Those conditions involved ending the human rights violations that were taking place all over the country brutally, and beginning the process of returning the country to a democratic, civilian government; taking some steps against narcotics trafficking, which was kind of a joke because the regime was intimately involved in the trafficking itself. Then the State Department, against my advice, also said they should have some rational economic policies. I thought that was on the lower level of things that were much more difficult to attain in short order. I added my own. I'm not even sure the Department ever knew about this. I said I wanted \$45,000 to repair the kindergarten and replace everything they stole out of our commissary.

Q: How did you deliver this message?

WATSON: We made it clear in a variety of ways. I also did meet secretly with the foreign minister of the new government at his house and my house with no one else there. In any case, he was actually not a bad fellow, but what happens in these situations... you end up in little factions. Then, all of a sudden, you find that your faction is in line with the group that takes power, and you can't resist it once you get that close. I could go for hours about the maneuvering that brought about the Garcia Meza coup, but a lot of people believe that Victor Paz took a fundamental role in stimulating the coup and then backing off at the last second, creating a military that is overthrowing Lidia Gueiler, creating a military regime sort of Leninist style and increasing the tensions and internal – what's the word I'm looking for – contradictions as much as possible. In any case, we conveyed this message to them clearly, both publicly from Washington as well as from the embassy. Then, of course, I had private meetings with _____, with whom I met two or three times during this period. The only one of these demands on which they made any progress whatsoever was the one that I unilaterally imposed. They gave me a check for \$45,000, which is kind of funny if you think about it in the historical context.

Every time I was approached by military officers opposed to Garcia Meza, asking for U.S. support for a counter coup, I turned them down and I said, "You're not going to take any action here that would interfere with Bolivian political process. We want to see you return to democracy. We're doing nothing to support this brutal and horrible regime, but we're not going

to contribute directly to any kind of military option against them." It would be suicidal to be involved with one faction or another, even if as a matter of principle I thought it was.

Q: Any problem with the station there? I mean, in a situation like this, I would think they'd be salivating to get involved.

WATSON: No, we had good discipline on the team and we had no real pressure from Washington to do anything other than what we were doing. The military regime murdered a whole bunch of young people that belonged to a leftist group called the MIR, M-I-R, by raiding their headquarters. It was really an awful situation. One of the most difficult mentions of this, this was a presidential election year in the United States. The Garcia Meza people and allies, including, by the way, some prominent political and business leaders who had been so afraid of coming to power _____ on the left that they supported the coup. I guess I should have said earlier, on the reason the coup took place, was that it looked like Hernán Siles on the left was going to win the election that was taking place. To forestall Siles coming through power is why the military is their excuse for moving at that point. They were looking for an excuse. They wanted to take power one way or another. They did manage to have some support of people on the right and that's one reason why the argument is that the _____, who was the arch enemy of _____ at this time, encouraged them to do so to keep his own former colleague in the '52 revolutionary movement from coming to power. But _____ was in hiding, people were coming to us asking to borrow the embassy boat - which we did not have one - to be able to escape across Lake Titicaca. I gave the keys to my house to several people who will go unnamed, political leaders that, if they ever needed to, they could come in the back way and hide in our basement even though they're not supposed to do that. There were hundreds of people, political leaders in asylum in Venezuelan, Mexican and French and other embassies. It was a chaotic situation. The fact that the U.S. political scene would have to be, the Garcia Meza folks were banking on a victory by Ronald Reagan in the U.S. and anticipating that that would bring a change in the U.S. attitude toward them. President Reagan did win the election. He did take office in January of 1981 and Senator Jesse Helms had sent some of his henchmen down there and had been collaborating and was showing sympathy with people that became leaders of the Garcia Meza government, including Luis Arce Gomez, who on 60 Minutes subsequently was called the minister of cocaine, and it was an interesting piece back in those days. Helms sent his staffers, who had gone out to Lake Titicaca, to the Copacabana shrine with Arce Gomez. _____ thought that he was a wonderful guy and all that stuff. All this gave heart to the ultra conservative forces around and the Garcia Meza people— that when President Reagan came, things would change. Well, obviously the first thing on the new administration's mind is not Bolivia, so they did not get to it right away, although there were some interesting things that happened. The Secretary of State, Alexander Haig, apparently invited General Gordon Sumner to the so-called Santa Fe group of conservative intellectuals who had written a proposal for U.S. policy toward Latin America. They were presenting it to the Reagan administration and included Lewis Tambs who became ambassador to Colombia and Costa Rica afterwards and David Jordan became ambassador to Peru. Anyhow, my understanding of what happened was: Secretary of State Alexander Haig asked General Gordon Sumner if he would become a member and if he would be willing to be ambassador to Bolivia. This was really a stupid thing to do, because there was no reason the Reagan administration should be getting itself tarred with the Garcia brush by normalizing relations without giving any thought to the process. This only came to the attention

of the people on the Bolivia desk when General Sumner's letter sent back to Secretary Haig declining his kind offer was bumped down by the executive secretariat to the desk. It was the first time anyone had heard any of this. In any case, I had shifted during the Carter administration. I had been reporting rather fully from the embassy what was going on in the political front and the democracy right and the human rights violations, the narcotics front. When the Reagan administration came in, they really hit with a vengeance. They wanted to do everything opposite of what Carter was doing. It was almost a knee-jerk reaction, was my perception from my vantage point. So, I tried to shift. The Reagan administration had not become a very vociferous opponent of human rights. At that point, that was an idea that was sort of associated with Carter and therefore not something that they were paying much attention to even though later on, the Reagan people came to understand what a powerful instrument it was for fostering democracy and U.S. interests around the world.

In any case, at that point they were not talking that way, so I shifted the emphasis and put more on the narcotics traffic and I thought that would catch their attention. I still wasn't viewed very well. I think I was viewed, even though I was a career Foreign Service Officer, as a holdover from the Carter administration. An interesting event took place. General Hugo Banzer, who is currently president of Bolivia, was also opposed to this military coup, having been a military dictator himself in the '70s. He was opposed to this one now because he wanted to become democratically elected and, of course, he had nothing to do with Garcia Meza. Banzer had a great deal of credibility with certain groups in Washington, including a group that had General Sumner as the head, and so he probably had more credibility in those groups than, certainly, a career Foreign Service Officer, Alex Watson, did. I went down with my wife to Santa Cruz to see Banzer. This was like something out of a B movie because this was supposed to be secret and my wife was going with me and I think my kid went too. I went ostensibly just to go off on a few days holiday down at the hotel in Santa Cruz and during that time met with Banzer. There were a couple of absolute bizarre things that happened. First of all, while we're sitting in the VIP lounge waiting for the flight that would take us down there – mind you we had no military plane any longer, we had pulled out our military group – there were a bunch of guys who represented the manufacturers of a French executive jet and they had the headquarters in Teterborough, New Jersey. They were down there to sell this executive jet to Garcia Meza for his personal use; the president of the country. Here we are, absolutely opposed to anything Garcia does, and he was an obvious example of just scraping off whatever funds he could get, this bankrupt country with inflation going completely out of control, to buy himself an executive jet. We thought that was absolutely ironic. I'm sure that the general public had no idea this was going on. We get on the plane and we're flying down to Santa Cruz and we had to stop in _____. There were people on the plane who knew about this trip and who had come up to me, walked up next to me like out of a B movie, sort of not look at me, but talk to me almost with their hands over their mouths, saying, "Mr. Watson, we're right here and if anything goes wrong, we're right here to take care of you." We get to _____ and these guys appeared in the airplane and are all of a sudden looking around like a bunch of key-stone cops. It was really very funny. Anyhow, we ended up going down there and we ended up having an evening session with General Banzer and a bunch of people and talked about what to do. _____ went to Washington and talked to a lot of these people and help set them straight on what was really going on in Bolivia. When it became clear, in about July of 1981, that Reagan was not going to normalize relations with the Garcia regime, that was the beginning of the end. In August the regime collapsed. It was replaced by a

triumvirate of the army, navy and air force commanders, which lasted for about a month or two. The decision was made at that point to appoint an ambassador to Bolivia and Ed Corr was to be sent up from Peru as ambassador to Bolivia and Bill Price was coming in from Panama, where he had been deputy chief of mission under Fred Briggs to replace me as DCM, and I was to move on to Colombia, which I did. Bill Price and I overlapped a few weeks so I could introduce him around in this chaotic situation, and then I moved on down to Lima where I was briefing Ed Corr on what was going on in Bolivia. The very day that I flew down from Bolivia to Lima, the army commander, Celso Torrelio, assumed power for himself and removed the other two from the triumvirate. He lasted a very short time before another military movement led by General Guido Vildoso Calderon came up and threw out Torrelio and then that led to the restoration of democracy in 1982. Hernán Siles, who had won the election in 1980, eventually came to power.

Q: Did you have, did you find that when the Reagan administration came in, was there a change on the desk? Essentially, was sort of the foreign policy professional apparatus all sort of the same, it was only sort of at the top from the senatorial side?

WATSON: My recollection was that the people by and large remained the same. I can't quite remember whether desk officer Phil Taylor, who has unfortunately passed away, was there for the entire period or left sometime during it. He did a spectacular job for us. Then, for a while, there was Fred ___, who was the office director and, I think, also Sam Hart, who came in; but I don't think any of them, any of those changes, had anything to do with the electoral thing. It was a question of maybe leadership of the Department. It was just a question of, at least as I perceived it from La Paz, whether or not the Reagan people would continue the policy under the Carter administration. This had been simply not to normalize relations and to limit our relations as much as possible with Bolivia during the Garcia Meza period; or whether they would decide because their attitude was to do everything opposite from what the Carter people were doing. This is when you will remember Bill Bowdler and Jim Cheek, very unceremoniously dumped from the ARA bureau. Bowdler got a call from somebody one morning and said, "You're out of here by noon today." He was an assistant secretary even though he was a career Foreign Service Officer. Jim Cheek had been the deputy assistant secretary dealing with Central America. He was blackballed by the Reagan administration. It was really the most radical shift of administration I'd ever seen, or even heard, about in Washington. There was that, kind of, atmosphere of "the long knives are out," and anybody who was involved in anything was almost being eliminated, and there was nothing really filling the vacuum. The fear you had in Bolivia was especially when you heard, you knew, the Helms people had already been down there before the coup dealing with the worst thug of all, Arce Gomez. And when you heard the story of Alexander Haig inviting General Sumner to become ambassador to Bolivia, you had to wonder what the heck these guys were doing. And my whole job was to keep them from doing something they would really regret, and that's what I did and that's what we did.

Q: Well, tell me about the Helms group because I would think that obviously Helms was particularly influential, or tried to be influential, in Latin America. What would be in it for him? I mean, particularly with the cocaine trafficking.

WATSON: I haven't been fair and complete and comprehensive in describing the situation in Bolivia, to put that in a more reasonable context. What was going on in Bolivia is, it emerged

from a period of military rule in the '70s and '80s and finally is creeping back towards a democracy. There was a very, very vigorous and chaotic civilian political scene with people with Paz being the leader of what seemed to be a real Marxist oriented left. Associated with him were these kids from the MIR who had been, for a while, even out as guerrillas out in the jungle running around, maybe even had some contact with Guevara, who was eliminated there in 1968—1967 or '68. In any case, this was a time where you had a country not accustomed to democratic politics, great factionalism, enormous confusion, lots and lots of newspapers, lots and lots of voices, threats of military leaders from all over the place and ones lining up for one faction or another. There was concern that if the government of the left, led by Paz, who was a very good guy, but who was a little bit feeble – although younger than _____, he was more feeble than _____ – came to power, you might have another serious problem of the radical left assuming power. Remember, we had some Central American things going on at the time. This was sort of the context, and you had the military playing all their cards up in Washington with everybody. You had Victor Paz and other people, or the right, or just opposed to _____. I mean, it was really a violent time. The vice presidential candidate, Jaime Paz, of the MIR, he became president later on, but Jaime Paz got into an airplane that was to take _____ to a political event and _____ did not get on that airplane, because this was before the coup obviously; this was in 1980, and _____ did not get on the plane because he had to go to a funeral. That plane crashed, everybody died in that plane except Jaime Paz, who managed to crawl out of the plane and was absolutely, totally burned. I was the one who got him out of there and up to the trauma center in Washington or Baltimore – I think it was Washington – for emergency care and reconstructive surgery. I remember that. I remember visiting him up here. He's still totally scarred. The assumption always was – I have no ideas whether these charges are correct, but – that Arce Gomez, who was head of the intelligence group in the army, sugared the gas tank and caused the plane to crash. Whether that's true, I don't know, but this was the atmosphere people were living in. The left was mobilized with some people who were very suspect in many quarters with a military that was used to running the country and each faction thinking it was its turn to run the country and people maneuvering there.

And Paz, the shrewdest fox of all in that country, maneuvering to come back to power and, of course, he did after Siles's government, because it proved to be he finally got into power. He proved to be quite inept in dealing with economics and other problems he faced, and it ended its period early and Victor Paz did become president. He did run an excellent government and took the economic steps to put his country back onto quite a solid economic footing compared to almost everybody else and despite its poverty.

All this was swirling around. So people who were concerned about the possible assumption about the radical left wing government in Bolivia had reason to be concerned. We at the embassy were not that worried ourselves. We did not see this as that big a threat. We did not see that the most radical elements would have any significant influence in the government, etc., so we saw an election that resulted in a victory by either _____ or Victor Paz or even _____ would have been okay from the U.S. point of view. Maybe not ideal, but it certainly could be acceptable; it could be viewed as being acceptable. But there were few who agreed with it and certain people on the far right in the United States, like Senator Helms and his people, were concerned about it, so they were sending people down. They never told the embassy, of course.

Q: I just want to get this because Helms, particularly in Latin America, seemed to be running his own policy, which seemed to be, you know, whatever it was. He was trying to support, really, some pretty nasty people. I mean, we say he... who were these people who came down, did they let you know?

WATSON: No, no, of course they never let us know; they just came down. One of them was this fellow _____. I can't remember who the others were; it's been a while— 1979 and 1980, 20 years ago. A fellow named _____, who was on his staff, was certainly there, and another fellow, and I know they went out with Arce Gomez, then head of army intelligence. He was a guy who managed to maintain close relationships with U.S. military attachés over the years. He was very clever in manipulating the U.S. and he was a good source of information. So you were put in there managing an embassy, one had to deal with this phenomenon that there were people in the various reporting areas of the embassy that had relationships with various individuals that were talking about you, who were _____ to believe that those individuals were a very pernicious influence, and so that was part of their job. I'm not going into that, but it was something that I had to do. In those days, I think we had embassies that were somewhat more manageable than today. I could add my opinions to the reports and things like that to try to keep things without stifling initiative or energy on the part of the staff. Respecting opinions still managed to not allow misinformation to be distributed as though it were accurate. We got into some interesting things. In a small country like Bolivia, and a very large embassy like we have there, a lot of people running around, sometimes you found yourself tripping over your own shoelaces.

There was one case that sticks in my mind—it was a very interesting report. It was reported by the political section as being confirmed by reporting by the station; very interesting. It was too interesting. I called everyone in and determined that it was all the same source.

Q: You're saying something that is quite interesting, and that is that it was up to whoever was chargé or ambassador or something to monitor reporting in the various places... to keep in mind, in a way, where they were coming from.

WATSON: Absolutely. Absolutely.

Q: I would think in this type of situation one would have to be particularly concerned about our military mission there because, again, they're dealing with the military, and the military... they are all military colleagues together. It's a little hard for military training people to be as objective or as critical of military operations.

WATSON: Well, I thought our military mission under Colonel George Fisher by and large handled itself extremely well and it was not military mission like that, is not a reporting operation. It was dealing with the local military on technical issues and training and things like that and spare parts and those kinds of things. I thought that they did a good job. I mean the very fact that you've got the U.S. military organization dealing in a collaborative and cooperative way with the local military sends a signal to their local military that they're okay without any question. On the other hand, we didn't have anything against the Bolivian military per se; it was these various individuals and factions within it. There were some very good guys in the military, like Vargas and a whole bunch of other guys that were basically democrats in the military also,

but they kept getting aced out by these guys who were, for want of a better term, on the right; who wanted to take power and the military itself, including Natusch Busch and a whole crowd of them. These guys were not taking power because, for ideological reasons, no matter how much we would have said that there was a leftist danger here, and no matter how much they were criticizing Marvin Weissman in the most obscene terms as you can imagine, they simply wanted power to run his jets to Colombia with the cocaine in it. There was really a hypocrisy. It was a wild scene. I can understand how people on the right in the United States would have concern. The danger, though, was that they were just not very smart and they were undiscriminating and they were dealing with, really, the very worse elements who knew how to manipulate them. I am sure that when Garcia Meza came – I don't know this, but I would guess – he came into power and said to us, "don't worry, I have contacts with Helms and they're all close to Reagan and they're going to run the foreign policy of Latin America." We know that already, so this one's cooked. Don't worry about this. That's where they were coming from and they were really surprised when the Reagan administration wouldn't come down and support them and normalize relations with them.

Q: Why would normalizing and not normalizing relations be a major political factor?

WATSON: Sometimes it's hard for Americans to understand how enormously influential the American blessing or approval, approbation or the opposite is in countries like Bolivia. It just is. Everything else that happens in the outside world in any other quarter is not as important as what the U.S. says. The Argentineans, as I told you, were up to their ears in that— they were in the interior ministry. I know that they were torturing people, including by putting their boots on people's faces and dragging them into horse shit. Argentine officers were that deeply involved in this thing at that time. I do not think the Argentine ambassador, who was a retired air force general in La Paz, had any idea what the Argentine army and its attaché and its military mission were doing. He may have, but if he did he dissembled to me really well. He broke and shattered when he found out what the hell was going on. When all is said and done, the U.S. is paramount; it is the big player. If the U.S. doesn't approve of you, that is a problem for you. It doesn't throw you, in this case, necessarily out of office, it doesn't keep you from stealing; and Garcia Meza is in jail now in this country. It is enormously important, and that's what they were trying to turn the U.S. into doing.

Q: You were saying that you spent an awful lot of time making sure there weren't any photo ops showing you shaking hands with the local.

WATSON: I had to go away once for some reason – I think it was a chief of mission meeting or something like that – and I left the country and I remember the chargé became the combined political/economic section of the embassy. He was a good career officer. While I was away, he had been asked to go over to the foreign ministry to talk about some relatively minor event and he was going to go over there. USIA people discovered that the press was being assembled for this event and managed to get the word to the chargé in time to persuade him that was a crack that the _____ precisely because I wasn't there, precisely because he was there, precisely to get him in a picture with the foreign minister or somebody else doing normal business. It would say the U.S. normalizes relations was what they were after and so it didn't happen. It was what they were always doing. We had to stay away from all ceremonial events.

Q: Could we talk just a bit about the drug side? When you were pulling out the DEA, I mean, well, before the DEA went out, what were we doing?

WATSON: Well, let's go back. This is a time when the cocaine boom was just beginning in the late '70s and the early '80s. The U.S. government was already wrestling with how to deal with this down in Colombia and Bolivia and Peru. At that point Bolivia, I think, if I recall correctly, grew about half of the coca that was being converted into cocaine in the world, largely in a valley south of Santa Cruz. Yet, the coca leaf is a traditional product there. It is used by indigenous people, from predecessors of the Incas, who chew it and even today take a little coca leaf or two, put some lime in it, chew it up—it's supposed to be good against cold and against hunger and is a mild stimulant. So, you had traditional culture for which coca leaves were really important. Then you had the coca that was being converted into cocaine base paste and then base and then you got _____. It was a booming industry centered in Santa Cruz. There were several major players. One that I remember was Arce Gomez, a relative of Roberto Suarez by the way, but a lot of people are relatives in Bolivia and it doesn't mean anything in terms of their guilt by association here.

Some of these people seemed to have their own capacity to refine all the way down to hydrochloride and move the cocaine out to Europe and the U.S. one way or another. Others were clearly providing the paste or maybe something base for Colombians. They'd move out into Colombia. My conclusion, in retrospect, was that the Colombians probably ran almost everything, one way or the other. What they didn't run, they tolerated. There were a couple of occasions where Bolivians would take action and they would be punished by the Colombians. We had lots and lots of embassy efforts engaged also, and an incipient effort to try to eradicate the cultivation of coca. There was an elaborate scheme to try to distinguish between coca that could be legitimately sold at markets for legitimate use by the local population and other people there. We tried to estimate how much that should be and where it could be sold and how it could be sold and everything else, and we were working with various government agencies to deal with this. They had me involved in it—and DEA and the State Department's narcotics folks and, of course, the station. We were all in this, the political side; everybody was trying to analyze this. Meanwhile of course, the narcotics industry was booming. The cocaine industry was booming and its tentacles were getting deeper and deeper into the political tissue of the country. It was very difficult to know who had been bought off, who was not, who was on what side, who was on whose payroll, what police were where. These seemed to flip very quickly and to try to stop it, a kind of a situation where, you know, as good as we are, we are still foreigners trying to get a glimpse of what's going on. It's very complicated and fast moving set of circumstances in a foreign country. We spent lots of time on it. I as deputy chief of mission was the narcotics coordinator so I was in the middle of all this stuff trying to put all these pieces together and make some sense and develop some policy recommendations. Sure, you could have argued when the time came, you know, this has got to be stopped what you are doing as you started, but there was no way we were going to be able to have a cooperative _____ is doing in narcotics when these thugs came into power. I had no problem in having the State Department narcotics assistance unit, _____ way, way down. There was no way we were doing collaborative work and the eradication of crops and things like that with these people at this time, but I did think that it was good to have a couple of DEA people because they serve as managing the intelligence operations

to some extent. I thought that was important to have to know what the hell was going on when this new bunch came in, but they overturned my recommendation. So I ended up having to act like a DEA case officer, a special agent. That caused the station to put people to work on this.

Q: Wasn't this now totally new for the station, looking at cocaine as opposed to, not just...

WATSON: Absolutely. And it was a very difficult migration, if you will, or metamorphosis for the agency, who was desperately afraid of getting involved with this because of the fear, a perfectly legitimate one, that paying sources of information that would be paying into people who were involved in narcotics and no one wanted to be accused of giving money to narcotics traffickers. That was very difficult, so it was agreed to which they could become in those days to become really effective and penetrating was very limited, but what they could do was find sources that were perhaps not directly involved themselves, but who were knowledgeable about what we were doing and that was what they were trying to do.

Q: Did you feel... were we able to do anything interdict by what we were able to, I mean at some point either in Brazil or in Colombia or anything like that, or was it just really...

WATSON: No, I think we had some success in Bolivia, even in those days. I think that our success was less than the growth rate of the industry, but we made some difference. I did try and this is an area that really frustrated me. I did try very hard to get people in our embassy in Colombia and the State Department out of this to focus on the link between Colombia and Bolivia and to get information from Bolivia to Colombia about flights and stuff in a way that could be used and I failed at that. I'm not quite sure why anymore; I'm trying to remember. I thought here was something that the great bulk of the Bolivian stuff was being moved north via other places in Colombia. You have to realize I guess everywhere it was just beginning to come to grips with this phenomenon and hadn't quite figured out how to deal with all of it.

Q: Well, you left there when, '81?

WATSON: September '81.

Q: Is there anything else we should cover, I mean obviously there is a lot in Bolivia, I was wondering about USIA efforts?

WATSON: USIA was very good, a USIA group there and they were good at getting our message out. No, I thought we had a good embassy.

Q: Could we be critical of the government?

WATSON: Of what government?

Q: Of the Garcia Meza.

WATSON: We were certainly critical of it all the time.

Q: Publicly, I mean could USIA or I mean how does one be in a country and be critical of the government?

WATSON: Well, they didn't like it, but sure you can always be critical. People asked us, the press would ask us, why aren't you normalizing relations, we'd say why all the time. I would always try to be dignified about it, not call them the scum bags that they were, just say that Bolivia is a country that is run by Bolivians, you have to decide what you want. There's no way the United States can normalize relations when the government is doing these kinds of things. I'd say it over and over again. There are so many chapters in this thing I could go into in great length, but probably I can't do it now, but there was strong support from the Mexican government, from the Venezuelan government, the European governments, the French and the Germans and the Brits. The Japanese were more tricky. There were a whole bunch of Japanese who live in Bolivia after a result of a treaty between the two countries after World War II. The Japanese first interest was to take care of its own citizens outside of Santa Cruz. I had tremendous relationships with the _____, the key figure in this. He took Lidia Gueiler the former president into his residence and she lived there for many months. I visited her. I'd go by once every week or so and talk to her and see her and the old dog. I tried to keep her spirits up. _____ was a very strong leader of the _____ and _____ had been smashed by these guys as well. There were people in churches and stealing stuff. It was a very unbelievable mess that was going on there and so this guy, _____, a fabulous man, I talked to him almost everyday about what was going on. He once told me, I said, aren't you worried because they were tapping all our phone lines and he said, no, I say the things I want them to hear, I've got other lines they can't hear me on, he'd tell me over the phone. So, you had a whole lot of people pressing on you, nobody was _____. There were some people in the business community who were absolutely furious, absolutely could not see straight because they thought that if this was the alternative to a leftist takeover and God dammit it may not be ideal, but it is a hell of a lot better than the left. They'd say who do you think you are in the middle of dinner parties, screaming at me and this kind of stuff. Everybody knew what was going on. Everybody knew that the whole world basically was against the Garcia Meza regime. We had all these people in the embassy. We had like 50 people in the Venezuelan residence and _____ was the ambassador and he and I were talking about this stuff all the time. We had many funny stories; I mean all of the so-called people you might say were slightly more culturally sophisticated at the time ended up at the French embassy. My friend the French ambassador and his wife used to tell me wonderful stories about how the people started complaining about the food. Even complaining that by the way Mr. Ambassador you should have your grass mowed. These are people inside the embassy. Venezuela and all these politicians that he was trying to control. It was like you were in an asylum. They're calling out to everybody. He's trying to control the phone calls. Total chaos in there.

The next ambassador a retired parachute general of the Mexican army was a _____. He got all the labor types in his embassy. So, he got his entire house prepared. He had a whole new roof put on and all that stuff for free; he had all the workers in there. I used to play racquetball with the Mexican and French ambassadors every morning. So, we had all these stories and the Germans had two or three. We couldn't take them, I told you I passed my key out and some famous people did pass through our house, we don't have to go into that at this point. It was a very exciting time and although depressing in many ways, very rewarding from the point of view of the Foreign Service career and we did make a difference.

Q: Well, you must have gone through a real period of...

WATSON: I had kids going to high school there, so.

Q: Yes, well, you must have gone through a very difficult period about when the Reagan administration came in about you know, not just professionally I mean yourself, is this new administration going to come in and somehow play nice to this regime?

WATSON: Yes, that was the concern that we had and we had reason to think that given what the Helms people had done and the importance of the Helms people and the very conservative group, this Santa Fe group we thought was going to have on the policy for Latin America in general. My job wasn't to take a partisan political side. My job was to point out to these guys in whatever way that I could that they'd listen to, that the last thing a brand new administration of the United States or whatever political persuasion, what you need to do is to get in bed with these drug trafficking, human rights violating, anti-democratic slime balls. That was my only message. For God's sake, don't; pay attention to this place, they'll pay attention to important places like Brazil, Mexico and Argentina. For heaven's sake, don't get sucked in because you'll damage everything you do in Latin America. That was finally the message.

Q: Were you there when the Malvinas/Falklands crisis came?

WATSON: No, I was already in Colombia. That was '82. That was another story.

Q: When you left it was still this hypocrisies. The thugs were still in charge?

WATSON: Oh, yes. I mean the checks from the central bank came back without funds. It was unbelievable. Over time, it's very interesting, over time our resoluteness and that of the Europeans and the _____ and the Brazilians in a lot of ways in their more, their military regime, but still they understood this. They were very careful and very clever good ambassadors there. They took some people in as asylees as well, like all these effective grounds on this and we didn't do something stupid like trying to foster some other kind of coup or something like that. We just held ground. Finally the great swing even in the conservative sectors of the population, they realized this is really not taking us anywhere. It was highly detrimental. Some other solution. That started to happen when the civilians who had been supporting the regime started to break away. I'm not familiar with the names there, and when their contacts among the military realized that there were certain people that were _____ and others and the whole thing started to come apart. I remember I was at a friend's house and Garcia Meza was on TV and resigning and stepping down and everybody just was hugging me as the hero of the hour. I really didn't deserve it, but it was kind of rewarding.

Q: All right. Well, we'll pick this up the next time. You're leaving Bolivia around August of '81.

WATSON: I may have some other stories I'll tell you.

Q: All right, well, if you have some other stories, please, more is better than less in this type of business. I was wondering, would you talk about your concern about, you had a child in high school there?

WATSON: Yes, he went to junior- I mean, his junior and sophomore year there.

Q: Were there threats against you?

WATSON: I was in a situation where there were bullets flying all around, bouncing off the walls. I was running to get into the embassy. That was just wild gunfire from the military and the labor union guys who were fighting each other downtown. Probably stupid on my part to be running into the embassy at that time, but that's another issue. You had to be very careful about protecting ourselves at that time. I don't ever remember having any physical threats, not like the threats you'd get in Colombia or Peru.

Q: I would have thought that you would have had attempts at clandestine meetings after another with people saying, God this is awful and the great colossus to the north is going to take care of it.

WATSON: Yes, we did have a lot of clandestine meetings. I had to be careful how I did it and make sure who else was there, make sure there were witnesses there. You don't ever want to go off among these things so that in a place like that, the guy runs in the meeting and says, this and that and Watson told me this, that and the other. I never met with military guys without having civilians there.

Q: Civilian Bolivians?

WATSON: Yes, oh, yes. I would sometimes be the only American. I wouldn't have anybody with me.

Q: I would have thought again, what would be your standard response? I mean they say, please Mr. Watson, help us and we can get rid of these monsters or something. How would you respond?

WATSON: I would say that this was a problem of the Bolivians. We cannot get involved in this sort of thing. We don't want that. You don't want to be seen as cat's paws of the Americans. You get this guy out and you've got to work this out. I have a funny story. We had a guy who was on the right who was opposed to Garcia Meza who was a pretty good friend of mine and a pretty good contact and a real conspirator by nature. He told me there was going to be a counter coup against Garcia Meza right out of _____ by this guy _____ who eventually became president after _____ and he would call up and he would leave a message with my wife. It would be things like, would you tell Alex we're going to meet for tea at 11:00, things like that, clever sentences. I remember we were absolutely dead certain this coup was coming down that night. I had a cocktail party that night at my house so I had to get my skeleton crew at the embassy because I didn't want to have anyone know that we were going to the embassy because it would tip off that something was going on. I had the guys I invited them to the cocktail party. They all had their little knapsacks and sleeping bags and stuff out in the bushes behind my house. We hustled to get

the guests out of the party and we said goodbye. We leaped into our Suburban and threw our stuff in there, raced into the embassy, got in there really proud of ourselves, put our feet up on the desk and like about five minutes past 11:00, the curfew is in effect now, my wife calls and said that the guy just called and said that it has been postponed. There we are the whole night unless you wanted to try and get out which we could, but a couple of times we tried to move at night in our cars and guns were put to our heads.

Q: I was in Korea and in Vietnam with curfews. The truth of the matter is that the most stupid person is going to end up in the middle of the night with a gun doing the thing. I mean you're not going to talk about sophisticated people and this is scary.

WATSON: We are a scary looking bunch. We talk a funny language. These guys can't read. We look dangerous. Why are we running around in a black car at night? You reach for your carnets to show them and you hear the cocking of guns and okay, you take it out of there. It sounds very, at the moment you're just coping with the situation, you're not scared or anything, you have to manage the situation. There were eight of us who jammed into my car, like clowns in a circus popping out. Naturally you think about it in retrospect it was a pretty horrifying thing.

Q: Sure, a 16 year old kid.

WATSON: Well, you take it out, my carnets. What's a carnets, well go ahead and look at it. Some of them couldn't read the carnets.

Q: Sure. They hold it upside down. Okay, well we'll pick this up the next time and if you think of anything, make a note if there is anything else you want to add on this Bolivian time.

Today is the 10th of May, 2000. Alex, you have left Bolivia and where did you go?

WATSON: Just a second, maybe I should try and talk about these evacuations we had in Bolivia and let me just take a couple of minutes at that, even though I can't do it completely. I haven't thought about it in a long time. There were a couple of things. First of all, we had multiple threats and attempted coups in Bolivia when I was there and some of them got really violent. One of them occurred just as the OAS meeting – we may have talked about this before – was winding up and Cyrus Vance the Secretary had left and Mr. Orfila of the OAS, Secretary General of Argentina jumped in his private plane and fled and left everybody there. We had to get planes in to get our people out. Another time we had to either call in some C-130s from Panama to get a bunch of American citizens and tourists out. They were scared to death because of the violence that was taking place by the military. That was interesting. That was the only time I ever did that in my career and just had people deployed up at the airport and all along the routes and getting the planes in. The planes were coming in full of super specially trained military personnel who can handle anything you can imagine because they don't know what they're going to face. We had one of the most complex security plans that you ever imagined. Fortunately none of which we had to implement. But you can imagine with everything going through those were interesting times and you also see the best and the worst of people in times like that. Some of my colleagues in the mission behaved with exemplary dedication and courage and others much less so. Also, I remember there was a visiting Foreign Service Officer for other purposes and I was quite

shocked. He was trying to make sure he was the first one on the first C-130 irrespective of the fact that there were women, children, old people and tourists around there. We could have taken care of him fine, but we couldn't take care of everybody. Without going into all this in any great detail, the experience in Bolivia was very fascinating.

Q: You left Bolivia when?

WATSON: September, I think it was the 4th, 1981.

WILLIAM T. PRYCE
Charge d'Affaires/Deputy Chief of Mission
La Paz (1981-1982)

Born in California and raised in Pennsylvania, Mr. Pryce was educated at Wesleyan University and the Fletcher School of Tufts University. After service in the US Navy he worked briefly for the Department of Commerce before joining the Foreign Service in 1958. Though primarily a Latin America specialist, Mr. Pryce also served in Moscow. His Latin America assignments include Mexico, Panama, Guatemala, Bolivia and Honduras, where he was Ambassador from 1992-1996. Ambassador Pryce was interviewed by Charles Stuart Kennedy in 1997.

Q: You were in La Paz from when to when?

PRYCE: I guess I was in La Paz from August of 1981 to probably about August of 1982.

Q: When you arrived there who was ambassador?

PRYCE: When I arrived there was no ambassador. Alec Watson was the chargé. There had been a narcotics ridden government with Garcia Meza and our relations with Bolivia were at a nadir. Alec had been doing a wonderful job of maintaining the situation. Our goal was to create an atmosphere where we could have a new ambassador because we thought that the Bolivian government was making progress in fighting narcotics and was reasonably democratic in its approach. Although it was a military government and it was not elected, they were moving in the right direction and the rampant corruption, narcotics involvement, and repression of the Garcia Meza regime was leaving.

When I got there, there was a triumvirate but I remember Alec was very imaginative guy, wonderful person. We only had two days together but he gave me one of the best briefings on all things Bolivian that I could have possibly have had. He also managed to have me meet the foreign minister even though the official word then was we were to have no relationships with the government. He had arranged a lunch with the foreign minister and lo and behold all the members of the ruling triumvirate just happened to show up so I got a chance to meet them and to know them. I was there only about a week when there was another coup and one of those three

became the president with whom I established a good relationship for about six months. The help that Alec gave me was absolutely wonderful.

I remember that the office director was adamant that we did not want to have any relationship with...

Q: You're talking about the office director in Washington?

PRYCE: The director of Andean Affairs felt very strongly that we could not have any contact whatsoever with the government. But if you wanted to get things done you needed to have contact and Alec had forged ways of doing this. We of course also had to be responsive to direction from Washington, which we were. We had Gordon Sumner come down on a special mission to check what the situation was like.

Q: Who was he?

PRYCE: Gordon Sumner had been the director of the Inter-American Defense College. He was a respected conservative general who was involved in political military affairs. He carried a lot of weight with the more conservative elements in the Congress. He visited us very shortly after I had taken over. I had him stay at the house and I got him to meet people that were involved with the Bolivian situation. He came back saying, "Well things aren't as bad as I thought they might be." We had the office director as part of that visit.

Q: Who was the office director?

PRYCE: The office director was Sam Lewis; an excellent officer but with a very decided point of view. It was a real challenge to try to create this atmosphere which we were finally able to do where the Department said, "Yes, it is time to try to have a new ambassador." Ed Corr had been selected as the new ambassador and was able to come down six months after we were there.

The Bolivians are wonderful people and the challenges were largely in terms of trying to help devise an anti-narcotics theme. It's funny how things don't change that much. One of the programs we had going there was a crop substitution program: alternate the crops, trying to measure the progress they made in destroying cocaine areas to what our targets were and measuring our money out; should we give money to the army, under what conditions, how much?

Q: Did you find that our policy towards Bolivia was at all influenced by Jeane Kirkpatrick who was our ambassador to the United Nations and also a cabinet member? She had gained Ronald Reagan's attention by saying, "We really should look more to military or other rulers who at least are on our side in the East-West conflict," and all that in Latin America. Did you have the feeling that that set the tone at all?

PRYCE: Not really although certainly she was a factor. I think we were trying to move towards a non-military ruler, but we felt that you had to deal with the people that were running the country. Our biggest issue was were they dominated by narcotics? The answer was they were not. They really were making some sincere efforts to try to curb the narcotics traffic which had been

blatantly wild under the previous regime. We were also reaching out to the various political parties pushing towards the day when there would be new elections which happened after I left. Ed Corr did a good job and we helped them to have the political climate changed so that there were free elections.

Q: What about some of the factors? I always think of the Bolivians as having the strong factor of the miners coming with a couple sticks of dynamite in their belt...

PRYCE: Juan Lechín who was the Bolivian mining leader was a fiery, leftist, charismatic individual. We got to know him. We worked with him. I think he was not basically anti-American. One of our objectives was to have an economic development program. We had a large AID mission which would effectively work towards more open markets. Even in those days we were trying to get a greater stability, more open markets, a less controlled economy which would provide the incentive for economic growth in Bolivia. This of course is eventually what happened.

In Bolivia Pas Estenssoro led the revolution in 1952. It changed the map of the country and it basically broke the back of the landed aristocracy and changed the whole land tenure system. It installed a largely populist, socialist type government which didn't work. It gave Bolivia a series of not very successful economic growth patterns. When he came back and was elected a second time, he took a conservative attitude of monetary fiscal restraint and laid the basis for Bolivia's economic progress.

One thing worth noting is that back in 1952 there were people who said to President Eisenhower, this revolution is going to bring in another Castro. Eisenhower made a judgment perhaps influenced partly by his brother Milton saying "Look, this is a genuine social revolution. The communists are not in charge, the Bolivians are in charge and we are going to leave them alone. We are not going to try to throw these guys out. It is not a second Castro." That was a courageous decision to take back then and a wise decision that a lot of people have forgotten about. I only learned about it when I was studying about Bolivia before I went down there. That was one of the basic decisions that Eisenhower took. When Pas Estenssoro came back he basically had changed his tune, found out that the populism didn't work and laid the basis for a solid economic progress.

Q: What about dealing with the drug problem, were we working with crop substitution or something?

PRYCE: We were. We were working with crop substitution and with crop eradication. We were trying to set goals as I mentioned with considerable aid in both economic and military. It was basically trying to reduce the supply with only marginal success. It's a tremendous problem. The same problems then were is it supply or is it demand? How do you measure where the problems are? The Bolivians cooperated with us; the government cooperated with us.

I remember going out into the boonies and talking to individual peasants trying to get a feel for what the cocoa farmers or the farmers in the cocoa areas were feeling. Most of them really didn't want to be involved in growing cocoa. They understood the dangers inherent in cocaine

production and they understand the damage that was being done in the United States but they also wanted to make a living. I remember them telling us that, "Look we would rather be growing other crops if we had a market for them." It is a problem that we are still faced with today.

Q: Did we have any particular issues with Bolivia other than sort of the crop business?

PRYCE: I think our main issue, as I remember it, was narcotics. We had a very cooperative relationship with them in terms of voting in the UN. We were able to get them to vote with us on a number of issues where it was very useful. I think we had some problems in terms of our aid loads. A lot of it was agricultural support and there were the usual problems. Our biggest single objective was to try to decrease the amount of cocaine that was going from Bolivia to Colombia.

Q: Was violence a factor?

PRYCE: It was a factor though certainly not like in Colombia, no. It certainly was not a factor like it was earlier in Guatemala in terms of political violence. There was some violence but it was not a major problem except in the actual areas where the....

Q: It didn't seem to go as septic as it did in Colombia.

PRYCE: No, no. I began to say, speaking of violence, you remember back in your life at times when you felt danger. I spent three-and-a-half years in the navy and I was involved in a collision at sea and I never felt the danger that I felt at one point in an anti-narcotics operation. In order to provide moral support to the head of the Bolivian anti-narcotics unit, we were involved in a raid during the time of a congressional staff visit to Bolivia. We had taken these people down to where the narcotics were being grown. It was to Santa Cruz which is the airport. We said, "Okay, we'll have part of the congressional delegation with staff people and we'll go out and visit the crop substitution. We discovered a still - basically a place where cocaine was manufactured - and we're going to show you how we knock these things down." They always run when you have people that go in on them. This is a ragtag bunch of people. I remember being in this helicopter with people with submachine guns hanging on the outside of the helicopter. We would take off. They were so excited that they had found this place and they found it quickly enough that the narcotics spies would not be able to tip them off. We swoop in on this place and instead of running they started shooting at us. I'll never forget it. There is nothing you can do. You are coming down, you feel very vulnerable when these shots come whizzing by. Thank god they only shot about four or five times and then they did what they were supposed to do, they ran. I must say that was not in my job description. It is one of those experiences that I'll never forget. In spite of what Winston Churchill says, it was not an exhilarating experience to be shot at.

Q: What did he say, that it's such an exhilarating thing if they shoot at you and missed?

PRYCE: Right. I don't remember the exhilaration. They were shooting at us and missing but I remember the apprehension.

Q: Ambassador Corr, what was his first name?

PRYCE: Ed.

Q: *Ed Corr came in. What was his background?*

PRYCE: Ed was career Foreign Service Officer. I served together with him in Mexico many years ago. He had been ambassador in Peru and he had been deputy chief of mission in Ecuador. He was deputy to Mathea Falco in the anti-narcotics unit and I can't remember if that was before Bolivia or after Bolivia. He was a political officer, and had been in the Peace Corps. He was an outstanding officer. I guess later he went on to be ambassador to Salvador. He was a first class career officer.

Q: *He came in and obviously you were no longer chargé?*

PRYCE: Right.

Q: *Was there any particular change when he came in?*

PRYCE: Not really, no. It was easier for him to deal as an ambassador than it had been for me to deal as a chargé. It is always a mistake when you don't have an ambassador. No matter how good the chargé or the person acting may be, if they don't have the full power and the full representation that an ambassador has representing the president, you don't have quite the entree. Ed of course did have and was able to be more effective in terms of dealing with the problems that we had with the Bolivian government. He is a very effective officer.

Q: *You are pointing out one of the absurdities in our profession and that is when relations are bad or we are trying to make a point, we withdraw the ambassador which thereby decreases our influence rather than that's when really you should have your top right man or woman there. It would be better to say we will fly our flag upside down or something like that to make the point but not to move down one notch.*

PRYCE: I think that's right.

Q: *You left shortly thereafter.*

PRYCE: That's right. I then went as deputy chief of mission to Panama which was a step up. Ed said, "I hate to see you go but it's a bigger more important job and they need you there."

Q: *This was going back to what you had created?*

PRYCE: That's right, it was.

CHARLOTTE ROE
Political/Labor Officer

La Paz (1983-1985)

Ms. Roe was born and raised in New York State and educated at the University of Colorado, the Sorbonne and Ohio State University. During and after her university training she was involved in political and labor activities. In 1983 she joined the Foreign Service. In the course of her career with the State Department, Ms. Roe served in La Paz, Santiago, Tel Aviv, Budapest and Bogotá, primarily in the political and labor fields. In Washington, she served on the US Mission to the OAS and in the International Organizations and Environmental and Scientific Affairs Bureaus. Ms. Roe was interviewed by Charles Stuart Kennedy in 2005.

Q: So you went to Bolivia from when to when?

ROE: I was there from August of 1983 to July of '85. I tried to extend, but this being my first assignment, it was out of the question.

Q: Just talk about Bolivia in '83. Maybe this was an earlier time, but I imagine a bunch of miners with sticks of dynamite in their belts, and you have to be careful.

ROE: You could find that if you went looking, but under normal conditions the miners are not threatening. They're just trying to survive a tough, unforgiving environment.

Q: What was Bolivia like in '83?

ROE: From 1964 to 1989 you had nineteen presidents; thirteen of them were generals. Bolivia was the one Latin American country where the United States had actually supported a social revolution. One of the guest lecturers in the area studies course was a Cuban-America, Professor Aguilar, who gave a tour d'horizonte of revolutionary movements in Latin America. He confessed that Bolivia impressed him as a country of "lunar sadness, a land of devil masks," mitigated only by the aloof mysteries of the Indians and the solidity of the Catholic Church. (I think this is because he yearned for a warm climate!) Another teacher was Ben Stephansky, who'd been Ambassador to Bolivia in the 1952-56 Paz Estenssoro government that carried out the nationalization of the mines and land reform. He termed the Bolivian revolution a "noble experiment" that needs to be followed through. He also suggested throwing away all the books and cultivating an oriental sense of intrigue. After the classes ended and before my departure, I interviewed Stephansky in his home. He gave me some fine contacts, including the Controller General, Antonio "Tony" Sanchez de Lozada and his brother, Gonzalo "Goni" Sanchez de Lozada, who was soon to become Speaker of the Congress and later President. Goni was one of the owners of COMSUR, the largest privately-owned mining operation in the country, with holdings in Peru, Argentina and Brazil.

Bolivia was unique. President Eisenhower had sent his brother, Milton Eisenhower, to advise Bolivians on the land reforms. The U.S. mounted one of the biggest aid programs in the world after the 1956 revolution. During the administration of Hernán Siles Zuazo, around a quarter of its income came from U.S. assistance. Bolivia had just emerged from 18 years of military rule and a series of bloody coups. The previous President, General Luis García Meza, was connected

to drug gangs and had ordered massacres in mining country. Siles Zuazo was President in the late 1950s, when he headed the conservative wing of the MNR (Movimiento Nacionalista Revolucionario). His new governing coalition had a large web of parties including the split-off leftist group of young Turks called the MIR (Movimiento Izquierda Revolucionario). Siles Zuazo's initial support base was strong but quickly evaporated as the country faced a staggering economic crisis. By 1984 inflation was running 14,000 percent.

Q: Good grief.

ROE: For payrolls, stacked bills were tied with string and bore paper seals from the bank attesting to their value. General strikes were catapulting.

Q: We're continuing with La Paz.

ROE: Bolivia was facing a foreign exchange crisis. The country carried a three billion dollar debt, which they had just stopped servicing. How to democratize in the midst of extreme scarcity and an economy gone haywire was the dilemma. Hyperinflation caused a major hike in food prices, massive hoarding, and extreme shortages of basic foodstuffs and of gasoline. President Siles Zuazo worked out a series of austerity packages or "paquetes economicos" with the IMF (International Monetary Fund). Siles Zuazo's November '83 belt-tightening program included whopping currency devaluation and more increases in food costs. The discontent triggered was so tremendous that he soon undid the measures, promised more wages to government workers and printed more money. The crisis just kept getting worse while the government's authority unraveled. I was monitoring developments in the trade union movement, the human rights community and several parties on the left including the MIR, trying to figure out how ordinary Bolivians managed to survive.

Q: Who was the Ambassador?

ROE: The Ambassador was Ed Corr, who had been Peace Corps Director in Peru and a former AID (Agency for International Development) Director. Corr was a hands-on, activist diplomat who knew every region and most major political and social actors in the country. William Walker was the Deputy Chief of Mission (DCM), an astute, hard-boiled, down-to-earth officer.

Q: I've interviewed Bill. He's quite a character. And tells a great story.

ROE: Yes, he does.

Q: He's had a great career including Latin American and the Balkans.

ROE: I understand he worked some tough assignments in Central America. He was very creative in Bolivia. Both Corr and Walker encouraged my efforts to break the ice with the COB, the Central Obrera Boliviana. Juan Lechín was the long-time leader of the COB. He headed the left wing of the MNR in during the 1950s. During Paz Estenssoro's second round as President in 1960-'64, he chose Lechin as Vice President with the promise that he would become the MNR's next candidate for President. But Lechín's political intransigence led to his expulsion from the

party in 1964. By the 1980s, Lechin was still charismatic but had lost some of his radical luster. The COB was a flamboyant mixture of Trotskyites, anarchists, a small pro-Moscow Communist wing, many independents and regular down-to-earth trade unionists, particularly among the campesino and transport workers unions. The unifying motto was anti-imperialism. The swear word of the day was “fondomonetarianismo,” which meant anything to do with the IMF. We eventually held a meeting with Ambassador Core, DCM Walker and the COB executive board. The session had plenty of flame-throwing, but we held our own.

AFL-CIO representative Xavier Vela was assigned to re-open - after a hiatus of twenty years - a Bolivian office for AIFLD (the American Institute for Free Labor Development). I worked closely with Xavier, who later served in Chile with his wife Pilar during my next assignment. Xavier was a Latin American labor history buff and great fun to work with. I worked with several of the more moderate labor leaders. The most respected were Victor Lopez Arias, the head of the mineworkers union, and Noel Vasquez, general secretary of the COB. The situation they faced was grim, almost surreal. Runaway inflation was shredding peoples' livelihoods; teachers and many other public service workers simply weren't being paid. This radicalized many, and drove others into despair.

Q: Did this dicey situation affect your work or routines?

ROE: I never felt threatened, but friends in the Drug Enforcement Administration (DEA) encouraged me to practice target shooting at their firing range, and I did. I kept a .38 revolver at home. I didn't take a gun to Chile, because it never made me feel safer.

During my first year I was involved in the rescue of U.S. hostages at a tin mine in the highlands. We lived at 10,500 feet altitude and worked at 11,900 feet. An Embassy shuttle would pick us up at our residences and take us to the Embassy in downtown (I should say uptown!) La Paz. When I boarded the van one morning, the consul general told me that two U.S. mining technicians had been kidnapped in Chicote Grande, a remote altiplano mine. I volunteered to join the expedition, not knowing it was going to be an overnight trip. We ended up sleeping on a freezing floor at the neighboring mine. Before departing the Embassy, I had called Mineworkers SecGen Victor Lopez. I said we wanted to resolve the situation peacefully and asked for his cooperation. Lopez was very concerned. My hunch is he helped behind the scenes. Just before we reached our destination in the mountains, an open flatbed truck full of vigilantes with shotguns followed us to the mining camp. Our biggest challenge was convincing the local posse not to go in and cause bloodshed.

Q: And the vigilantes were going to enter the mine.

ROE: Oh yes. They wanted to take the situation into their own hands and shoot up the miners, supposedly to free the U.S. engineers and the company officers being held hostage. The police chief hastily organized this group. It was a nasty overlay to an already sticky situation. About halfway through the night, the mine owner arrived. He spoke with the miners, and told them the Yankees were across the hill; if any harm came to the hostages, the Yankees would come in. His approach – that we have to work this out among us Bolivians – eventually worked. By morning the miners released the hostages. Their rebellion had started in response to outside circumstances:

a door-to-door weapons search by the local police had so infuriated the women that they instigated a mine takeover to protest the raid. I wrote the reporting cable. We had quite a celebration when the technicians later visited the Embassy.

Ambassador Ben Stephansky told me about the saga of Joseph Flack, who served in the turbulent period from 1946-49, during the post-war collapse of the tin market. Flack arrived as head of mission just as a popular revolution had unseated President Villarroel -- a mob hauled the former dictator from his office and hung him from a lamppost in Plaza Murillo. Later a strike at the Catavi mines led to a standoff in which nine engineers including five Americans were taken hostage. The Mexican wife of one hostage thought she could free her man by browbeating the miners, but they didn't appreciate that. One American was shot through the jaw, one escaped and one was killed. So violence was often a phantom presence in mining country.

Bolivia's history is full of dark forces and tragic exploitation. But it's a beautiful country with unforgettable people. In the altiplano, the dominant ethnic group is the Aymara. In the 1950s, around 60 percent of Bolivians were monolingual - they spoke Aymara, Quechua, Guarani, Ayoreo or another of the more than 30 native dialects, not Spanish. That changed in the late '60s and '70s to where a slight majority spoke Spanish as well.

Q: Che Guevara found when he went to do his revolution up there that they didn't even speak Spanish. Not a very fertile ground.

ROE: Quite a shock, I imagine. I was called back to Bolivia a year and a half after my tour ended and explored that issue a bit more. Ironically, the COB, by channeling the miners' discontent through the political process, cushioned against the potential for violent revolution a la Che Guevara. The land reform of the 1950s also helped deflate a potentially dangerous social explosion. It dramatically increased the mobility of campesinos who for centuries had been tied to the land and its feudal owners. This in turn contributed to the growth of Santa Cruz, Bolivia's agricultural powerhouse. The other shock absorber was the traditional outlook of the indigenous communities. Their center of focus is the family and their land. In their lives the village walls are high, and government far away.

Q: Well, did you find there was much translation between your union experience and the unions in Bolivia?

ROE: Not in the usual way, but I could identify with the miners' efforts to overcome centuries of social exclusion. U.S. unions are much more structured and way less politicized than those in Bolivia. Negotiating and servicing union contracts takes up much of their energy, mainly because U.S. unions and their allies managed to win legal and social protections we now take for granted – at least until recently. Back in the time of robber baron capitalism, we had our Mother Jones, we had Emma Goldman and the "Wobblies" or Industrial Workers of the World who were anarcho-syndicalists.

Q: How did you find the mine owners? Were they a different breed of cat than the U.S. Steel executives?

ROE: Very different. Two of my closer contacts, Gonzalo “Goni” Sanchez de Lozada and Ron McClean were steeped in politics and socially conscious. At the time, Sanchez de Lozada ran the mining company COMSUR. He was elected President in 1986. McClean worked for Inti Raimi, managing several open pit mines. The company was exploring more environmentally healthy means of extracting gold. McClean was elected mayor of La Paz several times. He also served as Finance Minister and Minister of Sustainable Development. In a European context, Sanchez de Lozada and McClean would be Christian Democrats or conservatives.

My love of horses opened some doors. The riding club near my home was in a place like Death Valley. It was a small ring encircled by stables, close to cathedral-like cliffs and gorges where condors flew. There was no central building or fancy infrastructure. The volunteer administrator was Gustavo Medeiros, an architect and well-known painter. During the worst economic crisis he doubled as a taxi driver. The head of the Cervecería, the Bolivian brewing company, McClean and his wife, and several other Bolivians formed the core membership. For the groom and space and renting my horse, with the fluctuating inflation rates I paid anything from ten dollars to fifty-five a month. The atmosphere was relaxed, like a small family ranch in the Rockies. The uniform was blue jeans and a sweater or warm jacket. On Saturday afternoon, a group would go riding into the badlands. All of them knew COB leader Juan Lechín personally. The conversation was witty, wide-ranging, not the usual country club drivel.

My Aymara housekeeper, Elsa, listened to the radio and followed the political score like a pro. She followed the debates, fist fights and maneuvers that went on in the Bolivian Congress as avidly as if she were watching a game of soccer. She could remember what they said in a debate and all their jokes, which were numerous. The country's parliamentary debates were publicly broadcast long before C-SPAN made those of the U.S. Congress accessible.

Q: I imagine there are different worlds. You have the lowlands, the jungles and places where coca is produced. Is Cochabamba to the south?

ROE: Cochabamba is to the east. It's a lot warmer than La Paz. Then you have Santa Cruz and the Beni, the eastern llanos, a dynamic economy, very free market and independent-minded. The southeastern tropical flatlands feature natural gas and oil, cattle ranching and other large-scale agricultural enterprises. Tarija, to the south, is also rich in resources.

Q: Is the great problem capital flight or just plain corruption? Were there a set of root causes that caused this terrible economic crisis?

ROE: Corruption and despotism were the sour legacy of the colonial period. The 1952 revolution gave the vote to women and indigenous people. The MNR -- the Revolutionary Nationalist Movement party of Paz Estenssoro -- forged a social consensus, drawing together members of the middle class with the trade unions and campesinos to make major reforms. They broke down a feudal system, but their land reforms didn't open a way for poor farmers to advance. Peasants got small parcels with little to no access to credit or technical support, and they remained deeply indebted. The pre-revolutionary inequities were reinforced because the government was resource-poor and unable to support changes in agricultural production. Today, according to the UN, 100 families own 62 million acres while 2 million small farmers work 12 million acres.

The nationalization of the mines soaked up scarce resources as global tin markets were shrinking. With a government bureaucracy mired in patronage and cronyism, there was no room for competitiveness. In the 1960's the IMF and other IFIs (international financial institutions) promoted austerity measures to transform the economy without addressing these deeper problems. The main onus was placed on public workers and the miners, whose hard-won benefits began evaporating. Runaway inflation fell hard on the urban middle class, driving many into the opposition. The MNR coalition fractured under these pressures. Adding to the political conflict, the U.S. was working with the Bolivian armed forces to develop a pilot project to eradicate coca production, a major source of livelihood for impoverished farmers. As a last-ditch survival strategy, displaced miners from the altiplano were becoming coca farmers.

Q: Did you get involved with the campesinos and the collision of various forces?

ROE: I had contacts with the campesino unions. I engaged with organizations that were proposing alternative strategies. I reported on developments in the labor and human rights communities, and followed the MIR party and a cluster of radical groups. I participated in the USAID's Small Projects Development Fund, which sadly no longer exists. The Fund channeled resources to the Altiplano and other indigenous communities. Each project was capped at \$10,000, and the community had to match that in funds or sweat equity. They helped build schools, start microenterprises and health clinics. In cooperation with the campesino federation I identified several pilot projects that were approved, and joined AID officers in inaugurating them.

One time I traveled with AID to Huancarama, a remote altiplano community, to commemorate one of their literacy programs. When we arrived at the site of the celebration, I was surprised to find myself introduced as one of the featured speakers. So I had to think fast. At an altitude of around 14,500 feet, this wasn't a snap. After the main event, the local leaders invited us to visit other villages that had handicraft exhibits. We explained that we had to get back down the mountainside before dark. The campesino blockaded us and refused to let us leave. So we stopped at other villages until eventually we talked our way out.

The tin mines were failing and the economy was in free fall. The only alternatives the government could offer were for miners to scratch out a living in agriculture or in the tiny, doomed cooperative mines. Those miners are still scavenging inside the largely abandoned silver and tin mines, living in desperate circumstances. Most die before the age of 45 from black lung, mining accidents or hunger. Meanwhile, the political scene was rocked by conspiracies which only a writer of magical realism could imagine. President Zuazo was briefly kidnapped in 1984. A group of leftist paramilitaries rumored to have Interior Ministry passes were arrested for apparent possession of army weapons.

Q: From what I gather particularly on the labor side we were concentrating on the altiplano as opposed to the agricultural places down Santa Cruz and elsewhere.

ROE: Yes, in the sense that the most potent unrest emerged from the altiplano. USAID's efforts were countrywide, with a focus on the poorer regions. Santa Cruz and the Beni have been the

center of the “other” Bolivia’s prosperity. They are practically separate economies. La Paz and the highlands were struggling with severe economic and social crises.

Q: Was there any spillover from Chile under Pinochet and from Argentina, which was trying to bring itself back into the world economic order?

ROE: Chile wasn’t considered a model by most Bolivians, although some elements no doubt liked Pinochet’s iron fist or “mano duro.” Argentina was no beacon either. I worked closely with the Catholic Church and with NGOs that were helping to grow civil society and advocate respect for human rights. Although Bolivia had a free press, the country still had a repressive police system and rampant inequalities. I learned the power of the telephone: sometimes calling a jail to inquire about a prisoner’s fate would convince his or her tormentors that people on the outside were watching and prepared to act. I also cooperated with the Federation of Private Sector Employers, CEPD. They organized their own general strikes to protest violent union takeovers and the breakdown of law and order. Few were fans of Pinochet, but they liked the economic reforms his government initiated.

Q: The Chicago boys.

ROE: The monetarists didn’t find a lot of fertile ground in La Paz. Bolivian entrepreneurs were a pragmatic lot. They tended to be skeptical of big ideas from big countries. Most CEPD leaders wanted market forces to be free to work their wonders, but they realized the need for social safety nets to create a more educated work force. Politically, they were closer to the Spanish conservatives and some of the German Christian Democrats.

Q: You mentioned at one point the mine owners saying the “Yankees are sitting on the hill. They’re going to do something if you don’t watch out.” I would think there would be a very strong anti-American theme there.

ROE: Oh, there was a very strong anti-American current. Still the intelligentsia and some on the left remembered that the U.S. under President Eisenhower supported the social revolution in the 1950s. Bolivians across the board identified with President Kennedy and the Alliance for Progress.

Q: That was a program--

ROE: To spur economic development and spreading democracy in the region. It was a helping hand extended to our neighbors. President Kennedy said our destinies are linked to those of the poorest regions of the world. He acted on those words. The Alliance was flawed in its reliance on government-to-government aid. But it kindled a spark of hope that lasted long after Bolivia’s reform movement peaked. In 1984, during a visit to Siglo XX, the largest tin mine and a hotbed of social rebellion, I learned that the local high school was named after Franklin Delano Roosevelt. We set up a project through USIS (United States Information Service) to bring a group of miners’ children from Siglo XX and Catavi to the U.S. They were selected through a competitive essay. The students stayed with U.S. mining families for three months in Colorado,

Utah and West Virginia. After the tour, one student commented that “Americans have a lot, but they work really hard for the things they have.”

Bolivians appreciated U.S. efforts to keep their fledgling democratic government from toppling. Ambassador Corr actively discouraged several incipient military coups against President Siles Zuazo. During the general strike of 1984, the COB staged a seventeen-day blockade of La Paz. No one could get in or out of the city. I was taking the pulse on the streets, talking with the operations center and sending daily situation reports. Corr and Walker helped to cool tempers on both sides.

Of course, the dogmatic left loved to hate the U.S. What brought out the strongest nationalism and paranoia were the coca wars. One of my more awkward assignments was to survey attitudes in the Chapare towards U.S. assistance efforts on the eve of a major campaign to try and halt drug-related coca production. I interviewed a local radio announcer, priests, campesinos. None were sanguine about the prospects for the anti-drug intervention, but they seemed glad to have someone hear them out. The high point of my trip was riding a water buffalo at a local farm. But the subject of my interviews terrified the USAID rep who escorted me around the region. He said, “I don’t know you. I don’t know what you’re doing. Let’s just say I’m your driver.”

Q: The Chapare being—

ROE: Chapare is a semitropical province north of Cochabamba that was a prime target for coca eradication. It has around 35,000 inhabitants, nearly all farmers.

Q: Miners and people in the altiplano chewed coca to be able to work, didn’t they?

ROE: Yes; coca is a traditional crop. Miners and other highlanders have used it for centuries for religious purposes and health reasons. The plant helps them withstand harsh, cold conditions and to resist hunger. It’s a natural stimulus that also alleviates stomach problems. It’s an excellent tea. When I went down into the Siglo XX mine, it was one of the first times a woman had been allowed to enter the mine shafts. I saw effigies to the gods of the underworld. People leave offerings of coca to ask for the deities’ protection against cave-ins.

Q: One thinks of Colombia where the drug lords don’t take prisoners. Had that happened in Bolivia?

ROE: It’s a danger wherever big drug money accumulates. But Bolivia was a raw materials venue, not a cocaine supplier like Colombia or Mexico. There were no factories to convert coca into cocaine. The eastern part of Bolivia in the Beni and other flatlands is studded with runways for the illicit export of coca.

Q: What was social life like? I mean this is a new experience for you. La Paz is an older, Hispanic society. Here you are a single woman. How did you find that?

ROE: My close friends included Canadians and Australians, and we’d team up in putting on larger parties for our Bolivian contacts. I had a modestly sized apartment with a small patio in

Calacoto, where foreigners and many professional Bolivians lived. The embassy functions were lively, not the boring Fourth of July type functions. When Ambassador Corr had people over to talk about politics, he often included me because so much impinged on what the labor movement was doing, the political parties I followed or human rights concerns. Bill Lofstrom, the political counselor, and his wife Ana Maria lived just a few houses down from me. Intellectuals and journalists and other public figures frequented their salon and enjoyed their gracious hospitality.

During my first year I started dating a race car driver, Oscar Crespo, a Bolivian version of Paul Newman. He was born in Sucre, grew up in abject poverty and made himself wealthy running a car sales and rental business in La Paz. We traveled to the countryside when I had time off.

You asked about this being a new life for me. I recall a Cuban-American professor in one of my FSI classes warning, “Beware of the altitude and the loneliness – Bolivia is remote, like the wrong side of the moon.” Others called it the Tibet of the Americas. Yet my first arrival there struck me like a home-coming.

I flew to La Paz from Panama City in a small jetliner, arriving at dawn. The plane approached over a huge plateau with humongous peaks on either side. This was the altiplano, opening into a long valley where La Paz seemed sunken in a long curving bowl. We curled around, flying back to the edge. I prayed the pilot was alert. The plane landed lightly as a feather on a narrow runway, 14,000 feet above sea level. The airport looked like a small country store. A few embassy souls met me, some grousing about the desolate social life, the health problems. I was oblivious. My whole being absorbed the vivid colors, the Indian faces, their graceful movements and stoical expressions, the indigenous artwork filling the front of the airport. The view was stunning.

I felt exhilarated to be there. The best advice I received was to take aspirin every four hours, even if you feel great. With that remedy, I never had altitude sickness. Within two days, Ambassador Corr said, “Hey, we’re going to Guaqui, come along.” Guaqui is the port town on Lake Titicaca, 13,000 feet high in the mountains. It’s the narrow part of the lake across from Peru. The town houses a steam car workshop. We were invited by the railroad workers’ federation and the national railroad company, ENFE. We traveled by rail in the eight-person coach called a ferrobus. I didn’t realize that I was coming down with gastroenteritis. The night before I had savored the Bolivian beer – which is delicious, dark, like German beer – and had eaten spicy foods: both not advised in the first week. As we rode switchback up the mountain in the little eight-person coach called a ferrobus, my stomach felt like a deep sea diver’s getting decompression cramps.

Q: Yes, the bends.

ROE: It felt like two saws were working inside of me. Our hosts offered more typical, spiced-up Bolivian food. I ate some out of courtesy. I kept feeling worse and worse. But the voyage was unforgettable. Two snowcapped Andean mountain ranges encircled us. We traversed a corral of clay, rust-colored foothills. Adobe villages arose like garrisons in a Wild West movie. Farmers tended flocks of sheep, llamas, burros, tilling fields with ancient wooden plows, the men with brightly woven wool helmets, the women garbed with bustling layers of skirts, brilliant mantas and bowler hats. Lines of schoolchildren, railroad and dock workers greeted us. We visited Isla

Saint Rosa on two customs patrol launches, passing fishermen in tiny sailboats. Returning to Guaqui, we entered the massive red-stoned colonial Iglesia del Apostol Santiago. Inside the church, shimmering gold panels, saints sculpted in the mestizo Baroque style. Outside, bleak poverty. Two worlds, one town.

When I returned to the Embassy I visited Kuni, the nurse. She gave me a pill to calm my stomach and took a blood sample. At 8:00 that evening, someone knocked on my door. Kuni was alarmed about my white blood cell count and sent a Bolivian doctor to treat my gastroenteritis. It was a welcome surprise.

Q: Who was the political counselor in La Paz?

ROE: Dan Strasser in the first year and William Lofstrom beginning in 1984.

Q: Do you know where Lofstrom is now?

ROE: Bill retired and is now living in Sucre, Bolivia with his wife Ana Maria Zamora. He headed the Latin American area studies program at FSI and wrote a number of books on Bolivian and South American history. A brilliant officer and a real gentleman. The FSN (Foreign Service National) staff of the economic section was close collaborators. Fernando Urquidi, a geological engineer who knew the mining sector inside out, shared many insights in our efforts to interpret the socio-economic upheavals.

Earlier, you had asked me about corruption – it was endemic in Bolivia, but more on the order of officials who lined their pockets when they got in power. Bolivia is a traditional society. Your reputation is gold there. The good business people were well known and those who cut corners or were ruthless or corrupt were also known. The same is true of the political elite.

Q: You didn't find that you were having to pay the policeman a bribe not to get a ticket--

ROE: Actually I did once. I was driving my jeep and a policeman stopped me. I was worried, it was late at night. So I asked if he could pay my fine because I was going to have a hard time getting to the court. That was my one fall from grace.

Q: But it wasn't a corporate, I mean a large scale bribe as happens in so many places now.

ROE: Not in that league. During the previous century, one of Bolivia's presidents sold away large land tracts to make a fortune on guano production. There was huge demand for guano in Europe. Bolivia's colonial era rulers used the government as their private piggy bank.

Q: How did you find the church when you were there?

ROE: The Catholic Church was a mixed bag. In the provinces, the religious hierarchy was often tied to the same local establishment that had kept the campesinos in their place for centuries. In La Paz, the archbishop's social policy and human rights council leaders were highly committed Jesuits. The director, Father Jose Gramunt, a Spanish Catalan, wrote a newsletter on human

rights and social developments in Bolivia. It was one of the most objective chronicles of the times you could find. Father Gramunt was also a regular contributor to the La Paz Catholic daily *Presencia*. Gramunt and his Jesuit colleagues were looking dispassionately at these catastrophic conditions. They weren't judgmental. They were advocating a more humane, pragmatic approach to problems. I remember the feeling of tranquility that came from talking with them, visiting their office. They were looking at the whole pattern.

Q: Did your friend open up fields of contact?

ROE: I kept my private life separate from my professional life. We traveled to the Yungas and to other remote parts of Bolivia. Oscar's daughter, Roxanna Crespo, was just beginning her career as an artist while raising two young children. On the eve of my departure for Chile, she planned her first exposition. Oscar asked if I could help. I had no experience in doing that, but he mainly wanted moral support. I invited friends from different embassies, my riding group and other Bolivian contacts. It was standing room only. Roxanna sold every painting, and became one of the country's more successful artists. Oscar and I kept dating when I began my assignment in Chile. He had been wary of making a commitment, and I had no interest in getting married again. When I moved to Chile, he became Othello-like. That ended our relationship. But the family remained. I'm still friends with Roxanna and very close to her mother, Nora Van Bories, who lives in Santiago to look after Gogo, their handicapped son, a charmer. Nora was an attorney who had advised the ILO (International Labor Organization) experts who came to help revise Bolivia's labor laws in the 50's and '60's. Through Nora I met the former President, Lidia Geuiler, and recently reconnected with Tony Sanchez de Lozada and his family in Santiago.

Q: It's basically a small society.

ROE: Rich with intrigue and history. I also took in a German exchange student, Doethe Pardo, when the home stay she had arranged through the Partners of the Americas had fallen through. She stayed with me for most of my tour. When she returned to Germany, Doethe became an environmental attorney, married a young Chilean and had two children. That was a window into the young expatriate backpacking community.

J. PHILIP MCLEAN
Director, Office of Andean Affairs, State Department
Washington (1984-1987)

Mr. McLean was born and raised in Seattle, Washington and was educated at Seattle University and the University of Indiana. He entered the Foreign Service in 1962. A Latin American specialist, his service in the State Department in Washington and abroad, primarily concerned Latin American Affairs. His foreign posts were Brasilia, Edinburgh, Panama City, La Paz, Milan and Bogota, where he was Deputy Chief of Mission. In Washington Mr. McLean held positions dealing with Latin American Affairs, including that of Deputy Assistant Secretary

for South America. Mr. McLean was interviewed by Charles Stuart Kennedy in 1999.

Q: Was there a sort of feeling at that time that democracy is on the march and those almost economic things, well, they've got a problem but, by God, democracy's on the march and we're going on the right course?

MCLEAN: You have to understand that much of the democracy thing was something that was happening that the United States may have influenced, and there was an argument that we did influence, because in a sense the anti-communism policies of the Reagans who came in got turned around in Latin American context into a pro-democracy. I would say that my own opinion is that that happened more because of Luigi Einaudi than anyone else. Luigi is a conservative in the sort or European Tory sense, but he turned this hard-line anti-communist position into a pro policy, an active policy, for democracy. That doesn't mean that the economic thing was ignored at all. Quite the contrary, what do you do about it? And the State Department--George Shultz had been Secretary of the Treasury, and he diminished the economic role of the Department during the time he was there. The message we got quite clearly was this is not an interesting subject. When you're dealing with a conflict between departments, you're in very great difficulty if your Secretary of the Treasury doesn't back you up. In some ways the same thing happened with Baker. Those were two very intelligent and wonderful people, but they had been Secretary of the Treasury and, when they came to Secretary of State, in effect decided the Department's role was going to be subsidiary on this and we weren't going to challenge them. So the policy of debt in the region, which was the major problem, dwarfed any economic assistance program that we could mount, and it was driven by U.S. domestic needs; that they would save U.S. banks was what it was about. And I'm not saying it was inappropriate, but that's where the policy was and left not an awful lot of instruments for the Department of State to work with. Trying to influence the new presidents in Peru, both Belaunde and Tommy Garcia, was probably about the extent of what we could do, and we weren't greatly successful. We were finally successful in Bolivia, but we'll get to that later.

Q: What about Bolivia now?

MCLEAN: Bolivia was already in chaos by the time I got to the scene in 1984. I knew Bolivia a little bit, because I had served there. In fact, that was, I guess, the basis of my assignment to the job, because I had this Andean background, and I served in effect somewhat as the economic officer for the desk. Deputy directors have that function of sort of filling in where you can, and in this case I filled in as the economic officer. They had hyper-inflation. On my first trip I can remember I went out to buy a book on Bolivia and made an exchange at the embassy, and actually a paper bag full of Bolivian bills that I brought to the bookstore to buy one book. It was a whole lunch bag full of money, and it was the equivalent of \$25. The President, Siles Zuazo, was formal President, but he was elderly, he was not fully in control of the country, and it did cause a great deal of concern. He was really incapable of doing anything effective. He also was kidnapped at one point very early after I became deputy director. He was kidnapped by a unit that we had trained for anti-narcotics work. The first thing that they did was they kidnapped the President. Then we tried again, and the new unit, the next thing that they did was, the police unit, was to invade the central bank, because the employees at the central bank were trying to keep

anyone, including the IMF, from coming in, because they were playing games with selling foreign exchange preferences because with the hyper-inflation it was enormously profitable to have the right to buy dollars at any particular price. So our anti-narcotics unit got off to a rough start. Bolivians like to believe narcotics is, that coca is, a sacred event but, of course, it's playing games with tradition. The *campesinos*, the peasants, do chew cocoa, though more and more are not chewing cocoa, because it's bad for the teeth when you put lime on it, but it was used as an excuse for not doing very much. In the major area, the *Chaparia* by *Cochabomba*, we were trying to set up assistance programs in the area, and that will be the story through the coming years of what we tried to do. Probably one of the early things that I did in this period was in 1986, just as I'm becoming director of the office, finally being blest--I'd been acting director for nine months before that--there was a major drug conference in Panama. It was hosted by our narcotics bureau but it was inter-agency, and each country team embassy was making a presentation and I would consult with them each time to make sure that what they were going to say as an embassy was coordinated within themselves and was also consistent with what we were saying in Washington. And it worked as I went down through Colombia, Ecuador, Peru. But I remember the morning of the second day I had breakfast with the Bolivia team, and the last person to show up. On the Bolivian team was the DCM, and the DEA and others were there, and I heard their complaints, but despite their frustration because they weren't able to do anything on narcotics, we did agree with the line we would take in front of the inter-agency community, except the State Department person who was the head of the narcotics assistance unit didn't show up until as we were ending. But I went over it with him again, and we'd go into the session, and as we go into the session, we make a presentation but this State Department officer in the narcotics assistance unit in La Paz begins to rattle on about what's wrong with our narcotics policy in Bolivia. Well, the meeting just blew up. You could just feel the heat generating, and what was happening was the planting of narcotics was growing, the area that was planted was growing, the labs were beginning to be identified in Bolivia--and that's important because before the raw coca paste had always been brought to Colombia to be changed into cocaine. But the Colombians were bringing their technology right into Bolivia. In Bolivia there was nothing to do. There was not a helicopter in the country that was working. So what were we to do about this? DEA rather dramatically said that they believed the next thing they were going to do is pull out of the country and from their point of view declare Bolivia an enemy state. Well, this would have been a major foreign policy complication, quote unquote. So I quickly arranged to meet with the head of the DEA, their foreign operations guy, and his Latin American chief and took the DCM with me, and we went to lunch at Albrook Air Force Base. At that time there was beginning to be some public debate. Shouldn't the U.S. military be involved in some degree or other in the narcotics? At that point he drummed up an initiative to go to the U.S. military station there in Panama and get them to see sending helicopters out on narcotics missions as a good way to do exercises, to see whether they could do these things or not. Can you fly in? Can you unload the helicopters? Can you do this? And so I dreamt up this thing, we got agreement to do it, we got the military to think about it. I went back to Washington. The narcotics bureau discovered what we were trying to do. They first balked and then they argued and then they agreed with it. I then informed my boss, Bob Gelbard, and Bob likes to be aggressive about anything and everything, and he said, "Wow, that's a great idea," so away we went. Well, a problem with this is that the message did not get to George Shultz, so 24 hours before this thing is to come down, George Shultz hit the fan. Luckily his anger was directed at the narcotics bureau for failing to keep him informed rather than ourselves. But, as I say, my bosses in the bureau, and I do not recall

whether in fact, I suspect we didn't ever send anything forward to inform the Secretary's office, since it was really a very secret thing being handled by the narcotics bureau. I didn't know at the time, I didn't understand Shultz's great skepticism about narcotics policy. As an economist he has often felt that this is a little crazy. I perhaps should have understood it. I think it was in that year before then I was working on a major speech, trying to get the Secretary to make a major speech on narcotics, and we worked on it and worked on it and finally we had a pretty good speech ready to go, and then Shultz goes out and he gave a speech that was totally different from the other speech. It was about how the Sandinistas were involved in drug trafficking. We had some secret pictures of Sandinista leaders helping transfer cocaine to planes headed for the United States, with Pablo Escobar present and the rest of it. And he used the speech in that way. So this was one of those questions where Central America anti-communism came together in the narcotics thing but in a way that kept us from having a much broader discussion of what narcotics was about. As I say, Shultz's anger was quite perceptible, and the thing became a major news item for a couple weeks. It hit the front cover of Time magazine. It was the image of U.S. helicopters going into a Third World country. We scrambled at that point to try to put something together. We put together an inter-agency team to go down and try to do a follow-up to this. The secretary of the presidency, who was out of the country when he made this decision with the new President, Paz Estenssoro, and got Paz Estenssoro to agree to do it, was furious and so he put the team together and went down and negotiated with him to structure a policy that would increase our aid-giving activities, continue to support his effort to get the economy straight, and then have a program of cooperation between DEA and the police. It helped get us support in Washington as well, and we were able to increase our assistance program because we could show Bolivia was a narcotics-fighting country. We were also able to get the military out of there after a few months, and in fact they did some great work. They discovered some great labs and were able to eliminate those, and they were able to build up a capability of the Bolivians themselves to have their own transport helicopters, which meant that DEA could go out and bust labs, and the phenomenon of labs developing in Bolivia decreased. The key point is this administrator of the presidency, Gonzalo, Sanchez Gonzalo, a very bright person, was probably giving me this idea before. In the period of chaos when I first came into the office, all the opposition people used to come in to see us. Because I had some Bolivia background, I was one that they saw more than others. I had known Sanchez when he was a young engineer while I was there in the embassy. He's very inventive, clever guy, and he had the idea that the way to get at eliminating narcotics cultivation in Bolivia was to cut off the buyers. If you didn't have buyers, then you wouldn't have demand, and that would help lower the price. The way to cut off the buyers was to get at the labs. The trouble is that "Goni", which is what he was called, was not ready to take that on at that point, but when he was out of the country, in Paris--he had an appendix operation while he was in France and was kept there for many weeks--we launched this activity. So when he came back, we re-established good graces with him and established this policy, which was the policy that you could go after the labs as a way of reducing the price of the coca leaf. Goni later becomes President of Bolivia. But that was our theory at the time.

EDWARD M. ROWELL
Ambassador
Bolivia (1985-1988)

Ambassador Edward M. Rowell was born in Oakland, California in 1931. He obtained a B.A. from Yale University. In addition to Luxembourg, Ambassador Rowell served in Recife, Curitiba, Buenos Aires, Tegucigalpa, Lisbon, La Paz, and Washington, DC. He retired in August, 1994 and was interviewed by Charles Stuart Kennedy on September 10, 1995.

Q: I think that you've already answered this question in large part. Most new chiefs of mission have a list of problems to try to solve or do something about. When you went to Bolivia, what was your agenda?

ROWELL: At the time of my confirmation Bolivia was having an election. This was at the end of a period which really began in the late 1970's and continued through the early 1980's. There had been a series of governments that had taken office through extra-constitutional means -- in other words, coups d'état. At one stage there had been a military officer in government who was notoriously involved in the drug traffic. That person had been succeeded by a President who was a member of the Nationalist Revolutionary Movement of Bolivia [MNR], a socialist party affiliated with the Socialist International. The MNR had moved more closely toward constitutional government, including the holding of elections.

They held a democratic election. No candidate won a majority of the votes. The President then had to be selected by the lower chamber of the National Congress, the House of Deputies. The candidate who had won a plurality of the votes for President, Hugo Banzer, a conservative, lost to one of the founding fathers of the MNR, Victor Paz Estenssoro. This was a constitutional process, fairly and democratically conducted.

Paz Estenssoro had first become President in 1952 following the socialist revolution that produced Latin America's first agrarian reform since the Mexican Revolution of 1910. This, 1985, was the fourth time that Paz Estenssoro had become President of Bolivia. Paz Estenssoro took office on a platform that was dedicated to modernizing the economy and undoing the excesses that had crept into the socialist revolution.

My agenda was to reaffirm democratic, constitutional government; to support Paz Estenssoro in implementing his platform and to work with Bolivia to straighten out its economy, which was a disaster; and to do everything possible to cut back on the production of coca leaves and cocaine precursor products, as well as everything I could to break up drug trafficking. The country's disastrous economy was propelling more and more of its citizens to become associated with the drug traffic -- just in order to survive economically. That was a big enough agenda for any mission.

Q: At this time the Reagan administration was pushing hard on the problem of the Sandinistas in Nicaragua and revolutionary groups in El Salvador. This seemed to be the main focus of our foreign policy in Latin America. Did this impinge at all on what you were up to?

ROWELL: Only peripherally in a very limited way. There was a Cuban representative in La Paz trying to find out if there was a potential for a Nicaraguan type of situation. Despite the socialist

background of many people in the Bolivian Government, they were not particularly helpful to the Cubans and Nicaraguans. They received them but didn't give them a lot of help. The Bolivians had a lot of their own problems, and neither Cuba nor Nicaragua was doing anything to make life easier for Bolivia. So, as I say, although there was Cuban representation in La Paz, and I think that there was a Nicaraguan office, although I'm not certain. I'd have to look that up.

Q: How did you find dealing with the President of Bolivia and his government at this time? Was he there during the whole time you were there?

ROWELL: He was.

Q: That was sort of remarkable, wasn't it?

ROWELL: It was. He and his government were all extremely open and accessible to me. In fact, I flew to Bolivia as part of the US Delegation to the inauguration of Victor Paz Estenssoro. We all agreed that, even though I had already been confirmed, my predecessor would remain there as US Ambassador for the inauguration. He had been there for almost four years. He had had some extraordinarily difficult times. He deserved to see success at the end of his mission.

Q: Who was this?

ROWELL: Ed Corr. As the American Ambassador, he had done everything that an Ambassador can do to reaffirm the democratic process and to help the Bolivians to make their country succeed. It had succeeded. It was only appropriate that he be there, as the US Ambassador, for the inauguration of a democratically elected President. Nobody had any trouble with that arrangement. So he was there in Bolivia. I simply went down as part of the US Delegation.

I was well received, though. I met President Paz Estenssoro and the outgoing President, Jaime Paz Zamora, as well as a number of senior Bolivian officials. I went back to the US. Then, three weeks later, I returned to Bolivia. I presented my credentials to Paz Estenssoro either on the day I arrived or on the following day. Virtually immediately, in other words. So I was the functioning Ambassador within 24 hours of arriving in Bolivia. That's what I regard as extraordinarily forthcoming on the part of the Bolivians, in terms of the formalities of presenting credentials.

When I went to Portugal as Ambassador some time later, the Portuguese were desperately anxious to have an American Ambassador. They knew me personally. They told our Chargé d'Affaires and the Department of State that they were elated that I was coming as Ambassador. However, it still took over two weeks to present my credentials. The Bolivians signaled how anxious they were to have me and to have a strong and effective relationship with me.

Q: Over the period of time that you were in Bolivia did you see the President often or was it the type of government where you didn't have to see the President? Or did the ministers also have some weight?

ROWELL: First of all, each of the cabinet ministers had some weight. Secondly, I saw the President at reasonable intervals. Sometimes it was on social occasions or at ceremonial affairs

where I knew the President would be. If you can squeeze your agenda to something small enough, you can discuss at a social or ceremonial event even when it's meaty. However, for those issues that required that I go to the President personally, I always asked for a private interview and I met him in his office. On a very few occasions I met with him at his residence. Sometimes that was to escape the eye of the press. Remember also that Paz Estenssoro was 78 years old when he took office on this occasion. He was a senior citizen. Sometimes I would meet him at his residence simply to reduce stress on him.

However, I did the bulk of my business with the cabinet ministers. They had real responsibilities. I often worked with the Minister of Planning, Gonzalo Sanchez De Lozada, for example, who had arranged for Jeffrey Sachs to come to Bolivia. Sanchez de Lozada from Banzer's party and was the strong key to the country's economic recovery and modernization. He is now President of Bolivia. Anyhow, he and the Mayor of La Paz, Ronald MacLean, were from the same, conservative party. The Mayor of La Paz had gone to the John F. Kennedy School of Government at Harvard, had met Sachs there, and had proposed during the presidential election campaign that his party bring Sachs down to help it to develop a program for restoring the economy.

Q: Could you explain who Jeffrey Sachs is?

ROWELL: Jeffrey Sachs was a professor of economics at the John F. Kennedy School of Government at Harvard. He helped Banzer's party to develop an economic program for the conversion of the economy to a full market-based economy and for the privatization of government-owned enterprises -- the whole bit.

When Paz Estenssoro was elected President, he had half expected NOT to be elected. After all, Hugo Banzer had won a plurality of the popular vote. Paz Estenssoro's party, the MNR, had not developed an economic program. Well, Paz Estenssoro was elected by the Chamber of Deputies and entered office. He needed a government that would command some support from the single largest block of votes in the Congress -- that is, the conservative party. He adopted the Banzer party's economic program. To a substantial extent that program had been master minded by the man whom Paz Estenssoro had appointed Minister of Planning, Gonzalo Sanchez de Lozada.

After the new government was installed in office, they brought Sachs down as a consultant for the overall economic program. At that point inflation had gone wildly out of control. They leaned on Sachs for advice on containing inflation and straightening out government finances. Sachs came down twice, I believe, at Bolivian Government expense. After that they still needed his advice, but couldn't afford it. So Gonzalo Sanchez de Lozada brought Sachs down to Bolivia at least twice, maybe three times more, at his own personal expense. It cost over \$20,000 per visit.

The Bolivian Government took Sachs' advice. They dealt with the inflation problem. By the time I left Bolivia inflation was in the single digits, down from 23,000% per year when I had arrived. That experience gave Sachs world renown as an inflation slayer and economy modernizer. It contributed directly to a comparable effort he undertook in central Europe and, briefly, in Russia after the Soviet Union collapsed.

Q: You say that one of your goals was privatization of the economy. It's all part of...

ROWELL: I want to emphasize that this goal was consistent with the program of the newly-installed government.

Q: So, in a way, what did you do, outside of saying, "Go to it, fellows?"

ROWELL: First of all, I tried to expand the economic assistance program to provide technical assistance where the Bolivians could use it in the conversion process. They had a number of ideas, and the AID Mission Director also came up with some good ideas. Secondly, there were some old investment conflicts, the most significant of which involved Gulf Oil and Occidental Petroleum. I talked repeatedly with the government about ways to deal with them and to resolve them. The companies were open in keeping me informed about their negotiations with the government. The point I made to the government was, "Look, if you want to privatize, that means that you want private investment to come in. You want foreign private investment. It's going to be very hard to get that foreign private investment in until you resolve these old problems. In terms of the content of such a resolution, you and the private firms are not that far apart. It's a very small step to closure."

I didn't attempt to become a negotiator but rather a kind of ombudsman and a persuader. They did come to closure with the oil companies and resolved the problem.

Q: How responsive were American companies in dealing with Bolivia during your time there?

ROWELL: I found that they were always happy to deal with the Ambassador. They wanted to solve their own problems. The experienced companies would come to me and say, "We're having this problem. We're not asking you to intervene. We want you to understand the problem. If you see an opportunity to help us, we would appreciate your letting us know."

For example, there were some limited problems involving the electric power company, which was Canadian and American owned. This company needed a new contract with the city of La Paz, so they needed to expand their capacity. This represented a substantial new investment which meant that they needed a new contract that would give them a reasonable time over which to amortize the new investment. However, it was a difficult issue because it meant some guarantees in terms of electricity rates, ensuring payment for the power produced, and all the rest. These were typical of the problems which faced the utilities.

There the issue was primarily with the city of La Paz, rather than with the Bolivian Government. However, it was important to keep the Bolivian Government in sync with the city of La Paz and avoid inadvertently doing something that would complicate resolution of the problem. The Mayor of the city was reasonably open, but he was politically constrained, to some extent. I talked with him, with his opposition, and with the Bolivian Private Business Confederation to try to create an atmosphere that would make it easier for the city of La Paz to agree to a settlement. They managed to come to some agreements, but the problem wasn't completely resolved when I left Bolivia.

The government needed to privatize the mines. That meant laying off large numbers of miners.

Q: Even for somebody who has never served in Latin America, I have heard about miners who run around with sticks of dynamite in their belts.

ROWELL: Exactly. In fact, a “miner's hot dog” is a half stick of dynamite with the fuse lit. The government eventually laid off some 20,000 of these miners. The miners got transportation to La Paz and demonstrated in the streets. They threw a couple of “miners' hot dogs” at the Embassy. On one occasion the explosion injured our Security Officer and several police and broke some glass. On another occasion we had a dynamite stick dropped on the roof of the Embassy from an adjacent building. It blew in a bunch of windows and narrowly missed my wife and a number of other persons who had been in the Language Training Room at the Embassy. They were having a coffee break at the precise moment when the dynamite stick went off. I think that the timing was accidental. I don't think that the person who dropped the stick of dynamite on the Embassy roof knew anything about our internal schedule. Fortunately, although the explosion made a mess of the Language Training Room, nobody was physically in it at that instant. Still, it was stressful.

We used the Food for Peace program to help the Bolivian Government to find alternative work on useful infrastructure for those miners and their families who were willing to work. For example, people in the program worked on water systems and built drainage ditches and irrigation canals in cities and small villages in the mining areas of Bolivia, in exchange for food. That gave their families something to live on and made their living conditions a little bit healthier. While this was going on, the government put together programs to help relocate the miners to areas where they could find permanent work. That program was very well received.

I traveled to all of the sites where we were operating this program. I talked directly with the workers, with their union leaders, and with their community and social leaders in open meetings and with workers standing around. I had to talk in Spanish because I didn't understand the Indian languages, Quechua or Aymara, depending on the area. Their leaders all spoke acceptable Spanish, so that I could do that. Universally, I found self respect, because they felt that they were working on these Food for Peace projects and, at the same time, improving their communities. They were grateful for the assistance. Even though the country was going through a privatization program in the direction of a market economy, I found a positive attitude toward the United States. If an American company wanted to invest in Bolivia, the ordinary Bolivians were positive about that, too.

Q: I take it that, by the time you arrived in Bolivia, the course of aggressive socialism had pretty well lost its luster.

ROWELL: That's right. People believed that Bolivia had lived some sort of “socialism” ever since the 1952 revolution (with some time out for a couple of military governments). Ordinary folk, the indigenous population, had their own land, controlled their own villages. Their post-1952-revolution society had plenty of problems. So, Ché Guevara the Argentine Marxist-Leninist revolutionary associated with Fidel Castro found rocky soil when he tried to foment a new “socialist revolution” among the campesinos, poor country folk, in Bolivia. The campesinos

told the army where he was and he was killed. I guess you could say that "socialism" had lost its lustre.

But the Catholic Church and the universities in Bolivia, including those which were Church-related, had absorbed substantial numbers of priests who belonged to -- what was it called in Latin America? -- the Liberation Theology movement. The universities in Bolivia had become sanctuaries for liberation theologians and their secular allies, many of whom were Marxist/Leninists. They had received a lot of support from Cuba and from Nicaragua over the years. They were established and deeply rooted in Bolivia. They were affecting the thought processes of substantial numbers of university students. They still had considerable influence on many teachers in Bolivia's secondary schools.

The Catholic Church, or at least some of the key Church leaders, as well as the Papal Nuncio, were trying to attenuate the influence of the liberation theologians. The country didn't have enough recruits in its seminaries to staff its churches. So they were bringing in priests from other countries, including European countries. They were working with this problem as well. I found, for example, a Bishop of Andean Indian origin in a diocese near Lake Titicaca who was trying to establish a new Church-sponsored advanced technical agricultural school. He was putting up an institute that focused on farming and agricultural economics. It was intended to help the children of indigenous laborers, almost all Native American children, so they wouldn't have to attend the Marxist seedbed at the big city universities. I worked very hard to support his institute. The amount of help that we could give was limited. We used some Food for Peace help in putting up his buildings. We tried to find ways -- through private organizations, not government -- to assist in financing his faculty, some of the needed equipment, and to get a new syllabus that would not be a liberation theology syllabus but simply practical courses in farming and in farm economics. The Bishop inaugurated the institute and opened the first classes there before I left.

Q: Obviously, the first priority on your time there was the drug situation. What was it when you arrived, and what could we do...?

ROWELL: Coca growing was spreading rapidly. There is a whole bunch of myths in terms of coca and cocaine economics. For example, we were assuming that the production coefficients for coca and cocaine which we had discovered in Peru were valid also for Bolivia. But it turned out that Bolivia was different. It was less than half as efficient as Peru in terms of cocaine output per hectare of coca leaf. It also had some vulnerabilities in terms of production and transport that Peru didn't have. So we made some startling discoveries.

However, the first effort was to get Bolivia to pass a law that would make coca growing illegal -- or, if not wholly illegal, then substantially illegal--so that we would have a legal basis for trying to reduce coca production. We tried to get Bolivia to upgrade its anti-drug police efforts and operations against drug laboratories. We sought to reduce the effectiveness of the drug trafficking community, particularly in terms of its ability to corrupt police authorities and other officials. And, overall, to reduce the flow of drug-related products from Bolivia. The products were mostly going to Colombia for final processing and then on to the US. However, a lot of product was also going to other Latin American countries and starting to flow to Europe.

Q: Let's stop at this point. The next time we get together we still will be reviewing your time in Bolivia, 1985-1988. You've just finished explaining what the status of the drug traffic was. So we'll talk about what we were doing at that time to deal with it. One of the questions I do want to ask you is this. You said that we were assuming that what was happening in Peru in terms of coca cultivation and all of that was the same in Bolivia. We can talk about what you found that was different in Bolivia and then talk about efforts we were making in that direction. We've already talked about the economic situation.

ROWELL: There's one more thing that I'm going to talk about on the economic situation. It relates to the small loan program.

Q: This is March 4, 1996. Ed, do you want to continue where we were in our previous session?

ROWELL: Yes. The critical intelligence on what made Bolivia different from Peru was produced by the Drug Enforcement Agency [DEA] through confidential informants that they had developed. They deserve an enormous amount of credit in this respect.

First of all, we found that the coefficients of production for converting coca leaves to cocaine were half as much in Bolivia as they were in Peru. I don't know why. I don't know whether it was the type of leaf or the primitive way in which they extracted the alkaloid from those leaves -- although I imagine that the initial extraction process it was pretty primitive in Peru as well. Whatever the reason, the process of extraction of the alkaloid was only half as efficient in Bolivia.

Secondly, we were able to confirm that the people growing the leaf were very poor and were doing it simply to get money and to survive. There was a down side to that. I recall one set of remote mountain villages in a part of Bolivia that has always relied on barter trade and still does today. The village agreed to eradicate all of its food and fiber crops and to plant coca. They harvested the coca leaf. The drug traffickers bought the leaf. Then, when the village went to neighboring villages to buy food, the neighboring villages said, "We'll be glad to sell you the food we always sell you. Will you please give us the fibers and foods that you used to give us?" The people from the first village said, "Well, we don't have that, but we have all of this money, and we'll give you a lot of money." In that region people said, "We can't eat money. Sorry. When you can bring us some goods, we'll trade."

This village was sufficiently remote that going down to the Lake Titicaca region to buy food, or something like that, involved a major trek. It was very difficult, and they didn't have much transport. A man I know, who was affiliated with the United Nations, reported that within three years of the time the village started growing coca serious malnutrition was observed among children and child mortality more than doubled. This was not from abusing drugs but from displacing itself from barter trade in an area that only had a barter economy. This was an interesting development.

We discovered that, for the most part, the poor people growing the coca leaf were self-financed. That is, they would plant the leaf and would grow subsistence crops between the rows of coca plants. When they harvested the coca leaf, they would either process it themselves with chemicals that they obtained on a loan basis or they would sell it to a person who would process it. However, they received no cash compensation for their product until their product, which was called coca paste [pasta de coca], a precursor product, cocaine sulfide, had been converted into cocaine and marketed in the US Or elsewhere, and the money had been physically flown back to Bolivia. So from the time that they delivered the coca leaf until they got their money was sometimes four months. From the time that they planted the coca plant to the time that they had their first full harvest, was 24 months. This represented an enormous investment for somebody who has little or no capital. They invested their time and a lot of sweat.

We also found that there was an enormous vulnerability. We had been told and convinced in Peru that if you attempted to destroy coca by whacking it off at the stem where the plant comes out of the ground, it would grow back. However, in fact, if you whack the plant off reasonably close to the ground, it does not grow back. It has to be recultivated from seeds. Again, that was new information.

Q: That gave you a two-year hiatus.

ROWELL: It gave us another destruction method, because, based on what we thought we had learned in Peru, we were having to figure out ways to use chemicals to destroy the coca which would simultaneously destroy all of the subsistence crops nearby; or ways to bring in large plows to turnover the land and plow under the coca in areas where you couldn't get the machinery in. The problems of destruction, if you couldn't just cut it down, were enormous. This had been a major inhibiting factor in putting together programs.

We also found out a good deal about the ferrying mechanisms. At one time, for example, most of the coca paste had been carted out of the growing area on people's backs -- sometimes on the backs of donkeys. The valleys where they were growing coca were quite broad, and some of them even verged on being plains, especially in the area toward eastern Bolivia. Access to these areas was limited. The roads weren't there.

There were some laboratories in Bolivia for converting the coca paste into cocaine. The more efficient and more active laboratories were in Colombia. It didn't make too much difference whether you flew the coca paste, the cocaine sulfide, or refined cocaine hydrochloride out, because the paste converted to cocaine hydrochloride, in terms of weight, approximately on a one-for-one basis. Maybe it was one unit of paste to 0.9 units of cocaine hydrochloride, but that was close enough. It wasn't a significant cost factor in deciding whether to fly out paste or cocaine hydrochloride. What really decided the traffickers on which they would do was more related to the chance of being interdicted. I talked with some visiting Congressmen and made the point to them that we were frustrated in Bolivia because we could not attack the laboratories which had been placed off in the jungle. There was no way to get at them. There were no roads out there, and we didn't have any helicopters. The Bolivian Air Force had only three helicopters in their inventory. They were old, badly maintained, and unsafe. The Bolivian Air Force itself wouldn't fly them.

By the time I had spent three or four months in Bolivia, it was obvious to me that we were doing nothing effective about coca leaf production. It was equally obvious that Bolivian politicians were reluctant to alienate the peasant population that was growing the coca. They depended on them for votes. I'm not talking here about drug money and not talking here about bribes by kingpins of the narcotics traffic from Medellin Colombia. I'm talking about politicians who were elected by those people out there in the fields.

I decided to develop a strategy that involved an early shock and a longer term, follow-on program to try to get the peasants to give up coca growing and to go into some kind of legitimate crops. I asked my Army Attaché, who was a veteran helicopter pilot with service in Vietnam, to draw up a plan that I could propose to the Southern Command [SOUTHCOM -- the US Theater military command in Panama] and to Washington to bring in helicopters. We could either lend them to the Bolivian Air Force for the Bolivian Air Force to fly or have the US Army fly them at first.

The idea was to ferry the Bolivian Anti-Drug Police out into the jungle to destroy laboratories that we might find. We had two principal ways of finding them. One was information from confidential informants. Another was through aerial surveys using various high tech devices to see through the jungle canopy of trees.

At the same time I asked the DCM [Deputy Chief of Mission at the Embassy] to put together a program involving the entire Country Team. That is, all of the US agencies there in Bolivia.

Q: Who was your DCM there?

ROWELL: My DCM at the time was Jeff Biggs, a USIA [United States Information Agency] Foreign Service Officer. I asked him to put together an integrated program that would involve components such as: putting pressure on campesinos to cut down coca and stop growing; helping them to find alternative livelihoods; and persuading the Bolivian Government to enact a law restraining or, ideally, outlawing completely the cultivation of coca. Well, we knew that totally outlawing it was impossible.

There was a mythology in Bolivia that coca arrived from the Sun God and that the Native Indian population would always have to have its coca, because this was a sort of religious rite, and so forth. In fact, I later discovered that that was a myth, too. Coca had been used by the Inca tribe as a favor bestowed on certain, favorite people, who, in turn, bestowed it on other, favored people. It was essentially a device to help control people. When the Spaniards arrived in Bolivia in the early 16th century, they defeated the Inca and discovered coca. They put it to work by using it on the native population, whom they put into forced labor in the silver mines. This was done so that they could withstand the cold outside, the heat inside the mines, and the hunger in their bellies -- not notice their discomforts and keep on working, producing silver and tin. So coca was essentially a drug for enslavement.

Q: We're talking about the opiate of the masses, aren't we?

ROWELL: Well, I hate to say that. Although people used coca, they used it for quasi-medicinal purposes in the sense that they used it to alleviate physical pain and hunger. That makes it different from the opiate of the masses. It was not used in the way that alcohol is used, for example. So it was very different. But that also puts a different caste on it for political purposes, because once you manage to sweep away the mythology and you understand that coca was an enslaving device, then it becomes easier to attack it.

So we put together a program which involved trying to persuade the Bolivians to pass an anti-coca law, have AID [Agency for International Development] put together a program that would provide carrots incentives to the peasants, or campesinos, if they would give up growing coca, as well as transition assistance if they would give up coca. I regard transition assistance as not a motivator but a facilitator. Obviously, our Public Affairs Office had to support the programs that we developed and that we were negotiating with the Bolivian Government. We used the Army Attaché and the Military Assistance offices to help put together the interdiction program. First, this involved bringing in US Army helicopters in an operation called Blast Furnace. Secondly, we planned to bring in helicopters provided by funds from the State Department's anti-narcotics program that were transferred on a long-term loan basis to the Bolivian Air Force. Some people suggested giving these helicopters to the Bolivian Air Force. I insisted that they be placed strictly on loan so that if, for some reason, the program came apart, lost efficiency, or whatever, we could pull the helicopters back and put them somewhere else where they'd be doing us more good.

What other agencies were there? We used all of our intelligence assets in the program.

Q: Had the CIA [Central Intelligence Agency] been involved in this? The reason I ask this is that, from time to time, and particularly with the end of the Cold War, which hadn't happened yet, there was a lot of thought, to my knowledge, that CIA would have to concentrate on terrorism and drug trafficking. Obviously, the Cold War had not played itself out as yet in Latin America.

ROWELL: The CIA certainly contributed what it could in helping to identify drug traffickers and elements of the drug traffic that might have vulnerabilities that we might exploit. There was that sort of thing. However, they, as was the case with all of us, were very, very careful, whenever a trafficking operation was discovered that might eventually lead to a prosecution, to give it to the DEA, as a law enforcement agency. So if we ever had to prosecute somebody in US Courts, we would not get into that awful bind of having things there which couldn't be turned over to the prosecution because, somehow or other, they had been discovered by CIA. Everybody understood the rules. We followed them religiously so as not to complicate any potential future prosecution.

Now, CIA could also used some technical resources to help us locate the laboratories in the jungle so the Bolivian Anti-Drug Police could attack them. CIA worked very hard on this.

Q: We have the example of Colombia today, which is so permeated with drug money and corruption, from President Ernesto Samper on down. We're having a terrible problem with it.

Could you talk a little bit about the Bolivian Government as far as corruption within it is concerned?

ROWELL: I'll talk about the corruption problem a little bit later. Let me finish this comment about the drug laboratories. The drug kingpins operating out of Colombia, and they really were kingpins of the drug traffic, basically used Bolivia as a reserve supply source for coca paste, the precursor substance for producing cocaine. Their primary sources were in Peru, Colombia, and, to a small extent, in Brazil and Ecuador. However, the primary sources were Peru and Colombia. The Bolivian supply of coca paste was there in case one of their other sources suffered a catastrophe. It also was intended to keep down the price of coca paste and to keep the people growing the coca in Peru and Colombia from being able to jack up the price. So demand for coca paste in Bolivia fluctuated. If things were going very well in Colombia and Peru and the traffickers were moving all of the coca paste that they could make, then demand in Bolivia would slacken. When demand was stronger than supply elsewhere, then the price would strengthen.

The Colombian kingpins stayed in Colombia. They sent agents to Bolivia as necessary, so that at the time that I was in Bolivia, there was no indigenous, cartel-like apparatus resident in Bolivia which was trying to call all the shots as the cartel was doing in Colombia. So it was a very different situation.

Now, back to the program that we put together. We had this long term program put together by the Country Team and proposed a shock program to start it off. I didn't hear from Washington for months after sending in my proposal for helicopters just for the initial stage. However, I did hear from General Galvin, who was the commander in chief of Southern Command [SOUTHCOM], about what was going on in Washington. The State Department, the DEA [Drug Enforcement Administration], and the FBI [Federal Bureau of Investigation] wouldn't tell me. Of course, the DEA doesn't tell anybody except its favorite agents. But the Defense Department keeps its senior commanders informed about what's developing, so that when they blow the whistle to launch a program, they can take action. Gen Galvin kept me informed.

I received word from Washington in June, 1986, that the project that I had submitted on January 1, 1986, was approved and that we were to launch it in two weeks. That was two weeks to get Bolivian government consent, brief appropriate authorities, bring in people and equipment from SOUTHCOM, establish operating bases. That was the State Department. I was ready only because Gen Galvin and I had been talking to each other regularly and he had known what was happening in Washington.

So we launched the program. I might say that each of these programs, as we attempted to implement them, was carried out with the full knowledge and consent of the Bolivian Government, including the President of Bolivia, with whom I cleared the activities personally prior to initiating them. He was the first person I approached to get permission for Operation Blast Furnace. He gave us his solid support. Then I followed up with the Bolivian Ministries that would be involved, Defense and Interior. We had luck in getting the permission on such short notice. The one person who might have blocked it, Planning Minister Sanchez de Lozada, was in a Paris hospital recovering from an emergency appendectomy. He feared that if we suddenly cut

off the flow of drug money, his efforts to restore the economy -- and to make it capable of prospering without drugs -- would fail. I want to emphasize that his concerns were macroeconomic. He was no friend of drug traffickers.

We brought in US Army helicopters initially for a period of 120 days until State Department helicopters could be brought in and loaned to the Bolivian Air Force, and the Bolivian Air Force could fly them instead of having Americans flying them. Our the initial strike destroyed a big coca processing laboratory. I don't remember how many hundreds of kilos of coca paste were destroyed, but it was a lot. Then two dry holes followed it. Then we destroyed a smaller sized laboratory. Then there was a string of dry holes for about a week and a half.

Q: You might explain what a dry hole is.

ROWELL: A dry hole is a site that we attacked thinking that there was a coca lab there, but which turned out to have nothing significant on the ground when our forces arrived there. Most of the dry holes were laboratories from which the equipment and chemicals had been removed.

As we went through this process, incidentally, we discovered something else about the coca paste laboratories. At one stage in the process of making cocaine, they dried the coca paste into a powder to grind it up. The drying process requires heat, and you can spot the heat with infrared equipment from anywhere and go after it. To avoid detection, then, the laboratories stayed turned off until they had a sufficient amount of product to operate at peak efficiency. So, typically, a laboratory in the jungle might be turned off for two or three months and then would run full blast for three weeks. Then it would go off again. Microwave ovens were a problem. It used to be that the coca laboratories would have to use an ordinary oven. Generally, they would be electric ovens, powered by portable generators, which they bought in Brazil. Then microwave ovens came along. Microwaves put out substantially less heat that could be observed from a distance. And they are so cheap. They were as cheap as regular ovens, for all practical purposes. As we destroyed the regular ovens, they were replaced by microwave ovens, which were much harder to spot. So technology complicated our lives.

Something we always suspected, and which we were later able to confirm, was that the drug traffickers who were operating airplanes flying between Colombia and Bolivia had very sophisticated communications systems. They used these systems when they were flying the coca paste out and the money in. They monitored all of the radio communications that were in the air -- ours, the Bolivian Government's -- everything. They monitored it all.

Q: It sounds as if, to do that, you have to have a rather sophisticated infrastructure in place in the country, don't you? Or could it be done outside of Bolivia?

ROWELL: You need a couple of sophisticated people and some fairly sophisticated equipment. However, the equipment isn't terribly bulky. People could buy a Radio Shack spectrum scanner for \$300 to \$400 for a top-of-the line model, which at the time was as good as anything in the Defense Department. That is nothing in the drug business. The drug traffickers could fly it out there, bring in a generator that cost them \$200 or \$300, put some gasoline in it, spot the frequencies, turn on another radio that probably didn't cost more than a couple of thousand

dollars, and listen. It's not that difficult and it's not very expensive, particularly when you're selling stuff which is bringing in hundreds of millions of dollars. It's not difficult to operate the equipment, either, since it is so automated. If you have a serious problem, you just bring in another radio. Don't even bother trying to fix the old one.

We had some problems putting together information from various sources. Some of it came from confidential informants who may have known when something was going to be picked up. The pick up would be in a general area. We wouldn't know exactly where and we didn't know exactly where it was going to be taken to. We generally had aerial surveys. We had some old information that we had managed to assemble. We concluded that one of the reasons that we were hitting so many dry holes was that we were not doing what the fusing the information efficiently. That is, the information from the various sources wasn't being integrated the right way and quickly enough to be effective.

So I set up an Intelligence Fusion Unit. The DEA, which was theoretically in control of this operation, insisted that only its people should be in the Intelligence Fusion Unit. I told them that there would have to be others in the unit. Then the head of the DEA unit in the Embassy had a lot of difficulty with his chiefs in Washington, who wanted to make sure that this operation had a DEA stamp all over it. It was big news in the US when it was reported on television and on the front pages of the newspapers. DEA wanted the credit, and I gave them a lot of the credit. However, DEA is mostly made up of policemen. They're not strategic intelligence people. Their tactical approach tends to be limited to carrying out a raid against something. It doesn't contemplate a carefully sequenced series of raids over a period of three or four months.

I got some help from General Galvin, who sent me a couple of non commissioned officers from the Intelligence Corps. Their job basically was to administer the Intelligence Fusion Unit. I think that I told the DEA that they would have to take that instead of being allowed to put it together all by themselves.

We saw an immediate increase in hot spots instead of dry holes. We still had a lot of dry holes. This was inevitable, but the ratio of successful operations went up. When the US Army helicopters were pulled out and were replaced by the State Department provided helicopters, we also let the Intelligence Corps NCO's go back to SOUTHCOM, because by that time the intelligence fusion system had been established. It was working, people felt comfortable with it, and the people we had there on permanent assignment could do it.

Q: But with the raids going in, when we had our military people there, did they have to fight to get in to the hot spots?

ROWELL: No. First of all, the helicopters were carrying Bolivian Anti-Drug Police who had been trained in small-unit military tactics -- jungle tactics. The helicopters would have to go into some open spot nearby where they could land. They would try to go in as close as they could to land without being heard. Because even if they touched down only 100 yards from the lab, if they were heard coming in, the drug traffickers could scatter into the jungle and you would get nothing much. The drug traffickers might even take the coca paste. We might get some equipment but we mightn't get much else.

So the Bolivian Anti-Drug Police had to go in quietly. We bought a bunch of inflatable rafts because the northern part of Bolivia is full of rivers in the jungle area. That's where the labs were. So the helicopters would go in. The Bolivian Police would jump out, and the helicopters would immediately withdraw to a distance that we regarded as safe. They would wait there until they received a signal to come back to recover the Bolivian Police. The Bolivian Police were accompanied by DEA agents to provide technical guidance. If they could walk through the trees to the lab target, that was fine. If the lab was on a river, which was often the case, they would inflate the rafts and go down as close as they could, sneak in, and conduct the raid. Carrying stuff out was too difficult, so they destroyed everything that they found after taking photos and making a rough written inventory. If they could capture somebody who was working there, they would interrogate the person.

Operations of this kind had a serious effect on the financial return to the peasants who grew coca. Remember, all of that coca paste that the Bolivian Anti-Drug Police destroyed at these labs had been produced at the expense of the peasants. When the paste was destroyed, no money came from it, and the peasants weren't paid.

Destroying functioning labs had to be useful, we thought. But how long would it take to replace them? Maybe two to three weeks -- no time at all, since the drug traffickers had the money to buy the gear. So it was an unending process.

We brought in the State Department helicopters, we lent them to the Bolivian Air Force, and we entered into a contract with the Bell Helicopter Company to have civilian American-managed maintenance and support so that the helicopters would continue to be safe to fly. The DEA people worked very closely with the helicopter unit to protect the Bolivian Air Force people from drug abuse -- that is, from being suborned by the drug traffickers.

I want to emphasize something else here. The Bolivian Armed Forces were determined to stay out of the anti-drug business. They had had a very bad time during the early 1980's when a general, who had later become President of Bolivia, was implicated in the drug traffic. This involvement in the drug traffic had corrupted the armed forces. It had hurt internal discipline and unity in the armed forces. In effect, it was tearing apart an institution that meant a great deal to the people who were in it. They said that the problem was that they had let the armed forces get involved in the drug traffic. They didn't want to have any part of being in the anti-drug effort.

So, to protect them, we never told the Bolivian pilots where they were going to fly until they had been in the air for some time. After the US Army helicopters had been withdrawn, every one of the State Department helicopters that had been provided to the Bolivian Air Force had a DEA agent on board. The DEA agents knew where they were going and had a route plotted out. Typically, the initial heading had nothing to do with the ultimate destination.

When we were first doing Operation Blast Furnace, we had fuel bladders [large, collapsible, rubber fuel containers developed for the US Air Force] which we flew in DC-3's to remote areas of Bolivia for refueling. The helicopters would take off from a central location, they would go out to a refueling point, and then they would go off somewhere else. That gave them much

longer legs endurance and a less predictable radius of operations. DEA also had fixed-wing aircraft and fuel bladders. We knew where we were going. But the helicopter pilots would take off and land, only to discover that it was a refueling spot.

You could never ask anybody in the Bolivian Air Force, "Where or when are you going?" By agreement with the Bolivian authorities, didn't tell the pilots anything. They were simply told that they had to be at the airport, on duty, near the helicopters, every morning at a certain hour. If they were going to fly, they were kept incommunicado after they reported to the helicopter pad. If they weren't going to fly, they were incommunicado for the same couple of hours. We did various things to protect the Bolivian air crews as well as to protect the integrity of the operation.

Because of the way the drug money flowed, we discovered that if we could interrupt the operations of the small aircraft that were hauling cash back into Bolivia, that really made a mess, and was a loss to the campesinos who produced the coca. They operated on a cash basis. So we tried to interdict these pressure points. AID [Agency for International Development] offered alternative crops to the peasants, technical advice, and fertilizers. We set up a nursery in the main valley where the largest amount of coca was being grown. We had on display all of the plants which the peasants would be given to grow substitute crops, with technicians there to tell them exactly how to work with them.

For years AID had been running nurseries in Central America to help Central American farmers diversify their crops. It had nothing to do with the drug traffic. However, we were able to draw on the output from the well-established Central American nurseries to bring in plants. So we had a ready source.

Then we set up a program to help in the establishment of health clinics and schools and to help to provide safe water and decent roads in the coca growing area. But these services were to be delivered only if the campesinos first destroyed the coca plantations. Of course, we had to persuade campesinos -- whose long experiences with government had taught them to disbelieve all government promises -- that we really could and would deliver the promised services if they would destroy their coca plants. For example, we would put some equipment at the edge of the valley, but it didn't operate until the farmers started to chop down their coca. If we didn't see the coca being destroyed in a given area, there would be no school, no health clinic, no safe water, and no roads. If all of the farmers in a given area cooperated in destroying their coca, they got the whole works. They either got everything or they didn't get anything. However, the ability to deliver was physically placed where they could see it.

The Bolivian Government had said that they would pay the farmers for cutting down the coca. Payment was intended partly to provide capital to tide them over until an alternative legitimate crop could start producing returns. Our government said that paying the campesinos amounted to paying for sin and wouldn't have anything to do with it. The Bolivian Government, on its side, said that it was going to take its own resources and pay the farmers to destroy their coca plants. I had a war with Washington over that because they wanted to stop the whole program. I told the Washington agencies that they were crazy. The elected, Bolivian Government was trying to get their people out of the one cash crop [i. e., coca] that provided the farmer with a reasonable assurance that he would have an income. There were no other crops in Bolivia that provided that

degree of assurance. I said that asserting overriding problems of sin and evil in Washington wasn't going to stop the production of coca in Bolivia.

Anyhow, the Bolivian Government did send people down to coca growing areas with the money to pay the peasants to stop growing coca. They would set up tables in the open fields and say to the peasants, "Here's the money" if you stop growing coca. Obviously, they had armed guards around them. Survey engineers would also be on hand. If a farmer said, "I think that I am interested," the survey engineer could go out with the farmer. The farmer would say, "This is my crop and this is my land." The survey engineer would measure it and certify that there was so much land involved. The farmers were paid by the hectare for chopping down the coca. The engineer would say, "Well, when the coca is cut down, call me back." The peasants would cut it down, the survey engineer would go back and say, "Yes, it's been cut down." The farmer would go back to the table and get his money.

You had to be that physical about providing evidence of your good faith. Simply promising the peasants that there was going to be a program had no effect at all. There have been so many programs in the history of Bolivia that nobody believes in programs as programs that work.

We had problems because the Bolivian Government was convinced that perhaps one-third of the Gross Domestic Product (GDP) depended on the cash arriving in the drug trafficker aircraft. I estimated that not more than half of the total economy was in the money economy. The rest of the economy involved the use of barter arrangements. If one-third of the money economy was drug-dependent, that represented one-sixth of the GDP, still a hefty share. The Bolivian Government was going through a terrible time, fiscally and financially. They were afraid that everything that they were trying to do restore economic health, a market-based economy and a strong legitimate private sector would collapse if we succeeded in eradicating the production of coca.

So the Economic Section of the Embassy worked closely with the World Bank, the IMF [International Monetary Fund], the Inter-American Development Bank [IDB], and the Bolivian Government itself to track the fiscal health of the money economy to try to make sure that it didn't collapse.

The Political Section worked closely with all of its contacts to encourage passage of a coca eradication law. The Bolivian Congress passed such a law.

USIS [the United States Information Service] worked closely with the media in the field of public diplomacy, pointing out the damage that drug consumption was doing to Bolivia and to Bolivian families.

First, the US military carried out Operation Blast Furnace, and then they provided some continuing assistance.

Q: What was Operation Blast Furnace?

ROWELL: Operation Blast Furnace was the operation involving US Army helicopters, flown by US Army pilots. That was the name of the operation.

The US military worked with the Bolivian Air Force and eventually with the Bolivian Navy. We brought in US Coast Guard people to help the Bolivian Navy conduct river patrols.

Q: What did this amount to? Bolivia does not exactly have a Two Ocean Navy.

ROWELL: No. However, Bolivia had had Antofagasta, now in Chile, as a seaport and a substantial stretch of the Pacific Coast of South America until it lost the War of the Pacific to Chile in 1879. It has retained a Navy, with naval officers, ever since to symbolize its right of access to the Pacific Ocean. However, there are large areas of Bolivia where there are no all-weather roads and surface transportation depends on Bolivia's rivers. The Navy operates river patrols.

Virtually everybody in the Embassy was engaged in the anti-coca effort. This was a highly coordinated effort.

How successful was it? We successfully encouraged the Bolivian Congress to pass the anti-coca law. We slowed down and, for a period, stopped, the increase in acreage planted to coca. But, for every hectare that was cut down, another hectare was planted to coca somewhere else, so we didn't get very far on that. We were able substantially to increase the risk of growing coca. That meant that the drug traffickers had to pay a little bit more for it than they had been accustomed to paying -- but not enough to make a huge difference. We persuaded the professional and upper classes of Bolivia that they were paying a horrible social price by having drug production in their country. They were in a period of denial, and we broke through that. They understood that their kids were being destroyed. They understood that there were young children -- particularly boys -- being abandoned all over the country, who were then being turned into permanent social problems.

These boys would be picked up by people who would hire them to stomp on coca leaves in maceration pits where the alkaloid was leached from the leaves. The boys would do it in their bare feet. They were promised pay, but the pay they were given was a coca paste cigarette. In theory, they could go off, sell these things, and have some money. In fact, they just smoked the stuff. The material used to leach the alkaloids was any petroleum-based solvent. The preferred solvent was kerosene, but you could use gasoline. Sometimes, when kerosene was in short supply, they used leaded gasoline. Then, when the boys smoked this coca paste cigarette, they also inhaled lead, which makes a mess of the nervous system. They were getting hundreds of kids, ranging in age from 8 to 12, stomping the coca leaves. Within six months they were like zombies. They couldn't work, and they wouldn't die. This was a permanent, social sore. It was just horrible. Bolivia awoke to what that danger meant, and there was a real turn around in the attitudes of Bolivian professional and upper class people.

However, all of our efforts didn't affect the street price of cocaine in the US. They didn't really affect the total flow of drugs to the US. So that's the way it is. I drew my own sense of satisfaction from knowing that the Bolivians themselves are sufficiently alarmed that maybe we

would save a lot of children. But I didn't kid myself about having changed the US and the drug problem in the US. That sense, was a disappointment.

Q: How did you feel about the fact that, despite our having made this great effort, we were probably THE major market for cocaine. In many ways the real failure is that we have not been able to control our own society. Here you were, asking another country to try to help us help our problem.

ROWELL: It's never bothered me to ask for help. I don't feel ashamed to ask for help from anyone who can give it to me. I don't think that the US should be ashamed to ask for help from a poor Bolivian Indian, if that's what it comes to. If the US can pay for the help, I think that the US should do so -- even more so, if the US can give some real, human help in return. That's the way people should behave toward each other. People should treat each other with dignity. It doesn't make any difference if one person has no shoes, and the other one is wearing patent leather. They might both be very smart. They might live in different circumstances, but they're going to have to make do as well as they can, given their relative situations.

Q: This would apply in any country, but in Bolivia I think that it would be particularly up to you. We were doing everything we could to defeat the drug traffic. We understood the political ramifications locally about the coca growers and all of that. However, in the United States a major crop that we sell is deadly. And that is tobacco. Yet one of the reasons that we continue to produce and market tobacco, both internally and in terms of exports, is the fact that the tobacco lobby is so powerful. Did you ever give any particular thought to this particular subject?

ROWELL: Yes. I thought about it but I never had to deal with it professionally. I was never at a post or in a place where, somehow or another, American tobacco exporters were suffering because of something that would require US Government intervention. In fact, except for my service in Western Europe, I was never in a place that didn't grow enough of its own tobacco to take care of itself. Well, Honduras was a bit different, but this comment applies to the other countries. I never had to make any representations on this subject. I don't smoke and never have. I'm not enthusiastic about tobacco and I'm not enthusiastic about having US taxpayers subsidizing tobacco.

Q: Well, beside the drug effort, were there any other...

ROWELL: Let me go on a bit further into this subject, because you raised the question of corruption. Of course, what is corruption? It is very difficult to deal with. However, the presence of corruption also reveals the presence of uncorrupt people, who are very serious about this subject. For example, drug traffickers would try to persuade crew members of the Bolivian National Airlines to carry drugs into Miami. We monitored that subject very, very closely and very tightly, in very discreet ways. We did not have anyone climbing on board the aircraft in Bolivia, checking everything out, or going through people's pockets. We did nothing like that. We discovered, frankly through confidential informants, that substantial numbers of Bolivian Airlines crewpeople adamantly and consistently refused to do anything at all for the drug traffickers. They wouldn't touch drugs.

There was a terrible time recruiting police officers to head the Anti-Drug Police. What would happen is that a police officer would be brought in, he would spend two or three months on the job, and the drug traffickers would be able to reach him. Now people immediately assume that there was a big payoff here, and everybody has a price. That's too easy. That's sort of a comic strip approach to the matter.

What would happen is that the Bolivian Police officer involved would discover a picture of his child or his wife in his mailbox one day. It might be a Polaroid picture. The picture would let the police officer know that they knew where the members of his family were and when they were vulnerable. Next the police officer would get a telephone call from someone who would say, "You're going to get another picture in the mailbox." And more pictures would arrive. Finally, a message would come saying, "Don't go to the office next Monday. Be at home, sick. If you're not in the office next Monday, there will be a substantial reward for you. If you are at the office, take a look at this picture."

So what the guy was being told was to call in sick. Nothing more complicated than that. If he didn't call in sick, something was going to happen to his family. If he did call in sick, the typical payoff would be worth 10 years' salary.

Now, I knew some of these police officers. I'm persuaded that they feared for their families -- nothing else. I don't know how you beat that kind of corrupting pressure. Perhaps you beat it by arranging things so that people being targeted have such limited power, influence, or foreknowledge of what's going on that they're not worth corrupting. But that didn't happen, of course, to the guy actually running the Anti-Drug Police.

I've told you how the labs operate. They function briefly and for a short time. So things could go along for two or three months, and nobody would care. Then there would come a time when the drug traffickers were going to fly in the money, fly out the coca paste, or bring in the precursor chemical, whatever it might be. All that the drug traffickers wanted was a clear time window. It didn't have to be very big. A few hours on a given day and a few more hours on a day two or three days later, plus a few more hours in scattered spots over the following week. That's all the drug traffickers needed.

So there was a constant turnover of officers running that Anti-Drug Police Corps, the way kids run through ice cream in the summer. They would be there for two or three months, and then you would need to change them again. This process went on over and over again. I don't remember the names of any of them and I wouldn't want to, because I just don't feel that they were guilty or did anything criminal. They were caught in a very difficult position. I often asked myself, "What would happen if my daughter and wife were targeted in such a way that I knew absolutely that the drug traffickers would get them. And if somebody said to me, "All I want you to do is to stay home from work, and your child and your wife will be all right. If you go to work, maybe you will never see them again--or you'll see them maimed. Brutally maimed, but not dead." Anybody who wants to criticize people who've been suborned by the drug traffickers should put themselves in the same position. Especially when you're 7,000 miles away from the scene. When you're on the spot, you have to think about it. You have to think of ways of getting these police officers off the spot. Otherwise, the anti-drug operations won't work.

Q: How about the American staff in the Embassy? Were you targeted yourself?

ROWELL: Two or three times I received information that I was being targeted. Not very frequently. I had substantial personal protection, as did my wife. We had a bodyguard. Whenever we left the Embassy Residence, whatever the time of day or whatever day of the week, there was a bodyguard there. Even if we went to a movie theater. Even if it was an unannounced trip to the movies, decided on without notice. The need to guard us was so stringent that I was advised not to take a personal automobile to Bolivia, because I wouldn't be allowed to ride around in it. I rode in armored Embassy vehicles.

At one stage a prominent, Bolivian naturalist stumbled on a major drug laboratory. He was murdered by people guarding the laboratory. People went out to find his airplane and spotted it from the air. It had been destroyed on the ground to make it appear as if it had crashed. Somebody landed a light airplane near his plane. When they got there, they noticed that the laboratory was there, because between the time that the naturalist was murdered and his airplane destroyed, other people started taking out some of the equipment from the laboratory.

The Minister of the Interior phoned me when it first came up. It was a Saturday night. He asked if we could launch the US Army helicopters. This was during the time of Operation Blast Furnace, when we still had helicopters with US Army crews on them. The Bolivians wanted to take police out to the site of the murder. It was in an extremely remote area. To get the helicopters there would have required two refueling landings en route. It took us too long -- 36 hours-- to get the Bolivian anti-drug police there. When they finally arrived, the lab was still there with tons of precursor chemicals. It was a huge setup. However, all of the drug traffickers were gone, and some of the other equipment was gone. I called in a demolition team from Panama. They rigged it for destruction. However, the Minister of the Interior held up the destruction. After three and a half weeks, I had to pull the demolition team back, because I couldn't keep them at this site. Eventually, the order was given to destroy the site. However, nobody has any idea how much of it was actually destroyed and how much of it was carted off in the meantime. When it was destroyed, it still made a big fire.

This incident damaged the reputation of the Minister of the Interior in the eyes of the international community -- to such an extent that a number of governments were worried about corruption. I'm not saying that he was corrupt. I'm just saying that the way things worked, it created the wrong appearance, so he resigned his post and left the government. That's the closest I came to the question of drug-related corruption inside the government. Again, I'm not saying that the Minister was corrupt. I'm just saying that it had the wrong appearance.

It was nothing like the experience we had before and we've had since then in Colombia. Nothing like that.

Q: You were mentioning some of the other things that you did during the time you were in Bolivia. Was small business one of these matters?

ROWELL: Yes. I wanted to talk a little bit about some really successful US programs in Bolivia. One of them involved a small loan program. The idea wasn't mine. It came from the Director of the AID [Agency for International Development] Mission. Actually the concept had been around for two or three decades, so it wasn't new. The idea was this. We would hire a Non Governmental Organization (NGO) to come in and set up small loan circles. The organizers basically recruit people who are at the poorest levels of society -- typically, in an urban environment, where the economy is a money and not a barter economy. They organize them into mutual borrowing groups. Each group has from four to six people. The members of each group are required to attend a course which teaches them how to do simple bookkeeping, so that they know what prices they have to charge to make a profit. Stated differently, they also learn at what point they're making a loss and when they should just get out of the business, if they can't do any better than that. It was very elementary.

Then you make them loans. In economies like that of Bolivia the typical starting loan was \$50 for three months. If the repayments are being made on time, you can double the credit line to \$100 for the fourth through sixth month. You can increase it again by another \$50 for the sixth through ninth month. We had a maximum of \$500 which could be loaned out to any one borrower at any one time.

In the Bolivian case we hired a Boston organization called "Action," or "Accion" [in Spanish], to run the program.

Q: This is Tape 7, Side A, of the interview with Ambassador Ed Rowell.

ROWELL: The Confederation of Bolivian Private Entrepreneurs pledged to provide the administrative support for three years at the end of which, if the program was working, interest on the loans would provide enough money to sustain the program indefinitely. AID provided the seed capital for the loans themselves.

When I went through AID's program plans before they went to Washington for approval, I discussed this aspect of the plan with the AID Director, who had \$500,000 committed to this program. I said, "Well, do you think this is going to work?" He said he thought that it had a good chance. I said that I thought it had a good chance to work and, moreover, if it did work in its pilot phase in La Paz, we were going to want to extend it. However, we didn't know how many participants we were going to get, but I said, "Make the first year's seed money \$750,000." The AID Director didn't have any additional seed money planned for succeeding years. I said that I wanted another \$1.0 million ready in the second year in case we could extend the program more rapidly outside of the city of La Paz. If the pilot phase in La Paz didn't work, we could easily reallocate that \$1.0 million or give it back to Washington. However, if this program did work, I wanted to catch the momentum and make it take off.

I monitored that program very closely. We got it started, for example, with Indian women who sold fruits in the local street markets. They pick up the fruit at a big truck stop at the edge of the city of La Paz in the early morning. Typically, they were given a sack of fruit by a truck driver,

who was the middle man. He would tell the women selling the fruit, "Here's your sack of fruit for today, and you've got to bring me \$20 by tonight, or you won't get another sack of fruit tomorrow morning." If the women could sell the fruit for more than \$20, they got to keep the difference. If they fell short, they owed the truck driver out of future earnings. If they just broke even, they didn't make anything for themselves, although I guess that they could eat some of the fruit.

Under this small loan program, one of these women would borrow \$50. She would go to the truck, as usual. The truck driver would hand her the sack of fruit. She would start to pick out the best oranges. The truck driver would say, "Hey, take the sack and go. \$20 is the charge." She would say, "No, here are the \$20, and I get the fruit that I want." He would say, "Hey, wait a minute." Of course, there were trucks all over the place. The woman would say, "I think that I can get fruit from 'Juan' over there," two trucks away. She would say, "Do you want the \$20?" -- which she would wave in his face. She got what she wanted.

The Indian women doubled their daily net income in two and a half weeks. They met their loan obligations under the program. Then they doubled their money again. There was a huge return on the money they had borrowed. Of course, the truckers, the middle men, were seeing their income shrink somewhat, but they still were doing very well.

The program had a by-product which we hadn't anticipated but which delighted us. We lent money to people in the poor parts of La Paz who were trying to set up or run mini-businesses -- a bicycle repair shop or "factory" making little tin ovens for homes. The person setting up a bicycle repair shop would get a \$50 loan, lay in some spare parts, and buy some tools. One of the first things that he or she did was to hire some kid to be repair assistants, so that they could repair the bicycles more efficiently and do a lot more of them more quickly.

The employment effects of this program were startling and came right up on the employment statistics collected by the Bolivian Government. It was amazing. We hadn't anticipated this, but it was a very good thing to have happen. It was particularly welcome because of the mass unemployment related to the collapse of mining and the tin industry.

We made 2,000 of these small loans during the first year. There was not one single default. Not one. There were people who couldn't make their repayments, but the guarantors within their small borrowing circle of four to six people covered for them until they could repay.

And there was something else. At the end of the year we appraised every aspect of the program. We made a fortunate discovery. We looked at all of the people whom Accion had hired to be organizers of these small loan groups. We had hired teachers who were out of work, lawyers who didn't have enough business and who were moonlighting on the side, recent university graduates, tobacco shop employees, traveling salesmen--all kinds of people. We looked to see which ones had been most successful. Success was measured in the number of groups organized and in the strength of the groups in terms of their ability to make the repayments. We were stunned. We discovered that people who had been traveling salesmen produced anywhere from two to five times as many successes as any of the other people. That meant that we had discovered the key

to expanding the program rapidly to other cities in Bolivia, because we knew exactly whom we needed to hire to get things started elsewhere.

As originally conceived, the program was to run for perhaps five or six years before we went very far outside of the city of La Paz. Well, by the end of the second year, we were operating in seven cities. It was a wonderfully success. Even on the basis of administrative costs, it broke even by the end of two years and well before the third year. The people borrowing money under the program paid real interest rates on their loans and had a real rate of return above the rate of inflation. They understood that what they were paying was an interest rate. Remember, these were people who didn't own land. Under the traditional banking system in Bolivia they could never have gotten loans from the banks. If they had, the interest rates would have been substantially higher than they were under this program.

What does a program like that do? I've already told you about the employment and income effect. It also reinforced the people's commitment to a market economy and to the free enterprise system. When that system succeeds, their commitments to democracy became much stronger as well. I regarded that as one of the most successful programs that we ever had in Bolivia. I've heard that programs like this have had comparable success elsewhere in the world.

Q: Let me ask a question here. Regarding the bicycle repair man. Was it his idea to hire the extra boy?

ROWELL: Yes. It was entirely his initiative and his idea. He was able to do it because he had this loan.

Q: But nobody was sitting there saying, "Well, if you do this, you can do this or that. If you think this can help you, here's some money."

ROWELL: We didn't do that. The only thing that we taught him in our courses was how to keep books and how to understand whether he had a real business or just a rathole. However, he had to understand his own business and he had to manage it. The bicycle repairman, the Indian market woman -- it made no difference. We didn't tell them how to handle their businesses. They did it.

Regarding the Food for Peace program, I told you earlier about miners out of work. We put them to work using Food for Peace resources, putting in major improvements in terms of water supply and minor improvements in transport in their villages. This program took up some slack in the economy and assured poor families that they would have food at a time when Bolivia wasn't prepared to absorb the volume of unemployment resulting from the changes in the economy which the government was making. They kept their dignity, they made real improvements in their infrastructure, they maintained their health and their ability to hold jobs.

This program was a success, and it certainly did a lot of good for the US. There were no towns, even small towns, in that country which didn't know that the US was anxious to help ordinary people by helping them to help themselves through the Food for Peace program. It was very good.

Q: Should we move on to your next assignment or are there other points that you want to make?

ROWELL: That's it.

Q: You left Bolivia in...

ROWELL: I left Bolivia in January, 1988.

**THOMAS R. CARMICHAEL
Cultural Affairs Officer, USIS
La Paz (1986-1988)**

Mr. Carmichael was born in Iowa and raised in Illinois and Florida. He was educated at the University of Florida and Florida State University. In 1984 Mr. Carmichael joined the USIA Foreign Service and served variously as Cultural Affairs Officer and Press Officer in Madrid, Le Paz, Poznan, Kuala Lumpur, Ulaanbaatar and Hanoi. He also served several tours at USIA Headquarters and the State Department in Washington, DC. Mr. Carmichael was interviewed by Charles Stuart Kennedy in 2010.

CARMICHAEL: I had a great time. It was probably nice for my wife to have gone to Madrid before going to La Paz, but I remember well when the captain over the airplane loudspeaker announced, "Well, we're going to be landing in about 10 minutes" and my wife was looking out the window. "Where are the lights? Isn't there a city down there?"

But on the plus side, we had a good friend who is a friend of mine still who met us there at the airport.

Q: You were there how long?

CARMICHAEL: Two years. I was at a greater hardship post at the time, and I didn't extend. It was a rough period in history there. They had just gotten through a period of 12,000 % inflation, so they were still in dire economic straits, and it was a very, very rough scene in the sense that there were people that had been injured in mining accidents on the streets without arms, and a lot of beggars -- most were Indians who carried their children around, obviously not in particularly clean and sanitary conditions. But also, safety was also just something that people were not interested in. So you would be walking down the streets, and there would be just sort of gaps in the sidewalk where steps would lead down into a little apartment or store -- no railing to prevent you from walking into the gap. And the poverty!

I remember very well watching guys cutting the lawns at the fancy hotel with the tops of tin cans. They just cut the tops of cans, and that made a cutting edge. USAID veterans said to us, when they were there they felt they were working in Africa rather than Latin America. Bolivia was like second, I think, at the level of Haiti in terms of income at the time.

I was cultural affairs officer which I had never done, so I got to learn about the Fulbright program and other exchange programs which I had not been exposed to at a hands-on level. For the first time I met with scholarship recipients who were going to the United States, coming back, and making a difference in their world and Bolivia. This was exciting stuff.

Q: You were there from when to when?

CARMICHAEL: This would have been '86 to '88.

Q: How were relations between Bolivia and the United States at that time?

CARMICHAEL: There was a lot of rhetoric at that time from some of their leftists -- anti-Americanism. They had taken over part of the bi-national center, a joint U.S.-Bolivian learning center in La Paz, a few years before I arrived, and I remember watching public television footage on Bolivia before I left, and you know, there was the minister of education with his white shirt sleeves rolled up, waving his fist in the air, ranting about the "American imperialists." So I'm thinking, "Oh great, this is the guy I'm going to be working with!"

On the other hand, at the time, the president was Victor Paz Estenssoro, an American-educated economist. I think he received an advanced degree from University of Chicago. This was his third term as president, and the terms were not consecutive. In fact, he was elected president for the first time when John Kennedy was our president, but he was still a very, very disciplined guy and a serious politician. He was interested in getting his country back on the right path so he looked to American free enterprise in a positive fashion. There was anti-American sentiment but it wasn't something that was terribly extraordinary.

Q: Who was the ambassador?

CARMICHAEL: The ambassador was Ed Rowell.

Q: Ed was the president of our association at one time and I have interviewed him.

CARMICHAEL: His wife of course, is wonderful and my wife and his wife got along very, very well together because my wife's professional background was commercial merchandise display; she knew how to display. Mrs. Rowell had been very involved in quilts as an American cultural expression, and my wife really enjoyed working with her on an exhibition of quilts primarily from the Embassy community. My wife, June, enjoyed going out with her when she visited hospitals or schools, and Mrs. Rowell was a very, very active and very, very positive person. It was nice to see my wife, we were still junior officers, being able to get along with the ambassador's wife.

Q: It makes so much difference. As the cultural affairs officer, what were you doing?

CARMICHAEL: We were really seeking to give the Bolivians a bit more idea about who we are and I think that mutual understanding served pretty well, because they really didn't know. At that

time there was no internet. TV wasn't very functional, so we did cultural performances and exchanges. USIA sent down a Zydeco band, which we took not only to La Paz, but we also traveled down to where there were two binational centers – in Cochabamba and Santa Cruz.

We worked with scholarships quite a bit. The USAID at that time had college university scholarships, a much bigger program than USIA sponsored. USIA emphasized leadership-oriented programs. We also worked with a group called Partners of America. I think at that time we were sort of waking up to the issues related to the indigenous culture – as in fact were the Bolivians themselves. We were trying to show more respect for the indigenous cultures so we worked with the Partners of America to bring down some conservationists in textiles and in paper, sculpture, etcetera, one of whom I stay in touch with even today. I also worked on one of the first agreements under our the Cultural Properties Division, now in the Bureau of Educational and Cultural Affairs, which helped prevent important indigenous textile pieces from one particular village from being imported into the United States for sale. These were not just pieces of art, but represented the very cultural and even ceremonially empowering governmental fabric of that village.

Q: Particularly at that time but I would think at any time it would be Bolivia because the indigenous side has taken over the government but during the time you were there it was rather hard to make contact with the indigenous side wasn't it or not?

CARMICHAEL: You know, we did some things. Under the Fulbright program, we brought an expert on stone preservation to work over a period of a year with a national conservation laboratory to protect major ancient stone monoliths that had earlier been moved from Tiahuanaco to the center of La Paz. This location in the middle of traffic pollution and vibration was threatening their health.

Through the Fulbright program, we also supported an archeologist carrying out field digs.

We also used the Fulbright program to support exchanges in the arts. We brought a Fulbright scholar studying in Peru up to La Paz for several concerts, one I remember very well. We held it in a lovely 17th century church on the Alto Plano not far from La Paz. A group of indigenous musicians played their flutes and then our flutist played her pieces as an exchange.

USAID at the time was working more closely with some of the indigenous groups; through women's programs and such. Of course, USAID was also working to provide alternate development routes that could substitute for growing coca.

Our section worked very closely with the bi-national centers, but, you know, we did not address the real indigenous racial issues that the State Department is now addressing. For instance, we never sought out Bolivians of black heritage. We were aiming at leaders; that's who we generally sought out to develop relations. That did include some from the indigenous groups, but they were not our targets. When we did work with them, we didn't target them because they were indigenous; we targeted them because they had leadership potentials.

Q: Leadership came mainly from those of Spanish heritage, didn't it?

CARMICHAEL: Yes, but at the same time some of the socialists were closer to the indigenous people than the more conservative politicians in power. My residence in La Paz was once the home of Vice President Jaime Paz Zamora, who was a favorite of the indigenous, and every once in a while we would get a ring at the door and open the door to a “campesino” who was looking for “Companero Jaime.” Generally, when we told them that Zamora no longer lived there, they would try to look past us, thinking, I guess, that we were trying to hide him. But we worked with liberal and socialist groups at times because they were the ones who were most interested in the indigenous and gave us insight into these movements. I understand this is different now, but at that time they were the ones that were championing the respect for the indigenous groups. Of course, we were personally as well as professionally supportive of this sort of respect and the need for understanding indigenous groups. I don’t think they were considered the key to Bolivia’s political future like today, but we embraced them out of respect for their culture.

Q: Did you find that our operation was taking us sort of the indigenous side of things seriously?

CARMICHAEL: Well, I think so, yes. We were looking at this issue, but probably not as seriously as we could have.

Q: I would think with a group like that it would be difficult to use, for example one of our major tools, the bi-national center or an exchange program to make contact with, you know; we are talking about this Indian population, indigenous population to bring them sort of into the mainstream when they weren’t in the mainstream in Bolivia itself.

CARMICHAEL: My last assignment was with the Inspector General. When I visited Bolivia on an inspection visit, I saw that the bi-national center in La Paz had opened up a new English-teaching center, a new branch up in El Alto, a major population center of La Paz, where there are a lot of poor and indigenous. Among them you have some pretty radical people. Nevertheless, they want good things for their children, including better education, and that included English teaching. When President Morales moved to close down a branch of the La Paz binational center there, the local people, local laborers which are pretty much indigenous said, “No, you are not going to close down the center. This is the future of our children,” and they kept him from closing it.

When the embassy cultural section worked closely with the National Symphony, some observers insisted that the National Symphony must be an elitist institution. Well, the head of the bi-national center in La Paz, Lupe Andrade, started a program of cooperation between the National Symphony and the Bolivian army. The army would help them transport the orchestra to churches outside the capitals to perform in churches – often in places where the audience would be indigenous.

Q: Did you see any problems of, how did you work say with the political and economic sections of the embassy?

CARMICHAEL: I thought it worked well. If there was a speaker, you would always work with them to make sure that speakers addressed groups the embassy wanted to work with. For

example, working with our labor attaché; we scheduled an official speaker who came down to talk about our labor arbitration system and how it works in the United States. The labor unions there, they basically had one tactic. It's strike for your goals. That was all they knew to do. To their mind, if you want something for your workers; you go strike until you get it. I remember going out with this labor speaker who had done a lot of arbitration work so that he could talk to a meeting of labor union members. I recall clearly looking out the window of the conference room. I saw members showing up on very basic, very old bicycles wearing tire tread sandals. They were primarily indigenous and didn't have much of anything, but they wanted to learn, and they wanted to be effective.

Sometimes you'd run into a problem with cooperation, but it was primarily because our section did not necessarily have the resources appropriate for Bolivian audiences. For instance, the economic and political section would make contact with groups that wanted books, for instance, a labor union may want to have a labor library or something like that. At that time the books that we had were generally at a pretty high level. They were closer to university texts. USIA would identify fine books and translate them into Spanish. They were excellent books, but they were not something that unsophisticated Bolivian academics and professionals could put to good use. They might have been perfectly all right for Buenos Aires and Santiago, with more highly educated populations, but La Paz's needs were more basic.

Q: You left there in?

CARMICHAEL: '88 and then I had about a year when I studied Polish, before I went to Poznan, Poland.

Q: You were in Bolivia from when to when?

CARMICHAEL: We were in Bolivia about '86 to '88.

Q: Was there sort of a difference in our program between the capital and the lowlands? It is practically a different country, isn't it?

CARMICHAEL: Yes. I was working with USIA and there had been long established bi-national centers in La Paz, in Cochabamba in the midlands, and then down in Santa Cruz. Working with them gave me a real sense of the differences in the cultures. I was very, very fortunate to be able to spend a good deal of time going back and forth between the bi-national centers and all the places.

Q: How would you describe the differences in cultures between Cochabamba and La Paz and Santa Cruz?

CARMICHAEL: Santa Cruz is in the lowlands. That was actually the area that was most oriented towards business. In the lowlands there were very few indigenous Indians. In the highlands, La Paz, that was where we had a great deal of the indigenous groups and this continues to today. Santa Cruz was sort of chaffing at their subservience to the central government and particularly to La Paz. They had a lot of natural gas. They were a source of

income for the country, and at times through President Banzer had a political role in the central government. In general they were generally a bit lighter in spirit. The whole environment was greener, more relaxed and more entrepreneurial than in the highlands in La Paz. That really continues to today.

Q: Did the cultivation of coca and all intrude on your work or was it a factor?

CARMICHAEL: Not as much as on the press section. The press section were the people who led these programs, the information officer was given the job of working with USAID, even directing a large – by USIA standards – public education program. His section was given more money to work with for the anti-coca public campaigns and that sort of thing. In terms of my cultural work, it really didn't impinge upon it, for the information officer, it was a constant. Not only did he have to oversee that advertising and that public affairs campaign, but he also had to respond to all the questions, concerning U.S. activities and policy towards coca, etcetera.

Q: You mentioned sort of the cultural side. Looking at it in a practical way, you've got this very large Indian population. Was there much interest in a culture beyond their own culture?

CARMICHAEL: Theirs? Not a tremendous amount. It is the second poorest country in Latin America and they were at the survivor level in a lot of places. Their outlook was not really an international outlook. The Pope came while I was there, and, I guess, this was the only time he had come. The University of San Andreas in La Paz, so this would be in the highlands, of course, where there were a lot of Indians had a lot of indigenous students. I believe within several years before I arrived at post, there were accusations that the radicals among the students had caches of arms hidden at the university. I was told by my cultural adviser that I should probably even stay out of that university because of these truly radical students who had embraced the violent side of the nativist movement. In any case, when the Pope came to La Paz, the students had lowered this big flag on the grand central tower of the university a gigantic banner, saying, ‘Down with the White Man’s God, up with Pachamama’ Pachamama was the indigenous Mother Earth God. That was their greeting to the Pope when he came. It was one of the only times my cultural affairs assistant told me that the university president had ever apologized to the population of the city for his students’ activities. It was a pretty radical thing.

If you talk to anybody that's been around Bolivian Indians, they recognize that many had little or no education. People who had worked in Africa as Peace Corps people and then were there in USAID would tell me that this was really more like working in Africa than in South America. Some folks down there were just very, very isolated – they were struggling to survive.

Q: Was there much connection, Bolivia does, it's got a whole bunch of neighbors partly because of wars it has lost. It's got Peru, Chile Argentina, Paraguay and Brazil. Was there much cross border relations there or did you see much?

CARMICHAEL: The cross border “relations” that we would run into had more to do with sort of residual aggravation on the part of the Bolivians for having lost their access to the sea in the War of the Pacific. Every once in a while the Bolivians would boycott Chilean products as a protest, once again to protest their losing their access to the sea to Chile. I remember looking at the

bottom of a Bolivian government form and saw it was written, "We demand our Access to the Sea." That was just sort of a slogan around which they could unite. That was an unfortunate way that they looked at their foreign affairs.

I remember Shining Path still active in Peru, so that was not a place, for instance, where we would go by car. Because they remained active, fewer tourists were going to Bolivia, because tour groups generally avoided the area.

Q: Did you have much sort of cultural exchange, I mean, USIA with Chile or Argentina or anything? I mean you know, would somebody come to one country and then to the next as part of the tour?

CARMICHAEL: If USIA speakers were to go to Chile or to Argentina or anyplace close by and there was a chance to visit, they may have done it. That's the way programs were arranged - Washington would broadcast an offering to several countries that had expressed interest on a topic in their embassy USIA Country Plans, and the embassies would read the offering cable and basically bid on a visit, telling Washington what they would do with the person and if the topic was appropriate to them. Then the program element in Washington routes them among the countries. Or we might have had a target of opportunity speaker where you just happen to know that somebody is in another country that is working with us or on an independent visit.

For example, I mentioned we had a Fulbright flautist who was teaching in Lima, and we heard about her so we invited her to come up and do a concert, paying her expenses. Then there are other entrepreneurial performers that make their living and just loved going out on these sorts of trips. They would contact us individually, but they won't come down just for Bolivia. We don't have, we didn't have the big halls like in Argentina or Brazil or Chile to offer them, but, you know, they wanted to get out and if they were next door, certainly they wanted to try to take advantage of that trip to visit and see its culture.

Q: Did you feel much contact with the United States immigrant groups or not? The reason I am saying this is I was astounded around Christmas time in my little community of Annandale, five miles from here and there were five different Bolivian dance teams here. I mean these were local clubs that Bolivians and apparently there is a big Bolivian community here. Did you note their impact on coming back, you know, feed back?

CARMICHAEL: We had more strictly between different community organizations in the U.S., NGOs that would work with Partners of America in exchanges, rather than Bolivian communities trying to reach back into the country and work with us. I am sure that there was this sort of thing going on but in terms of what we were doing, it wasn't a big thing. We had people with whom we worked that had long Bolivian connections; doctors that had been educated and come to Bolivia and then moved back to the States, or Bolivian immigrants, and we would hear the names and they would be involved in this type of activity. We didn't have for instance any folkloric groups visiting us from the U.S. because we had plenty of Bolivian folkloric groups down there.

Q: You left there when?

CARMICHAEL: The Bolivian cultures are just very interesting cultures and it is attractive to people so we had some people who came down from Santa Fe to look for an authentic Andean music group they could invite to Santa Fe for a cultural festival.

Q: I must say looking at these Bolivian folk dances just by mentioning Santa Fe and all, there seemed to be sort of a kindred spirit in sort of the birdlike dancing and bells and all.

CARMICHAEL: Yes. Well, I've seen a little bit from Peru and from the Indian area, and there are some similarities. When you are going up to Lake Titicaca, and you see that Peru is on one side and Bolivia on the other shore, the differences are not going to be that great.

Q: You left there in, when did you leave?

CARMICHAEL: '88.

Q: Where did you go?

CARMICHAEL: I thought Bolivia was a really interesting place to work, but in our agency if you spoke Spanish pretty well and developed an expertise in Latin America, that's where you stayed; so I was interested in not falling into that trap and bid on a lot of posts in Eastern Europe.

DAVID N. GREENLEE
Deputy Chief of Mission
La Paz (1987-1989)

Ambassador Greenlee was born and raised in New York and educated at Yale University. After service in the Peace Corps in Bolivia and the US Army in Vietnam, he joined the Foreign Service in 1974. In the course of his career the ambassador served in Peru, Bolivia (three tours), Israel, Spain and Chile, as well as in the Department of State, where he was involved in Haitian and Egyptian affairs, and at the Pentagon, where he was Political Advisor. Three of his foreign tours were as Deputy Chief of Mission. He served as United States Ambassador to Paraguay and Bolivia. Ambassador Greenlee was interviewed by Charles Stuart Kennedy in 2007.

GREENLEE: I was at this point the Foreign Service equivalent of a full colonel, not yet at flag rank. But I wanted to be a deputy chief of mission at a fairly large post. There were several junior DCM positions, but I didn't want one of those. I wanted one slotted for an officer of more senior rank. I set my sights on deputy chief of mission in La Paz, because I knew that no one had the background that I had. I'd been in the Peace Corps there and had been a political officer there. I even knew some Quechua. But I was below the required rank, and there were officers at grade who wanted the job.

I remember thinking that I could get squeezed out by somebody who didn't know the area and probably didn't really want to go to Bolivia, anyway. I went to see Bob Gelbard, whom I had known in the Peace Corps and who was now a deputy assistant secretary in the American Republic Area (ARA) Bureau. I lobbied him. I said, "Look, Bob. There's nobody who could do that job the way I can do it. There's nobody with my background and experience. There's nobody who knows a native Bolivian language..." Bob thought a second and said, "Well, there is so-and so," mentioning a guy at grade who had also been in the Peace Corps with us and who was trained in Aymara. Bob let me twist a little bit, and then said, "But we're sending him some place else." So the ARA door was open and I was put on the short list.

I had an interview over the phone with Ed Rowell, who was the ambassador. I think there were still several officers at grade who wanted the job. Ambassador Rowell called me in the late afternoon. I was in my kitchen, and our youngest daughter, Nicole, was fighting with one of her siblings, shrieking and screaming. She occasionally reminds me that I lifted her off the ground by her hair while I was on the phone, mouthing "shut up" to her. The interview went fine and I got the job. I thought Rowell selected me because I had all this Bolivia experience, good recommendations, and so forth. But he told me later that he chose me because I had been in the military. I thought, "Well, that Vietnam stuff wasn't a total waste after all."

Q: You were in Bolivia as DCM from when to when?

GREENLEE: I was DCM in Bolivia from the summer of 1987 to '89.

Q: What was the situation in Bolivia in 1987?

GREENLEE: Bolivia was in a comparatively rare period of stability. The president of Bolivia was Victor Paz Estenssoro, who had been the leader of the 1952 revolution. He was a very shrewd politician and a great statesman. He was able to pull rival parties and factions behind him on a general way forward. The objective was to achieve some degree of cooperation within the context of political competition so that the country could get out of its economic quagmire. When he came into office inflation was running over 20,000 percent. Paz was given rein to adopt significant economic reforms. He basically saw Chile as the economic—not the political—template.

The U.S. supported Paz's drastic corrective measures. With the economic direction of the country on a more rational course, our most acute concern was the over-production of coca and the growing traffic in cocaine. Our assistance in the areas of interdiction and alternative development began to increase. We pushed USAID to get involved in crop substitution in the coca-rich Chapare area of Cochabamba—which our AID director was reluctant to do. There was a significant police-training program, and DEA officers accompanied the Bolivian police on drug raids. At that time we had a dozen or so old Huey helicopters and a good maintenance and pilot training program. It was the beginning of what became later an even bigger push. We were limited, though, by the economic importance of the coca crop and a certain political reluctance on the part of the government. The reality was, and remains today, that the Bolivians regarded the coca-cocaine problem as affecting us more than them. They saw it as a consumer-driven

issue, that is, as a U.S. responsibility. Coca crop eradication, even in the illegal cultivation areas, was resisted by the local growers, by “environmentalists,” by some NGOs and by many mainstream Bolivians. This was the beginning of Evo Morales’ rise to political power. He was a leader of the Chapare coca-growers and took the free-market position that the coca leaf itself was innocent, and the growers were innocent, and what others did with the leaf was someone else’s problem. I recall that, in the late 1980s and early ‘90s, he likened it to the manufacture of arms. The problem wasn’t arms but how they were used. It wasn’t coca, but how it was used. As deputy chief of mission I was the embassy’s anti-narcotics coordinator. I held daily meetings but was not involved in the actual planning of the interdiction or eradication operations.

I had been DCM only a few months when Ambassador Rowell took leave over the Christmas holidays. He came back in about mid-January and called me and his secretary into his office. He said, “I am being pulled out to be ambassador to Portugal.” The designated ambassador, Dick Viets, had run into problems in the confirmation process and an ambassador was needed urgently for base negotiations. Ed Rowell had been DCM there and, from his youth in Brazil, spoke excellent Portuguese.

So Rowell told me he would be packing out in a few days, leaving me as chargé. I thought it would be a huge challenge. I was a little bit—I shouldn’t say apprehensive, really—but I realized I’d have to learn how to play this much bigger role for a fairly long period. I was chargé for about eight months.

Q: Who did you have to deal with in Bolivia?

GREENLEE: Well, the president was Paz Estenssoro, but I only called on him once or twice. I dealt mostly with the foreign minister, Guillermo Bedregal. He was the guy I warned about coup plotting in 1979 and who subsequently accused me of being the “station chief.” That wasn’t true, but it remains a part of Bolivian political folklore. Bedregal was a front-line politician with presidential aspirations. We got along all right, despite our past entanglement.

Q: You said your main problem was narcotics. When you start talking about narcotics, you’re also talking about a virulent form of corruption.

GREENLEE: Yes. There was corruption from a lot of different angles in Bolivia, but what worried us especially was drug corruption. It poisoned the democratic process. It affected at least one president, Jaime Paz Zamora, who won a runoff election in the congress just as I was leaving Bolivia for my next assignment. Paz Zamora was said to have taken campaign contributions from a narco-trafficker and he had at least one cabinet member with narco-connections in his government. But that was after I left.

Q: Was there a crop that could be substituted for coca in an equivalent economic sense?

GREENLEE: Alternative crops were developed that were viable, and the program had some success. But it was always easier and more profitable for the campesinos to grow coca. And it was easier to bring coca to market. That remains the case. At the end of the day, cocaine is the area’s only recession-proof commodity.

With crop substitution there are problems of marketing, transportation and pricing, as well cultivation—producing citrus, or hearts of palm or pepper to international standards. But that's today. In those days it was a gleam in the eye to try to develop a good alternative development plan. There wasn't enough expertise or funding, so a lot of it was simply pushing against the illegal coca crop. We would pay an indemnity to a grower who eliminated his illegal crop—and that same grower would move down the road and plant another crop. It was pernicious. These *campesinos*—many of them former miners—weren't agronomists. They didn't know or want to know how to grow crops that required much tending or nurturing. And they were organized into syndicates—unions—that were precise replicas, even to the names, of the labor organizations in the mines in Oruro and Potosi where they came from originally.

Q: Was the use of coca for non-drug purposes a fake issue?

GREENLEE: It was a false issue in the Chapare area. Traditionally, coca was used for chewing, that is, to improve stamina, and for ritual. That coca was and is grown in an area called the Yungas, in the high valleys north of La Paz. The traditional leaf, from the coca grown there, is milder than the Chapare leaf. The Yungas coca is what most people chew. The Chapare coca, on the other hand, was planted in the late '70s and '80's to serve the cocaine industry, and really only for that. It is not good to chew. And in fact Evo Morales himself has told me personally that he doesn't like to chew it. He likes the Yungas coca.

As the mining industry collapsed and after a severe drought blighted the area around Potosi and other upland areas, people migrated in droves to the tropical Chapare to grow coca. It was a way to survive and to earn a marginal living. The Chapare coca was easily shipped to traffickers who turned it into paste and then base. The product in those days was smuggled up to Colombia. But later, as Colombia cultivated its own coca, the Bolivian paste or base started moving east, to Brazil and Europe. Coca base is what is used to make crack cocaine. So the argument that coca is a traditional crop doesn't hold for the Chapare. Most experts say at least 90 percent or more of the Chapare coca is for the cocaine market.

We tried also to get at the problem by intercepting precursor products, the stuff used to turn the leaf into paste and base. But these were common household or industrial liquids or materials, such as kerosene, baking soda, cement and even toilet paper. The police would confiscate what looked to be excessive at check points. But great amounts would still get in. The economics of the thing were too powerful.

The Bolivian government, pushed by these coca growers, insisted on a kind of ecological restriction: no herbicides could be used to eliminate coca. Coca ruins the soil. It bleaches it out and makes it impossible for other crops to be grown for 10 years or so. It sucks out the nutrients. But this wasn't considered the problem. The problem was the kind of weed killers that could kill coca. These were prohibited for eradication but were used by the *cocaleros* to trim the areas around the coca plants. So the coca growers became the great ecologists, and the people trying to control the illicit growth of coca were vilified as the predators of the environment. There was a lot of double talk. An awful lot. It was continuous.

The explosion of cocaine use and the devastation of inner cities in the U.S. really came with crack cocaine. That's when Bolivia got into the business. In the early '70s, the chemists who made cocaine were in Chile. One of the things that Pinochet did was to arrest these people. He sent a bunch of them up to the U.S., where they were put in jail for a decade or so. That solved Chile's producer problem. The refining industry moved to Colombia. When I was in Bolivia as DCM, Bolivian "base" would be flown to Colombia through Peru or through Brazil. In those days the Colombians didn't grow their own coca. That came later. By the early '90s they were well on the way to fully integrating the industry. When coca began being produced in Colombia, it had a debilitating effect on Bolivia. It made crop substitution more possible and the buy-outs more possible. But that was in the mid and late '90s. During that time Chapare coca was reduced from about 35,000 hectares to about 5,000 hectares, where it remains, roughly, today. That reduction reflected economic factors, but also was a result of better U.S. strategy, and better implementation. But now, in 2007, the economics and local politics are more complicated.

Q: How did you see the indigenous sector? Were they gaining political strength?

GREENLEE: Indigenous political power was in the incubation stage. It grew significantly after I left as DCM. I had always thought—from my Peace Corps days—that it was only a matter of time before there would be a fundamental shift. The political parties were still able to co-opt the indigenous people, get their votes by promising them things. The traditional parties were still strong, and split the vote between them. But as they got used to power and power-sharing in government, they became more and more corrupt. The parties essentially agreed not to perform coups on one another; all needed a piece of the pie. There was a kind of structuring of corruption and that increasingly alienated indigenous support.

Q: What about the military?

GREENLEE: We were keeping an eye on the military. Today, Bolivia' has had a sustained run of about 25 years within democracy. In the late 80's it was recovering from the Garcia Meza dictatorship, which collapsed in 1981. That wound was still fresh. The military knew their game was up. The world had changed and they had failed utterly in government. Garcia Meza was later put in jail in Bolivia, where he remains. The military saw that there were consequences to coup-making. They preferred to watch from the balcony.

This was a time when the influence of the Soviet Union was diminishing fast. It hadn't collapsed yet, but it was on its way. It wasn't a factor that the military could exploit to justify intervening a democratically elected government.

Q: How do you think you did as chargé in Bolivia?

GREENLEE: Ed Rowell left in about February and Bob Gelbard came in October of 1988. In the interval between them I was the chargé. I think I ran an effective embassy. It was a very collegial embassy, and one that I viewed perhaps too much as a kind of semi-autonomous body of the U.S. government. I looked at it that way because there was not much or consistent oversight from Washington, and we at post knew both our policy and the Bolivian situation quite well. When Washington did step in and push here or there, I felt often that they were wrong-footing what we

were trying to do. But they were certainly right from their standpoint. And we at the embassy worked for them. I sometimes pushed back too hard. This got me in trouble now and then. Not serious trouble, but situations of unnecessary friction.

There were small things. One example was the question of whether we should give the police working in the Chapare area—a very violent narco-trafficking area with violent gangs--the firepower, the weapons, that could really shoot, rather than the old Mausers that they were using. A Washington view, reflecting a congressional concern, was that more modern weapons, even M-1 rifles, would put too much fire power in the hands of a force that wasn't very well trained and had been involved in human rights abuses.

To me the answer was very simple: We had to give them at least the fire-power that the narcos had, but Washington didn't see it that way. I would say, "We're trying to do a job. We should try to do something to really cut into the narco-trafficking, to turn this thing around." Washington's view—really mostly at the level of the office of Andean affairs-- was, that we didn't understand the policy environment. This degenerated into bickering. I could see clearly what we needed to do in Bolivia, but I couldn't grasp Washington's priorities. I had played the game pretty well when I was doing the Israeli stuff. But I didn't take my ARA overseers seriously enough. I sometimes didn't show enough deference and respect. But ultimately I won—by enlisting the support of Attorney General Ed Meese when he visited-- and we were able to give the police better weapons.

Also, I used to get upset with DEA. I didn't know about some things that DEA was doing. One time, for example, there were a couple of DEA guys riding horses on an operation near the Brazilian border. They got in trouble, surrounded by bad guys. So these guys called DEA in Washington on a satellite radio, and we heard about it from Washington! I was really, really furious. Again, I was maybe a little bit too jealous of my authority. My way of handling that was to call people on the carpet and say, "Let's get a few things straight." I was too sharp-elbowed at times.

This was my first crack at being DCM and then chargé, but over time I became comfortable in the role. As I moved to Chile and then to Spain in DCM and chargé roles, I settled down a little, but I tended to be fairly aggressive.

Q: This can be an interesting thing for students of diplomacy--that as chargé, technically you're in charge of the embassy. But both in the country and with Washington, you have less power than that role implies, right?

GREENLEE: Yes. A lot of people I knew who had been in chargé positions for lengthy periods were very uncomfortable in the role. The tendency of the host government was to look at you as a place-holder, and on the social circuit people would ask, "When's the real ambassador coming?" The embassy could have that view as well. The danger of being chargé is that you can slip into acting as if you're the president's representative, as if you have the authority of an ambassador. You don't. It's a delicate balance.

I think the role of deputy chief of mission is in a way the most interesting and complicated one in the foreign service. You're really managing up and managing down. You're dealing with the interests and demands of the ambassador and trying to do what he or she wants. At the same time you're mediating between the ambassador and the embassy staff, who may sometimes feel that they are not being recognized and taken into account. You're right in the middle, the buffer, the mediator, the colleague but also the enforcer. You really can't have friends as you might in a horizontal structure.

The ambassador looks to you for support. Assuming that he trusts you and relies on you, and you know you work for him, you also know that there are people on the tiers below who may not understand what the ambassador is about. And the ambassador may not really care what they think. It really is a difficult role. When you're chargé, you're the chief of mission, in a way like the ambassador and DCM together. And like the rest of the embassy you are waiting for the new person to come, and waiting to see how you will fit in with that new person.

Q: I've known some people who were chargé. They'd move into the ambassador's office. Others very carefully would stay in their own office. How did you decide that?

GREENLEE: Bolivia's a fairly informal place. I played it differently in Bolivia than subsequently in Chile and in Spain. The difference was that in Bolivia, I was not holding the place for an ambassador who was on leave and coming back. Rather, I was between ambassadors. And, as later in Spain, it was a long haul, about eight months. I needed my own DCM. It wasn't a huge embassy, as it later became, and as it was when I returned years later as ambassador. In those days it was a medium-size embassy, tending to big.

I talked this over a bit with Ed Rowell before he left. I said, "What if I have to be out of the country? Who do you think I should have replace me as chargé. What should I do about an acting DCM?" He had a very sensible idea. He said, "You could have two different chains: You could have one chain that would be your DCM chain, and someone like your administrative counselor could be in that. You could have another person, like the AID counselor, step in as chargé." I thought that would be a good way to go.

I had an acting DCM, and rotated a couple of people in that slot. I saw this as team-building. I wanted them to feel that they were getting something out of the experience that I was having as chargé. As chargé, I was in a double-stretch position, serving two ranks above my foreign service rank. Why couldn't they stretch as well? Why couldn't we get this reflected in their evaluations? So that's what I did.

Q: Was there anything else you should cover in Bolivia during this time?

GREENLEE: Well, the ambassador coming in was a guy that I knew well, Bob Gelbard. I knew him from the Peace Corps, and at different junctures in the Foreign Service. In fact, when I was in Bolivia as DCM and chargé, Bob was back in the front office of ARA. When Bob came in, he said he would be pleased if I would stay on as DCM. I forgot how the conversation went. Either I started it or he started it, but I basically said, "You know, Bob, I think that I want to move on at the end of two years." The assignment was for three years, although others at the embassy were

on two-year hitches, because of the high altitude of La Paz. I think I said, "It would be probably better if I moved on. I spent all this time as chargé." He said that he understood that perfectly, and he would be pleased if I would stay, but he understood that.

This was fairly early on, maybe in November of 1988, a month after he arrived, when we had that conversation. He said, "OK, then you ought to write an official-informal cable to the director general. I wrote something like, "Now that an ambassador is in place, I would like to rotate on the summer cycle." Bob looked at it and said, "This doesn't read right. It looks like we're not getting along." I liked Bob and we worked well together. My draft left too much out and the tone was wrong. So I dressed it up, and my curtailment was approved.

Bob and I had different styles. He was very direct and at times abrasive. I would say, "Let's not break the crockery because these people will react the wrong way." He would say, "Let me be myself." I was thinking, "Well, let Reagan be Reagan." But Bob and I got along, and I respected him both as an ambassador and a friend. He was always supportive of me and I of him. He helped me connect with Tony Gillespie, who was ambassador to Chile.

Bob and Tony talked all the time. I didn't really know Tony. I had met him at a chiefs of mission conference in Buenos Aires, when I was chargé. I was pleased that he selected me as his DCM. It turned out to be a very good and productive relationship.

DAVID N. GREENLEE
Ambassador
Bolivia (2003-2006)

Ambassador Greenlee was born and raised in New York and educated at Yale University. After service in the Peace Corps in Bolivia and the US Army in Vietnam, he joined the Foreign Service in 1974. In the course of his career the ambassador served in Peru, Bolivia (three tours), Israel, Spain and Chile, as well as in the Department of State, where he was involved in Haitian and Egyptian affairs, and at the Pentagon, where he was Political Advisor. Three of his foreign tours were as Deputy Chief of Mission. He served as United States Ambassador to Paraguay and Bolivia. Ambassador Greenlee was interviewed by Charles Stuart Kennedy in 2007.

Q: How long were you in Bolivia as ambassador?

GREENLEE: I stayed for three years and about eight months, leaving in the third week of September in 2006. Actually, Washington originally wanted to replace me and other ambassadors who had arrived at their posts at the beginning of 2003 in June or July of 2005. The idea was to rotate us on the U.S. summer cycle. I didn't complain. But when the guy who was slated to replace me opted instead for a very senior position in Washington, I told WHA that I would be willing to stay longer. It all came together, and I ended up continuing an additional year and three months.

Q: How were American relations with Bolivia?

GREENLEE: Relations had always been good, but very asymmetrical. The U.S. was the biggest bilateral assistance donor. Until Evo Morales was elected president at the end of 2005, the U.S. was always courted, paid deference to, because of that. But our presence was overwhelming. We were too big, the way we did things, was too big for the bilateral relationship. It was bad for Bolivia, and it was bad for us. The Bolivians were in the habit, the bad habit, of being supplicants, and we were in the position, the frankly arrogant position, of doling out assistance. The Bolivians wanted help without conditionality, while we needed to know that our aid wasn't being squandered, that it was going to something that had a developmental purpose or an anti-drug purpose. The Bolivians resented the emphasis on drugs. They saw the cocaine trade as a U.S. problem, but it was increasingly, even on the consumption side, a Bolivian problem in equal measure.

Getting back to the President--Sanchez de Lozada had a very weak government. He really didn't have a mandate to govern, having won only about a fifth of the vote. And he didn't have a solid coalition. He was ripe picking for the opposition, particularly for Evo Morales and his Movement toward Socialism, the "MAS," which had emerged as a strong political force. Evo Morales could close the country down with road blockades, and leverage political power by opposing our anti-drug efforts.

The Sanchez de Lozada government was tottering from the outset. Everyone referred to the president as Goni. He had grown up in the U.S., had gone to the University of Chicago. He had been the architect of Bolivia's recovery from hyper-inflation in the 1980's, instituting the kind of reforms that were proving successful in Chile. He was a "neo-liberal." His economic policies were based on free-market criteria and the so-called Washington consensus. When things seemed to be working, it was okay to be a neo-liberal. That was during his first term in the early and mid-'90s. But by the time I arrived, his policies had become discredited. With commodity prices in the tank, Bolivia wasn't creating jobs, wasn't advancing. "Neo-liberalism" was seen a dimension of U.S. "imperialism"—tantamount to economic exploitation, deepening inequality, unfairness.

Sanchez de Lozada's privatization of failed state industries, a logical step during his first presidency, was seen increasingly by Bolivians as a sellout--a theft of Bolivia's patrimony. Privatization, which Goni called "capitalization," had led to the discovery of vast reserves of natural gas. Bolivians couldn't understand how foreign companies could have a right to control what they knew was a significant economic asset, a national asset. To a lesser extent, many also wanted the state to recover the privatized railroads, electrical generation facilities, mining properties, the telephone company, and so forth. Sanchez de Lozada had been a popular president before. But when I arrived, just six months after his re-election, he was on the ropes.

During his first presidency Sanchez de Lozada had instituted reforms that gave more power to local governments. That initiative was called "*participacion popular*." It was an instrument of empowerment. It was a bold step toward democratic maturity. Unfortunately for Goni it also

enabled his opponents to rally against him. It gave them resources that they could tap to move against the central government. That was a kind of Shakespearean irony.

After his first presidency Goni was succeeded by a former dictator, Hugo Banzer, who was suffering from cancer. Banzer did not follow through on Sanchez de Lozada's reforms and, maybe because he was sick, allowed social protests, road blocks and other disruptive actions, to get out of hand. Respect for rule of law, never high, diminished, and institutionalism took a big hit.

The vice president, Jorge Quiroga, who was well known in Washington, and also bilingual and familiar with the U.S., succeeded Banzer when Banzer's health began to decline steeply. The economy remained stagnant. Sanchez de Lozada, maybe because he wanted to consolidate the reforms he had instituted, maybe because he missed being in power, or both, ran again for the presidency. This was the second half of 2002. He eked out a razor thin victory over Morales, who surged past two mainline candidates, Manfred Reyes Villa and former President Jaime Paz Zamora, into second place. The Morales factor was unexpected. It became clear that Morales had significant political strength beyond the Chapare area, beyond his *cocalero* base.

From the outset Sanchez de Lozada was strapped for resources. The IMF insisted that Bolivia had to reduce a huge financing gap in the government's budget. There was no way to do that without cutting subsidies or raising taxes. Goni was in a bind. In part he was in a bind because he had followed the IMF's recommendation to reform the country's pension system. This added considerably to the financing gap. Throughout his presidency, whenever I talked to him, he complained about that.

Anyway, while I was still in Paraguay—I think in November of 2002—Sanchez de Lozada went to Washington and asked for help. He had a number in mind--\$150 million. He needed a cash injection, basically for pork barrel type projects, to keep people busy, off the streets, while the economy improved. Unfortunately, at least for a country like Bolivia, Washington doesn't work that way. Bolivia isn't Iraq. It's not Israel or the Palestinian Authority. It's near the end of the line for us in strategic terms. So, even after a direct plea to President Bush, Goni came back empty handed.

Meanwhile, in Bolivia, things got worse. There was a lot of political turmoil, and Sanchez de Lozada's government didn't seem to be delivering. By the end of the year Morales' *cocaleros* had closed off the main road through Chapare and were confronting the police. The U.S. kept the pressure on Goni to hang tough on the anti-drug front, while Morales pressed for legalization of the coca that was being produced in areas that were illegal under Bolivian law—coca that went to the production of cocaine. So Sanchez de Lozada was caught—between the U.S. and Morales, between political reality in Bolivia and the IMF, between his own political base, the MNR, and his coalition partners in the Leftist Revolutionary Movement, the MIR.

That was the situation when I arrived in Bolivia in mid-January of 2003. I presented my credentials within just a few days. Goni's advisors cautioned me against speaking with the press after the ceremony. They didn't want anything I might say to stir the pot further. I assured them I

would be careful, but also that I intended to speak with the press. I didn't want to be known as someone who was surreptitious, evasive.

What was interesting in the credentials ceremony was talking to the president in Spanish. Goni's Spanish is heavily accented. Because he grew up in the U.S., and used English more than Spanish in his formative years, he speaks Spanish like a *gringo*. He opened by saying, "I'm told your Spanish is better than my Spanish." At least in terms of accent, I am sure that is the case. Afterward, when we met privately, we spoke in English.

After the formal part of the credentials ceremony, I met with Sanchez de Lozada and his foreign minister, Carlos Saavedra Bruno. Saavedra was an effective politician, and I think a capable foreign minister, but he was from the MIR party, and I don't know to what extent he had Goni's trust. Sanchez de Lozada said, "I want to tell you that my main objective as president is to be able to sell Bolivian natural gas to the United States. I may go down trying. But this is what the country needs, and this is what I want to do." That was the sound bite I took out of that first meeting and that I reported to Washington.

At that time the main sticking point with such a gas project was not so much the role of the transnational companies, but rather where the pipeline would go. With the relatively low price of gas at the time, the only feasible route was through Chile. Because Bolivia had lost its seacoast to Chile in the late nineteenth century, however, that wasn't politically feasible. The political pundits insisted that the pipeline had to go through Peru, and Peru, which needed Bolivia's gas to make its own gas project viable, dangled unrealistic incentives to steer Bolivia away from Chile—in the best case to make Bolivia a partner, but, more cynically, to insure that Bolivia would not emerge as a gas competitor. Peru was also after the Mexico and U.S. markets. The Peruvians dressed all this up as "solidarity" with Bolivia, a word Bolivians have a weakness for. Goni was never naïve about this, but Bolivians generally were—and are. They don't think geopolitically, although their neighbors certainly do.

When the subject of gas came up, I said, "I assume you are resolved to run the pipeline through Chile." I was writing my first reporting cable as ambassador to Bolivia in my head. But Goni said, "We haven't really decided." I sensed that he was being careful in front of his foreign minister—or maybe just me. It was good first meeting. I really hadn't dealt much with Sanchez de Lozada when I had been chargé and DCM years before, but I had a good feeling about him and what he was trying to do.

Q: How did the press deal with your arrival, or were you an important factor?

GREENLEE: The American ambassador in Bolivia is always an important factor. The U.S., in addition to our position as the major bilateral aid donor, carries great weight in the international lending organizations on which Bolivia normally depends. The Bolivian media are quite active, but not very professional. They roll the cameras, stick microphones in your face and try to bait you.

I came into the country with a headwind. There had been a disinformation campaign against me before I arrived. It was launched by the people who are now running the country, Evo Morales'

people. As DCM I had been the anti-drug coordinator, and the MAS, or their surrogates in the press, accused me of having masterminded confrontations in which coca growers had been killed. There were articles about me being a guerilla warfare expert, because I had been in the army in Vietnam. It was said that I had been the CIA station chief in Bolivia in the 1970s, a story that was floated years before by a de facto government foreign minister. The acting chief of mission in Bolivia contacted me while I was still in Paraguay about these stories. He wanted to know how the embassy should respond. I said not to bother. But the stories persisted. Finally, I said it was okay to say the stories were fabrications, but not to go beyond that. I did not want to get into the habit of feeding media stories by denying them.

Even before I arrived in Bolivia, Evo Morales was saying that if were killed, everyone should look to me as the culprit. This kind of thing is still all over the internet. Ideological journalists, really quite creative people, wove shreds of information from my curriculum vitae—that, for example, I had been in Vietnam and present during various coups in Bolivia—and suggested that I was a trained killer and expert in toppling governments. There was even a story that, when I was DCM I had forced out my own ambassador—because Ed Rowell had left early to become ambassador to Portugal. It was all pretty bizarre, but that was life in this parallel universe. Anyone could write anything, and because it was written somewhere, someone else would cite it as fact. The press never checked anything, never followed a story to the end.

In Bolivia people tend to believe the most provocative, crazy rumors, so I had that to overcome. At the same time, I think there was a certain fascination with my Bolivia experience, and also that my wife was Bolivian. It helped as well that my wife is very photogenic, that she is a great artist and a great organizer. She raised a lot of money for Bolivian charities and, to the extent I was seen as trying to help Bolivia, people tended to see my wife's guiding hand. That was all to the good.

At first I didn't want to push my wife into the spotlight. But the spotlight gravitated towards her. She is a direct descendent of the first martyr of independence in Bolivia, Pedro Domingo Murillo. There are plazas and streets named after him. He was executed by the Spaniards and his head was displayed on a pike. He is reputed to have said, "I die but the torch I leave will never be extinguished." My wife comes out of that tradition. She would go around the country and say, "I'm a Bolivian just like you. I was a school teacher." She was great at forging these links. She helped my image, and the U.S. image.

Q: What was the situation vis-a-vis globalization and the World Bank? Was the Bank seen as responsible for the problems?

GREENLEE: There was a theme that ran through Bolivian political thinking—it was in editorial comment and on the tongues of TV analysts—that the neo-liberal model had damaged the country, that the Washington consensus had failed and that the IMF, driven by the U.S., was too harsh an overseer of the Bolivian economy. There was the sense that the people who were relatively well off got richer and that the poor people didn't get anything out of it. There was a belief that Bolivia's newest commodity, natural gas, was going the way of Bolivia's other riches—gold, silver, tin, *guano*, whatever—into the control of "oligarchs" and foreigners. It was as if the country was being stolen from underneath.

That was a significant part of the problem Sanchez de Lozada faced. He was seen as lining up with the exploiters—and, with his gringo accent, as not being fully Bolivian. People could see on maps and on the ground that gas pipelines ran through communities without providing gas to them. They believed that Bolivia's gas was being exploited for others, not Bolivians. Goni knew the problem well, but not how to deal with it. He suggested that the Catholic church or World Bank could preside over and administer a fund generated by the royalties from the gas. This would take gas out of the political realm. But the Bolivian public wasn't convinced. The seeds of what became the "gas war," in October 2003, were beginning to sprout.

Going back to the IMF and the international institutions, there was great skepticism in Bolivia that privatization and investment would help the country take off. The sad thing was that Bolivians looked back over the past 40 years, and different economic models, left and right, and could see that nothing had really changed. In real terms the country's economic growth had not exceeded its population growth. It was flat and stuck. And the indigenous people remained on the outside. Increasingly they migrated to Spain or Argentina or Brazil or the U.S. in search of a better life. They flowed into El Alto, the city looming over La Paz, from the rural areas. What they saw, what all Bolivians saw, was that the political system was rife with corruption.

There was the sense that nothing was working right and that these institutions backed by the U.S. were fundamentally at fault, that a formula for development had been imposed on the country that wasn't working. There had to be a change. The president of the country, who believed that a full implementation of the Washington consensus—including the reduction of corruption—could eventually lift the country up, was checked by a faltering world and regional economy. It's as if Bolivians were saying to themselves, "We tried this neo-liberal stuff for a while and now we have the same guy back as president and we're no better off."

Some said that the IMF was urging the president to cut the gasoline subsidy. I heard from a guy in the IMF, though, that there was no such suggestion—only that a way be found to shrink the financing gap, which was about 9%, by a few points. Sanchez de Lozada told me that he had considered different ways to close the gap, but slashing the gasoline subsidy was too regressive. It would mean that people at the bottom of the economic scale would have to pay more for their potatoes. It would hurt the poorest of the poor.

So he tried something else. What he tried was to impose a personal income tax on people with medium and higher income. This is what he was beginning to float publicly, in the form of draft legislation, when I presented my credentials. But it blew up in a uniquely Bolivian way. The national police had been promised a significant salary increase by the previous government. Instead, with Goni's suggested measures, they were facing what amounted to a salary cut. So a unit of the police went on strike. First, they barricaded themselves in their barracks. Then, when negotiations with the government faltered, they marched on Plaza Murillo, where the congress and presidential palace—the seat of government—were located. This was during the first half of February, I think February 10. Curiously, the police had a lot of sympathizers. Bolivians didn't seem alarmed that the police would go on strike. Didn't they have a right like anyone else? Also, they were against a government action to reduce their pay, just like everyone else. So the striking police sort of represented the middle class.

The police congregated in Plaza Murillo and took up positions around the plaza. Eventually they occupied the roof of the foreign ministry. Meanwhile, a bunch of school kids, organized by a radical Trotskyite union leader, also marched on the plaza. The students began throwing rocks at the presidential palace, which was guarded by a largely ceremonial army contingent. The guards fired off some tear gas, which landed amid the striking police. The police reacted by shooting and the guards shot back. In the melee, which raged throughout the day, a number of civilians, as well as police and soldiers, were killed or injured, and several buildings were torched. That was the end of Goni's attempt to raise revenue through a tax hike. Many saw the police action as justified. It was bizarre.

There was a lot of disinformation about what happened. I think the president thought that the police were trying to assassinate him, because a lot of shots were fired into his office. He might have been right, but it might have just been random fire at the building. In any case, he got away as the situation began to come unhinged, escaping out the back of the presidential palace.

In the aftermath, the next day, things calmed down. I think what happened scared everyone. We could all see how fragile the situation was. Our sense was that the police and military would not be able to work together for a long while. We were wrong about that. The two organizations had never gotten along, at least not since the 1952 revolution, when they were on opposite sides. But they at least re-established the relationship they had had fairly quickly.

What the police mutiny brought home to all of us was that Bolivia needed money from somewhere fast. So Washington came up with \$10 million, and some others kicked in. The financing crisis eased, but the political crisis remained. Bolivia wasn't working, the government was faltering. Sanchez de Lozada, we believed, had the right answers for Bolivia, but the timing was bad. He had made needed changes in the way Bolivia worked, imposing the kinds of reforms that would seem unexceptional in a modern state. But what probably should have taken a couple of decades was compressed into just a few years, factoring in his first term as well. In political terms, it gave Bolivia indigestion.

Not long after I arrived in country I became involved in an incident that was never well understood publicly, but which I frankly didn't play the right way. We had received information, very well sourced—and in fact from more than one source—that some people close to Evo Morales had concluded that he could not be elected president and should be removed in favor of a more able pro-Cuban politician named Antonio Peredo. The sense of what we had was that both Morales and a close associate of his at the time, Filemon Escobar, would be taken out, that is, killed, to clear the way for Peredo. It was not clear whether Peredo was part of the plot. Now, if you get information like this, what do you do with it? The U.S. policy was that we had a "duty to warn" if we had credible information of a likely attempt on a human life.

This policy, if I can call it that, stemmed from an incident in Haiti that I was familiar with. It happened in 1995, before I became Haiti coordinator. The U.S. had obtained credible intelligence that a prominent politician named Mireille Durocher Bertin could be assassinated. The police were informed but apparently not the intended victim. The police did nothing and she

was killed. Some in the U.S. congress savaged the Clinton administration over that. A “duty-to-warn” policy emerged from that.

We checked with Washington about whether the information we had obtained crossed the “duty to warn” threshold. We received an opinion—I believe a legal opinion—that it did. I confess that I was not unhappy with that opinion. In effect, I was being instructed to take an action that could sow a bit of discord in the ranks of a political group that took delight in opposing everything that we stood for. But what to do? We did not have and did not want direct contact with either Morales or Escobar, but wanted the information passed to them in some form. We decided that the best conduit would be the vice president, Carlos Mesa. As president of the congress, he could relay what we had to them.

Our first mistake was to provide the information in written form. The second mistake was to give it to Mesa. He was a journalist and historian by profession, not a person of discretion or confidence. He did his part in relaying the information. Escobar, he told us, reacted nervously, saying, “I knew it,” and wanted protection. Morales, on the other hand, didn’t believe it. He saw it as a U.S. trick, and denounced it publicly. Mesa, feeling uncomfortable, then talked to the press and released the one page non-paper we had given him. Of course, the press had a field day. I looked bumbling at best—and seemingly in character as the devious manipulator the leftist press had described me as being. If you look me up on the internet, that’s what you will find.

Back to Goni. As the weeks wore on, the problems that were so evident in February seemed to be at least superficially resolved, and the president in fact seemed strengthened when another party joined his coalition. This was the New Republican Force (“Nueva Fuerza Republicana”) of Manfred Reyes Villa. They were eager to get a piece of the government, and Sanchez de Lozada, I think, found he could work them better than he could with the MIR, his other coalition partner.

But underneath serious problems remained. The tension over excess coca production continued, and Evo Morales began to expand his reach, emerging more and more as a “socialist” leader and defender of Bolivia’s natural resources. He took a ride on the gas issue. Around June or July we began to hear that a march against Goni’s project to find a way to sell gas to the U.S. was being planned for September or October. Morales’ involvement was not clear, or at least I don’t remember to what extent he was a factor. In fact in October, he hung back and was not a main driver of what happened. But in those months leading up to September and October a lot of other things were happening. There were a lot of social grievances—salary issues, work issues, infrastructure issues. Lots of stuff, and all these things began to intersect with the gas issue.

There was another *campesino* leader, Felipe Quispe, more hardcore in many respects than Evo Morales. Quispe had done time for guerrilla activities, for blowing up some electrical towers, as I recall. He was not a *cocalero*. He was purely an altiplano guy. He controlled an area around Lake Titicaca, and during the Banzer presidency had tied the country up with some dramatic road closures and other actions. But Quispe had been pretty quiescent in the first half of 2003. He was extracting tractors from the government for the *campesinos* of his area, which the Spanish government was paying for. This was a deal he got for unblocking roads that he had blocked. It was a payoff, a political settlement of sorts.

But then he became the protagonist of a couple of incidents. The first one, in July, took place when some cattle were stolen in the Pucarani area, a couple of hours drive from La Paz, on the altiplano. The people of that area didn't trust the Bolivian justice system to handle the matter, so they asked Quispe to help. He sent his enforcers, who tracked down two or three suspects, tortured and killed them. When the incident was publicized, a La Paz or El Alto-based prosecutor tried to step in. Arrests were made, but Quispe organized protests and the vigilantes were ultimately sprung. That showed that the government was weak and that community justice could prevail over institutional justice—and that Quispe, who had seemed a bit in decline politically, could still make things happen.

The second incident was bound up with the gas protests, which were gathering force around La Paz and also in the Cochabamba area. *Campesinos*, in Quispe's area of influence, had blocked a road there that led to Sorata, a town in a tropical valley popular with tourists. Many Bolivians and several dozen foreigners, including Americans, were stranded in Sorata. It was a matter of concern among Bolivians as well as the diplomatic community. The government put together a convoy to get them out. But the *campesinos*, organized by Quispe, ambushed the police escorts to the convoy, ratcheting up tensions considerably. A couple of police or soldiers were killed, but also several *campesinos*.

These incidents, and other smaller protests—about 50 in all—created a setting for the big protest against Goni's attempt to export Bolivian natural gas to and through the Pacific coast. The political atmosphere was charged, more than any of us realized. The government didn't have authority, it didn't have legitimacy, and everything was chaotic.

Q: Go over again what the gas protest about? What was the issue?

GREENLEE: The issue was more complicated than the slogans of protest. Bolivia's constitution gave Bolivia ownership of its natural resources. But the private companies had "ownership" of the gas after the wellhead. The marchers rallied around the idea that Bolivia should own the gas above the ground as well as below the ground. More than that, the gas should be industrialized in Bolivia and bi-products of gas, as well as the gas itself, could be exported—but only after Bolivia's internal needs were taken care of. Later, during the election campaign of 2005, the idea of nationalization of the privatized hydrocarbons companies really crystallized. But in October 2003, the main neuralgic point was the possibility that Bolivia's gas would be exported through Chile, and also to a degree that it could end up in the U.S. There was a lot of hatred in one package, the dark side of nationalism. The reality, the geological reality, though, was and is that there is plenty of gas for everyone—enough to take care of Bolivia's needs for 300 or more years, even with exporting the lion's share to other countries.

Again, we didn't realize how serious this protest would be. We knew it would be big, but saw it more as a venting of emotions than a potential endgame. No decision had been made on gas. No gauntlet had been thrown. We thought this would just be another component in Bolivia's national debate. But that's not the way it played out.

I in fact accompanied several top-level Bolivian officials to Paris for a World Bank-sponsored "donors" meeting to generate additional economic support for the country just as the gas protest

was gathering force. I went to buttress Bolivia's arguments for increased help. The meeting went well. I was going to spend a couple of days afterward on vacation—my wife and one of my daughters were there, as well-- but my DCM called and told me that the situation had changed. There had been violent confrontations that day and people had been killed. So I headed back.

The worst incident involved a convoy of gasoline trucks that had passed without incident through a break in a crowd of protesters encircling the city of La Paz. The trucks were to bring gasoline from a gas storage point, at Senkata, near the airport. The pumps in the city, because of the protests, were running out. Food supplies were also threatened. On the way back, the trucks, filled with gasoline, were surrounded and pelted with rocks. Military escorts clashed with the protesters. There was undoubtedly a lack of discipline on the military side. People were killed, at least a dozen in that incident. And there were other incidents, before and afterward, and the death toll ran to about 56, I think, including a few military and police, someone involved in a traffic accident and one guy who immolated himself throwing a Molotov cocktail. But the turning point was the gasoline convoy incident. After that, La Paz's middle class, and many in the press and clergy, turned on Sanchez de Lozada. The violence was not understood in the context of popular insurrection, but rather as a government-induced "massacre."

So I left Paris immediately. I caught a night flight to Sao Paulo, but I didn't have a connection to Bolivia. My office manager, Anne Kirlian, spoke with the Brazilian ambassador, who intervened with a Brazilian carrier to get me as far as Santa Cruz. Because of the situation in La Paz, the flight could not go on from there. So the embassy arranged for me to be picked up by one of the C-130s that we ran for the anti-drug program. When I reached the air port in El Alto, a Bolivian air force helicopter flew me over the confrontation lines to a place near the embassy, where I was met by Bolivia's defense minister. He was clearly worried.

I talked to Sanchez de Lozada a number of times in the following days. At first he seemed confident he could weather the storm, but when the middle class abandoned him, and there were vigils in the churches aimed at forcing him out, it became clear he probably would have to go. It was ironic that this man of the center-right told me, more than once, that his model was Salvador Allende. "If I have to go out, it's going to be feet first," he would say, "like Allende."

The situation—Goni's situation—was deteriorating quickly because there were deaths—deaths that I am sure the opposition, the radical left, fervently desired. Dead people were "martyrs." Their funerals were exploited politically. The deaths catalyzed the middle class and the upper-middle and intellectual classes. In Bolivia, protest is bred in the bone. Protesters see themselves as "victims," and victims, whatever the grievance, are ipso facto seen as having a right to protest. The Catholic church, although divided internally, tilted toward the protesters, and hosted candle-light vigils and hunger strikes. The attitude increasingly was, "Goni has to go. We need peace in Bolivia. We need a new shakeout." A lot of good honest people were involved in these vigils, but others saw them as purely political instruments. There was a lot of loose talk about human rights, people's rights, and very little talk about constitutional government—or, except in the tightest circles and within Goni's shrinking government, about sedition.

Meanwhile, the miners were organizing for marches on the city, and there was the possibility of greater, more violent confrontation. There was probably some concern in the government about

whether the army would obey orders if it came to a real showdown. In any event, the troops were not well disciplined. Their over-reaction to the initial wave of protests played to the opposition's hand.

Then there was the problem of the vice president, Carlos Mesa. He had never been part of Sanchez de Lozada's inner circle and may not have been consulted, or known much about, the president's actions to break or at least control the protests. As things got worse, Mesa distanced himself from the government and possibly—I don't know this for sure—began a dialogue with the opposition. Whether or not that was the case, he took the position that he could remain as vice president—that is, in the immediate line of succession—but remove himself from the government. It was a convenient political position, which could be portrayed as a moral position. It could also be read as a betrayal. For the protesting middle and intellectual classes, Mesa emerged as a safe alternative to Goni. He was one of them, after all.

While Goni was still hanging on, I went to see Mesa. It was a difficult meeting, because he had made up his mind to pull away from the president. I argued with him, but of course I was just an outsider looking in. I said, "The United States has worked hard to support democracy in Bolivia. What is happening in the street is not democracy. It's chaos. It's unfortunate that blood has been shed, but this is a constitutional government. If you want to get rid of the president, there is a constitutional way to do it. You could demand his impeachment." I got nowhere with this line of thinking. Finally, I said, "If you can't support your president, why don't you resign?" This was a philosophical point, not a political one. It certainly wasn't something I was saying on instruction from my government—although it was, I knew, the position of some people close to Goni. And it made sense to me. But, as I have said, I was an outsider. Bolivia was not my country. But it pained me to see a constitutional government being swept aside.

In retrospect I was mistaken in one thing, a fundamental thing. What was gathering force was not the usual pulsing of a coup—what I had experienced several times before in Bolivia. It was deeper and broader than that. It was a new phase for the country. It was a revolutionary current.

When Mesa and I finished talking, someone told us the press was outside. I said, "You called the press?" He said he had not, and asked whether I called them. It turned out that a TV crew had picked up some radio traffic of my movement to Mesa's house. So, together, we went out and talked to the cameras as if we had had a friendly, constructive conversation. It was nothing of the kind, but we acted our parts. I am sure he saw me as an interloper. I saw him as a guy who wanted to be president—and knew then that Sanchez de Lozada was probably not going to be able to hold on. But irrespective of what Mesa did, I realized later that Goni would not have been able to remain in office. The anger generated by the protests and the clashes was too much.

I could see the unraveling of Sanchez de Lozada's presidency, but we did what we could to stop it. I was in touch with Goni and his people, and constantly in touch with Washington. Goni's position really became untenable when Manfred Reyes Villa's NFR abandoned him. That left only the MIR, headed by former President Jaime Paz Zamora. I was also in touch with him. He impressed me in the last hours of Goni's presidency, because he could have pulled away. But to the end he tried to span the gaps and keep things together. He seemed more interested in the country than in his political future. In that he struck me as different from Mesa.

I don't know when the president made his decision to leave, but it was soon after he had assured me that he would tough it out. We heard a rumor that he was about to quit. I called him around noon of October 19, 2003. I said, "I'm hearing that you're going to leave." He said, "Yes, we're drawing up the conditions. We're writing a letter. The congress is going to convene and we will present the letter. It will say that that this is really a coup." I said, "Mr. President, you know we've supported you, and we want a solution that is constitutional. If you put in the letter that you're being forced out by a coup, we're not going to be able to support Bolivia. It will complicate our ability to help this country, to help what remains your country. He said, "I'll think about it."

He took that clause out of the letter. Months afterward, he told me he thought I was right—but he remained convinced that he had been the victim of a coup and that Mesa had played a pivotal part in it.

So Goni left. A Bolivian air force helicopter lifted him out, and the presidential plane flew him and his family to Santa Cruz, together with a couple of others of his inner circle. The police and military behaved very well. He was allowed to leave. He departed from Santa Cruz on a commercial flight that evening, just after the congress, in emergency session, had voted to accept his resignation. He later told me he had made a point of remaining in Bolivia until that final act was completed. He adhered to the forms of democracy. Many others did not.

At one point Goni reportedly considered setting up a government in Santa Cruz, but he didn't go that route. That could have ignited a civil war. He just went off into the night. The State Department operations center called me with a message from Secretary Powell. He wanted to know when the plane would arrive in Miami. For our part, we had been working with the authorities there to make sure Goni would be treated on arrival as the friend of our country that he was.

My immediate challenge was to shift gears and deal with Mesa, who was sworn as president the night that Goni left. We had to move on. So the next morning, Mesa's first day in office, I made a point of calling on him at the presidential palace. I was the first ambassador to do so. I wanted to make sure that everyone could see that the U.S. continued to support Bolivia and to support Bolivian democracy. It was not the first time, nor would it be the last, that our position, both in public and in private, had to be, "Let's go forward, let's make our relationship work."

Not long after this meeting there was an article in Pulso, a political newspaper. There was a very self-serving account, from Mesa's viewpoint, of that heated discussion we had had before Sanchez de Lozada's resignation. There had been only four of us in the room, two on each side. It grated on me that a version of what had happened came out the way it did, with Mesa painted as the great patriot standing up to the representative of the "empire." In an off-line meeting I told him as much. I said no one on my side had leaked anything to Pulso, and I was concerned that he, his executive assistant or someone close to him had done so. Mesa recoiled, and said, "Please, you are speaking to the president of Bolivia." I thought, well, okay. Ambassadors are around to be taken advantage of.

The purpose the meeting in which I complained about the “Pulso” article, though, was different. It was to talk about the legal case that was being mounted against Sanchez de Lozada for genocide. This was of interest to us because Sanchez de Lozada had ended up in the U.S. We saw the case as essentially political. I was concerned that Mesa had a role in promoting it for his own purposes. I wanted to talk about it. He assured me that he was not trying to press it. It was a matter for the judicial system, he said. But the reality is that nothing in Bolivia, and nothing involving the judiciary, is that simple. Mesa’s main legal officer, the equivalent of our attorney general, was clearly pressing the case with the prosecutorial authorities in Sucre. Mesa’s position may have been neutral, as he assured me. But another reading is that it was in his interest to see Sanchez de Lozada nailed as a criminal. That would justify his abandoning him and then succeeding him as president. I frankly don’t know how to evaluate this. But I was appalled by how many of Goni’s former colleagues, and people who owed a lot to him politically and no doubt personally, seemed content to see him hung out to dry.

I had several interesting discussions with Mesa during his presidency. I met more frequently with his minister of the presidency, Jose Antonio “Pepe” Galindo, whom I came to value as a friend. Pepe helped me gauge how difficult Mesa’s day-to-day challenges were. They were difficult indeed. Pepe used to say that the Mesa government was playing chess on three levels. If Mesa seemed to deal away power to Evo Morales and his MAS associates, Pepe would say, it was because they assessed that only the MAS was by itself capable of bringing them down. I think that was a good read on where things stood through Mesa’s time in office.

A high-point for Mesa seemed to be when he orchestrated a referendum on how to handle Bolivia’s natural gas and relations with Chile. It was a clever political ploy, designed to give Mesa a solid electoral mandate. The questions related to Bolivia’s sovereign right to control hydrocarbon resources—at the wellhead as well as below ground—and Mesa’s strategy to obtain a sovereign outlet to the sea in return for allowing Bolivian natural gas to be sold to Chile. There were five questions and all carried by a huge margin. This was in early July 2004. Mesa seemed to have solid support to go on. But then he tried to force an issue through the congress, and stumbled. One day he seemed strong, the next day, weak. And he was weak. His popular support was illusory.

Mesa tried to be a populist president, not an institutional one. I actually don’t think he had much of an institutional option. The institutions, such as they were, had been badly eroded before October 2003. During the Mesa presidency they eroded further. We saw that Mesa was adept at giving speeches, and kissing the Bolivian flag on a balcony of the presidential palace before handkerchief-waving crowds desperate for peace and a modicum of governance. But Mesa couldn’t get things done. And in the end the people abandoned him. More importantly Evo Morales made sure he couldn’t succeed.

We tried to help Mesa by leading an international fund-raising drive, and in fact raised a lot—about \$80 million as I recall. Mesa at one point commented to me that, for all the negative comments Bolivians tended to make about the Bush administration, the U.S. had delivered. The Europeans talked a lot and gave nothing. But Mesa wasn’t able to control the politics of the country. He wasn’t a guy for the trenches. He didn’t want to mix it up. And he made it clear that

he would never use force to enforce the law. He used to tell me he didn't want to be president. Maybe he didn't, at least when it came to the hard stuff.

As Mesa weakened, he made a key concession to Morales—something Goni had toyed with but never did. He allowed Morales' coca growers to have some legal plots in the Chapare area. The coca there was not for legal use and growing it there was against Bolivia's own law. But he made that concession. We, the U.S., objected, but accommodated to it. I am not sure we should have, but we had little leverage. It was not the first time that our coca policy had to adapt to Bolivian reality. Nor would it be the last. The big issue was democracy. In my dialogue with Washington I always insisted on putting democracy ahead of coca.

Q: During this time was there drug traffickers' corruption money? Talk about the coca problem.

GREENLEE: When I was in Bolivia in the late '70's coca wasn't dominant in our policy, but by the late '80s, when I returned as DCM, there was a lot more coca and a lot more cocaine trafficking. As we brought assets to bear on the problem, our diplomacy took on a sharper edge. Bolivians saw us as being obsessed by coca, which they didn't regard as being a serious problem, and obsessed with cocaine trafficking, which they acknowledged should be addressed, but which they didn't think affected them too much. It was our problem. Cocaine trafficking made some Bolivians rich, and the money lubricated the economy. It reached the point where mainstream Bolivians said that the U.S. should compensate Bolivia to the extent that Bolivia stopped producing coca for cocaine. So we got into alternative development.

After I left Bolivia as DCM, in 1989, the dynamic changed a bit, because Colombia began to grow coca in large quantities. Before that, Peru and Bolivia supplied "paste" and "base," which Colombian chemists turned into cocaine and which Colombian traffickers sent on to the U.S. But when the Colombian traffickers began to grow their own coca, the market in Bolivia became depressed, and there was scope for a successful eradication program and crop substitution. So during the 1990s, with a lot of good work on both sides, thousands of hectares of Bolivian coca were pulled up, and Bolivia escaped from what was called the coca-cocaine circuit.

But coca remained a staple crop for many Bolivians, and the cocaine product Bolivians produced, which was low-grade base, began to flow to Brazil and Europe, primarily. Very little went to the U.S. But our interdiction presence remained, and our coca and cocaine interdiction policies continued to grate on Bolivians. Evo Morales effectively exploited Bolivian resentment of our large presence and our insistence on the coca issue, seemingly at the expense of other equities.

By the time I returned to Bolivia as Ambassador, our embassy in La Paz was one of the dozen or so largest in the world. It was too big, and our coca/cocaine policy was complicating other things, like our support for democracy. But as ambassador you play the hand you're dealt, not the one you want to play.

We were in the uncomfortable position of being the sharp end, the muscle, in the coca/cocaine issue—even though, at least when I was in Bolivia as ambassador, only about 1 percent of the cocaine on our streets was from Bolivia. We were dealing with what was most directly a Brazilian, Spanish and European problem, as well, of course, as a Bolivian problem. And in

terms of consumption, we were finding that even Bolivia's per capita use of cocaine was equivalent to that of the U.S. But these arguments carried little weight with anyone in Bolivia. Coca and cocaine were seen as issues the U.S. was stuck with dealing with. For the others it was a public health concern, a cultural matter.

Q. That gives some context, but what happened to Mesa?

GREENLEE: Mesa found he couldn't govern. That has been the fate of most Bolivian presidents in recent history. He was beset by demonstrations and strikes. He could not, and would not, enforce order. He was especially vexed by the Bolivian congress. At one point Pepe Galindo asked me what the U.S. would do if Mesa dissolved the congress. I said he would be shutting down democracy, and we would react that way. Galindo assured me it was just an idea, but he later tried to ply it directly, by phone, with Washington. I was patched in from Washington on that conversation, and the response was the same. Mesa would deny it, but I am sure the idea had his blessing.

Mesa was stuck. He bent and finally broke. The same frustrations and demands that had brought people into the streets against Sanchez de Lozada were unleashed on Mesa. There was a problem with the provision of water services in the El Alto and a French company, Suez Lyonnaise des Eaux, was in the crosshairs. There were other volatile issues. Mesa was backed into a corner. He submitted his resignation to the congress a couple of times, initially in an effort to revalidate his mandate. Finally, when he submitted it a third time, in June 2005, it was evident that he couldn't go on. He was finished. I think at that point he must have been genuinely relieved not to be president.

Then there was the question of who would succeed him. According to the constitution, it would be the president of the senate, Hormando Vaca Diez or, if not him, the president of the chamber of deputies, Mario Cossio. Vaca Diez clearly wanted the presidency, and lobbied for it. He would have been tougher than Mesa, but, being from Santa Cruz and the MIR party, which had lost popular support, would probably have had too narrow a base to govern. Cossio didn't want it and also didn't have the backing needed.

This played out over several days. There was a perception that the U.S. embassy actively supported Vaca Diez, but that wasn't the case. What we wanted was a constitutional succession and he was next in line. If he didn't get it, and Cossio stepped aside, then the presidency would go to the head of the supreme court, Eduardo Rodriguez Veltzé, who would be required to hold new elections within six months. We wanted the constitutional process to work.

Vaca Diez wanted our explicit backing. We didn't weigh in. Curiously, a delegation of European chiefs of mission called on me, asking me to tell Vaca Diez to yield, so that Rodriguez could be president and call new elections. I said to them, "If I understand what you are saying, you want the U.S. to intervene in internal Bolivian affairs to make the person next in line to the presidency step aside. Is that right?" One of the Europeans said, "Yes, that's correct." I noted that for the record. The U.S. didn't intervene. But some of the same Europeans who were disposed to criticize us for being too involved in Bolivian internal affairs wanted us to do just that.

Well, Vaca Diez wanted the presidency and would have had it, except that the MAS and other organized groups surrounded Sucre, where the succession was to take place, and threatened to the point that Vaca Diez had to step aside, and then Cossio stepped aside, leaving the presidency to the person who least wanted it, the supreme court president, Eduardo Rodriguez.

Q. What was he like? Was he competent?

GREENLEE: Rodriguez was not a politician and had no lust for power. He was a decent, intelligent man, and in his six-month stint showed that he could govern honestly and well. His administration was competent and apolitical. His cabinet was professional. His foreign minister knew about the world and how diplomacy worked. It was a bright interval for a country that had been beset by so much turmoil. Since Rodriguez's main job was to bring the country to elections within six months, the protesters, I think, gave him a break they would not have given Vaca Diez. More pointedly, Evo Morales and the MAS, in a strong political position looking to elections, let him run the country.

Rodriguez was an honorable and good man in a difficult spot. And something happened during his presidency that has hurt him personally, politically and even economically that involved the United States. During his time in office we undertook to help Bolivia dispose of some surface-to-air missiles that had deteriorated to the point where they were unsafe. Their secure storage and monitoring had also become a challenge for the Bolivian military. After 9/11 there was a push worldwide to reduce the numbers of such missiles, called MANPADS (Man-portable air-defense systems), that were in danger of falling into the hands of terrorists. This was not just a U.S. initiative, but also welcomed by the OAS, among other international entities.

We had been in a dialogue with the Bolivian military for many months about their unstable MANPADS. That dialogue was not active at the start of the Rodriguez presidency. But one day, without Rodriguez's involvement or even knowledge, a senior Bolivian military officer suggested that we help take care of the missile problem. He asked in return that we provide Bolivia with several large Ford trucks, which were useful for transporting troops and equipment. We agreed. Later, he asked for a payment for the military—not for him—in recognition of Bolivia's cooperation on the broader anti-terrorism front. The compensation was to be instead of the trucks and used for needed equipment. This was worked out. I believe Rodriguez was briefed generally on this initiative, but probably not in detail. The embassy's contacts were with senior defense and military officials. What is clear is that Rodriguez did not know the timing of the missile transfer or perhaps even about the off-setting compensation. Perhaps he thought that he would have a chance to look the matter over in detail. I don't know. What I do know is that he was out of the country, in Brazil, when the transfer was effected. For us this was an operational matter, a technical matter, not a political event. We assumed that he was kept informed of what was happening by his senior defense and military officials. But apparently that was not the case. I can only conclude that his own military chain failed to brief him.

Meanwhile, someone in the military—I was told it was the former army commander, Cesar Lopez, leaked information about the transfer to Evo Morales and the MAS. They were quick to paint it as a treasonable act. The funds were available for the military, but no one wanted to touch them—and the military officer who suggested the arms transfer didn't want to step up to

the plate. That left Rodriguez alone. Rodriguez later complained to me bitterly that he had been in the dark about the missile arrangements. I responded that it was not our responsibility to provide the links in his own chain of command. That was disingenuous of me. I knew his system didn't work. In retrospect I regret that I didn't personally brief him on the operational details that his senior defense staff was fully aware of.

After the elections, when Morales became president, he went after Rodriguez, and he also went after former presidents Mesa, Sanchez de Lozada, Quiroga and Paz Zamora. He filed charges against all of them for different things. He didn't want any competitors left standing. But all he could come up with on Rodriguez was the missiles. Politics is a dirty business, and diplomacy can also break a lot of crockery. When, as president, Morales asked me whether Rodriguez had known about the transfer, I told him that he did. Now I think he may have known in only the most general terms. Or perhaps he assumed the missiles would be destroyed in Bolivia.

Asked by the press about Rodriguez's role, I said publicly that he was among the most decent and honorable people I had dealt with in over 32 years of public service. I meant that. That was a one-day news story. I regretted that I couldn't say more.

When Morales was president, there was an initiative from his defense minister, Walker San Miguel, to resolve the tension by collecting the funds we had offered. I asked Morales if we could handle it that way, but before he could respond, his vice president, Alvaro Garcia Linera, shook his head negatively, and that was the end of it. But not for Rodriguez. Morales made him the fall guy. That's the way Morales operates. His pursuit of Rodriguez--to destroy him politically--is the only thing about the missile transfer—which was in Bolivia's interest as well as ours—that I have lost sleep over.

Apart from that one incident, which impacted on our relations with Bolivia, I recall the Rodriguez presidency as a gauntlet to elections. The presidential race was principally between Morales, former president Quiroga and a new contender, Samuel Doria Medina, who controlled the cement industry and had become a political factor. The supposition was that Morales had such high negatives that he might win a plurality, but that the other two, particularly Quiroga, would be important counter-weights. What we did not correctly assess was the extent to which the public wanted sweeping change and the degree to which Morales' negatives could turn to positives. If the public was worried about his history of blocking roads and confronting the government, there was a certain logic to their deciding to vote for him--to make him responsible for governance rather than blocking governance.

Morales ran a savvy campaign, reportedly with help from Luiz Ignacio Lula da Silva's party in Brazil. The MAS's media ads were good. The production values were first rate. And of course Morales ran against the U.S., just as Quiroga tried to run against Venezuela's Hugo Chavez, who was bankrolling Morales. The elections were on December 5. We expected a close outcome, but Morales won in an historic landslide. He won 54 percent of the votes. There was no need for a congressional runoff. It was a blow-out. We were surprised. The polling data, never good in Bolivia, didn't show a victory of this magnitude coming.

Q: The election polls are closing. What were you thinking and what were you hearing? Were you consulting with Washington?

GREENLEE: Yes, I was on the phone with Washington when the polls closed and the results started coming in. I was talking to Tom Shannon, the assistant secretary for western hemisphere affairs, and his principal deputy, Charles Shapiro.

Q. And in the immediate aftermath. What did you do?

GREENLEE: Well, there was the recognition that the process that had begun with the forced expulsion of Sanchez de Lozada in October of 2003 had culminated with the election of Evo Morales, a *cocalero* leader, who had delighted in describing himself as our worst nightmare. He was not our worst nightmare—that would be in his dreams, not ours. His association with illegal coca was a big factor. But another problem, really Bolivia's problem, was that he wanted to implement economic policies, and the political policies that went with them, that were throwbacks to what hadn't worked in the '60s, '70s and early '80s. He was the anti-globalist in a globalized economy. He wanted central, authoritarian control when successful 21st century governments were pushing decision-making authority downward and outward. He wanted to nationalize efficient private industries when the trend worldwide was to privatize inefficient national industries. He talked about "solidarity" to attract needed investment—when investors, even sovereign-state investors, want a return on their capital.

There were different views about what attitude we should adopt. I strongly advocated dealing with Morales. I thought there was a way to talk with him about the coca problem, the main stumbling block, and that we had to support democracy in any case—and Morales had won a democratic election. So I got a green light to meet with him before the inauguration. We had not been in touch with him during the election period or before that because of his coca ties and other things we knew about him. But it was time to shift, and Washington agreed.

Q When you get right down to it, there's no alternative.

GREENLEE: Right. To me there was no alternative, but there was a lot of distaste in Washington. Here was a guy who had said nasty things about President Bush and the Untied States. And of course U.S. officials had said plenty of nasty things about him. But the real problems were his curious, fawning relationship with Hugo Chavez and Fidel Castro and his history of promoting the growth of the stuff that was turned into cocaine. There was no getting around that.

Q: Was he by any chance put on a watch list or something like that?

GREENLEE: Sure.

Q: So he couldn't be given a visa...

GREENLEE: No. He couldn't get a visa without a waiver. He was seen as a guy like Yasser Arafat, in a sense. So was his vice president, Alvaro Garcia Linera, who had been jailed for guerrilla activities. There were visa issues with a lot of other people around Morales, as well.

I looked at this new reality as an interesting challenge. A few weeks after the election, but before his inauguration, we suggested to Morales' people that we meet, and he readily agreed. He came to my residence with the vice president, and we sat down at a table. I had my DCM and a political officer with me. The meeting was difficult, quite tense, actually, but on the whole positive. Before we started, I introduced him to my wife and Spanish daughter-in-law and our grand children, who were visiting. I think one of my daughters, Nicole, was also there when he came in. I told him that she as well as my wife were Bolivians. He just nodded. I think he was quite uncomfortable.

I told him that our relationship would depend on a couple of fundamental things. On tone, it was essential that he stop insulting my president and my country. On substance we had to find a way to address the cocaine problem. He of course had his own agenda, but where we came out was that we should turn the page, try to move forward. I thought it was a good start.

Then, later, there was the matter of the inauguration. Who should come from Washington? At first the idea was that only I should represent the United States. But I called Tom Shannon and suggested that he make the gesture and come. He said he had been thinking the same thing. And so that's what happened. The night before the inauguration, in late January, Tom and I met with Morales and Garcia Linera. It was another good meeting, much less tense than my initial round with Morales. We thought there might be a way to construct a good relationship. At the same time we realized that Morales was committed to Chavez and Castro and that there was very little space in which to get things done. Still, we tried and I, at least, was hopeful.

Morales knew the score on coca. He knew, as all Bolivians know, that the bulk of coca production in Bolivia goes to cocaine. But for him it was an economic problem that drove the political reality in which he had to operate. So he made the argument that the coca leaf was benign, even good for humanity, but cocaine was bad—a product consumed in the developed countries. So what was needed was a greater concentration in blocking the traffickers, on interdiction, and less focus on coca production—particularly coca cultivation in the Chapare, his political base. He argued that there could be “social” control of cultivation. Each family would be entitled to a limited coca plot and the syndicates, or unions, would restrict the size of other plots. It was simple economics. Control of supply would keep prices up.

This wasn't the coca policy that we wanted, but it was the one we were stuck with. Our DEA noted that there was good cooperation on interdiction. So both sides could say there was a way forward. But at bottom we all knew—and, again, all Bolivians know—that more coca means more cocaine. Bolivia under Morales is returning to that business, no matter how he and his cohorts try to dress it up.

On the political side, our relations quickly deteriorated. Morales couldn't stop attacking us. Partly, I am sure, it was his personal resentment, still occasionally stoked by intemperate remarks from Washington. The problem there was not the State Department. But off-hand comments,

here and there, would give him something to work with. Once Defense Secretary Rumsfeld, for example, said something sneering about Morales on a visit to Paraguay. It played to Morales' hand, not ours.

Morales looked for anything he could use to demonstrate to his base that we were the enemy and he was "bending our arm." Once some guy from the U.S. came into Bolivia and allegedly, I have to be careful about my language, blew up a couple of buildings, or parts of buildings. There were deaths and injuries. Morales accused the U.S. of sending him to terrorize the country. The reality was that the guy had been arrested in Argentina for blowing up an ATM machine, and then obtained a Bolivian visa on the border with Bolivia, entered the country, and went on to get a license from the police to sell dynamite. I went over this with Morales, and he even thanked me, and thanked me publicly, for the "clarification." But within a week he was back with his accusations. "Why is the U.S. always sending us terrorists?" he would say. Morales lives in a parallel universe.

Morales had two big political initiatives. One was the "nationalization" of the hydrocarbons industry. On May 1 of 2006 he sent troops into several natural gas installations, making a show of implementing a flawed nationalization law. It was a law which had great popular support, but which virtually ensured that Bolivia would not attract the investment it needed to develop its gas reserves. The other initiative was a constituent assembly to rewrite the constitution. Morales asserted that he had achieved the government but not the power needed to lift Bolivia up. He said he was shackled by the "neo-liberal" laws that were enshrined in the old constitution. He needed a new one. But in pushing the assembly he created regional tensions. The eastern departments, where the gas was, wanted greater autonomy, not greater centralization. The constituent assembly got off to a noisy start that August and produced only dissension.

On the U.S. side, although Morales continued to attack us, we kept the door open to improved relations. We wanted Bolivia to have continued free access to our market, through the Andean Trade Promotion and Drug Enforcement Act (ATPDEA), but that legislation was about to expire. After I left Bolivia, it was extended and then extended a second time. We also kept on the table the possibility of considerable assistance for infrastructure development available through the Millennium Challenge Account. But Morales continued to follow Chavez's lead. He gave the country over to Venezuelan influence. The world economy was booming. Bolivia was being left behind.

These were some of the reference points during my final nine months in Bolivia. I left post with the regret that I couldn't do more to shore up a bilateral relationship that had become too one-sided, but which in the end was the relationship that Bolivia most needed. It will take years for the social revolution that Morales is trying to direct to burn through. On the positive side, Morales has demonstrated that a Bolivian of any ethnicity can become president. On the negative side, he has harnessed South America's poorest country to a losing ideology and deepened divisions in the country that he could have bridged.

Q: One last question David. When you came back, in September of last year (2006), something that has always interested me is the lack of interest in pumping people who have been in a place like Bolivia. Did anyone sit down and talk to you about your experiences?

GREENLEE: Well, I was a pretty consistent and thorough reporter. The embassy was a very good reporting embassy. There were a lot of after-action analysis, “lessons learned” and so forth. I had good relations with the Department and with the assistant secretary, but no one, except you, has asked me this kind of question.

End of reader