“Beggar on a Throne of Gold: A Short History of Bolivia”

by Robert W. Jones, Jr.
Bolivia is a land of sharp physical and social contrasts. Although blessed with enormous mineral wealth Bolivia was (and is) one of the poorest nations of Latin America and has been described as a “Beggar on a Throne of Gold.” 1 This article presents a short description of Bolivia as it appeared in 1967 when Che Guevara prepared to export revolution to the center of South America. In Guevara’s estimation, Bolivia was ripe for revolution with its history of instability and a disenfranchised Indian population. This article covers the geography, history, and politics of Bolivia.

Geography and Demographics

Bolivia’s terrain and people are extremely diverse. Since geography is a primary factor in the distribution of the population, these two aspects of Bolivia will be discussed together. In the 1960s Bolivian society was predominantly rural and Indian unlike the rest of South America. The Indians, primarily Quechua or Aymara, made up between fifty to seventy percent of the population. The three major Indian dialects are Quechua, Aymara, and Guarani. The remainder of the population were whites and mixed races (called “mestizos”). It is difficult to get an accurate census because the Indians have always been transitory and there are cultural sensitivities. Race determines social status in Bolivian society. A mestizo may claim to be white to gain social status, just as an economically successful Indian may claim to be a mestizo or “cholo” (in Bolivian slang). Geography and demographics are intertwined.

Geographers and geologists generally divide Bolivia into three geographic regions. The first region is the Andes Mountains and Altiplano, in the west and south. The Andes are actually two north-south parallel ranges (cordilleras). The western range (Cordillera Occidental) runs along the Peru and Chile borders. The eastern range (Cordillera Oriental) stretches from Peru to Argentina and Chile. In between the two ranges is the Altiplano, a highland desert plateau that is 500 miles long by 80 miles wide. The Altiplano is 12,000 to 13,000 feet above sea level. 3 It gets very little rainfall because the two high cordilleras block rain clouds. Because of this, the scrub vegetation grows sparser towards the south, where the terrain is rocky with dry red clay. Northwest of La Paz on the Peru border is Lake Titicaca, the highest commercially navigable lake in the world. The major cities on the Altiplano are the capital, La Paz, and Potosí, both 13,000 feet above sea level. About three-fourths of Bolivia’s population lives on the Altiplano. 4 The Quechua and Aymara have lived there for centuries. 5 The Altiplano Indians speak either Quechua or Aymara and have little knowledge of Spanish (especially written).

The semitropical and temperate valleys of the northeastern mountain range (called the Cordillera Real) form the second Bolivian geographic region. These long narrow valleys called “Yungas” (the Aymara word for “warm valleys”) are cut by rivers, which drain to the east. Climate and rainfall make the Yungas some of the

The Bolivian Altiplano (Spanish for “high plain”) landscape. Little rainfall and cold temperatures create a harsh environment.
Three-quarters of the population lives on the Altiplano. The Ñancahuazú area of the Chaco had a population density of less than 10 people per square mile. Map by D. Telles.

Indians make up between 55% to 70% of the Bolivian population. Since ethnicity determines class it is difficult to take an exact census. The Aymara Indian couple above are dressed in typical fashion for life on the harsh Altiplano.

Vegetation

Tropical Rain Forest
Grassland, Savannah, Woodland
High Barren/Snow Covered Mtns
High Altitude Bunch Grass
Mountain Forest
Marsh
Dry Forest & Thornbrush
Salt Flats
Open Scrub Woodland

most fertile land in Bolivia, and they are filled with lush vegetation. The barely accessible high mountain slopes and peaks are largely uncultivated because road access is limited. Sucre and Cochabamba are located in this region. The rural population is predominately Indian. The whites and mestizos dominate the cities.

The third region, the Oriente, is composed of the eastern tropical lowland plains (called llanos) that cover about two-thirds of the country. The Oriente is further subdivided into three areas based on topography and climate. The northern Oriente, primarily the Beni and Pando Departments and the northern part of Cochabamba Department, is tropical rain forest. During the rainy season, from October to May, transportation is difficult because large parts turn into swamp. By the 1960s, travel was increasingly done with aircraft or boats because of this. The entire Beni region (Amazon basin) is sparsely populated by approximately thirty different Indian groups.

Moving south is the transitional zone with a drier climate, which comprises the northern half of the Santa Cruz Department. Here belts of tropical rainforests alternate with savanna grass plains. Large sections of land were cleared for farming and cattle ranching. In the late 1920s oil and natural gas exploration took place in this region. The largest city is Santa Cruz (Santa Cruz de la Sierra), which in the 1960s had considerable economic growth. While mestizos migrated to the area looking for opportunity, two very insular communities are east of Santa Cruz. In the 1950s several thousand Japanese and Okinawans emigrated to farm fruit, rice, and vegetables. There are also several large Mennonite communities east of Santa Cruz.
The final region is the southeastern most part of the Oriente lowlands called “the Chaco” (sometimes called the Gran Chaco or the Chaco Desert). The Chaco is basically a huge flat expanse, which has a striking climate contrast. It becomes increasingly drier moving from east to west. After a dry season of nine months (April to December), the desert transforms into a vast insect-infested swamp during a three-month long rainy season. These extremes in climate and rainfall support thorny brush jungle and grassy areas for cattle. Cheap land brought few settlers to this inhospitable region. However, it did attract Che Guevara in 1967.

**Bolivia 1966-67:**

- **Size:** 424,164 square miles (about the size of Texas and California combined)
- **Gross National Product:** $543 million
- **Annual per capita income:** $125-$145
- **Exchange rate:** 20 Bolivian Pesos (Bolivianos) to $1 (but depending on the area it could vary as much as 50 B to $1)
- **Literacy level:** Between 30% and 40% (depending on the statistic source)
- **Life expectancy:** Between 43 to 48 years old (lowest in South America)
- **US Foreign Aid** – $68.9 million dollars
- **US Military Aid** – $2.83 million dollars (Bolivia was in the bottom third of Latin America for funding)

It was the hostile area bordering the Chaco that Che selected for his guerrilla foco base. The countryside has rolling hills with deep, densely wooded, thorn infested ravines (canyons or gullies) that generally run north-south. In the center of the area, the Nancahuazú River twists its way through a steep canyon where smaller streams and gullies branch off the main river. Narrow riverbanks sporadically disappear into the canyon walls. The canyon sides are covered with thickets of reeds, trees, vines, and cacti. Hilltops are largely barren with small trees and scrub vegetation. Paths are limited, and cutting a trail with a machete is often necessary.13

The area around the Nancahuazú River is sparsely populated with small towns and villages. There are few roads. The population is a mix of people, primarily lowland Guaraní Indians and poor mestizos who migrated for cheap land. This area had been part of a government land reform program giving ten-hectare homesteads (about 25 acres) to about 16,000 families. People cluster in small, isolated communities to eke out a living by farming, cattle ranching, or working on government oil and public works projects. The major transportation artery is the Santa Cruz - Cochabamba highway that connects the area to the Altiplano.

**History**

The history of Bolivia in the 1960s reflects its pre-Columbian and Spanish colonial heritage. The Indian groups eventually formed two “great” kingdoms, the Aymara and the Inca (Quechua). The Spanish conquest led by Francisco Pizarro began in 1526. During 300 years of colonial rule, Spain imposed its political and social institutions on a predominantly extractive economy that concentrated on mineral exports – first silver, and then tin – using Indian forced labor. After a hard struggle to gain independence in 1825, Bolivia’s history was marked with political and territorial insecurity. The one constant during the 18th and 19th centuries in Bolivia was instability.

**Pre-Columbian History**

The Inca Empire began expanding from the highlands of Peru in the early 13th century. In 1438, the Incas incorporated a large portion of western South America that included the Bolivian Altiplano. The empire was created and expanded by peaceful integration and military conquest. At its height the Incas controlled about 12 million people. The Inca Empire included large parts of today’s Ecuador, Peru, Bolivia, Argentina, Chile, and Colombia.

**The Conquest**

Francisco Pizarro, with fewer than 200 men, toppled the Inca Empire. Pizarro took advantage of the instability caused by a recent civil war, a smallpox epidemic, and European military technology to seize power. The death of Huayna Capac caused fighting between two half brothers, Huáscar and Atahualpa, over the succession to the Inca throne. After a three-year-long civil war (1529-1532) Atahualpa defeated Huáscar, just as the Spaniards arrived. On 16 November 1532, Pizarro captured Atahualpa and demanded a ransom for his life. After a large room was filled with gold and silver, the Inca ruler was executed. The conquistadors spent ten years consolidating power in the Andean region. Although there were several Indian rebellions, they were quickly put down. For 300 years Spain controlled what is present day Bolivia.
Colonialism – Upper Peru

The new colony called “Upper Peru,” (Bolivia) had been a neglected part of the Inca Empire. This continued under Spanish colonial rule until 1545 when large silver deposits were found at Potosí nearly 13,800 feet above sea level. That discovery transformed the backwater into the wealthiest part of the Spanish empire. Although the Spanish crown received 20% of the silver extracted, it fueled the entire region’s economy. The remote location of Potosí meant that everything – food, tools, animals, and labor – to support mining had to be imported. In 1548 the town of La Paz was established on the trade route between the silver mines and the colonial capital at Lima, Peru. By 1650 Potosí was the largest city in South America (120,000 to 160,000 people when London had about 400,000). Silver extracted from Potosí became the principal source of Spanish royal wealth for three hundred years.

Mita System

The *mita*, a labor draft system set up by the Aymara kingdoms, was then adapted by the Incas. All males, except the young and old, served in the army, on public works projects—irrigation systems and imperial roads, or in the mines. *Mita* labor service took place between harvest and planting. With the Spanish conquest the *mita* tradition went away.

Francisco de Toledo, the Spanish governor of the viceroyalty of Peru, reinstated the *mita* in 1573. By adapting the *mita* to the European feudal system the Spanish required all indigenous (Indian) males between 18 to 60 years of age to work for three weeks per year and a year every six years in the mines or on other public works (repairing or building roads). The “Potosi (Bolivia) *mita*” required the indigenous population to work in the mines. The Indian death rate in the mines was reported to be 80% a year. Later the *mita* was expanded to include a mandatory two-years of military service.

Independence

The Spanish empire began to weaken when the French occupied Spain during the Napoleonic Wars. As Spanish royal authority weakened, two independence movements sprang up in South America. In the north, forces under Simón Bolívar fought the royalist armies in Venezuela, Colombia, and Ecuador. From Argentina, José de San Martín and Bernardo O’Higgins led forces across the Andes to free Chile, and then fought north to free Peru. Independence in Upper Peru was proclaimed in 1809, but it took 16 years of struggle to establish the republic named for Simón Bolívar, the Great Liberator. Bolivia was established on 6 August 1825; however, independence did not bring stability.

Bolivia’s future was marred by political turmoil and military defeats. In 1867, Bolivia lost territory in the north to Brazil. During the War of the Pacific (1879-1883), Bolivia allied with Peru against Chile. The clash was prompted by economics, over an unlikely source of revenue, guano (the nitrate-rich excrement of seabirds, bats, and seals). Chile prevailed on land and sea and occupied the Peruvian capital, Lima. Bolivia lost areas rich in natural resources, as well as its national pride. Most significantly, Bolivia lost access to the Pacific Ocean, making it a landlocked country.

Interim

From 1884 until the 1930s Bolivia enjoyed relative stability. The economy took a jump as tin replaced silver as the major export. World demand fostered the expansion of railways to transport the tin to the United States and Europe. Bolivian intellectuals blamed Chile for its defeat in the War of the Pacific. Using reverse psychology, they promoted the need to create a national identity to overcome centuries of backwardness. Rival political parties worked for political and economic modernization. The politicians in government, elected by a small, literate, and Spanish-speaking electorate reorganized, reequipped, and professionalized the disgraced armed forces. They provided stability and prosperity into the next century.
A legacy of loss. Since 1867 Bolivia has lost territory to Brazil, Chile, and Paraguay, almost equal to the present day country. Map by D. Telles.

This photo shows a Bolivian patrol during the Chaco War. Note the inhospitable terrain of cactus and thorn bushes during the dry season. During rainy season the area becomes a swamp.

The 20th century was marked with three great events: the Chaco War, World War II, and the 1952 Revolution. The Chaco War was the last territorial loss for the country, but, more importantly it politicized a generation, both politically and militarily, to seek change. World War II and the need for tin kept the economy moving forward. The 1952 Bolivian Revolution caused drastic political, social, and economic changes. Most important, universal suffrage promised the majority Indian population more voice in government and massive land reform was decreed to improve life for the poor.

The Chaco War

The Chaco War with Paraguay was fought to regain the Chaco and gain access to the sea via the navigable Paraguay River. Both were needed for economic growth and for oil exploration. Control of the Paraguay River and the Chaco region also affected the production of yerba maté, Paraguay’s major export. A series of escalating border incidents were the impetus for war. Convinced that Bolivia’s larger army could win, President Daniel Salamanca broke diplomatic relations and declared war on Paraguay in 1932.

On paper, the Bolivians had a huge advantage over the Paraguayans. Bolivia had more national resources, including population, and a larger Army, trained by German expatriates. However, the Army was filled with conscripted and ill-trained Indians from the Altiplano, most of whom had never been out of their villages. Relocation to the harsh climate of the Chaco resulted in enormous non-battle casualties from sickness, hunger, and dehydration. Led by former German General Hans Kundt, the army launched World War I style mass assaults that proved disastrous. A 1,000-mile long road was the sole supply line for the Bolivians, further hampering operations. Bolivian losses were staggering; 65,000 of the 250,000-man Army were killed, deserted, or perished in captivity. With a population of only 2 million, Bolivian per capita losses rivaled French and British losses in the First World War. Paraguay suffered as well. They lost 36,000 soldiers of 140,000 mobilized. After three years of fighting the Paraguayan army forced the Bolivians out of the Chaco.
The Chaco War was traumatic to Bolivia. The loss of territory and prestige was yet another blow to the national psyche. Bolivia lost 115,000 more square miles of territory, about a fifth of the country. It was the catalyst for political change. The veterans became the “Chaco Generation” and pushed for political and military reforms for the next three decades. The defeat in the Chaco set the stage for the 1952 Bolivian National Revolution.

The 1952 Bolivian National Revolution

The Chaco War was a turning point for Bolivia. Although legally a democracy, the predominately white electorate constituted only 5% of the population. Indian veterans returned to their villages without the right to vote and little, if any, political power. In 1941, Víctor Paz Estenssoro led the formation of the Movimiento Nacionalista Revolucionario (MNR), the Nationalist Revolutionary Movement. It grew in strength during World War II and afterward by aligning itself with the miners unions, the strongest in the country. In 1949 the MNR staged a popular uprising that was quickly crushed by the military. Víctor Paz Estenssoro and other party leaders fled into exile and devoted themselves to reorganizing for the next three years.

On 9 April 1952, a new successful MNR revolt became the Bolivian National Revolution. This was not a bloodless coup d’état. Over 1,500 died bringing the MNR to power. Víctor Paz Estenssoro was quickly elected president. The MNR implemented wide-ranging reforms, including universal adult suffrage, massive land reform, rural education, and nationalization of the tin mines. The national government for the first time in the country’s history worked to integrate the Indians (the majority of the population) into the national social structure. To prevent a military coup d’état, the Bolivian Army was abolished and the military academy closed. Both were reinstated within the first six months of the MNR administration, but with a new mission, to promote civic action throughout the country.

The MNR stayed in power for an unprecedented twelve years. Paz Estenssoro’s vice-president, Hernán Siles Zuazo, succeeded him in 1956. Paz Estenssoro was re-elected for a second time in 1960 and changed the constitution to enable himself to run again in 1964. After he won the 1964 election with 70% of the vote, the military staged a coup d’état.

Bolivia during WWII

Bolivia did not provide combat forces for WWII, but it proved crucial to the Allied victory as a supplier of critically needed materials. With the loss of Asian tin markets to the Japanese, Bolivia became the largest supplier for the Allies. By 1945 Bolivia provided half of the world’s tin. The United States and Great Britain also bought large quantities of oil, wolfram, lead, and bismuth for wartime industries. Minerals were not the only item supplied; Bolivia became a leading source of quinine to fight malaria. While there was a vocal sympathetic group of pro-German Bolivians, the government signed the “Declaration of the United Nations,” and joined the Allies on 27 April 1943.

The 1964 Coup

On 4 November 1964, the Vice President, General René Barrientos, and the Army Commander, General Alfredo Ovando Candía, overthrew the MNR government. The new junta called its action a “restorative revolution” to stop MNR excesses and eliminate corruption. Barrientos and Ovando ruled jointly in a military junta for two years until 2 January 1966, when Barrientos resigned and ran for president. He won the election with 54% of the popular vote and took office on 6 August 1966. General Ovando continued as the Army Commander.

Conclusion

In 1967, Bolivia appeared ready for change. The 1964 coup put the military back in power, but after the 1966 election, the Army returned to its barracks. Three major events shaped the country: the War of the Pacific during which Bolivia lost a mineral rich area, making it a landlocked country; the Chaco War resulted in more territorial losses, but more importantly, severely reduced
its manpower for twenty years; and the 1952 Revolution redefined the political, social, and economic landscape. In Che Guevara's estimation, Bolivia, with its history of instability and a disenfranchised Indian population, was the perfect breeding ground for revolution. Bolivia became his test case for launching revolution throughout South America.

Robert W. Jones, Jr. is an historian assigned to the USASOC History Office and is a Lieutenant Colonel in the U.S. Army. A graduate of the University of Washington, he earned his MA from Duke University and his MS from Troy State University. Current research interests include Special Forces in Vietnam 1960–1966, military government and civil affairs, special operations in World War II, Operation JUST CAUSE, and Operation ENDURING FREEDOM.

Endnotes
4 Kistler, Bolivia, 14-16.
5 Morales, Bolivia: Land of Struggle, 15.
6 Kistler, Bolivia, 17-18.
7 Morales, A Brief History of Bolivia, xxv; Kistler, Bolivia, 19.
8 Morales, Bolivia: Land of Struggle, 15-16.
9 Kistler, Bolivia, 20.
11 The vegetation includes a wide variety of cacti and the mineral-rich Quebracho tree. The Quebracho tree provides both tannin (used in tanning hides) and a very hard timber, making a prized commodity. The etymology of the name is Spanish. It is a derivative from quiebrahacha, meaning “ax-breaker.”
14 James, Che Guevara, 275; Ernesto Guevara (with an introduction and case studies by Brian Lovemen and Thomas M. Davies, Jr.), Che Guevara on Guerrilla Warfare (Lincoln, NE: University of Nebraska Press, 1985), 343.
15 Morales, A Brief History of Bolivia, 7, The kingdom or empire is “Inca,” after the ruler who was referred to as “The Inca.” The language and the people are Quechua, which is still spoken in Bolivia and Peru.
16 Morales, A Brief History of Bolivia, 16-19; Depending on the text this conflict is called the Inca Civil War, the Inca Dynamic War, the Inca War of Succession, or the War of the Two Brothers.
17 Morales, A Brief History of Bolivia, 11-19 and 31.
18 Morales, A Brief History of Bolivia, 16-17.
22 Morales, Bolivia: Land of Struggle, 34.
25 The War of the Pacific (1879-1883) is also known as the Saltpeter War or the Guano War because of the guano and nitrates. Nitrates were used as fertilizer and a major explosive ingredient, which made the arid area economically important. Later discoveries of copper and other minerals increased the economic value of the region.
27 The Bolivians continue to call this the Litoral Department (Spanish for “littoral,” the coast) and it remains a deeply emotional issue. Popular belief attributes much of the country’s problems to its landlocked status.
29 Yerba maté is an herbal tea used in the southern part of Latin America and was the primary export crop of Paraguay.
32 Klein, Bolivia: The Evolution of a Multi-Ethnic Society, 194; Robert L. Scheina, Latin America’s Wars, Volume 2 (Dulles, VA: Brassey’s, 2003), 103.
35 Klein, Bolivia: The Evolution of a Multi-Ethnic Society, 186; Scheina, Latin America’s Wars, 103-104.
36 Bethell, The Cambridge History of Latin America, Volume VIII, 525; Dunkerley, Rebellion in the Veins, 10.
38 Morales, A Brief History of Bolivia, 117-118.
39 Bethell, The Cambridge History of Latin America, Volume VIII, 536-537; Morales, A Brief History of Bolivia, 132-133.
40 Bethell, The Cambridge History of Latin America, Volume VIII, 542; Morales, A Brief History of Bolivia, 140.
41 Bethell, The Cambridge History of Latin America, Volume VIII, 542-544; Alexander, The Bolivian National Revolution, 146-150; Dunkerley, Rebellion in the Veins, 49-51; Harris, Che Guevara’s Last Mission, 63-64; The military academy and other military functions were closed down for about eight weeks (Dunkerley, Rebellion in the Veins, 49).
42 Bethell, The Cambridge History of Latin America, Volume VIII, 551-552.
44 Morales, A Brief History of Bolivia, 167.
45 Morales, A Brief History of Bolivia, 171; Klein, Bolivia: The Evolution of a Multi-Ethnic Society, 194; Morales, Bolivia: Land of Struggle, 88; Harris, Che Guevara’s Last Mission, 64.
46 Dunkerley, Rebellion in the Veins, 120-122.