Anti-capitalism or anti-imperialism? Interwar authoritarian and fascist sources of a reactionary ideology: The case of the Bolivian MNR

Loren Goldner's detailed account and analysis of the Bolivian Revolutionary Nationalist Movement (MNR) which was the key player in the 1952 national revolution, and which was supported by the left despite its pro-fascist, corporatist tendencies.

Abstract

The following recounts the evolution of the core pre-MNR intelligentsia and future leadership of the movement and its post-1952 government from anti-Semitic, pro-fascist, pro-Axis ideologues in the mid-1930′s to bourgeois nationalists receiving considerable US aid after 1952. The MNR leadership, basically after Stalingrad, began to "reinvent itself" in response to the impending Allied victory, not to mention huge pressure from the U.S. in various forms starting ca. 1942.

However much the MNR purged itself of its "out-of-date" philofascism by the time it came to power, I wish to show it in the larger context of the top-down, state-driven corporatism that developed in key Latin American countries in this period, specifically Argentina, Brazil and (in a different way) Mexico through the Cardenas period.

The following is a demonstration that, contrary to what contemporary complacent leftist opinion in the West thinks, there is a largely forgotten history of *reactionary* populist and "anti-imperialist" movements in the underdeveloped world that do not shrink from mobilizing the working class to achieve their goals.

This little-remembered background is all the more important for understanding the dynamics of the left-populist governments which have emerged in Latin America since the 1990's.

Introduction

The following text is a history and analysis of the fascist and proto-fascist ideologies which shaped the pre-history and early history of the Bolivian MNR (Movimiento Nacional Revolucionario) from 1936 to its seizure of power in 1952.

Friends and comrades who know of my brief (two week) visit to Bolivia in fall 2010 have generally been expecting the text to be a critique of the contemporary government of Evo Morales and the MAS (Movimiento al Socialismo). That was in fact part of my intention in going there, but the enormity of the task, the brevity of my visit and my experiences there began to alter that plan after I returned to the U.S. My momentum in writing about the present was also undercut by the discovery of the excellent articles of Jeffery Webber on Morales's neo-liberal economic policies since coming to power, based on much more in-depth research and a much longer involvement in Bolivia itself than mine, saying more or less exactly what I intended to say, and more[1]. Finally, in past writing about different countries (e.g. Portugal, Spain, Korea) an indispensable aid has always been finding "my crowd" in such places, and while I met many excellent people who gave freely of their time and knowledge, this did not occur in Bolivia.

But the impulse behind the direction the article finally took lies deeper. Long ago I was deeply influenced by the book of Jean-Pierre Faye, Langages totalitaires (published in France in 1972, and still outrageously not translated into English) which describes the "oscillation" between the elements of the far left and the far right in Germany between 1890 and 1933 (personified in the figure of Karl Radek), the "red-brown" crossover between nationalism and socialism that ultimately produced …National Socialism and its more radical spinoff, the National Bolsheviks. These various "Trotskyists of Nazism" (such as those most famously associated with the "red" wing of the Nazi Party led by the likes of Ernst Roehm and Gregor Strasser) were massacred by Hitler's SS along with hundreds of others on the "Night of the Long Knives" in 1934. (Faye hints briefly in an afterward at a "National Bolshevik" moment in Bolivia, though in the 1970's, not in the period leading up to the MNR revolution of 1952.) There was the further enticing hint of the very same Ernst Roehm's two-year presence in the Bolivian Army High Command in the late 1920's, which in fact turned out to confirm my early working hypothesis in spades. Finally, I noticed that even the best treatments of the early MNR founders gave short shrift to their fascist moment.

Lacking access to "my crowd" in Bolivia (if it in fact exists), I had to fall back on books and whatever discussions came up. Almost immediately I encountered what would be a main, and troubling, theme of the trip: the apparently widespread belief that Marxism, class, capitalism and socialism were "Eurocentric" concepts, to which the "plurinational", "pachakuti"[2] higher synthesis of "European" and "Andean-Amazonian" cultures—essentially the ideology of the regime– was the real alternative. It seemed on further inquiry to be a local variant of the identity politics that had overwhelmed much of the Western left after the defeat of the upsurge of the 1960's and 1970's.

While this is indeed the ideology of the Morales regime and is articulated by staffers, foreign and local, of the swarm of NGOs from which the regime seems to have drawn many of its personnel, I first heard it from the intellectually-inclined manager of a La Paz bookstore, where I was buying volumes of the Trotskyist Guillermo Lora's highly useful (if politically not fully reliable) history of the Bolivian working class. What was particularly troubling about this "discourse" (to use a loathsome word from contemporary faddish jargon) was the utter caricature of the West to which the indigenous side of the synthesis was counterposed. It was as if, in these people's experience, 1950's Soviet-type Zhdanovian "Marxism" was all

they had ever encountered. Marxism was “linear” “developmentalist” and hardly different epistemologically from Newton and Descartes3.

Octavio Paz once described Latin America as the “suburbs of history”, trapped for geopolitical reasons in something of a backwater. I would not want to exaggerate this, particularly since, in the law of combined and uneven development, today’s apparent backwater can be tomorrow’s cutting edge. But in conversations with militants in Bolivia and then Peru (where I also spent a week in fall 2010) it emerged that almost no one had ever heard of Marx’s Ethnographic Notebooks, Rosa Luxemburg’s extensive writings on pre-capitalist societies (in her Introduction to Political Economy4), the Grundrisse (though it was translated into Spanish in 1972), Ernst Bloch, Korsch, Lukacs, the Hegel Renaissance in Marxism generally, I.I. Rubin, Bordiga, German- Dutch council communism, the Socialism or Barbarism group, Guy Debord, Camatte, Dauvé , CLR James or many other figures one could mention from the ferment in the West since the 1950’s. Rosa Luxemburg seemed little known, and even Trotskyism (the major current of the Bolivian working class from the 1940’s to the 1980’s) seemed to have been largely eclipsed by the perspective of “social movements” and pluri-nationality. (In Peru, the left is dominated by Stalinism and Maoism, with Trotskyism a poor third; the Shining Path movement is making a comeback with guerrilla action in the countryside and a significant urban base of supporters.)

Much could be said about this, and since I was little more (where Andean South America is concerned) than a better-informed-than- average tourist, I hesitate to press very far. In addition to the Aymara and Quechua majority, there are approximately 35 identified “ethnicities” in Bolivia, such as the Guarani in the Amazonian region. One Aymara woman in Cochabamba told me “yes, I was an anarcho-Marxist militant for a number of years, but then I realized that these were Eurocentric ideas”. When I countered, hoping to draw her out, that a large number of the Trotskyist miner militants from the 1940’s to the 1980’s had been Quechua or Aymara, she replied that, “yes, that was true, but up until recently the left never talked about it. For the left, they were just workers.”

Clearly the turning point in modern Bolivian history and the backdrop to this ideological turn was the gutting of the mines under the mid-1980’s neo-liberal regime, in which 80% of Bolivia’s miners were laid off and dispersed around the country5. It was a rollback as great as Thatcher’s defeat of the British miners’ strike, at exactly the same time. Many of these miners did manage to re-establish themselves somewhat, particularly in the huge hard-scrabble exurb of El Alto, just above La Paz, where the 2005 gas war was centered and which was definitely strengthened by their earlier militant experience of mass struggle6.

One sad reality of the trip, however, was the absence from Bolivia, while I was there, of Oscar Oliveira, by all accounts a central self-effacing rank-and-file leader of both (2000 and 2003) water wars. Prior to 2000, he had been a militant in a shoe factory. His book, Cochabamba!7, contains his riveting account of the uprisings, which amounted to the constitution of a virtual soviet taking over the city and stopping the privatization of the local water works, a “social movement” that pulled in what seemed at times like almost the whole population. The savagery of the privatization law was such that, in addition to price increases sometimes amounting to 20% of family incomes, people with wells on their property were required to cap them, and it was illegal to trap rain water in a barrel.

Oscar Oliveira also made a scathing critique of the Morales government in August 20108, having been declared an “enemy” by Morales two years earlier. In summer 2010, he decided to withdraw from political activity, apparently deeply demoralized. At the time, he was the head of the Federación de Trabajadores Fabriles de Cochabamba, an association of one hundred workplaces in the city. When he submitted his resignation for personal reasons, it

was overwhelmingly rejected by the membership. At that point, Morales intervened, trying to get the MAS supporters in the organization to oust him. They refused, and instead the membership put Oliveira on a kind of leave of absence, welcome to return at any time. (He was apparently taking a personal trip to Europe.) Oliveira had refused Morales's offer of a ministerial position and all other perquisites, preferring (unlike many key figures of the 2000-2005 struggles) to stay with the base.

Though I missed the chance to meet Oliveira, Cochabamba was nonetheless where I had one of the outstanding encounters of the trip. I was in a local bookstore with a cultural anthropologist I had met, and she pointed to a big book: "You should read this. It's by a guy who broke with Morales even before he came to power". This turned out to be the above-cited book of Filemon Escobar, who from the 1950's onward was, with Guillermo Lora, the leading Trotskyist miner militant in Bolivia, where, as indicated, and unlike in all but a handful of other countries (Vietnam in the 1930's and 1940's, Ceylon (now Sri Lanka) up to the 1960's) Trotskyism was the dominant current of the mass workers' movement and Stalinism a miserable sect on the margins9. (Stalinism in Vietnam, of course, was unfortunately not a marginal sect.)

I was fortunate enough to meet Escobar shortly thereafter. I had read a good deal of his book, and my aim was above all to hear from someone with such a rich experience as a Marxist militant in the Bolivian workers' movement, over decades, how he had come to reject "Eurocentric" Marxism and embrace the "pachakuti". Escobar did me the great favor of showing me all the "underground" books on the indigenous question written over the past century, to which the radical left had been deaf and indifferent, and a fair number of which I read upon returning to New York. There is in fact a lineage of indigenous writers going back 200 years to Pazos Kanki, an Aymara who translated Thomas Paine ca. 1810. Another key figure is Pablo Zarate Willka, who led an indigenous insurrection of considerable proportions in 1899, in the middle of a civil war between two factions of the white elite, which ended in defeat for the indigenous forces and Zarate's execution (Willka is an Incan word meaning a kind of chief). Given my bent for uncovering German romantic populists and folklorists at the origins of authoritarian movements in developing countries10, Escobar did me the further favor of putting me on to the foremost Bolivian ideologue of such a sensibility, Franz Tamayo (1878-1956), an unabashed admirer of Fichte with years of experience in Wilhelmine Germany. The discovery of Tamayo, and from such a source, was the true beginning of the text that follows.

One key part of the pachakuti ideology, in Escobar's book and in the general movement, is the idea of "reciprocity", apparently the key to the Aymara and Quechua communities. Explained in simple language, it seems to mean (as Escobar put it) that you eat before I eat, and in reciprocity you make sure that I eat. Somehow, it didn't sound so different from the ethos of the primitive Christian communities. Similarly, shortly before his execution, Zarate Willka, (in a quote highlighted at the beginning of Escobar's book) had said: "With great feeling I order all Indians to respect the whites (…) and in the same way the whites must respect the Indians". Hard to disagree with, but a sentiment that one could have heard in any speech in the early civil rights movement in the U.S.

Closely tied to reciprocity in the indigenist ideology is the centrality of the ayllu, the pre-Columbian community that some have even elevated to assert that Incan society prior to the arrival of the Spanish was "communist". Decades of debate raged in the past over this question, which seems to have ebbed away in the grudging recognition that the Incan empire, which barely established itself one century before the arrival of Pizarro, had in fact been expansionist, and had crushed and enslaved populations of previous dominant groups in the Andean region from what is now Ecuador to Chile.

The cultural anthropologist who put me onto Escobar had this to say about the survival of the ayllu:

"The structure of the ayllu with its traditional authorities still persists, but within a much smaller territorial space than it was the case in pre-Columbian times, in some areas of the highland regions of Bolivia, mostly in the altiplano, northern and southern Potosi, the western highlands of Cochabamba and a few places in Chuquisaca. In some cases, the ayllu has been reconstituted in areas where it had ceased to exist after the law of popular participation of 1994.

The main problem with Filemon´s (and others) idea of using the ayllu as the building block to develop an Andean version of socialism is that it highly romanticizes social relations within the ayllu and/or community as if these were horizontal and equal, denying the social differentiation that exists within them since pre-Columbian times. This differentiation may be minimal within very poor regions."

In short, I found myself somewhere among the identity politics against which I had polemicized for some time, some Bolivian variant of the Russian peasant commune which fascinated Marx and Bordiga, and the "new Marx" emerging from previously unpublished (or unread) writings on cultures and movements on the margins of capitalism.11

My problematic, however, was populism as an anti-working class ideology and political reality. From the era (1930's to 1950's) of Peron in Argentina, Vargas in Brazil, or Cardenas in Mexico, nationalist populism as a statist, top-down movement, backed by the military, has turned a page. (The Bolivian MNR, in less developed circumstances where the military temporarily collapsed, presents a somewhat different dynamic.) The contemporary Latin American populism of Lula, Chavez or Morales is a "social movement" populism, much as, in Europe in the 1960's and 1970's, "worker self-management" replaced the older hierarchical unions as a form of working-class containment12.

One thread in the following text is the German ideological influence in Bolivia, from the Fichtean Tamayo, who first posed the "indigenous question" in 1910, to the Spenglerian Carlos Montenegro, the foremost theoretician of the MNR's "national revolution' against "foreign" influences, including Marxism. The shift from Latin America's authoritarian populism and corporatism, as it existed into the 1950's, to the more supple "social movement" populism of today, calls to mind a parallel shift before and after 1945 in two German theorists of the so-called "Conservative Revolution" with complicated relations to Nazism, Ernst Jünger and Martin Heidegger. Jünger's soldier-worker, the "storms of steel" on the Western front in the First World War, and technicist "total mobilization" of reality gave way after to 1945 to mythical musings about astrology as expessing "the need for metaphysical standards" and about "a revolt of the earth with the help of man". The hardened 1920's "decisionism" of Heidegger which led him into his involvement with the Nazi Party was replaced after World War II with poetic "Gelassenheit", or "letting Being be"13 and studies in the "history of Being".

This text, then, limits itself to the earlier, "Conservative Revolution" phase of Bolivian populist ideology, as it evolved from Franz Tamayo to Carlos Montenegro, and must necessarily leave the flowering the "Pacha Mama" (Mother Earth)/indigenist cover for the Morales-MAS neo-liberalism to others.

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Few people on the U. S. and European left today remember the Bolivian Revolution of 1952. Fewer still are aware of its history, and above all of the early (1930's, 1940's) fascist origins of the MNR (Movimiento Nacional Revolucionario14) which it brought to power. The

radical phase of the revolution was short enough, and its memory has faded, having been eclipsed for contemporaries by more recent developments in such countries as Cuba, Chile or Nicaragua. The rise and decline of the MNR, nonetheless, ranks with developments in Mexico (1910-1940) and Cuba (1958-) as one of the most important Latin American revolutions of the 20th century.

Of all of these Latin American revolutionary movements, however, the Bolivian MNR stands out as a prime example of the recycling of proto-fascist and fascist ideologies of the interwar period in "progressive" "anti-imperialist" form after 194515.

1. The Setting

Bolivia was and is, in the Americas, second only to Haiti in poverty. But much more than Haiti, it has been weighed down by the contrast between its rich endowment in raw materials (tin, oil, natural gas and, most recently, lithium) and the overall impoverishment of the country by foreign investment in those materials. Along with Peru, Bolivia inherits the complex and ongoing legacy of the pre-colonial Andean civilizations, present in its large Quechua and Aymara-speaking populations, as well as the thirty-odd smaller ethnicities in the Amazonian east of the country.

Remote, poor and landlocked as modern Bolivia may have been, its political and social evolution nonetheless fits the global pattern of the impact of German romantic populist nationalism in the process whereby conservative and fascist ideologies, initially spawned in Europe between 1870 and 1945, migrated to the semi-colonial and colonial world and were then re-imported by the Western left in suitably "anti- imperialist" guise.

Bolivia's history, in the eighty years preceding the MNR revolution, was a rude awakening to the world market dominated by Anglo-American imperialism. Its political system, like most political systems in Latin America between the 1870's and the 1929 world depression, was a restricted affair of two political currents, Republican and Liberal, both representing factions of the small elite which had wrested independence from Spain in 1825, and which was periodically elected, after 1880, by the narrow enfranchised sliver (2%) of the population. This elite in turn dominated the much larger mestizo and above all indigenous, overwhelmingly rural population which periodically expressed itself in local and occasionally national revolts, the fear of which shaped the elite's unabashed racism16.

One such failed nationwide indigenous revolt, associated with the name of Pablo Zarate (El Temible) (The Dreaded) Willka, took place in 1899, in the midst of a civil war (1898-99) in which the Liberals ended two decades of Republican domination and won control of the political system until 1920.

Republican or Liberal, the Bolivian elite hardly excelled in protecting national interests. Between 1879 and 1935, Bolivia lost a significant part of its national territory and its entire coastline in successive wars and conflicts with Chile (1879), Brazil (1903)17 and finally with Paraguay in the infamous Chaco War (1932-1935), the bloodiest engagement ever fought in Latin America in modern times and the real beginning of the ferment leading to the MNR revolution in 1952.

2. German Romantic Populism Comes to Bolivia

It is little appreciated today to what extent Germany, from the Kaiserreich to Nazism, influenced developments throughout the semi-colonial and colonial world, including Bolivia, prior to 1945. After its long-delayed national unification in 1870, and its stunning defeat of France (previously considered the dominant continental army) in the Franco-Prussian war of the same year, Germany began the long process of contesting Anglo-French and later

American dominance in the world economy. Being itself, as a latecomer, largely excluded from the imperialist land grab of the 1870's and 1880's, and having been compelled, in its own struggle to unify, to shake up the European balance of power built on the fragmentation of the Germanic lands since 1648, Germany up to 1945 could plausibly present itself in many parts of the world, to nations and nationalist movements under the heel of the dominant imperialist powers, as a supporter of "national liberation". Germany was, in that very real sense, the first successful "developing country"; its (initially) highly successful economic and military emergence made it a "model" for would-be developing countries everywhere, much in the same way that Japan (itself a star pupil of Germany) became such a model for Asia a bit later, and above all after World War II. But along with economic and military prowess, Germany increasingly attracted the attention of the semi-colonial and colonial elites with its stellar culture, a culture developed precisely in opposition to the dominant Anglo-French liberal paradigm from the Enlightenment onward. From Japan, Korea and China to the African Negritude movement, via the origins of Turkish and Arab nationalism, to the German immigrants and military advisors in Latin America, there is scarcely a part of the pre-1945 developing world that was untouched by attempts to imitate the "German model" in all its various dimensions.

In Bolivia, the 1880's saw the founding of the first commercial houses for German immigrants. German-Bolivian trade took off in that period with the sale of German heavy machinery and locomotives in exchange for Bolivian rubber. While British finance capital, funding above all railway construction, was still dominant over Germany in Bolivia, the Krupp and Mauser arms producers were already selling weaponry to most Latin American armies, including Bolivia's. Overall, from 1880 to 1920, Bolivia's foreign trade was expanding greatly. German trade there surpassed France's by 190018. By the 1890's, tin had replaced silver as Bolivia's main export, and by the 1930's the three largest "tin barons", known popularly as "La Rosca" and quite detached from the real life of the Bolivian masses, were the core of the dominant oligarchy19. In 1910, Bolivia was the world's second producer of tin.

By 1900, German (mainly Prussian) military officers were training armies throughout Latin America, and with the well-known role of military elites in nation-building in the developing world, were often, along with trade and immigrants20, the conduit through which broader German influence entered a specific country. Between the Franco-Prussian War and the outbreak of World War I, these officers repeatedly displaced French officers in training new armies, from Japan to the Ottoman Empire to Argentina, Chile and finally (after 1911) Bolivia. Some German-trained officers of the latter countries in turn trained armies in Peru and Ecuador. 1908 also saw the German-Bolivian Treaty of Friendship and Commerce.

Undoubtedly the most notorious German military adviser to the Bolivian Army, over a twenty-five-year period, was Gen. Hans Kundt , the commander of a number of German officers with colonial experience in such settings as Cameroon or the suppression of the 1900 Boxer Rebellion in China. In 1914, Kundt returned to Germany to play an undistinguished role in the First World War, after which he participated in the proto-fascist Freikorps and then in the failed 1920 Kapp Putsch against the newly-founded Weimar Republic, whereupon he had to leave Germany and returned to Bolivia.

Despite these German ties, Bolivia sided with the Western allies in the war, breaking relations with Germany in 1917, under the pressure of the U.S. and Britain, the major investors in Bolivian tin and also the major market for it. Kundt returned to La Paz in 1920 and became Minister of War, and would continue to deeply influence the Bolivian army until the debacle of the Chaco War. During his tenure there, Bolivia's Revista Militar, the leading journal of strategy for the officer corps, was not accidentally dominated by Germanophiles.

3. A Bolivian Fichte: Franz Tamayo and the pre-MNR Tradition of Paternalistic Indigenism

German influence, in Bolivia as elsewhere, was hardly limited to the economic and military spheres. The first intellectual of the "cosmopolitan", i.e. Anglo-French oriented Bolivian elite to pose the question of the indigenous majority, as least as a cultural program imbued with German romanticism, was Franz Tamayo. He was undoubtedly the foremost Bolivian intellectual and cultural figure of the pre-MNR generation. In his 1910 book, Creacion de una Pedagogia Nacional (first serialized in fifty-five articles in a newspaper) one of the most arresting formulations was: "What does the state do for the Indian? Nothing. What does the state take from the Indian? Everything."21 Tamayo asserted that 90% of the energy of the Bolivian nation came from the indigenous majority and that instead of slavishly copying European models, Bolivia should put the Indian at the center of its culture and education.

Franz Tamayo (1878-1956), played in Bolivia a role somewhat similar to that, somewhat later, of Jose Carlos Mariategui in Peru (cf. below), although, in contrast to Mariategui, totally outside of any Marxist or leftist problematic. Tamayo was born into the latifundia class; his father, Isaac Tamayo, had published a sociological novel in 1914, Habla Melgarejo, which by some estimations contains all of his son's later affirmations about the centrality of the Indian in Bolivian history and culture, and the elder Tamayo is considered by some to be the "true father of indigenismo in Bolivia".

Franz Tamayo was a major literary, intellectual and occasionally political figure in Bolivia from from the early 20th century until his death. Like many men from the Latin American elite, he had spent years prior to World War I in England, France and above all Germany on the mandatory tour of the continent. (Unlike most such Bolivian men, however, his mother was Aymara, and Tamayo grew up bilingual in both Spanish and Aymara.) In Paris, he married a Parisian beauty of la belle époque and brought her back to live, incongruously, on his remote Bolivian estate. His major intellectual influences were Goethe, Nietzsche, the geopolitician Rätzel and above all Fichte. Like many similar figures from underdeveloped countries, he (like his father) pointed repeatedly to Japan as a model for such countries to follow, because it had (in his estimation) totally internalized what the West had to offer, while preserving its own culture.

Tamayo's work consists more of poetry and other literary forms rather than political writings. The work Creacion de la Pedagogia Nacional22, his main venture into social analysis, is a call for Bolivia to emerge as an indigenous nation, and was profoundly influenced by Fichte's Speeches to the German Nation. From Fichte, Tamayo took the idea of "national will"; he denounced the Europe-addled "Bovaryism"23 of the Bolivian elite, with its pale imitations of Europe, saying rather that Bolivian education needed to prepare the youth for struggle, because "life is struggle, the struggle of interests, struggle on every terrain and of every kind". Bolivia, in Tamayo's view "had to eliminate the European and mestizo elements and make itself into a single indigenous nation."24 The work is shot through with 19th-century Teutonic terms such as "life", "force" and "race". "National energy" required "fighters, not literati". Tamayo saw Nietzsche as the philosophical negation of, in his words, "the poisonous books" of Rousseau. Fascinated as well by Schopenhauer, Tamayo similarly had no use for the world historical progress informing the outlook of Hegel.

Tamayo, for all his desire to escape from "Europe", was totally a prisoner of late 19th century European race theory, in which biology was destiny; a race for him was

“a group from people possessing the same biological inheritance, identifiable by external physical characteristics, which have a definite relation in types of behaviour and which give rise to cultural differences.”25

Tamayo had no more use for any universalist outlook than today’s theorists of identity politics, who might at least blush at the biologist foundation of such a predecessor:

“The ideal of humanity! That is an unreality which never existed, except as a false and artificial product of French romanticism which nations have never practiced!”

and

“The human ideal, if it exists, is a preparation for the forces of the nation, not for an impossible Saturnalia of peace and universal concord, but in a recognition that everything is a struggle without truce, a struggle of interests, a struggle on every terrain and of every kind, in markets as on the battlefield.”26

In Tamayo’s paternalistic view, of course, the indigenous masses of Bolivia are not to be the protagonists of any struggle to throw off the weight of European culture:

“Who is to carry out this movement (for the overthrow of Spanish culture)…? It is not the Indian directly, but rather us, the thinkers, the leaders, the rulers, who are beginning to become conscious of our integral life and our real history.”27

Given his central role and his controversial views, there were obviously many reactions to Tamayo. In the view of one critic, Juan Albarracin Millan28 “Tamayo’s irrationalism, basically racist, posits ‘Bolivian man’ as the ‘new man’…With its insistence on the mystique of blood, race and soil”, in Albarracin’s view, “Tamayo’s orientation was not called irrationalism, voluntarism, vitalism or mysticism, but, quite the contrary, ‘indianista’. Tamayo was, in this view, ”anti-liberal, anti-democrat, anti-socialist and anti-masses.” Eduardo Diez de Medina, a writer and diplomat, cursed Tamayo for “his puerile adoration of Fichte, Nietzsche, Max Stirner, the Kaiser and Hitler.” and said that “only Adler, Jung, Scheler…or Freud could have understood Tamayo’s writings.”29. For Augusto Cespedes, a major MNR intellectual and generally an apologist for the MNR’s early anti-Semitism and proto-fascism30, said of Tamayo that “his mind admitted only an abstract national pedagogy suitable for an empty utopia…his condition (was that of) a latifundist, landowner and master of serfs.”31. Guillermo Lora, the leading Trotskyist in Bolivia over decades, contrasted Tamayo to another figure of the elite, Bautista Saavedra (Bolivian president 1920-1925), saying that if the latter had not left his study and gone to seek the masses in the outlying neighborhoods, “he would have remained in the same position as Franz Tamayo, the poet, essayist and owner of haciendas and houses, forgotten in the midst of a flood of intellectual memories and dusty books.”32

Tamayo does not fare better in the critique of a major theoretician of indianismo33, Fausto Reinaga34. In Reinaga’s view, Tamayo soared in thought, “but always had his feet planted on the side of feudal exploitation”. After the 1952 MNR revolution, according to Reinaga, the “youth turned to Tamayo”, and the latter responded: “No revolution”. With his “black class hatred”, Tamayo opposed agrarian reform. He joined the “Rosca”, the oligarchy deposed in 1952, in calling the MNR “communist”. His work had been hailed in the publications of the Falange Socialista Boliviano (FSB), the authentically fascist current after World War II. After 1952, Tamayo had written “I had always considered communism to be the most terrible retrogression…”35 He had been, in Reinaga’s view, “the greatest enemy and detractor of the working class in Bolivia”; the working class for him was “la canalla”. In a speech to parliament in 1931, Tamayo had already said “We know that communism is an immoral doctrine, destructive of all principles, it is a human pestilence.”36 In the estimate of his most

serious intellectual biographer37, Tamayo's reactionary outlook was closest to those of Burke and Maistre. Charles W. Arnade, whose book Historiografia Colonial y Moderna de Bolivia surveys the gradual discovery of indigenous reality in Bolivia's long tradition of Eurocentric historiography, considered that Tamayo had pushed the "the racial themes to absurd extremes".38

The assessment of Marcos Dumich39, albeit theoretician of the Bolivian Communist Party, is no less harsh. He sees Tamayo as a healthy reaction to the early 20th century reactionary and cultural pessimist Alcides Arguedes, author of the 1909 book Pueblo Enfermo (A Sick People) but who then falls into talk of the "indigenous race". In Dumich's view, Tamayo opposed humanism, liberalism, scientism, and intellectualism, for which he substituted voluntarism and authoritarianism40. Politically, Tamayo's contempt for bourgeois democracy and his "heroic authoritarianism and grandiloquent nationalism" puts him on the ideological terrain of pre-fascism. In a 1934 speech, Tamayo denounced the Russian Revolution and called for a "strong hand against its Turano-Mongol nihilism". "Tamayo", for Dumich, "contributed to creating that emotional tone so hard and so necessary for the fascist currents."

Tamayo, in fact, did not limit himself to theory and literary works. He intermittently intervened in politics throughout the period under consideration here. He founded the Radical Party in 1912, falling on the Liberal side of the intra-elite battle between Liberals and Republicans. Tamayo played a leadership role, becoming chancellor, in the disastrous Chaco War with Paraguay (1932-1935), and was then elected president in 1934 but prevented from taking office by the coup of 1935, while both his house in La Paz and his rural estate were burned to the ground. He had run at the urging of the proto-fascist, later pro-Axis secret military lodge Razon de Patria (RADEPA), and then had become the president of the Constituent Assembly in 1943 in the government of Villaroel, also a RADEPA member. Tamayo (who left political office in 1945) remained notably silent during the mini- civil war of August 1949, preparatory for the MNR revolution three years later, as a well as on the 1950 massacre of workers in the Villa Victoria district of La Paz. The MNR seriously considered him for their presidential candidate in the decisive 1951 elections, which began the immediate crisis prior to the 1952 revolution, but he was passed over for Victor Paz Estenssoro.

Tamayo's Fichtean nationalism, then, based as it was on a racial affirmation of the "true" Bolivia rooted in the indio, was the kernel of what would become, in a more cultural but still highly Germanic form, the ideology of the "national revolution" against the "foreign" elite elaborated by Carlos Montenegro.

Charles Andrade's study, reputed to be the first which brushed aside the white elite-centered historiography and unearthed the indigenous tradition, also places Franz Tamayo in perspective, while revealing the racism of much of the treatment of the indigenous question, for and against. Rene Moreno, the most important Bolivian historian of the 19th century, was a declared racist. Nineteenth-century historians generally were "a mixture of narrow provincialism and French intellectualism…they failed to understand the great social problems of their nation.41 The above-mentioned Alcydes Arguedes (1879-1946), another Francophile historian of the period, was influenced by reactionaries such as Le Bon, Gobineau, and Vacher de Lapouge, but was nonetheless "one of the fathers of Bolivian indigenism".42 (He also was funded by the Patiño tin empire to write a tendentious multi-volume history of Bolivia.) Jaime Mendoza (1874-1939) was, for Andrade, "the first aristocrat who, without vacillation, demagogic intensions or pat phrases, proclaimed the potential equality of the Indians…he opposed changing the mode of life of the Indians, in the sense of subjecting them to Europeanization"43. Mendoza's book Factor geografico (1925) emphasized the Indians' "love of the land" and thus, in Andrade's view, "the cult of Pachamama was

born"http://insurgentnotes.com/2011/03/anti-capitalism-or-anti-imperialism/ -footnote_anchor-44.44

Such, then, were some of the contending currents with which the Bolivian elite entered the global crisis ushered in by World War I and its aftermath, prior to the appearance, after 1928, of the future MNR generation.

4. Prelude to the Crisis of the Chaco War, 1918-1932

The period 1914-1945 was a period of violent reorganization of world capitalism, of the demise of the British world hegemon and the struggle for succession to world hegemony between the emerging contenders, Germany and the United States, a struggle which played itself out quite explicitly in Bolivia. It was also a period of transition, on a world scale, (to use Marx's language) from the phase of "formal"/extensive to the "real"/intensive domination of capital45.

After the First World War, Bolivia's economy was hard hit by the 1920-21 world depression. With the end of war demand, the world tin price, and hence Bolivia's tin exports, collapsed. It was at the same time a period of heavy foreign investment in the country's public utilities and government securities. In 1920-21, Standard Oil of Bolivia was created, and Spruille Braden, a dominant figure in U.S. business and diplomacy in Latin America over the subsequent decades46, negotiated the very advantageous sale of four million hectares of Bolivian soil to Standard Oil, a sale which would later inflame Bolivian nationalism before and during the Chaco War. With recovery after 1921, something of a new educated middle class emerged. German investment returned, carving out a spot behind U.S. and British interests in transportation and communication. In 1923, Wall Street banks floated the so-called Nicolas loan of $33 million, which refunded Bolivia's state debt, taking 45% of government income for repayment47. This was followed in 1927 with a $14 million loan from Dillon, Read. In the same year, Walter Kemmerer, a Princeton economist, spent three months in Bolivia as a consultant, ultimately outlining the "Kemmerer reform", which proposed the U.S. Federal Reserve System as a model for the Bolivian Central Bank. Kemmerer also recommended tax reforms and a return to the gold standard. Kemmerer's intervention was followed in 1928 by a new Dillon, Reed loan of $23 million. In 1929, Bolivian tin production peaked at an all-time record, a level never attained again and, given the country's then-total dependence on tin exports, a serious problem over subsequent decades, as Bolivia was eclipsed by tin production in Malaya, Indonesia and Nigeria. On the eve of the world collapse in 1929, foreign debt was still taking 37% of the state budget, and government finance remained in deep crisis over the following decade.

Bolivia was, in short, a classic semi-colonial country, totally beholden to competing imperialist powers for finance and technology, and whose immense natural resources benefited primarily those foreign investors.

The Bolivian working class emerged in its modern form amidst all this economic turmoil, after an earlier period of the Proudhon-inspired mutualism widespread throughout Latin America prior to 1914. As happened in so many countries immediately after the war, a strike wave swept Bolivia in 1920, led by the railway workers, who called a general strike in January 1921. Tin miners had struck at the Catavi mines in August 1920, but their strike was crushed. Another general strike in La Paz in 1922 forced the government to concede, but the Uncia mining massacre of 1923 marked a pause in labor unrest.

Along with strike activity, as well as peasant ferment, a flurry of new left-wing organizations emerged. A (non-Marxist) Socialist Workers' Party was founded in the fall of 1920, and a Socialist Party, with ties to the more developed Chilean workers' movement, was founded in

1921. Later in the decade, the newly-created Third International began activity in Bolivia, from its continental headquarters in Buenos Aires[48]. In 1927, Tristan Marof[49] (1898-1979), an important left-wing figure over subsequent decades, helped found a Labor Party (Partido Laborista), the first self-identified Marxist party in the country. (For his troubles, Marof was exiled from the country for a decade.) In the same year, an indigenous revolt of 100,000 peasants in the Bolivian south was crushed, a revolt caused by rise in the price of land due to railroad construction and land seizures by landholders. Agitation spread for the eight-hour day, which was adopted in some sectors.

All this economic turmoil, worker and peasant ferment, and the proliferation of socialist and labor organizations (many ill-defined) had to have ideological repercussions, and by the late 1920's a tumultuous mix including Marxism, nationalism and indigenism all reached the educated middle class, a ferment which would bear its ambiguous fruits after the Chaco War. In August 1928, the first convention of the Bolivian University Federation (FUB) took place[50], where particularly the Cochabamba intelligentsia was swept up in discussions of the Mexican and Russian Revolutions, as well as the ideas of Peruvian Marxist Jose Carlos Mariategui[51]. This agitation was also significant in that virtually all the major figures of post-Chaco radical politics came of age politically in these years. The deepening world depression after 1929 and looming Chaco War would provide the context for their emergence. The late 1920's, in short, was the period in which Marxism of different varieties swept educated strata in Bolivia.

5. Mariategui and Marof Pose the Indigenous Question for the Left

Peruvian Marxist Jose Carlos Mariategui (1894-1930), was the first Latin American Marxist to underscore the problematic of the Andean indigenous population for socialism, and had a major impact in Bolivia as well as early as the late 1920's Mariategui, in a short life, wrote hundreds of journalistic articles. His major work is a collection entitled Seven Essays for the Interpretation of Peruvian Reality. Mariategui was denounced by the Comintern in the Third Period as a "populist", and denounced by the populists (of Haya de la Torre's APRA party) as a Marxist.

Mariategui was initially formed by the leading Peruvian anarchist of the preceding (pre-World War I) generation, Manuel Gonzalez Prado, whose prominence was based on the early mutualist (Proudhon-inspired) phase of the Peruvian and Latin American workers' movement (which was more or less superseded by the global impact of the Russian Revolution). Mariategui traveled to Europe after the war and was in Italy during the factory occupations of 1920. It was in Italy that he most directly experienced the realities of the European workers' movement. He is a tangle of influences, including Georges Sorel[52] and surrealism. He founded the highly original journal Amauta (1926-1930), which propagated his theses at a time when the Peruvian elite was totally Europe-oriented, and both disdainful and fearful of the seemingly mute indigenous majority. He helped to found the Peruvian Socialist Party in 1928, so named precisely to demarcate it from Third International Communism as well as Haya De la Torre's APRA.

In addition to Mariategui, a second figure on the Andean left who raised the indigenous question to prominence was the (above mentioned) Bolivian Tristan Marof[53], the nom de guerre of Gustavo Adolfo Navarro. Marof was an aristocrat who served as a diplomat in Europe from 1920 to 1926. He was expelled from Bolivia, as indicated, for pacifism during the Chaco War, and upon his return attempted to found a real Marxist party there. Marof, in Andrade's view, wrote an unprecedented history of Bolivia, albeit with an "exaggerated

interest in the Inca empire", which Marof saw as superior to the present. For Marof as for Tamayo, the "Bolivian people were the Indians, and they were not sick but merely sad at the loss of their 'great past'"[54]. Marof figured prominently in a debate within Andean Marxism about the possible "communist" character of Incan society, a viewpoint that has faded away.

6. Bolivia and the South American Revolutions of 1930

In 1930, under the impact of the world depression, revolts and revolutions overturned the governments of Bolivia, Brazil, Argentina, Uruguay and Chile[55]. These developments were the South American moment of the worldwide collapse of classical 19th-century liberalism in the depression decade, and in Bolivia, as in the other Latin American countries, this meant the impending defeat of the old oligarchic elite parties based on restricted suffrage, and the entry of the masses into politics[56]. In the Bolivian case, with the return to power of the Liberals, this collapse and reshaping of the political, social and economic system stretched over more than two decades, as the Bolivian moment of the world transition to forms of social organization appropriate to the new "intensive" form of accumulation.

During these developments, the German military presence had continued apace.

Over the course of the 1920's, General Kundt had imposed more and more discipline on the military. Faced with instability and revolt, the Republican Hernan Silas government (1926-1930) became more and more dependent on the army, and hence on Kundt. In 1926, Ernst Roehm, the founder of Hitler's stormtroopers, was invited to Bolivia as a military adviser and arrived there in 1928, along with a number of other far-right military personnel from Danzig, who had been demobilized by the Treaty of Versailles. The Liberal overthrow of the Bolivian government in June 1930 was a revolt from the right, placing in power Daniel Salamanca, after which Roehm briefly joined the Bolivian General Staff, though Hitler recalled him to Germany months later. In the upheaval, Kundt's house was attacked by a mob because of his association with Silas. Other German officers supported the rebels.

In January 1931, the Liberals consolidated their mandate in a landslide electoral victory (once again within the restricted suffrage). In the same year, Bolivia became the first Latin American country to suspend payments on its foreign debt during the depression decade. In March 1931, Salamanca took office as president. The Trotskyist[57] militant and intellectual Lora commented on this development: "Our greatest liberals may have had a few democratic ideas in their heads, but their very existence was based on the servile labor of the peasants.'[58] Almost immediately, in April 1931, Salamanca was confronted with a general strike, centered in the postal and telephone workers, and managed to suppress it.

7. The Chaco War and the End of the "Old Regime" of Elite Politics

For years, Bolivia and Paraguay had fought minor skirmishes on their vague shared border in the Chaco, a huge and very sparsely populated area of jungle, desert and shrub land in Bolivia's east. Disputes have continued ever since the Chaco War about the ultimate reasons for the conflict, which cannot be settled here. During and after the war, the great majority of Bolivians believed it was provoked by Standard Oil, backed by Argentina and/or Brazil, for reasons such as the desire for an outlet to the sea. Serious historians such as Herbert Klein dispute this[59]. Whatever the case, Chaco War fever initially helped Salamanca to divert domestic passions away from his abysmal failure to deal with the economic crisis. In May 1931, he pushed for military penetration of the Chaco just as he was unleashing massive repression of May Day demonstrations around the country. In early 1932, the Bolivian Parliament debated a "Law of Social Defense" allowing it to exercise "legal dictatorship",

also denying the right to unionize and to demonstrate. A government roundup of leftist intellectuals ensued. Nonetheless, at the same time, there was growing anti-war sentiment in the labor movement, culminating perhaps in a major demonstration in Cochabamba on May 19th, but, according to Lora, many leftists also capitulated to war hysteria.60

Salamanca pushed for war in the Chaco, confident of victory. Bolivia had twice Paraguay's population61, and superior armed forces. What the Bolivian elite did not reckon with was the huge incompetence revealed by the general staff, the extremely hostile terrain (many more troops died of thirst and disease than from combat) and the rapid demoralization of the front line troops, who were in their overwhelming majority indigenous draftees pulled from remote villages without the slightest idea of what the war was about.

In 1932, General Kundt, having fled after the overthrow of the Silas government in 1930, returned to Bolivia with full powers as commander-in-chief in the Chaco War, after Bolivia's initial defeat at Boqueron provoked a clamor for his reinstatement. Kundt's popularity was heightened by a growing fascist influence on middle-class youth, a number of whom had studied in Germany during the rise of Nazism. In addition to economic ties to Germany, cultural clubs and colegios (high schools) spread the growing appeal of authoritarianism and fascism in Europe62. Be this as it may, Kundt, who was seemingly committed to a cumbersome strategy of position, was definitively ousted after another defeat at Campo Via.

All in all, Bolivia lost 60,000 men in the Chaco War, and Paraguay lost 40,000, by the time Bolivia agreed to an armistice in 193563. Deserters had been shot in droves, and leftists protesting the war were intentionally sent to the front lines to be killed there. Thousands of Bolivian troops perished from thirst when logistic lines were interrupted by incompetence and neglect. The peace negotiations, overseen by representatives from the U.S., Argentina, Chile and Brazil, dragged on until 1938, and ultimately awarded Paraguay territory that doubled its size. The economy was reeling under accelerating inflation.64 By 1935, the traditional Bolivian Liberal and Republican parties of the tin barons had been totally discredited, never to recover in their old form. The social ferment unleashed by the Chaco debacle turned Bolivian society upside down. In that ferment, fascist, corporatist and socialist ideologies battled for dominance in a chaotic and highly fluid postwar situation.

8. Intermezzo on Corporatism in Latin America

The collapse of elite liberal and republican parties in southern South America, under the impact of the post-1929 world depression, as well as the rise of increasingly radicalized workers' movements, as often more anarchist than socialist, required the ruling classes of Argentina, Brazil, Uruguay and Chile to fundamentally remake their political systems if they were to retain power. This transformation was the Latin American moment of the worldwide proliferation of statist regimes of different types in the global restructuring of capitalism then underway. Earlier immigration to southern South America from Spain, Italy and Germany made crisis responses in Europe significantly present, to different degrees, in the debates over how to accomplish this. The Primo de Rivera dictatorship in Spain (1923-1930) with its definite corporatist overtones, fascism in Mussolini's Italy, and, a few years later, Nazism in Germany all came into play as references for the new era of mass politics. These forces were received somewhat differently in the less urban, less industrial countries of the Andes such as Bolivia and Peru, with their large indigenous populations. Yet, in Bolivia, perhaps in the long run the model most studied was the Mexican Revolution (1910-1940), particularly its left-corporatist phase under Cardenas after 1934. But this came later, after the Bolivian "movimientistas" were compelled, by the Allied defeat of the Axis in World War II, to shed their infatuation with the Italian and German examples.

Let us look, then, at some of the 1930's developments in neighboring countries, confronting the dilemma, for the capitalist class, of organizing top-down statist forms of working-class containment, or of facing the prospect of a bottom-up working-class revolt that could not be contained:

"…In the Brazil of 1930, for instance, it was clear that the 'social question' could no longer be left entirely to the police to deal with…the proletariat was a significant presence in the cities. Not only was it a proletariat; it was in a very disturbing sense an a *organized* proletariat with an impressive history of protest, strikes, demonstrations…one of the possible 'courses of action' of the new regime in relation to the urban proletariat was to give them some crumbs, so as to get their souls in exchange. The 'welfare state' was about to be born in Brazil: its midwife was the Ministry of Labor, which was set up in 1930."65

And:

"…the basic finding of such an analysis (is): the fundamental effect of the labor laws has been…to make it extremely difficult for the working class to organize effectively and autonomously for political action…The very fact that the government changed its approach toward the working class (from repression to inducements plus repression) contributed to partially annihilate the ability of the working class to answer the renewed waves of repression with corresponding countermeasures such as strikes and public demonstrations."66

In his section on "Corporatist Control of the Working Class" the author sums up:

"The legal framework of labor relations established by Vargas, and left practically intact up to present-day Brazil, is based on three structures: the syndicates, the labor courts, and the social insurance system."67

A few years later, a similar dynamic brought forth the same responses in Mexico, in the culminating (Cardenist) phase of its revolution:

"What was decisive in this change in the conception of revolutionary politics was not merely recognizing the working masses as its central element, but especially being disposed to convert them once again into an active element in the service of the revolution, of course, in the best imaginable way: by *organizing them*, and organizing them for something close to their hearts: *their demands*."… "There is no doubt that the revolutionaries (here the author refers to the Cardenistas-LG) had rediscovered the master key to mass politics: *organization*." .68

Finally, in Argentina from 1943 to 1950, the same drama was played out again, in the emergence of Peronism:

"…At the very moment in which the masses were mobilized politically…they were being co-opted into a corporatist project led by a nationalist sector of the armed forces…Peron's overall labor strategy was now becoming clearer, as were his words in 1944 when trying to reassure Argentina's employers:

'…It is a grave error to think that workers' unions are detrimental to the boss…On the contrary, it is the best way to avoid the boss having to fight with his worker…It is the means to reach an agreement, not a struggle. Thus strikes and stoppages are suppressed, though, undoubtedly, the working masses obtain the right to discuss their own interests at the same level as the employers' organizations…That is why we are promoting trade unions, but a truly professional trade unionism. We do not want unions which are divided in political fractions, because the dangerous thing is, incidentally, a political trade unionism.'

Peron never deviated from this essentially corporatist vision of social affairs and his 'revolutionary' image in a later period…was never reflected in practice."69

9. The Post-Chaco Crisis in Bolivia: Corporatism, Fascism and Socialism in Contention

With this general framework as it developed in other parts of Latin America, we now turn to the complex process of ferment unfolding in Bolivia, in reaction to the Chaco debacle.

As early as 1933, the Legion of National Socialist Veterans (LEC) was founded, though it defined itself as a political party only in 1936. Its program called for "national socialist action".70 Some German immigrants had organized a National Socialist party after Hitler's triumph in Germany in 1933. Elections in 1934 put an end to Salamanca's bankrupt presidency, but a coup led by Jose Luis Tejado Sorzano prevented Franz Tamayo from taking office and set the stage for military government.

On the left, 1934 saw the formation of the POR (Partido Obrero Revolucionario), the Trotskyist group which would play a highly influential role from the late 1940's onward71. Also formed immediately after the war was the Confederacion Sindical de Trabajo Boliviano (CSTB). One intellectual influenced by Trotskyism, but more accurately described as a centrist for his career of overtures to bourgeois parties72, was (the above-mentioned) Tristan Marof, whose book La Tragedia del Altiplano had made the case that the Chaco War had been fought to obtain an oil port for Standard Oil and to defend Standard Oil's four million hectares against Dutch Royal. Throughout the country, innumerable "socialist" clubs were formed. War-weary youth were reading the post-World War I antiwar classics of Remarque and Barbusse. A Partido Republicano Socialista identified with "evolutionary socialism" and flirted with the Italian fascist idea of corporatism73. In 1935, the South American Bureau of the Comintern established the Provisional Secretariat for the Communist Groups in Bolivia, with the aim of unifying disparate groups into a Communist Party. The Bureau denounced the peace negotiations then underway in Buenos Aires and called for a peace without annexations and without conquest, and for the abolition of Bolivia's external debt. It further called for the formation of Quechua and Aymara republics, and, in keeping with the Comintern's new global line, for a Popular Front.

Other veterans were sympathetic to the nationalism of Carlos Montenegro, one of the core future pro-fascist founders of the MNR. Perhaps most important of all for the subsequent decade, a group of Chaco junior officers, many of whom had been trained in Germany and in Mussolini's Italy, and who had then spent serious time in Paraguayan POW camps, founded the secret military "lodge" called Razon de Patria (RADEPA), centered in the Escuela Superior de Guerra in Cochabamba74, clearly committed to fascist ideas. Its subsequent influence, up to 1946, would be second only to that of the MNR which, in 1936, existed only in embryonic potential in the overall ferment.

10. "Military Socialism", 1936-1940: The First Dress Rehearsal for the MNR Revolution

On May 17 1936, Tejada Sorzano, who had ousted Salamanca two years earlier, was himself overthrown in a coup by two Chaco war heroes, Colonels David Toro and German Busch, initiating the ten-year period (1936-1946) in which European, and above all Italian and German fascist influence in Bolivia would contest hegemony with the "sellout' democracy" (democracia entreguista, selling the country out to foreigners) oriented to the U.S., Britain and, of course, the Bolivian oligarchy itself.75 (During the war, Busch had risen to prominence by leading the "great defense of the Camiri oil fields".) The Toro-Busch coup began a four-year experiment they called "military socialism" which, along with the further military government of Gualberto Villaroel (1943-1946) would have an important impact on

the development of the MNR (itself founded in 1942). Because of its secret character, it is not always possible to identify the influence of the RADEPA junior officers in the successive regimes, but there is no question that they were a serious presence.

Adolf Hitler had assumed power in Germany in January 1933, to the general enthusiasm of most of the German-speaking immigrants in Bolivia. Throughout the ensuing twelve years, until the defeat of the Third Reich, Germany's main thrust into Latin America would be economic and, secondarily, through espionage, although the propaganda wars on both sides often exaggerated the real German presence. Hitler's Finance Minister Hjalmar Schacht in August 1934 imposed strict barter on Germany's foreign trade, on a bilateral basis[76], and a German trade delegation went to South America later that year. While the delegation did not go to Bolivia, it was definitely interested in Bolivia's extraordinary mineral wealth. The Reich's Foreign Ministry, on the other hand, wanted "no political ties" to Bolivia.

The Toro-Busch period was the first real political expression of the post-Chaco attempt to remake the bankrupt Bolivian political and social system, in general revulsion at the traditional parties controlled by the tin magnates, echoing the parallel regime crises in Brazil, Mexico and Argentina mentioned above. As Herbert Klein put it[77]: "Thus after fifty years of struggle, the civilian party system was overturned by a reawakened military establishment.". In this development, the ideology of "anti-imperialism" was at its peak. Neither Toro nor especially Busch were sophisticated political figures, and the whole period evidenced serious eclecticism, generally of a corporatist kind. Mussolini's Italy was, for purposes of reorganization, more of a model than Nazi Germany, if only because it was older and more formed. (Toro's ambassador to Germany did express admiration for German National Socialism, and Oscar Moscoso, the Defense Minister, was also a Nazi sympathizer.) Toro announced his regime as "state socialism", and for the first time, in keeping with world trends, a "right of the State", (in contrast to the old liberal constitutionalism theoretically founded on the individual) was articulated. On other occasions, the Toro regime called itself a "syndicalist state".[78] Carlos Montenegro, whose later book Nacion y coloniaje (1953) would be the quintessential statement of MNR nationalism (cf. below), had been a co-conspirator in the coup[79]. The government was also supported by labor and by the Legion of Chaco War Veterans (LEC). The LEC formed the Frente Unico Socialista and called for "authoritarian nationalism". Toro created state-controlled "functional syndicates"; these had the official support of the Socialist Party, which wanted them to be anti-communist[80]. When the syndicates proved a failure, Toro tried to fashion a "state socialist party". The new regime saw the meteoric rise of young officers, among them members of RADEPA. This "military socialism" never took up questions of latifundismo or of the indigenous masses, and its main base of support was the urban middle class. From Italian fascism, "military socialism" took over mandatory unionization, a corporate type of regime in parliament, mandatory worker savings plans, a social security system, and state-subsidized food stores. It established the first Ministry of Labor with the first worker minister, as well as the first Ministry of Indian Affairs in Bolivian history. The Ministry of Labor in particular was attacked for "creeping radicalism"; it became notorious for hiring (self-designated) Marxists. The ministers of Foreign Affairs and of Hacienda were from the Socialist Party and were pro-corporatist[81]. On May 25 1936, the Toro government announced its "fifty-two points of action", including compulsory unionization. The Toro and Busch regimes, with all their pro-worker rhetoric, were confronted with a number of general strikes in the 1936-1939 period, led by the miners and railroad workers.

11. The MNR in Embryo

The true nucleus of the future MNR was the daily newspaper La Calle, founded in 1936 by a group around Victor Paz Estenssoro (1907-2001), who dominated MNR politics into the 1980's, and all the major "movimientista" intellectuals such as Augusto Cespedes (1904-1997), Carlos Montenegro (1903-1953), and Jose Cuadros Quiroga (1908-1975)82. La Calle became an organ for German fascist propaganda and virulent anti-Semitism83, and as of 1938, used only German news services; Augusto Cespedes himself called it the "megaphone" of the MNR, and decades later said La Calle was "almost fascist" in the years after the Chaco War. Jose Cuadros Quiroga, the most outspoken anti-Semite in the group, excelled in writing catchy, sarcastic headlines that made La Calle a popular broadsheet, in contrast to the staid press controlled by the tin barons. According to Guillermo Bedregal Gutierrez, (Quiroga's) "philofascist and anti-Semitic streak was a 'fashion' of the time. There was great German influence in Bolivia and Quiroga felt that 'it was important to be anti- Semitic as an element of popular agitation'."84 (This takes on particular significance because it was Quiroga who, in 1942, wrote the founding program of the MNR, in which these fascist echoes were still present). La Calle was pro-Republic in the Spanish Civil War which erupted in July 1936, but the La Calle team was "awed" by early German and Italian successes in World War II85. Quiroga apparently wrote most of the anti-Semitic articles86. For the group around La Calle, German Busch loomed as a saviour of Bolivia. Paz Estenssoro, who proved to be the greatest political survivor of all the founders, never wrote for La Calle, but did write for the weekly named (appropriately) Busch, edited by Montenegro, which was founded during a brief period when La Calle was suppressed.87 It was an elite group, condensing the ferment of the period. The fourteen founders included three future presidents, and ranged ideologically from socialism and Marxism to totalitarian tendencies such as those of Cuadros and Roberto Prudencio88

La Calle was eloquent about its political options, on the subject of early Trotskyist influence in Bolivia, with headlines such as "Trotzkyite (sic) Loud-Mouths Bring Anarchy to the FOT", "Will We Be Governed by Deserters?"; Another article "called for an 'iron fist' to 'purge the country' of the 'red extremism' of 'adherents of the Third and Fourth Internationals'".89

Echoing the developments in Brazil, Argentina and Mexico described earlier, La Calle supported "the renovation of union structures". But this renovation could not be limited to such structures but must rather "make concrete the institutionalization of the regime in a Corporative State" and give special significance to the "disciplinary function of syndicalism extended as a factor of social cohesion more than as an instrument for the defense of class objectives." 90

12. Crossover of Fascist Rhetoric and Left-Corporatist Policy Measures in "Military Socialism"

The 1936-1940 period of "military socialism" was a maelstrom of ideological, foreign policy and organizational ferment which might be considered the first blush of the future MNR forces' attempt to position themselves, in response to a whirlwind of both domestic and international pressures, not the least of them German Nazism. It is necessary to follow them in some detail, to navigate the flood of ideologically-motivated propaganda coming from all sides.

In January-February 1936, Montenegro (who was very close to Busch) and Augusto Cespedes had founded the Partido Socialista, which in Herbert Klein's view best articulated the "national socialist" perspective91. The "national socialists" in 1936 had been influential enough, as indicated, to get Toro to propose the corporate model and forced unionization

under state control. For Klein92, Toro articulated "in essence and in its most articulated form" the "philosophy which the small group of politically conscious and advanced young officers proposed for the regeneration of national life…some of whom had received some type of training in Italy in the late 1920's and early 1930's." Toro in fact issued a harsh anti-communist decree to appease the oligarchy, but it was stopped by Waldo Alvarez, the Minister of Labor. The radicals at the Labor Ministry were adamantly against the corporatist proposals and demanded worker independence. Their opposition in fact ultimately ended these plans.

In late June 1936, Toro and Busch created an all-military regime. Elias Belmonte Pabon, a founder of RADEPA and (whose Nazi sympathies were, in Guillermo Lora's view, "beyond question"93), was Minister of the Interior in the new cabinet. Belmonte had worked with Ernst Roehm during the latter's stay in Bolivia, and Busch sent him to Germany as a diplomat94. Other RADEPA members were send to Italy. Militants from another far-right group, the Estrella de Hierro (Star of Steel) were also in the Busch government.95

The broader social context was increasingly tense. A strike wave began in early 1936 and by May it has evolved into "greatest strike movement that Bolivia had ever experienced." There was intense discussion of the proposed mandatory syndicalization in the labor movement. Some parts of the left saw Toro's labor policy as more fascist than socialist96. In early July , the radicals in the Ministry of Labor formed the ANPOS (Asemblea Nacional Permanente de Organizaciones Sindicales)97. In Guillermo Lora's estimate, the ANPOS "one of the most important creations of the leftists connected to the Ministry of Labor" (who) "wanted to transform society from above"; it ultimately had an ephemeral existence. This conception, in which "worker associations recognized by the Ministry sent their delegates to the meetings", with the authority of the state "recognizing" different organizations of society, reflects the essence of corporatism.

The Busch-Toro regime in its first weeks pushed ahead with its plans for "military socialism". On July 6, it issued a decree on mandatory work by all. Chaco veterans were to be reincorporated into their previous jobs within twenty days. Henceforth, anyone without employment papers (carnet de trabajo) would be declared "unemployed" and liable to be enrolled in state labor brigades. Companies were called upon to make their labor needs known to the state. Lora98 saw this as forced labor expressing a "totalitarian, i.e. fascist-oriented" mentality, apparently inspired by Mussolini . Mass demonstrations took place in support of the Ministry of Labor and compulsory unionization. Toro in a speech in late July declared himself "in favor of a corporative state" and for a "regime of trade-union association identified with the organs of power and political representation."99 As in Brazil, or Mexico, or later Argentina,

"…the National State, as the definitive successor to the oligarchic State prior to the Chaco War, would replace class conflicts by a division of productive functions, in which contradictions would give way to integration within a development project directed by the State."100

On the day after the mandatory labor decree, Toro issued a Ley Organica de Petroleos to curb speculation and concessions to the foreign exploitation of Bolivia's oil. Two weeks later, on July 24, this was followed by a decree creating the Banco Minero. On August the decree on mandatory unionization was issued.101 According to the decree, unions would henceforth "will be under the 'permanent protection and control' of the socialist government and were 'incorporated into the state mechanism'. Employers and workers, following the Italian syndicalist model, would be in the same union. According to Lora, "In practice…it fell to the Ministry of Labor to organize the unions and to administer them in all times and

circumstances".102 This fit into a broader plan of the government "to mobilize the entire active population for an intensive program of production".103

In November 1936, the First National Congress of Workers took place, and debated the creation of a Confederacion Sindical de Trabajadores de Bolivia (CSTB) oriented to the left parties. By this time, however, Toro had moved to the right and appointed a leading lawyer for the Hochschild mining interests104 to the Ministry of Labor, while the radicals were removed from the Ministry. As Klein put it105 "A mixed syndicalist-corporatist state grafted on to the old political party system was contemplated".

Further steps along such lines followed on Dec 21 1936, with the creation of the Yacimientos Petrofileros Fiscales Bolivianos (YPFB- Bolivian State Oil Deposits), a prelimary step to Toro's historic nationalization of Standard Oil in May 1937. This expropriation of a major U.S. firm was unprecedented in Latin America, a full year prior to the better-known nationalization of oil by the Cardenas regime in Mexico. Further, the government regulation of the tin industry, initially a temporary measure during the Chaco War, was made permanent106. In the wake of this rapid flurry of decrees and state takeovers, the Toro-Busch government came under fire from the right by the tin interests and from the left by various Marxists. Bolivia's statist measures were followed by similar steps in Argentina, Brazil, Chile, and Uruguay. In "military socialism", of course, the Bolivian Army continued to account for 37% of the government budget.

On July 13 1937, German Busch unseated Toro as sole military ruler. Busch viewed himself as champion of the May 1936 general strike. Toro had never lost labor support or persecuted the radical left, but he had lost the support of fascist107 and reformist-minded junior officers around Busch. In some of his immediate measures,

Busch closed state-subsidized food stores and rolled back some other controls of the previous year. (He also allowed Tristan Marof to return to Bolivia after ten years in exile.)

Once consolidated in sole power, Busch in November 1937 recommended an expansion of the earlier Labor Code (Codigo de Trabajo), itself (by some estimates), influenced by the Italian Carta di Lavoro and the Nazi Arbeitsfront108. In reality, however, mandatory syndicalization never took hold. Klein summarized the period as follows109: "In the four years of military socialism the basis of the old parties had definitely rotted away…in the end, the left emerged as the dominant factor in political life." In March 1939, in recognition of this shifting ground, a Concordancia of the three traditional political parties was formed110, in which the pre-1930 parties were forced to recognize the end of old system and become (in Klein's estimate) "class-conscious representatives of oligarchy".)

13. Influence of the Mexican Revolution

A further important development during the period of Busch rule was the March 1938 constitutional convention. The proceedings reflected the impact, among others, of the Mexican Revolution111, just then reaching its left-wing limits under Cardenas. The new constitution demarcated itself from its liberal predecessors, with their orientation to the individual and to private property, by a corporatist emphasis on state-recognized professional or occupational organizations, and anticipated further elaboration after 1952. It was accompanied by a new property law pushing social ownership. It proposed agrarian reform, legalization of the ayallu (the pre-Hispanic rural commune, still in existence in some regions), and the nationalization of the mines (though this was ultimately rejected). It forced a regroupment of traditional parties from the pre-Chaco period. The regime decreed (in principle) free universal education and the creation of rural education centers for the highland indigenous population112.

March 1938 also saw the complete triumph of the Frente Unico Socialista in elections. Carried along on this momentum, the (in Klein's view) "extremely radical" constitutional convention of 1938 amounted to "a vital turning point in Bolivian history"113. It repealed the 1880 liberal constitution, and developed "social constitutionalism" (a concept first elaborated for Latin American purposes by the Mexican Revolution). Property, previously conceived in individual terms, was redefined in function of the state. (This recentering of constitutionality on the state, and its legal recognition–and enforcement by compulsion of such recognition–of different bodies, from property owners to professional associations to labor unions, is the essence of corporatism.) The convention was also influenced by European radicalism and socialism as well as by 20th century indigenism, articulated by figures like Mariategui and Tamayo. It approved worker participation in profits, and proclaimed the function of the state as the provision of social welfare.

A few months later, again showing the continental projection of the Cardenas phase of the Mexican Revolution, the Confederacion de Trabajadores de America Latina (CTAL) was founded in Mexico City. According to Lora114, "it had a huge influence on the Bolivian trade union movement" and had a practical influence in shaping the character and of the (Stalinist) Confederacion Sindical del Trabajo Boliviano (CSTB). Later, during World War II, the CTAL was controlled by the Stalinists, headed by the notorious Mexican Stalinist and trade union bureaucrat Lombardo Toledano115.

14. Attempted Implementation of a Schachtian System of Currency Controls and Managed Trade; Labor Regimentation

The intensifying geopolitical struggle between Germany and the U.S. was hardly absent from Bolivian developments in the late 1930's, as this social radicalization was deepening. By 1938, Germany accounted for 17% of Bolivia's foreign trade.

The German foreign trade boards, for their part, wanted to exchange railroad equipment for Bolivian raw materials under Schacht's new system of managed trade. Standard Oil was waging a major campaign for compensation for the Toro nationalization of its Bolivian assets, and Busch told the Germans he "didn't want much to do with Americans" given this standoff. The United States was making efforts through the Pan-American Union (which it dominated) to counter German influence.

In April 1939, German Busch proclaimed himself dictator. While the Bolivian ambassador in Washington declared that that the Bolivian government and Bolivian people felt no sympathy for Nazi or Fascist ideology, Busch moved closer to the Third Reich116.

One anomaly in the last two years of "military socialism" (1938-1940) was Bolivia's unique policy, for the world at that time, of open admission of European Jewish refugees. The result was the arrival of between five and ten thousand Jews, mainly from Germany and the German-speaking areas of Central Europe. The purpose of the policy was to promote agricultural development of Bolivia's remote and nearly-empty eastern hinterlands, for which the largely middle-class professional population of Jewish immigrants were exceptionally unsuited. By the end of World War II, most of these immigrants moved on to other countries, but their presence, and difficulties of assimilation in a country where they could neither speak Spanish well nor use their professional skills, also fed the anti- Semitism of La Calle, which found its way into the first program of the MNR in 1942 (cf. below Section 16).117

In May 1939, however, the Busch regime issued a new Labor Code providing for greatly improved working conditions, effectively the most lasting change of his years in power118.

The Code's first article excluded agricultural laborers, i.e. the masses of peasants. It was protectionist, setting a maximum of 15% of foreign workers in any given workplace. It provided for worker-employer unions, and granted the right to strike under government control, and also the employers' right to lock-out and imposed mandatory arbitration.

Guillermo Lora elaborates further119:

"(the decree) …in reality was a document worked out during the presidency of Col. Toro, when Waldo Alvarez was Minister of Labor and organized discussions in commissions created for that purpose. Organized workers participated in those discussions. This reality deflates the legend that Busch imposed the Labor Code from one day to the next on a working class that had done nothing to deserve it. There is a visible international, and particularly Mexican, influence on the Bolivian law…The approval of the Labor Code had enormous political repercussions. It confirmed the workerist (obrerista) character of the new government and Busch was automatically transformed into the knight errant of the popular movements. This enthusiastic support allowed the regime to acquire an unexpected political stability. The Chaco hero, even though he had issued no equivalent measure for the nationalization of oil, was identified by friend and foe as a caudillo of the left. The Labor Law and other measures adopted by the government even propelled a considerable number of Marxists to join the ranks of the unconditional supporters of Busch…the bulk of the masses and not a few Marxists considered this body of laws to be synonymous with socialism…Many authors of treatises and other exegetes wrote about the Busch Code and almost all of them are convinced that, especially in a backward country such as Bolivia, the exploited can be liberated by social legislation…(the philo-Trotskyist university professor Alberto Cornejo) finds a presumed identity between the labor code and the Transitional Program of the Fourth International…Cornejo fancies that the struggle for serious social legislation is nothing less than the Gordian knot of revolutionary activity."

As Lora said: "State socialism, far from abolishing the principle of private property, would limit itself to modernizing it, giving it the content of a social function."120

Along with all this labor ferment and legislation, Busch imposed a great increase in the taxation of mines. When the tin mine owners from Comite Permanente de Mineros forced the government to abolish special taxes and foreign currency requirements, Busch responded in June 1939 with a Schacht-type system of currency controls. The decree required the mandatory handover of all foreign currency from mineral exports to the central bank, citing Germany, Russia, Spain, as well as Argentina, Brazil and Chile as antecedents. This measure increased state revenues by 25%.

The Bolivian representative in Berlin announced Bolivia's intention to withdraw from the International Tin Pool and put the Banco Minero in charge of tin exports, creating a state monopoly. The Germans saw this as an opening through which the Reich could acquire all Bolivian mineral production in exchange for mining equipment121. In July 1939, the Reich representatives in Bolivia, Walter Becker and Horst Koppelmann, were asked to reorganize German-Bolivian trade through the centralization of the ASKI marks122 in the Central Bank, thereby obtaining all Bolivian mineral products (above all tin) in exchange for ASKI marks, and to sign a treaty, a "Convenio Comerical de Pagos" on all credit transactions between the two states123. Bolivia, like other countries which entered into these barter agreements with Nazi Germany, was flooded with cameras, Bayer aspirin and ASKI marks124.

Busch then nationalized the Central Bank, and Alberto Ostria Gutierrez, a pro-Anglo-American diplomat, resigned from the government in protest at the drift of economic policy. On the same day German emissaries signed a preliminary protocol with the Ministry of Foreign Relations ; in it, Germany and Bolivia agreed to give Reich-Credit-Gesellschaft and

the German Bank of South America the regulation of trade in ASKI-marks. The protocol also anticipated a five-year treaty under which Bolivia would sell all products to Germany for ASKI marks (with some exceptions for tin). The last part of agreement proposed oversight of Bolivia's Central Bank by a mixed commission of Bolivians and the "German Minister in Bolivia". It also established the role of the Reichsmark and it reserved for Germany the right to use 50% of its "creencias de compensacion" (i.e. ASKI marks) in the purchase of Bolivian tin. The U.S., Britain and Japan attempted to exert counter-pressures, but six days later the two German banks signed an agreement with the YPFB, the state oil company, agreeing to help Bolivia in oil industry development. Walter Mehring, "the special plenipotentiary of the YPFB " and a German citizen, was ordered to sign an agreement with the two German banks. Four million marks were slated for equipment in exchange for oil and raw materials.

This flurry of activity marked the high point of German-Bolivian commercial relations in the 1936-46125 period, but the anticipated exchanges never materialized and served more to focus U.S. attention on these developments; up to this point, the U.S. had been more interested in the Bolivian-Paraguayan negotiations in the wake of the Chaco War, which dragged on until 1938, and which had taken precedence over concerns about Bolivian "military socialism". The German envoys ultimately left Bolivia empty-handed.

15. The Tin Barons Return to Direct Control of the State, 1940-1943

"Military socialism" in Bolivia came to an abrupt end on August 23, 1939, with the (apparent) suicide of German Busch. There were widespread popular doubts that his death was indeed a suicide and many suspected that Busch had been assassinated by the tin barons and their "superstate".126. Indeed, Busch was not replaced by Baldivian, his vice president, but instead a special commission convened to install General Carlos Quintanella as provisional president until April 1940. Quintanella promptly overturned the Busch decree on foreign currency and in late 1939, issued a modified decree suited to the wartime situation127.

Bolivian politics following the death of Busch entered a new period of the restoration of the oligarchy's power, in suitably modified form with an open orientation toward the emerging Allied side in the Second World War and a simultaneous right-wing shift on the domestic front. As early as September 1939, a rapid falloff in Bolivian-German trade took place as Bolivian trade with the U.S. eclipsed it. The German presence in Lloyd Aereo Boliviano was eliminated128.

The new period represented by the 1940-1943 presidency of Enrique Peñaranda, following the Toro-Busch period of "military socialism", marks a shift of the pendulum away from previous pro-fascist foreign policy and left-corporatist appeals to the working class, and toward a pro-Allied international stance combined with a hardening of the regime's relationship with workers and peasants. The pendulum would swing again after Peñaranda's ouster by the coup of December 1943, ushering in the 1943-1946 return to the previous Toro-Busch dynamic, naturally modified for wartime conditions, under Villaroel. Following Villaroel's overthrow and lynching in July 1946, the pendulum swung back again, and hard, in the repressive "sexenio rosquero129", the six-year period leading up to the MNR revolution, in which the tin baron "superstate" returned to power with a vengeance, before being definitively overthrown in 1952. Hence it is necessary, as heretofore, to follow this crossover between international pressures and domestic developments in detail130. From 1940 onward, when the U.S. turned its attention to Bolivia as the sole tin producer in the world not under Axis control, the U.S. and Britain engaged in a propaganda barrage depicting

the emerging MNR as “Nazi-fascist”, and increasingly intervened in domestic Bolivian politics. After the war, during the “sexenio rosquero”, it was pointed out with some irony that under Bolivian “fascism”, workers were urged to unionize and peasant questions were at least theoretically addressed, whereas in “democratic” (read: pro-Allied) phases, workers and peasants were repressed and massacred. In the decade before the outbreak of the Cold War in 1948, “Nazi- fascist” was the epithet of choice reserved for anyone who opposed American interests, thereafter being replaced by “communist”.

Beginning with its founding in 1940, the PIR (Partida de la Izquierda Revolucionaria- Party of the Revolutionary Left) emerged as the most influential self-designated Marxist party in Bolivia, with a pro- Soviet and an indigenous faction. The main personality of the PIR, Jose Antonio Arze131, was not, however, (at least in Lora’s view), a “sectarian Stalinist”. In the absence of any established Communist Party in Bolivia, the PIR functioned effectively as the local pro-Stalinist party, and followed the Soviet line as faithfully as any CP elsewhere. From the time of Nazi Germany’s attack on the Soviet Union in June 1941 to the outbreak of the Cold War, the PIR so aggressively depicted critics of the Allies, whether from the MNR or the Trotskyists, as “Nazis”, that it wound up in a close alliance with the tin baron superstate, ultimately even involving itself (in 1947) in bloody repression of workers. This abject pro-Allied, pro-“democratic” stance of the PIR so totally discredited it in the eyes of the Bolivian masses, especially the working class, that the party’s mass support of 1940 simply evaporated by 1950, when it shrank to a miserable sect. This self- destruction of the PIR (hardly unique among pro-Soviet political parties in the 1940’s) was an important factor in the emergence of Trotskyism as the dominant current in the Bolivian working class in the late 1940’s and beyond132. During the war, the MNR was pro-Axis, at least until U.S. pressures (and the imminence of German defeat) forced it to moderate its tone; the marginal Falange was pro-Axis throughout133.

Thus on Apr. 12,1940, Enrique Peñaranda was elected president, ending the provisional rule of Quintanilla and re-establishing the tin baron superstate’s direct influence in the government. The 10,000 votes (out of 56,000 total) for Jose Antonio Arze, the PIR leader, were the real shock of the elections, particularly given the elite character of the enfranchised 2%. Peñaranda’s priority of reorienting Bolivian foreign policy to the U.S. ran into the obstacle of Standard Oil’s ongoing clamor for compensation for the 1937 nationalization of its assets.

Alberto Ostria Gutierrez, who had resigned under protest from the Busch regime, was back in charge of diplomacy. He claimed to have forced Washington to back down on the oil issue in exchange for full cooperation in the war effort134.

In this new period, moderate left, middle-class intellectuals were anti-U.S. and influenced by fascist ideology135. The pro-German and pro-Italian “national socialists” were in favor of the nationalization of basic industries, above all the tin mines. In Klein’s view, it was in their interest to foster a radical mine labor movement”136 and the time was indeed propitious; in October 1940 there were wildcats in the mines and a major railroad strike.

16. The “Nazi Putsch”; Peñaranda Fights to Retain Social Control; the U.S. Begins to Eclipse Germany in Bolivian Domestic Politics

The new dispensation under Peñaranda was accelerated by the so-called “Nazi putsch”. A letter was published in Bolivian newspapers on July 20, 1941, ostensibly naming Bolivian attaché Elias Belmonte in Berlin and the German ambassador in La Paz in a plot for a Nazi

takeover in Bolivia. Though the letter was actually a caper of British intelligence services137, it gave the Peñaranda government all the pretext it needed for harsh repression of those associated with the Toro-Busch years. The German ambassador was expelled from the country, German and Bolivian Nazis as well as MNR activists were jailed, the Italian contractors in Cochabamba were expelled, La Calle was shut down, and Carlos Montenegro was also jailed for four months.. Up to that time, the MNR had been the loudest critic of compensation to Standard Oil. The "Nazi putsch" also solidified the working alliance between the PIR, now (after the German invasion of the Soviet Union the previous month) in its anti-fascist "Democratic Front" with the Rosca oligarchy. The military, however, never completely eliminated the nationalist younger officers who oriented to Toro-Busch military socialism, which would be important in the subsequent (1943-1946) Villaroel period.

Not all went smoothly for the new right-wing course; in September and October 1941, Siglo XX miners and railway workers struck and won a 20% pay increase, and Ostria Gutierrez was forced out in controversies over the sales of minerals and the compensation questions. Nonetheless, by late 1941 the U.S., seriously in need of tin, enrolled Bolivia in its Lend-Lease program. After Pearl Harbor (December 1941) the Peñaranda government issued a pro-U.S. statement, froze German and Japanese assets, and agreed to $1.5 million in compensation for Standard Oil138. In late January 1942,

Bolivia broke diplomatic relations with Germany and expelled more German citizens.

The left parties did make big gains in the spring 1942 elections, in which the MNR also participated for the first time. But the Peñaranda government issued its infamous State Security Decree (Decreto de Seguridad de Estado), banning organizations with "international ties", no doubt aimed at sympathizers of Germany and Italy. In June, Bolivia joined the Allied forces in the world war, and under this pressure the MNR began to take its distances from Germany. One early spur to this realignment was the Economic Cooperation Agreement with the United States, which had resulted from the Inter-American Conference in Rio de Janeiro139 and the report of the U.S. government's Bohan mission. The agreement provided $15 million for oil prospecting, highway construction and funding for the Bolivian Development Corporation (Corporacion de Fomento Boliviano-CFB), which would play a major role after the 1952 revolution. (Critics pointed out that the sum provided hardly made up for Bolivia's sales of tin and wolfram to the U.S. at below world market prices.140)

17. Fascist Overtones in the Founding of the MNR

The MNR was founded on January 25, 1941 (and more formally on June 2, 1942), with the La Calle intellectuals such as Montenegro, Cespedes, Paz Estenssoro and Cuadros Quiroga providing the main inspiration. One historian141 called it a "uniquely Bolivian blend of nationalism and socialism, but never outright fascism". Augusto Cespedes, much later, agreed with Ostria Gutierrez that there was more than a whiff of Nazi influence in the founding program, but went on to say that it was the "fashion" (sic) of the time142. Another author143 later asked Cuadros Quiroga, who drafted the program, about the anti-Semitism in the original document of the MNR; the latter replied that it was due to (the Jewish tin baron) Hochschild. Cuadros Quiroga referred to the "sinister figure of the Jew Mauricio Hochschild…the pontiff of palace machinations." In Cuadros Quiroga's view, anti-Semitic sentiment was widespread in Bolivia at the time, but he claims that after the Holocaust he himself gave it up. For him, Hitler was seen in Bolivia as an "alternative formula to bourgeois and oligarchic democracy."

In Cuadros Quiroga's "Principles and Action of the National Revolutionary Movement", the 1942 founding document of the MNR, the following points are enumerated144: 1) against

false “entreguista”, or sell-out (to foreigners), democracy; 2) against the pseudo-socialism of a new exploitation. On the latter point, the document continues: “we denounce as anti-national any possible relationship of the international political parties and the maneuvers of Judaism.” It concludes with a call for the “absolute prohibition of Jewish immigration, as well as any other immigration not having productive efficacy”. And finally, 3) a call for “solidarity of Bolivians to defend the collective interest and the common good before the individual interest”, possibly a direct translation of the Nazis’ “Gemeinnutz vor Eigennutz”145

It is enlightening to read some attempts to contextualize the collective views of the early MNR leaders, written decades later by MNR sympathizers. Walter Guevara Arze, in his 1988 book calling for a renewal of the movement, and commenting on the torrent of pro-Allied propaganda calling the MNR “Nazi”, wrote: “…unfortunately some texts of the party which confused the struggle against imperialism with support for Nazi-fascism appeared to justify, at a certain moment, this absurd accusation…to this we have to add the declarations of some officers who believed, more or less sincerely, that this was the position most beneficial for the country…”146

Guillermo Bedregal, in a massive study of Victor Paz Estenssoro, the most visible political face of the MNR over decades, writes that in 1939, World War II

“…gave rise to great expectations and obvious sympathy for the impressive military victories of Germany. Some people therefore believed that the matter was summed up in a twofold idea: the history of humanity, after capitalism and communism, was entering into a national-proletarian, national-peasant phase, whose paradoxical emergent form was then represented by European “fascisms” (sic), and some were convinced that the advent of the new era had as its precondition the triumph of the Axis in the world war…Many young Bolivians believed in the European victory of the Axis and in a peace that might be favorable for the Indo-American peoples…Latin America had never had any problems with German hegemonism or attempts at domination…To this we have to add the important influence of political developments in Brazil and in Argentina…(such as) an anti-U.S. politics enriched by the emergence of the syndicalized workers’ movement of the “descamisados” of Eva and Juan Peron…the founding opposition of the MNR was driven by great passions and also great disinformation. No one, until the final defeat of Nazi Germany, knew about the existence of the famous concentration camps…Sympathy, there was; disinformation, I repeat, there was in spades.”147

(Presumably the crushing of all organizations—parties, unions–of the German workers’ movement as well as all other parties of the center and the right, concentration for enemies of the regime, 200,000 political refugees before the outbreak of the war, the Nuremberg Laws on racial purity, the expulsion of Jews from public life and the Kristallnacht had been insufficient reasons for skepticism.)

Guevara Arze and Bedregal are at least willing to face up—to some extent–to these currents for what they were. Consider, then, the attempt of Eduardo Arze Cuadros, in his 2002 book148 (dedicated to…Jose Cuadros Quiroga) to finesse the same questions in a far more laudatory view of the early MNR. For Arze, the critics (presumably Marxists) who see the key struggle as “class against class”, in opposition to the MNR’s insistence on the “nation against imperialism”, are “Eurocentric”. He makes virtually no mention of the existence of RADEPA. In his chapter on La Calle, he invokes only its support for the Spanish Republic, and makes no mention of its pervasive anti-Semitism. After this whitewash of La Calle, Arze goes on to say that Bolivian anti-Semitism in this period has been “decontextualized”. Sinking further into quicksand, he continues with a priceless passage:

"…other objective elements of analysis of the period, such as the observable fact of the demographic and political gravitation of "semitism" (sic) to the city of New York, the neuralgic point of the grave world crisis of 1929 and the principal headquarters of capitalist finance, (…) can underscore the objectivity of an association of big international finance capital with semitism (sic) in a nation which had just emerged from a serious defeat in a regional war and which was then involved, almost without wanting it, in a new conflict…"149.

With apologists such as these, the early MNR hardly needs critics.

18. The Catavi Mine Massacre Opens the Door to U.S. Domestic Intervention

While the MNR was making its entry into Bolivian politics, the labor situation under Peñaranda was spinning out of control. In late September 1942, the unions issued demands at the Catavi mine owned by Patiño; two weeks later railroad strikes erupted.

The strike wave intensified through November and December, until on December 21/22 hundreds of assembled workers and their families were machine-gunned by the Bolivian military at the Catavi mine150. The massacre became an international issue; the U.S. ambassador had called the strikers "Nazi saboteurs", and Peñaranda later visited the U.S., where he was warmly received in the Roosevelt White House. The two major U.S. union federations, the AF of L and the CIO151, as well as the U.S. State Department, sent the Macgruder Commission to investigate, including Robert J. Watt of the AF of L and Martin Kyne of the CIO, culminating in a devastating portrait of labor conditions in Bolivia, published by the ILO. In Guillermo Lora's view152, the commission was mainly a probe to set the stage for U.S. aid. Such a bloodbath, in the most important source of tin for the U.S. war effort, had to be a major concern, and with forthcoming aid the U.S. began its serious intervention into Bolivian domestic politics. Indeed, in April 1943, then-U.S. Vice President Henry Wallace visited Bolivia, and in August 1943, the U.S. Congress held hearings on the massacre. (Wallace was quickly marginalized in dealings with Bolivia by the more conservative Secretary of Commerce Jesse Jones, who had directed ties to the Rosca. The Patiño mines also established their corporate headquarters in Delaware to acquire the status of an American company.) In addition to tin, the U.S. wanted Bolivian quinine, tungsten, zinc, lead and rubber. From 1942 to 1945, Bolivia's tin production and the tin price did rise, but Mariano Baptista Gomucio argued that the fixed price during the war cost Bolivia $670 million, more than all U.S. aid to Bolivia into the 1960's153.

19. The Villaroel Regime, 1943-1946: Second Dress Rehearsal for the MNR Revolution

The Catavi massacre also made possible something of a national political debut for MNR leader Victor Paz Estenssoro, who denounced it and strongly supported the strike, even though the MNR at that point was an urban middle-class party with no particular link to workers. Six months later, in July 1943, Paz went to Buenos Aires, where a pro-Axis group of military officers, including Col. Juan Peron, had just come to power in a coup; Paz announced that he wanted a similar revolution in Bolivia.

The regime, though rapidly losing its grip on power, declared war on the Axis on December 4, 1943. It was of little avail for Peñaranda, who was overthrown in a coup led by RADEPA and the MNR on December 20, marking another swing of the pendulum back in the direction of the pro-Axis, corporatist "military socialism" of three years earlier154. The new head of state was Major Gualberto Villaroel, a member of RADEPA. His was the first Bolivian

government to rule without at least one faction of the tin barons. Villaroel's Minister of Public Works and Communication was Col. Antonio Ponce Montan, who had undergone German military training and was a great admirer of the Third Reich155. The new government was immediately recognized by Argentina, which itself would only declare war on Germany in March 1945156. One adviser of the chancellery was Dr. German Quiroga Galdo, a former professor of International Law at the heavily fascist-influenced Escuela de Guerra in Cochabamba, who in January 1944 made a speech calling for Bolivian support to the Axis. The cabinet included four officers from RADEPA and three leaders of the MNR, Augusto Cespedes, Carlos Montenegro and Victor Paz Estenssoro. According to Klein157, the "MNR backed Paz Estenssoro rather than the extreme fascist wing represented by Carlos Montenegro158 and Augusto Cespedes." Cespedes, however, did become the General Secretary of the Junta del Gobierno, while Paz Estenssoro became Minister of Economics. Paz Estenssoro had apparently met with Peron the night before the coup in Buenos Aires159, where he had spent the previous months160. Paz placed "all the most rabidly anti-Semitic and fascist MNR members in the government."161 The MNR broadsheet La Calle became the official newspaper of the regime. German residents of Bolivia worked with the new government, Bolivian students went to study in Germany, and Germans were incorporated into the Bolivian police force.162

The international situation, however, was quite different from the Toro-Busch years, and within weeks of taking power, the Villaroel government had been forced to recognize the inevitability of an Allied victory in the war and to seek a new relationship with the United States. The U.S. and eighteen other western hemisphere countries refused to recognize the Bolivian regime. In May 1944, Bolivia, then, formally declared war on the Axis, and expelled Germans and Japanese citizens from the country. The United States sent its ambassador, Avra Warren, to La Paz, where the Bolivian government handed over to him 81 Germans and Japanese considered to be "dangerous". The U.S. also agreed to buy tin at above the world price to assure price stability163.

The Stalinist PIR demanded an explanation for the presence of Nazi elements in the Villaroel government; the U.S. refusal to recognize the junta forced it to drop the more extreme MNR leaders and by July 1944 to completely remove MNR members altogether. Montenegro and Cespedes had left under this US pressure, with Montenegro becoming Bolivian ambassador to Mexico. Despite this departure of the main pro-Axis figures from the government, the RADEPA-MNR alliance lasted throughout the Villaroel period. In part in frustration at its ouster, the MNR intensified its turn to the labor movement.

Power was also taking its toll on RADEPA. Although Villaroel, increasingly in need of U.S. aid, had made efforts to purge his government of the ostentatiously pro-Axis members of the MNR, RADEPA (of which Villaroel was, it will be recalled, a member) was in the course of increasingly acting (apparently) on its own. It kidnapped Jewish tin baron Mauricio Hochschild and held him for several weeks; once released, Hochschild left the country, never to return. In July 1944, RADEPA was involved in the failed attempt on the life of PIR leader and vocal Villaroel opponent Jose Antonio Arze. Most serious, however, were the executions of ten anti-Villaroel politicians and military officers in Chuspipata in November 1944164. These executions, attributed to RADEPA, set off a political crisis that brought the MNR back into the government.

Argentina, for its part, had maintained relations with Germany until January 1944, and many Argentina nationalists remained strongly opposed to the break when it came. The United States sent a warship to Montevideo as a warning against any Argentine attempt to aid Bolivia; Argentina at this time was trying to form a pro-Axis bloc in the Pan-American Union. To counter this trend, the U.S. in December 1944 sent Nelson Rockefeller, newly-

appointed Assistant Secretary of State for Latin American Affairs, to negotiate with Juan Peron. In these negotiations, Peron agreed to crack down on Axis spies, property, and propaganda in Argentina; for its part, the US agreed to drop all economic sanctions and to sell Argentina military equipment.

20. Further Left-Corporatist Measures Under Villaroel

All these international realignments and reshufflings of the Bolivian government, however, hardly prevented ongoing ferment on the domestic social front. Strikes were rocking the countryside. Villaroel, to the extent possible, tried to relink with the "military socialism" of the Toro-Busch years. In keeping with those corporatist precedents, the Villaroel government accepted the organization of the a national miners' union, the Federacion Sindical de Trabajadores Mineros (FSTMB), and decreed the abolition of the "ponguage", the unpaid domestic labor for landowners that peasants were forced to perform. (This decree however remained a dead letter.) It announced plans for rural schools and began work on a rural labor code. In May 1945, it organized a national conference of indigenous peoples, attended by 1,500 delegates. The conference drew up 27 demands, most of which were ignored. The landlords paid no attention to Villaroel's decrees, unleashing severe repression in the countryside, including attacks on schools and teachers.

The FSTMB became the biggest union in the country, under its leader Juan Lechin, who would be in the MNR government after 1952 and who was the key link, as shall be seen, between the MNR and the Bolivian Trotskyists165. The founding congress took place in June 1944 and was backed by the MNR and Villaroel to counter the influence of the PIR in the labor movement166.

In April 1945, Villaroel and his Economics Minister Paz Estenssoro ostensibly restored the Busch decree of 1939 on foreign exchange controls167 but its requirements on submitting income from foreign trade were not as extensive as the earlier decree. A month earlier, at the Chapultapec Conference in Mexico City, Paz had confronted the U.S. about its unfairly low payments for Bolivian tin.

The end of World War II did not ease the pressure on the Villaroel government168. On Feb 24, 1946 Juan Peron was elected president of Argentina and took office in June. Peron's honeymoon with the Argentine working class from 1945 to 1950 undoubtedly had an influence on the evolution of the MNR, whose top leaders (along with many refugees from RADEPA) would spend the 1946-1952 "sexenio rosquero" in exile in Buenos Aires. An MNR delegation did attend Peron's inauguration. The significance of these links, such as they were169 was Peron's attempt, well after the war, to organize a Latin American "third way" against both the U.S. and Soviet blocs, beginning with the major countries of southern South America. Nonetheless, along with the clear impact of the Mexican Revolution and its institutions on the MNR, Peronist corporatism was definitely another influence.

Some solution to the ferment of the working class was clearly needed; the March 1946 3rd congress of the FSTMB marked a "fundamental turn of the miners to the left."170 The press of the Stalinist PIR press spoke darkly of the "fascistization" of the miners, and other critics talked of a possible "anarcho-syndicalist" deviation.

On July 14, 1946, however, Villaroel was overthrown in a popular revolt and lynched along with some of his aides in the Plaza Murillo in front of the parliament building in La Paz. The PIR had played a major role in the mobilization that preceded it, as well as the forces of the tin baron (Rosca) "superstate". In subsequent revolutionary mythology, the murder of Villaroel would be converted into a major reactionary act and he would join the Bolivian revolutionary pantheon. Carlos Montenegro (in Mexico City at the time) in a posthumous

work blamed the coup on “occult maneuvers” by the Rosca and lawyers for Standard Oil. The top leaders of the MNR and RAPEDA fled to Buenos Aires, and hundreds more members of both organizations were imprisoned. Thus the 1936-1946 period of alternating pro-Axis populist and pro-Anglo-American anti-worker regimes ended in six years of harsh repression and the swan song of the tin baron superstate, in which the MNR, from exile, would evolve into its mature form for the revolution of 1952.

21. Carlos Montenegro

Before entering into a discussion of the dark repression of the “sexenio rosquero”, the MNR in exile and finally of the 1952 revolution, it is important to analyze “the” book which defined MNR nationalism, by one of the key founders we have followed through this narrative, Carlos Montenegro (1903-1953). The book, published in 1953 as Montenegro was dying in exile, too sick with cancer to participate in the revolution, was Nacionalismo y coloniaje (Nationalism and the Colonial Period). In it, we can see the continuities and discontinuities of the MNR generation, relative to such earlier figures as Franz Tamayo.

We recall Montenegro’s key role in the post-Chaco nationalism of his generation, his collaboration on the important MNR broadsheet La Calle, his conspiratorial role in the coups of Toro (1936) and Villaroel (1943), his close relationship with German Busch, his imprisonment after the “Nazi coup”, his ministerial portfolio (Agriculture) in the first Villaroel cabinet, his reassignment as ambassador to Mexico under U.S. pressure, and finally his Argentine exile during the “sexenio rosquero”.

Nacionalismo y Coloniaje is one long polemic against the “anti-Bolivianist element of our historical culture”, a counterposition of the “foreign” elite and the “true” Bolivian masses, above all the mestizos. Quoting Oswald Spengler, Montenegro refers to the elite as “literate people who learned to read but not comprehend”171. Montenegro argues that Bolivian history has been written by those imbued with a “complete lack of intelligence about the past…condemning it with the ideas, prejudices and customs of the present…(in this optic) the historical panoramic of Bolivia appears as nothing but a vision of horror.”172 Bolivian journalism as well, from its 19th-century origins, showed a “sudden and absorbing fever for foreign culture…an impassioned surrender to modern spiritual foreign colonization.”173 After 1879 and the loss of Bolivia’s entire Pacific coastline to Chile, “Bolivia was dispossessed of the very sense of itself”. Hilarion Daza, a military figure associated with the debacle, represented “blood foreign to the nation”; he fled to Parisian exile and became a symbol of “the spiritually foreign”, the personification of “the anti-Bolivian…the child of the colonialist spirit which the domination of the learned and the rich draws its inspiration.”174 By contrast, the most powerful personalities of our history…Jose Ballivian and de Linares, belong by their origins to the lower classes.”175

In his last writings in exile, Montenegro made an extended attempt to delineate the MNR from any taint of Marxism. He argued that Bolivia had had neither feudalism nor capitalism, but rather a comprador class in the service of world empire. Bolivia was therefore colonialism and the servitude of the indio. The Bolivian Revolution was thus “anti-colonial”, in the interests of all classes. The MNR was a mass party, expressing the alliance between classes. For the left parties, the contradiction was between bourgeoisie and proletariat, whereas for Montenegro it was between colony and nation.

Montenegro, like Tamayo before him, attracted comment and hostility from many quarters. The Trotskyist Guillermo Lora pointed to the xenophobic rhetoric of La Calle and its “indisputable Nazi derivation”176; for Lora, Montenegro denounced “all internationalism” with his “messianic nationalism” and “adulation of the lower classes”177. Montenegro “tells

us that 'Bolivianidad', as the force which modeled the independent state, resided and resides in the vast social stratum of mestizos…". In 1952, for Lora, "the masses destroyed the feudal-bourgeois state apparatus which the MNR, proclaiming the general interests of the non-existent national bourgeoisie, hurried to reconstitute, as a state totally submissive to the imperialist metropole…It is this which exposes the conservative and not merely Spenglerian178, subjective and reactionary criticisms of Montenegro's perspective…(for Montenegro) "…'Bolivianidad', 'nationality' and the anti-foreign are synonymous with nativism."179

Juan Albarracin Millan, in his book Geopolitica Populismo (1982), argues that "Montenegro transposes this Spenglerism to the field of Bolivian history, through the dualism of nation-coloniaje, orienting that history in the direction of Indoamericanist populism, posing as the axis the Bolivian mestizo…Montenegro, a populist ideologue, underscores the untameable masses as the historical root of the nation, counterposed to the "chola" oligarchy." In Albarracin's view, "going from the racial to the social analysis was not easy; it was the hardest task of Bolivian sociology. The actions of people were seen by racism in accordance with color, bone structure, language, etc. Social analysis demanded an explanation of the place occupied by people within the social structure." For Albarracin, the main characteristic of Nacionalismo y Coloniaje is "its undifferentiated use of race and class in the concept of the people. The mestizo and the Indian class move hand in hand into populism."180. "Montenegro calls his theory 'Indoamericanism', following Haya de la Torre and, moreover, Spengler. In the concept of the 'people' Montenegro telescopes his national thesis on race with the populist theory of the alliance of workers, peasants and the middle classes. This particularity of coupling race and people is the weak thread that Montenegro follows, at times toward racism and at other times toward populism…Montenegro is…the key figure of Bolivian sociological irrationalism…Montenegro's key concepts are "Bolivianidad", counterposed to all other types of nationality; the "antipatria", or everything opposed to the untameable vision of the National Revolution; "genetic history", or history as a concept of biological maturation through which a new culture emerges against the decadent West…"181

Coming from another angle, a later critic says of Nacionalismo y coloniaje: "In this rewriting of history, the actual anti-colonial content of Indian struggles was erased and replaced by a nationalist narrative…By the early 1940's, indigenous struggle was treated as one more current leading to national independence… In the early 20th c. there was an uncanny silence about…the great insurrection and civil war that consumed the Andean highland in the late colonial period."182

The ultimate political message of Montenegro's work, then, is this alliance of all "national" classes against the "foreign" elite, ultimately the Rosca of the tin barons. In an essay published posthumously in 1954, he reiterates: "Thirty years of the diffusion of communist theories and fifteen years of similar activity by fascism-Falangism never aroused the slightest interest by the national majorities, whose pronouncement in favor of the MNR…underscores their conscious difference from the sham revolutionary ideals of European origin…Let us proclaim the struggle against oppression and foreign conquest and against its favorite instruments, the international finance companies, the secret groups, the venal middlemen and the armed mercenaries…"183

In short, the "advance" of Montenegro over Tamayo is the half-step out of the latter's early 20th century German romantic race theory to a conflation of race and nation in a populist-nationalist multi-class ideology more suited to the modernization of the Bolivian state, which the MNR would undertake after 1952. The rhetorical excesses of La Calle or the frankly fascist echoes of Cuadros Quiroga's 1942 MNR program are trimmed away, but the core, irreducible, anti-universalist "Bolivianess", counterposed to everything "foreign", (a

counterposition which could have been borrowed wholesale from Fichte), remained to drown the Bolivian masses in the corporatist-statist project of the MNR in power.

21. The "Sexenio Rosquero"

In the immediate aftermath of the overthrow of Villaroel, the new right-wing government hunted down members of RADEPA and the MNR. Hundreds of members of both organizations were jailed and sometimes killed; thousands more were forced underground. The United States granted recognition to the new regime within weeks, and U.S. allies in the Americas followed suit. The MNR leaders—Paz Estenssoro, Cespedes, Montenegro—fled, as indicated, to exile in Peronist Argentina. (During those years of exile, Cespedes and Montenegro managed to work as journalists for La Prensa, a pro-Peronist newspaper.) They arrived in the midst of the "Blue Book" campaign of the U.S. embassy, led by the notorious (aforementioned) Spruille Braden, depicting Peron, Villaroel and the MNR as "Nazi". Peron was in the midst of his honeymoon with the Argentine working class, and also conducting a vigorous foreign policy aimed at creating an anti-American bloc in southern South America. Events forced the MNR, both in exile and underground in Bolivia, more and more into an orientation toward labor.

It was a propitious time for such a turn since, despite intense repression, the 1946-1952 period saw no falloff of worker and peasant ferment in Bolivia, starting with a number of general strikes. Villaroel's end had turned him into a martyr of the left, and workers went into the streets chanting his name184, which they associated with the gains they had made under his government.

More important still was the Extraordinary Congress of the FSTMB in Pulacayo in November 1946, called in response to this rising ferment. The congress adopted the famous "Theses of Pulacayo", henceforth (in Lora's words) "the Bible" of the Bolivian workers' movement. The Pulacayo Congress marked the clear ascendancy of Trotskyist influence in the movement, given the abject capitulation of the (Stalinist) PIR to the Rosca during the war and after. The FSTMB and the Trotskyist POR formed the "Proletarian United Front", which subsequently managed to score electoral successes in the repressive atmosphere.

Because the Theses of Pulacayo became so influential in subsequent Bolivian working- class history, it is imperative to present them in some detail185. They were partly drawn from the Trotskyist Transitional Program, calling for a sliding scale of wages and hours, workers' control of the mines, armed pickets and armed worker cadres. "We must not," the Theses continued, "make any bloc or compromise with the bourgeoisie" and then called for "a proletarian united front" in contrast to "the fronts which petty-bourgeois reformists are constantly proposing." After calling for a "Miners' Parliamentary Bloc" to transform the bourgeois parliament into a "revolutionary tribune", to "unmask the maneuvers of the bourgeoisie from within the chambers themselves", the Theses spelled out their perspective:

"'Worker' ministers do not change the structure of bourgeois governments. So long as the state defends capitalist society, 'worker' ministers become pimps for the bourgeoisie. The worker who exchanges his post of struggle in the revolutionary ranks for a bourgeois cabinet portfolio goes over to the ranks of traitors. The bourgeoisie invents 'worker' ministers the better to deceive the workers…

The FSTMB will never join bourgeois governments, because that would mean the most open betrayal of the exploited masses, forgetting that our line is the revolutionary line of the class struggle."

S. Sandor John writes: "Then, however, the Theses veer away from orthodox Trotskyism, pointing to the time, six years later, when the FSTMB would in fact support "worker

ministers" in the first MNR government in 1952. While calling the working class "the revolutionary class par excellence", it went on to say that the coming revolution as "bourgeois-democratic", though led by the working class rather than "progressive" sectors of the bourgeoisie:

"…those who claim we propose an immediate socialist revolution in Bolivia are liars…since we know quite well that objective conditions for this do not exist." For an international perspective, "the Theses declared solidarity with North American workers…the U.S. is a powder keg which a single spark can set off."186

As Sandor John put it, concerning the confusion spread about a bourgeois revolution made by the working class, pointed to the "fateful contradiction, played out in the ensuing years" of "the role its authors played in entangling this combativity with illusions in the nationalist party."187

The "sexenio rosquero" was, in spite of ongoing repression, hardly a time of social peace. It was, on the contrary, a period in which the now-clandestine MNR steadily gained ground as the voice of workers and peasants. Rural uprisings persisted throughout the year. In late January 1947, steel workers were massacred in Potosi by troops under the orders of a PIR Minister of Labor188. Still embedded in their "anti-Nazi" alliance with the Rosca tin barons, PIR militants participated in the killing,; although the PIR claimed it was merely fighting against the MNR and the Trotskyist POR, the party's reputation never recovered. By 1950, younger PIR cadre were leaving to found an actual Bolivian Communist Party, of negligeable importance in the ensuing years189. This PIR-Rosca alliance, dating back to the beginning of World War II, was one major factor in Bolivian Trotskyism's ability to win hegemony in the working class. During the same period, Juan Lechin, leader of the FSTMB (although himself having never been a worker) and like Tristan Marof a centrist capable of using Trotskyist language when necessary, emerged as a broker between the MNR and the POR, a reality which would take on great significance in enlisting workers and other militants behind the MNR after 1952.

Despite its determination to use repression and outright terror to maintain control, the Rosca government of Enrique Hertzog was nominally committed to democratic forms and had to stage regular elections. The POR-backed Frente Unico Proletario had some success in the 1947 elections, a harbinger of things to come. Repression followed in May 1948 at the XX Siglo Mine, and in June, at the 5th Congress of FSTMB in Telamayu, Lechin, who had made a secret deal with the government, showed truer colors and led the charge against the POR. In the radicalizing climate, even the Falange (FSB) had to adopt workerist language. In the May 1949 elections, the MNR elected eleven deputies. Mass demonstrations and mass repression followed. Large numbers of MNR supporters were again in prison. But under the pressure of increasing instability, Hertzog resigned the presidency, and was replaced by the aristocrat Mamerto Urriolagoitia. He had hardly assumed power when in August-September 1949 a mini-civil war of 20 days erupted between MNR supporters attempting a coup and the forces of the government, with the government gaining the upper hand by the aerial bombardment of some cities190 and afterward putting hundreds of MNR militants in a concentration camp on the Isla Conti in Lake Titicaca. Again in May 1950, the government responded to a general strike with the bombing and shelling of the La Paz working-class neighborhood of Villa Victoria.

The last act of the Rosca, however, was at hand. As a snapshot of the social reality underlying this chronic instability, it should be kept in mind that as of 1950, 0.7% of property owners in Bolivia had 49.6% of the land while people owning less than 1000 hectares were 93.7% of

the population, with 8.1% of the land[191]. 0.1% of the population controlled 68% of mining, 100% of the railroads, and 26% of finance capital.

The February 1951 elections opened the end game for the Rosca with a landslide victory for Paz Estenssoro (still in exile after five years[192]) and the MNR. There was of course no question of accepting these results, and three months later, in May, a military junta took over. A deadlock ensued that would only end with the April 1952 revolution. "Abandoning traditional fascism and economic orthodoxy," wrote Klein, "the MNR moved to a totally revolutionary position"[193], meaning a no-holds barred commitment to the overthrow of the Rosca regime (though hardly revolutionary in the socialist sense)[194].

22. The 1952 Revolution and After

"…in the same way but at a different stage of development, Cromwell and the English people had borrowed for their bourgeois revolution the language, passions and illusions of the Old Testament. When the actual goal had been reached, when the bourgeois transformation of English society had been accomplished, Locke drove out Habbakuk."
- Marx, The Eighteenth Brumaire

Thus did Marx describe the way in which fulsome ideological excess serves to midwife an ultimately banal result. One could say of the Bolivian MNR that by the time it succeeded in overthrowing the Rosca and pushing through its corporatist nationalizations and half-baked agrarian reform, massive U.S. aid drove out its earlier infatuations with Mussolini, Hitler and, on a different register, Peron.

The Bolivian Revolution of April 1952 began initially as another coup attempt by the MNR, similar to the failure of 1949. The coup had the tentative support of General Seleme of the Carabineros and of the Falange, but the latter backed out at the last moment. Even the much-reduced Bolivian Communist Party (attempting to demarcate itself from the debacle of the PIR) supported the MNR by 1951. Fighting lasted three days in La Paz; at first the government seemed to have the upper hand but the intervention of armed workers turned things around. The Bolivian army simply collapsed, and suddenly the MNR found itself in power on the basis of the armed Bolivian working class, which had hardly been its intention. Fortunately for the MNR, the ideology of the "national revolution" whose emergence we have followed throughout, as best articulated by Carlos Montenegro, dominated worker consciousness long enough to permit the re-establishment of a state apparatus and the requisite "special body of armed men".[195] In this endeavor, the MNR had no small help from the both the FSTMB and especially from the COB (Central Obrera Boliviana) and its leader Juan Lechin. Lechin had created this broader confederation in the heady first week of the revolution, and in its first years the COB was not merely a union grouping but in fact the organization of a broad swath of social groups, of which the miners of the FSTMB were the backbone[196]. Coming up behind these mass organizations, but weighing significantly in the overall balance of forces despite its smaller numbers, was the Trotskyist POR of Guillermo Lora and Edwin Moller, which ended up providing a far-left cover for the establishment of the new state.

Paz Estenssoro and other top MNR leaders returned in triumph from their Buenos Aires exile, met by rejoicing throngs. These throngs had not caught up with the MNR's refurbished rhetoric, however, and were chanting "Down with the Jews" at Paz's first public appearance[197]. Before leaving Argentina, Paz had also affirmed that the MNR was "completely anti-Communist"[198].

The four main reforms introduced on the momentum of the MNR's early mass support were 1) nationalization of the mines of the three tin barons, but with full compensation amounting

to $22 million 2) universal suffrage, decreed in July 1952 3) land reform and 4) abolition of the hated ponguaje and other quasi-feudal practices in the countryside. All this occurred within the framework of the revamping of the Bolivian state, with important corporatist overtones. It should be kept in mind that Peronism had just achieved its second electoral triumph in Argentina in November 1951, and that a Peronist- style government under Ibañez would be elected in Chile in November 1952[199]. In this regional context, Peron's ongoing attempt to create a South American "third way" would exert its pull on Bolivia under the MNR during the latter's brief glory days[200]. The MNR Revolutionary Committee in fact included Col. Sergio Sanchez, who became Minister of Labor and who was known as "Peroncito" or the "Bolivian Peron". According to Beatriz Figoll[201], Argentina provided arms for the MNR uprising, though Paz Estenssoro was alienated by Peron's tendency to use him to advance Argentina's interests. (Peron also backed Ibanez, who had been a dictatorial president of Chile from 1927 to 1931, who had been close to Chile's Nazi movement in the 1930's, and who was supported by the small vestige of the Chilean Nazi party in the 1951 election.

To this end of rebuilding the state, the regime's first move toward nationalization required tin exports to be processed by the state-controlled Banco Minero, with all foreign exchange earnings having to be converted by the Banco Central[202]; this was effectively the reinstatement of German Busch's attempts at controls in 1939. The U.S., for its part, had controlled tin prices from 1945 to 1949, and stymied the International Tin Committee. The outbreak of the Korean War and insurgencies in then-British Malaysia and in Indonesia had run the tin price up to $2 per pound, strengthening the posture of the MNR. At the time of the revolution, tin miners were 3.2% of the work force, producing 25% of GNP, which in turn accounted for 95% of Bolivia's foreign exchange income.

A larger context conditioning the new Bolivian regime's relations with the hemispheric hegemon, the U.S., was the international atmosphere of crisis in the early years of the Cold War. In 1952, the U.S. was bogged down in the Korean War, the regime of Mossadegh in Iran was preparing to nationalize British oil assets there, and the Arbenz government in Guatemala was moving on U.S.-owned United Fruit. (The Arbenz regime was the first country to grant recognition to the MNR government.) With many fires to put out, the U.S. could ill afford another open counter-insurgency in the developing world. Instead, building on the ties established with Bolivia going back to 1942[203] and the orchestrated outcry over the Catavi massacre, followed by commissions of enquiry, aid, and agreements on the tin price, the U.S. opted for entrapping Bolivia and its immense natural resources[204] with aid aimed, not surprisingly, at strengthening the most pliable elements in the MNR. The MNR, for its part, jumped into this trap with both feet and by the late 1950's Bolivia was receiving more U.S. aid per capita than any other country in the world. After Dwight Eisenhower's 1952 election as president, his brother Milton Eisenhower visited Bolivia on a fact-finding mission, and in Washington, the Bolivian ambassador Victor Andrade (who had served earlier under Villaroel) convinced the Eisenhowers that the Bolivian nationalizations had nothing to do with communism (as was in fact the case).

There was of course great pressure in the working class for nationalization (without compensation) and after five months of deliberations by a commission devoted to the issue, this took place in October 1952, with compensation of $22 million. It affected only the large mines, and left small and medium-size mines in private hands. The nationalization also involved a corporatist type of "workers' control", but (in contrast to e.g. the workers' councils and soviets of the German and Russian revolutions after 1917) in collaboration with the managers of the COMIBOL (Corporacion Minera de Bolivia). As Dunkerley put it, "a key component of the revolution was in the process of being managerialized."[205] The

COMIBOL was effectively a holding company; it had 30,000 employees with ownership of most mineral production, as well as medical centers and railroads. Decrees in April and June 1952 required the COMIBOL to rehire workers laid off during the "sexenio rosquero".

As Labor Action commented at the time:

"The nationalization of the mines has been decreed, but not according to the program and wishes of the majority of the workers. The nationalization bill provides for indemnity to the proprietors if they pay all taxes and back debts to the government. Of course, the question is purely theoretical, since the government has no money, and hence will not pay The Central Obrera had demanded workers' administration, administration of the mines by workers' committees elected by general meetings of all workers, and a national committee to be elected by all mine committees. But the government, while accepting the principle of workers' control formally, has passed a bill which creates a Corporation Minera Boliviana as a great state mining trust in the place of the three private capitalist corporations. In the new trust the representatives of the workers are in a minority, and are to be nominated by the government.

In this bureaucratic form, workers' control has been transformed into control over the workers."206

The tin barons of the Rosca were down but not out, and from exile they conducted a massive propaganda campaign designed to present the MNR and its nationalizations as "communist". Patiño, Hochschild and Aramayo, who had long been shifting assets abroad, hired the New York public relations firm Nathanson Brothers to convince the U.S. government, Congress and the "public" of this, ultimately in vain. The Rosca's propaganda machine put out disinformation on the danger to foreign technicians and their families, and quoted such technicians to the effect that nationalization would ruin the mines207. The Rosca hired U.S. Senator Millard Tydings of Maryland to trumpet their cause in Congress; Tydings threatened to stop the U.S. purchase of Bolivian tin, but he died shortly thereafter. The U.S. State Department issued calls for full compensation. The Rosca campaign was countered by the services of Gardner Jackson, a politically moderate worker-intellectual whose activities in the U.S. labor movement dated from the Sacco-Vanzetti campaign of 1927. (In fact, most sympathy in the U.S. for the MNR came initially from the labor movement.)

Further complicating matters for the MNR was the fall of world tin prices from $1.21 to $0.70 per pound as the Korean War wound down in 1953, costing Bolivian $20 million in income in that year, and bringing the Bolivian state to the verge of bankruptcy; nationalization had in effect saved the mines from such a fate. In the same year direct U.S. aid to the regime began, and the Chinese Revolution was causing the world price of tungsten and wolfram to rise.

The nationalized mines faced multiple problems quite apart from the international campaign of the Rosca and the fall of tin prices. Friction arose between engineers and workers in the management of the mines, and labor leaders and military officers filled the vacuum. The COMIBOL in fact became a refuge for retired military officers and retired second-rate politicians. In addition to these managerial and porkbarrel complications, the long-term trends in production worked against tin; in 1927, just before total tin exports had peaked in 1929, tin made up 74.2% of Bolivia's exports, whereas by 1956 that percentage had fallen to 56.5%. The slack was taken up to some extent by increases in exports of lead, tungsten, zinc and oil.208 But the tin barons had responded to the depression and to the threats of the "military socialism" of Toro and Busch, and later to Villaroel, with a general policy of disinvestment, so that the mining equipment nationalized in 1952 was quite out of date. (During the Busch years, the tin barons had lowered production to 19,000 tons annually on

the pretext that reserves were being exhausted.) In light of this, the MNR's nationalization parallels e.g. Britain's nationalization in the same period of mines, steel, and railroads that were no longer profitable. Decrees in April and June 1952 required the COMIBOL to rehire workers laid off during the "sexenio rosquero". The industries controlled by the COMIBOL had had 24,000 employees in 1951, and by 1956 had 36,000. Further ties to Western imperialism, in addition to U.S. aid, U.S. trade unions, and the various reports and commissions of inquiry were developed when in 1953 the COMIBOL signed a contract with the British tin smelter William Harvey Company. The working population as a whole paid for the losing proposition of the COMIBOL through taxation, and U.S. aid pressured the COMIBOL to return to orthodox management.

The agrarian reform undertaken by the MNR had some of the same ambiguities as the nationalization of the large mines. It was undertaken sixteen months after the revolution in response to land takeovers by armed peasants. It included, as indicated, the abolition of the quasi-feudal pongueaje. The leadership of the popular umbrella organization, the COB, for its part vacillated (SJ p. 143) between protesting the repression of the peasants and peasants and denouncing "provocation" by peasants influenced by the POR209. According to Sandor John, the POR was actually lukewarm toward peasant mobilizations, arguing that peasants only wanted individual plots of lands for themselves. As Sandor John put it, the POR policy "resembled what Stalin told Chinese Communists in 1925-27: curb peasants' land seizures because they threaten the party's bloc with the nationalist Guomingtang." The reference to China is apt, since the Chinese Communist Party's "bloc of four classes" in the 1949-1953 period (workers, peasants, industrial capitalists and the progressive middle class) was a frequent reference of the MNR leaders. Shortly after the revolution, Paz Estenssoro had appointed MNR leader Hernan Siles Zuazo to head a commission on agrarian reform. The commission reflected a general lack of expertise on such matters. Further, it was dominated by members of the reduced (Stalinist) PIR wedded to their stagist idea of a bourgeois-democratic revolution, (above all PIR agrarian expert Arturo Urquidi Morales) , even further to the right and more cautious than the MNR's own perspective of a "national revolution". In keeping with the corporatist reality already manifest in nationalized industry, in agriculture as well the revolution had created a "new national and organic image of the State as a basic structure for transformation, representation, integration and development."210. Paz Estenssoro had carefully studied the Mexican agrarian reform under Cardenas but, the PIR influence on the commission was oriented to maintaining "an important nuclei of traditional latifundist power through the euphemism "small and medium-size properties"211 which were to be preserved. Peasants themselves mobilized in western Bolivia from January to August 1953, placing increasing pressure on the commission, but the latter continued to support the "microfundia", tying peasants to those plots. The decree on agrarian reform came at the beginning of August 1953. In the view of Bedregal, the commission supported a "semi-democratic agrarian reform of the landowners" and of the "progressive hacendados", leaving the latifundias with some power. The agrarian reform had to accept a modus vivendi "leaving an ample sector of growers and cattle owners to define what the law meant: 'land to those who work it'212. Urquidi, for his part, saw the reform transforming the latifundists into "progressive agriculturists", better equipped than the indigenous population to advance the rural economy. The reform "did not resolve the key question of the historical survival of latifundist and microfundist factors which, over the long term, would become the most serious problem of Bolivian backwardness, by which the agrarian counter-reform could put down roots and derail the capitalist development which was the immediate objective of the national revolution."213 Protected by this thrust of the reform were the latifundias of the Beni and Pando provinces (in the latter there were 3000 properties of 2000 hectares or more).

23. The Role of the Trotskyist POR

Following these brief sketches of the MNR nationalizations and agrarian reform, it is imperative to analyze, in conclusion, the dynamic of class forces in which these changes acquired their concrete meaning. In contrast to the other cases of Latin American corporatism in more developed economies, as discussed earlier, the "national revolution" of the MNR could not base itself, at least initially, on a modernizing military and state already in place, since the army, the "special body of armed men" quite simply disintegrated in April 1952, leaving the MNR precariously atop the armed militias of the Bolivian working class which it had to contain and, initially, to appease. Coming right behind the working class were the indigenous rural masses, largely trapped in pre-capitalist immiseration with quasi-feudal overtones, who went into motion at the beginning of 1953. Confronting these forces and trying to ride them, the MNR was drawn from "intellectual sectors of the Bolivian elite and upwardly mobile members of the middle class"214. Out of this array of forces, the MNR leadership had set itself the task of revamping the Bolivian state it had taken away from the Rosca to "complete the bourgeois revolution", using Bolivia's rich endowment of resources and a reformed agriculture to build a viable capitalist nation-state that could hopefully at last escape from the "colonial" status which MNR nationalist theoreticians such as Carlos Montenegro ascribed to it.

The MNR that seized power in 1952 had evolved from its origins around the anti-Semitic broadsheet La Calle, via the Toro-Busch "military socialism" mixing clear German and Italian fascist influences with corporatist elements drawn from the Mexican Revolution, by way of the Nazi imprint on its founding program of 1942, to the force recognized by the U.S. State Department in 1950 as the sole real alternative to "communism" in Bolivia.

The MNR did not have to deal with "communism" in the form of a mass pro-Soviet party, because that party, the PIR, had totally discredited itself by its services rendered since 1940 to the Rosca's "democracy". Thus the sole ideological and practical force of any consequence to its left was the Trotskyist POR. Bolivia was, along with Vietnam and Ceylon (now Sri Lanka) one of the few countries in the world in which Trotskyism, and not Stalinism or Social Democracy, became for a time the mass current in the working class.

Undoubtedly the key figure in all but wedding the POR to the "left wing" of the MNR was Juan Lechin, the presumed "Lenin" to Paz Estenssoro's "Kerensky". As Dunkerley put it, "a disparity between words and deeds that was to be a consistent feature of the COB leader's erratic career."215 Lechin, a member of the MNR, had been politically educated by Guillermo Lora. Lechin was the restraining link to the Bolivian working class that the MNR desperately needed in 1952. Sandor John is succinct:

"While presenting their own viewpoint in articles and manifestos, Bolivian Trotskyists216 were becoming a radical appendage to lechinismo in the labor movement, while Lechin guarded the MNR's left flank…" (quoting Lora): 'Everything (the POR did in this period) led objectively to the numerical, but not political (sic) strengthening of the MNR'.217 Paz Estenssoro made constant attacks on Trotskyism, while he set about co-opting leaders and bureaucratizing structures. Ultimately more a pressure group than an independent party, the POR, in flat contradiction to the Theses of Pulacayo, supported not only Lechin but also other "worker ministers". In May 1952, Guillermo Lora declared these "worker ministers" a conquest of the labor movement as "textile workers decided to impose their conditions on the right wing of the MNR".218

Here is how the Latin American correspondent of U.S.-based Labor Action analyzed the role of the POR at the end of 1952:

"On the other hand, the government ushered the Trotskyist 'leaders' into very profitable positions in the official machinery, such as the Agrarian Commission, the Stabilization Office, the Workers' Security Administration, etc. The PORista theoretician, Alaya Mercada, is a member of the Agrarian Commission with a salary of 70,000 pesos, which is 100 per cent higher than a minister's salary. Another "theoretician" of the POR, Lora, a collaborator of Lechin's, is now a member of the President's Stabilization Office. The Secretary of the POR, Moller, is director of the Workers' Savings Bank [Caja de Seguro y Ahorro Obrera].

Many other POR militants have also gotten good posts in the official government machine. In this way the Nationalist government has liquidated the 'Communist' and 'Trotskyist' danger in Bolivia, and now the whole Bolivian 'left' is collaborating with the regime, with the claim that it is thus 'saving the revolution' from capitalist restoration.

Parallel to all this, the government party is absorbing leading elements from the left, especially from the POR. Two former general secretaries of the POR, Edwin Moller and Jorge Salazar, and the POR theoretician Ernesto Ayala Mercada, as well as Lechin's ex-secretary Josa Zogada, have entered the MNR officially. Thus a part of the POR staff has capitulated to the MNR, as we predicted long ago. Ideological capitulation preceded the personal and organizational capitulation. The right turn of the MNR is complemented by the capitulation and disintegration of the 'Left.'"219

Along the same lines, Sandor John writes: "Complete control of the state by the left wing of the MNR" became a leitmotiv of the (POR's) propaganda."220 The 9th Congress of the POR in Sept 52 supported the MNR's "progressive measures" and the left wing of the MNR. In early 1953, the party sent a message to the MNR's national convention saying that "to fulfill its historic mission…" the convention "should be the scene of reaction's defeat". If the left wing wins and the MNR acquires a "proletarian physiognomy", the Congress declared the POR would even consider fusion. At times of crisis, such as the attempted (and failed) coups by the Falange and the Rosca in June 1953, the POR called on left-wing ministers to take control. When Paz Estenssoro responded to the coup attempts with anti-business rhetoric, the POR newspaper Lucha Obrera headlined "Radicalization of Paz Estenssoro". 'THE PRESIDENT, REVISING ALL OF HIS PAST POLITICAL STANCE, POINTED OUT ANTI-CAPITALIST OBJECTIVES FOR THE REVOLUTION, NOT JUST ANTI-IMPERIALIST AND ANTI-FEUDAL ONES." "All this struggle must center on the slogan 'Total control of the state by the left wing of the MNR.'" "The people who join ministries as workers' representatives will not be doing so simply as personal collaboration by particular leaders…(but on the basis of the) "program especially approved by the COB".221 In early 1954, the POR supported a member of the MNR Left during the MNR's internal elections to its La Paz Departmental Command.

For all the POR's efforts on its behalf, the Paz government in 1954 increased repression against the Trotskyists, including large-scale arrests of POR workers and peasants, blacklists, and a crackdown on Lucha Obrera222.

In sum, the Bolivian POR was by rough analogy rather like the Spanish POUM (Partido Obrero de Unificacion Marxista) during the Spanish Revolution and Civil War, which was widely denounced as "Trotskyist", but which was in fact a centrist political formation supporting (and participating in) the bourgeois Republican government. In Spain, the real Trotskyists were expelled from the POUM and with a handful of others formed the "Bolshevik Leninist" group.223

During these first years after the revolution, the U.S. was more and more successfully pulling Bolivia into the fold. Aside from the crucial question of access to Bolivia's natural resources, U.S. aid was also prompted by the propaganda value of appearing to support a non-

Communist version of reform. Paz Estenssoro on May 1953 had proclaimed his intention to open diplomatic relations with newly-Communist Czechoslovakia, but under the impact of U.S. aid in the following months, the initiative was dropped. By fall 1953 the U.S. was providing millions of dollars worth of surplus food, as well as funds for technical assistance and road construction. Because they were no longer profitable, the nationalization of the mines had ultimately revealed Bolivia's dependency on outside help. By 1954, the Bolivian government was backing the U.S.'s anti-communist measures at the Inter-American Conference in Caracas. Accelerating inflation, which reached 179% in 1956, and other economic disruptions brought a stabilization team headed by U.S. corporate executive George Eder, which proposed more opening to market forces and a dismantling of the public sector. The Eder stabilization plan was adopted in December 1956, with the scrapping of the multiple exchange rates left over from the earlier currency controls; the Bolivian currency was allowed to fluctuate with international supply and demand just as tin prices were contracting in the 1957 world recession224. The momentum of the revolution of 1952 was long since broken, and the Bolivian working class and peasantry were left to endure ensuing decades of coups, counter-coups, hyperinflation, and a quasi narco-state, much of it under a refurbished military and the U.S. "national security" doctrine worked up, once again, from interwar fascist sources.

Conclusion: The Inability of the Left to Distinguish Between Corporatism and Socialism

The MNR revolution in Bolivia and the little-remembered ideological sources from which it developed provide an unusually clear example of the myopia of much of the self-styled left, both on the scene and internationally. Taking the example of the currents of Trotskyism, particularly the Mandel-Pablo variety dominant in the Fourth International at the time, we see evolving a methodology repeated again and again whereby different variants of the far-left set themselves up as the cheering section and often minor adjuncts to "progressive" movements and governments in fact quite alien to their ostensible goal of socialist revolution, movements and governments strictly committed to a restructuring (or creation) of a nation-state adequate to the present realities of world capitalism. This methodology involves imagining (as has been shown in the relationship of the POR with the MNR) a healthy "left" wing of a bourgeois or nationalist or "progressive" or Third World "anti-imperialist" movement that can be "pushed to the left" by "critical support", opening the way for socialist revolution (there is nothing specifically "Trotskyist" about this; cf. appendix below). This methodology has been employed again and again, from Bolivia under the MNR to Algeria under the FLN to Mitterand's France to the Iranian mullahs after 1979. The far-left groups in question see themselves in the role of Lenin's Bolsheviks to Kerensky's Provisional Government, when in fact their role is to enlist some of the more radical elements in supporting or tolerating an alien project which sooner or later co-opts or, even worst, represses and sometimes annihilates them.

In the case of Bolivia, the multi-class nationalism epitomized by MNR intellectual Carlos Montenegro, with its problematic of the "nation" versus the "foreign", combined in practice with the corporatist models attempted by 1936- 1940 "military socialism" and the 1943-1946 Villaroel regime, and influenced to different degrees by Mussolini's Italy, the Primo de Rivera dictatorship in Spain, Nazi Germany, Vargas's Brazil, Peron's Argentina and the Mexico of Cardenas. Though the standing bourgeois army in Bolivia (in contrast to these other experiences) simply dissolved and had to be rebuilt (as it quickly was), theoretical disarmament set the stage for the practical disarmament of the worker militias. The statist backing of the FSTMB and later of the COB, the creation of the COMIBOL to administer the

nationalized mines, and state-sponsored agrarian reform gave Bolivia its variant of the 20th-century adaptation to the post-1929 world conjuncture, in which the old liberal ideologies and party organizations no longer sufficed.

Appendix: Trotskyism, Permanent Revolution and the Case of Bolivia

I felt the preceding text was complex and tortuous enough so I did not wish to burden it with excessive theoretical baggage. I have used the term "Trotskyist" throughout in a neutral way to refer to those who designated themselves as such. The blur of unfamiliar names and events is difficult enough for the unapprised reader, and indeed for some more apprised, without adding on what might seem like a detour into the labyrinth of mutually hostile self-proclaimed Trotskyist currents that existed even before the assassination of Trotsky in 1940, not to mention after. Yet in this case, the question of Trotskyism cannot be avoided because, as indicated, Bolivia was one of the few countries in the world where Trotskyism became the mass movement, as opposed to a small group (or sect) on the fringes of the mass movement. Hence its actions, particularly as they involved the POR and prominent POR leaders such as Guillermo Lora, are highly relevant to our story. In fact, as the comments of Sandor John and of the correspondent of Labor Action have already indicated, the Bolivian POR, at the high point of its influence from 1946 into the early 1950's, had a rather tenuous relationship (at best) to "orthodox Trotskyism".

My own distance from Trotskyism, orthodox or otherwise, is not the issue here[225]. So many people have been exposed to Trotskyism as a blur of warring sects of no apparent historical weight that the attempt to distill a "true Trotskyism" might seem as futile as an attempt to distill a "true Christianity".

In the case of Bolivia, however, the self-styled Trotskyists of the POR were not a "warring sect" but a significant party with a mass working-class base. What is most relevant for purposes of the Bolivian Revolution and the relationship of the POR to the MNR is Trotsky's theory of permanent revolution, and the related theory of combined and uneven development.

That theory, stated most bluntly, held that any bourgeois revolution in a semi-developed or underdeveloped country must necessarily unleash forces beyond itself (most notably the working class) and "cross over" into a proletarian revolution, which can be successful in the medium to long term only if it successfully links up with a proletarian revolution in the capitalist heartland. Such was the strategy of the Bolshevik Revolution in its early (1917-1921) phase, predicated as it was on the urgent necessity of revolution in Germany at the very least.

The Trotsky-Parvus recovery of the mootings of permanent revolution in the pre- and post-1848 writings of Marx and Engels, and their use of that theory to understand, through the explosion of 1904-1905, that the coming revolution in Russia would be a working-class and not a bourgeois revolution, was a fundamental contribution to revolutionary theory in the 20th century. One does not have to be a "Trotskyist" to recognize this. (At the time of this formulation, it should be recalled, Trotsky was highly skeptical of Lenin's Bolshevik conception of the vanguard party.[226])

The theory of permanent revolution is adumbrated by Marx and Engels in some of their writings of the 1840's and on the revolution of 1848. From their earliest period, by way of their assessments of the failed revolutions of 1848, Marx and Engels portrayed the German bourgeoisie, in contrast to the English or the French, as having come historically "too late":

"If one were to proceed from the status quo itself in Germany, even in the only appropriate way, that is, negatively, the result would still be an anachronism. Even the negation of our political present is already a dusty fact in the historical lumber room of modern nations. If I negate powered wigs, I am still left with unpowdered wigs. If I negate German conditions of 1843, I am hardly, according to French chronology, in the year 1789 and still less in the focus of the present. …We have in fact shared in the restoration of modern nations without sharing in their revolutions. We have been restored, first because other nations dared to make revolutions, and secondly because other nations suffered counter-revolutions…Led by our shepherds, we found ourselves in the company of freedom only once, on the *day of its burial*."227

Engels, in his 1851 book Revolution and Counter-Revolution in Germany, diagnosing the timidity and impotence of the German liberal bourgeoisie in 1848, made this more concrete:

"The Revolution of February upset, in France, the very same sort of Government which the Prussian bourgeoisie were going to set up in their own country. The Revolution of February announced itself as a revolution of the working classes against the middle classes; it proclaimed the downfall of middle-class government and the emancipation of the workingman. Now the Prussian bourgeoisie had, of late, had quite enough of working-class agitation in their own country. After the first terror of the Silesian riots had passed away, they had even tried to give this agitation a turn in their own favor; but they always had retained a salutary horror of revolutionary Socialism and Communism; and, therefore, when they saw men at the head of the Government in Paris whom they considered as the most dangerous enemies of property, order, religion, family, and of the other Penates of the modern bourgeois, they at once experienced a considerable cooling down of their own revolutionary ardor. They knew that the moment must be seized, and that, without the aid of the working masses, they would be defeated; and yet their courage failed them. Thus they sided with the Government in the first partial and provincial outbreaks, tried to keep the people quiet in Berlin, who, during five days, met in crowds before the royal palace to discuss the news and ask for changes in the Government; and when at last, after the news of the downfall of Metternich, the King made some slight concessions, the bourgeoisie considered the Revolution as completed, and went to thank His Majesty for having fulfilled all the wishes of his people. But then followed the attack of the military on the crowd, the barricades, the struggle, and the defeat of royalty. Then everything was changed: the very working classes, which it had been the tendency of the bourgeoisie to keep in the background, had been pushed forward, had fought and conquered, and all at once were conscious of their strength. Restrictions of suffrage, of the liberty of the press, of the right to sit on juries, of the right of meeting-restrictions that would have been very agreeable to the bourgeoisie because they would have touched upon such classes only as were beneath them—now were no longer possible. The danger of a repetition of the Parisian scenes of "anarchy" was imminent. Before this danger all former differences disappeared. Against the victorious workingman, although he had not yet uttered any specific demands for himself, the friends and the foes of many years united, and the alliance between the bourgeoisie and the supporters of the over-turned system was concluded upon the very barricades of Berlin. The necessary concessions, but no more than was unavoidable, were to be made, a ministry of the opposition leaders of the United Diet was to be formed, and in return for its services in saving the Crown, it was to have the support of all the props of the old Government, the feudal aristocracy, the bureaucracy, the army."228

Thus Marx and Engels, before, during and after the "springtime of peoples" of 1848, already saw the dynamic by which the struggle for the bourgeois revolution necessarily opened the way for the independent emergence of the working class, "even before (the working man)

had uttered any specific demands for himself". This "crossover" process between the bourgeois and proletarian revolutions was the kernel of what was later elaborated by Trotsky and his collaborator Parvus in 1904-1905 in the mature theory of "permanent revolution".

Permanent revolution was intimately linked, for Trotsky, with the theory of combined and uneven development. This theory was a direct rejection of the linear- "stageist" view of history widely held in the parties of the Second International, in which every country had to pass through, first, the bourgeois revolution and then arriving at the socialist revolution. It was based on the perfectly reasonable insight, strengthened by the history of capitalism, that each individual country does not (indeed cannot) recapitulate all the "stages" undergone by other countries. Trotsky saw his theory confirmed already in 1905 with the vacillations of the timid liberal bourgeoisie in its feeble battles with Tsarism, all too aware of the workers, in contrast to Germany, already articulating demands of their own. Even at the beginning of 1917, Lenin still shared this stageist view. Trotsky and Parvus, on the other hand, linked up with the Marx-Engels germ of the theory of the "crossover" between the two revolutions, based on seeing individual capitalist countries as part of one single international system, in which developing countries tapping into the cutting edge of world technological innovation not only could but were compelled to "leap" over stages passed through by others. Thus on the eve of its 1905 and 1917 revolutions, Russia had some of the largest and most modern factories in the world, surrounded by a much larger sea of backward agriculture.

"The law of combined development reveals itself most indubitably, however, in the history and character of Russian industry. Arising late, Russian industry did not repeat the development of advanced countries, but inserted itself into this development, adapting their latest achievements to their own backwardness. Just as the economic evolution of Russia as a whole skipped over the epoch of craft guilds and manufacture, so also the separate branches of industry made a series of special leaps over technical productive stages that had been measured in the West by decades…The social character of the Russian bourgeoisie and its political physiognomy were determined by the condition of origin and structure of Russian industry. The extreme concentration of this industry alone meant that between the capitalist leaders and the popular masses there was no hierarchy of transitional layers…Such are the elementary and irremovable causes of the political isolation of the Russian bourgeoisie. Whereas in the dawn of its history it was too unripe to accomplish a Reformation, when the time came for leading a revolution it was overripe."[229]

The triumph of Stalinism by 1924 was, among other things, a full restoration of the linear, Second International stage theory, having among its first fruits in the catastrophic Comintern policy of allying with Chiang kai-shek's Nationalist movement in China in the years 1925-1927.

Whatever the problems of Trotsky himself, Trotskyism after his assassination was mainly an affair of mediocrities, of the Barneses and Cannons and Pablos and Mandels. Trotsky had predicted that the coming Second World War would be followed by world revolution similar to the aftermath of World War I; he also believed that the Stalinist regime in Russia would be swept away in the process. Instead, his followers in 1945 and thereafter found themselves confronted with a giant step forward in Stalinist power in Eastern Europe, China, Korea and Indochina, a giant step in which the working class had played no role. Western Trotskyists such as Mandel were egging on the "reformist" Stalinists in such places as Czechoslovakia and Yugoslavia, while the NKVD and their local counterparts were tracking down and assassinating their own Trotskyist comrades.

Probably the worst case was that of Michel Pablo, who by 1950 had concluded that the world was entering centuries of Stalinist hegemony, and called on Trotskyists to engage in "deep

entry" into the Stalinist parties, like Christians in the catacombs. Pablo's adaptation to current events was blown sky high only a few years later with the 1953 uprising of workers in East Berlin and in 1956 with workers' movements that shook Stalinism to its foundations in the Polish Autumn and the Hungarian Revolution. But the damage maturing since 1940 had been done, and a methodology of adaptation to Stalinist expansionism as well as various Third World "national liberation fronts" and progressive regimes had been set down for decades. The list is long, from the adaptation of most230 Trotskyists (with their "revolutionary opposition" buried in fine print in footnotes) to such sundry movements and regimes as the Algerian FLN, the Vietnamese NLF231, Castro's Cuba, Allende's Chile, the Iranian mullahs, the Nicaraguan Sandinistas, and Polish Solidarnosc.

And to the Bolivian MNR.

At the time of the April 1952 revolution, the most significant Bolivian Trotskyist, Guillermo Lora, was in Paris conferring with the leaders of the Fourth International, who were by then firmly in the camp of Pablo and who apparently did not impress him. Lora did not join the Pablo faction, and those in Bolivia who did so did not join the MNR government. Nevertheless the relationship between the POR and the MNR we have documented in the main text speaks for itself.

The theory of permanent revolution dictated for Bolivia, as for all other underdeveloped countries, the impossibility of a stable bourgeois democratic regime and the necessary "crossover" of the bourgeois into the proletarian revolution. Bolivia was of course not Russia in 1917, and, in contrast to Russia, did not possess some of the largest and most modern factories in the world. It certainly shared with Russia a vast majority of the population working in backward, mainly pre-capitalist agriculture. Fundamental agrarian reform was and is the sine qua non for any true bourgeois revolution. Instead, as we have seen, the Bolivia land reform of 1953 was compromised by preservation of the holdings of the "progressive hacendados" and sizeable micro- and latifundia lands which later became the base of a conservative peasantry.

Similarly, the "nationalization of decline" by the COMIBOL, with full compensation to the three tin barons, burdened the revolution from the beginning with the dead weight of the past.

Between these two halfway measures, and the accommodation with the United States, the runaway inflation of 1955-1956 was hardly a surprise.

Let us then pose the question point-blank: would a different, "truly Trotskyist" policy of the POR in 1951-1953 have resulted in a proletarian revolution in Bolivia? When one considers that in April 1952 the "nationalist revolution" of the MNR had the overwhelming support of the armed working class, the peasantry and the urban middle class; that 85% of the members of the POR ultimately entered the MNR in those years; and when a figure of the stature of Guillermo Lora decided not to enter only at the last moment, the question seems moot. The real question is why the national revolutionary ideology and organization was so popular, to the point that it was even attractive to the great majority of POR members. The Trotskyist view, with its belief that the "crisis of leadership" is paramount in such situations, makes the question of the presence or absence of the revolutionary party the deux ex machina of such crises, when the real historical question is what conditions make possible or mitigate against the existence of such a party in the first place.

In 1952, the Cold War was at its peak and a resulting World War III seemed a real possibility. Developments in Guatemala, Iran, China, Korea and the struggle of the two blocs to influence de-colonization in Asia and Africa were so many flashpoints. In such a conjuncture, surely a proletarian revolution in Bolivia could have had ripples far beyond a poor, remote, landlocked country of three million people. (We bracket for a moment the question of the

possibility of a working-class revolution in the capitalist heartland, a necessary counterpart to the theory of permanent revolution, when in fact the working class everywhere in Europe and the U.S. had been contained or defeated by 1952; recall, to the credit of the POR, the declaration of solidarity (cited earlier) with North American workers."232) Bolivia's ability to command the attention of the United States, for reasons we have described in detail, when there were so many other, seemingly larger fires to put out, already attests to its explosive potential. Nevertheless, such calculations surely weighed on the thoughts of Bolivia's workers as well, and they made their decisions accordingly. To "blame" the POR for "betraying" the Bolivian Revolution is to fall into the idealist trap of saying "they had the wrong ideas" instead of explaining why they had the ideas they did.

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- 1. These articles appear in three parts in Historical Materialism, beginning with No. 16, 2008. They are followed by more recent updates on the situation in Bolivia, available on line above all http://www.isreview.org/issues/73/feat-bolivia.shtml As good as these articles are on Morales’ and the MAS’s domestic agenda since 2005, I of course reject Webber’s situating of the Morales government in a “counter-hegemonic bloc” led by Cuba and Venezuela, with the implication that such a bloc is “progressive” and “anti-imperialist”.
- 2. “Pachakuti” is a term taken from the Quechua “pacha”, meaning time and space or the world, and “kuti”, meaning upheaval or revolution.
- 3. One strange sub-text of the anti-Eurocentric posture, which I encountered two or three times in person and also in books, is the recourse to quantum physics to buttress this perspective. Bell’s Theorem posits the possibility of one atomic particle being in two places at the same time, across galaxies, and nonetheless in communication. This is supposed to be a scientific grounding of the parakuti synthesis, as elaborated for example in the ex-Trotskyist Filemon Escobar’s 2008 book De la revolucion al Pachakuti: El aprendrizaje del Respeto Reciproco entre blancos y indios. Escobar at least comes to his “revolution of the coca leaf” from more than 40 years of worker

militancy, but an even more elaborate counterposition of this indigenist synthesis to a vulgar Marxist straw man is by an academic, Blithz Lozada, Cosmovision, historia y politica en los Andes (2nd ed. 2008). Escobar and Lozada both see Marx as expressing a world view not qualitatively different from that of Newton and Descartes.

- 4. Long unavailable in English, except for a translation published in Ceylon in the late 1950's, there is an excerpt from Luxemburg's 1912 Einführung in die politische Ökonomie in P. Hudis/K. Anderson eds. The Rosa Luxemburg Reader (2004).
- 5. An account of Jeffrey Sachs's 1985 "shock therapy" in Bolivia, under the very same Victor Paz Estenssoro who figures in the following narrative of the 1940's and 1950's, is in Naomi Klein. The Shock Doctrine (2007), Ch. 7.
- 6. This continuity with the past, following the dispersion of the Trotskyist-oriented Bolivian miners after 1985, is recounted in S. Sandor John's Bolivia's Radical Tradition. Permanent Revolution in the Andes (2009).
- 7. Published by the problematic South End Press, 2004.
- 8. See Olivera's statement at http://mywordismyweapon.blogspot.com/2010/08/oscar-olivera-opposition-in-times-of.html
- 9. For a good overview of this Bolivian exception, cf. S. Sandor John, op. cit. A hilarious episode took place when a Soviet delegation came to Bolivia in the 1960's to deliver some technology to one of the big state mines. The staid and suited bureaucrats were greeting by a mass of workers holding up pictures of Lenin and Trotsky, and at the end of the ceremonial speeches held up four fingers (the Fourth International) and the bureaucrats responded with three fingers, for the Third. Things were capped off by a reporter from Life magazine writing that the Bolivian workers were so backward they didn't even know that Trotsky had fallen from power 40 years earlier, thereby revealing his own profound ignorance.
- 10. Cf. the role of Ziya Gökalp (1875-1924), who imbibed the Prussian nationalist Treitschke through Emile Durkheim and who was effectively the ideologue of Kemalist Turkey, influential long after his death, in my "'Socialism in One Country' Before Stalin, and the Origins of Reactionary 'Anti-Imperialism': The Case of Turkey, 1917-1925, available at http://home.earthlink.net/~lrgoldner/turkey.html
- 11. Cf. on identity politics, the essays in Vanguard of Retrogression: Post-Modern Fictions in the Era of Fictitious Capital (200l), also available on the Break Their Haughty Power web site http://home.earthlink.net/~lrgoldner; on Bordiga and the Russian commune, the article "Communism is the Material Human Community: Amadeo Bordiga Today" on the same site; and finally the 2010 book of Kevin Anderson Marx at the Margins, reviewed in issue no. 2 of Insurgent Notes at http://insurgentnotes.com; cf. also Franklin Rosemont, "Karl Marx and the Iroquois" at http://libcom.org/library/karl-marx-iroquois-franklin-rosemont
- 12. Cf. James Petras/Henry Veltmeyer. Social Movements and State Power. Argentina, Brazil, Bolivia, Ecuador (2005).
- 13. On Jünger's and Heidegger's post-1945 transformation of the elitist, "hard" Conservative Revolution of the 1920's into preoccupation with myth (Jünger) and "poetizing thought" (Heidegger), still replete with distance from and condescension toward concrete social reality and the masses of ordinary people, cf. Daniel Morat. Von der Tat zur Gelassenheit. Konservatives Denken bei Martin Heidegger, Ernst

Jünger and F.J. Jünger 1920-1960 (2007). This shift involved a "turn to a proto-ecological thought critical of technology…Ecological thought, since the 1970's, found its political home on the left, even if in this political repositioning many of the traditional anti-modern aspects drawn from Kulturkritik were hidden from the ecology movement…In this philosophically exaggerated avoidance of guilt motivated by collective peer group biography, the intellectual contributions of Heidegger and the Jünger brothers amounted to the quiet rehabilitation of the German "Tätergesellschaft" (in effect, the legacy of the 1920's Conservative Revolution-LG).

- 14. The abbreviation 'MNR' will be used throughout.
- 15. The reactionary anti-imperialist and populist movements in interwar (1919-1939) Latin America had their parallel in the "Third World" status of parts of central and eastern Europe in the same period. The first theoretician to use the concepts of "core" and "periphery" was the complex but ultimately proto-fascist German sociologist Werner Sombart. For a remarkable account of the migration of these concepts, first to Rumanian corporatism and its theoretician Mihail Manoilescu, and from there to Latin America in the 1950's and 1960's work of Fernando Enrique Cardoso and Celso Furtado, see Joseph L. Love, Crafting the Third World: theorizing underdevelopment in Rumenia and Brazil (1996). Love's book lacks only an account of the further migration of these ideas to the Western left through the "dependency school" and such outlets as Monthly Review Press and its international resonance.
- 16. James Dunkerley, Origines del poder miltar. Bolivia 1879-1935 (3rd ed. 2006) p. 102.
- 17. Unlike in the Pacific War with Chile and the Chaco War with Paraguay, Bolivia ceded territory to Brazil not from military defeat but simply because it lacked the resources to develop it.
- 18. Cf. Leon Bieber. Las relaciones economicas de Bolivia en Alemania, 1880-1920. (1987) on these general trends.
- 19. By the time of the systemic crisis of the 1930's, tin baron Simon Patiño was one of the wealthiest men in the world. Cf. L. Peñaloza Cordero. Nueva Historia Economia de Bolivia. Vol. 7. 1987. Cf. pp. 129-155 for the holdings of the Patiño empire alone.
- 20. Brazil, Argentina, Chile, Paraguay, and Bolivia all experienced significant German immigration by 1914.
- 21. Cf. the reprint of Creacion… in Franz Tamayo, Obra escogida (Caracas, 1979) When Spanish-language sources are cited, all English translations are mine.
- 22. Tamayo is celebrated in the pamphlet of Nestor Taboada Terán, Franz Tamayo: Profeta de la Rebelion, a work which makes virtually no mention of Tamayo's sometimes reactionary politics.
- 23. Bovaryism was a late 19th century concept taken from Flaubert's novel, referring to a dreamy, ultimately impotent relation to reality.
- 24. Charles Andrade, Historiografia colonial y moderna de Bolivia (2008), p. 81.
- 25. From Creacion, quoted in the extended commentary in Abraham Valdez, La Nacion Boliviana y Franz Tamayo (1996), p. 45.

- 26. Ibid. pp. 47-48. The identity theorists might also bridle at seeing their anti-universalism expressed in such an unabashed association of Prussian militarism and Social Darwinism.
- 27. Ibid. p. 73. The racism of Bolivian society was such that, until the eve of the MNR revolution in 1952, the indigenous population was expected to stay off of main streets and out of sight. Kenneth Lehman, Bolivia and the United States (1999), p. 101.
- 28. El pensamiento filosofica de Tamayo y el irrationalismo aleman. pp. 78-85.
- 29. Andrade, op. cit. p. 92.
- 30. In the view of V. Abecia Lopez, Montenegro (1997), p. 57 "Cespedes, as a writer, journalist and politician, was the most representative intellectual of the National Revolution by his literary, political and historical works." For more on Montenegro, cf. below.
- 31. V. Abecia Lopez, Montenegro, 1997, p. 63.
- 32. Guillermo Lora, Obras completas, vol. XIX, 1997, p. 66.
- 33. In Bolivia, "indigenismo" refers to attempts to deal socially, economically and practically with the situation of the indigenous majority; "indianismo" is more of a literary "appreciation" of the indigenous, written from the "outside".
- 34. F. Reinaga. Franz Tamayo y la Revolucion boliviana. 1970.
- 35. Reinaga, p. 111.
- 36. Ibid. p. 162.
- 37. M. Baptisa Gumocio, Yo fui el orgullo: Vida y pensamiento de Franz Tamayo (La Paz, 1978). Pp. 328-329.
- 38. Charles W. Andrade, Historiografia Colonial y Moderna de Bolivia (2nd ed. La Paz 2008). P. 3.
- 39. Marcos Dumich. Ideologia y Mito. Los Origines del Fascismo Boliviano. 1979.
- 40. Ibid. p. 38.
- 41. Ibid. p. 61.
- 42. Arguedes later pronounced eulogies for the German regime and received the Rome Prize from Mussolini.
- 43. Ibid. pp. 69
- 44. ibid. "Pachamama", or Mother Earth, became one of the by-words of the current Morales regime in Bolivia.
- 45. A full elaboration of this transition cannot concern us here. Cf. my "Remaking of the American Working Class: Restructuring of Global Capital, Recomposition of Class Terrain, available at http://home.earthlink.net/~lrgoldner/remaking.html. The title notwithstanding, the text offers a world perspective on the transition.
- 46. Braden tells his story of business deals and bullying diplomacy in a memoir, Diplomats and Demagogues (1971). Whereas he seemed like an earlier version of John Bolton of the Bush (Jr.) era, the U.S. was attempting in the interwar period, with its "Good Neighbor Policy", to overcome some of the excesses of the earlier gunboat diplomacy with which Braden seemed more comfortable.

- 47. Not only did Bolivia pledge its customs receipts as income for the loan, but accepted surveillance by a three-member fiscal commission, two members of which were chosen b U.S. banks. Cf. Kenneth D. Lehman, op. cit. , p. 66.
- 48. A detailed chronology of the Bolivian workers' movement throughout this period is in Guillermo Lora, Obras completas, vols. XIX, XX and XXI (La Paz, 1994). Lora (1922-2009) was perhaps the dominant figure on the Bolivian radical left over subsequent decades, being a miner, a leader of the Bolivian Trotskyist movement, and a prolific writers (his complete works come to 67 volumes).

  In June 1929, the Comintern organized the Conference of Latin American Communist Parties in Buenos Aires under a Moscow flunky named Vitterio Codavilla. As this was the "Third Period" of "class against class", the conference issued a call for the Stalinist version of a "worker-peasant govt."(cf Lora, vol. XX pp. 230-231) Jose A. Arce, later the leader of the ill-fated pro-Moscow PIR (Partido de la Izquierda Revolucionaria) was among the among Bolivian representatives.
- 49. A full portrait of Marof (the pseudonym of Gustavo Navarro) is in Lora, XX, pp. 277-301. His 1934 book La tragedia del altiplano launched what became a key slogan over the next two decades: "Mines to the state, land to the Indian".
- 50. Eduardo Arze Cuadros, in Bolivia. El Programa del MNR y la Revolucion Nacional (2002) dates the ideological origins of the MNR from the program adopted at this 1928 congress. It highlighted "selective immigration", the emancipation of the Indian, the "moralization of the lower mestizo", progressive socialization, nationalization of the mines and oil, and land to the Indians. It went on to call for a "complete regulation of labor and credit", the latter aimed at avoiding exploitation by bank capital, progressive statification, a reduction of the military budget, the separation of church and state, lay education, the abolition of the monasteries, and finally "war on war". We shall see below how important elements of this program later mixed with fascist elements during "military socialism" (1936-1940) and the Villaroel period (1943-1946).

  The 1928 convention followed up on a 1921 international congress of students in Mexico City, where first-hand acquaintance with the Mexican Revolution was to be had. (Ferran Gallego, Los origenes del reformismo militar en America Latina: La Gestion de David Toro in Bolivia (1991).
- 51. In the view of James Dunkerley, op. cit. p. 175, this radical ferment was unprecedented in Bolivian history.
- 52. One thorough study of Mariategui's ambiguous involvement with Sorel (and Mussolini) is Hugo Garcia Salvattecci, George Sorel y J.C. Mariátegui (1979).
- 53. From yet another viewpoint, Roberto Prudencio, who began as a nationalist and indigenist and wound up as a founder of the Bolivian Falange and had been an early admirer of German fascism, said that "Mariategui and Tamayo were the fathers of the new America." (Andrade, p. 119) The Stalinist intellectual and leader Jose Antonio Arce accused Tamayo of being a traitor to his own writings because, since 1917, he had typified "one of the most reactionary hatreds of feudal ideology." (ibid. pp. 138-139). Ultimately, according to Andrade, "many writers who followed Tamayo were passionate leftists or fanatic nationalists' (ibid. p. 155).
- 54. ibid. p. 77. In M. Grindle pp. 130-131 "The Andrean socialist tradition of Marof…was the overriding tendency that could imagine a past and a future at least partially in terms of Indian community struggle and political autonomy. Yet this was a

marginal tradition on the left by mid-century, and the national revolution, with the peasantizing project and corporatist unionism, would make it difficult for any such tendency to grow.

- 55. Dunkerley (op. cit. p. 193) points out that the 1930 turnover in Bolivia cannot be compared to the simultaneous developments in the more modern and developed countries of Latin American, above all Argentina and Chile; be that as it may, it was part of the regional collapse of 19th-century elite arrangements in differing contexts.
- 56. At the time of the 1930 revolution, only 2% of Bolivia's population of two million were eligible to vote.
- 57. In this text the term "Trotskyist" will be used throughout for those who designated themselves as such; cf. the brief appendix attempting to explain what Trotskyism means.
- 58. Lora, Obras Completas, 1994, vol. XX, p. 255.
- 59. Herbert Klein, A Concise History of Bolivia (2003 ed.), Ch. 7. In 1932, Standard Oil of New Jersey had purchased a new petroleum concession in southeastern Bolivia, , but oil could not be exported because Argentina and Paraguay refused transit rights. It was widely believed in Bolivia that US and British corporations were supporting Paraguay through Argentina, and that both Standard Oil and Royal Dutch Shell were behind Chaco War. The Bolivian mining elite was definitely pro-war. Wealthy Argentine and foreign investors had lucrative stakes in the dispute. The US, Brazil and Argentina all opposed intervention by the League of Nations, and the Argentine press was the first to suggest that Standard Oil was to blame. The Wall Street representative Spruille Braden, who had previously negotiated highly favorable deals for Standard Oil, strongly opposed Bolivian interests at the Chaco peace conference. On the other hand, Dunkerley (op. cit. p. 216 footnotes) thinks that neither Standard Oil and nor Royal Dutch Shell were backing either side in the conflict. The Louisiana populist Huey Long, on the other hand, denounced their role in the U.S. Senate. In October 1935, the Bolivian government did take action against Standard Oil over an illegal pipeline to Argentina.
- 60. Lora, op. cit. p. 257. Perhaps just as important as this ferment in the cities, the Tupac Amaru group was formed, expressing the "20th c. indigenista agrarian radical ideology of Indo-American left….Considered in 1932 "the ravings of an extremist and ineffectual minority of embittered and exiled intellectuals (it) would have profound impact on the postwar world." (Herbert Klein, Political Parties, p. 144.)
- 61. In 1935, the estimated population of Bolivia was made up of 1.6 million indios, 850,000 mestizos, 400,000 whites, 6000 blacks, and 300,000 unidentified. In Latin America, there were one million German speakers, of whom 180,000 were Reichsdeutsche.
- 62. Nazi Germany apparently built about 1,400 schools throughout Latin America. According to Mariano Baptista Gumucio, (in his book Jose Cuadros Quiroga, 2000, p. 10). the German colegios in La Paz and Oruro were "active focos for the diffusion of Nazi ideology. Luis Ramiro Beltham remembers as a child in Oruro being in military parades with Hitler portraits." A Bolivian, Federico Nielsen Reyes, was the Spanish translator of Hitler's book Mein Kampf, and the far-right militant Roberto Hinojosa, who would be the Chief of Information in the Villaroel government after 1943, wrote the sole Spanish-language biography of Hitler.

- 63. For an overview of the war, cf. http://worldatwar.net/chandelle/v1/v1n3/chaco.html

  Foreign officers and technicians were present on both sides; White Russian veterans were commanders on the Paraguayan side, Chileans and Germans were advisers on the Bolivian side.
- 64. Ferran Gallego, op. cit. p 82. There had been 80 million bolivianos in circulation at the end of 1932, and there were 388 million in circulation at the end of 1935.
- 65. Gustavo Maia Gomes, The Roots of State Intervention in the Brazilian Economy (1986), p. 155, pp. 152-153.
- 66. Ibid. 154, 160.
- 67. Ibid. p. 161.
- 68. Arnaldo Cordova, La Politica de Masas del cardenismo (1974), pp. 48-49.
- 69. Ronaldo Munck, with Ricardo Falcon and Bernardo Galitelli. Argentina from Anarchism to Peronism. Workers, Unions and Politics, 1855-1985, p. 129, p. 132.
- 70. In January 1938, under the German Busch government, Humberto Vasquez Rodrigues called for the organization of the legions "in a totalitarian form". The reader will hopefully indulge the proliferation of party names and initials, and above all note their slight relationship to the real politics of various ephemeral groups.
- 71. Hereafter referred to as the POR. One key founder of the party, the brilliant revolutionary intellectual Jose Aguirre Gainsborg, in October 1938 died in an absurd self-inflicted accident, falling off a ferris wheel after undoing the safety bar in act of bravado. An extensive portrait of Aguirre Gainsborg, "one of the great revolutionary figures of the postwar period", is in Lora, XXI, pp. 103-124. (Here "postwar" means post-Chaco war.)
- 72. And then some: by 1950, at the height of anti-MNR terror shortly before the revolution, Marof was the personal secretary of the reactionary, repressive President Urriologoitia.
- 73. Klein, Political Parties, p. 205. Klein describes a "fascination with corporatism" at the time.
- 74. Through the late 1930's and into the war years, the Italian OVRA (secret police) had a military mission in Bolivia, at the Escuela de Guerra in Cochabamba.
- 75. This was of course a South American phenomenon, hardly restricted to Bolivia. In 1935, there were one million German speakers on the continent, and 180,000 Reichsdeutsche. This ten-year battle for influence between pro-fascist and pro-Anglo-American (later Allied) forces is told in detail in Leon E. Bieber, Pugna por influencia y Hegemonia. La rivalidad-estadounidense en Bolivia 1936-1946. Frankfurt am Main, 2004.
- 76. In the context of world depression, and a vast state management of the domestic economy, Schacht created a multi-tiered system of different types of Reichsmarks for international purposes. These different types of marks were paid to trading partners and could only be used in purchasing German goods, and only certain specified goods; moreover, their value could be administratively manipulated, to the detriment of Germany's trading partners. In December 1934, Schacht created the so-called ASKI accounts (Spezial-Ausländer Sonderkonto fuer Inlandszahlungen, ASKI) as a

commercial clearing mechanism. There were high hopes for using ASKI-marks for purchases from Bolivia, but in reality very little trade was financed in this way.

- 77. Klein, Parties, p. 227.
- 78. For a portrait of the Italian original, cf. David D. Roberts, The Syndicalist Tradition and Italian Fascism (1979). In the classic of Gaetano Salvemini, Under the Axe of Fascism (1936), corporatism under Mussolini was characterized as little more than a sham and spectacle thinly covering iron regimentation of workers.
- 79. According to H. Klein (Parties, p. 188) Montenegro and Augusto Cespedes, both future MNR ideologues, most clearly articulated the "national socialist" ideology. During the years of "military socialism", German business also expanded in commerce and commercial aviation, and German instructors in the army made programmatic headway with the fascist-inclined junior officers.
- 80. "The SP was more worried about the presence of 'demagogues' in the worker federations than by the latter's depoliticization." Ferran Gallego, p. 117.
- 81. Bieber, op. cit. p. 49: "Toro wanted to implement state socialism using the left-wing parties."
- 82. Cf. Herbert Klein, Concise History, p. 188.
- 83. Augusto Hochschild (1881-1965), one of the three major tin barons and a Jew, was the prime target of La Calle anti-Semitism and of Bolivian popular anti-Semitism generally during the rise of the MNR. Bieber (op. cit. p. 154) finds some evidence of German funding of La Calle.
- 84. M. Baptista Gumucio, José Cuadros Quiroga : inventor del Movimiento Nacionalista Revolucionario 1. ed. La Paz , 2002 p. 119.
- 85. Jerry Knudson, Bolivia. Press and Revolution. 1986 p. 81. According to Knudson, (p. 130), Quiroga wrote most of the anti-Semitic articles.
- 86. Op. cit. p. 130.
- 87. Such a rabble-rousing paper was bound to invite strong reactions. Zavaleto Mercado called the MNR "a whole gamut of poor relatives of the oligarchy who no longer believed in the oligarchy" (quoted in Abecia Lopez, p. 199) The Marxist Liborio Justo said the founding of the MNR was the "desperate expression of the national petty bourgeoisie". "Paz in particular was known as an admirer of Nazism and an assiduous vistor to the German legation". L. Zanatta/M. Aguas. "Auge y declinacion de la tercera positcion. Bolivia, Peron y la Guerra Fria, 1943-1954" in Desarrollo Economico, Vol. 45, No. 177. Apr-June 2005.
- 88. Abecia Lopez, p. 201.
- 89. S. Sandor John, op. cit. 2009. P. 59.
- 90. Ferran Gallego, p. 117.
- 91. Klein, Concise, p. 188.
- 92. Klein, Parties, p. 245-246
- 93. Lora, Obras Completas, vol. XXI, p. 357. Also Ferran Gallego, p. 116.
- 94. Belmonte, according to Bieber (op. cit. p. 126) actually stayed in Germany until 1951, studying "geopolitics" there after the war. By his own account, he had graduated from the Colegio Miltar in 1923 and was a pilot during the Chaco War. From 1938 to 1945 he served as the Bolivian military attaché to Germany. After his

return to Bolivia, he was a Professor of Geopolitics under the Ballavian government. Belmonte Pabon tells his story in the book RADEPA. Sombras y Refulgiencias del Pasado (1994).

- 95. Another authoritarian nationalist group active in Bolivia in the late 1930's was the Associacion Mariscal Santa Cruz. According to Irma Lorini,

  El nacionalismo en Bolivia de la pre y posguerra del Chaco (1910-1945 (2006), Pedro Silveti Arce in his Bajo el signo de la Barbarie (1946) argued that the Mariscal Santa Cruz had ties to the Chilean GOS (Grupo de Oficiales Selectos), the Argentine GOU (generally known as the Grupo de Oficiales Unidos), and the Paraguayan Ferente de Hierro, in a general mouvance of the South American extreme-right of the period.
- 96. Ferran Gallego, op. cit. p. 115.
- 97. G. Lora, op. cit. vol XXI, pp. 52-53. Lora writes: "The ANPOS…had some influence in the worker organizations. Its stated goal was to coordinate and orient the actions of the worker minister, but in reality it tended to set itself up as the supreme command over the unions and even of the left-wing forces. Some Marxists were sure they could convert the Ministry of Labor into their own citadel, from which they would be able to mold the masses and decide the fate of the government's policies. (in addition to well-known leaders) second and third-tier leftists practically invaded the Ministry of Labor, which at the time was operating in the National Senate. Leftist leaders fell into complacency from being able to meet weekly in the hall of the high chamber…At the beginning, they were all united in the hope of being able to transform society from above, almost painlessly, thanks to the backing which the military had handed over to men so capable of theorizing about the advantages of socialism."
- 98. Ibid. p. 55-56.
- 99. Ferran Gallego, op. cit. p. 115.
- 100. Ibid. p. 119.
- 101. Lora, op. cit. . p. 50.
- 102. Ibid. p. 51.
- 103. Ibid. p. 54.
- 104. Mauricio Hochschild, once again, was the Jewish tin baron in the "big three" of "La Rosca" and a major target of the populist anti-Semitism promoted by La Calle and the far right. His holdings are detailed in Peñaloza Cordero, Ch. VII.
- 105. Klein, Parties, p. 259.
- 106. By the 1950's, state corporations in Bolivia would account for half of GDP.
- 107. In further developments on the far right, the Bolivian Socialist Falange (Falange Socialista Boliviana, or FSB) was founded, on the model of its Spanish counterpart, among student exiles in Chile. Pro-Catholic and nationalist, it was based on conservative and privileged high school students, especially from Cochabamba and the eastern part of the country, it remained a fringe group throughout. In 1952, it considered participating in the MNR revolt, but backed out at the last moment. After the MNR revolution, the tin barons turned to the FSB as the only viable party capable of advancing their interests. The Falange later evolved in a more Christian Democratic direction.

- 108. Agustino Barcelli, in a 1955 book (Medio siglo de lucha sindical revolucionaria), argued for the influence of the Carta di Lavoro and German Arbeitsfront on the Toro government. (Quoted in Bieber op. cit. p. 57-58) However, Nazi experts in the German embassy in La Paz apparently did not think the Toro-Busch government was very different from the previous one.
- 109. Klein, Parties, p. 276.
- 110. Op. cit. p. 305.
- 111. Op. cit. p. 191. Lehman (op. cit. p. 72) sees the 1938 constitution as specifically based on the 1917 Mexican charter.
- 112. The indigenous educational experiment in Warisata became known through the hemisphere.
- 113. Klein, Parties, p. 278.
- 114. Lora, op. cit. vol. XXI, p. 250. John L. Lewis of the American United Mine Workers was present at the 1938 conference. By 1946, the CTAL was following U.S. State Department politics.
- 115. In November 1942, Lombardo Toledano actually visited La Paz, sponsored by the Stalinists of the PIR and and by the CSTB. The CTALwas seen as serving imperialism and La Rosca because of the Stalinist line.
- 116. Bieber, op. cit. p. 72.
- 117. The full story is told in Leon E. Bieber, Presencia judia en Bolivia (2010).
- 118. Guillermo Lora (vol. XX, p. 357) elaborates: “The Busch Labor Code of 1939, originally promulgated in the form of a decree and turned into law in December 1942, was a synthesis of most of the measures taken earlier, plus some new additions. The Code required firms employing more than 500 or more people (i.e. the most important mining companies and a few other firms) to provide hospitalization and free medical care, and to maintain hospitals. It similarly reiterated the requirements already established, specifying the construction of free housing in all mining camps employing more than 200 workers and located more than six miles from the nearest village. It established, in a general way, an 8-hour day and a 48-hour week; exceptional cases aside, it limited the working day for women and for minors under 18 years of age to 7-hour days and a 40-hour week, and established a maximum of five hours for uninterrupted work.
- 119. Lora, vol. XXI, pp. 69ff.
- 120. Lora, XXI, p. 101.
- 121. Bieber, op. cit. pp. 70-71.
- 122. ASKI-Marks [Ausländer-Sonderkonten für Inlandszahlung]) were special non-convertible marks which Nazi Germany paid for foreign goods, and which could only be redeemed by purchasing certain German goods, often unavailable. Their value could further be manipulated administratively and retroactively, leaving the foreign holder to take the loss.
- 123. Op. cit. p. 71.
- 124. The standard joke in the late 1930’s, in countries having a trade surplus with Germany and finding themselves holding large stocks of aspirin and these special

classes of non-convertible marks was that Germany created the headache and then provided the remedy.

- 125. The German delegation to Bolivia at this point had 70 personnel, of whom only thirteen were declared.
- 126. Lora, XXI, p. 97.
- 127. Lora, XXI, p. 89. "The provisional government of Gen. Carlos Quintanella, following the mysterious death of President Busch, had the task of dismantling the Decree of June 7 and the suspension of its effects, pending another decree at the end of 1939….The considerations of the Decree of Pres. Quintanilla, which dissolved the bold measure of Busch with right-wing reaction, were that the European war required the dictation of "emergency dispositions" which would permit the country to receive "the maximum benefit as a producer of raw materials". In addition to changing the amount of foreign exchange that the mining companies were required to hand over to the Central Bank, the law watered down other aspects of the Busch decree to their advantage.
- 128. Germany had invested in airlines throughout Latin America. In April 1941, the U.S. helped Peru to expropriate the Lufthansa line operating there, and in the course of the war the US took over most Latin American air routes.
- 129. The "Rosca", once again, was the popular term for the tin baron superstate.
- 130. Author's note: I feel that the detailed exposition of the developments of 1936-1946 is imperative because the Anglo-American propaganda machine during these years repeatedly issued a flood of material portraying the MNR as "Nazi", and were joined in this by the (Stalinist) PIR and the tin baron press in Bolivia itself. In this period, prior to Cold War anti-communism, any Latin American opposition to Anglo-American interests was "Nazi", confirming George Orwell's remark that "a fascist is someone I don't like." Since, at the same time, I do feel that the RADEPA and La Calle groups were in fact deeply marked by European fascism, while recognizing the "left corporatist" character of some social measures of the Toro-Busch, Villaroel and early MNR years, I feel it essential to sort out the differing strands which were crudely lumped together by the MNR's imperialist and domestic enemies.
- 131. A full portrait of Arze is in Lora, XXI, pp. 125-133.
- 132. Indeed, along with Vietnam and Ceylon in the 1930's and 1940's, Bolivia was the sole country in the world where the Trotskyists and not the Stalinists dominated the working class in that period
- 133. Lora (XX, pp. 300-301) has this to say about these configurations: "There are no real reasons to doubt that the caudillos of "nationalism" had had contacts with the German embassy…but their campaign against the government of Peñaranda expressed a popular sentiment and channeled the radicalization of the masses. The errors of the presumed Marxists (both of the PIR and of Marof) directly contributed to the strengthening of the MNR and they were the ones who practically paved its way to power."
- 134. Ostria Gutierrez went into exile in Chile after the ouster of Peñaranda in 1943, and wrote a polemical (and somewhat tendentious) book, Una revolucion tras las Andes (1944), giving his version of events. Ostria Gutierrez pointed to (pp. 120-121), in his view, striking parallels between the founding program of the MNR and the program of the German Nazis (cf. below).

- 135. Klein, Concise History, p. 197.
- 136. Again, in parallel to the kind of organization from above associated with Cardenas, as described previously.
- 137. In 1972, the American political scientist Cole Blasier proved the letter was a British forgery; cf. Bieber op. cit. p. 126.
- 138. In January 1942, Peñaranda admitted that secret compensation payments to Standard Oil had begun in 1937.
- 139. At the Rio conference, after Bolivia had reached a formal settlement with the U.S. for the Standard Oil expropriation, loans from the U.S. Export-Import (ExIm) Bank quickly followed. Lehman, op. cit. p. 78.
- 140. G. Bedregal, Victor Paz Estenssoro, el Politico (1999). p. 134.
- 141. W.Q. Morales, Brief History of Bolivia, 2003, p. 117.
- 142. Abecia Lopez, p. 195-196. Abecia Lopez refers to the "fascism" of Cuadros Quiroga, p. 197
- 143. M. Baptista Gumucio, p. 8. His book provides further details on the author of the founding document of the MNR. "Hochschild claimed to be to the 'socialist' government what (tin baron) Patiño had been to the traditional parties: the master." (p. 180) "We all saw how the Jewish parvenus contributed to the affirmation of the democratic faith' (p. 191). Ours was the "struggle against socialism, the instrument of international finance" (p. 193). Liberal ideas penetrated Bolivia through the Masonic international, a dissolving internationalism "with a dose of the Judaism which was cropping up everywhere" (p. 195). "We can't construct our identity as a Nation while tied to the universalist ideology which is just being born in our country (p. 196).
- 144. Printed in full in G. Bedregal, op. cit. p. 99.
- 145. In 1983, Walter Guevara Arze, an MNR intellectual and later author of a book Bases para replantear la revolucion nacional (1988), on Bolivian national television called the 1942 document a "creole version of Hitler's Mein Kampf".
- 146. Op. cit. p. 105.
- 147. Bedregal, op. cit. p. 72.
- 148. Eduardo Arze Cuadros, op. cit.
- 149. ibid. p. 78.
- 150. On the Catavi massacre, cf. Lora, XXI, Ch. V; also S. Sandor John, op. cit. , pp. 80-83.
- 151. They would not merge into the AFL-CIO until 1955. According to M. Grindle, p. 101, the US labor movement in the years leading up to the 1952 MNR revolution played a major role in explaining Bolivian politics in the U.S. (The AFL and CIO ultimately sent $5000 to the families of those killed.)
- 152. Lora, XXI, p. 284. Not only aid was mooted; Watt called for a "mandate of 25 years" to revamp the Bolivian economy. Lehman, op. cit. p. 79.
- 153. Lehman, op. cit. p. 79.
- 154. L. Rout and J. Bratzel, in their book The Shadow War (1986), p. 380, claim that "the U.S. was able to…verify that SD agents and Argentine army officers had conspired with Bolivian nationalists in the overthrow of Peñaranda." Lora (XXI, pp.

349-354) also argues that the coup leaders were pro-Axis. Lora's portrait of Villaroel is on XXI, pp. 355-357. For his part. U.S. Secretary of State Cordell Hull in January 1944 described the MNR as "Nazi" and attempted to link the MNR to Peron.

- 155. After the MNR revolution in 1952, he joined the Bolivian Falange. The Falange had participated in the coup, at least in Cochabamba. Elias Belmonte, a founder of RADEPA and a tenacious opponent of the MNR, was a Falange deputy in Parliament.
- 156. The populist APRA of Haya de la Torre in Peru split on the question of Nazis in the Bolivian government
- 157. Klein, Parties, p. 201.
- 158. Montenegro, who became Minister of Agriculture, was deeply involved in the coup. According to Abecia Lopez (op. cit. p. 215) he had told the U.S. embassy that he was being paid by Germany, but would change sides if paid enough.
- 159. Joseph Page, Peron (1983), p. 58.
- 160. On Paz Estenssoro's relations with the Argentine regime in this period. cf. Beatriz Figallo, "Bolivia y la Argentina: los conflictos regionales durante la Segunda Guerra Mundial" in Estudios Interdisciplinarios de América Latina y el Caribe, vol. 7/1. Paz was honored in Buenos Aires in July 1943. Figallo claims that prior to 1943, Paz Estenssoro was distinguished by his cult of Nazism and his frequent visits to the German legation in La Paz. According to Lora (XXI, p. 251) the Confedacion de Trabajo de America (CTLA), under the influence of the Stalinists and Lombardo Toledano, saw a conspiratorial link between Argentine coup of June 1943 and the Villaroel coup of December.
- 161. Klein, Parties, p. 372.
- 162. Other fascist organizations, in addition to the Falange, that were active in Bolivia in these years were the Accion Nacionalista Boliviana, Estrella de Hierro and the CEHGA (Centro de Estudios Historicos Geograficos Andinos).
- 163. A series of negotiations between the Villaroel government and the U.S. ensued over the prices of raw materials, and especially of tin. According to Villaroel's ambassador to the U.S. Victor Andrade, Bolivia asked for an increase in the tin price specifically for workers' wages, following the scandalous conditions in the mines revealed to international opinion after the Catavi massacre. Cf. V. Andrade, My Mission for Revolutionary Bolivia, 1944-1962 (1976), p. 31. The U.S. did agree to raise the tin price from $0.62 per pound to $0.635. Throughout the war, Bolivia sold rubber to the U.S. for $2 per pound, when Argentina was offering $5.
- 164. V. Andrade op. cit. (p. 49) wrote: "For the Welles, the Bradens and other U.S. officials of their ilk, the shooting of ten civilians shook the foundations of civilization" (in contrast to their tolerance of the Catavi massacre of late 1942). Andrade was, for his part, a member of the far-right group Estrella de Hierro. Abecia Lopez (op. cit. p. 241) argues that the totalitarian cell of RADEPA extended to national and departmental police chiefs.
- 165. Cf. Sandor John, op. cit. pp. 87-90.
- 166. Lora (XXI, p. 363) considered the congress to be "one of the most transcendent events in Bolivian social history."
- 167. Lora XXI, p. 92.

- 168. From 1945 to 1949, U.S. policy, backed by large reserves of tin accumulated during the war, kept the lid on the tin price. With the onset of the Korean War in 1950, as well as insurgencies in British Malaya and Indonesia, the price rose to $2 per pound, or almost 300%. The US posture strengthened the appeal of the MNR. The mines employed only 3.2% of the Bolivian work force, produced 25% of GNP, and 95% of Bolivia's foreign exchange. (Lehman, op. cit. p. 97.)
- 169. According to Knudson, op. cit. p. 128, Augusto Cespedes in a 1973 interview had denied any special link to Peron. But cf. the articles of Zanata and Figallo listed below.
- 170. Lora, XXI, pp. 368ff.
- 171. C. Montenegro, Nacionalismo y coloniaje, 1953, p. 28.
- 172. Ibid. p. 53.
- 173. Ibid. p. 77.
- 174. Ibid. p. 158.
- 175. Ibid. p. 161. Jose Ballivian (1805-1852) was a military figure in the war of independence and later president of Bolivia; Jose Maria Linares (1808-1861) was another military figure and caudillo; president of Bolivia 1857-1861.
- 176. Guillermo Lora, Fue revolucionario Carlos Montenegro? (1965), p. 49.
- 177. Ibid. pp. 53-54, 56.
- 178. Oswald Spengler's 1918 work Decline of the West was based on a biological metaphor of cultures rising and falling from youth to maturity to senescence; the biological interpretation of race seems to have been Spengler's legacy to Montenegro.
- 179. Ibid. pp. 64, 68.
- 180. Quoted in Abecia Lopez, op. cit. p. 280.
- 181. Ibid.
- 182. In Grindle, M. ed. op. cit. pp. 125-26, 129. Montenegro and Paz Estenssoro, as fellow exiles in Buenos Aires, daily discussed Montenegro's book as he was writing it: "…the essential was the discovery and the lived reality of the social contradictions of the parties based on the separation between the people (the nation) and the aristocrats of blood…and money (the anti-nation). (G. Bedregal, op. cit. p. 251)
- 183. ibid. p. 382.
- 184. G. Lora, XXI, 415.
- 185. The following overview of the Theses of Pulacayo is drawn from S. Sandor John, op. cit. pp. 92-94.
- 186. Ibid. 94-95.
- 187. Ibid. p. 95.
- 188. G. Lora, XXI, p. 373. Sandor John, op. cit. p. 98.
- 189. With the abject capitulation of the PIR to Rosca dominance, the influence of the international CTAL of Lombardo Toledano disappeared along with it. By June 1950 and the Sixth Congress of FSTMB the rival Stalinist union federation, the CSTB, had virtually disappeared.

- 190. Through all this, nonetheless, such august American newspapers as the Washington Post were still referring to the MNR as "Nazi".
- 191. Klein, Parties, p. 395. Also by 1950 a study by the U.S. embassy had concluded that the MNR and the army were the main bulwark against communism, and the MNR's fascist past and nationalism were no longer liabilities. (Lehman op. cit. p. 95). 1950 also saw the visit of the United Nations' Keenleyside Commission, which attempted to draw a profile of the Bolivian economy in view of future aid, again reflecting U.S. concerns about access to Bolivian raw materials. (ibid.) Released in 1951, the commission's report was critical of the Urriolagoitia government, as informed opinion in the West increasingly realized the non-viability of the status quo, and the potential of the MNR as the only solution, once the U.S. government had concluded that there was no communist or Peronist influence. Grasping for analogies, the Keenleyside report likened the MNR to Kerensky and saw the centrist Lechin as Lenin (ibid.).
- 192. According to Paz's main biographer, the MNR leaders in exile were studying the Mexican Revolution and even the Russian Revolution. (G. Bedregal, op. cit. p. 249). They were also hardly immune to the influence of Peron's "justicialismo" in the surrounding ambience. According to Labor Action, the weekly paper of the U.S.-based Independent Socialist League led by Max Schactman, (4/7/52), the POR backed the Peronist Congress of Workers' Unions, organized by Peron's agents in Asuncion.
- 193. Ibid. p. 401.
- 194. To keep the regional perspective in mind, it should be noted that in November 1951, Juan Peron was re-elected president of Argentina with 62.4% of the vote. Peron, however, had not backed the MNR in the February 1951 elections.
- 195. Only seven weeks after the revolution, Paz Estenssoro authorized the opening of a new air force college in Santa Cruz to rebuild the shattered military. The Colegio Militar reopened in 1953 to form a new generation of "nationalist officers". Showing the continuity of the pre-World War II German influence, Marcos Domich (in Militares en la revolucion y la contrarevolucion p. 50 (1993) writes; "The high commands of the Allied armies absorbed from fascist sources a whole series of justifications, theory and models of conduct and…acquired the 'values' of the dead. Domich (p. 55) sees the origins of the post-1945 doctrine of "national security" in the work of German theoreticians such as Ritter, Raetzel, Haushofer, Kjellen and Mackinder, i.e. the notorious Anglo-German geopolitical school.
- 196. Other groups "relied on the COB to resolve problems that would, elsewhere, have been the province of government functionaries". Sandor John op. cit. p. 120. Lechin was also named Minister of Mines and Petroleum.
- 197. Dunkerley, op. cit. p. 42. This was not a unique outburst. According to Labor Action (August 18, 1952): The "Trotskyist" POR also speaks in empty revolutionary phrases about the "workers' revolution" of April 9th, about the fight between the "left" and "right" wings of the Nationalist party, and about the "revolutionary maturity of the Bolivian proletariat" – while trade union elements protest against the "Jewish oppressors' class" and demand "freedom of pogroms." And this is against a few Jewish small industrialists, owners of little factories – this is the "maturity" of the Bolivian proletariat, which entirely backs the Nationalist party while the Trotskyist POR backs not only the "left wing" of the MNR led by Lechin, but also the government of Paz Estenssoro.

- 198. As early as 1950, a U.S. embassy study found the MNR and the Bolivian army to be a reliable bulwark against communism and the MNR's nationalism and fascist past to be no longer "liabilities". Lehman, op. cit. p. 95. In fact, the U.S. was coming to consider the MNR to be the only solution. Such was the rapidity of ideological remake at the onset of the Cold War. Similarly, the Keenleyside Report of the United Nations in 1951 had underscored Bolivia's structural problems and seriously criticized the Rosca government. It likened the MNR to Kerensky (!) and gave it a clean bill of health, free of Communist or Peronist influence.
- 199. "A political phenomenon which could not be alien to Paz Estenssoro was that of Gen. Juan Domingo Peron. Argentine "justicialism" was a peculiar military-worker symbiosis expressed a new reality for Paz and his party. Peron was the vanguard of a front-line struggle against …the agrarian oligarchy…and the manipulative presence of U.S. interests..,justicialism combinec political categories from Marxism and other aspects of British trade unionism and the social reformism of the Mexican PRI" G. Bedregal, op. cit. p. 251.
- 200. On the overall Peronist strategy of a anti-communist "third position" independent of Washington and Moscow in the Southern Cone, cf.L. Zanata/M. Aguas, "Auge y declinacion de la tercera posicion. Bolivia, Peron y la Guerra fria, 1943-1954." In Desarrollo Economico, vol. 45, No. 177, (Apr-June 2005). Beatriz Figallo. "Bolivia y Argentina: los conflictos regionales durante la Segunda Guerra Mundial. In Estudios Interdisciplinarios de America Latiny el Caribe. 1996. Vol. 7/1.
- 201. Cf. Estudios Interdisciplinarios de America Latina y el Caribe. Beatriz Figallo. "Bolivia y Argentina: los conflictos regionales durante la Segunda Guerra Mundial. In Estudios Interdisciplinarios de America Latiny el Caribe. 1996. Vol. 7/1.
- 202. Ibid. p. 54.
- 203. After visiting Bolivia on the commission investigating Catavi, which had disclosed the abysmal situation of the wage-labor workforce there, the AF of L's Worth had called for a "mandate of 25 years" to recoup the Bolivian economy (Lehman, op. cit. p. 81.). Bolivians resented the "scores of North American experts and diplomatic attachés who descended on their country during the war." (ibid. p. 89).
- 204. In addition to tin, oil and natural gas, these included lead, zinc, copper, wolfram and bismuth.
- 205. Dunkerley, op. cit. p. 57.
- 206. Labor Action, 12/8/52. Most subsequent quotes from Labor Action are from the pamphlet of the League for the Revolutionary Party (LRP) "Bolivia: The Revolution the Fourth International Betrayed", available on-line at http://www.lrp-cofi.org/pamphlets/bolivia1letter.html
- 207. The propaganda battle between the well-funded public relations campaign of the Rosca and the Bolivian government is recounted in Victor Andrade, op. cit. pp. 135-146.
- 208. G. Bedregal, op. cit. p. 350.
- 209. Sandor John, op. cit. pp. 143, 146.
- 210. Begregal, op. cit. p. 448.
- 211. Ibid. p. 451.
- 212. Ibid. p. 455.

- 213. Ibid. p. 458.
- 214. Sandor John, op. cit. p. 123.
- 215. Dunkerley, op. cit. p. 57.
- 216. I have left a theoretical discussion of Trotsky and the vicissitudes of post-Trotsky Trotskyism to the Appendix, in order not to excessively burden the main text.
- 217. Sandor John, op. cit. p. 89.
- 218. Ibid. p. 135.
- 219. Labor Action, 12/22/52.
- 220. Ibid. p. 136. Most of the material on the POR's role beginning in 1952 is from this source.
- 221. Ibid. p. 137.
- 222. The POR, following these developments, entered an internal crisis in 1954-55. The crisis was related to the 1951-53 split in the (Trotskyist) Fourth International pitting Michel Pablo and Ernest Mandel against the American Trotksyist James Cannon. Guillermo Lora attempted to avoid aligning with either faction. The pro-Pablo faction did not enter the MNR. The great majority of Lora's faction opted for "entrism" into the MNR though Lora broke over the question of entrism at the last moment.
- 223. A rough analogy, indeed. The POR never formally entered the MNR government, though its members occupied posts therein; the POUM vehemently denied it was Trotskyist, whereas the POR claimed that it was. Cf. Burnett Bolleton, The Spanish Revolution (1979), pp. 381-383. "In its polemic with the Trotskyists the POUM argued that its presence in the Catalan government was a transitional step toward complete working-class power…(for the Trotskyists this)…was inconsistent with the POUM's participation in a government that…decreed the dissolution of the workers' committees…"
- 224. The information in this paragraph is based on Lehman, op. cit. pp. 109-124.
- 225. Cf. my articles on the Break Their Haughty Power web site http://home.earthlink.net/~lrgoldner :Introduction to the Johnson-Forest Tendency and the Background to "Facing Reality" (2004); Facing Reality 45 Years Later: Critical Dialogue With CLR James/Grace Lee/Pierre Chaulieu (2002); Max Eastman : One American Radical's View of the "Bolshevization" of the American Revolutionary Movement and a Forgotten, and Unforgettable, Portrait of Trotsky (2006) and The Situation of Left Communism Today: An Interview with the Korean SaNoShin Group (2008)
- 226. "In the internal politics of the Party these methods lead, as we shall see below, to the Party organisation "substituting" itself for the Party, the Central Committee substituting itself for the Party organisation, and finally the dictator substituting himself for the Central Committee…" This quote is from Trotsky's Our Political Tasks (1904), a text rarely referred to by Trotskyists. http://www.marxists.org/archive/trotsky/1904/tasks/ch03.htm
- 227. "Toward the Critique of Hegel's Philosophy of Law: Introduction" in L. Easton/ K. Guddat Writings of the Young Marx on Philosophy and Society, (1967), p. 251.
- 228. From http://www.marxists.org/archive/marx/works/1852/germany/ch06.htm

- 229. Leon Trotsky, History of the Russian Revolution. London 1967 pp. 26-28.
- 230. The varieties proliferated with the passing decades.
- 231. Cf. the remarkable books of Ngo Van, Vietnam 1920-1945 (in French; a review on the Break Their Haughty Power web site summarizes the book in English: http://home.earthlink.net/~lrgoldner/vietnam.html) See also the English translation of his autobiography (In the Crossfire: Memoirs of a Vietnamese Revolutionary, AK Press 2010), in which he details the massacres of the Trotskyists by Ho Chi Minh's Stalinists in 1945 and thereafter.
- 232. Sandor John, op. cit. 94-95