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CHAPTER 38

U.S. FOREIGN POLICY AND ECONOMIC ASSISTANCE
IN BOLIVIA, 1948–1976

by
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James W. Wilkie and Stephen Haber, eds., *Statistical Abstract of Latin America*, Volume 22 (Los Angeles: UCLA Latin American Center Publications, University of California, 1982).

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U.S. FOREIGN POLICY AND ECONOMIC ASSISTANCE IN BOLIVIA, 1948-1976

Introduction

Given the fact of Bolivia's small population, the United States has undertaken a relatively large-scale program to financially assist Bolivian regimes. What have been the United States' goals in providing this aid? How important have U.S. funds been to Bolivia? What have been Bolivia's goals in accepting United States grants and loans? At what point is it feasible to phase out U.S. aid? These questions help to analyze quantitatively United States policy in relation to Bolivian achievements. This paper is limited to an examination of economic policy, and particularly aid, the convolutions of diplomatic and CIA policy deserving separate treatment when and if top-secret archives are opened. It is the author's contention, however, that the expenditure policy discussed here has more political significance than a study of politics itself. Analysis of historical statistics to 1976, the latest year for which data are available, reveals the long-term impact of U.S. funds in relation to Bolivian central government expenditure, thus permitting development of new interpretation here.

An Overview

Since 1948 United States aid, defined to encompass the funds and the personnel to administer them, has been expended with different emphases in three distinct periods of Bolivian history: 1948-1951, 1952-1964 and 1965-1976. Although this paper emphasizes the post-1948 periods it should be noted that U.S. economic assistance to Bolivia began during the Second World War. In 1942 the United States, in exchange for access to important Bolivian tin, entered into wartime cooperation with Bolivia to develop roads, agricultural extension and research programs, and health centers. There was also assistance for mobile campaigns to eradicate malaria, yaws, and smallpox, as well as to reform the public administration and customs collections. About 1.4 million dollars were obligated and probably spent in U.S. assistance through fiscal years from 1942 to 1947.¹

NOTE: Reprinted with permission of Jerry Ladman, ed., *Modern-Day Bolivia: The Legacy of the Revolution and Prospects of the Future* (Tempe: Center for Latin American Studies, Arizona State University, 1982), ch. 6. Original data series offered here on United States foreign aid and Bolivian government actual expenditures have been constructed from sources in La Paz and Washington, D.C. Thanks are due to the following persons for assistance: AID Comptroller's Office in La Paz (especially Guillermo Peñaranda, Berta de Lanza, Mario Salvatierra, and Melvin L. Van Doren); U.S. Embassy officials in La Paz (especially Hernán Solares Risco and James S. Landberg of the Economic Section); AID Statistics and Reports Division in

Also in 1942, the U.S. Export-Import Bank (Ex-Im Bank) agreed to a 25 million dollar loan for Bolivia, including a large amount for the newly established Bolivian Development Corporation.² Data for Ex-Im Bank expenditures through 1945 are not available but the Bank spent 1.2 and 7.4 million dollars in 1946 and 1947 respectively, for low-interest, long-term loans that otherwise might not have been available to the La Paz government.³ The low figure for 1946 no doubt involved the U.S. Department of State's fearfulness that the National Revolutionary Movement Party (MNR), the party then in power, was "pro-Nazi." The much higher 1947 figure came after the MNR leadership left the country for exile in 1946.⁴

The 1948-1951 Period

In the first period considered in this study, 1948-1951, United States aid to Bolivia declined in both current and real

Washington (especially Jack Cohen and Albert H. Huntington, Jr.). Dr. Carlos Serrate Reich, Bolivian Ambassador to the Soviet Union, facilitated my research in La Paz immediately prior to his departure for Moscow.

¹ Projected data without yearly breakdown are given in U.S. Operations Mission to Bolivia, *Point Four in Bolivia, 1942-1960* (La Paz, 1960), pp. 10 and 94. From the total of 3.2 million dollars given as obligated for 1942-1951, 1.8 million actually spent between 1948 and 1951 have been deducted (see table 3800, column B) to arrive at 1.4 million dollars. No total data on actual expenditures are given but some detail shows that between 1942 and 1951 the United States contributed 2,035 thousand dollars in the Health Service, 466 thousand to the Education Service, and 33 thousand to the Agriculture Service (see *ibid.*, p. 91).

² Richard S. Thorn, "The Economic Transformation," in James Malloy and Richard Thorn, eds., *Beyond the Revolution: Bolivia Since 1952* (Pittsburgh: University of Pittsburgh Press, 1971), p. 165.

³ Although AID/Washington no longer classifies Ex-Im Bank as "aid," such loans do indeed constitute aid; for further discussion of the matter, see James W. Wilkie, *Statistics and National Policy* (Los Angeles: UCLA Latin American Center Publications, 1974), p. 148.

⁴ On the MNR problem with the U.S. Department of State, see Cole Blaiser, "The United States, Germany, and the Bolivian Revolutionaries (1941-1946)," *Hispanic American Historical Review* 52:1 (1972), 26-54. In real terms, as measured in 1951 prices, Bolivia received 8 million dollars in 1947. This figure is calculated from actual U.S. expenditure given in Wilkie, *Statistics and National Policy*, p. 369, and deflated with the U.S. export price index given here in Appendix A, column A, carried back in *ibid.*, p. 80 (base converted). Although the U.S. export price index cannot precisely eliminate inflation to calculate real Bolivian purchasing power, it does give a good indication of change in world marketplace prices upon which Bolivia has been dependent. It is the best measure to use in this study which seeks to gauge the impact of U.S. aid to Bolivia (aid that must also be deflated by the same index), especially because so much U.S. aid has been tied to purchase of U.S. exports.

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terms for the initial three years. As is shown in table 3800, with the involvement of the United States in the Korean War in 1950, U.S. aid to Bolivia rebounded from the low of 1.5 million dollars in 1950 to reach 7.9 million in 1951. Total U.S. outlay for the four-year period came to over 19 million dollars.

The 1952-1964 Period

At the beginning of the second period considered, 1952-1964, United States aid declined. Not only was there the 1952 revolution of the MNR, but also the end of the Korean War in 1953. In the latter year the U.S. outlay declined to 4.7 million dollars. After Milton Eisenhower's 1953 visit to Bolivia, however, the United States government became convinced that it could work with the MNR government. Because of post-revolution peasant invasions of estates and resultant food shortages in the urban areas, Bolivia was in desperate need of foodstuffs. In fiscal year 1954-1955, the first 6.2 million dollars of food under U.S. Public Law 480 reached Bolivia.⁵ Under this program much of the food was sold for local currency that would then be used for development projects. Thus, the total U.S. outlay came to almost 310 million dollars for the 13 years, between 1952 and 1964, during which the MNR governed.

The 1965-1976 Period and Military Aid

Early in the third period, 1965-1976, aid was needed to prop up the unstable Bolivian military governments as they began to establish their own political infrastructure throughout the country. The threat of "Che" Guevara in 1966 and 1967 caused expanded U.S. military funds and arms transfers to Bolivia. This was in addition to the military assistance begun during the late 1950s as part of the economic stabilization program to help the MNR government build a national army that could stand up against unruly civilian militias. In the third period total U.S. outlay for both military and economic assistance rose to 341 million dollars, meaning that Bolivia continued to receive one of the highest amounts of per capita aid of any country in Latin America.⁶ Column F in table 3800 portrays the rise of Bolivia's military during the period of the MNR as measured by the relative importance of U.S. military aid. The military share of U.S. assistance (defined as technical cooperation and developmental grants; cash and other grants, including budgetary support; food transfers under U.S. Public Law 480, including expenditure of local currency generated by food sales; and loans) and total outlay (defined as aid including assistance, military transfers, Ex-Im Bank, and Peace Corps) did not exceed 8 percent until the MNR was overthrown by the

military. During the late 1960s the share of military aid reached as high as 11.5 percent of total U.S. aid. The impact of these figures on military spending can be deceiving, however, because an increase in aid for economic purposes could allow the Bolivians to take their own funds from development objectives and shift them to military purposes.

Military funds did not maintain their proportional share of U.S. aid as the populist government of General Alfredo Ovando Candia came to the fore in October 1969, when it nationalized U.S. Gulf Oil. Although military aid had increased in absolute terms there was movement afoot to reduce the influence of the armed forces. In 1970 the Popular Legislative Assembly was convoked by leftists to assign power to the people at the expense of the military.⁷ Consequently, the military share of U.S. aid fell to 3 percent of total U.S. outlay in 1970. With restricted funds, scission between rightist and leftist militarymen was heightened, the right arguing that if U.S. aid were cut off as leftists demanded, development of the nation, and of the military, would come to a stop.

The terms "leftist" and "rightist" military are somewhat misleading in the Bolivian context because when the rightists overthrew the leftists in August 1971—extreme leftist General Juan José Torres had taken the presidency away from moderate leftist Ovando in October 1970—they did not undo the nationalizations of land, mines, or petroleum that had come under the leftist MNR or leftist militarymen. Indeed, the plan after 1971 was intended to unite the country against economic and political disorganization engendered by the Popular Assembly; disorganization that angered middle and upper social classes and caused old archenemies in the MNR and Bolivian Socialist Falange (FSB) to join forces with the military. Whereas the FSB had opposed the MNR as being communist in its governing of Bolivia between 1952 and 1964, the MNR's programs seemed moderate in contrast to the talk of the Popular Assembly heard by the FSB. The assembly, for example, had discussed urban reform including the nationalization of private houses in La Paz and other cities. Moreover, whereas the MNR had opposed the FSB as being fascist, at least the Falange's programs stood for traditional political organization and not for a national congress wherein only "workers" would rule the country with the aid of communist-bloc countries.

The Relative Importance of U.S. Aid to Bolivian Government Expenditure

Originally, United States aid was intended to help Bolivia mobilize for the U.S. effort to win World War II by supplying raw materials at low prices. In return for low prices, the United States offered to buy all the minerals

⁵ For yearly breakdown of actual P.L. 480 funds, see Appendix E.

⁶ See Phillip Boucher, "U.S. Foreign Aid to Latin America: Hypotheses and Patterns in Historical Statistics, 1946-1974" (Ph.D. dissertation in history, University of California, Los Angeles, 1979).

⁷ For general discussion of the Popular Assembly, see Jerry W. Knudson, *Bolivia's Popular Assembly of 1971 and the Overthrow of General Juan José Torres* (Buffalo: Council on International Studies, State University of New York, 1974) and Samuel Mendoza, *Anarquía y Caos* (La Paz: Universo, 1973).

Table 3800

U.S. GOVERNMENT ACTUAL OUTLAY TO BOLIVIA,¹ 1948-76

Fiscal Year	Millions of Current Dollars					%	
	A.	B.	C.	D.	E.	F.	
	Total Outlay ²	Assistance ³	Export-Import Bank	Military Funds and Arms Transfer Costs	Peace Corps	Military Share	
						Of Assistance D/B	Of Total D/A
1948	6.4	.4	6.0	--	--	--	--
1949	3.6	.4	3.2	--	--	--	--
1950	1.5	.5	1.0	--	--	--	--
1951	7.9	.5	7.4	--	--	--	--
1952	5.9	.6	5.3	--	--	--	--
1953	4.7	1.3	3.4	--	--	--	--
1954	14.8	13.1	1.7	--	--	--	--
1955	12.4	11.3	1.1	--	--	--	--
1956	27.6	23.7	3.9	--	--	--	--
1957	28.2	27.2	1.0	--	--	--	--
1958	25.9	25.8	0	.1 ^a	--	.4 ^a	.4 ^a
1959	23.2	22.9	0	.3	--	1.3	1.3
1960	17.9	17.8	0	.1	--	.6	.6
1961	17.3	16.9	0	.4	--	2.4	2.3
1962	30.3	28.0	0	2.2	.1 ^a	7.9	7.3
1963	39.6	36.2	0	2.7	.7	7.5	6.8
1964	62.1	57.6	.1	3.6	.8	6.3	5.8
1965	23.4	19.2	0	2.0	2.2	10.4	8.5
1966	21.7	17.8	0	2.5	1.4	14.0	11.5
1967	26.7	22.3	0	3.0	1.4	13.5	11.2
1968	35.4	30.6	0	3.7	1.1	12.1	10.5
1969	20.5	17.3	0	1.7	1.5	9.8	8.3
1970	40.2	29.7	8.0	1.2	1.3	4.0	3.0
1971	22.8	19.5	.2	2.0	1.1	10.3	9.0
1972	45.9	42.6	0	2.6	.7 ^b	6.1	5.7
1973	24.4	20.0	0	4.4 ^c	--	22.0	18.0
1974	23.9	16.0	0	7.9	--	49.4	33.8
1975	18.6	11.3	0	7.3	--	64.6	39.3
1976	37.5	20.8	4.3	12.4	--	59.6	33.1

1. For obligations, in contrast to actual outlay, see AID/Washington, *U.S. Overseas Loans and Grants* (Washington, D.C., 1968), reprinted for years 1946 to 1968 in James M. Malloy and Richard S. Thorn, eds., *Beyond the Revolution: Bolivia Since 1952* (Pittsburgh: University of Pittsburgh Press, 1974), pp. 390-391; for more complete data on obligations, see Phillip Boucher, "U.S. Foreign Aid to Latin America: Hypotheses and Patterns in Historical Statistics, 1934-1974" (Ph.D. dissertation in history, University of California, Los Angeles, 1979).

2. This table excludes amounts from the Social Progress Trust Fund, administered by the Inter-American Development Bank.

3. Includes: (1) technical cooperation and developmental grants; (2) cash grants and other grants; (3) foodstuffs under U.S. Public Law 480 (see Appendix E), and local currency programs since 1958; (4) development loans.

a. Inception of program in Bolivia.

b. Program phased out in Bolivia.

c. After 1973 data may include up to 1 million dollars in private commercial military sales.

SOURCE:

A. Calculated.

B. 1948-1957, James W. Wilkie, *Statistics and National Policy* (Los Angeles: UCLA Latin American Center Publications, 1974), p. 369; 1958-1972, AID/Bolivia, *Estadísticas económicas*, Vols. 7, 9, 13, 14 (La Paz, 1965, 1968, 1972, 1973, respectively); and 1973-1976, AID/Bolivia, Comptroller's Office.

C-E. Wilkie, *Statistics and National Policy*, p. 369; and James W. Wilkie and Peter Reich, eds., *Statistical Abstract of Latin America*, Vol. 19 (Los Angeles: UCLA Latin American Center Publications, 1978), tables 1101, 1102, and 3105.

F. Calculated.

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that Bolivia could produce. In a sense, Bolivia gave up precious nonrenewable resources to help the United States in time of need. In this light, perhaps the United States might have paid "fair" prices for Bolivian tin, antimony, tungsten, rubber, etc., instead of having tried to compensate for the artificially low prices with aid. However, the advantages for the United States in the latter arrangement outweighed "fair" prices. The United States bureaucracy could always attach strings to aid, thereby assuring the bureaucrats an excuse for managing Bolivian affairs. At the same time, United States exports to Bolivia could be stimulated through Ex-Im Bank loans for construction equipment. The problem for Bolivia was how to absorb the massive inflow of new funds. According to Richard S. Thorn:

In order to utilize the U.S. funds, the government was required to contribute substantial sums of dollars to the projects. For example, in the initial agreement concluded with the Export-Import Bank in December 1942 for \$15.5 million in credits to be made available to the newly established Bolivian Development Corporation, \$3.5 million was to be contributed by the government. This sum was equal to 14 percent of the total government expenditures in 1943. The government deficit rose from the equivalent of \$326,000 in 1943 to \$2.5 million in 1944. The Bolivian budget simply could not absorb such a substantial increase in expenditure as required by the Export-Import agreement and other similar agreements concluded with the United States. On the other hand, the government could not ignore the opportunity of receiving such a large credit under such favorable terms. The result was a continued resort to the printing press and renewed inflation.⁸

By 1948, total U.S. aid amounted to over one-third of Bolivian central government expenditures, as can be seen in column H of table 3801. Although in 1950 the share of U.S. financial input to Bolivia declined to only 8 percent of the amount spent by the central government, in 1951 it increased to about 45 percent of that amount. This shift, as the economy continued to contract because of the 1952 revolution and its aftermath, caused Paz Estenssoro's MNR government to find itself in a very difficult position. Political victory was not possible without consolidating the impact of the social and economic victories as reflected in the new labor laws, the right of illiterates to vote, the land reform, and the nationalization of the big tin mining industry. Although U.S. aid fell to only 4.7 million dollars in 1953, the sharp decline of Bolivian expenditures in that year meant that U.S. outlay was equal to over half of the central government expenditures.

A shifting of funds to the new autonomous agencies from the government budget accounted for some of the

decline in central government expenditures. This was of little consolation to Paz Estenssoro, however, who could not control the income and expenditures of such autonomous agencies as he could have done if the agencies depended entirely upon a direct allocation from treasury funds instead of directly charging the populace for their services. In addition to controlling their own revenues, the decentralized agencies received subsidies from the central government to offset losses during the period of disorganization resulting from the political upheaval. Theoretically, the agencies were decentralized to keep them out of politics and to use their profits for national development. However, it would take several decades before profits were earned with any consistency, especially because the newly nationalized mines had been allowed to deteriorate by their former owners in anticipation of the end of their property rights, and because an imperative of the revolution required the rehiring of workers who had been fired unjustly for having demanded fair wages and working conditions. Decentralized agencies could not be allowed to go bankrupt and their losses were fully subsidized without question in the confusing years of national reorganization under the MNR.⁹

In 1954 and 1955 U.S. outlay in Bolivia was almost double central government actual expenditures, and in 1956 it spent almost three times what the central government did. Beginning in 1957, under the more stable regime of President Hernán Siles Zuazo expenditures of the Bolivian central government increased more than threefold over the levels of 1956; and, whereas U.S. aid also increased substantially, the proportional share of U.S. outlays to total government expenditures sharply declined.

Bolivian central government expenditures reached the 30 million dollar mark in the late 1950s after having fallen to less than 10 million from 1953 to 1956. After 1961 the total climbed steadily, except for 1969. With increased central government expenditures, in 1961 U.S. aid outlays fell to less than half of those of the Bolivian government. However, during the second Paz Estenssoro presidency, 1960-1964, United States officials were concerned that he would be succeeded by extreme leftists within the MNR, therefore U.S. outlays approached those of the Bolivian central government in 1962 and 1963, and exceeded them by 28 percent in 1964. Such a pattern was certainly in line with Paz Estenssoro's close relationship with Washington. This does not mean, however, that he "sold out" to the United States. Paz Estenssoro was an able bargainer and was able to bring Bolivia through difficult years when the real trade balance

⁸ See James W. Wilkie, "Public Expenditure Since 1952," in Malloy and Thorn, eds., *Beyond the Revolution*, pp. 217-231; reprinted in Wilkie, *Statistics and National Policy*, pp. 67-97, with further discussion on pp. 470-472. See also James W. Wilkie, "Recentralization: The Budgetary Dilemma in the Economic Development of Mexico, Bolivia, and Costa Rica," in David T. Geithman, ed., *Fiscal Policy for Industrialization and Development in Latin America* (Gainesville: University of Florida Press, 1974), pp. 200-247; reprinted in Wilkie, *Statistics and National Policy*, pp. 101-131.

⁹ Thorn, "The Economic Transformation," p. 182.

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Table 3801

BOLIVIA GDP-ACTUAL CENTRAL GOVERNMENT EXPENDITURE, AND SHARE OF U. S. TOTAL ACTUAL OUTLAY, 1948-76^a

Year	Millions of Pesos			Millions of Dollars			%	
	A. GDP	B. Central Government Actual Expenditure	C. Dollar Exchange Rate ¹	D. GDP	E. Central Government Actual Expenditure	F. U.S. Total Actual Outlay	G. U.S. Share of GDP (F/D)	H. U.S. Share of Central Government Expenditure (F/E)
1948	~	1.7	.09	~	18.9	6.4	~	33.9
1949	~	1.8	.12	~	15.0	3.6	~	24.0
1950	46	2.4	.13	353.8	18.5	1.5	.4	8.1
1951	80	3.7	.21	381.0	17.6	7.9	2.1	44.9
1952	107	4.2	.28	382.1	15.0	5.9	1.5	39.3
1953	327	8.4	.95	344.2	8.8	4.7	1.4	53.4
1954	632	14.7	1.82	347.3	8.1	14.8	4.3	182.7
1955	1,501	25.8	4.05	370.6	6.4	12.4	3.3	193.8
1956	2,757	77.1	7.76	355.3	9.9	27.6	7.8	278.8
1957	2,960	265.8	8.33	355.3	31.9	28.2	7.9	88.4
1958	3,361	326.2	9.70	346.5	33.6	25.9	7.5	77.1
1959	3,862	357.2	11.88	325.1	30.1	23.2	7.1	77.1
1960	4,497	355.0	11.88	378.5	29.9	17.9	4.7	59.9
1961	4,872	414.5	11.88	410.1	34.9	17.3	4.2	49.6
1962	5,327	454.8	11.88	448.4	38.3	30.3	6.8	79.1
1963	5,736	505.1	11.88	482.8	42.5	39.6	8.2	93.2
1964	6,463	575.2	11.88	544.0	48.4	62.1	11.4	128.3
1965	7,180	763.5	11.88	604.4	64.3	23.4	3.9	36.4
1966	7,950	809.2	11.88	669.2	68.1	21.7	3.2	31.9
1967	8,979	945.3	11.88	755.8	79.6	26.7	3.5	33.5
1968	10,192	1,019.6	11.88	857.9	85.8	35.4	4.1	41.3
1969	11,044	962.9	11.88	929.6	81.1	20.5	2.2	25.3
1970	12,080	1,248.9	11.88	1,016.8	105.1	40.2	4.0	38.2
1971	13,677 ^b	1,388.6	11.88	1,151.3	116.9	22.8	2.0	19.5
1972	17,413	2,068.3	13.23	1,316.2	156.3	45.9	3.5	29.4
1973	26,466	2,882.0	20.00	1,323.3	144.1	24.4	1.8	16.9
1974	44,339	5,524.7	20.00	2,217.0	276.2	23.9	1.1	8.7
1975	50,156	6,359.4	20.00	2,507.8	318.0	18.6	.7	5.8
1976	58,949	8,239.8	20.00	2,947.5	411.9	37.5	1.3	9.1

1. Through 1955 data are for black market rate at year's end; 1956 data are for average market rate.

a. U.S. data on fiscal-year basis; Bolivian data on calendar-year basis.

b. Revised series begins, 1971 equals +4.0 percent after revision.

SOURCE:

- A. James W. Wilkie, *Statistics and National Policy* (Los Angeles; UCLA Latin American Center Publications, 1974) p. 402; and International Monetary Fund, *International Financial Statistics*, Oct. 1978.
- B. James W. Wilkie, *The Bolivian Revolution and U.S. Aid Since 1952* (Los Angeles: UCLA Latin American Center

Publications, 1969), p. 26; Wilkie, *Statistics and National Policy*, p. 162; Bolivia, Banco Central, *Boletín estadístico*, March, 1977, p. 46.

C. Wilkie, *Statistics and National Policy*, p. 241; and International Monetary Fund, *International Financial Statistics*, May 1977. Cf. Bridget Reynolds, "Exchange Rate History, 1937-1974," in James W. Wilkie and Paul Turovsky, eds., *Statistical Abstract of Latin America*, Vol. 17 (Los Angeles: UCLA Latin American Center Publications, 1976), p. 262.

D-E. Calculated.

F. Table 3800, above.

G-H. Calculated.

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showed negative results (see Appendix A, column C) as Bolivia attempted to diversify its economy and escape from its reliance on a few trading partners.¹⁰

Under the military governments that have held power since 1965, the percentage of U.S. aid to Bolivian central government expenditures reached the lowest figures since 1950. Column H of table 3801 shows that by the mid-1970s U.S. aid was less than 10 percent of central government outlay in Bolivia. The same pattern appears in the U.S. aid outlay in relation to Bolivia's gross domestic product (GDP). U.S. totals rose to 11 percent of Bolivian GDP by 1964. Subsequently they fell to about 1 percent of GDP by the mid-1970s.

In attempting to unite Bolivia against a "workers' takeover" of government, from 1971-1978 the military, under President Hugo Banzer Suárez, sought to end the chronic instability of the post-MNR period. According to Alfredo Arce Carpio, ideologue for Banzer, the post-1971 military government institutionalized the following economic system: all nationalized spheres were reserved for government control and all other areas were open for free enterprise, both spheres being closely regulated by the government.¹¹ At the same time, new generations educated after the 1952 revolution came to maturity and began to staff technical posts within the government.

Bolivia's Trade Diversification

With the success of the MNR in achieving import substitution of sugar, rice, and petroleum products, the new *técnicos* could turn their high-level expertise to export diversification. Bolivia's historic goal of constructing a tin smelter had to be postponed during the MNR period not only because Bolivia had to provide remuneration for the nationalization of the tin mines by sending the ore to some of its former owners who smelted it in England,¹² but also

because the U.S. Congress in effect forbade aid of most kinds that could develop industry which would raise U.S. import prices. Therefore, the United States Agency for International Development (AID) in Bolivia was hampered in meeting Bolivia's demands for building certain new industries such as the smelters.

After the capture and killing of "Che" Guevara in 1967 had redounded to make him a hero and had set off waves of guerrilla movement in the country (the CIA was accused of having conspired with the Bolivian military to murder Guevara),¹³ the U.S. State Department finally realized that it could not expect to keep Bolivian development within a too narrowly conceived limit or the United States would "lose" Bolivia. The days when the United States Ambassador could intervene openly in politics had passed. The U.S. government did not cut off aid when Bolivia established diplomatic relations with Moscow in 1969 nor when it accepted Eastern European assistance to build an antimony smelter in the mid-1970s—the long awaited tin smelter already having gone into operation by 1970 with West German financing.¹⁴ The military government made much propaganda in the 1970s about these new conquests on Bolivia's road to economic independence.

In other spheres, by the 1970s Bolivia had also begun to achieve goals originally set by Paz Estenssoro and the MNR. As table 3802 shows, the average real trade balance that Bolivia had enjoyed in the pre-revolutionary era, but lost between 1952 and 1964, was regained after 1965 even as the country increased its capital goods imports at an average of 10 percentage points per period. The value of tin exports declined from almost 70 percent of total exports in pre-revolutionary days to less than half of the total export value by the period of military rule.¹⁵ Thus, metallic tin exports that had been impossible before the 1970s garnered an average of an additional 10 percent share of the value of exports in each period. The petroleum and natural gas exports foreseen by the MNR also came to reality under the

¹⁰ See James W. Wilkie, *Bolivian Foreign Trade: Historical Problems and MNR Revolutionary Policy, 1952-1964* (Buffalo: Council on International Studies, State University of New York, 1971). Reprinted in Wilkie, *Statistics and National Policy*, pp. 67-86.

¹¹ Interview with Alfredo Arce Carpio, La Paz, Bolivia, June 18, 1976.

¹² According to George Jackson Eder: "Because of the low metal content and complex composition of the Bolivian ores, there were few smelters in the world equipped to handle the concentrates economically. For years, Bolivian tin had been refined chiefly by Williams, Harvey & Co., Ltd., of Liverpool, who managed to reduce smelting costs by combining it with the high-content concentrates from the Straits Settlements. The lowest-quality Bolivian concentrates were smelted by Capper Pass & Sons, Ltd., in Yorkshire, and by the U.S. government-financed Longhorn Tin Smelter in Texas City, Texas. The contract with the Texas smelter expired in 1945, but, as a disguised subsidy to Bolivia, the plant was kept operating at a loss until January 31, 1957. Patiño owned a substantial interest in Consolidated Tin Smelters, Ltd., which in turn owned Williams, Harvey & Co., Ltd. It was not difficult, therefore, for Patiño to have that company withhold from the COMIBOL [Bolivian State Mining Company] shipments a proportion of all tin refined, as a deposit against whatever settlement might ultimately be reached with the

Bolivian government. On June 10, 1953, this arrangement was embodied in a formal agreement with Bolivia, whereby an agreed percentage of revenues, on a sliding scale, was withheld from all shipments from the former Patiño, Aramayo, and Hochschild properties." Quoted from Eder, *Inflation and Development in Latin America: A Case History of Inflation and Stabilization in Bolivia* (Ann Arbor: Graduate School of Business Administration, University of Michigan, 1968), p. 51.

¹³ See, for example, Gregorio Selser, *La CIA en Bolivia* (Buenos Aires: Hernández, 1970). Guevara's influence on Bolivia after his death is clearly seen in President Ovando's interview with the left-wing magazine *Marcha* wherein he stated that while he was still opposed to Communist guerrilla activities, Guevara had "renewed certain moral and intellectual values in the country"—quoted in *Facts on File*, 1969, p. 748.

¹⁴ The Soviet Union is currently engaged in a pilot program near Potosi to develop a cost efficient way of recovering tin ore from Bolivia's millions of tons of tin mine tailings. Such a program could give a spectacular fillip to Bolivia's tin exports.

¹⁵ The volume and price of tin-export increased in the 1970s compared to the 1960s even as its value in all Bolivian exports declined. See Appendix C.

Table 3802

BOLIVIA REAL TRADE BALANCE AND PERCENTAGE VALUES OF MAJOR IMPORTS AND EXPORTS, BY PERIOD, 1939-76

Period ²	Number of Years in Average	Average Percentage Value						
		A.		B.	C.	D.	E.	F.
		Real Trade Balance ¹		Capital Goods Imports ³	Tin Concentrate and Metallic Tin Exports	Metallic Tin Exports ⁴	Petroleum and Natural Gas Exports	Natural Gas Exports ⁵
		Total	Average					
1939-1951	13	602.6	46.4	22	69	0	.2 ^a	0
1952-1964	13	147.3	11.3	33	62	0	2.3	0
1965-1976	12	393.8	32.8	44	48	10.2 ^b	15.4	6.3 ^c

1. Millions of dollars of 1951, CIF, except imports FOB through Sept. 1954.
 2. For prior years, see James W. Wilkie, *Statistics and National Policy* (Los Angeles: UCLA Latin American Center Publications, 1974), p. 80.
 3. Minor change in methodology—percentage for first two periods may be slightly understated. (Consumer goods series excluded here is not comparable between first two and three periods owing to major change in methodology for this aspect of import analysis.)
 4. Included in column C.
 5. Included in column E.
- a. Only 1950-51.
b. Since 1971.
c. Since 1972.

SOURCE:

- A. Calculated from Appendix A; and Wilkie, *Statistics and National Policy*, p. 80.
- B. Through 1964, Wilkie, *ibid.*, p. 79, revised with AID/Bolivia, *Estadísticas económicas*, Vol. 14 p. 20; since 1965, Bolivia, Banco Central, *Boletín estadístico*, Sept., 1976 and March, 1977.
- C-D. Wilkie, *Statistics and National Policy*, p. 69; Bolivia, Ministerio de Minería y Metalurgia, *Bolivia minera en números* (La Paz, 1975), p. 192; and Bolivia, Banco Central, *Boletín estadístico*, March, 1977.
- E-F. Wilkie, *Statistics and National Policy*, p. 72; AID/Bolivia, *Estadísticas económicas*, p. 14; and Bolivia, Banco Central, *Boletín estadística*, March 1977.

military. True, exports were still mineral based, but they were based less heavily than in the past upon only one mineral, the first step toward greater diversification.

Bolivian revolutionary goals for diversification of trading partners also made important gains, as can be seen in table 3803. Imports from the United States fell from an average high of 43 percent of all imports under the MNR—when U.S. aid was most influential because of relatively low GDP and central government outlay—to 33 percent, which was also lower than the pre-revolutionary average. Two other import partners, Japan and Brazil, gained at the expense of Argentina as well as the United States.

If the United States hoped to increase its hold on the purchase of Bolivian exports, it was also frustrated in this sphere. The U.S. share in purchases of Bolivian exports fell 9 percentage points from the average level of 52 percent in the pre-1951 period to 43 percent in the MNR period, and declined another 9 percentage points to 34 percent in the post-1965 era. Great Britain's importance in the purchase of exports fell between 10 and 14 percentage points to the 30 percent level in 1965-1976, to the gain of Argentina. Although Bolivian governments have argued that national exports would be less subject to declines in volume and value if Bolivia could trade with more countries, it now seems that such a hope is limited by the fact that increasing international interdependence means that when one country is affected by adverse economic conditions all may be. Nevertheless, Bolivia has made strong progress in diversifica-

tion of its foreign trade position, progress that took several decades to begin to show new patterns.

Bolivia's Internal Goals

Bolivia's internal goals since 1952 have emphasized economic growth. In spite of problems in measuring Bolivian GDP, it appears that Bolivia sustained a minor miracle in terms of economic growth between 1963 and 1976.¹⁶

The highest annual growth rates after 1960 were in 1966 and 1968, but all years except 1961 and 1971 were affluent ones for national development. Part of the problem in 1961 no doubt came once Paz Estenssoro began to push land titling to legitimize holdings occupied by peasants after the 1952 land reform; as long as only a few titles had been granted, former owners felt that all hope of recovering their lands was not lost. On the one hand, Paz Estenssoro wanted to resolve ownership problems in the countryside, yet at the same time he wanted to attract national and foreign capital into Bolivia to open new industry; these mixed

¹⁶Data changes in GDP are subject to redefinition and revision, as is suggested in Appendix B. Both the Economic Commission for Latin America (ECLA) and the International Monetary Fund (IMF) series are in agreement for the period from 1953 to 1960, but only the ECLA series extends back to 1946. After 1961 the ECLA series shows significantly higher growth rates than does the IMF series for 1961, 1962, 1964, 1974 and 1975. The IMF series shows more growth only in 1972.

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Table 3803
BOLIVIAN TRADE WITH MAJOR COUNTRIES, BY PERIOD, 1939-76
(Average Percent)

Period	Number of Years in Average	Imports				Exports			
		United States	Japan	Argentina	Brazil	United States	Great Britain	Argentina	Brazil
1939-1951	5 ^a	37	1	19	3	52	40	2	1
1952-1964	13	43	4	9	1	43	44	3	2
1965-1976	12	33	13	12	6	34	30	10	2

a. Sample years, 1939, 1942, 1946, 1950, 1951.

SOURCE: James W. Wilkie, *Statistics and National Policy* (Los Angeles: UCLA Latin American Center Publications, 1974),

pp. 83-84, AID/Bolivia, *Estadísticas económicas*, Vol. 14; American Security Bank, "Republic of Bolivia" (New York, 1976), p. 40; and Bolivia, Banco Central, *Boletín estadístico*, March 1977.

signals hampered economic confidence in 1961.¹⁷ In 1971 the problem of growth coincided with activities of the Popular Assembly, scaring new investors or reinvestors. By the mid-1960s, however, it was clear that Bolivia had escaped from the year-to-year economic crises that had marked the 1950s.

Petroleum

Economic health of Bolivia rested to a large degree on the emergence of a healthy petroleum industry as well as relative prosperity of the tin mines. Although the latter earned much larger export revenues, it still had a much larger number of employees with whom to contend. The petroleum industry, in contrast, did not have an inflated labor force demanding its "traditional rights" and its "historic vindication." By the late 1970s some observers have been concerned about the rather dramatic contraction of Bolivian oil exports, a decline shown in Appendix D. Whether exports were down because of a collapse in output or expanding domestic demands is not clear. It could be argued that Bolivian officials have placed emphasis on natural gas production and export, income from which has expanded dramatically in only a few short years, especially because of ready sales to Argentina. Appendix D reveals that petroleum prices have increased favorably to yield over 55 million dollars in 1976 and over 67 million dollars in 1977, thus compensating for the concurrent decline in crude petroleum exports.

Energy and Communications

In another important aspect of national development Bolivia has been remarkably successful in bringing to fruition an extensive network of energy and communications systems. The success of this time-consuming task did not become apparent until the early 1970s, twenty years after

the revolution got underway. With the achievement of expanding economic activity of the Santa Cruz area, Bolivian life began to give full credit for the first time to the *Oriente*. New hydroelectric systems formed part of this dynamic activity and spontaneous colonization tended to prosper where colonization directed by the government had not. In all, it can be said that by the 1970s, when the expanded road and air systems tied the country together, it became possible for the first time in Bolivia's history to speak of a Bolivian nation. Until the 1970s transportation boom, Bolivia lacked the possibility for national identity, a situation that had caused many an observer to suggest that Bolivia should be divided among its neighbors because it was not a viable state—such observations were all the more easy given the apparently chaotic political life.

An Evaluation of Growth Potential

In short, Bolivia can now be seen in a new light: It has had two periods of relatively long political stability, 1952-1964 and 1971-1978. Some Bolivians would even say that since 1952 Bolivia has had steady presidential power and the problems in 1964 (when Paz Estenssoro was overthrown) and 1969-1971 (when the extreme left juggled leaders in the presidency) were aberrations in an institutionalized process wherein regardless of political leadership, economic programs begun by the MNR have been carried forth and even expanded.

In the author's view Bolivia's growth potential is not similar to that of Uruguay. Whereas Uruguay has a small geographic area with few natural resources and a small population unable to support an economy balanced between growth in agriculture, mining, energy, and industry, Bolivia has a large territory of varied climate and rich resources with room for the population to expand productively. If Uruguay was once a leading country in economic and social terms, it may have reached the limit of its possibilities; witness its long-term economic, social, and political decline since the

¹⁷ See James W. Wilkie, *Measuring Land Reform* (Los Angeles: UCLA Latin American Center Publications, 1974), p. 57.

1950s. On the other hand, Bolivia has only begun to tap its wealth. As it does so, social advances are bound to come. This is not to say that Bolivia does not face grave problems; but it has the opportunity to realize a potential that many small countries such as Uruguay, El Salvador, Nicaragua, Honduras, etc. do not have.

Bolivia already has a comparative advantage in Latin America with regard to the rate of food production. Table 3804 reveals that after its low output in 1953, a year of massive land invasions under the revolution when Bolivia's level of food production ranked among one of the lowest in Latin America, Bolivia registered one of the region's highest increases in output through 1961-1965. If by 1971 Bolivia ranked eighth in gains in food production compared to the 1961-1965 base period, by 1976 it registered the third highest gain of Latin America's twenty countries, being exceeded only by Costa Rica and Brazil. It appears from table 3804, then, that following the expected declines in

food production after land reform, Bolivia made rapid recovery, the country's per capita index of output increasing 88 percent between 1953 and 1976. This progress stands in strong contrast to that of three other countries that have undergone major reorganization of land tenure: Cuba has continued to be plagued by food production problems; Mexico has made only modest gains; and Peru has seen stagnation in food output since the 1950s. Of the land reform countries, only Venezuela has made gains equal to those of Bolivia, but with a vastly greater amount of available money.

At what cost has this "success" been achieved? Did political dictatorship under the MNR—with illiterates trucked to the polls to vote for whom they were told, as some critics alleged—and military dictatorship—with workers suppressed in political rights as well as fair wages—negatively outweigh the benefits of economic growth? Did Bolivia sell out to the United States and abort its social revolution in return for U.S. favors?

Political scientists have tended to answer these questions in a way that determines Bolivia's revolution to have failed. Christopher Mitchell has painted the Bolivian scene since 1952 as follows:

Although the MNR promised social and economic reform, the abolition of political privilege, and a nationalistic foreign policy, the party was unable to sustain these efforts beyond an initial period of achievement. Instead, within five years after vaulting to power in 1952, the "multi-class" party's policies had become socially divisive, leaving Bolivia internationally vulnerable. In my view, this turnabout resulted from the MNR's underlying identification with Bolivia's middle class—a class which turned conservative once its most basic objectives were achieved in 1952-53.

By the same token, [we can see] new emphasis on the political continuity between the MNR's civilian populism and the military regimes which have ruled Bolivia since 1964. As for interrupting basic trends in the Andean nation's political life, the 1964 coup can now be seen clearly as the transition to an even more vigorous and rigid middle-class domination than existed before. In addition, it seems that Bolivia's inheritance from the MNR period—bitterness among politically-mobilized groups, and a difficulty in forming broad-based political coalitions—will be among the major obstacles to political progress away from military authoritarianism.¹⁸

James Malloy has written of the "Uncompleted Revolution," but has not defined explicitly what the completed revolution would entail. Presumably urban and rural workers

Table 3804

INDEX OF PER CAPITA FOOD PRODUCTION, 20 L,
1953-76^a
(1961-65 = 100)

Country	1953 ^b	1961-65	1971	1976
A. ARGENTINA	98	100	98	116
B. BOLIVIA	66	100	110	124
C. BRAZIL	88	100	112	128
D. CHILE	102	100	105	92
E. COLOMBIA	105	100	102	106
F. COSTA RICA	123	100	134	140
G. CUBA	114	100	100	93
H. DOMINICAN REP.	108	100	104	98
I. ECUADOR	65	100	100	98
J. EL SALVADOR	~	100	105	110
K. GUATEMALA	97	100	112	123
L. HAITI	~	100	103	105
M. HONDURAS	102	100	117	107
N. MEXICO	78	100	110	104
O. NICARAGUA	~	100	115	109
P. PANAMA	90	100	123	113
Q. PARAGUAY	106	100	104	99
R. PERU	100	100	102	102
S. URUGUAY	124	100	88	106
T. VENEZUELA	82	100	120	124

- a. Includes cereals, vegetables, starchy roots, sugar, pulses, edible oil crops, nuts, fruits, livestock and livestock products, cocoa, and wine.
b. Includes also coffee, tea, and linseed not counted as food products after 1961.

SOURCE: UN, Food and Agricultural Organization, *FAO Production Yearbook*, Vols. 24 and 30 (Rome, 1970 and 1977), pp. 31 and 77, respectively. Index base standardized for 1961-1965 = 100. For data on individual Bolivian crops, see E. Boyd Wennergren and Morris D. Whitaker, *The Status of Bolivian Agriculture* (New York: Praeger, 1975).

¹⁸ Christopher Mitchell, *The Legacy of Populism in Bolivia: From the MNR to Military Rule* (New York: Praeger, 1977), p. vii.

would be the immediate beneficiaries who would run national affairs or at least receive redistributed income at the expense of the "bourgeoisie state capitalism" that emerged under the MNR. According to Malloy:

Under Paz [Estenssoro] the attempt was made, with heavy United States assistance, to achieve a solution to the revolution and begin a drive toward development in the image of an updated version of the older democratic bourgeois model. This drive included a power strategy directed at the regional, intersectoral, and intra-elite levels. First there was an attempt to replace anti-Paz caudillos with pro-Paz caudillos. Simultaneously, there was an attempt to "nationalize" the pro-Paz caudillos and the regions under their control, and to establish a national institutional presence through the military. At the intersectoral level, there was an attempt to make the peasants the mass base of the revolution by meeting both their objective and subjective (identity) demands. The peasants were then to be used in conjunction with the army to deny labor's demands for control and to push off onto that sector, at least temporarily, the major social costs of development. At the elite level, the attempt was to push aside the entrenched factionalized party elite and to bring into existence a new party elite. At the same time, the groundwork was laid to create a general middle-class elite trained for, committed to, and capable of presiding over a state capitalist developmental system.¹⁹

And Malloy continues:

One observer has aptly referred to the Bolivian experience as the "revolution at starvation level." Before the revolution of 1952, Bolivia was, with the exception of Haiti, the least-developed Latin American country. Aside from a few families, even the legendary Rosca was only moderately wealthy when compared to the ruling elites of Bolivia's sister republics. Old Bolivia, therefore, had very little to contribute to the new. After it was stripped, there just wasn't enough to meet the demands of social justice and economic development. As the saying current among the Bolivian middle class has it, "All this revolution did was to socialize poverty." Moreover, as the Cuban experience demonstrates, dependence on a single export product cannot be banished by revolutionary fiat. But whereas the Cubans could eventually (although with difficulty) fall back on a reorganized sugar industry, the Bolivians had little beyond empty mountains, antiquated mining

equipment, and an inflated work force.

Poverty and backwardness may create conditions which motivate men to rise up in violence. Such violent uprisings may successfully destroy the fabric of a pre-existent social order. But the question of "making the revolution" in the modern developmental context is a different kind of problem than the process of destroying the old. The modern revolution is a process of stripping previously dominant social groups (in some cases, not so dominant groups as well) and reorganizing them and their resources within a new political and economic framework with the avowed aim of national development. The ability to complete the process successfully depends, at least in part, on the previous level of development. The relative success of the Mexican and Cuban revolutions in institutionalizing new political economic models is undoubtedly related to the fact that both societies were among the more developed of Latin America when the revolutions occurred. The Bolivian case appears to demonstrate, on the other hand, that the prospects of completing a development-oriented revolution in countries below a certain level of development are, at best, extremely difficult.²⁰

In response to such bleak statements, it is necessary to ask whether or not political scientists do not tend to see political solutions as the first step in national development rather than viewing political growth as growing out of, or coterminously coming with, basic economic reorganization and often taking years to carry out. Also, social classes and traditions cannot be fully reorganized in even several decades. With regard to Bolivia, without education and communications for the dissemination of ideas, isolated populations can hardly participate in society with any understanding of issues or events. "Power to the people" is a fine concept if the people have a certain degree of education and some sophistication about the complexity of matters affecting them. Bolivia did not inherit such a population in 1952; rather, it has had to begin almost from the beginning to develop new generations who could staff the government and master complex technical processes necessary for Bolivia to compete in the modern world, be it in mining, smelting, petroleum development, agricultural extension, transportation, and so on. Twenty-five years is a short time to have made the gains that Bolivia has made, let alone to begin to break down social isolation by attempting to make all citizens fluent in the Spanish language—the basic language necessary to understand and protect legal rights as well as to generate effective cooperation between the country's regions.²¹

²⁰ Ibid., pp. 340-341.

²¹ Such a statement does not necessarily deny the desirability of government sponsorship of plural cultures. Problems of regional culture will have to be worked out as Bolivia attempts to provide

¹⁹ James M. Malloy, *Bolivia: The Uncompleted Revolution* (Pittsburgh: University of Pittsburgh Press, 1970), pp. 309-310.

Malloy admits that Bolivia started far behind Cuba and Mexico, Bolivia ranking as Latin America's poorest nation only a quarter of a century ago. How then can Bolivia be judged to have failed when, facing the same political problems of Cuba and Mexico, i.e., one-party dominance and repression of dissidents,²² it has laid the basis for the diversified economy needed to compete in the twentieth-century world marketplace. Cuba has not escaped dependency on sugar as the primary export, and like Uruguay it faces immense problems in its lack of size and scarcity of resources. Moreover, the case of Cuba no longer stands as a model for many countries seeking independent national development—it has become as dependent, if not more so, on the Soviet Union than it ever was on the United States.

Mexico is more comparable to Bolivia, both in size and resources and also in ethnic makeup, but the former faces a population-growth problem that is grave indeed. Bolivia has accomplished much of what Mexico did, yet in a much shorter time. It took Mexico some seven years after its political revolution began in 1910 to get its plan of social reform into written form in 1917. It did not get real land reform until 1934, 24 years later. Oil was not expropriated until 1938. Agriculture did not recover for over 30 years after the 1910 revolution. And government sponsorship of new industry became full-fledged only in the 1940s and 1950s. Mexico today still has very unequal income distribution. Why demand full success from Bolivia in 25 years, then, that which Mexico could not accomplish in two or three times as long?²³

The Importance of U.S. Aid

Kenneth F. Johnson has argued that in spite of all the money spent by the U.S. Alliance for Progress, Latin America

basic literacy training for its scattered, rural Indian-speaking population which exists often completely or very much outside of modern technological society. Curiously, in the first quotation of Malloy above, Malloy seems not concerned with this issue, but with implicitly, if not explicitly, condemning Paz Estenssoro's attempt to establish central government authority at the expense of regional caudillos. In order to have prevented the imposition of a "democratic bourgeois model," would Malloy have had Paz Estenssoro not bring the regions under "national" control?

²² Bolivia is not as politically free as Mexico, which has regular elections to validate the continued resolution of Mexico's permanent crises by the Revolutionary Institutional Party (PRI), but it is more free politically than Cuba, which continues to hold thousands of political prisoners. On the case of Mexico, see James W. Wilkie, "Mexico: Permanent 'Revolution,' Permanent 'Crisis,'" *Los Angeles Times*, December 5, 1976, p. VIII-17. On the case of Cuba, see Norman Luxenburg, "Facts on [Cuban] Political Prisoners Ignored," *Times of the Americas*, June 7, 1978. According to James S. Landberg, political-economic officer of the U.S. Embassy in La Paz, in 1977 Bolivia had between 75 and 150 political prisoners—interview La Paz, July 13, 1977.

²³ Too, in light of democratic failure in such "politically advanced" countries as Chile and Uruguay, one may ask without condoning political dictatorship the following question: How can Bolivia be expected to have achieved more political development in a country

is presumably much worse off than if it had not accepted funds.²⁴ Such commentary implicitly raises a question as to whether or not U.S. aid has been responsible for the relative success of Bolivian growth portrayed in the present paper. In this vein, it could be argued that the United States provided aid costly to Bolivia after 1960 by shifting from grants to loans, loans that have helped place Bolivia in a heavy position of foreign indebtedness.²⁵ An additional point for argument is to what extent the thrust of U.S. aid always caused the Bolivian government to evade the issues of development.

In 1969 the author suggested that only about half of U.S. aid had every been expended on economic functions, thus not having taken up the developmental slack left by the fact that Bolivia had been locked into social as well as administrative, including military, expenditure since 1945 when Paz Estenssoro served as Minister of Treasury for President Gualberto Villarreal. Because U.S. and Bolivian expenditures had thereto never been published, both governments lived with the myth that the United States had put most of its aid into economic functions; in fact, both governments' expenditures tended to be frozen in non-economic activities.²⁶

Military Assistance

In two important ways the United States has supplied non-economic funds to help support the Bolivian military. First, as noted when discussing table 3800, U.S. outlay for non-military purposes freed Bolivian funds for use by the military. Table 3805 presents another view of that phenomenon, U.S. outlay amounting to 13.7 percent of Bolivia's military expenditure between 1957 and 1964, thereafter jumping to 89.3 percent. Second, U.S. funds were needed to cover Bolivian central government deficit spending; thus the United States provided direct budgetary support amounting to 22.8 percent of Bolivian central government expenditures in the years 1957-1964; thereafter it declined to 12.4 percent. Indirectly, if not directly, U.S. funds, therefore, released Bolivian funds so that the military's percentage of central

of less education and economic amenities than its "advanced" neighbors where democracy failed in the 1970s?

²⁴ Kenneth F. Johnson, "Research Perspectives on the Revised Fitzgibbon-Johnson Index of the Image of Political Democracy in Latin America, 1945-1975," in James W. Wilkie and Kenneth Ruddle, eds., *Quantitative Latin American Studies: Methods and Findings* (Los Angeles: UCLA Latin American Center Publications, 1977), p. 90.

²⁵ This problem is not as serious as the author envisaged that it might become in earlier writings. Appendix F shows that by 1976 the ratio of Bolivia's external debt service to value of exports was only 16.7 percent, up from 11 percent in 1970, but down from 27.6 percent in 1960. In 1976 the record compared favorably to five countries with higher percentages, three of which had ratios of 30 percent or more.

²⁶ See James W. Wilkie, *The Bolivian Revolution and U.S. Aid Since 1952* (Los Angeles: UCLA Latin American Center Publications, 1969), and Wilkie, "Public Expenditure Since 1952"; with regard to expenditure of aid by function, the former work examines in Table 3 the role of AID per se, whereas the latter defines it in the same terms as table 3800, column A, here.

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Table 3805

BOLIVIA ACTUAL MILITARY EXPENDITURE AND CENTRAL GOVERNMENT BUDGETARY SUPPORT AS SHARE OF U.S. OUTLAY, BY PERIOD, 1957-76

Period	Number of Years in Period	Bolivia Military Expenditures		Central Government Budgetary Support by the United States	
		Million Dollars ¹	% of Total U.S. Outlay ²	Million Dollars ³	% of Total U.S. Outlay ²
1957-1964	8	33.4	13.7	55.8	22.8
1965-1976	12	304.5	89.3	42.4	12.4

1. Calculated from Appendix A, column D.
2. Calculated with data in table 3800, column A: total U.S. dollar outlay 1957-1964, 244.5 million; 1965-1976, 341.0 million.
3. Data are from James W. Wilkie, *The Bolivian Revolution and U.S. Aid Since 1952* (Los Angeles: UCLA Latin American Center Publications, 1969), p. 12; and AID/Bolivia, Comptroller's Office.

government funds could rise from Bolivia's historical low of 6.7 percent in 1957 to about 14 percent by 1964 when the MNR fell from power, as can be seen in Appendix A. In 1965, after the military coup, the military share of central government expenditure jumped to over 18 percent in that one year alone. Although this percentage declined to 13.4 percent in 1971 (giving substance to the fears of many generals that the country's workers would gain at the expense of the military), once leftist military officers were eliminated from command, the military share of the budget gained once more. That share reached 18.4 percent in 1975, the highest figure since the 1952 revolution.

In the past, most U.S. liberals would have assumed that if military expenditure went up after the MNR fell from power, the share of central government expenditure devoted to education would go down.²⁷ However, the military governments since 1965 have devoted a much greater share of central government expenditure to education than the MNR ever did. Under the MNR the annual percentage devoted to education ranged from 10 to 24 percent, the average being 16 percent. Under the military governments up to 1976 the percentages ranged from 21 to 32 percent, the average being 27 percent. (See Appendix A, column E.)

Given these apparently contradictory patterns, what is to be made of U.S. aid that has at once helped both the militarymen and the student-traditional enemies. And although it appears that U.S. outlay to Bolivia increased after the MNR fell (the MNR received an average of 23.8 million dollars per year compared to the military's receipt of 28.4 million per year, as table 3806 shows), once inflation is accounted for, the average U.S. outlay declined from 22.7 to

²⁷ For an important test of U.S. liberal views in another case, see Enrique A. Baloyra, "Democratic versus Dictatorial Budgeting: The Case of Cuba with Reference to Venezuela and Mexico," in James W. Wilkie, ed., *Money and Politics in Latin America* (Los Angeles: UCLA Latin American Center Publications, 1977), chapter 1.

Table 3806

REAL U.S. ACTUAL OUTLAY TO BOLIVIA, BY PERIOD, 1948-76

Period	Number of Years in Period	Millions of Dollars		Millions of Real Dollars ¹	
		Total	Average	Total	Average
1948-1951	4	19.4	4.9	20.2	5.1
1952-1964	13	309.9	23.8	294.8	22.7
1965-1976	12	341.0	28.4	241.4	20.1
Total	29	670.3	23.1	556.4	19.2

1. Dollars of 1951.

SOURCE: Calculated from table 3800 and Appendix A.

20.1 million dollars between the MNR period and the military period. In short, what one may easily assume to be "bad" about U.S. aid to Bolivia since 1965 is here seen to be complex. It is possible that the "good" aspects outweigh "bad" aspects as traditionally measured.²⁸

U.S. AID Advisors and Program Formulation

Another important dimension of the role of U.S. aid to Bolivia is the management activity of AID officials, many of whom have generally tried to foist their views on the host country. Whereas it may have been true in the 1950s that Bolivia lacked the trained manpower to administer the huge influx of U.S. funds during a time of national reorganization, by the 1960s the situation had begun to change. This change was not recognized by U.S. Ambassador Douglas Henderson, who felt that he himself had to partially govern the country

²⁸ Cf. Marcel Quiroga Santa Cruz, *El Saqueo de Bolivia* (Buenos Aires: Ediciones de CRISIS, 1973).

during his term from 1963 to 1968.²⁹ This attitude was finally reversed by U.S. Ambassador William P. Stedman, who served from 1973 to 1977. Stedman brought an end to U.S. advisory services to Bolivia on development of planning, tax reform, public administration, reorganization, etc.³⁰

"Advisory activities" by U.S. officials had long abused Bolivia's hospitality by compromising the country's national integrity. By claiming to carry out U.S. congressional mandates with regard to administration of U.S. assistance, AID officials too often implemented programs in ways that were counterproductive for both Bolivia and the United States. Some officials meddled at will in Bolivian affairs to impress their own biases on projects. They threatened to hold up U.S. funds for the projects unless their own petty demands were met. Only in this way could some AID officials prove to themselves that they were "managing" U.S. assistance to Bolivia. Their behavior showed an insecurity caused, in part, by frequent and sudden transfers from job to job or country to country.

A case in point is the U.S. technical assistance in the development of Bolivian sheep and wheat production, as reported by members of the Utah State University technical mission to Bolivia, who found their efforts impeded by AID. According to E. Boyd Wennergren and Morris D. Whitaker, the programming of U.S. investment in technical assistance resulted in this case in a serious misallocation of resources. Between 1967 and 1969 sheepshearing and wool-marketing programs had been introduced by Utah State with relative success and by 1975 new livestock management practices had been proven, and the estimated rate of return on investment was 44.1 percent. But AID officials were more interested in wheat production, despite warnings by Utah State that scarce resources could not be used with much success. In the words of Wennergren and Whitaker:

Early in 1966, contract consultants thoroughly studied the economic and agronomic potential for a wheat program. They concluded such a program would encounter serious difficulties because production of wheat was clearly uneconomic compared with other crops. . . .

Despite the pessimistic 1966 report of the consultants, the wheat project was added to the technical assistance program late in the same year. Then, in 1969, the AID mission director and rural development officer were changed; shortly there-

after, the wheat project was significantly expanded without adequate testing of *campesino* acceptance of improved varieties or the probability of their widespread diffusion. We have argued elsewhere that rotation of AID personnel tends to promote changes in program emphasis. . . . Bolivia is a case in point. The contract focus on wheat was precipitately increased relative to sheep, and \$1.8 million was spent on the wheat project between 1970-1973 compared with \$.4 million in the previous four years. . . .

[Thus], Bolivian society suffered real losses due to the initial decision to invest in the wheat project, especially because of greatly increased emphasis on this program in preference to the much more successful sheep project. In essence, the return to total U.S. investment was reduced by investment in the wheat project.³¹

The rate of return on investment on the wheat project is estimated to have been a negative 47.5 percent.

A case with which the author is personally familiar took place in 1977 long after Ambassador Stedman's attempt to stem the power of petty officials: a lower-echelon AID officer, newly arrived in Bolivia, immediately embarrassed himself and AID in Washington by attempting to force his will upon a proposed independent assessment of activity by earlier AID-sponsored mobile land brigades. The assessment was to be undertaken by an outside non-AID authority and had the support of U.S. officials in Washington and Bolivian officials in La Paz. The newly arrived AID official had been so busy unpacking his belongings that he did not have time to acquaint himself with negotiations for the proposal by the time he met with Bolivia's director of land reform. He noted, however, that he would approve of funding the project only if it were completed in seven months rather than in twice that time. His reason was ingenuous to say the least: any project taking over seven months is academically oriented rather than practically oriented. Although he recognized that the assessment was for evaluative purposes and not for immediate implementation, he held to his position on the grounds that, because most of past AID programs essentially had failed, there was no reason to study them. Thus, at once

³¹ E. Boyd Wennergren and Morris D. Whitaker, "Social Return to U.S. Technical Assistance in Bolivian Agriculture: The Case of Sheep and Wheat," *American Journal of Agricultural Economics*, 59, (1977), 568. These authors also noted (p. 568) the 1968 view of consultant Delworth B. Gardner that "a significant reduction in Bolivia's relatively large imports of wheat is possible within a ten-year period if improved varieties, which have produced relatively high yields under experimental conditions in Bolivia, could be generally extended to farmers. His analysis indicates that, for wheat to become competitive with other crops, yields at the farm level have to double. Also, land area in wheat would have to double, and more than 80 percent of all land in wheat would have to be planted to improve varieties in order for imports to be reduced by 50 percent in ten years." For some examples of AID success, however, see Cornelius Zondag, *The Bolivian Economy, 1952-1965* (New York: Praeger, 1966), Chapter 16.

²⁹ Interview by Edna Morzón de Wilkie and the author with Douglas Henderson, Los Angeles, June 24-25, 1970. Henderson said that by 1964 Paz Estenssoro had completely politicized the Bolivian scene to the detriment of the country; thus in his view Paz's fall in the 1964 military coup by General René Barrientos was justified, especially because Barrientos was "personally stable, aware of economic complexities, and politically open to resolve the country's problems." According to Henderson, Paz Estenssoro, who rose to power after years of conspiring to overthrow the old regime, always continued to live with a mood of suspicion, being distrustful of others and always balancing potential competitors against each other.

³⁰ Interview with James S. Landberg, La Paz, July 13, 1977.

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he not only had insulted implicitly the Bolivian official involved but AID as well. The AID official was transferred out of Bolivia within weeks, demands elsewhere needing his "expertise."

"The Imperative of AID to Fail"

This case of the instant AID expert who sees most aid as having failed is instructive because it reveals an unwritten rule that guides many AID officers. Such experiences are all too common and lead to the rule "The Imperative of AID to Fail." In practice, this rule promotes only the new programs of each succeeding AID bureaucrat. To some degree this rule stems from, and is reinforced by, a bureaucratic phenomenon wherein officials rise in rank by coming up with new programs. Once a new program gets underway it becomes almost immediately an old one; and with transfer of officials the new ones have more interest in developing new projects than in implementing somebody else's old ideas. If past and present AID programs are doomed from the start, then, why bother to evaluate them. Hence, AID is famous for being an "agency without a memory."

The odd things about the 1977 case discussed above, however, is that AID in Washington had intended to overcome some of its memory problems by evaluating AID-sponsored land reform throughout the world. Bolivia being one major case, but its plan was circumvented by a lower-echelon figure who was only temporarily in Bolivia. Too, the AID mission director was cool to assessment on the grounds that any Washington-generated evaluation would have to be managed by AID in Bolivia, even if Washington did not want it to be managed. Lost in all of this was the fact that Bolivian land reform had not failed at all; rather its mixed results and the work of AID's mobile titling brigades awaited (and still await) evaluation.

As in AID-sponsored land reform, most AID programs cannot be said to have failed. Still, if mixed results have been the hallmark of AID's programs, can we say that Bolivia has benefited from U.S. assistance? In the author's view, the answer is affirmative. U.S. assistance with all of its problems has helped Bolivia over several major developmental hurdles and helped to buy the time necessary for Bolivia's economy to grow into a diversified, self-sustaining force. But no single factor—be it the United States, the Bolivian government, or the Bolivian private sector—has been responsible for the country's expanding national economic base. All have been necessary to place Bolivia in a new position from which to tackle unresolved political and social problems.

Conclusion

Various U.S. leaders have said in the past that U.S. aid cannot continue forever, yet it has never been curtailed. At what point does U.S. aid become irrelevant?

On the basis of evidence presented here, it is concluded that U.S. aid is certainly not as important as it once was. Its

importance in the Bolivian economy has declined to a pre-revolutionary low, less than 10 percent of central government expenditure and only about 1 percent of Bolivian GDP, as observed in table 3801. If there was ever a time to end U.S. assistance to Bolivia, that time would appear to be near. The relative lack of importance of such aid was highlighted July 21, 1978, when President Banzer was overthrown by his hand-picked successor, General Juan Pereda Asbún, whose election "victory" of July 9 had been annulled by the country's electoral court. Although President Carter had made continued U.S. aid contingent upon free and honest elections,³² such assistance was no longer crucial to Bolivia, let alone to ousted military leaders. True, U.S. cancellation of 14 million dollars in 1978 for the Bolivian military may have been a blow to the Bolivian general staff as a whole,³³ thus encouraging self-serving officers to move the military out of politics, but the United States must realize that past military funding ahead has distorted seriously the U.S. role in Bolivia. As revealed in table 3800, the Bolivian military received U.S. funds equal to over one-third of total U.S. outlay. Such massive funding can serve only two purposes: to create a Bolivian army capable of crushing "democracy" or to encourage Bolivian militancy for regaining its outlet to the sea lost to Chile in the War of the Pacific, 1879-1883.

To look at United States-Bolivian financial relations in a somewhat different light, Bolivia has gained the ability to become independent from the need for U.S. funds. The historical series given in tables 3800 and 3801 portray declining direct U.S. financial impact on the country. Such a situation is healthy for Bolivia in the sense that U.S. influence becomes less awesome, influence that always has attempted to promote the United States' own best interests. How can those interests be justified as involving military funding on a scale that hampers civilian control of the country?

A convincing case can be made for ending U.S. aid to Bolivia by the 1980s. To avoid still possible "withdrawal pains" and a return to the political chaos of 1971, it could be argued that U.S. outlay aid should be phased out in three steps. First, end permanently all direct military funding—If Bolivia chooses to use funds released by U.S. non-military assistance for the military, that is a matter of Bolivian priorities. Second, recall all AID officials except those involved in audit and statistical gathering functions—Bolivia now has enough técnicos to work out its problems without meddling U.S. AID middlemen who continue to stand

³² Shirley Christian, "Bolivia Awaits Reaction to Coup," *Idaho Statesman* (Boise), July 24, 1978. According to Christian, the United States had approved an 85 million dollar aid package when Banzer was wavering on elections, then stopped the signing of the agreement until the new government could be elected and installed. The U.S. Department of State/Washington Bolivia Desk officer, however, was unaware of such an agreement (telephone conversation, Nov. 13, 1978).

³³ The figure is from the *Los Angeles Times*, August 9, 1978. According to the U.S. Department of State/Washington Bolivia Desk (telephone conversation November 13, 1978), although 1978 military assistance was suspended, it may be renewed for 1979.

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between U.S. and Bolivian developmental policy goals.³⁴ Third, in the near future gradually reduce U.S. expenditures to Bolivia, however, a total end to aid need not be the final aim.

³⁴ It can be argued that in agriculture Bolivia is short of technobureaucrats and administrative efficiency and that the country has failed to build a fertilizer plant, but U.S. government technicians have not helped this situation much either, as we saw in Utah State University problems with AID. Bolivia would be better off contracting directly with foreign experts rather than using AID officials as brokers to do so. In any case, some countries such as Mexico, Cuba, and the Soviet Union seem to have an imbalance of *técnicos* in urban compared to rural affairs; thus the problem does not seem to be uniquely a Bolivian one.

In conclusion, it is the contention of this paper that U.S. policy and actual expenditures in Bolivia between 1948 and 1976 helped that country—by accident or by design—to modernize its social and economic infrastructure. Now that the impact of U.S. outlay has declined in the face of Bolivia's growing economic power and Bolivian technical manpower has reached relatively strong levels, it is time to phase out the majority of U.S. officials, if not funding. In the meantime, it must be recognized that Bolivia's formerly pessimistic situation has taken on optimistic overtones. In the 1970s Bolivia has achieved for the first time in its history the economic possibility of supporting new social and political change.

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APPENDIX A
FACTORS FOR ANALYZING BOLIVIAN DEVELOPMENT, 1948-76

Year	A.	B.	C.	D.		E.	
	U.S. Export Price Index (1951 = 100)	Real U.S. Total Outlay to Bolivia Millions of Dollars of 1951	Real Bolivian Trade Balance ¹ Millions of Pesos	Bolivian Actual Expenditure Millions of Pesos	Military Expenditure Millions of Dollars ²	Bolivian Central Government Actual Expenditure Military	Education %
1948	97	6.6	45.5	.4	4.4	22.9	22.5
1949	91	4.0	27.1	.5	4.2	26.2	20.2
1950	87	1.7	44.1	.6	4.6	25.8	22.0
1951	100	7.9	64.8	.9	4.3	24.7	20.6
1952	99	6.0	49.2	1.0	3.6	23.0	23.7
1953	99	4.7	45.1	1.2	1.3	13.7	18.8
1954	98	15.1	34.7	1.7	.9	11.4	16.9
1955	99	12.5	20.2	3.3	.8	12.8	16.0
1956	102	27.1	22.9	6.7	.9	8.7	22.0
1957	105	26.9	7.0	18	2.2	6.7	9.7
1958	105	24.7	-14.1	28	2.9	8.6	12.3
1959	105	22.1	12.0	38	3.2	10.6	13.6
1960	106	16.9	-3.4	39	3.3	10.9	15.7
1961	108	16.0	-1.4	51	4.3	12.3	14.4
1962	107	28.3	-19.4	61	5.1	13.5	15.8
1963	107	37.0	-15.8	68	5.7	13.5	17.1
1964	108	57.5	10.3	80	6.7	13.9	15.8
1965	112	20.9	-1.8	140	11.8	18.3	21.0
1966	113	19.2	10.6	141	11.9	18.0	24.4
1967	117	22.8	13.1	143	12.0	15.5	31.4
1968	119	29.7	14.9	144	12.1	14.1	31.0
1969	123	16.7	27.0	153	12.9	14.7	32.4
1970	130	30.9	51.1	197	16.6	15.8	30.0
1971	134	17.0	34.6	187	15.7	13.4	30.2
1972	138	33.3	39.9	272	20.6	14.8	26.4
1973	160	15.3	68.1	492	24.6	17.4	24.7
1974	204	11.7	127.7	839	42.0	16.1	25.1
1975	229	8.1	-15.9	1,157	58.0	18.4	23.4
1976	238	15.8	24.5	1,325	66.3	16.6	23.1

1. Exports and imports on CIF basis, except imports FOB through Sept. 1954.

2. Converted with exchange rate given in table 3801, above.

SOURCE:

A. James W. Wilkie and Peter Reich, eds., *Statistical Abstract of Latin America*, Vol. 19 (Los Angeles: UCLA Latin American Center Publications, 1978), table 2506, base converted here. See also James W. Wilkie, *Statistics and National Policy* (Los Angeles: UCLA Latin American Center Publications, 1974), p. 80.

B. Data in column A in table 3800, above, divided by data in column A, here.

C. Data in the following sources divided by data in column A here: Wilkie, *Statistics and National Policy*, p. 80; Bolivia, Banco Central, *Boletín estadístico*, Sept., 1976, p. 54; and International Monetary Fund, *International Financial Statistics*, Feb., 1978.

D-E. James W. Wilkie, *The Bolivian Revolution and U.S. Aid Since 1952* (Los Angeles: UCLA Latin American Center Publications, 1969), Appendix N; AID/Bolivia, *Estadísticas económicas*, Vol. 14, p. 33; Bolivia, Banco Central, *Memoria*, p. 24-B; and Bolivia, Banco Central, *Boletín estadístico*, March, 1977.

APPENDIX B

ALTERNATIVE ESTIMATES OF CHANGE IN
BOLIVIAN GDP, 1946-76
(Constant Prices of 1970)

Year	PC	
	A.	B.
	Estimate by ECLA	Estimate by IMF
1946	1.8	~
1947	1.7	~
1948	2.1	~
1949	2.1	~
1950	2.1	~
1951	7.1	~
1952	3.0	~
1953	-9.5	-9.5
1954	2.1	2.1
1955	5.3	5.3
1956	-5.9	-5.9
1957	-3.3	-3.3
1958	2.4	2.4
1959	-.3	-.3
1960	4.3	4.3
1961	2.1	1.3
1962	5.6	2.4
1963	6.4	6.8
1964	4.8	4.0
1965	4.9	4.6
1966	7.2	7.2
1967	6.2	6.3
1968	8.5	8.4
1969	4.5	4.6
1970	5.2	5.3
1971	3.8	3.8
1972	5.1	5.9 ^a
1973	6.9	6.9
1974	6.7	6.1
1975	6.8	5.5
1976	6.9	6.5

a. Revised series begins, and converted to 1975 prices.

SOURCE:

- A. UN, Comisión Económica para América Latina (ECLA), *Serie históricas de crecimiento de América Latina* (Santiago: Cuadernos estadísticos de la CEPAL, 1978). pp. 15-19. Estimated on dollar basis.
- B. James W. Wilkie and Peter Reich, eds., *Statistical Abstract of Latin America*, Vol. 19 (Los Angeles: UCLA Latin American Center Publications, 1978), table 2203, updated with revisions since 1972 calculated from International Monetary Fund, *International Financial Statistics*, Oct., 1978. Estimated on peso basis.

APPENDIX C

VALUE OF VOLUME OF BOLIVIAN TIN
EXPORTS, 1948-77

Year	Millions of Dollars	Index: 1975 = 100	
		Unit Value ¹	Volume
1948	80.2	32	154
1949	72.8	32	140
1950	63.4	30	129
1951	93.4	40 ^a	135 ^a
1952	84.7	38	129
1953	72.6	30	142
1954	60.1	30	118
1955	57.3	29	114
1956	59.2	32	110
1957	57.4	30	113
1958	36.4	29	72
1959	52.9	32	98
1960	42.9	32	79
1961	50.6	35	84
1962	54.0	36	88
1963	57.3	36	93
1964	80.9	48	98
1965	93.0	56	97
1966	93.3	52	105
1967	90.9	48	110
1968	92.5	46	118
1969	102.5	50	120
1970	108.1	56	112
1971	105.9	51	122
1972	113.5	54	122
1973	131.0	66	114
1974	230.1	116	116
1975	171.4	100	100
1976	216.1	110	115
1977	326.9	152	124

1. Unit value equals reported value data divided by reported volume data.

a. Change in methodology.

SOURCE: International Monetary Fund, *International Financial Statistics*, Supplement 1972, May 1976, May 1977, May 1978, and Oct. 1978. Index base standardized for 1975 here.

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APPENDIX D
**VOLUME AND VALUE OF BOLIVIAN CRUDE PETROLEUM
 AND NATURAL GAS EXPORTS, 1955-77**

Year	Crude Petroleum			Natural Gas		
	Millions of Dollars	Index: 1975 = 100		Millions of Dollars	Index: 1975 = 100	
		Unit Value ¹	Volume		Unit Value ¹	Volume
1955	1.7 ^a	27	6	--	--	--
1956	1.9	26	6	--	--	--
1957	3.6	26	12	--	--	--
1958	4.3	28	14	--	--	--
1959	3.1	25	11	--	--	--
1960	3.4	25	12	--	--	--
1961	1.9	22	8	--	--	--
1962	1.3	19	6	--	--	--
1963	1.6	23	6	--	--	--
1964	.6	19	3	--	--	--
1965	.7	19	3	--	--	--
1966	6.5	17	35	--	--	--
1967	22.9	17	121	--	--	--
1968	24.3	17	125	--	--	--
1969	23.0	18	117	--	--	--
1970	13.2	22	55	--	--	--
1971	23.9	22	99	--	--	--
1972	31.7	22	128	9.9 ^b	36	65
1973	48.9	32	139	18.1	42	101
1974	163.9	117	126	29.2	69	99
1975	111.4	100	100	42.5	100	100
1976	112.6	107	94	54.9	128	101
1977	67.4	115	53	66.8	149	105

1. Unit value equals reported value data divided by reported volume data.

a. Crude petroleum exports did not round to 1 million dollars prior to 1955.

b. Natural gas exports did not round to 1 million dollars prior to 1972.

SOURCE: International Monetary Fund, *International Financial Statistics*, May 1971, May 1978, Oct. 1978. Index base standardized for 1975 here.

APPENDIX E

**U.S. PUBLIC LAW 480 FOOD ASSISTANCE
TO BOLIVIA,¹ 1955-77**
(Actual Expenditure)

Fiscal Year	Millions of Dollars
1955	6.2
1956	6.5
1957	2.1
1958	0
1959	.2
1960	.2
1961	.3
1962	6.0
1963	10.5
1964	11.1
1965	6.4
1966	6.8
1967	7.0
1968	4.3
1969	4.1
1970	6.2
1971	2.1
1972	6.2
1973	3.0
1974	15.1
1975	4.8
1976	4.9
1977	6.3

1. Data included in table 3800, column B, above.

SOURCE: James W. Wilkie, *Statistics and National Policy* (Los Angeles: UCLA Latin American Center Publications, 1974), p. 369; and U.S. Department of Agriculture, Economic Research Service, *Foreign Agricultural Trade of the United States*, April 1976, March 1977, and Jan. 1978.

APPENDIX F

**RATIO OF LATIN AMERICA EXTERNAL DEBT
SERVICE TO VALUE OF EXPORTS OF
MERCHANDISE AND SERVICES,
20L, 1960-76**

Country	(%)		
	1960	1970	1976
A. ARGENTINA	20.5	21.7	18.3
B. BOLIVIA	27.6	11.0	16.7
C. BRAZIL	38.7	14.3	15.2
D. CHILE	14.2	18.7	33.0
E. COLOMBIA	13.9	11.8	9.5
F. COSTA RICA	4.8	10.0	9.4
G. CUBA	~	~	~
H. DOMINICAN REP.	~	5.1	6.1
I. ECUADOR	7.1	8.9	5.8
J. EL SALVADOR	2.6	3.5	4.2
K. GUATEMALA	1.5	7.4	1.9
L. HAITI	3.6	7.5	8.6
M. HONDURAS	2.8	3.0	6.3
N. MEXICO	15.5	24.1	33.2
O. NICARAGUA	3.8	10.6	12.3
P. PANAMA	1.6	7.6	12.2
Q. PARAGUAY	6.8	11.2	9.0
R. PERU	10.5	13.7	21.6
S. URUGUAY	5.8	21.7	29.5
T. VENEZUELA	4.4	2.9	4.1

SOURCE: Inter-American Development Bank, *Economic and Social Progress in Latin America* (Washington, D.C., 1977), p. 440.

APPENDIX G

U. S. AMBASSADORS TO BOLIVIA, 1946-77^a

Assumption of Office	Name
April 27, 1946	Joseph Flack
November 19, 1949	Irving Florman
December 14, 1951	Edward J. Sparks
October 11, 1954	Gerald A. Drew
March 28, 1957	Philip W. Bonsal
April 8, 1959	Carl W. Strom
June 24, 1961	Ben S. Stephansky
December 3, 1963	Douglas Henderson
September 3, 1968	Raúl Héctor Castro
November 19, 1969	Ernest V. Siracusa
October 3, 1973	William P. Stedman
October 14, 1977	Paul H. Boeker

a. For prior years from 1928, see James W. Wilkie, *The Bolivian Revolution and U.S. Aid Since 1952* (Los Angeles: UCLA Latin American Publications, 1969), p. 77.

SOURCE: U.S. Embassy/La Paz and U.S. Department of State/ Washington Bolivia Desk.