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## Britain, the United States, and the Bolivian National Revolution, 1952-1956.

### Introduction

Whilst much of the existing historiography on British relations with Latin America focuses on the period prior to the First World War, the Bolivian case study has rarely, if ever, been examined, either in relation to the nineteenth or twentieth centuries.<sup>1</sup> There is, on a superficial level at least, a logic to this absence. During the period of what Leslie Bethell terms the 'British century', Anglo-Bolivian interactions paled in comparison to those of neighbouring countries, largely resulting from the severance of diplomatic relations at the mid-century point that persisted for the next fifty years.<sup>2</sup> Yet this historiographical inattention obscures a much more variegated picture of government and business interaction, relevant to debates on Britain's informal empire during the nineteenth century and as well as those on its subsequent withdrawal from the region during the course of the twentieth.<sup>3</sup> Indeed, diplomatic neglect did not entirely prevent the cultivation of a commercial and financial relationship. Towards the end of the nineteenth century and into the early years of the twentieth century, British capitalists constructed railways linking landlocked Bolivia with the port cities of Antofagasta in Chile and Mollendo in Peru.<sup>4</sup> After 1900, and concurrent to the development of the railways network, was the expansion of Bolivia's tin industry that would come to dominate its economy. It was Britain that became the largest importer of Bolivian concentrates, with quantities growing steadily from the turn of the century, a position which, in turn, ensured British dominance over the international tin smelting industry. By the middle of the twentieth century, British railways operating in Bolivia outlasted counterparts in Brazil, Uruguay, and even Argentina. In contrast to the narrative of decline and withdrawal, the commercial and financial relationship between Britain and Bolivia was, by this point, arguably at its peak.

It soon faced a direct challenge. In April 1952, the Bolivian Movimiento Nacionalista Revolucionario (National Revolutionary Movement, hereafter MNR) dislodged the ruling junta and brought to an end a six year period of conservative and increasingly repressive rule. This was more, however, than merely the substitution of the military by a civilian government: the MNR sought to dismantle the structures of the old regime by rapidly enacting a series of wide-ranging reforms relating to suffrage, land tenure, and education.<sup>5</sup> The focus of its revolutionary wrath was against the tin-mining oligarchy, and the MNR took control of the country's mining industry by nationalising the holdings of the three largest firms. Compensation was ultimately

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<sup>1</sup> Rory Miller, *Britain and Latin America in the Nineteenth and Twentieth Centuries*. London: Longman, 1993; Victor Bulmer-Thomas (ed.). *Britain and Latin America: a Changing Relationship*. Cambridge: Cambridge University Press, 1989; D.C.M. Platt, *Latin America and British Trade, 1806-1914*. London: Adam & Charles Black, 1972.

<sup>2</sup> Leslie Bethell, 'Britain and Latin America in Historical Perspective', in Victor Bulmer-Thomas (ed.), *Britain and Latin America: a Changing Relationship*. Cambridge: Cambridge University Press, 1989; J. Valerie Fifer, *Bolivia: Land, Location, and Politics Since 1825*. Cambridge: Cambridge University Press, 1972. See, in particular, chapter five.

<sup>3</sup> As in the survey texts on Britain's relationship with Latin America, Bolivia does not feature notably, if at all, in any discussion on informal empire. Bolivia is entirely absent from P.J. Cain & A.G. Hopkins, *British Imperialism, 1688-2015*. Third edition. Abingdon and New York: Routledge, 2016; Alan Knight, 'Latin America', in Judith M. Brown & Wm. Roger Louis (eds.), *Oxford History of the British Empire. IV: The Twentieth Century*. Oxford: Oxford University Press, 1999.

<sup>4</sup> Harold Blakemore, *From the Pacific to La Paz: the Antofagasta (Chili) and Bolivia Railway Company 1888-1988*. London: Lester Crook, 1990.

<sup>5</sup> A useful collection on the Bolivian national revolution is Merilee Grindle & Pilar Domingo (eds.). *Proclaiming Revolution: Bolivia in Comparative Perspective*. London and Cambridge, MA: Harvard University Press, 2003.

paid but the rhetoric of economic nationalism, and of anti-imperialism, pervaded revolutionary discourse.<sup>6</sup> There was, therefore, reason for genuine concern amongst British business and government that their stake would be actively undermined by the new Bolivian regime.

At the same time, this bilateral relationship was complicated even further by the United States. Unlike Britain, the US had no historically-comparable commercial and financial interests in Bolivia. According to Kenneth Lehman, Bolivia had long lurked ‘at the fringes of the American consciousness’.<sup>7</sup> Even though a US enterprise, the Bolivia Railway Company, was originally tasked with the construction of railway lines, these were taken over by the British-owned Antofagasta (Chili) and Bolivia Railway Company (FCAB) in the early 1900s.<sup>8</sup> The US supplied loans to recession-hit Bolivia during the 1920s, and whilst the holdings of Standard Oil were nationalised in 1937, a small number of US shareholders maintained investments in the large tin companies.<sup>9</sup> Without a smelter of its own, until the early 1940s the United States was dependent on foreign tin: whilst Britain supplied itself with tin from Bolivia, it supplied the United States with tin from Malaya. The opportunity to break this dependence on a foreign tin supply arose with the outbreak of the Second World War, when the US constructed a smelter in Texas with the specific intent of processing Bolivian ores. This was a direct assault that ‘struck at the very heart of British tin policy’. For the US, on the other hand, it ‘[embodied] the new rhetoric of Panamericanism, the “good neighbour policy in action”’.<sup>10</sup> But this direct relationship in the context of the tin industry proved far from straightforward. Plagued by intra-governmental disagreements, a haphazard and unreliable approach to the procurement of concentrates manifested itself in the immediate post-war period, serving to destabilise successive Bolivian regimes.<sup>11</sup>

This policy, characterised by US withdrawal and disengagement from Bolivia, stands in stark contrast to that which succeeded it.<sup>12</sup> During the period of revolutionary government the United States provided Bolivia with more per capita economic assistance than it did to any other Latin American country.<sup>13</sup> As a result, the relationship between the MNR regime and the United States has become a subject of particular academic scrutiny, with analyses examining the rationale behind the US provision of aid in the 1950s to the Alliance for Progress under President Kennedy during the 1960s, all firmly situated within the wider global context of the Cold War.<sup>14</sup> According to Lehman, President Dwight D. Eisenhower’s decision to provide aid

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<sup>6</sup> V. Paz Estenssoro, *El pensamiento revolucionario de Paz Estenssoro*. La Paz: Secretaría Ejecutiva del Comité Político Nacional del M.N.R., 1954, 43-44. See also Rory Miller’s chapter in this volume.

<sup>7</sup> Kenneth Lehman, ‘Braked but not Broken: The United States and Revolutionaries in Grindle & Domingo (eds.), *Proclaiming Revolution*, 97.

<sup>8</sup> Blakemore, *From the Pacific to La Paz*, 51-54; Fifer, *Land, Location, and Politics*, 247-249.

<sup>9</sup> Lehman, *Bolivia and the United States: a Limited Partnership*. Athens, GA: University of Georgia Press, 1999, 66-74. About twenty per cent of shareholders in the holdings of the Patiños, one of the ‘Big Three’ whose properties were nationalised after 1952, were American. See James Dunkerley, *Rebellion in the Veins: Political Struggle in Bolivia, 1952-1982*. London: Verso, 1984, 55.

<sup>10</sup> John Hillman, ‘Bolivia and British Tin Policy, 1939-1945’, *Journal of Latin American Studies*, 22: 2 (1990), 289-315, in particular 291-293, 297-302; Editorial, ‘U.S. Buys Bolivian Tin Ore’, *Engineering and Mining Journal*, 141:12 (Dec. 1940), 31, cited by *ibid*, 301-302.

<sup>11</sup> Glenn J. Dorn, ‘Pushing Tin: U.S.-Bolivian Relations and the Coming of the National Revolution’, *Diplomatic History*, 35: 2 (2011), 203-228;

<sup>12</sup> Lehman, *Bolivia and the United States*, 89-90.

<sup>13</sup> United States Agency for International Development, *Overseas Loans and Grants and Assistance from International Organizations, Obligations and Loan Authorizations, July 1, 1945-June 30, 1967* (March 29, 1968), table 1, cited by Cole Blasier, ‘The United States and the Revolution’, in James M. Malloy & Richard S. Thorn (eds.), *Beyond the Revolution: Bolivia Since 1952*. Pittsburgh, PA: University of Pittsburgh Press, 1971, 53.

<sup>14</sup> In addition to Blasier and Lehman mentioned above, see Thomas C. Field, Jr., *From development to dictatorship: Bolivia and the alliance for progress in the Kennedy era*. Ithaca, NY & London: Cornell University

was 'rooted in a cold war frugality that encouraged minimal efforts and expenditures to accomplish essential strategic goals in a less than strategically crucial place'. This was a 'crisis-managing contingency plan...a pragmatic experiment under special conditions when normal policies no longer worked'. Bolivia became a foreign-policy laboratory in order to prevent the country's social and economic ills from increasing the threat of communism. As quid pro quo, however, the MNR had to demonstrate 'its ability to combat the domestic threat'. This was not without consequences. The objectives of US aid arguably struck at the core of the revolutionary process: by providing 'enough support to keep moderates in power' it effectively nudged Bolivia 'in what was considered a proper direction'.<sup>15</sup>

What these studies reveal is the primacy of Cold War concerns from the perspective of the United States and the importance placed in the Bolivian President, Víctor Paz Estenssoro, and his moderate allies, remaining in power to actively mitigate against these concerns. As it turns out, British desires were congruous with those of their US counterparts. However, the underpinning rationale was not. Their prime concern, instead, was economic nationalism and the impact of the revolutionary government on existing commercial and financial interests. Ultimately, it was Paz Estenssoro who actively assuaged the anti-imperial rhetoric of his more radical colleagues to ensure that the British position in Bolivia was maintained: the tin contract remained in place and the railways continued in private hands. That he remain in power was, therefore, essential.

When examined in international comparative perspective, the Bolivian National Revolution serves as pertinent case study of Britain's response to radical nationalist regimes, as well as of Anglo-American relations within this context. Utilising a tripartite framework, Mary-Ann Heiss analyses the nationalisation of the Anglo-Iranian Oil Company, arguing for a more active and forceful Britain and disputing the view of a hegemonic US. At the same time, Heiss recognises that it was nationalism, 'rather than a simple desire for greater oil revenues, [which] motivated Iranian policy and sustained that policy when its fruits proved bitter'. This helps to explain the Iranian desire that Britain relinquish control over the oil industry.<sup>16</sup> Moreover, Mohammed Mossadegh's coalition was driven not by social reform but by anti-British sentiment; any social reformers would not cooperate with the British, whilst those interested in collaboration eschewed social reform.<sup>17</sup> Unlike in Iran, where the anti-British theme 'was not incidental but central', in Bolivia, it was entirely incidental. And, converse to the Iranian case, the MNR government's commitment to social reform took precedence over any anti-British nationalism per se. As a result, despite the radicalism of the early revolutionary period, the tin contract remained unchallenged and it was not until the 1960s that lines of the FCAB were

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Press, 2014; Lehman, 'Revolutions and Attributions: Making Sense of Eisenhower Administration Policies in Bolivia and Guatemala', *Diplomatic History*, 21: 2 (1997), 185-213; Kevin A. Young, *Blood of the Earth: Resource Nationalism, Revolution, and Empire in Bolivia*. Austin: University of Texas Press, 2017; Stephen Zunes, 'The United States and Bolivia: The Taming of a Revolution, 1952-1957', *Latin American Perspectives*, 28: 5 (2001), 33-49. James Siekmeier is more-or-less the lone voice advocating for the primacy of a US fear of economic nationalism over communism in his earlier work, *Aid, Nationalism and Inter-American Relations: Guatemala, Bolivia, and the United States, 1945-1961*. Lewiston: NY: The Edwin Mellen Press, 1999, and the more recent *The Bolivian Revolution and the United States, 1952 to the Present*. University Park, PA: The Pennsylvania State University Press, 2011.

<sup>15</sup> Lehman, *Bolivia and the United States*, 112-113; see also Blasier, 'The United States and the Revolution', 98-105.

<sup>16</sup> Mary Ann Heiss, *Empire and Nationhood: the United States, Great Britain, and Iranian Oil, 1950-1954*. New York: Columbia University Press, 1997, 4

<sup>17</sup> Nicholas Owen, 'Britain and decolonization: the Labour governments and the Middle East, 1945-51', in Michael J. Cohen and Martin Kolinsky (eds.), *Demise of the British Empire in the Middle East: Britain's Responses to Nationalist Movements, 1943-55*. London & Portland, OR: Frank Cass, 1998, 19.

transferred to state ownership, and the 1970s when the Peruvian Corporation's Bolivian section was taken over.<sup>18</sup> Indeed, Mossadegh's lack of malleability was not mirrored in Paz Estenssoro, whose inherent pragmatism stands in stark contrast to his Iranian counterparts.<sup>19</sup>

Understanding the parallel positions of Britain and the United States in revolutionary Bolivia also permits a reevaluation of the traditional narrative of the former's decline and the latter's rise in Latin America during the twentieth century. Leslie Bethell argues that the Second World War dealt a 'crushing blow' to the trading relationship between Britain and Latin America. Britain 'was obliged with varying degrees of reluctance at different levels of government, largely to concede hegemony in Latin America to the United States'. Although by 1950 Britain remained the second most important external actor in Latin America, a lack of political will, according to Bethell, ensured that it largely withdrew from the region thereafter.<sup>20</sup> Moreover, as earlier research by Rory Miller proposes, the rise of nationalism and labour militancy proved too much of a challenge to the British position, most notably in Argentina and Brazil.<sup>21</sup> The Bolivian case serves as a useful counterpoint in this respect, where both British government and business were determined, during the first term of revolutionary government, to ensure their commercial and financial interests were maintained.

This analysis of the first term of revolutionary government in Bolivia thus reveals that, despite the mutuality of interests between the United States and Britain in preserving the moderates in power, there was limited, if any, cooperation between the two countries. Each pursued its own strategy. And each of these strategies was conditioned by the specific nature of the bilateral relationship with Bolivia, as well as a particular set of post-war foreign policy priorities that reflected both regional and global circumstances. What emerged were distinct approaches to the Bolivian National Revolution during the MNR's first term of government, approaches that only ever unintentionally intertwined.

### **The coming of the revolution and recognition of the MNR government**

The 'sudden upheaval' of mid-April 1952 'came as a complete surprise' to the British embassy in La Paz. Even with the value of hindsight, it concluded that the military junta appeared to be 'tolerably secure' when the year began, and there was no 'obvious dissention' within its ranks.<sup>22</sup> It was the American Department in the Foreign Office that took into account the broader social and political context when responding to the ambassador's telegrams during the early days of fighting:

it had been evident for some time that the Junta's days were numbered. Social unrest has grown, and the M.N.R.'s clandestine activities have steadily increased, largely because of the Government's lack of funds with which to govern, owing to its almost complete loss of foreign exchange earnings caused by a deadlock over tin prices, which represent Bolivia's main source of income.<sup>23</sup>

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<sup>18</sup> Blakemore, *From the Pacific to La Paz*, p. 263; I. Thomson, "The Ferrocarril de Guaqui a La Paz and its Motive Power", *Locomotives International*, 9 (1991).

<sup>19</sup> Nicholas Owen, 'Britain and decolonization', 19.

<sup>20</sup> Bethell, 'Britain and Latin America', 17-22.

<sup>21</sup> Miller, *Britain and Latin America*, 231-232.

<sup>22</sup> British Embassy (La Paz), 'Bolivia: Annual Review for 1952', 20 January 1953, UK National Archives, FO371/103625.

<sup>23</sup> Minutes, G.H.S. Jackson, 10 April 1952, FO371/97702.

Repeatedly referenced was US intransigence at securing a tin contract with Bolivia and the economic ramifications of such a policy. The US had not, after all, made a purchase of tin since a thirty-day contract was entered into in September 1951. Intra-governmental disagreements ran rife and the State Department failed to provide an adequate challenge to the obstinacy of the Reconstruction Finance Corporation (RFC), the body tasked with tin procurement. The pleadings of diplomatic staff in La Paz were in vain, whilst a letter from the Bolivian President, Hugo Ballivián, to President Truman was simply too little, too late. By the time the military junta fell, no tin contract was in place.<sup>24</sup>

The far-from-innocuous position of the United States became a source of consternation. The Foreign Office recognised the interaction and aggravation between Bolivia's domestic situation and its complex relationship with various government departments in the United States:

This [revolution] has for some time been a likely development. The MNR have been greatly assisted by the RFC's intransigent attitude, in opposition to the State Dept, over tin prices which has caused an acute shortage of foreign exchange, discontent in the tin mines and steep rises in the cost of living.<sup>25</sup>

'To this extent', minuted a member of the Foreign Office, 'it will probably be said that the principal architect of the present coup d'état was Mr. Stewart Symington of the U.S. Reconstruction Finance Corporation'.<sup>26</sup> The State Department, for its part, seemed aware of the United States' indictment. Even though events were clearly 'an internal fight', responded Edward G. Miller, Assistant Secretary of State for Inter-American Affairs, to a question posed by Dean Acheson, Secretary of State, 'unfortunately it may be played up as part of our difficulties with Bolivia on tin'.<sup>27</sup> In neighbouring Argentina, newspapers denounced the 'rapacious imperialism' that was crucifying Bolivia, while the Chilean head of state, Gabriel González Videla, emphasised in a personal letter to Truman that Bolivia was 'only endeavouring to obtain the necessities of life' when it asked for a greater price for tin; its failure to achieve this would have 'very grave political consequences' not just for Bolivia but for the broader international situation in Latin America.<sup>28</sup> The tin contract between the United States and Bolivia had become a matter of hemispheric concern. Víctor Paz Estenssoro himself was adamant, however, that US intransigence was not solely to blame for the revolution; reliance on a mono-causal explanation would indicate nothing more than a 'shallow and superficial understanding of Bolivian problems'.<sup>29</sup> Nonetheless, the Bolivian press had long lambasted the state of affairs regarding the tin contract and continued to do so in the wake of the revolution.<sup>30</sup>

The British press was quick to comment on the perceived parallels between the Argentinian and Bolivian cases. *The Times* rapidly characterised the MNR as 'anti-foreign, anti-capitalist,

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<sup>24</sup> Thomas J. Maleady (Chargé at La Paz) to Secretary of State, 21 March 1952, State Department Decimal File, 824.2544/3-2152 (hereafter cited by decimal reference), Record Group 59, United States National Archives and Records Administration, College Park, Maryland (hereafter NARA); Hugo Ballivián (Bolivian President) to Harry S. Truman (translation), 22 March 1952, 824.2544/3-2252. This is developed further in Olivia Saunders, 'Preserving the *Status Quo*: Britain, the United States, and Bolivian Tin, 1946-56', *International History Review*, 38: 3 (2016), 551-72. See also Dorn, 'Pushing Tin'.

<sup>25</sup> J.B.S. Pedler (Foreign Office), minutes, 10 April 1952, FO371/97702.

<sup>26</sup> Jackson (Foreign Office), minutes, 10 April 1952, FO371/97702.

<sup>27</sup> See 'Editorial Note', *Foreign Relations of the United States*, Vol. IV, 1952-1954.

<sup>28</sup> Dorn, *The Truman Administration and Bolivia: Making the World Safe for Liberal Constitutional Oligarchy*. University Park, PA: The Pennsylvania State University Press, 2011, 153; G. González Videla to H. Truman, 6 December 1951, Archivo General Histórico del Ministerio de Relaciones Exteriores, Santiago, Chile. Embajada de Chile en EE.UU. Oficios confidenciales recibidos del Ministerio de RR.EE. de Chile, Box 3096.

<sup>29</sup> Blasier, 'The United States and the Revolution', 63, citing *New York Times*, 20 April 1952.

<sup>30</sup> See, for example, *La Razón*, 1 June 1951, 3 June 1951, 19 June 1951; see also the cartoon, 'Mala Política', *El Diario*, 14 May 1952.

and pro-Indian', concluding that events in Bolivia would 'strengthen General Perón's position in South America, as the Bolivian revolutionaries share his anti-capitalist, anti-United States, and proletarian sympathies'.<sup>31</sup> The 'unhealthy attention' paid by the government-controlled press in Buenos Aires to revolutionary events compounded the British belief that the Peronist regime was not entirely innocent of 'fishing in troubled waters' whilst also stirring up anti-American sentiment in the region. However, Argentinean interest in Bolivian affairs was not necessarily congruous with influence, and the British Embassy in Buenos Aires admitted that there was 'no concrete evidence of direct Argentine assistance to the Bolivian rebels'. The Argentinean press nonetheless made much of the 'concrete demonstration of Argentine solidarity with their heroic Bolivian brothers': Víctor Paz Estenssoro's call for food and medicine for Bolivia was answered with an announcement that the Eva Perón fund would fly goods and relief workers to La Paz.<sup>32</sup>

The Foreign Office was dealing with two separate but interrelated issues: the extent of Anglo-American cooperation and the bilateral relationship with Bolivia. It initially believed closely binding itself to the State Department would be misguided solidarity should the MNR government leave the British connection to both the railway and tin industries unchanged. The friction caused by the aforementioned deadlock over tin prices, which had persisted for over six months prior to the revolution, was at the fore-front of decision-making.<sup>33</sup> Formal British recognition of the new Bolivian government also hinged on the latter's attitude to the traditional foundations of the Anglo-Bolivian relationship. But these initial murmurings, that the British would pursue an independent path with respect to recognition, did not last long. The British ambassador at La Paz and members of the Foreign Office debated whether, in fact, more support could be given to British interests by withholding or according recognition; this critical factor would be considered simultaneously with the attitudes of other countries, 'especially the US'. At the same time, the Foreign Office hoped the MNR would realise 'that Bolivia's economic situation is unchanged, and that she will for a long time still depend on the extraction, marketing and sale of tin. She may therefore not be so prone to create difficulties with her standing clients as M.N.R.'s past record would indicate'.<sup>34</sup> The implications of the Bolivians withholding the sale of tin were not, however, one-sided. The Foreign Office was forced to acknowledge that breaking the five-year tin contract 'would damage us at least as much as them'. It was decided, therefore, to continue to defer recognition and watch the US closely, 'even if this means that H.M.G. are debarred from making diplomatic representations in La Paz'.<sup>35</sup>

The British and American points of view on recognition continued to develop during the coming weeks. Both the US ambassador and the State Department expressed early concerns about whether it was Paz Estenssoro or Juan Lechín, Minister of Mines and Petroleum, who was the 'real leader of the new regime'. The influence of the latter, given his 'suspected communist sympathies' and 'possible connections' with the Argentine *Confederación General del Trabajo*, were considered key issues that required clarification when it came to US recognition. Intelligence reports highlighted that further violence could result from the ongoing struggle within the MNR. Lechín 'and other extreme nationalists', the CIA opined, continued

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<sup>31</sup> *The Times*, 10 April, 12 April, 14 April 1952.

<sup>32</sup> Henry B. Mack (British embassy, Buenos Aires) to Anthony Eden, 18 April 1952, FO371/97702.

<sup>33</sup> Minutes, Jackson, 15 April 1952, FO371/97702.

<sup>34</sup> Telegram 27, British embassy (La Paz) to FO, 22 April 1952; Jackson, minutes, 26 April 1952, FO371/97702.

<sup>35</sup> Minutes, R. Cecil (Foreign Office, hereafter FO), 28 April 1952, AX1015/16; these sentiments were then conveyed to the embassy in Telegram 22, FO to British embassy (La Paz), 1 May 1952, FO371/97702.

to ‘inflare public opinion by demanding immediate nationalization’ of the mines.<sup>36</sup> These factors would undoubtedly affect the level of stability not only within the new government but across the country itself. For the British ambassador at La Paz, the American focus on whether the MNR government was able to maintain law and order could be explained by a key distinction between Britain and the United States: with only a small holding in the nationalised tin companies, and no tin contract in place, the latter had no vested interests in Bolivia comparable to those of Britain. It was this difference, according to British Ambassador John Garnett Lomax, that explained the United States’ focus on security and stability within the context of the Cold War, as opposed to narrower financial interests.<sup>37</sup>

This focus served as the fulcrum around which much of the decision-making process revolved. Later in the month, the secretary of state, Dean Acheson, concluded that whilst there had undoubtedly been a ‘struggle for power within the present government’, Paz Estenssoro was now considered ‘the ablest individual in the group and...will stay in power’. Withholding recognition any longer would only serve as an ‘unsettling actor’, having already prompted the scheduling of public demonstrations in front of a number of embassies in La Paz. The recommendation in favour of recognition was submitted to the American president.<sup>38</sup> It was only then that the State Department requested the views of the Foreign Office in light of its changed position.<sup>39</sup> At the same time, the State Department acknowledged that continued non-recognition was ‘tantamount to withholding our influence and preventing ourselves from exercising moderating influence with more sensible elements in the [government] such as Paz Estenssoro’. It felt that further delay would only antagonize the Bolivian president and increase Argentine influence.<sup>40</sup> Once again, regional influences and both national and continental stability were of paramount concern to the United States.

This request resulted in an about-turn on the part of the Foreign Office, which, outwardly at least, appeared to mirror the recommendations of its ambassador at La Paz. It was the British ambassador who had emphasised the importance of early recognition. On the ground, Lomax’s focus was on the protection of British interests, which, he believed, would be facilitated by early recognition. Yet it was only at the prompting of the United States that the Foreign Office ultimately aligned with its own ambassador. Indeed, the Foreign Office had initially been keen to wait a little longer before extending recognition in the hope that this would put pressure on the MNR government ‘to try and put [its] house in order’. However, officials finally concluded that they should almost certainly follow the United States’ lead when it became ‘clear that we should gain nothing by standing out on our own’. Having ‘tried to get the Americans to hold back a little longer in the hope that the withholding of recognition would strengthen the hands of the moderates’, the Foreign Office had to concede that the State Department was ‘most unlikely now to be deterred by anything [it] could say’ given that a recommendation had been

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<sup>36</sup> Telegram 281, State Department to US embassy (La Paz), 21 April 1952, 724.02/4-2152, NACP; Central Intelligence Agency, Intelligence Memorandum, ‘Increased instability in Latin America’, 24 April 1952, p. 2. Accessed online: <https://www.cia.gov/library/readingroom/docs/CIA-RDP91T01172R000300300008-5.pdf>; CIA, Secret, Current Intelligence Digest, 22 April 1952, p. 12. Accessed online: <https://www.cia.gov/library/readingroom/docs/CIA-RDP79T01146A000900160001-6.pdf>.

<sup>37</sup> Lomax to Eden, 5 May 1952, FO371/97703.

<sup>38</sup> Memorandum, ‘Diplomatic relations with Bolivia’, Secretary of State to the President, 22 May 1952, State Department Subject File, Assistant Secretary of State for Latin American Affairs (Edward G. Miller), 1949-1953, Lot 53D26, RG59, NARA, Box 2 of 14.

<sup>39</sup> Telegram 1030, British embassy (Washington) to FO, 22 May 1952, FO371/97703.

<sup>40</sup> Telegram 567, State Department to US embassy (Santiago), 20 May 1952, 724.02/5-2052. Similar views were expressed by the US ambassador earlier in the month in Despatch no. 779, W.B. Cobb (US embassy, La Paz) to State Department, 9 May 1952, 724.00/5-952.

sent to the US President.<sup>41</sup> Recognition was officially extended by the British and American governments to the Bolivian regime on 2 June 1952. The Foreign Office thus overcame its initial reticence at being too closely bound by the State Department, but only because it recognised its weakened position without a transatlantic ally. Lomax, for his part, would appear vindicated: in his first meeting with Víctor Paz Estenssoro, the president stated that it was the intention of his government to leave the British railways and the tin contract ‘unchanged as far as possible’.<sup>42</sup>

### **Preserving the traditional bases of Anglo-Bolivian bilateralism**

The significance of maintaining this historic relationship should not be underestimated. In the years prior to the Second World War, Britain relied on Bolivia for around two-thirds of its tin imports, the majority of which were smelted at the Williams, Harvey smelter in Bootle, near Liverpool. Bolivia, for its part, was entirely dependent on European smelters on the eve of the war, with three-quarters of its shipments destined for Britain, and the remainder for Holland and Germany. The challenge of the United States, in the construction of its own smelter in Texas, unsettled the status quo and served to complicate Britain’s relationship with Bolivia. But the operations of the Peruvian Corporation and the FCAB, so critical in linking landlocked Bolivia with the Pacific coast, were the ‘last remaining strongholds of major British railway enterprise in South America’, retaining their autonomy for far longer than other free-standing company counterparts in the region.<sup>43</sup> Throughout the first term of revolutionary government (1952-56), the attitude of the MNR towards the tin contract and the privately-owned railways continued to be of paramount concern to the British Foreign Office and business interests.

What remained unchanged during this time was the Bolivian necessity of exporting tin. With the United States’ unpredictable approach to tin procurement, the British commitment to a long-term contract with Bolivian producers, with none of the quibbles over price, stood in stark contrast to their American counterparts. But the supply of ores between Bolivia and Britain was a controversial point in and of itself. The Williams, Harvey plant in the north west of England, which had long processed high-quality Bolivian ores, formed part of the global smelting interests of Consolidated Tin Smelters, established by the Bolivian Simón Patiño and John Howeson of the Anglo-Oriental group whose tin commitments lay initially in Nigeria and then in Malaya. The vertical integration between Patiño Mines and Enterprises and the Liverpool-based smelter that processed Bolivian ores had, then, long been the subject of anti-imperialist vitriol.<sup>44</sup>

The contentious nature of the tin contract extended beyond Bolivia, dividing government departments in Britain. The Foreign Office, Ministry of Materials, Ministry of Supply, and Treasury, along with the Bank of England, engaged in intense discussions about the renewal process, from expenditure to the extent to which policy should be coordinated with the Americans.<sup>45</sup> Whilst for the smelting company, Williams, Harvey, the issue was purely a matter of supply and could therefore warrant coordination with the US towards the new Bolivian

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<sup>41</sup> Minutes, Cecil, 26 May 1952; R. Barclay, 26 May 1952; Barclay, 30 May 1952, FO371/97704.

<sup>42</sup> Lomax to Eden, 4 June 1952, FO 371/97705.

<sup>43</sup> Rory Miller, ‘British Free-Standing Companies on the West Coast of South America’, in Mira Wilkins and Harm Schröter (eds.). *The Free-Standing Company in the World Economy 1830-1996*. Oxford: Oxford University Press, 1998, 218-252; Brian Fawcett, *Railways of the Andes*. London: George Allen & Unwin Ltd, 1963, 131.

<sup>44</sup> See, for example, Sergio Almaraz Paz, *El poder y la caída: el estaño en la historia de Bolivia*. Fourth edition. La Paz: Editorial ‘Los Amigos del Libro’, 1980, 41-54; Guillermo Bedregal, *Fundición de estaño en Bolivia*. La Paz: Editorial ‘16 de julio’ ltda, 1964.

<sup>45</sup> This is explored in greater detail in Saunders, ‘Preserving the *Status Quo*’, 10-13.

government, the Foreign Office and other civil service colleagues pushed for an independent approach, far more cognisant of the negative connotations associated with recent RFC policy.<sup>46</sup>

Such awareness, however, could not prevent further destabilising actions on the part of the United States. Clifford Waite, of Williams, Harvey, travelled to La Paz in January 1953 intent on renewing the tin contract, prior to which he conveyed his keenness to the Bolivian government that such a contract be secured.<sup>47</sup> No sooner had Waite arrived, then the US signed a contract for Bolivian tin. Whilst this was only a spot purchase for tin in stock or already at port, rather than a forward purchasing agreement, its tactical significance and political rationale – given its active competition for Bolivian tin – invoked both surprise and contempt on the part of the Foreign Office and Williams, Harvey; the latter's position was weakened at a critical point in contractual discussions, and Waite made this clear to members of the RFC and State Department.<sup>48</sup> Confounding the situation, Waite was also on the defensive with regards to his linkages to the nationalised firm of Patiño, repeatedly emphasising to the Bolivian government that he represented Williams, Harvey 'and not the interests of the Patiño mines'.<sup>49</sup> Nonetheless, after a protracted series of negotiations, the smelting company signed a contract with COMIBOL on 26 January 1953 for the purchase of concentrates from the mines formerly belonging to the Patiños. The contract was valid until the end of October 1955 and covered tin mined since nationalisation.<sup>50</sup> COMIBOL secured an outlet for its most critical export, on favourable terms, providing a vital source of foreign exchange, while the British ensured the future of its tin-smelting business in the north-west and its predominant position in the industry more widely through its purchase of Bolivian ores.

The relationship between Britain and Bolivia in the context of the tin industry was firmly triangulated with the United States from the Second World War onwards, and this was no more the case than in the early stages of revolutionary government. British business and government sought to actively secure their position vis-à-vis the United States. In the context of the second base upon which the Anglo-Bolivian relationship traditionally rested – the British-owned railways – the course of events was shaped to a greater degree by regional events. Interestingly, the British-owned railways were not considered problematic enough to fall under the remit of Victor Perowne's 'bones of contention', set for removal in order to 'eliminate, as far as possible, all outstanding causes of friction'.<sup>51</sup> They remained profitable enterprises yet their private ownership remained unchallenged by successive Bolivian governments.

That said, the Foreign Office was acutely aware that in the immediate post-war period there was a 'prevailing wind [blowing] against foreign owned railways and utilities' across the continent'.<sup>52</sup> In June 1946, the *Ferrocarril Mexicano*, which was British-owned, sold its properties to the Mexican government. In March 1948, it was announced that the Uruguayan government would purchase what British-owned railways remained in private hands for £7.5

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<sup>46</sup> C. Waite to E. Muir (Ministry of Materials), 4 June 1952; minutes, Pedler, 6 June 1952; minutes, Jackson, 7 June 1952, FO 371/97712.

<sup>47</sup> Lomax to Manuel Barrau (Bolivian Mining Corporation, COMIBOL), 31 Dec. 1952; Pablo Biggeman (COMIBOL) to Williams, Harvey, 31 Dec. 1952, Archivo de la Corporación Minera de Bolivia, El Alto, Bolivia, Williams, Harvey Correspondence, Folder #123.

<sup>48</sup> Minutes, J.A. Robinson, 24 January 1953, FO371/103643; C. Waite et al., State Department memorandum of conversation, 3 February 1953, 824.2544/2-353.

<sup>49</sup> 'Seeking Agreement on Bolivian Tin', *The Times*, 17 January 1953.

<sup>50</sup> *The Times*, 28 January 1953.

<sup>51</sup> V. Perowne (Foreign Office), Memorandum: 'Bones of Contention' in Latin America, annexed to Anthony Eden to HM Representatives in Latin America, 22 April 1943, FO 371/33929.

<sup>52</sup> Minutes, T. Garvey (FO), 2 September 1953, FO 371/103639.

million.<sup>53</sup> But it was the Argentinian case which was most pertinent and revolutionary events were given heightened resonance in light of this regional context. Paz Estenssoro spent a number of years in exile in Buenos Aires and was still in Argentina when the revolution broke out. This became cause for immediate concern for the Foreign Office given the recent history between the two countries. Britain's long-standing relationship with Argentina had been directly challenged by Juan Domingo Perón, who assumed the presidency in 1946 and by the time of the Bolivian National Revolution was serving a second term. Two years after becoming president, Perón transferred 16,000 miles of British-owned railways to the hands of the Argentinean government. This process of nationalisation after a protracted series of negotiations marked an 'end of an era' in terms of British involvement in Argentina.<sup>54</sup> The agreed sale price was £150 million, most of which would be contributed by the blocked sterling balances the Argentinean government held in London.<sup>55</sup> Notably, before his arrival in La Paz, John Garnett Lomax spent three years as minister with commercial responsibilities at Buenos Aires. There he was heavily involved in trade negotiations and witness to the nationalisation of the British-owned railways. This experience, which he reflected upon as 'a fiasco', undoubtedly impacted upon the way he perceived and responded to the victory of the revolutionaries in Bolivia.<sup>56</sup>

Whilst the Foreign Office and British ambassador at La Paz shared concerns about the impact of the revolutionary regime on the railways, the firms themselves were more sanguine. Prompted no doubt by his cordial relationship with Paz Estenssoro and the new finance minister, according to the General Manager of the Peruvian Corporation's Guaqui-La Paz line, the long-term outlook was no more unfavourable than previous political storms weathered by the company, even if the worst should be anticipated in the immediate future. Indeed, he was optimistic that it would be 'possible to negotiate facilities in the same manner and to the same extent', as the company had done in the past, 'once the political situation adjusts itself'.<sup>57</sup>

Such optimism proved vindicated and despite the early misgivings of the Foreign Office the results of the coup were not as 'uniformly bad' as anticipated. Following Paz Estenssoro's initial pledge to leave the relationship with the British railways 'unchanged as far as possible', such assurances were repeated on a regular basis. He personally informed the manager of the FCAB lines and the British ambassador that the company could 'count on his assurance that nationalisation in any form was definitely not part of his Government's policy', and it was 'perfectly contented with how things were going and that the company was giving them excellent service'.<sup>58</sup> The government had, after all, enacted with relative rapidity its three main accomplishments (universal suffrage, the nationalisation of the large mining companies, and the agrarian reform). These were 'the basis of the national revolution...[and] the party was to rule for over twelve years on the strength of [these] measures passed in the first 18 months'.<sup>59</sup>

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<sup>53</sup> Winthrop R. Wright, *British-Owned Railways in Argentina: Their Effect on Economic Nationalism, 1854-1948*. Austin, TX, and London: University of Texas Press, 1974, 257.

<sup>54</sup> Leslie Bethell, 'Britain and Latin America', 20. The agreement was reached in February 1947 but the associated trade pact was not signed until February 1948, with the final transfer of the lines taking place on 1 March 1948. See Wright, *British-Owned Railways*, pp. 255-256.

<sup>55</sup> *The Times*, 12 March 1947.

<sup>56</sup> Sir John Lomax, *The Diplomatic Smuggler*. London: Arthur Baker Limited, 1965, 263.

<sup>57</sup> Minutes, Jackson, 10 April 1952, FO371/97702; S. Ainsworth (Peruvian Corporation, La Paz) to Hixson (Peruvian Corporation, Lima), 13 April 1952; Ainsworth to the Director Representative (Peruvian Corporation, Lima), 26 April 1952, Peruvian Corporation Archives, UCL Special Collections, London, B6/11D: Situation in Bolivia. 1951.

<sup>58</sup> Lomax to Eden, 4 June 1952, FO371/97705; Lomax to Garvey, 29 October 1953, FO371/103639.

<sup>59</sup> Dunkerley, *Rebellion in the Veins*, 75.

Overextending the process of change was not on the government's agenda. Nor was it its intention to discourage foreign capital and private enterprise.<sup>60</sup> This attitude effectively helped ensure that the railways owned by the FCAB and Peruvian Corporation remained in British hands for the immediate future.

That is not to underestimate the challenges faced during this period. The MNR had a complex and fractious relationship with the *Central Obrera Boliviana* (COB), the national workers' organisation formed immediately in the wake of the April insurrection and led by the Minister of Mines and Petroleum, Juan Lechín. It was Víctor Paz Estenssoro and his allies who moderated the more radical demands of COB colleagues, for instance in rebuking calls for the nationalisation of all transport.<sup>61</sup> In turn, the Bolivian Ministry for Foreign Affairs repeatedly assured the British ambassador that the government had no intention of nationalising the British-owned lines, whilst at the COB congress Paz Estenssoro 'pleaded for restraint on the part of the workers and stressed the importance of proceeding gradually with the Government's programme of reforms, consolidating each step before proceeding to the next'.<sup>62</sup> This moderating role of the president was decisive in determining the functioning of the Anglo-Bolivian relationship. Indeed, as James Dunkerley recognises, in hindsight the 'most decisive element' in the MNR's accomplishments 'appears to be its success in coopting or neutralising the leadership of the COB at important junctures'.<sup>63</sup> This was no more evident than vis-à-vis the British railways, where the president actively sought to appease both sides. Thus, any increases in workers' wages and salaries were matched by the raising of tariffs, or implementing subventions, to cover company costs, and both the FCAB and Peruvian Corporation received regular instalments of foreign exchange to remit back to London. As reported in the Peruvian Corporation's Annual General Meeting in 1954, for example, relations with the Bolivian government 'continued[d] to be of a cordial nature' as a result of these concessions to both sides.<sup>64</sup> The relationship between Paz Estenssoro and Lechín, in this respect, was crucial. Although it faced repeated challenges, including the latter's resignation from government in 1954, the alliance was 'all-important' in the eyes of the British.<sup>65</sup> It allowed for negotiations – and placations – with the COB, ensuring that the railways remained in British hands.

### **Achieving mutual aims through disparate means**

The factionalism within the MNR and the strength of the COB concerned British business and the Foreign Office primarily because of the potential challenge to their existing stake. The American State Department was also preoccupied with the implications of this fractious relationship. Both sides, therefore, simultaneously sought the preservation in power of the MNR's moderate wing as a mitigating force whilst revolutionary change was put into effect. Yet neither the rationale of the United States' government nor the means it employed paralleled its British counterpart. The concerns of President Eisenhower and Secretary of State John Foster Dulles about the threat of communism in Bolivia – and the apparent willingness of the

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<sup>60</sup> See, for example, the statement of the MNR right published in September 1952, cited in James Malloy, *Bolivia: the Uncompleted Revolution*. Pittsburgh, PA: University of Pittsburgh Press, 1970, 226.

<sup>61</sup> Dunkerley, *Rebellion in the Veins*, 75-77.

<sup>62</sup> Aide Memoire No. 30, British Embassy (La Paz) to Bolivian Ministry for Foreign Affairs, 4 May 1954; Note Verbale No. 41, British Embassy (La Paz) to Bolivian Ministry for Foreign Affairs, 2 June 1954, Archivo del Ministerio de Relaciones Exteriores, La Paz, Bolivia, LE-3-R-281; 'Report on Labour Affairs. Bolivia. August, September and October, 1954', UKNA, LAB13/1082

<sup>63</sup> Dunkerley, *Rebellion in the Veins*, 75.

<sup>64</sup> 'The Peruvian Corporation Limited', *The Financial Times*, 20 December 1954.

<sup>65</sup> Minutes, N. Gordon Lennox, 31 January 1955, FO371/114507.

MNR to act as a bulwark against it – helped ensure the provision of the largest per-capita aid programme in the region. Bolivia, then, became a ‘quiet experiment’ in US diplomacy during this early stage in the Cold War.<sup>66</sup>

With modest, if negligible, investments in Bolivian tin companies, the United States had no business interests to protect comparable to those of the United Kingdom. And despite its wartime and early post-war efforts to displace Britain in the tin-smelting arena through its procurement of Bolivian tin, a confluence of factors – the end of the Korean War and the cessation of US stockpiling – reduced the primacy of this once-strategic commodity. With this course of events, the price of tin started to drop. Bolivia was facing ‘economic chaos’. The ensuing risk that Bolivia would ‘become a focus of Communist infection in South America’ was one the United States ‘[could not] afford to take’, nor could it face the threat to its own position in the Western Hemisphere ‘which would be posed by the spectacle of [its] indifference to the fate of another member of the inter-American community’. A subsidy price for tin was out of the question.<sup>67</sup> As Kenneth Lehman recognises, without tin negotiations, the US lacked leverage; without leverage ‘there was no way to counter labor Left pressures on Bolivia’s nationalist leaders’.<sup>68</sup> The provision of aid would therefore allow the United States to withdraw from its existing commitments to the tin industry without destabilising the regime. Like the British, the Americans were concerned with providing a buffer against the radical left but for quite different reasons and with quite distinct means.

But there were conditions attached to the provision of aid and of this Víctor Paz Estenssoro was acutely aware. The MNR’s ‘sudden shift from overt anti-Americanism in April and early May 1953 to careful concern not to antagonize the United States by late May and June 1953 [was] striking’.<sup>69</sup> This was mirrored in the government’s approach towards the left, a shift that was noticed by the British embassy. From the ambassador’s perspective, having given the communists a relatively free hand until late-1953 the MNR government became keen to impress upon Washington its intention to purge itself of ‘Moscow’s friends’, while denying that pro-Soviet groups were a serious element in Bolivian politics, in order to assure itself of US assistance.<sup>70</sup> The ensuing approach of the MNR in dealing with the far left to maintain the flow of aid has been documented by historians, detailing the arrests and blacklisting of suspects from miners to university intellectuals.<sup>71</sup>

From the point of view of the British Foreign Office, the provision of US aid had implications on multiple levels. Having believed the firm alliance between Paz Estenssoro and Juan Lechín ‘too strong and clever for the Moscow team’, it was undoubtedly US aid which played the decisive factor in ensuring that the communist threat was effectively controlled.<sup>72</sup> At the same time, given ‘the just strictures on Dr Paz’s regime’, it was also ‘a good yardstick with which to measure the State Department’s fear of communism’.<sup>73</sup> By 1955 the British embassy surmised that ‘[w]hen the State Department surveyed the results of their actions since, for example, the

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<sup>66</sup> Sanders, G. Earl, ‘The Quiet Experiment in American Diplomacy: An Interpretative Essay on United States Aid to the Bolivian Revolution’, *The Americas*, 33: 1 (1976), 25-49.

<sup>67</sup> John Foster Dulles to Harold E. Stassen (Director of the Foreign Operations Administration), 2 September 1953, 724.5-MSP/9-253.

<sup>68</sup> Lehman, ‘Revolutions and Attributions: Making Sense of Eisenhower Administration Policies in Bolivia and Guatemala’, *Diplomatic History*, 21: 2 (1997), 201.

<sup>69</sup> Lehman, *Bolivia and the United States*, 110.

<sup>70</sup> Lomax to Eden 28 November 1953, FO371/103633.

<sup>71</sup> See, for example, Sándor John, *Bolivia's Radical Tradition*, who focuses on the Trotskyist experience.

<sup>72</sup> Minutes, M.C.G. Man (FO), 24 November 1953, FO 371/103626.

<sup>73</sup> Minutes, M.F. Young (FO), 11 November 1953, FO371/103633.

autumn of 1953, when communist action was at its highest peak, they must feel that they have done a good job at a fairly reasonable cost.' After all, it began 'to look as though the Americans have definitely won their battle in Bolivia and that the Government are holding the party down with a firm though unseen hand'.<sup>74</sup> With the 'purging' of the COB that year, however, it also appeared the Bolivians were 'paying the political price for U.S. Economic aid'.<sup>75</sup> Yet for all the focus on Cold War concerns, for the British embassy it was a 'wise decision' for another key reason: it would 'surely postpone for months the constant anxiety of a stop in remittances' for the United Kingdom enterprises.<sup>76</sup> British business, it turns out, could be the unanticipated beneficiary.

The stance adopted by the United States – with its associated quid pro quo – facilitated British representatives in taking a softer approach. Indeed, they fostered their own, quite distinct, relationship with members of the Bolivian government which contrasted notably with their transatlantic colleagues. The Foreign Office felt that it could serve its aims better in its 'own way of more subtle persuasion and more moderate argument' rather than official action should the need arise. Indeed, it surmised that seldom, if ever, was there any *locus standi* for taking official action in matters such as a pending trade agreement between Bolivia and Czechoslovakia with which the United States and Britain both disagreed.<sup>77</sup> Lomax's approach, in contrast, was to talk *privately* with members of the Bolivian cabinet, as well as using his influence to 'stir up' a range of influential non-state actors. For action 'on the official level', he and the Foreign Office preferred 'the task of direct opposition' to be left to his United States colleague.<sup>78</sup>

At the same time, personal antagonisms pervaded local-level diplomatic interactions. The Lomax found his US counterpart not 'very willing to share information', most likely due to a 'conviction that they had little to gain thereby, having themselves a much wider organisation for tracking the marxists and their ramifications'. Asking for information from US colleagues proved 'the least helpful way of ever getting any'.<sup>79</sup> Whilst the British ambassador at Washington believed the State Department would 'welcome official action in direct opposition to Communism' by British representatives, 'wherever this seems likely to produce a beneficial effect', the utility of such an approach was questioned by both Lomax and the Foreign Office.<sup>80</sup> Taking into account political conditions in Bolivia, Lomax's position in La Paz and the 'degree of confidence and frankness' shown towards him by Paz Estenssoro and Lechín, the Foreign Office believed it advantageous to leave Lomax to 'exercise British influence in his own way' rather than by 'making him play an American record'.<sup>81</sup> Lomax's weekly carriage rides with the Bolivian president were testimony to such sentiments. 'Diplomacy by bureaux' did not work for the British ambassador; other means were necessary and, arguably, more effective.<sup>82</sup> With Britain's not inconsiderable business and trade interests in Bolivia, this was a low-risk approach. Indeed, such disjuncture between the British and American approaches reflect their

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<sup>74</sup> Chancery (British embassy, La Paz) to Information Research Department (hereafter IRD), 21 April 1955, FO371/114508.

<sup>75</sup> Chancery (British embassy, La Paz) to IRD, 15 July 1955, FO371/114508.

<sup>76</sup> Lomax to Eden, 19 October 1953, FO371/103633.

<sup>77</sup> Minutes, J.H. Lewen, 24 November 1953, FO371/103626.

<sup>78</sup> Lomax to the Salisbury, 29 September 1953, FO371/103626.

<sup>79</sup> Lomax to Eden, 24 October 1953, FO 371/103626.

<sup>80</sup> J.H.A. Watson (British embassy, Washington, D.C.) to Garvey, 27 October 1953, FO 371/103626; Lomax to the Marquess of Salisbury, 29 September 1953; minutes, M.F. Young, 26 October 1953, FO 371/103626.

<sup>81</sup> Garvey to Watson, 9 December 1953, FO371/103626.

<sup>82</sup> J.G. Lomax, *The Diplomatic Smuggler*, 264-275.

quite divergent positions in Bolivia, the nature of their individual interests, and the available means with which they were able to secure such interests.

## Conclusion

The British position in Bolivia was somewhat of an anomaly. Its growth and consolidation took place during the era traditionally associated with decline in Latin America. Scholars such as Bethell and the earlier work of Miller argued that the impact of two world wars, the state of the Empire, and Britain's changing global role, caused an irreparable shift in Britain's perspective and approach towards Latin America. British business and government took the decision to remove those 'bones of contention' and retreat. This British decline, so the traditional historiography posited, was mirrored by the rise of the United States in the period after the First World War.<sup>83</sup> In contrast to this narrative, as this analysis proves, Britain's interests in Bolivia reached their peak by the Second World War and, in fact, were *actively* preserved in the period thereafter. There was, beyond doubt, political will behind such a process. Moreover, the rise of the United States really only came to the fore in the post-Second World War period. This rise did not, however, really constitute a threat to the British position. Granted, the challenge posed in the context of the international tin industry was notable. But this was actively countered. The British faced an emboldened United States but one that would play a fundamentally different role in Bolivia, a role that was underpinned by a fundamentally different rationale.

The main potential for challenge in the post-war period came in the form of the revolutionary nationalist government in Bolivia. It initially appeared that Britain would seek to defer to its transatlantic ally in matters of international diplomacy. But following the United States' lead in the recognition of the new regime was an isolated occurrence. The British recognised that their priorities were distinct from those of the United States: the preservation of their historically-grounded commercial and financial interests. The United States, on the other hand, was preoccupied with ensuring Bolivia was secured against the communist threat. Despite the disparity in their concerns, both the United States and Britain recognised there was a single means through which these could be ameliorated: the preservation of the moderate wing of the MNR in power. Indeed, the inherent pragmatism Víctor Paz Estenssoro and his allies – in stark contrast, for example, to Juan Perón in Argentina and Mohammed Mossadegh in Iran – mitigated against more radical colleagues to ensure the prospect for social reform, rather than anti-imperial nationalism, remained at the core of the revolutionary process. Again, the responses of both governments to the revolutionary regime, and in supporting its actions, reflect their contrasting post-war positions. The British, as a result, sought to maintain their position through active commercial diplomacy and negotiation. The United States, on the other hand, was able to exercise its financial might through the provision of aid. It was a fortunate by-product that British interests could be buffered as a result.

Accordingly, there was no discernible hyphenated Anglo-American relationship during the first term of revolutionary government in Bolivia. Such a state of affairs would markedly shift after 1956. An IMF-sponsored stabilisation plan and an additional aid package to overhaul the nationalised tin industry prompted more intricate interaction between the United States and Britain. But during the first term of revolutionary government in Bolivia the two sets of policies, conditioned as they were by different bilateral relationships and global circumstances,

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<sup>83</sup> Bethell, 'Historical Perspective'; Miller, *Britain and Latin America*.

existed in parallel in support of the moderates in the MNR. They only ever unintentionally intertwined.