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The Bolivian Estimate: The CIA, Juan José Torres, and the Origins of Covert Action

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Abstract

This study analyzes why the US approved a CIA plan to covertly support a coup against Bolivian President Juan José Torres in 1971 while at the same time they approved an overt military and economic aid package to Bolivia. Two conventional explanations of US intervention are analyzed: the desire to make the world safe for US business interests, and the desire to prevent a hostile military force from establishing a presence near the US. The first is analyzed by generating and testing propositions, and the second through process tracing. This study finds that both of those explanations do not fully explain the covert action and examines a potential third explanation based in organization theory and how future research could investigate the theory.

On August 21, 1971, Bolivian president Juan José Torres was overthrown in a coup led by Colonel Hugo Banzer. Leading up to this moment, Torres had drawn an increasing amount of political support from leftist elements in Bolivia, leading to an intense debate among Americans over what to do about his presidency. Torres, a general in the Bolivian military, had taken power in another coup October 1970, less than a year prior, and was the fourth leader Bolivia had seen in just three years. The US was used to dealing with Bolivian leaders who flouted Uncle Sam. Torres's immediate predecessor Alfredo Ovando provoked outrage in Washington because of his nationalization of holdings of the American Gulf Oil Company in October 1969.[1] National Security Advisor Henry Kissinger initially believed Torres would be just as bad, predicting an "ultra-nationalistic, leftist and anti-US" regime.[2]

Just a week later, Kissinger's tone had shifted—he now viewed Torres as a "Latin *caudillo* in the classic mold … not an ideologue, but a pragmatic, ambitious leader."[3] In other words, Kissinger believed Torres could be bargained with and the situation in Bolivia contained. Torres's regime would irritate the US in several ways—he nationalized other American business interests, expelled the peace corps, and to some extent, hecourted the Soviet Union.[4] Despite the Central Intelligence Agency's (CIA) Directorate of Analysis maintaining that the threat Bolivia posed to US national security was minimal,[5] a small group within other directorates of the CIA believed, as early as March of 1971, that Torres had to be deposed[6]. This camp was able to swing the pendulum of policy away from engagement and appeasement and towards more drastic action. Although the civilian side of government favored

[1] Foreign Relations of the United States, 1969-1976, Volume E-10, Documents on American Republics, 1969-1972: Bolivia, Document 80. (Hereafter, FRUS)
[2] Ibid, Document 93.
[3] Caudillo is a Spanish term for a military dictator. Here Kissinger means Torres was not ideologically left wing and would only drift left because of political factors. The CIA and members of the NSC shared similar views. Ibid, Document 95.
[4] A full explanation of each of these moves is provided in the later sections.
[5] Central Intelligence Agency, *"Bolivia Under Torres"*, June 16, 1971, https://www.cia.gov/readingroom/docs/CIA-RDP85T00875R001100100064-5.pdf.
[6] FRUS, *1969-1972,* Vol. E-10, Document 97.

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military and economic aid to stall Torres's shift to the left, the CIA put together a plan to covertly aid opposition elements within Bolivia aiming to overthrow Torres. A full timeline of events can be found in Appendix I.

Why was Washington so concerned about Torres, and why was Langley so concerned with acting covertly? Examining the Bolivian experience gives us a window into how the US decides to use covert action. This paper will explore what makes American leaders want to intervene covertly; why they pursue covert action as opposed to, or in addition to, overt action; and which parts of government are most likely to support or oppose such interventions, and under what conditions.

This paper proceeds in three parts. The first part examines the theory that the US intervened in Bolivia to benefit US business interests. The second part examines the theory that the US intervened because of Torres's shift towards communism, with the ultimate concern of a Soviet military presence being established in Bolivia. The third part offers concluding thoughts and proposes a third theory that could be the subject of future research: that the CIA orchestrated the intervention to benefit itself as an organization.

1. A Case of Economic Imperialism?

A common explanation of US intervention in developing countries is that the US is interested in making the world safe for US business interests. Other cases well evidence this theory, and at first glance, there are compelling reasons to believe that business interests were at play in Bolivia. Before Torres took presidential power, Bolivia nationalized holdings of the American Gulf Oil Company.[7] A CIA assessment regarded Torres as a major figure in shaping that decision as a cabinet official.[8] During his term in office, Torres also nationalized holdings of the US-owned International Metals Processing Company[9] and a zinc mine owned by the Matilde Mining Group.[10] Concern over these nationalizations shows up several times in the discussions between US officials about what course of action to take.

It is important to recognize the different ways that this argument can be rendered. One way is to say that US leaders intervened because they themselves had direct financial ties to a business facing nationalization. A second way is to say that US leaders were influenced by a pressure campaign led by business interests. A third way is to say that US leaders believed that it was in the national interest of the US to ensure the interests of American businesses abroad. There is not much evidence to support the first two options in this case, so this section will be focusing primarily on the third. To examine this argument, three propositions are generated that would be true if the US did intervene in Bolivia because of nationalizations.[11] First, nationalization would be a concern for the decision-makers in the US. Second, nationalization would be treated as a greater concern than other issues at the forefront of the minds of decision-makers. Third, the US would take measures to quickly address nationalization specifically if possible.[12]

Overall, the nationalization of American-owned businesses consistently aggravated US policymakers, and further nationalization was considered something that should be prevented. However, nationalization was not seen as a

[7] H. J. Maidenberg, "A Tough Bolivia Shakes Oil Industry," *New York Times,* October 26, 1969.
[8] Nicole Rae Day-Lucore, "Pandora's Box: The Nixon Administration and Bolivia, 1969-1972." Whitman College, 2018, p. 84
[9] Ibid, p. 97
[10] Juan de Onis, "Bolivia Seizes American-Owned Mine," *New York Times,* May 2, 1971
[11] I considered adding a fourth proposition, that the government that replaced Torres would give the US a better policy vis-a-vis nationalization. I decided against this because it's very easy to imagine that the new government ends up facing similar political pressures to Torres and keeps the policy the same. Thus, the proposition is too outcome oriented to tell us much about the decision-making process.
[12] The third proposition should be regarded as a "straw in the wind" test, that is the US may take immediate action, but even if it does not the overall theory is not disproven.

significantly greater concern than other moves to the left taken by the Torres government and does not on its own explain why the US intervened in Bolivia, nor why it took the covert action route.

The first, and by far largest,[13] business interest at issue in Bolivia was the nationalization of the Gulf Oil Company holdings in 1969. The nationalization took place on October 17th, about a year before Torres took power. Kissinger, who would end up playing a major role in the decision to intervene, initially said that "Gulf's expropriation means that control over the direction of the government has … fallen into the hands of the young radical civilian nationalists."[14] Notably, Kissinger was concerned about the nationalization as a sign of a general deterioration of relations between the US and Bolivia, not just the nationalization. The extent to which nationalization prompted specific concern can largely be explained by the political problem posed by the Hickenlooper amendment, which required the US to terminate aid to any state that expropriated US citizens' property without compensation. One of the first things Kissinger wrote about the Gulf nationalization was that it was "a potential Hickenlooper problem,"[15] relegating the issue to one of compliance and not of a *sua sponte* desire to resolve the nationalization issue.

Concern over the nationalization immediately became part of the US diplomatic approach to Bolivia, with Kissinger instructing the Ambassador to Bolivia on October 22nd to pursue a compensation deal.[16] After negotiations with the US, a deal was reached on September 5, 1970 which required Bolivia to pay Gulf Oil $78.5 Million over twenty years, which was accepted by the Gulf company.[17]

When he took power, Torres initially agreed to uphold his end of the deal.[18] However, complications quickly arose that renewed concern among US decision-makers. Ambassador Ernest V. Siracusa noted in a telegram that members of the Bolivian cabinet argued against holding up the deal, and that Torres may be attempting to end the deal entirely.[19] However, as relations with Bolivia deteriorated, the Gulf deal became less and less of an issue, with Siracusa saying after the fact in 1972 that progress on the Gulf deal was "the only bright spot in this grim picture."[20] Notably, after Banzer took power, he agreed not only to keep the deal but to increase compensation to $100 Million.[21] This outcome seems to support the idea that the US intervened to benefit Gulf Oil, but the outcome does not speak to US motives without supporting evidence.

Regarding Gulf Oil, the first and third propositions, albeit the first weakly, are passed but the second one is failed. The nationalization of Gulf Oil's properties was an issue, and it did concern US decision-makers. However, much of this anger can be attributed to the Hickenlooper Amendment and the legal requirements it imposed, making it hard to say that nationalization was an intrinsic concern. Additionally, concern over the Gulf nationalization faded over time and was not mentioned in any of the documents that detail the decision to give military or economic aid to Bolivia, nor the decision to covertly back Torres's opposition. If anything, the Gulf nationalization was seen as a part of a general move to the left that was concerning to US decision-makers, but not a specific concern that justified intervention on its own.

The second major nationalization that concerned US decision-makers was that of the

[13] The value of Gulf's holdings was about $95 Million, compared to $2 Million for the IMPC and $13 Million for the Matilde zinc mine. See Day-Lucore, "Pandora's Box" p. 97 and p. 110
[14] FRUS, 1969-1972, Vol. E-10, Document 80.
[15] Ibid.
[16] Ibid, Document 81
[17] Day-Lucore, *"Pandora's Box,"* p. 73.
[18] FRUS, *1969-1972,* Vol. E-10, Document 94
[19] Telegram, Siracusa to Secretary of State, "Gulf Negotiations," December 23, 1970, NSC Files, CF—LA, Box 770, Richard Nixon Presidential Library (hereafter RNPL). Cited in Day-Lucore, *"Pandora's Box,"* p. 93
[20] FRUS, *1969-1972,* Vol. E-10, Document 109
[21] James Dunkerly, *Rebellion in the Veins,* (Thetford: The Thetford Press, 1984), 204

International Metals Processing Company (IMPC) holdings. This nationalization occurred on January 11, the day after Torres survived a coup attempt, thanks to the help of far-left elements in Bolivia, most notably the organized labor sector and student demonstrators.[22] Some in the US government viewed this as the first step in a broader program of nationalization of foreign investments.[23] In truth, only one more nationalization would follow. US officials quickly came to recognize the IMPC nationalization as a political move to the left as a kind of repayment for their help in subduing the coup attempt.[24] The IMPC received very little attention among US policymakers as time went on and was not an issue during the conversations about covert action. To the extent it was an issue, it was talked about alongside other issues such as the expulsion of the peace corps, the Gulf nationalization, or the potential expulsion of US military advisors. There was also no immediate policy move to do something about the IMPC nationalization, although it could be argued that this was unnecessary as Torres quickly agreed to pay compensation. Therefore, in the case of the IMPC, it weakly passes the first proposition but fails the second and third.

The last nationalization that took place under Torres was that of a zinc mine owned by the Matilde Mining Group, a US-owned company. The nationalization occurred on April 30, 1971, and was celebrated the day after at the May Day parade in La Paz.[25] The timing cemented the idea that Torres was increasingly capitulating to leftist factions in Bolivia; concern was certainly present. President Nixon was told by an aid that he should discuss the possibility of compensation at a meeting with Siracusa.[26] Notably, it was mentioned third in a list of four issues that came up. Special concern over nationalization is not found elsewhere. By the time US policymakers began discussing covert action, the issue had faded into the background. It is not clear from the record whether there was a diplomatic effort to secure compensation, but it appears likely given that the issue was on Nixon's docket. Thus, the Matilde nationalization passes the first proposition, fails the second, but likely passes the third.

Examining all three of these potential motivators, there is not strong evidence that the US was motivated by a desire specifically to protect its business interests abroad. The US weas concerned about the nationalization of US companies' property, but this concern does not on its own explain the adoption of the covert action plan.

2. Communists at the Gates?

The factor that ultimately tipped the scales in favor of more direct action in Bolivia, at least for many policymakers, was military assistance. On June 7, 1971, Ambassador Siracusa sent a telegram to Washington warning that, if action was not taken soon, "the Russians [would] have another communist foothold in Latin America."[27] This came after a meeting on June 2nd with President Torres in which Torres told Siracusa that the usefulness of the US MIL-GROUP, a group of military advisors, would decline if he did not receive US materiel.[28] At this point, other policymakers started to turn in favor of more direct action. An overt plan of military and

[22] FRUS, *1969-1972*, Vol. E-10, Document 109

[23] Memo, State Department to Kissinger, June 7, 1971, NSC Files, CF—LA, Box 770, RNPL. Cited in Day-Lucore, *"Pandora's Box,"* p. 97.

[24] In a March 1971 memo, Ashley Hewitt of the NSC mentions the foreclosure of the January coup attempt as a sign that Torres is cementing his power. Despite initial alarm at the prospect of future nationalization, this shows that the US had calmed down and now viewed the IMPC nationalization as a political maneuver that was working. See FRUS, *1969-1972*, Vol. E-10, Document 97.

[25] Juan de Onis, "Bolivia Seizes American-Owned Mine," New York Times, May 2, 1971

[26] FRUS, 1969-1972, Vol. E-10, Document 100.

[27] Ibid, Document 102. The actual telegram itself is not declassified, but another memo makes reference to it.

[28] Day-Lucore, *"Pandora's Box,"* p. 119.

economic assistance was approved which many believed would forestall a further shift to the left by Torres. However, at the same time, a proposal for covert action to aid the opposition to Torres was formulated, discussed, and eventually implemented. This plan was created by the CIA at the order of the chairman of the "40 Committee"[29] who at the time was Attorney General John Mitchell.[30] However, it's likely that Henry Kissinger and Director of Central Intelligence Richard Helms played a major role in shaping the policy as well given their positions in government. Helms himself had been in favor of supporting Bolivian opposition as early as March 1971.[31] Siracusa was not involved in the creation of this plan, nor was anyone from the State Department or the embassy staff.

Bolivia's shift to the left, with a possible endpoint of military cooperation with the Soviet Union,[32] does explain why Siracusa and others turned in favor of intervention, but it does not fully explain why the CIA's plan for covert action was also implemented. To assess this theory, process tracing is used to determine where the relevant decision-makers' positions originated, and how they were able to generate support for them.

Immediately after Torres took power the CIA's position, based on their assessment of the facts, was that Torres was "not unredeemable" and an offer of US support could moderate him.[33] This view was opposed to the initial assumption of Kissinger, who said Torres would be "ultra-nationalistic, leftist and anti-US."[34] Kissinger came to adopt the CIA's view a week later.[35] Siracusa and the rest of the embassy staff held this view as well.[36] The US adopted a policy of support for Torres, making friendly diplomatic overtures and suspending the sale of tin from US stockpiles in an effort to keep the price high.

The first official to begin shifting positions on record was Richard Helms. In January 1971, he told Kissinger that "The continuing trend in Bolivia favors the left which, in turn, looks more and more toward the Soviet Union for support."[37] By March, the National Security Council (NSC) was actively discussing the differing perspectives of the CIA and Siracusa, who remained skeptical that any viable alternative to Torres existed. The CIA's position was not at full-on intervention, but the "identification and support of an alternative to General Torres."[38] However, the NSC favored Siracusa's position at the time and recommended increasing support for Torres. In April 1971, President Nixon authorized an indefinite halt to tin sales from US stockpiles, a move which Torres responded positively to.[39]

[29] Named for the National Security Decision Memo that established it, the 40 committee was publicly an oversight board for the CIA, but in practice was often a rubber stamp or was excluded from the decision-making process. The Director, or deputy director, of the CIA was on the committee. Also included were the deputy secretaries of State and Defense, as well as the Chairman of the Joint Chiefs of Staff and the National Security Advisor, Henry Kissinger, who was often the chair. While discussing the Bolivia proposal, Attorney General John Mitchell was on the committee as well and was serving as acting chair. See John Prados, *"Safe for Democracy,"* (Chicago: Ivan R. Dee, 2007), pp. 382-385.

[30] FRUS, *1969-1972*, Vol. E-10, Document 104.

[31] Ibid, Document 97.

[32] Emphasis should be placed on "possible endpoint." The CIA's directorate of Intelligence produced a report in mid-June of 1971 which concluded that "there is little evidence that Moscow has broader objectives in its relations with La Paz" and that even if the Soviets were presented with an opportunity to fill a gap in military aid to fill in Bolivia, it was "highly doubtful ... that the USSR desires to become deeply committed in so inherently unstable a political situation." This report was seen by Henry Kissinger. Thus, it should be noted that while a fear of a Soviet military presence in Bolivia motivated the US decision to intervene, such a fear was not justified. In fact, as will be discussed later, the lack of justification of this fear sheds doubt on the whole theory and leaves the door open for an alternate explanation. See Central Intelligence Agency, *"Bolivia Under Torres"*, June 16, 1971, https://www.cia.gov/readingroom/docs/CIA-RDP85T00875R001100100064-5.pdf.

[33] FRUS, *1969-1972*, Vol. E-10, Document 94.

[34] FRUS, *1969-1972*, Vol. E-10, Document 93.

[35] Ibid, Document 95.

[36] Ibid, Document 97.

[37] Helms also noted that "Bolivia is not of strategic geographical importance to the U.S." and that the damage caused by a leftist takeover of Bolivia would be mainly psychological. See Memo, CIA to Kissinger, January 14, 1971, NSC Files, CF—LA, Box 770, RNPL. Cited in Day-Lucore, *"Pandora's Box,"* p. 99.

[38] FRUS, *1969-1972*, Vol. E-10, Document 97.

[39] Bolivia's economy was highly dependent on tin exports. Suspending sales from US stockpiles kept global tin prices high, leading to increased revenues for Boliva. Ibid, Document 98.

As discussed above, Siracusa's position had changed by June 7, 1971. Siracusa was not in favor of covert action then, nor anywhere in the record. His position changed from a passive acceptance of Torres, rooted in the belief that US support could moderate him, to a belief that some kind of "positive means" be used to turn the situation around quickly.[40] In a June 11 conversation with President Nixon, Kissinger cited Siracusa, who he said had "been a softy," as a justification to change policy. In this conversation, Nixon explicitly floated the idea of a coup to Kissinger, who replied by saying that before considering that "we have to find out what the lay of the land is there."[41]

Following this, US policy changed. On June 22,[42] Mitchell directed the CIA to create the covert action program to "supplement overt U.S. actions now under consideration" with both covert and overt actions being intended to "stem the leftward swing of the Torres Government."[43] This plan consisted of $410,00 to cover the costs of running an anti-Torres propaganda campaign and organizing the anti-Torres factions of the military and other armed groups. The following day, Nixon approved the overt actions: $1 million in military aid and $6 million more over the next three to four years as well as the promise of future bilateral loans, with both being contingent on "continuing promise of an improvement in the political situation."[44]

The 40 Committee discussed the covert action program on July 6.[45] The strongest supporters of the plan were the CIA men, specifically those from the directorate of plans:[46] Deputy Director Thomas Karamessines and Chief of the Western Hemisphere Division James Broe. Deputy Director of Central Intelligence General Robert Cushman was a strong supporter as well. There was also a camp of skeptics, mostly composed of those from the State Department: Under Secretary of State Alexis Johnson and Assistant Secretary of State for Inter-American Affairs Charles Meyer. This camp wanted to wait for the opinion of Ambassador Siracusa before submitting an official position. The others at the meeting generally supported the CIA's proposal.

Siracusa was opposed to the proposal calling it "coup money" and arguing that the plan was too risky.[47] Specifically, he argued that there was a high chance the payments would be detected and the CIA blamed, there was no guarantee that whatever government came after Torres would be any better than him, and the overt aid packages that had already been approved would likely bring Torres in the right direction anyway. Not much is known about the debates that followed because the documents are still classified, but money was eventually delivered to people that were plotting a coup by August 19.[48] A coup finally removed Torres from power on August 21.[49]

[40] Ibid, Document 102.
[41] Ibid, Document 101.
[42] Given the timing of this decision, we can rule out another theory of intervention that has been suggested. William Blum points out that the coup that ended up ousting Torres took place on August 21, 1971, a few days after a deal was announced for a Soviet investment in Bolivia's iron industry. Knowing that the US support for the coup plotters was being planned before then, this investment specifically could not have been a motivating factor. See William Blum, "Killing Hope," (London: Zed Books, 2004), p. 288.
[43] FRUS, *1969-1972*, Vol. E-10, Document 104.
[44] The quote used is in reference to the military aid package. The conditions of the loans were worded slightly differently. Nixon wanted "satisfactory progress" on compensation and other economic issues. This would seem to support the economic imperialism argument from Part 1, but compensation here appears alongside other issues, and only in connection to the loans and not the military aid, which was seen as the more pressing issue. Additionally, the decision had already been made to authorize the creation of the covert action program. To be fair to this side of the argument, it is conceivable that Nixon and Kissinger did not know about the covert action program. The 40 Committee was not sent details about the program until June 29th. For the decision to authorize the overt actions, see FRUS, *1969-1972*, Vol. E-10, Document 103.
[45] Ibid, Document 105.
[46] The directorate of plans is now known as the directorate of operations.
[47] It took three days for Siracusa's response to reach Washington. FRUS, *1969-1972*, Vol. E-10, Document 106.
[48] The specific groups or individuals that received funding have been redacted from the documents, but it is clear that the US knew they were involved in coup plotting. See FRUS, *1969-1972*, Vol. E-10, Document 107.
[49] The Washington Post reported that during the coup, the rebels' communications broke down and they were provided

This timeline demonstrates that all the key decision-makers were concerned about a potential Soviet military move into Bolivia. Although different decision-makers came to different conclusions at different times about the need for a shift in policy, the policy ultimately did shift after Ambassador Siracusa came to believe that a shift was necessary to forestall the removal of American military advisors, which would create a vacuum. Regardless of whether this fear was justified, it does explain the shift in policy. However, it does not explain the actual policy outcome. If Siracusa was the pivotal figure in increasing overt aid, why were his objections to the covert action program overlooked? It is possible there is a still-classified document that shows that Siracusa and the State Department officials changed their minds after learning new information or learning more details about how the CIA planned to tailor the program; if they do exist, they are not public. There are also no public documents in which the CIA, or anyone else in government, explain why the overt action would not achieve its goals. Therefore, concerns over a potential Soviet military presence in Bolivia do not explain why the CIA's covert action plan was authorized.

3. Conclusion

Neither business interests nor communist expansionism explain the adoption of the CIA's covert action plan in Bolivia. US decision-makers did take umbrage with Torres's nationalizations, but this issue was simply one of many for the US. It did not necessitate covert action in the minds of the Americans. The Soviet military threat did cause many American officials to change their minds about the Torres regime—but this threat was never very large, and the CIA was aware of that fact. Additionally, overt diplomacy remained on the table while the covert action plan was being developed. The question thus remains—why did the CIA intervene?

Perhaps the call was coming from inside the house. An alternative theory is that the CIA, especially the directorate of plans or operations, will tend to support covert actions as opposed to, or in combination with, overt actions because they increase the prestige, budget, or autonomy of the organization. This is similar to the theory developed by Barry Posen that militaries tend to prefer offensive military doctrines as opposed to defensive doctrines.[50] As discussed above, in the case of Bolivia, the CIA advocated for intervention before the covert action plan was created, created the plan themselves, and advocated for it while it was under consideration. The plan was finally approved by the 40 Committee, which included representatives from the CIA. The state department, including the embassy on the ground in Bolivia, was against the plan.

There is not a lot of empirical evidence for this theory in the case of Bolivia. Specifically, it is impossible to tell how the CIA benefitted from a covert action plan, especially given its relatively small scale. The total amount of the approved program was only $410,00. There is nothing in the records that shows CIA officials using the Bolivian operation as a part of an argument for an increased budget or an increase in CIA autonomy. The operation was also done in secret, which means it couldn't have increased the prestige in the eyes of the public. It is also impossible to tell how much the Bolivia operation increased the prestige of the CIA among those with the required security clearances, especially given its small scale.

access to American communications equipment by Major Rober Lundin. This claim was denied by the State Department. Earlier, Arnold Nachmonoff of the NSC said in a memo to Kissinger that "If this incident does blow up publicly, we will, of course, deny it." although the memo is about the transfer of funds and does not make reference to communications equipment. See "US Denies Bolivia Role," *New York Times,* August 29, 1971, and FRUS, *1969-1972*, Vol. E-10, Document 107.

[50] Barry R. Posen, *The Sources of Military Doctrine* (New York: Cornell University press, 1984).

Future research is needed on US interventions where this kind of evidence is available to examine this theory. Researchers should examine cases where there is a large divergence between the positions of CIA and non-CIA policymakers, as there was in Bolivia. Although the divergence is very stark in the Bolivian case, the CIA did also have support from other members of the 40 Committee including Attorney General Mitchell and the Department of Defense. Ideal cases to test this theory would also include a viable overt option, such as the military and economic aid plan in the case of Bolivia.

There are two major policy implications of this theory, if it is true. First, if the decision-making body in charge of interventions includes representatives of organizations with an organizational interest in intervening, the decisions of that body will be more likely to result in intervention even when it is unnecessary. Second, viable non-covert alternatives to covert action will be unlikely to quash unnecessary covert action plans. This is illustrated perfectly by the Bolivian case.

4. Appendix: Timeline of Events

- October 17, 1969: Bolivia, under President Alfredo Ovando Candía, nationalizes holding of Gulf Oil, an American company.
- September 5, 1970: Ovando agrees to pay Gulf Oil almost $80 Million over 20 years as indemnity for the nationalization.
- September 17, 1970: The US halts sales of tin from its stockpile to keep the global price of tin high, in hopes that it will moderate the Bolivian leadership. Bolivia's economy is highly dependent on tin exports. The halt on sales expires after 90 days.
- October 7, 1970: Juan José Torres assumes the office of President in Bolivia following a political crisis initiated by a coup attempt led by right-wing general Rogelio Miranda. Henry Kissinger initially writes that "A Torres' regime will most probably be ultra-nationalistic, leftist and anti-US," however after a CIA assessment he changed his tune, instead arguing that Torres would be "a Latin caudillo in the classic mold."[51]
- November 16, 1970: Torres announces the expropriation of Bolivian Institute of Social Study and Action, a private institution run by American priests.
- December 9, 1970: There is a small, unsuccessful coup attempt against Torres led by Colonel Hugo Banzer.
- January 10, 1971: There is another, larger, coup attempt led by Banzer, but it ultimately fails, and Banzer is exiled to Argentina. This coup leads Torres to go further left, and one action he takes very quickly is to nationalize holdings of the US-owned International Metals Processing Company on January 11th.
- January 14, 1971: CIA Director Richard Helms warns Henry Kissinger that Bolivia is drifting further left.
- January 25, 1971: President Nixon authorizes another 90-day halt in tin sales, hoping it will moderate the Bolivian leadership.
- March 15, 1971: A memo by Ashley Hewitt of the National Security Council says that the CIA now favors looking for an alternative to Torres, although the position of US Ambassador to Bolivia Ernest Siracusa remains that the US should continue to offer support to Torres.
- April 9, 1971: The US suspends tin sales from its stockpiles indefinitely.
- April 30, 1971: Torres announces the nationalization of the Matilde Mining Company, which was owned by two US companies. Notably this was on the eve of May

[51] *Caudillo* is a Spanish term for a military dictator. Here Kissinger means Torres was not ideologically left wing and only would be because of political factors. The CIA and members of the NSC shared similar views. See Foreign Relations of the United States, 1969–1976, Volume E–10, Documents on American Republics, 1969–1972: Bolivia, Documents 93-95.

Day, which was celebrated by many Bolivians, especially those on the left.

- May 21, 1971: Torres expels the Peace Corps from Bolivia.
- June 2, 1971: Torres meets with Ambassador Siracusa. Torres says that if Bolivia does not receive military materiel from the US, it will have no need for the US Military Assistance Advisory Group there.
- June 7, 1971: Siracusa sends a cable to Washington warning that the situation in Bolivia is "deteriorating."
- June 11, 1971: Bolivia comes up in a conversation between Nixon and Kissinger. They openly discuss the possibility of supporting a coup in Bolivia.
- June 17, 1971: Arnold Nachmanoff issues a memo to Kissinger laying out options for military and economic assistance to Bolivia.
- June 23, 1971: President Nixon approves military and economic aid to Bolivia.
- June 29, 1971: The "40 Committee" is sent a memo asking it to create a program for covertly aiding the opposition to Torres.
- July 6th, 1971: The 40 Committee debates the plan for covert action. Most of them agree that the plan should go forward.
- July 9, 1971: Ambassador Siracusa sends a cable arguing against the plan.
- August 19, 1971: Nachmanoff sends a memo to Kissinger saying that at least part of the plan has been carried out. Most of the details are redacted.
- August 21, 1971: Torres is overthrown in a coup led by Colonel Banzer.

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