Ben S. Stephansky Oral History Interview—JFK #1, 6/6/1983
Administrative Information

Creator: Ben Solomon Stephansky
Interviewer: Sheldon Stern
Date of Interview: June 6, 1983
Location: Washington, D.C.
Length: 90 pages

Biographical Note
Ben S. Stephansky (1913-1999) served as the U. S. Ambassador to Bolivia from 1961 to 1964, and as Executive Secretary of the U. S. Puerto Rico Commission on Status of Puerto Rico in 1964. This interview focuses on the instability caused by the Bolivian National Revolution, Stephansky's role in negotiating between the U.S. and Bolivia, and John F. Kennedy (JFK)'s interest in the development of Bolivia, among other issues.

Access Restrictions
Portions closed.

Usage Restrictions
According to the deed of gift signed September 17, 1999, copyright of these materials has been assigned to the United States Government. Users of these materials are advised to determine the copyright status of any document from which they wish to publish.

Copyright

Transcript of Oral History Interview
These electronic documents were created from transcripts available in the research room of the John F. Kennedy Library. The transcripts were scanned using optical character recognition and the resulting text files were proofread against the original transcripts. Some formatting changes were made. Page numbers are noted where they would have occurred at the bottoms of the pages of the original transcripts. If researchers have any concerns about accuracy, they are encouraged to visit the library and consult the

transcripts and the interview recordings.

Suggested Citation
Stephansky, Ben S., recorded interview by Sheldon Stern, on June 6, 1983, (page number), John F. Kennedy Library Oral History Program.

WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

Document Type	Correspondents or Title	Date	Restriction
	Pages Containing Closed Portions		
OH	Page 74 **Reviewed and Determined to Remain Closed**	06/06/1983	**A**
OH	Page 78 **Reviewed and Determined to Remain Closed**	06/06/1983	**A**

Updated: 10/18/2016

File Location:
John F. Kennedy Oral History Project
Ben S. Stephansky, Interview #1, June 6, 1983

Restriction Codes

(A) Closed by applicable Executive Order governing access to national security information.
(B) Closed by statute or by the agency which originated the document.
(C) Closed in accordance with restrictions contained in the donor's deed of gift.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION (NARA)
JOHN F. KENNEDY LIBRARY

Legal Agreement Pertaining to the Oral History Interviews of
BEN S. STEPHANSKY

In accordance with the provisions of Chapter 21 of Title 44, United States Code, and subject to the terms and conditions hereinafter set forth, I, Ben S. Stephansky, of Washington, DC, do hereby give, donate, and convey to the United States of America all my rights, title, and interest in the tape recording and transcript of a personal interview conducted on June 6, 1983 in Washington, DC, and prepared for deposit in the John F. Kennedy Library. This assignment is subject to the following terms and conditions:

(1) The transcript shall be made available for use by researchers as soon as it has been deposited in the John F. Kennedy Library.

(2) The tape recording shall be made available to those researchers who have access to the transcript.

(3) I hereby assign to the United States Government all copyright I may have in the interview transcript and tape.

(4) Copies of the transcript and the tape recording may be provided by the Library to researchers upon request.

(5) Copies of the transcript and tape recording may be deposited in or loaned to institutions other than the John F. Kennedy Library.

Ben Stephansky signed by his wife Anne Stephansky
Donor

9-17-99
Date

John W. Carlin
Archivist of the United States

3-1-00
Date

B Stephansky died 4-99. I am his executor and I know he intended to sign
Anne Stephansky

Ben S. Stephansky—JFK #1
Table of Contents

Oral History Interview

with

BEN SOLOMON STEPHANSKY

June 6, 1983
Washington, D.C.

By Sheldon Stern

For the John F. Kennedy Library

STERN: I wonder if we could talk first about the background of your appointment as ambassador to Bolivia in the middle of 1961.

STEPHANSKY: I was then at Brookings Institution for a year's study of popular political parties, a subject I'd gotten interested in during some five years in Mexico and for two or three years in which I was labor advisor for Latin America, to deal with inter-American affairs. I was impressed with the close relationships between labor movements and popular political parties and planned some work then at the

time. I think that the person most responsible for my appointment was Chet Bowles [Chester Bowles]. He was shaking up the department very substantially at the time, which you probably know…

STERN: Yes, I do.

STEPHANSKY: … and wanted some "new blood." He was close to many people in the labor movement. Bolivia had a particularly fractious one and just how and

where he decided to bring me in is not entirely clear to me. It may very well be that Victor Reuther had something to do with it. He mentioned to me at a later time that he had one over the ground with Chet. But Chet's contacts were very diverse and very extensive, and my own connections with the labor movement, with labor studies, I taught at three universities, but never outside of contact with labor. And I think that in some way it connected up, possibly it was that Reuther made the suggestion. I might also add that I did have some connections with Adlai Stevenson [Adlai E. Stevenson]. I'd seen him a few times, and I had worked on some inside memoranda about what I thought were some coming serious problems in the hemisphere. This was immediately after the, well, sometime perhaps after the vice president's trip, subsequently followed by a trip by Milton Eisenhower to Central America. They had divided things up. Milton Eisenhower had wanted

[-2-]

some people to go through before he went into Central America largely because of the tumultuous reception that Nixon [Richard M. Nixon] had received down there, and I was one of the three who had gone through to brief the department onhow, in a sensitive situation, perhaps one could be somehow rather feeling the contagion of what was happening to Nixon, what kind of reception Milton might, Milton Eisenhower might receive. And so I was really rather up on the situations in both. I had also been on a scouting tour going down south starting in Venezuela and meeting up with the Nixon party in Peru, saw what happened there and picked up what had already happened in Uruguay. The vice president seemed hell-bent on debating students which he did with some real vigor, not to show any great prophet. But in any event I made a bit of a reputation by suggesting maybe they ought to skip Venezuela which was only three months after the overthrow of its long-standing military dictatorship. That suggestion was turned down. But I had gone through and therefore had some sense of what was really happening, did some memoranda, and Adlai talked to me, in fact was able to gather the fruits of that. Now he might have had some. I had worked with him back in Illinois because I was teaching in Chicago. Then when I'd entered the foreign service temporarily at the time, it became permanent a couple of years after I went to Mexico, this was '52 to '57 and then I was picked up to be a labor advisor. But from Mexico, too, I got a real sense of the democratic political parties in exile.

[-3-]

Many of them had grouped around the inter-America labor movement which is my beat, and its office had been established there. And it was clear that as dictators were falling all over the place during the middle to late fifties that many of the political parties with whom I'd had intimate contact then, their leaders were getting back into power, were getting back into sharing power. So I was sufficiently up on contemporary developments at the time, and Adlai, I think, profited and who knows whether he might have put something in, or passed something along as well.

STERN: You had had no previous contact with JFK then?

STEPHANSKY: With whom?

STERN; With President Kennedy?

STEPHANSKY: Yes, I had. My father-in-law for some thirty years had been the CIO's, one of the CIO's batter of lobbyists, an extraordinarily able man -- he died a few years ago -- who himself had organized a senior citizens' council, I think partly as a kind of platform from which he could legitimately support a Kennedy candidacy, and subsequently, by the way, was the founder with one other person, a former congressman, the name escapes me, of the senior citizens' council. I had met Kennedy a number of times through my father-

[-4-]

-in-law so….

STERN: Your father-in-law's name was what?

STEPHANSKY: John Edelmeyer. He had been for thirty years a representative of the textile workers union, one of the truly able and, I think, skillful lobbyists. Much of the New Deal passed through his activities, and much of his documentation is now at the archives of the Wayne University archival collection. His vast experience, of course, was always useful to me. He was a writer, brought up in England as a journalist, broad gauge kind of outlook, very attractive person, good soft tough but good tough kind of lobbyist. Very close friends with people like Wayne Morse. I don't think Wayne had much to do with this, although Wayne and I had the same stable of professors at Wisconsin some twenty-five, thirty years apart. I was very close to Wayne at the time, and he had done or they commissioned some studies of his position as chairman of the Senate committee on, Foreign Relations Committee on Latin America. They were enough connections, I think, in the field so that….

STERN: I see.

STEPHANSKY: … there were any inquiries made I think that

[-5-]

they would have revealed a) that I wasn't a stranger, and b) there were enough people who, I hope, had enough of a high opinion of me so that whatever doubts there might have been would have been erased. I never met Dick Goodwin [Richard N. Goodwin] before. Dick was the one who initially processed me in the White House, although the person that I think worked through the State Department procedure was Tom Hughes [Thomas L. Hughes] and Tom was then…

STERN: At INR [Bureau of Intelligence Research]?

STEPHANSKY: …at INR. He was, no he wasn't. He was…. Chet had brought him over. I think he was then, yes, he had been installed as the special assistant to…. Maybe he was already at INR. I really don't specifically recall. But he had been working with Chet Bowles, with Hubert Humphrey [Hubert H. Humphrey] the earlier time. Part of our kind of Midwest labor-farmer political party complex, and Tom was an old neighbor of mine. And then I suspect, too, that if the name drifted through Tom that it would very possibly have gotten decent marks.

STERN: Did you have any specific contact with Bolivia then? Any….

[-6-]

STEPHANSKY: Prior to that time?

STERN: Yeah.

STEPHANSKY: No. I knew about it quite well, and I'd gotten to know Edmundo Flores in Mexico. Edmundo had been the one who was writing the, had written the land reform plan for the revolution in '52, and I think through some academic contacts, perhaps notably Bob Alexander who had written a book on Bolivia, but I had no intimate knowledge of Bolivia. I knew a few that speak, some of the people came through Mexico back and forth. I remember processing a group in Mexico when it was en route to a visit in the United States. This was a labor group, and I sent them to my old professor at the University of Wisconsin. He thought they looked pretty tough. [Laughter] He later wrote me to that effect. But Bolivia itself was not my, not a particular speciality. I knew Mexico much better. I knew several Central American countries better. I think I knew Peru in many respects better, Venezuela too, but the reason I think I was selected, and that might be your next question…

STERN: Yes.

STEPHANSKY: …for Bolivia was there was a very, very

[-7-]

difficult labor situation. Vic Reutehr knew the labor leadership quite well back when I was involved in my briefings, the man who later became vice president was the top leader of the labor movement Jan Lechin [Juan Lechin Oquendo], L-E-C-H-I-N. Juan was hanging around, got to know him pretty well in that month. I think he was kind of laundering his reputation then. He was, I think, a man who was just, well, he's a powerful figure in that political configuration. There were four or five. There was Paz

Estenssoro [Victor Paz Estenssoro], there was Siles [Hernan Siles Zuazo] who's presently the president. He was the second president after the revolution. People like Walter Guevara [Walter Guevara Arze] who was a, simply a candidate. He was in exile a good part of the time, self-imposed exile. WHite I was there Lechin, these four mainly were the outstanding figures in the revolution. They're still around and they're still main figures.

STERN: I know. What was…. When you….

STEPHANSKY: Well, when I say, by the way, that what I think scared the bejesus out of the Kennedy administration at that time was that there had been a serious series of street demonstrations in Bolivia in 1969, some…

[-8-]

STERN: '59

STEPHANSKY: … '59, some embassy officer was quoted as saying Bolivia was hopeless, it was time to cut it up and return it to its neighbors, something that Bolivians didn't like very much [Laughter]...

STERN: I can understand that.

STEPHANSKY: …but it followed a period of the dreadful experience, of run-away inflation during the first Siles regime, between 1956 and 1960, and really a very strange situation. The International Monetary Fund, a much more primitive organization then than it is now, posed some very rigorous terms. It was a major dispute between Lechin and Siles at the time. Then a period of what the economists like to call negative growth, which was real decline, in the economy, a sense of desperation about where they were going. The upshot was that when that supposed remark was quoted in *Time* magazine that came on the heels of that whole kind of depressing situation, and then the Russians with perhaps the sense of a Nazi-type perpsective that if you domniated a high place in South America you might in some way find a way to dominate the rest of the continent. Certainly the Nazis seemed to have that Goetterdammerung view of life down there. They promised to the United Nations that they

[-9-]

would really come in with a heavy development program. There were two reactions in the State Department. There was one, the sour reaction, "Well, let them have it." The other reaction was, "No, you can't let it happen." Not another "Cuban Crisis." The, the…. This wasn't clar at the time that I was talking? They offered the country. And then I think it was Adlai who was there on a scouting trip….

STERN: He was there just before you arrived…

STEPHANSKY: Yes.

STERN: …in June.

STEPHANSKY: He and Paul Rauschenbusch and, I think, Arthur Schlesinger was there, old Arthur spent a good deal of time in ? altitude, later wrote in a very learned way about Bolivia. He…. And there was a riot there. A student who was either killed or hurt, absolutely somewhat unprecedented.

STERN: It's a major tin miners' strike in the middle of June. Just at the time that Stevenson was there.

STEPHANSKY: This was the Russian promise, and Adlai's purple

[-10-]

prose that Bolivia was half way over the brink to chaos. I got a call at three in the morning from Dick Goodwin saying, "Hey, can you hurry up?" [Laughter] But that was already on the threshold, but all of this was part of the climate of the time. And I really sense, by the way, to put it very candidly, a certain sense of real anxiety and I won't say fright, but with a great sense of unease about Bolivia and could it slide down and be the second…

STERN: Cuba.

STEPHANSKY: …Cuba. And, wanted to kind of rush into…. Later, I read later in Galbraith's [John Kenneth Galbraith] book that I had sort of been selected for my special expertise. There's a little quotation there without naming me. And I must say this wasn't the most pleasant prospect in the world. I went alone without the family because I wanted to make sure that things got scouted out well. My predecessor had had the residence bombed, by the way.

STERN: Right.

STEPHANSKY: His car had been burned out.

STERN: In January of '61, right?

STEPHANSKY: Yeah. Carl Strom [Carl W. Strom] himself, poor

[-11-]

fellow, he should never have gone. He was getting treatment for a fairly

advancing case of, I forget what it was, some chronic illness. He used to close up shop at the end of the day and over the weekends. He needed all his rest, and I think he was really burning out at the time. So certainly he had to leave the place. Now the question was who do you send and why. I think that the rationale, because of the labor unrest and because of the importance of labor in the political constellation and as it turned out because some parts of the U.S. labor movement, especially the CIO and especially Vic Reuther, because Vic was in the automobile workers' union, the international connections, the so-called internationals secretariat of metalworkers and miners, IMF, the International Metalworkers and Miners Federation. And I think he had, I know he'd had prior contact with Lechin, and so it seemed that I kind of filled the bill, reasonably broad gauged in the sense of what the hell was happening and some sense of what the political constellations offered, the fact that pervasively in Latin American labor movements and politics are closely linked. Bolivia especially so, so that combination of personal relations and background, I think, facilitated and influenced the decision.

STERN: Right. I found the note from Bromley Smith [Bromley K. Smith] trying to get you an appointment to see the President before your

[-12-]

departure. But it said that if there's any problem that you should not delay his urgent departure. Did you get to see the President?

STEPHANSKY: No, I did not. There were, as he was full up, I felt, by that time, that I didn't really need to see him. There had been a pretty good group that had gone down. A three-man group, Jack Corbett [Jack C. Corbett] was one of them, what's-his-name here, who's at the National Law Center now, a third guy who had been assistant secretary in the past for economic affairs. I wanted that done. They went down for the two-week mission to address the issue whether or not Bolivia was really over the brink or Bolivia could be worked with. They scouted around and came back and, thank God, at least, that I had the written report to say yes….

STERN: This is Rubin's [Seymour J. Rubin] bill?

STEPHANSKY: Rubin, Sy Rubin.

STERN: Seymour Rubin?

STEPHANSKY: Sy Rubin, that's right. Who was the third man? Sy Rubin, Jack Corbett, had been in Italy, had a good deal of experience. Sy was awfully good about it,

[-13-]

gave me a lot of briefing himself on it. Because the embassy itself, there were two or three people, our poor ambassador never saw the President alone. One of the first things the President asked me is, "Please, can we have personal conversations?" and I would like to be surrounded by staff. Sure, they're important from time to time, but Carl Strom thought he had to do that and any event, that influential staff of two or three people, political counselors, the deputy chief of mission both sort of in a sense tended to give up, especially the political counselor of Bolivia's gone and has just papered over that side. Here I got the Sy Rubin, Corbett, et one more report and that at least gave me my sense of the mission. I couldn't have done anything, really, much more with the President, and the business of taking a picture and getting his autograph could have come at a later time.

STERN: Right.

STEPHANSKY: Dick Goodwin was then the processor at the White House and we talked a bit and the point was, get the hell down as quickly as you can.

STERN: What was your impression when you got there of what essentially the major problems were going to be, and what were your expectations?

[-14-]

STEPHANSKY: Well, when I initially got down there I, I didn't really have any, any set ideas. I had been advised by an old friend of mine, Sammy Berger [Samuel D. Berger], who had been an experienced guy in the labor field and a man of very extraordinary ability. He had been a teacher of mine at Wisconsin. And he said, "Ben, write yourself out a description of your mission." I tried and I couldn't. [Laughter] I should add one more thing, that on the basis of the tensions that were building up and the anxiety there had been an exchange of letters after the Rubin mission between Paz, Victor Paz Estenssoro, and President Kennedy…

STERN: Right. I saw those.

STEPHANSKY: …and you saw that there was really a foreshadowing of the alliance. And I felt that that was generally not useful enough, so I didn't feel I needed at that moment the presidential pat on the back. I felt I could have used it because there was one guy who was thoroughly pissed off at my appointment. That was Dean Rusk. And I think it was part rising out of the question of his relationship to Chet Bowles at the time. I remember Wemberly Core [?], who had been the deputy chief of mission during the riots down there who took me into see Rusk, and Rusk just walked by my. I felt very lonely at the time. This is a tough place, and

[-15-]

I really felt I needed some indication of the secretary's support, but he walked right by me.

STERN: Did that continue?

STEPHANSKY: Oh, yes. Pardon?

STERN: Did that continue?

STEPHANSKY: No, no. I must say a few months later I got a copy of this book and a few other things. He was making it up all right. But, you know, if you're going to a tough place, you are already somewhat uncertain. Your heart sinks and you feel that your secretary's quite behind you. Then I felt that I was partly compensated, at least for the moment anyway, by the fact that Chet was behind me.

STERN: For the time being?

STEPHANSKY: For the time being. I would have liked to talk to Dean Rusk at the time. We grew pretty good friends afterwards, I must say, so there was nothing lasting, but at the time he wasn't very happy.

STERN: What kind of relationship did you establish with

President Paz?

STEPHANSKY: Very close.

STERN: Can you talk a bit about him? What were your impressions of him in the whole issue of his running for election?

STEPHANSKY: Well, let me say, by the way, and answer your previous question that I wasn't there very long before I realized that what was really terribly important in a place as depressed as Bolivia was, was a place that was being shad on by the foreign aid operation at the time, what was left of ICA. There was unloading gear and crap at the end of one fiscal year that could never have been used there, huge tractors and things that were unsuitable to large fields in Bolivia, were not nearly ready for. And a sense of failure because our approaches during the fifties had been budget support. We were very primitive about aid at that time. We've learned a great deal since, I think.

STERN: I've seen some indication that we supported about a third of their budget…

STEPHANSKY: That's right.

STERN: …in the late fifties.

STEPHANSKY: That's right. We would never dream of doing that now. The economic fund does that essentially. We were doing that as a method of giving economic aid. And the turnaround after Teodoro Moscoso came in was clear. We were going to have a development program based on projects, based on the development plans. As it happened, Bolivia's was the first one to come out. Although it was done by the Economic Commission for Latin America a lot of theory is done in Chile. They really believed that they are extending their program in their recommendations. They came in two or three days after I arrived. See, here's the Bolivian plan. The only other plan that had been partly worked out was the Chilean economic plan, only half of that. And it was really quite accidental that Bolivia's had been worked out first, the neighboring country. And they simply said quite flatly, "Well, here's our plan. We're going to need about five hundred million dollars, you know, to do what you need to do. Put the money in the bank." I mean, that's how naive, in effect, that thinking was at the time. I think our ignorance has also increased enormously since then, but I think we learned a good deal side by side with it. And I felt really shortly after I arrived, and with the help of Teddy Moscoso, that we needed a development plan, psychological and politically, to turn the place around, to get out of that deep sense of helplessness and

the hopelessness and the depression that seemed to take over in that place. It wasn't a large country after all, four and a half million population, a vast territory the size of California and Texas combined, highly varied with relatively few roads and access from one part of the country to the other, a great deal that could be done. The revolution had taken place. You didn't have to quarrel about land distribution. It was thick in places. The nationalization of the mines, a bit like the British nationalization was a form of nationalizing poverty because the mining company in the last years that stayed there, stimulated briefly by the Korean War, had mined just about everything until there was no more new exploration. The machinery was old. A lot of supernumeraries, the normal ratio of miners to surface, active underground miners to surface would be about at least two to one underground. It was the opposite there, so that was supernumeraries. A lot of problems that we had to address. But it needed a development program. And the setting seemed to be on its face at least a favorable setting as far as the socio-political effort was concerned. There was an excellent minister of economics there who sadly has since died, his name was [?] wonderful man. He and Victor Paz were terrific. He was very much one of my key people, but there were other ministries that were ready to cooperate. I did have the advantage of two or three things when I came in, which was a letter from Pepe Figueres [?] from Costa Rica, a letter from Anita Brenner who was still then

alive. She'd written a book on the Mexican revolution called *The Wind that Served Mexico*. She'd been a close friend of ours in Mexico. When she heard I was leaving she wrote a note to Victor, had me deliver a copy of her book which he already had. Edmundo Flores wrote a note, and then Louis Hanke, the professor of Latin American history at a number of universities, came to me one day and gave me the title page of a long work he had done on the viceroyalty of Potosin, fascinating historical work which he did, and he had seen Paz in England a number of times. Paz was a real egghead which is awfully nice -- he had taught economics in Argentina -- and a man with an extraordinary breadth of intelligence, and, as I've learned since in his long exile, a man of enormous internal resources, as a person tremendously stable, sane, balanced, and a good fellow politico. I mention that and with the mission I've then defined for myself, which was easy to extrapolate out of my immediately previous historical situation and clearly what I felt was objectively needed. There was a man there named Roland Eggers who had been appointed as a special advisor because during World War II he had been head of what was known then as the Bolivian Development Corporation, essentially to do some things during the war that would keep the country together and give us continued access to tin.

STERN: In fact, he was appointed in August…

[-20-]

STEPHANSKY: Yeah, he was.

STERN: … as special economic advisor.

STEPHANSKY: Yeah. Roland was very good and a very heavy man, but a man of, very calm, and the usefulness of the prior experience there was for me something I could lean on. So it wasn't as if I didn't have some really good resources, given the Sy Rubin mission, given the people who volunteered to sort of cushion my, or lubricate, my way, lubricate my way into the place and make my contacts personally with Paz much more readily accessible. I knew I was going to have to work like a peon while I was there and that's turned out to be long, long days, long nights and so on. You asked about my relationship with Victor Paz. It was something of an evolving relationship. When somehow after I got my really first good aid mission director, Alex [?], who was a man sent to me by Teddy Moscoso. Alex had worked in Venezuela; he had worked in Puerto Rico as Teddy's industrial officer under Operation Bootstrap. I had had a man before that who had been exiled to Bolivia by a congressman, maybe the names will come back to me, who felt that this man who had been in charge of foreing buildings had not performed to his liking. It was Wayne Hays [Wayne L. Hays], and he really punished…

[-21-]

STERN: Seems typical.

STEPHANSKY: …really, he really punished this guy, who didn't work out. And we graduated him, I think, not only gently, but I learned later that everybody was pleased with what I had written about why he had left. He had chosen a so-called economist who was really not a economist, what he was, a kind of a scatter-brained guy. Bill Hughes [William P. Hughes] was the name of the man. Bill was a wonderful guy, Texan, who, nice relaxed kind of a guy but no real notion of what he was going to do. He got me in a little bit of trouble because he released some counterpart funds that we could very well have used a little later, but he was agreeable. A little too agreeable as far as the Washington side was concerned, but Bill and his economist didn't last more than six or seven months. I think most ambassadors really would feel that their key appointments ought to be something they're consulted about. In Bolivia's case I felt really strongly about it, but these had been done, this had been done before I left, totally political in its thrust and there was no, there was no…. I offered Bill some other options, but as it turned out he was very willing to leave. He didn't like it very much. I must say I think it was ultimately a relief for him, but when Alex came, a very good man, and I had been chairing the development committee meetings up to that point, he came to me after a month or two and said, "Well,

[-22-]

Ben, now you can relax. I'll take over." [Laughter] And sure enough it was a good thing. And by that time he had established pretty good basic relationships, a little perhaps excessively enthusiastic, but not of the kind of aggressiveness that irritated people. Once or twice there was a question of back off a little bit, but…. When I felt sure of my ground, was able to say, "Ok, now here's where taking the economic plan as a, as a point to take off, and having discussed it now not only with [?] but with Roberto who was the prime minister at the time, young, inexperienced but, I think, willing to learn. These things worked extensively in developing things around any number, any number of countries in the world for that matter. All right, Victor, Dr. Paz, we're ready to go and here's what we have in mind. Then we outlined a number of things, we have a cultural development program, the [?] institution's supervisor who calls for credit which had been mistakenly terminated by my predecessor, and one of the key pieces in the whole works, a rehabilitation plan for the mines.

STERN: Related to the Triangular Plan?

STEPHANSKY: The Triangular Plan, part of which I had begun to negotiate when I was here, but that was being mainly negotiated by Sy Rubin and the Inter-American Development Bank. I'm sure that the Inter-American

[-23-]

Development Bank in its later years would have had great hesitation to go into that sort of thing. But it was new enough at that time and inexperienced enough to have entered into it along with the Western German, the Federal Republic of Germany, and the U.S. We know

not what vast terrain of booby traps we were getting into. But it was clearly an important program that needed to be tackled, in all of its ramifications, including what to do with the supernumeraries and so on. I knew it was going to take some time. We wanted a private industrial development bank and agricultural development bank. We needed a very, very basic road construction program. I remember some guy making some fun of it and saying, "Oh, this road stops, begins nowhere, and stops nowhere." Well, any kind of road was useful in Bolivia and along the tyrannies I've discovered were the road engineers. They never could agree among themselves [laughter] and they don't disagree. They just call each other names. But we worked out some very intelligent programs, not the straight highways, but the kind that would get into hinterlands and get from here to here. You don't go as straight as you can, but you go in some circuitous fashion in order to get into the new colonizing areas and by that time it was already clear that the congestion of the altiplano needed some outlets, and therefore colonization which had already started in the Santa Cruz eastern area could continue and should have continued and the right kinds of roads could do it. Those were some of the things in the picture. Doing something for the

[-24-]

small mines that were not nationalized was in the picture as well, doing something about the railroad which had been nationalized only because the British walked away from it. And therefore that was part of the rehabilitation plan. I might simply add that we had heard all sorts of horror stories of how the Bolivians were running the road, but as it turned out that they were cannibalizing very, very cleverly, simply for spare parts, and were doing quite a good job. A French team looked into that and gave us some good insights. We wanted the new airport. I would have liked one in the lowlands as well as in the altiplano, but that seemed to be the first area. Some regional development, especially around Santa Cruz, and where possible there be major encouragement because oil had been discovered only very recently. These were very difficult structures. About six or seven companies had found very little and had tapped there a few small wells, but Gulf stayed on and hit it big with some very, very low gravity oil and then by mistake the big well exploded and they found that they had colossal amounts of gas. If Bolivia pulls out now from its difficulties it's going to be largely because of gas. I began to think in terms of some iron smelting, there's a so-called [?] iron deposit in the East, and [?] gas you could do enough reduction. We looked ahead to see what smelting there could be because I was able to put this, lay this out, to Victor Paz, then we

[-25-]

began to really talk a great deal of substance. But the upshot of it was, a very close, friendly relationship. There was a chemistry of a kind that's very hard to describe except that he was the kind of guy you could be friendly to. Heavens knows, he had enough background of disappointment with the U.S. And maybe my credentials at that time seemed to suggest there was some hope and maybe there was no other hope. In fact that may be a major factor, so why don't you invest in Stephansky and see how it goes. I found him intelligent, always reading, always used to like the latest U.S. literature. My wife and I supplied him and his

wife with an ample library of it. He loved movies and we were able to get some good ones down there for his firm and that sort of thing. There was a constantly closer and closer relationship. I think he and I were both, however, very, very aware of the fact that you could not become friends as you might be able to if he weren't president and I wasn't ambassador. And I think we both really preserved a very respectable distance. So while I think there was a good deal of personal feeling of affection that we had for each other, I think that since there were times when I had to kind of pound at the table, times when he let me have it.

STERN: If I could just interrupt, that's an interesting point because Victor Andrade [Victor Uzquiano Andrade] who was the ambassador to the United States…

[-26-]

STEPHANSKY: Oh, he didn't like me.

STERN: … I'm not surprised because later on when he wrote the book which I'm sure you're familiar with…

STEPHANSKY: Yes.

STERN: …he was critical of you for he said being much too overt in your friendship for Paz and traveling around the country with him and almost sort of endorsing him for re-election. That's by implication.

STEPHANSKY: Well, I think he got me mixed up with my successor. I left a full year virtually before that, a full nine months before the campaign.

STERN: He said in '60 to '64.

STEPHANSKY: Well, '60 to '64, except that the re-elction issue really didn't come up until late in the game, and it was a rather complicated story. But Andrade didn't like me right from the beginning. I'm not sure entirely why, except, and this is an element of fact, when the Triangular Plan was being negotiated and its first phase was

[-27-]

going to be signed and we tried desperately to get Victor Andrade who was out playing golf -- he was always playing golf -- he'd been a close friend of Nelson Rockefeller, told me once that he'd done very well financially in the U.S., and he, it was difficult to get to him. I tried several times to discuss the plans with him, maybe he knew he was slated, perhaps, to leave. As it turned out, he did. I went back. He was handing the reins to the [?]. I think that what irritated him and somewhat embarrassed me was that because my pre-arrival activities were

activist enough in terms of consulting all around, trying to see him quite frequently and not being able to. I had only two conversations with him, neither of which was, he wasn't very forthcoming. And then somebody here, and that's the kind of word that spread, well, you know, the real ambassador from Bolivia to the U.S. seems to be Stephansky. Well, I think that's calculated to irritate anybody. Victor…. Beyond that I'm not sure. I've thought that I certainly…. When I got there, there were several people who commented on, using variations of that phrase and it was really kind of discouraging. I saw Victor a few times at the New York bank, but the real, the notion that I campaigned for Victor, while certainly not on the electoral side, that I rather favored that he should have a second term, you might say that without a doubt I discussed it on several occasions with Paz. Whether that decision was made subsequently and maybe my successor did go out ot the hustings with him, something, believe me, I never would

[-28-]

have done, but be that as it may, maybe it wouldn't be necessary by that time because by and large people felt there was a close personal relationship between myself and Victor. The question of my relationship between myself and Victor. The question of my relationship in, I think that may very well be that Walter Guevara felt the same thing, although when he hinted at that at one visit he at the same time asked me if I wouldn't personally intervene to make sure that a scholarship his son was enjoying in the States would be renewed and [laughter] Lechin, although our relationships cooled a bit, I was always reaching out, always, and always, especially when he was elected vice president. Well, he was vice president already, especially when I felt he gained his obvious aspirations to be president. He was always reaching out to words I couldn't pick up as kind of receiving symbolic support of the ambassador. People are always looking for that. I must say Victor never really looked for that. Maybe it wasn't necessary to look for that, because by the time the end of my period rolled around, I think we were close enough friends that…. And had traveled a good deal together. He was

[END OF SIDE ONE]

[TAPE ONE, SIDE TWO]

STEPHANSKY: …with the United Nations people from time to time with my own staff, with Teddy Moscoso on two trips that he made, with the Peace Corps

[-29-]

personnel.

STERN: Why don't we talk a bit about the mission itself. I was struck by the fact that the U.S. mission in Bolivia is very large, much larger for example that

those of Brazil and Chile, places like that, the figures that I saw about 100 professional employees. It strikes me kind of….

STEPHANSKY: You're speaking of the total, the total mission?

STERN: That's right. I wonder if you'd just talk a bit about that and also how you, maybe how you ran the embassy. Very often students, particularly, who use the oral histories at the library will ask very basic questions, such as, "What does an ambassador do?" What is your daily routine of an ambassador? Talk a bit about that? What was the routine like in a country like Bolivia?

STEPHANSKY: Well, apart from the political questions that needed to be handled from time to time, such as Bolivia's unhappiness with Chile and the outlet to the sea issue, the questions of how to handle the, of such things as missile crisis, and questions of Bolivia's relations with Cuba which I never felt were very serious, nor was there any, were there any orders to try to get rid of it. We were sort of at

[-30-]

arm's length there. But Bolivia's relations with Brazil were pretty well handled between Brazil and with Argentina the same. And the usual scattering, oh, we had a messy situation in connection with some, some, with an airplane that had illegally landed, who knows what the hell he was engaged in, there was drugs at that time, certainly contraband of all sorts and took me a hell of a time to get that unraveled. Those are the usual scattering of things that we had. The main issue was to get that development program going. And I lent much of my activity to support that, reached into a variety of different areas, education was one of them, for example, the university itself, public school education, colonization and decongestion of the altiplano. But one of the things that concerned me and was a recurrent theme of my own thinking and one I discussed at very considerable length with Victor Paz was the question of the lack of consolidation of the revolution by the revolutionary party. They split and remained split and still is. Somebody asked me a few years ago who won that election in 1980. I said MNR [National Revolutionary Movement]. "What do you mean?" I said, "Well, it's the same bunch of people, except that now the divisions in the party are somewhat externalized and they have names and titles." When I was there there was a socialist sector and a left sector and a [?] sector and who the hell knows what else, pardon me. And, you know, how are you going to get the kind of political discipline and political unification in order to get

[-31-]

all your energy, and I felt that at this juncture anyway, as I felt in the case of the Mexican revolution, you're not going to really progress unless you have a disciplined political party and therefore since it was the only party that counted anything, that you never really get the momentum necessary or the continuity necessary. We had, by the way, after that scare period,

the riots in 1959, sent somebody down to take a look as to whether or not there was another option. I was then labor advisor, simply one who attended a meeting when you returned and pointed out that now the Philangist [?] Party which was looked at certainly not, and the other political fragments, certainly not in the picture like there was only one thing going, with all of its defects, and twas the MNR. And it was clear to me when I was there that that certainly was the case, all this possible seeds of disruption. It was also the sense of how to handle the god-damn labor situation, and how to handle Lechin. Lechin, one of the most charming and lovable people you'll ever meet, charmed the pants off you. And in many respects one of the most capriciously irresponsible guys. He made all sorts of promises on a stack of Bibles when we were in Vic Reuther's office before I left, kept none of the promises. I kept all of mine. I filled the commissaries. Yes, it'll take a million dollars and I'll get my ass kicked from Washington, but you need the commissaries, they're called [?]. You need them filled because you're going to need some way in which to show that something may begin to happen in the relatively near future

[-32-]

and attention is being paid in the mines. Yes, you're behind six, seven months in salaries. We're going to help you make up that deficiency. That's another pissing away at counterpart funds that Lechin really could use as local currencies for development. But we'll do that at this juncture, and then you're going to have to say, "Ok, now you're going to come in and cooperate." And I remember the lecture I gave him. You know, you claim to be a Trotskyite. I said to him, "I don't believe you're a Trotskyite. There are only two Trotskyite movements in the world, here and Ceylon. Juan, you are a caudillo, an indigenous political leader. You're base happens to be labor." He laughed at that. I said, "All right, so you got the [?]. Why do you keep it apart from the party. You know that you want your ground." But look at their other movement, like in Mexico and in Venezuela, where the labor leadership has its integrity and supplies strength to the party instead of keeping the distance. "Oh, we need, you know, this present revolution is the bourgeois revolution. We're going to have the real revolution one day." [Laughter] This is the kind of crap I'd get from him. I think Juan always talked to me, to spell out to me the concepts of the latest guy he talked to. But I felt that that particular element in the picture really needed consolidation and tried to make, tried to pave the way in every possible way for him to come through with a cooperative stance. Another lecture I gave him is, "Juan, you claim to be something of a Socialist with your Trotsky. I don't know what in the hell

[-33-]

you are. But I want to tell you, Juan. There is nothing incompatible between modernization and efficiency, and your type of socialism, whatever it may be, if this is what you really want, you should want this rehabilitation program. You should put all your effort behind it, so that you can really emerge as one of those who helped accomplish a modernization of that socialized sector, and if that doesn't happen, you're going to continue to be in possession of a poverty-stricken outfit, messy as hell and at some point it's going to be regarded as a

criticism on the part of your party and of yourself that you could not modernize in a measure of nationalization which two major mine installations, Hochschild and [?] and you'll be criticized for not having made a success of that nationalization." I can even become a little ardent, did you notice, about that point now. [Laughter] And he was just, he just so skillfully evaded responsibility. He'd call me and say, "Hey, we need some trucks. We need some food and PL-480. I know we just signed a new agreement, and we need some extra stuff out there," you know. We made a lot of concessions to him. And he just never, never really, really, never really, as far as I'm concerned, never really worked in the directions that I felt would pull along with what was happening constructively. The internal politics, obviously, I couldn't control. These were long-standing relationships. Had this whole place been written on a large canvas like the Soviet Union, you know, the relationships between Paz and Siles and Lechin and

[-34-]

Guevara, you know, would have been painted in terms or analogous, at least, to those between Stalin and Lenin…

STERN: Uh-huh, sure.

STEPHANSKY: …and Trotsky and all the rest, you see. But being small and being microcosmic while the issues were analogously there, they were not, they were not, were not of the kind that, the magnitude or even the national drama, but they were clearly there, and it's the continuing issue there. I feel, in retrospect, I was right in trying to move in this direction and so…. All right, now the question of how did I run the embassy. Well, I had a pretty good DCM. I've read, very sadly, I've got to write a letter to his wife, recently that he died, Bill Williams [William L. S. Williams]. I had been told that he had been drinking. I never saw it, and I came under a little criticism that somehow or other that hadn't been taken care of properly. He was transferred in due course. I must say the man I got afterwards, Stutesman [John H. Stutesman] was…. Ed Martin [Edwin M. Martin] when he told me that Stutzman was being appointed, said to me, "Ike had never made up my mind. When I knew him in Paris or someplace I knew that he was a playboy or whatever." I found him to be a troubled guy with problems with his kids and his wife, who was a rather gifted artist, but a guy with whom I really never found it

[-35-]

possible to work well. He was very much in the club at the State Department with Lloyd Henderson, and once gave me a copy of a letter that he had written or he sent along in that sheaf of reading material which he wrote Lloyd saying, "Oh, when I came here after Williams had left, I found this a pig sty administratively." Well, Lloyd Henderson for years had been a top administrative officer, and I called him in and I said, "You know, you're not telling the truth." "Well, maybe i"m overdrawing this," he said. And I said, "Don't you know what you're doing to Bill?" I said, "It just isn't fair." He got kind of pink. But he had another

little trick he tried somehow or other in good clubby fashion in the State Department. Many time a promising young officer, he'd bring him in and…. "Mister ambassador, I want to tell you" to the young man standing there, "what a marvelous job this young man is doing." After about the fourth or fifth time I said to him, "Cut it out. You're making this kid jump through the hoop. You're not being challenged in terms of his supervisory function with regard to the young officers." But I just think it's unnecessary. There are many, many ways in which…. You can write a little note and have me take the initiative. I get around to see the staff, which I did a great deal. He wrote a horrible report for a young woman, and then he talked very loosely to the United Nations people and, about their relationships. The, Cuba and Czechoslovakia and so on. He told even one of them that she was the subject of a CIA

[-36-]

investigation and so on, and I really had to dress him down for that. That was the straw really, ultimately, accumulated number of irritations, maybe not as a real career guy, and not particularly interested in protecting my ass. I always thought I'd be getting out of the field anyway at some time. I had not started in the foreign service. I had just kind of slithered in. I was going to eventually get back to academia. The clubby side of it, the State Department, was really one of their, had been one of its heinous aspects. I think the kids who worked full time making sure their files were right, I noticed that in Mexico. When I was laterally entered, a little group of foreign service officers had just entered themselves a year or two earlier in the bottom grade went to protest because I was going to fill some future spot that they might fill. [Laughter] They didn't like the lateral entry program at all. I think Chet did a magnificent job. I think that once every ten years that department should be shaken up the way Chet shook it up. I'm delighted that he got that, that set of orders or whatever from Kennedy to do it. I think it spelled the end of his career there too. But the, the Stutesman relationship was not a good one. He, I think, performed fairly well as a DCM with enough irritations which cumulatively made it necessary for me, I think, to kind of dress him down. And then, at the time that I left, this guy just was out on vacation, never showed up, and I felt, my god, even if you're a club man, I don't care, you are loyal to your institution, you don't have to

[-37-]

be loyal to me. You should have been on the spot. I made mention of that in my final fitness report, which created quite a fuss. But by that time he was so roundly disliked in the embassy. I got several letters from people, after I'd left to become deputy assistant secretary, and I had to sit and repair several of these efficiency reports, especially regarding the young lady he raked over the coals. I was asked to do so. There were two or three other things that have faded into dim memory. I wish I'd had a really good guy, and I told Ed Martin later, "Your appraisal of this guy was half right. He always played by the rules, whatever the hell else, professional officer." Ed kind of, I wouldn't say he apologized, he almost denied ever having told me that, but I said, you know, I'll learn something in the future, for any future endeavor, I'll have my choice. I'll never have anybody choose the second half for me, and if

it's highly recommended, I'll really want to know who it is. I could have gotten someone who's much more my type of guy. I did in fact have some people in mind, but in looking….

STERN: What was your routine like at the end of the second, in terms, just the….

STEPHANSKY: Well….

STERN: What did you spend your time doing?

[-38-]

STEPHANSKY: I don't know if there was a typical day, but on any particular day I would be out looking at something or signing something. When you're putting a new program into effect and when you've got some ongoing things, like the PL-480 and when you have as troublesome things as you had going with the Triangular Plan, inefficient as it was, with what I'm now persuaded was a deliberate fuzzying up of the internal finances so that whoever the hell was there could make off with some bits and pieces around and Guillermo [?] was the administrator at the time, and I think Guillermo was playing games. We finally got an outside financial accountant into the place, and after a few months he gave up. That took a good deal of the time. It's just one of the things I could be doing on any particular day, be seeing a project, be inaugurating a project. It would be discussing the problems of certain projects with either the planning or the, or the economics minister or even with the President. I could be in the foreign office signing some either routine or some other kind of agreement or perhaps receiving one or another complaint. There were complaints about some of the oldtimers that were on the verge of leaving, on some of the road programs, construction programs, and so on. The…. Or with that wholly useless thing called the diplomatic corps. There were three or four working ambassadors in the place with whom I had close relations. They were interested in Bolivia. But as for most of them, some were very charming, the French

[-39-]

ambassador, who's now by the way Giorgi, the head of the African department of the foreign office, wonderful guy, but there he had nothing to do. So he became what the French seem to become in many places, a naturalist, hiking around the country, drawing pictures of birds, charming, lovely person, very, very, very well informed about a lot of things, but not particularly interested in Bolivia except in a way in which made it necessary for a number of us to catch him up from time to time. Brazil, Peru, Chile, the immediate countries were important, but the, when they got together…. We had, by the way, a couple of Japanese agricultural colonies which I visited on several occasions. The, I say we because they were from Okinawa. We had helped get them installed there. The Japanese ambassador who spoke some Spanish. Of course I, I should say he spoke no English. I didn't, of course, speak Japanese, and his Spanish was impossible. Somebody once said that he was reading, that he was pronouncing it up and down [laughter] instead of…. I never understood what he was

saying, but we met cordially. And the British ambassador was always on my throat because he felt that I was sabotaging the English, and I felt that they should contribute to the Triangular Plan. I had gotten teed off at the Monetary Fund representative and arranged a repayment of some three million dollars in debt, debt that was over, we were putting in so much. Britain had sold Bolivia a lot of small tractors they had redone, tanks, small tanks, the clutches had all burned out. They were standing around

[-40-]

STERN: Sure.

STEPHANSKY: If you take a few long trips, as I did, it's because you really want to see the country and then you feel that the time, you have to weigh a lot of things in order to get it in. I took maybe four or five longish trips. But the longest one, from La Paz down to Santa Cruz, about three hundred miles, but, see, you go a lot by plane. This air attache, every time he knew I was going to fly, would send me over…. I had this souped-up DC 3 plane with DC 4 engines, and they never fly right. They're almost flying one or the other, you know. And he wasn't very easy with that, was always tinkering with it, and it was down often enough. And when it was down I couldn't fly, and when it was ready to fly, he was up with his leg, and I couldn't fly. So I often took Barrientos and a few names the presidential plane, a DC 3 in both cases. Barrientos was a very good pilot, a very good guide over the countryside. He…. Well, the…. By the way, I think that the little military transport airport is still named after me up there, which he named after me.

STERN: Oh really.

STEPHANSKY: But what I found in my air attache is that what he was doing was sending me little memoranda, saying

[-43-]

rusting in the altiplano, and I felt that, oh, if the British could very nicely have waived that one. I entered a vigorous protest about it. The British ambassador had me come over which I did as a courtesy. I was never sure whether I should call on him or he on me except for a very literal thing: well I was there last time, you ought to come here this time kind of thing. And he was a board of trade man. He was teed off because his landlord always got stuck when my high-rise Chevrolet passed over the apartment's rocks and riverbeds and so on. He always was embarrassed when we went on a few trips together. It was that kind of thing that was coming up regularly and of course it was a time-consuming thing. I might add that one of the things that happened to me six weeks after I was there that I came down with a kind of a polio in my right side. I got up one day with a temperature, sense of paralysis. I couldn't have even some moderate pain but persistent. It turned out later that I had a defective [?] They got me back, gave me a spinal tap and that sort of thing and I had a brace when I got back after that trip 'cause I was getting a foot problem. So, but I later

recommended that that was the best diplomatic instrument you could have because at any one of these god-damned dull affairs, you know, you could come late, you didn't have to stand because you had a brace and a cane. You could sit around and when you really felt bored, you could sort of wince and go home. [Laughter] So I felt that was a good adjunct, you know, to your diplomatic life, you could do

[-41-]

that kind of thing.

STERN: About a month, a little over a month, in August I found a cable, very interesting cable in which you described a meeting you had with General Barrien, Generals Barrientos [Rene Barrientos Ortuno] and Ovando [Alfredo Ovando] in which they had warned you that the situation was getting desperate and they feared a Castro-type takeover and Paz was getting weaker and all the rest. What was your reaction to those kinds of warnings. Did you take them very seriously, and also what were your impressions of those two? Will they ever possibly become very important?

STEPHANSKY: Yeah. Have I answered enough on that other question of how did I work? I had contact with the staff. I did get around the country a great deal, partly with Paz, a great deal with Barrientos. He was practically my private pilot in many respects, plus I had an air attache, Colonel Ivy [?] who in some crazy way had a blood clot in his leg. They sent him up to Bolivia. And this guy used to sit around with his leg elevated, been there, was almost a year. I couldn't get him out of there even though he wanted me to. On top of that I had a sort of, an air attache's plane to be flown around in. You can't travel easily by land there.

[-42-]

don't fly with Bolivians. Something might be wrong here, there and everywhere. I found out after about the third or fourth of those that he couldn't fly or the plane couldn't fly so he was covering his ass. I warned him, you know, kind of thing. This is not an easy place to fly, by the way. You take off at altitudes that are beyond the…. They're just about the seating level for a DC 3. You fly passes all over the place. I used the Gulf plane often. It was a smaller plane, you could walk away in case of a forced landing. The heard of the Gulf Oil Company there, including the chairman of the board, came down fairly often to consult with us. This was one of their prize places, once their future on gas was discovered, and so I had access to that little plane and a rest stop down in Santa Cruz which I could use. But, you know, I told Ivy, "Get the hell off this, I can see what you're doing. You don't have to work anymore. Send me one memoranda and let it go for all time. I'm willing to take my chances. I can't get around any other way. So Barrientos flew me around. I had a very good military attache, Paul Wimert. Paul later went to Chile and had gotten somewhere, involved in that whole god-damned Allende [Salvatore Allende] business there. I'm not sure exactly, how and where. I saw him briefly at some kind of evening, some months ago at which he said rather

quickly, “I bet you’re not seeing me because of the Chile business. Well, we were ordered to kill that general.” I, at some later time we’ll come back to that. Paul’s a very good guy, lived

[-44-]

in a horse [?], gone back into the army as a graduating [?], a calvary guy, and he had very close, was in very close with [?] whom he called the fox, a foxy guy.

STERN: That’s the impression I got from a lot of the descriptions of the guy.

STEPHANSKY: Yeah. And Barrientos, it was he who kind of warned me that Barrientos was, was a very ambitious guy. So when I got these kinds of comments I’ve had some background. When was this memorandum?

STERN: It was August 24, ‘61.

STEPHANSKY: I’m not so sure I was forewarned as early as that. But the…. And I honestly don’t remember that conversation. What did I say?

STERN: Well, basically, the thrust of the memo was that they had said that Paz was growing weaker, that the armed forces were increasingly fearful, that he was being entrapped by communists into using the army in many small encounters and was wearing it down. And that they warned that if he could not carry out reforms that there would be all out labor anarchy and then a Castro-type takeover.

[-45-]

STEPHANSKY: I would have never believed that. Not that you didn’t have that kind of feeling around you. The fortunes of the party did fluctuate. I don’t remember that there was any obvious weakness, other than the chronic weakness of the party at that time, and as to falling into the hands of the communists or communist trickery I don’t think Paz, I think he was much too clever for that. Knew his country and knew his party and the offshoots of his party too well to fall for that kind of diagnosis.

STERN: Why don’t we pass on to another question which I know turned out to be much more important in the long run. In the next month, in September, there was a major concern raised by Paz in a letter to President Kennedy about the American plan to sell part of its tin stockpile and thus drive prices down on the world market. This was too become a recurring problem for you.

STEPHANSKY: Preceded me and it’s continued since then.

STERN: I know. I thought you might talk about that for a while.

STEPHANSKY: Sure. Yeah. I could talk about that.

[-46-]

STERN: Kennedy responded to that letter saying that it was going to be done in very small lots and over a long period of time and thus would have a very small impact on the actual price. But apparently Ambassador Andrade said that, told you that the Paz letter was written for political reasons more than it was that he was so concerned about the price, although….

STEPHANSKY: Where was Andrade at the time? Was he already in….

STERN: Yeah, yeah he was in Washington.

STEPHANSKY: Yeah, Washington, still at the time.

STERN: That's right. It's before he was dismissed.

STEPHANSKY: Dismissed, and….

STERN: But, however, this was to become a chronic question….

STEPHANSKY: Where did he tell me that. Was it on one of my relatively frequent consultations…

[-47-]

STERN: Yes.

STEPHANSKY: …I should add, by the way, that one of the problems with the, getting an alliance working there, the alliance program, was that you go so far and you hit frustrations, and I think I was doing the first year, I was up in Washington four or five times easily on consultations because I felt I had to help kind of unstick some of the sticky areas.

STERN: Yeah.

STEPHANSKY: And, God help me, I didn't want to do that. These are long, tiring flights. But there was just no other way at that time.

STERN: Yeah.

STEPHANSKY: Especially in those months before the Punta del Este meeting and then

afterwards, as well, when things got going. I'd get a call from Washington saying, "Hand in a big program, because that's going to be worked out at the Punta del Este meeting." Well, there're all sorts of things flying around. Furthermore the shifting priorities, today there's education, the next day there's agriculture, another time

[-48-]

it was who the hell knows what. And we thought we had an ample program. Yet anytime you start moving one direction or another, just as later on between Bobby Kennedy [Robert F. Kennedy] and whoever the hell else, they had me up here asking whether I could convert the entire aid program to an internal security program. Were you ever aware of that in the files?

STERN: There was something next to that.

STEPHANSKY: Well, I testified very much against it. Well, I think Bobby took it well and although I think he was very much the author of that idea and I think Harriman [Averell W. Harriman] was I think very solidly supporting that. I had no prior knowledge about that except that it was really impossible to take the program and convert it to an internal security program. Well, the…. We had going for the military there the civic action program, road maintenance primarily, and later on the colonization, even though the planning minister wanted to run that program for colonizing in the agricultural areas, the newly settling areas. But we all felt that even a modest subsistence program was infinitely superior to what the hell was happening and the congestion in the altiplano. The idea was the military and Barrientos took back with Roberto [?], the planning minister. And they penetrated areas that had the gear and stuff, communications and the trucks and so on that

[-49-]

could help in the initial clearings. Anybody who came down, and we had made some inquiries about resettlement from ICEP [?], the international committee on immigration. There they were ten to twelve thousand dollars for a family, some such thing. It amounted to [?]. We saw that as people went down to the lower areas, to the new areas. All they needed was a shelter of a kind, didn't need any splendorous housing. They would take off the heavy clothes from the altiplano and they would proceed to dress properly. Then they would immediately get to clearing the land and the next thing they would ask for was a school. There was a school building program that we felt could be of immediate use, so Roberto and Barrientos worked that through. I have no doubt that he got something of a real constituency out of that, as well as the road maintenance program. There was a lot of maintenance in the area to be done on unpaved roads. Any rainfall you get slides. This is still a younger mountain range. All sorts of slides taking place. And there are many highways, five, six thousand feet or more drop. Boy, when you ride over those it's something. And narrow, and then all of a sudden you'll find, wow, you're going to slide, you know. And you back up carefully. There are some roads in which you go twice, three times a week, and traffic the

other way, and go the other way two or three times a week and all always wondering whether there's some guy who's had a little too much to drink and, whatever the hell, would come barreling along, you know, in the other direction. Anyway, really

[-50-]

quite, quite adventuresome to put it mildly. I traveled those roads quite a lot. Gale McGhee took a ride on those roads once and he came back, I don't think he ever got control of his bladder again. [Laughter] It's hard, it really is when you're, you know, you see these things, and there have been crosses all along the road, people going over. A Methodist mission chief there for the last twelve or fourteen years went over and was killed. Some of our Peace Corps types went over and fortunately didn't go too far, but they were badly cracked up and we had some problems getting them out of there. Fortunately no fatalities but some rather serious injuries. The roads needed constant attention, and so this was a very good civic action idea. It was a sort of primitive version of our corps of engineers and we had better plans for that in the future. The military had a role, but they were poor, and Paz had, he'd disbanded the old oligarchical army when the revolution came in, and Barrientos was one of the new breed. Barrientos was his pilot during the first campaign, and that new breed really was looking for a role for itself. General Rodriguez [Hernan Rodriguez] who was then the head of the army wanted very much to have a housing program, another kind of support program and so on. And I tried very hard to get that. Now who was it who was then the head of the southern command in Panama?

STERN: Omara.

[-51-]

STEPHANSKY: Oh yeah. Andy Omara. I don't know where in the hell he [?] to. When he came in and got all…. He once sent me a cable that he was coming to La Paz and I, feeling very uppity at the time said, I may be a little annoyed at the frequent visits, said in effect, "Look, I don't approve of this trip." Well, he took great affront. But I felt I really wanted to slow him down. He went up there and there he made a speech about this benign a Christian society, you got to be aware of Communism and so on and so on. That mentality, and I felt it really didn't fit in the army and the military and later on when Barrientos made some kind of contact with Curt LeMay [Curtis LeMay], he was his favorite boy, it may have been an unexplored part of his whole story, by the way, that much of what Barrientos did there being stirred up by Curt LeMay, not a bad relationship. Sanchez de Lozada [Enrique Sanchez de Lozada], the ambassador here…

STERN: After Andrade?

STEPHANSKY: …after Andrade. And [?] was his real name and Kelly used to call him. He had been Kennedy's teacher at Swarthmore [Swarthmore College], I think,

one summer or other. He was a wonderful, interesting guy, political scientist, he'd worked in, a student of American affairs, with Nelson Rockefeller, who had been head of the U.N.

[-52-]

Andean program for many years, fascinating, interesting, very handsome guy,but he believed to his dying day a year or two ago, I saw a lot of him when I got back, that it was a Curt LeMay connection that stirred up Barrientos. Now, it was Paul Wimert who kind of alerted me to Barrientos' ambitions. Ovando he felt was a real army man. His fear about Ovando was that he could start something with Chile. He was always sniffing around the border, especially when there was some [?]. There was a river that, I remember being called in almost on an emergency basis by the foreign secretary, "Hey, they're taking our water."

STERN: Rio Luaca, wasn't it?

STEPHANSKY: What?

STERN: Rio Luaca?

STEPHANSKY: Was it Rio what?

STERN: L-u-a-c-a, wasn't it?

STEPHANSKY: I don't think so.

STERN: [?]

[-53-]

STEPHANSKY: It wasn't [?] either. Well, you may be right. And by that time, for an incident involving an aftermath of the missile crisis, Bolivia had decided to abstain from participation in the OAS [Organization of American States], didn't really pull out, and I remember one minister asking, "Well, now here it is," oh, Ed Martin was there at the time on a visit, 'cause he and I had had a few differences on emphasis and, by the way, when he got back he quipped to the staff, "Ben is right." We were waiting to get that confirmation from Ed. He didn't raise a serious question, but I think he needed to see our place. He had a good trip, so we had him way in the altiplano, brought him in, took him to the lowlands. And so he went to the foreign office and, bingo. There's this story of the use of the water. What shall we do? I said, "Well, [?] to pull out the OAS," I said. [Laughter] I said you know that, and that really broke them all up. I said what the hell do you want us to do. The evidence here is kind of flimsy, take, get it more, you know. If you want to make representations to Chile, go ahead. You've got ample operations…. You really had ample opportunity to the OAS. But make god-damn sure you ask. It was around that time that

Ovando was supposed to have made something of an excursion and his jeep had tipped over and he came back a little bruised and dusty and so on. Maybe he was the source of the whole thing. He seemed to have some aerial footage of the high Andes. But Ovando, I repeat, was sort of the true military

[-54-]

guy, without any visible political ambitions and the politically ambitious guy was always the guy who was Barrientos, and we did talk about it a few times, Barrientos and I, and he said to me, "You know, I may have a beautiful future." I said, "Well, what happens?" "Well, I'll take off my uniform. It will be the first time that that has happened. I'm deeply in the party and know what the party is [?]." In a sense almost acceptable and really some, one of the things you'd have to take into account, that the party would have to take into account sometime, and when Paz, as a matter of fact, was making the choice about running him to replace Lechin. And so I raised the question about him another time and he used almost the same phrase. What did that mean "take off the uniform." He has a political future. The first thing is to get him in for four years as vice president. By that time I support because he had never settled his problems well with the miners. I think the party, whether it was weaker or not you could never tell, but the party was never strong. It was always a full time job on the part of everybody to keep that party reasonably together. Siles was away a good deal of time, you got Arze [Walter Guevara Arze] away a good deal of the time. Even when they were there, there were conflicts of various kinds, there was always a question of succession. Who was going to succeed Paz when Paz, if Paz left, and after his second term, and how would the succession be worked through. There was a fellow named

[-55-]

Federico Fortun whose name constantly came up. He was an old time politico and a long practiced guy in the party. It perhaps was between him and Barrientos as to who would be the vice president for the 1964 election. Now, interestingly enough, before that, the Congress did adopt a law that a two-tine, a one-time succession after the presidency, after one president, after a presidency, was legitimate. Lechin never objected to that, and in fact, no one, as far as I know, never objected to that. And I must confess that the one time I pretended to lose track of events was when that was told me I never knew the god-damn measure was pending. Paz never particularly talked about it. But by the time the '64 election was beginning to loom, that law had already been adopted. And it had been interpreted, although there might have been real differences that Paz' first term didn't necessarily count, then a second term could be succeeded. By that time

[END OF TAPE ONE]

[BEGIN TAPE TWO]

STEPHANSKY: … candidacy was in the picture. And the noises, the sounds I was getting

was that if indeed Lachin came in for a, Lechin really through his hat in the ring, that was then the time when it was entirely possible that the military would work for him. Now one

[-56-]

of the guys who was moving in the military was a man who was later the ambassador, Juan, Julio Santinez [?]. Juilo, the scion of a wealthy family whose land up in the [?] of the altiplano near the lake had been expropriated, large land holding, quite a fertile area up there. It is not an infertile region, the altiplano, uniformly. There are places where, disastrous, but not in that area near the lake. Julio was head of the civic action work. Julio paraded as a graduate of West Point, never was. And on one of the early visits of Omara, that had been reported to me and no particular intention necessarily to mention it to Omara, but Julio had sent a message to Paul Wimert asking me please to make sure I did it. Somebody went so far as to say that he'd been knocked out for cheating or some such thing, really I didn't know, but the did not finish, a bit of a cloud over his departure. But he had been written in his biographic sketch for America, had a description of his graduate status. That as far as I was concerned was incidental. He was not an important fact to bother over. First time I saw that wrapped doctor's degrees that they give out in Venezuela and other places, you were a doctor anyway, everybody needs a title, doctor, engineer, architect, was very prevalent, I think still is substantially in Latin America. And if he thought he needed that or that a designation or that as a graduate, ok. But what had come back to me was that, I suppose, suspicious actions on his part were really plotting with the military about the future. He was

[-57-]

close to Barrientos. And I got around to that at one point, not very specifically, with Victor Paz, where he talked about the future, and his comment was, "I've got this whole situation under control." I didn't raise the question of Julio. I raised the question of now that a year remains or so before the election and Lechin is in the picture, do you see any possibility of military action for a takeover? He said several things. He said, "You know, Ben, in power we may not be a party, we may not be very efficient, but out of power, boy we would be like a Swiss watch [German]. [?] who was very anti-military, used to say, "Maybe we should go through the period of a trial by fire," [Spanish] as he called it, "and let 'em see what a god-damn impossible thing it would be for the military to try it on this [?] These are the kinds of fragments that illustrate sort of the thinking. Well, the assurance by Paz that he had the situation under control was at that moment at least fairly sufficient. I must say I reserved a lot of doubts about it because, not so much it'd be an overthrow, but rather the messy situation if the party did split once again. And a lack of continuity and the changes that would take place when it had just gotten going well I think what we did restore during that period a great deal of confidence in our mutual relationships and in Bolivia's confidence in itself. I think they were disappointed that things might move fairly slowly but nevertheless there were tangible things happening, all along the broad front of the program. In fact, Barrientos, when he got

in, spent the next four or five years inaugurating everything that we had started, which was one of the jokes in a way. He was taking credit for all of that. Well, it's quite to the country's credit. In a way he was part of the political apparatus so he figured legitimately do that, and of course, it reflected both on himself and me. Barrientos really quoted me a great deal, my departure, went up to the altiplano, grabbed my arm, put it around him, there was a picture of both of us walking. As we were approaching the take-off, the plane for the take-off, I think I'd helped very considerably in some small ways, not unimportant, on their military transport. There was one of the few ways you could get small planes into the [?] to begin to bring cattle and meat out. There was no other transport service. The military transport service, which a little bit like the civic action program in the sense that extension of it could be used for that sort of thing. He helped build that new little station for them there in the altiplano. That's enough.

STERN: I'd like to go back to that tin issue you mentioned earlier. Just how serious a problem was that for you? I can quote you something that you…

STEPHANSKY: Oh, I always felt it was quite serious.

STERN: You, at one point, felt really, really distressed about it. Let me quote this for you. I wonder if you remember this. This was in 1963. You wrote, "I sometimes think there's an unseen diabolical hand whose special purpose is to deter relations between Bolivia and the United States on the question of tin." By then you had obviously been going through it since your arrival….

STEPHANSKY: Yeah, there was always that threat hanging over me. I never felt good about the stockpiling. I think a lot of people felt greatly about it. Don't tell me the administration didn't. In fact, one time they suggested that somebody ought to come through in some way of using stockpile, not only tin, but other commodities, as a form of aid. I came through with what I thought a genius new plan of projecting the recovery of tin over a period of ten years and with some luck and a great deal of effort to defend that, reach that time again. Tin was then less than a dollar a pound, ninety-five cents at the time that I was suggesting that. And even contemplating some price rises, I'd calculate out what it would be worth, a dollar twenty-five we felt at that time was the break-even point. It has since soared well above that, and, of course, so has inflation. My thought was, and I must say I got quite a lot of attention, 'case we did have a number, I shouldn't say number, but some plan which we would send that [?]

of commodities to a place that would handle that surplus commodities and there would be a shipment from that place like asphalt from Trinidad to the home country. And so instead of taking simply surplus agricultural commodities to generate local currency [?] to make up deficits in grains you could conceivably do that. Mine was different. Mine was, let's work bilaterally with Bolivia and the way we would do it is project a ten-year period of recovery and then at that target area during which time Bolivia's increase in production would constantly diminish the difference that we would get by way of assistance to Bolivia to make up its shortfall, decreasing as recovery took place, and that we could be then repaid in tin when Bolivia's production is high enough. Nothing wrong with us, dig a big hole in the stockpile replacing it with tin. Now, if we wanted to replace it with something else like some oil, we might bargain for that or -- we couldn't do it with gas, that indication wasn't then in the picture -- but if there was something else, antimony or whatever the hell, we were importing other things, we could have it varied repayment, in kind. I thought that was pretty ingenious and wouldn't have taken very much by way of funds in order for us to help finance that kind of plan, 'cause I worked out all the details. We would come to the end with a dollar figure of what Bolivia owed. She was deeply in debt anyway. It was not, certainly in terms of the present levels of indebtedness, when it wasn't even then that high. But if we got repaid in kind at that

[-61-]

estimated level of what was owed, it would be a way of using the stockpile. That is how serious I took this question. I must say that the idea got some attention. Never much came out of it. It would have been a very interesting kind of way in which to use stockpile at that time. Now, as the alliance went along, and we never really appropriated easily all the funds foreseeably necessary, whatever the anticipated shortfalls were, one of the things that really buggered the hell out of Latin America were the, these kinds of additionalities that we put on to increasing that alliance, and the notion that, well, this isn't punitive, but we're going to need these funds and Indonesia has run out of tin and there is a world scarcity of tin of a sort. Bolivia can't supply it. The only way we can supply it in order to keep the prices from going skyhigh would be from the stockpile. I was never in a position really to analyze that whole picture. Of course, I had a little skepticism about it, but, all right, so Indonesia, alluvial tin was being exhausted and there had been the political instabilities, there was crime and all the rest of it. That was one of the important reasons for getting into it. We didn't smelt it, you know, that was done in England. There had been a wartime smelter, the [?] plant which the Dutch deliberately made highly inefficient so that we couldn't use it after World War II. It was a miserable, it really uses a kind of intricate plumbing that they put together. What's that French car that goes up and down with its brakes, you don't see it much any more, air

[-62-]

brakes that, kind of a flat front, French car…

STERN: I can't think of the name.

STEPHANSKY: …god-damn car that when you open up the hood…

STERN: Citroen?

STEPHANSKY: …the Citroen. Somebody once said only the French could invent that, you know. The Dutch did something equally well with that plant. And I felt that putting tin on the market was such a disturbing thing to Bolivia because it was depending on revenues, and production was not increasing well, that what you were doing was taking a decreased production. And I felt it was contradictory, too, that on one hand we want that to move ahead, the Triangular Plan, and on the other hand we depress the prices. Certainly, I shouldn't say depress, but we put a ceiling anyway on the prices. I didn't mind putting a ceiling on the prices of a kind that, you notice that the prices never went up to a dollar twenty-five in those years, but why go up ten, fifteen percent in prices that would then, while it would benefit Bolivia in its modest production, which was down to what, I forget, twenty-nine, less than that at times. We were shooting for thirty, thirty-five million after the

[-63-]

recovery, after the Triangular Plan really got underway. But on the one hand it was taking away and the one hand giving it. And I felt we could have skipped one or two of those rounds. There never was a good rationale except kind of the quid world situation. Well, there was clearly the world lobby in the tin council.

STERN: Even as late as the time that Paz visited the United States in October of '63, that was one of the major items on his agenda…

STEPHANSKY: It was.

STERN: … and he still considered it very important.

STEPHANSKY: Well, not only that, but he had earlier canceled his trip.

STERN: His trip, right.

STEPHANSKY: And I felt really let down, because I felt that the first time that it was terribly important for Paz to see Kennedy. As it turned out on the second trip that they really kind of fell for each other. Paz went into mourning for two weeks after he got back. This was the last

[-64-]

official visit in early, late October…

STERN: Right.

STEPHANSKY: …last official visit, and they really hit it off. I felt that that play could have been done earlier because it was felt now all the way around because it would have been an earlier impressionable [?] to what he was trying to do and what we were trying to do. And that trip was canceled. I thought it was just a kick in the ass.

STERN: I can see from your cables that you were very disappointed, very surprised by that.

STEPHANSKY: And I remember at that time that he said much to the fact that he didn't like another trip, I said I wanted to go up and really make the case that Martin really infuriated me by having some minor officer write me a little note to the effect, "Well, what is it that you want to discuss?" I got off the phone and I gave Ed an earful. So, I think that that issue is a constantly [?] issue. I don't know now what's happened in the [?] plant [?] I think the more sophisticated the ballot, although you got an intervening problem and that is the Russians have put some smelters in.

[-65-]

STERN: There were a lot of things even in that period of Soviet bloc, the Yugoslavs, the Russians, the Czechs….

STEPHANSKY: I felt we ought to be in first and I felt maybe that was a little cold-warriorish. I just felt that there were many ways in which we could tie the technology of that. I remember talking to a man, Dr. [?], wonderful man, since died, who was president of the university, making the case, said, "Look, you know, your real threshold in this country, technologically, other than agriculture, is minerals. Certainly oil is coming in the picture, and gas [?] gas is a reducing agent. You could need coal. And an old friend in Mexico is doing that kind of thing for Mexico. It's relatively small reduction even for steel, a wonderful interesting guy, wanted him to come down and you had, therefore, discreet units. You wouldn't have to build a big thing all at once. You could build relatively smaller units until such time as you built up to capacity. It was a fascinating possibility, and I felt that with Mexico's assistance and that kind of thing which we would induce and with our interest in this we could get these things installed there. We didn't have to pay for it particularly because by that time the bank was moving along, both banks, and the one major achievement I felt that I had had during my stay there was to get the World Bank into Bolivia. They had never been in before. I

[-66-]

knew the guy who was running the private development banks very well, a Baltimore fellow, very nice guy, and he came down and we talked at great length and then I knew Burke [?] the second man in the bank. He was a neighbor of mine involved in some local activities there. He was president of the neighborhood civic board at Chevy Chase, and Burke and I talked a great deal about getting Bolivia, I mean the World Bank in. This was a natural for you guys. They did start to work in the area of natural power and so on. And of course their own nationalized petroleum cooperation needed a lot of money. But in all of this I felt that there should be kind of an integrated approach and why not? They had bought my plan for, the Triangular Plan. The worst that came to pass was that the end of the whole cycle we would fill the hole that we took out to supply the difference, let Bolivia market it and let Bolivia get experience in marketing tin and then we would just fill the hole with tin. But more importantly there are all sorts of other ways. So I had this part of the entire picture, and I felt that it was an unnecessary irritant and as you say my cables obviously reflect that frustration.

STERN: On this water issue with Chile, in April of '62 when Bolivia broke diplomatic relations with Chile over their Luaca…

STEPHANSKY: Luaca. L-u-a-c-a. Rio Luaca. [?] Not the Mexican

[-67-]

River, I got mixed up. Rio Luaca.

STERN: … and then eventually had the problems with the OAS over it as well because they didn't approve of the position taken by the OAS. But you made a statement in May -- I wonder if this had caused you any trouble -- apparently there was some flack in the press over the fact that you were quoted as saying, "Although," this is a quote, "although the real problem has become somewhat complicated, I think there is a general feeling in the American countries that Bolivia should have an outlet to the sea, and I think that history teaches that Bolivia should have an outlet to the sea."

STEPHANSKY: Or that Chile didn't like that.

STERN: I'm sure they didn't. [Laughter]

STEPHANSKY: And John Kova [?] was then DCN [?] in Chile. I forget who our ambassador was, was that professor from, who was our ambassador then, Tom [?] he was a professor, guy who really didn't register much, but John was running things pretty well, any kind of, sent me little cackling note, then the Chileans sent some reporters to interview me at the residence and so on. I really believe that. You know….

[-68-]

STERN: Well, in your cables you made it clear that the real issue wasn't the water, the real issue was the port…

STEPHANSKY: Of course…

STERN: … of Marita. And that was the question.

STEPHANSKY: …the issue was the port. Maybe I was excessively influenced by the fact that the residence was right opposite the park in which the great statues, with the finger pointing to the sea and the general who had lost the war in 1878 or whenever that war was. Really, that didn't influence me. Well, the very first time that we sent a consular officer to Bolivia, I think it was before the turn of the century, and very much at that time the language was you ought to encourage commerce and that sort of thing. And the instructions to that consular officer were, why don't you look into, we will appreciate this if your department could be looking into the question of a seaport to greatly improve commerce between Bolivia and the outside world, if indeed there was a seaport. As it is, by the way, is a fascinating sequel to that which is of Bolivia looking inward as the only country that is developing, other than Brazil, with its Brazilia excursion, and even then not very, very [?] and there have been some workers in

[-69-]

the Amazon. But it's the only country that's really developing its internal, the interior. Most of the Latin America has been at coastal development, as you know. And it's fascinating, at one point there was a separatist movement in the east, in Bolivia, induced by the fact that when the railroad came in, and that's the railroad the British built; they built most of the early railroad, all the way down to Aquafigosta [?] to take the ore down for the British smelting. That, deadheading up, they began to import a lot of stuff, and the impact of that is written up by a fascinating British sociologist was practically in economic terms moved the eastern part of Bolivia way the hell out into the Atlantic Ocean [?] something. And you can easily see that patterns, old traditional patterns, have been broken and so on. There was always that, in fact, the rationale for the road that was built during World War II, Drew Pearson was there for the inauguration, it was inaugurated in 1942 thereabouts, was to build something that would connect the east of Bolivia to the heartland of Bolivia and discourage the separationists. These positions were being expressed. I don't think that's serious, although there's a constant, say, background of anxiety about Brazil's power. And, of course, Bolivia saw so much territory, more than half of its present territory, lost in the Chaco War. Brazilian, they got a piece, of course [?] the Pacific also, pieces that were taken away essentially by Chile, a little bit by Peru. And I've been down in that area. I went down to see it.

[-70-]

It's a desert coastline, plain, but there could be Tacna and Arica tin ports there. Arica, Chile, Tacna, Peru, they're fairly close together, their own boundaries separate the two cities. But a

corridor would have made sense. Freddy Moscosa once had some idea of using the Lake Titicaca water and then resupplying it and pumping and so on for irrigation. He was interested in the issue. Well, did it make trouble for me? Well, it certainly was not, how should I say, a comfortable reaction that I experienced, but it was never that serious. I think [?] long forgotten, long forgot it. Interesting enough, at the time of the Rio Luaca episode, the Chilean ambassador, who is now in Paris, a very good friend of mine because we worked closely together, he was Frondizi's [Arturo Frondizi] ambassador there, very interesting guy. He called me to tell me, "I've just warned Manuel that a bunch of students are coming to destroy the residence, and I'm taking Trouco up to my house right away," as a refuge, you see. Well, he got Trouco out, Estelle, his wife, and Trouco got refuge there. He spent also a night in our residence, I might add, and they did enormous damage to the residence, left it in shambles. He had no, well, he kidded me about this whole thing, but the, it's such a political issue, and there were some people in Bolivia who felt at the time that I left that I had been dismissed by the United States because of that issue. Well, that's a lot of crap [?] the poetic writer who referred to me in very glowing terms as the

[-71-]

man who had courage to say that. Well, others have said it before, historical interest on everybody's card. I think, not least, the Bolivians, but others as well, the issue keeps being raised, the issue then keeps being delayed. I would predict that at some point something can very well happen. In the meantime, I'm not so sure it was totally negative because of the interior development.

STERN: In April of '64, at the recommendation of the U.S. Army mission, chief of the U.S. Army mission in Bolivia, a sixteen-man counterinsurgency mobile training unit was sent to train Bolivians in counterinsurgency. How significant was that in your time there? Of course, it would become very important later during the whole Che Guevara [Ernesto Guevara] business in '67, but this was obviously the beginnings of it.

STEPHANSKY: As it turned out, I think you put your finger on what its latest significance was. There have been, one of my first acts when I came there, and I didn't feel totally comfortable, was attending a Mass at which there was inaugurated a new mobile unit, the Max Toledo unit. Everybody seemed to want it. I never got any research of my own done. It happened shortly after I arrived, and so I was there for the ceremony. It had all happened, taken place before I had

[-72-]

arrived. I felt a little silly. When I presented my credentials I remember, no, it wasn't. Shortly after that there was July, there was July fourth? No, there was the Bolivar [Simon Bolivar] celebration, Bolivia's independence celebration. I went through the Bolivar statue to help fifty people put a huge wreath over it, in front of the statue. I left the statue, a little rickety

band playing “Marching through Georgia,” by the way [laughter]. This is the strangest, this is a music with [?] issuing out of those, often out-of-tune little bands, you know. And I felt a little bit like that, and I, what am I doing here and is this the right thing and so on and so on. There was a guy from the, I forget his name, who was doing studies there for the American University Field Service. He sat in cafes a lot and drank a lot, but he wrote some pretty good reports from time to time. And he later gave me a report signaling the undue militarization of Bolivia, referring to the Max Toledo brigade. I must confess, it bothered me. I did make speeches all over the place about the military and said a lot of things they didn’t like, even so far on one occasion strongly hinting that if there ever was a move that if I were around I would do everything I can to prevent it, and that’s true. Now, that particular one of the counterinsurgency, I don’t think it was counterinsurgency so much as it was a major effort to improve communications. You have no idea how bad communications are or were in Bolivia. If I needed to make a call to Washington, I would have to somehow be directed

[-73-]

through Argentina, through New York, back to Washington.

STERN: There was a phone set-up through Panama…

STEPHANSKY: Through Panama, too.

STERN: …just while you were there.

STEPHANSKY: While I was there it was newly inaugurated, and I was told unceremoniously in connection with this tin business to watch my language because it was not the decent language that where people were. I don’t know who the hell was listening in, the military….

STERN: But it was an open line apparently.

STEPHANSKY: That’s right.

STERN: That’s very useful [laughter].

STEPHANSKY: That tipped me off. The communications is parlous, in fact they had installed a radio unit in the residence. There were periodic periods of great tension and riots in Bolivia. One evening I, [redacted] worried, with a cocked pistol in his

[-74-]

belt to the residence to report to me on the latest riot. I literally, virtually had to knock the guy out; he later left. He had been on a drinking spree with his wife, poor guy, was a totally

immersed in alcohol type guy with a cocked pistol, tooled it out and started waving it around. Shit. [Laughter] But there were these, there was one right after the missile crisis, so badly Paul Wimert came in shaking because the guy standing next to him was killed with a bullet in his forehead. You know, our, the embassy's located right on the route to the presidential palace square, and anytime there was any prospect and there would always be a little bit of a march with some things thrown here and there. Much of the emphasis on communications, the effort to install something in the embassy, in the residence that I could communicate with the embassy, never worked. My son was deeply intrigued because it was put in a closet. He always wanted to see what was in it, because that was his room. But I opened the door one time. He said, 'Make it work, daddy." I said, "Well, ok." So I tried doing that and couldn't. We never could. There was a period of time when for months we had to have the national police in our yard. I was worried because of the effect on the kids. A bomb had been planted in the residence yard, and it was full of glass, and if that exploded, it could really have been very painful for a lot of people. Who the hell put it there I don't know. But there had been a past record of letting the embassy and the embassy car have it at some point. I never rode, by the way,

[-75-]

with anybody behind me. I thought we ought to take some precautions and then it was suggested to me by the ministry of defense that we ought to put some carabineros in the yard, which I agreed to. There were about six or seven there. We had a low fence, visible from all around, well, maybe at that point, with that effort, with that attempt, all could really be quite nasty. I thought it would be a good idea. Well, as I say, I was worried about the carabineros, a tough-looking lot with their shells and their muskets and all the rest. But there was one guy who was very, very sweet. He sat down, took off all of his gear, and he started sewing doll's clothes with my daughter. At that point I totally relaxed. [Laughter] I thought, wow, this is just terrific, you know. And Evan got very friendly with them, too. But we were, there was always that element of tension, partly because there were so many armaments around the place. The revolution had produced so-called commandos, and there was every labor union and every association, it was not necessarily a labor union, professional association, education, health, this, that and the other, had its commando.

STERN: Didn't the Catave miners have a hugh militia, a couple of thousand men, for example.

STEPHANSKY: Yeah, but they were mainly, mainly [?] with their big heavy slickers and their belts full of

[-76-]

dynamite. They'd stand around the rim of a bus and throw dynamite where it would be exploded and reverberate all night when they had some protest to make, and you learned not to be particularly upset at that because they wouldn't be taking anything. The

palace guard was a special military guard that had been put together, an elite guard. I've never felt that there was any really viable threat for that kind of activity to spill over into total disorder. Now, that military activity which you're referring to is counterinsurgency. I never honestly thought of it as counterinsurgency or it had never been sold to me as counterinsurgency, but rather as a major communications network to be developed. Maybe its purpose ultimately would be counterinsurgency, but there weren't any guerillas around. There wasn't any visible threat of insurgency. There was always the insurgent spirit of the place, which was part of the disorder of the place…

STERN: Uh-hmm.

STEPHANSKY: …and the miners, of course, had their great periods of restiveness. Pax was very meticulous most of the time and never sent in troops against the miners. They once squared off, close to the time that I left, but as far as I know, he never sent troops, and I doubt that he really would have. That, of course, Barrientos had no hesitation

[-77-]

of doing later. So I didn't think of it as counterinsurgency but rather a major communications network with…. [redacted]

STERN: Were you there during Lansdale's [Edward G. Lansdale] visit?

STEPHANSKY: No.

STERN: Now I thought from the cables that you were out of the country at the time.

STEPHANSKY: Not at that time, I don't think I was there anymore.

STERN: No, because that was the, you were still in the

[-78-]

country, but I think you were in Washington. That was May of '62, I believe.

STEPHANSKY: Was it?

STERN: Yeah. But that's ok. It was very interesting to me that there were a number

of examples, cases which you made, some rather strenuous defenses of the Bolivian military in cables to Washington saying that basically that they were part of the revolution, that they were not a reactionary, anti-revolutionary group, and that much of their work was civic action, and that they were….

STEPHANSKY: Well, you've summarized it well, and I really felt that that was the case. the doubts began to creep in on Juan Sacinez' activity as the, as Barrientos' visible ambitions seemed to mount. But the historical background, after all, was precisely, pretty much what you're describing. And my contacts were really pretty close and steady with the top command in terms of a number of things that they were asking, like housing, like food programs, like additional communications, like additional mobility in order to carry out civic action and that sort of thing. Who knows, it may be one big mistake. The….

[-79-]

STERN: Interesting enough, by the way, just as an aside, Lansdale, in his report, mentions specifically the notion that Barrientos should be the vice presidential candidate in '64.

STEPHANSKY: Now why didn't I ever see that?

STERN: Well, maybe, you did, though. I made a note of it. Thought it was fascinating. you said the thought that he was the next generation who should be, who should be his running mate in '64. It's in here somewhere.

STEPHANSKY: Did he, did he talk to any of the politicos on that?

STERN: Apparently he did. Apparently he did. Very long report.

STEPHANSKY: That was never necessarily ruled out with, as I said, the notion of taking off the uniform. Although I must say, the guy who was around when Barrientos took over, Colonel Fox [Edward J. Fox], is later identified in one of the books that's supposed to be documented, I forget which one, on the CIA, that he was a deep-covered CIA type. I remember he looked me up when he came back, very close,

[-80-]

"Rene baby," he would call him [laughter]. And then an interesting thing, when I was deputy assistant secretary, I called up the *Washington Post* one day, talked to Carl Meyer at the time, my old friend Carl was the son of Ernie Meyer of the *Capitol Times*, many years ago when I was in Madison we were close friends. He was the editor of the *Capitol Times*, one of the really good national newspapers, well, regional newspapers. I said, "carl, can you tell me what in the hell this whole Steve Roper comic strip is about, in which it names an Air Force

General as the man who is the great hero in a Latin American country, whose president is Paz? Is it CIA?" Well, Carl really got quite exorcized by that suggestion. He said, "Well, now remember, there were other suggestions about the sources of that comic strip in terms of Asia." "Not that clear in my mind, but I'd really like to know what this is all about. Is this anticipating something?" This is not too late after I got back and before the coup. Well, Carl never really responded to that, but I must say the comic strip died out after, shortly thereafter. But it was there, and I really, at some point, if I had the time, and maybe if you have a student or so who might want to look into the *Post* archives and try to connect it up with whatever we might know about the Curt LeMay-Barrientos connection. As I say, Sanchez de Lozada, absolutely convinced that that was in the works, and we were together the night of the coup, as a matter of fact. He called me and said, "Hey, what's

[-81-]

happening? Let's sit down and talk." He was a great one for talking things over. So, what would I have done if I were there? I don't know. I've since talked to my successor a number of times. He felt that at some point that if Paz had acted differently, he could have stopped it. I'm not sure at all that that is the case.

STERN: I did a long interview with Douglas Henderson…

STEPHANSKY: Did you?

STERN: …yeah.

STEPHANSKY: Did he make that clear?

STERN: Yeah. It was a very dramatic account of Paz calling him on the phone, the only time he said he ever spoke to him in English, saying that it was all over.

STEPHANSKY: Yeah. The…. In retrospect…. You know, the odd thing is here's Barrientos gets elected. He knocked off Paz in the vice presidency, came up here once to talk to Curt LeMay. He had been shot at. Claimed

[-82-]

that it was the, those who had been disappointed that he was made vice president who were after him and also Lechin was after him, and so, and [?] he said to me, you know, you have to really talk serious, serious. I said, "Well, let's get together." Never got together. He was still vice president at the time. Now, I just don't know the internal situation of Bolivia, politically, about that vice presidency, that Paz clearly needed, felt he needed, I don't know, maybe you ought to talk to Paz. There is that oral history that Berkeley has done with him. He maybe has covered that there. Did he feel really that he had to take Barrientos? There are those who say,

are saying, "Well, Ben, it was your lousy relationship with Lechin that discouraged Paz." I doubt that very seriously. I think Paz's view of Lechin, as was quite generalized, that he, knowing his character, would have made a pretty poor president. He'd be out in the streets, as he always was, talking to everybody. No, that really, that, I am quite persuaded would have far more easily precipitated a military bash because of the rhetoric, because of the, you know…. Even now, Lechin presides over a labor organization, the underlayers of which, largely because he doesn't pay that much attention to it, in the miners anyway, is pretty much communist dominated. It was beginning to happen there at the time. He's not a very solid kind of guy. Maybe he would have turned out to make a good president. I doubt that he would have had the opportunity. I think what happened to Paz would have happened a lot sooner to

[-83-]

him. And whether he was involved and whether Fortun and others were involved, and Barrientos, who wanted the vice pres-, not Barrientos,

[END OF TAPE TWO, SIDE ONE]

STEPHANSKY: …the notion that, well, it would be my turn. And I think he had Paz' [?] I don't think Paz has, I don't remember the sources, rhetoric, would have been playing the trick of bringing him in because he felt he needed the military support so much to keep them quiet…

STERN: But that's the [?] usually given…

STEPHANSKY: …yeah…

STERN: …to provide this intent to win over the military.

STEPHANSKY: …to keep them quiet and indicate that this guy certainly has a fighting chance if done within the structure of the party. Barrientos would find that unacceptable, and the answer in part might be that he possibly saw the [?] If that was the case he [?] do what he dare to take over. It was tragedy, tragedy, tragedy. And friends of the [?] It was practical, every step of the way, seven military [?] each of which practically ended violently, two of them dead, [?]

[-84-]

STERN: [?]

STEPHANSKY: [?] I feel that it was really quite a [?]

STERN: And it was [?] that it was simply a matter of the fact that he did so well

just playing to the public, crowds came to visit him on [?] land in remote regions with his helicopter. In one case [?] the pilot was watching this and he didn't notice there were power lines, and the blades had caught the power lines [?]

STEPHANSKY: I would [?] Any time a guy [?] to sort of a social democrat type [?] I doubt if [?]

STERN: You had a cable from Secretary Rusk [Dean Rusk] in July of '62 in which he expressed, I assume it was Rusk himself from the nature of the [?] He was very concerned that the [?] the congressional election could be rigged and that Paz could put pressure on the non-communist opposition. You then had a discussion with Paz not long after that along the question as you've described it, and you wrote a very long paper, many, many pages, about the whole question of political development in these kinds of economically-repressed backward countries. I thought it was a really fascinating paper in which basically you were saying to the State Department that

[-85-]

they should not apply American standards to politics in a place like Bolivia, and that it was a very different kind of situation.

STEPHANSKY: I don't think it was…. When was this?

STERN: This was June of '62. You wrote the memo the twenty-ninth of August in '62. I wonder if you might [?]

STEPHANSKY: When did I arrive there?

STERN: July of '61.

STEPHANSKY: I don't think that was a cable from Rusk. The way cables come down, [?] may well have been not the writer of the cable, but probably gave it to Herb Thompson, who was my political counselor and with whom I had many differences about [?] felt that Bolivia had gone down the drain and [?] I think I saw his fine hand [?] He and Colby Belcher, very nice guy…

STERN: Yeah, you had a lot of communication with Belcher.

STEPHANSKY: …Yeah. Colby was awfully good, I tell you. If anything I thought that Colby was a good antidote

[-86-]

to Herb's kind of cynical approach to [?] There is always a certain amount of pre-arrangement of elections of a kind in Bolivia, always I'd say, certainly been in a constitutional period. Much, very analogous to the way it's done in Mexico. You have the predominant party, you undergo a lot of change, you have to make concessions, you possibly hand-pick a lot of candidates. When they're elected, it's in a sense a confirmation. If there's an enormous outcry, then the guy can get changed. Mexicans do it, Bolivia could do it. But I really, there is, you know, each party when it puts forth candidates especially now, has got to make selections among contenders. The counting of ballots is probably not the most precisely pure ballot count in the world. I think the overall picture is one of a kind of popular consensus where the party is concerned, Paz was a much loved guy, the party had tremendous importance in [?] meaning as the revolutionary party and continuing. My God, he made so many, many, many distributions of land piles. One of our geologic survey teams, constant job, was to constantly fly over to demarcate the boundaries between the larger areas in order to see how they could be subdivided. And the entire alliance program I think [?] a great deal of renewed optimism. But I think this kind of popular consensus, there are those who theorized about what do you do with government that are not formally democratic in our terms when there is so much arrangement of both election and constituencies, dole out from your power center what the constituents should have coming. Well,

[-87-]

[?] I think there is another conclusion there, there is something that I would have now that don't apply our criteria, to get inside of [?] There's always a danger you might go excessivelynative and justify everything. I don't think that ever happens, but, you know, when McGee, was it McGee of one of the big oil companies, assistant secretary, under secretary of political affairs, Gale, George McGee…

STERN: George McGee, right.

STEPHANSKY: …right. He wrote a fascinating memo at one stage, early in July, and I don't know if I quoted him or not in a particular memo, but I savored him and pondered him [?] his insight. he says you're working in an underdeveloped country with people that have not had long experience or have had this funny experience [?] You invariably have to be quasi-advocate. You have to, in part, teach them how to handle us, you have to instruct them in part how to formulate a cable, how to say something [?] even perhaps at times how to draw up a petition and you have to be their advocate, not only vis-a-vis the U.S. government, but against some of the international agencies. It's a tough road. Damn it, I don't see how you can escape that. If you can get hold of that movie now, I thought it was a very insightful and important piece, little memorandum which was circulated and I think purposefully to many places

[-88-]

including us, and I think you're in that position. I just don't think you can avoid it. I would never for a moment duck the notion that there was a good deal of vicarious placement of myself in their situation in a way which made it possible for me to [?] Sometimes my knowledge is a little bit like the psychoanalyst, like a good one who paints the suffering person, and because he is not actually undergoing the suffering insinuates himself intimately enough in order to share by virtue of long experience and by virtue of sympathetic assertion of your own insight into that of the patient. And [?] maybe it's a poor analogy, but I think there is something to that process of what it is that one has to do with the developing country from time to time. Nor, may I add quickly, I've never really, whether one thought about it consciously or less consciously, I never encountered an ambassador worth his salt who hasn't done it.

STERN: I was wondering about the Cuban Missile Crisis, what was it like?

STEPHANSKY: I've got to really start working on [?]

STERN: Ok. I could probably finish in about half an hour, but if you can't do it, then….

STEPHANSKY: No, I cannot. I've got to make a number of calls

[-89-]

right now.

STERN: Ok.

STEPHANSKY: When are you going to be down here…

[END OF INTERVIEW]

[-90-]