

Socialist Resurgence

Educational Bulletin: Bolivia, 2000-2008

- 1. Bolivian Protests Reflect Discontent all over Latin America, 2000, Gerry Foley, pg 2.**
- 2. Bolivia Re-Ignites Beacon for Latin American Struggle, 2005, Gerry Foley, pg. 4**
- 3. A Balance Sheet of Bolivia's 'Rehearsal for a Revolution', 2005, Robert Saenz, pg 8**
- 4. Bolivian Crisis Ends in Uneasy Truce, 2005, Gerry Foley, pg. 15**
- 5. Bolivia Remains a Powder Keg Following the Election of Morales, 2006, Gerry Foley, pg 18**
- 6. Bolivia: The Cockpit of the Radicalization in Latin America, 2006, Gerry Foley, pg 22**
- 7. Morales Seeks Compromise With Right Wing in Bolivia, 2006, Gerry Foley, pg 29**
- 8. Rightists Build Parallel Government in Bolivia, 2008, Gerry Foley, pg 33**

The Following are selected articles on Bolivia that appeared from 2000-2008. These articles will help give context to the current military coup in Bolivia and what will follow. It shows the early twists and turns of the Morales regime trying walk a fine line between the capitalists and workers.

***Articles originally published in Socialist Action News**

Bolivian Protests Reflect Growing Discontent all Over Latin America

By GERRY FOLEY

The international capitalist offensive has begun to run into explosions in a number of Latin American countries. The outstanding example so far was Ecuador in January, where the army broke in the face of a mass upsurge protesting IMF-dictated price rises, and a radical junta was put in power for a few hours.

Over the past month, massive explosions have shaken both Bolivia and Costa Rica, at opposite ends of the continent and at opposite ends of the social stability index.

Bolivia, one of the poorest countries in Latin America, has a history of chronic instability. But Costa Rica has been the most pacific country in Latin America, so much so that the local bourgeoisie decided long ago it did not need an army.

When strikes and road blockades paralyzed the country in response to a proposal to privatize the state electric company in early April, the Costa Rican rulers were impelled to consider appealing for troops from Panama “to maintain order.”

In Bolivia, protests in one city, Cochabamba, served as a detonator for accumulated social grievances over a large part of the country. Five out of the nine “departments” [provinces] were paralyzed by road blockades. At the height of the conflict, in the capital city, La Paz, there was a fire fight between troops and policemen, who were demanding a 30 percent wage increase. The conflict began at the beginning of this year, when the government of the right-wing former general Hugo Banzer approved price increases of from 35 to 400 percent for drinking water in Cochabamba. Banzer is now the elected president. He ruled as a military dictator from 1971 to 1978.

The contract for providing drinking water was in the hands of a private company, Aguas de Tunari, a consortium dominated by International Water Limited (based in London), which is jointly owned by the Italian Edison company and the U.S. Bechtel Corporation. Drinking water has been a major problem in this inland city of half a million inhabitants. The population is being swelled by an influx of peasants fleeing rural poverty. And the snowcap of the nearby Tunari mountain is being depleted by global warming. The hike in the water rates was supposed to pay for projects to increase the water supply.

In response to the announcement of the rate increases, the population of Cochabamba exploded. On Feb. 4 and 5 it seized control of the city. The insurgent masses set up a democratic organization of their own to represent them, the Coordinadora de Agua, which also included representatives of peasant communities.

The Banzer government was forced to retreat. It promised that it would change the water law by the end of March. But it failed to do so.

At that point, the city boiled over again, and this time the rebellion spread, leading to road blocks over the better part of the country. The peasants of the Chapare region (300,000 families) joined

the fight in protest against the U.S.-dictated destruction of the coca plantations without any alternative being offered them to continue to make a living.

Finally, the police themselves began to protest. The wives of eight policemen started a hunger strike outside the headquarters of the main union confederation, the COB, in La Paz. This action touched off a general police strike. The mutinous police refused to repress the protesters and seized the Plaza Murillo.

The police were desperate, since most of them got less than US\$80 a month, less than enough to maintain their families. The police forces also suffered from extreme inequalities and corruption of the officers.

On April 8, Banzer ordered the Special Security Group (GES) to drive the police protesters off the street. Even the elite police unit refused to obey orders. Then Banzer ordered the army to attack the GES headquarters. The military unleashed all its fire power, and the police responded with tear-gas grenades and heavy-caliber weapons. The country was on the verge of civil war. At that point, Banzer began to retreat. He announced a 50 percent raise for the police. But even after most of them returned to service, many cases were reported where police refused orders to repress protesters.

On April 11, Banzer declared a state of siege. The measure provoked the formation of a united front of all the left parties, the Acuerdo Politico Antiliberal (Anti-neoliberal Political Accord). But even many of the bourgeois political forces criticized the state of seige, and none gave it more than lukewarm support. Its only wholehearted supporter was the U.S. embassy. Obviously fearing to press a repressive offensive with only imperialist support, Banzer withdrew the state of siege on April 21. That has momentarily defused the confrontation. But the country is still seething.

The Bolivian papers are reporting new mobilizations of teachers and students demanding more money for education. And there are a number of cases pending in the courts against the government's repressive actions.

Still Banzer apparently finds it impossible to accede to the demands of the main groups of protesters. According to the La Paz daily, El Diario, he is refusing in principle to negotiate with the Coordinadora de Agua, since he apparently regards it as a revolutionary body. After years of attacks on their standard of living and their rights, it seems that masses of working people all over Latin America are losing their patience.

Bolivia Re-Ignites Beacon for Latin American Struggle

by Gerry Foley – February, 2005

The mass mobilizations that forced neoliberal President Gonzalo Sanchez de Lozada to flee to the United States in Oct. 2003 left an open volcano of

revolutionary aspirations and organization. It erupted again on Jan. 10 with general strikes in Santa Cruz, the commercial center of the country, and in El Alto, a city of nearly 800,000 people on the doorstep of La Paz, the national capital.

The biggest explosion was in El Alto, the epicenter of the uprising against Sanchez de Lozada. This is a new conglomeration of former peasants forced from the land and workers displaced by the privatizations of the 1990s. In this teeming concentration of the poor, neighborhood committees arose in October 2003 that resembled the soviets that were the base of the Russian Revolution of 1917.

Once again, in the latest upsurge, tens of thousands of people marched from El Alto into La Paz, as they did at the peak of the October 2003 uprising. This

time, the new president, Carlos Mesa, who was Sanchez de Lozada's vice president, pledged that he would resign rather than call out the military and police.

The fact is that under his predecessor the military had failed to stop the protests and began to break under the pressure of the mass upsurge. So Mesa knew that it would be suicidal to resort to military force.

The protests were sparked by Mesa's decree on Dec. 30 raising diesel fuel (23 percent) and gasoline prices (6 percent), which become known as the "gasolinazo," and the attempts of a French-dominated company, Aguas

del Illimani, a subsidiary of Suez Lyonnaise des Eaux, to charge the people of El Alto unaffordable prices for a deficient water supply. A Jan. 11 Reuters

dispatch noted: "About 200,000 people in El Alto still don't have running water, although the contract stipulates 100 percent coverage, and the government

said connection costs were too high.”

An article compiled from wire service dispatches in the Jan. 4 edition of the Mexico City daily La Jornada reported that in the Baillivian and Alto Lima

neighborhoods, the inhabitants seized 11 installations of the Aguas del Illimani. The principal reserves of potable water are in these areas but the people living there have no connection to drinking water or sewers.

The article also noted that according to the latest general census statistics, 52 percent of the population of El Alto lacked drinking water and basic sanitary facilities. It quoted a local person as saying, “Look, Mr. Reporter, a lot of us are living on 20 Bolivianos (\$2.50) a day. How are we going to pay for a connection when they are asking \$160?”

The government was forced to rescind the French company’s contract. That was the first victory of the new wave of protests. But it did not stop them, only

defused them. The leadership of the protesters in El Alto, the Federacion de Juntas Vecinales de la Ciudad de El Alto (FEDUVE, Federated Neighborhood Committees of El Alto) granted Mesa a truce to give him time to rescind his decree raising petroleum prices and to meet other demands.

Abel Mamani, the leader of the FEDUVE, was quoted in a special dispatch to La Jornada by Luis A. Gomez as saying: “It is important to see how these neighborhood microgovernments [the juntas vecinales, of which there are 600 in El Alto] are reorganizing, but this time the people have gone out peacefully to demand their rights” [since Carlos Mesa ordered the police and military not to repress the demonstrators].

At first Mesa only offered FEDUVE a letter saying that he had begun procedures to rescind the El Aguas del Illimani contract. But the neighborhood committees demanded a presidential decree. They gave Mesa an ultimatum that if he did not issue the decree within 24 hours they would begin seizing the installations of the company. At the end of the day, Mesa granted it.

Gomez wrote: "Throughout Wednesday night [Jan. 12], district by district, neighborhood by neighborhood, the leaders organized assemblies. Today [Jan. 13], in the early morning hours, the action by Carlos Mesa's government was accepted.

"We know anyway that the company is not going to leave El Alto right away, but we are staying on the alert. From now on, groups of neighbors have to be at the offices of the company in El Alto to make sure that they don't take anything out,' explained Mercedes Condori Quispe, a short stout woman from District 4 known as Mechi, while she distributed photocopies of the decree."

La Jornada's correspondent noted that as the people left the meeting they were shouting that the next step was to throw out Electropaz, an electricity supply company dominated by Spanish capital.

The British business magazine The Economist described the events in Bolivia in a Jan. 20 article as "another defeat for privatization." It is clear that the movement that arose in October 2003 and that has continued to deepen wants nationalization of the basic services and Bolivia's natural resources.

In defiance of the International Monetary Fund, to which other Latin American governments have capitulated, the Bolivian government has been subsidizing sales of gas and diesel fuel. Mesa tried to reduce the subsidies on Dec. 30, by 6 percent on gas and 23 percent on diesel fuel, arguing that artificially low petroleum prices encouraged smuggling to neighboring countries.

But one of Bolivia's main neighbors, Argentina, has itself been hard hit by the privatization of its oil industry, which resulted in mass layoffs and unaffordably high prices for Argentines. A major impact of subsidized prices and nationalization in Bolivia would probably be to encourage demands in

Argentina for the same policies. The Economist reported that Mesa had rolled back the price increases by 6 percent in mid-January.

Clearly, Mesa is trying to ride the wave of the mass upsurge in Bolivia but losing his balance. Indications are that the radicalization will continue to deepen, with the new mass organizations assuming a more and more dominant role. And the example of Bolivia is being closely watched in Argentina and Brazil, which are decisive countries in Latin America.

A Balance Sheet of Bolivia's 'Rehearsal for a Revolution'

The following article is from the July issue of *Socialismo o Barbaridad*, the international magazine of the Argentine Movimiento al Socialismo (MAS), one of the principal Trotskyist organizations in the Southern Cone of Latin America. In our previous issue, we reported that the mass uprising in May and June in Bolivia had been marked by calls for establishing a government based on the organizations of the masses. This struggle, however, ended with the installation of another bourgeois “caretaker” government, this time headed by Eduardo Rodriguez, chief justice of the Bolivian Supreme Court. The following article analyzes the situation since the end of the mass struggle from the standpoint of revolutionists in a neighboring country. It has been somewhat abridged for space reasons. Translation from the Spanish is by Socialist Action.

by Roberto Saenz

Bolivia has gone through a general rehearsal of revolution. Day by day, in greater and greater numbers, the masses took over the streets in La Paz and El Alto, but also in Cochabamba, Oruro, Sucre, and Potosi—giving their movement a national scope. The quasi-insurreccional features that appeared in the last days were demonstrated by the setting up of embryonic forms of an alternative power to the formal state institutions.

[Interim President Eduardo] Rodriguez has made a point of saying that the demands for nationalizing the petroleum resources and for a constituent assembly will have to wait for the “new president.” But it is unlikely that the masses will wait until then, despite the work of Evo Morales, who has tried time and time again to entrap the process in the discredited constitutional channels, undermining the mass movement.

And despite also the truce granted by the leaderships of the COB [Bolivian Labor Confederation], Fejuve [Federation of Neighborhood Councils of El Alto], and the COR [Regional Labor Confederation of El Alto]. It is the time for balance sheets. The prevailing feeling is that “nothing was gained,” and “we went out for [nationalization of] the gas and not for a mere change of presidents.” There is a certain frustration. But at the same time, in these few weeks, the working people gained a new feeling of their tremendous power. From organizations such as the Gas Coordinating Committee¹ headed by Oscar Olivera, they are trying to put over a different balance sheet. They talk about a “triumph,” and how a “blood bath” was avoided, because that is what Hormando Vaca Diez [parliamentary representative of the reactionary land barons of eastern Bolivia] taking the presidency would have meant.

However, it is absolutely clear that the bourgeoisie did not dare to unleash a mass repression (to test its forces in an open clash with the masses). And so that argument cannot hide the fact that the objective of the mobilization was not a mere “change of personalities” through the mechanisms of the democracy of the rich but to get the nationalization of the gas:

“Bolivia seems to be approaching a complete collapse. The violent protests, the social split between the ‘whites’ and the peasants—and between the East and West—and the complete impotence of the Congress have been compounded most recently by blockades of roads threatening to create shortages in the cities. More than 60 percent of the roads are impassible, and the situation is getting worse hourly....

“From the early hours of the morning, the climate in this city seemed strange. A city that is more and more a ‘pedestrian town’ was paralyzed since dawn, as the 48-hour strike called by the transport unions went into effect....

“Toward the evening, the marches of peasants, indigenous people, students, and unions seemed to stretch throughout La Paz and El Alto. The legislators could not achieve a consensus. ... As we go to press, exploding dynamite sticks are again shattering the cold La Paz night. A difficult night has started for Bolivia.”²

As we have been pointing out, what happened in Bolivia was a real dress rehearsal of a revolution. Anyone who is unable to understand and draw the lessons of the social experience that has just occurred before our eyes will irremediably lose sight of one of the richest and most intense expressions of class struggle in recent decades.

Of course, between a “dress rehearsal” and a real social revolution, there are a series of major and acute problems that have to be solved. They may block new “dress rehearsals” from becoming an outright revolution. And the tremendous paradox that for the time being the result of these revolutionary days is a miserable snap election is not a minor fact. As is well known, for the principled Russian revolutionists of the 20th century, the 1905 Revolution was an “anticipation” of the two revolutions in 1917. It posed all the questions and debates about strategy.

But what I want to stress here is what was indicated about the social, political, and organizational forces that prefigure the way a real revolution could develop in Bolivia in the conditions of the early 21st century. In order to be victorious, such a revolution would require a series of decisive “subjective” conditions that remain totally absent and that it is necessary to work to achieve.

A new element in these recent revolutionary days is that for the first time in years, bourgeois democracy was threatened with being outflanked both from the right and the left. The Santa Cruz bourgeoisie and the imperialists in fact hesitated to put Hormando Vaca Diez in the presidency in order to unleash a “legal” blood bath to suppress the mass movement and impose an outright turn to Bonapartism.³

They did not dare do it. The ruling classes were not united. It would have been hard for the army to withstand the pressure of a direct confrontation on that scale. In El Alto, it might have meant house-to-house fighting.

The fact that some sectors of the ruling class did have the perspective of avoiding head-on confrontation is shown by the statements of the president of the Confederation of Private Sector Employers, himself, the majority sector that was for an “constitutional solution”: “Let whoever assumes the presidency commit himself to holding elections. If one of the candidates means more blood and confrontation, he has to put his hand on his breast and resign.” 4

If a massive repression had been unleashed, and the masses in the streets—and in particular in the El Alto Commune—had fought back, the situation would have risked an overwhelming tide from the left.

The popular masses and the workers in El Alto, joined by the urban and rural teachers, important contingents of miners, factory workers, and sections of the peasantry, with more and more road blockades, were moving into what in practice was a semi-insurreccional process. That is, they were on the way to setting up embryonic expressions of dual power that threatened to outflank institutions from the left.

In this regard, a right-wing journalist commented: “Social actions may be indirect or direct. ... If it is successful, if it is not contained, direct action becomes contagious. When it is seen that a sector is more ‘effective’ working outside the legal order, other sections will imitate it. And then, direct actions may become an epidemic. ... As George Sorel advised, Evo Morales is appealing the method of revolutionary mobilizations.”5

“As Lenin demonstrated in Russia in 1917, the myth of the revolutionary strike is an unviable principle but it may prove viable if two conditions are present. The first is a generalized political crisis. The other is the failure of the state to apply the law. ... The failure of a democratic state to use the legal force at its disposal against unleashed violence is an enigma of our time, which is not limited to Bolivia or Ecuador, but which has come home to us....

“Our presidents preferred to lose power rather than confront the demonstrators. They prevented a blood bath, but they also weakened the authority of the democratic state.”6

Of course this “enigma” is not so mysterious. It is a result of conditions in which the relationship of forces does not permit a solution “by force”; conditions in which the rulers have to accept the presence of the masses in the street and their struggle with their methods of direct action while they try to take advantage of their “subjective” weaknesses—that is, the fact that the masses are still going through a crisis of seeking alternatives, a party, a leadership:

“There is another parallel conflict—the demand for a so-called referendum on autonomy pushed by the most conservative elites in the east and south. While in January the landowners and businessmen in the east demobilized the population with Mesa’s promise to authorize direct election of provincial governors, today it is clear that a referendum that approves ‘economic autonomy’ would establish ‘regional authority for deciding on the natural resources.’ “This

means that every province could decide to impose its own regulations. And the elites that are promoting these autonomy schemes are the most determined defenders of continuing to sell the gas and petroleum as is now being done.”⁸

Bolivia is going through an exceptional national crisis. What do we mean by this definition? It is a crisis of such a scope that it cannot be called simply economic, political, or constitutional but one in which the national unity of the country is at stake. Behind the demand for autonomy is a rancid racist oligarchy that identifies less and less with Bolivia as it is today and has very strong separatist tendencies:

“Here in Santa Cruz the situation is ... the center of the right-wing operations. The bourgeoisie here is the most retrograde and fascist. During the conflict, groups of the Union Juvenil Cruzenista (which normally operates in the cities) took up arms in the villages near the blockades. At the doors of the high schools, they were paying every boy who went to break the blockades (that is, beat up the peasants) 100 bolivars (12 dollars).

“It should be pointed out that the movement in the area ... is mainly indigenous and peasant, but the city of Santa Cruz, the capital, has been taken by reaction. So, the conflicts were mainly rural; they wanted to promote clashes between the people in the urban areas and those in the rural areas.

“In the area where I work, there were sharp confrontations, in which there were casualties on both sides. But in other areas, people from the urban centers did not dare go out against the peasants, no matter how much money they were offered. “The Union Juvenil Cruzenista is a group of more or less paramilitaries formed by the neo-Nazis. They are extremely racist, and play up the idea of a Santa Cruz nation, claiming, ‘we are a different race and a better one than all that trash.’”⁸

It is not every day that a situation reaches the point when the national unity of a country is in question and when movements develop with openly fascist characteristics (embryonic but very real). This is another expression of the fact that the situation is breaking out of the framework of bourgeois democracy, and of the extreme degree of social and political polarization the country is experiencing.

Historical analogies should be taken with caution when we analyze social processes and class struggles that always have their specific features. With this caveat, they can be used illustratively. In this sense, it can be said that Bolivia at the beginning of the 21st century has a series of characteristics that can be compared to the revolutionary process in Spain in the 1930s.

It is clear that Bolivia has not reached such an extreme (nor is it certain that it will), but this can also not be ruled out. That is, in the conditions of a country geographically, socially, and politically polarized, it is not impossible that the seeds or elements of civil war that appeared in

the last weeks may develop fully. This is the result of the open crisis of rule and national unity that is dividing the ruling class itself, as well as the eruption of a mass movement with revolutionary potential, in particular in the western part of the country.

We have pointed out on other occasions the “geographical uncertainty of power,” given the crisis and breakdown of the Bolivian bourgeoisie state, with its epicenter in El Alto [in the west], while the “modern” economic axis has shifted to the east [where the oil and gas are].

We stress that the situation has not yet reached this extreme. The decisive political and social forces of the ruling class are opposed to this scenario, as is also true of Yankee imperialism (which nonetheless has a clear crisis of orientation for the region), of the present governments in Brazil and Argentina, and the Bolivian army itself (whose *raison d’être* is to defend the unity of the country), of the Church, and so on.

For the immediate future, the fight is against the renewed “normal” constitutional trap, the attempt to channel the whole process through snap elections, a road that will not lead to the real solution of any of the problems. It will only put them off, and, the rulers hope, put the masses to sleep.

This fight is also against the stabilizing role of the MAS [ironically Morales’ party has the same name as Saenz’s party, although it has nothing to do with socialism] and Evo Morales, who are constantly striving to isolate the more radicalized sectors in El Alto and La Paz.

A power vacuum has appeared, even in the mouths of the various leaders, beyond their lack of a real political will to resolve this problem. Here we see a classical problem. Immense mobilizations of the masses by themselves cannot pose the question of taking power in a “spontaneous way.” Taking power is a science and an art that demands planning and organization. Without this, talking about “workers and peasants” power, as do Jaime Solares of the COB [Bolivian Workers Confederation] and Abel Mamani of Fejuve, is pure hot air.

The reflections of those who know these leaders well are interesting: “This third alternative (workers’ and peasants’ power) runs up against serious problems both in the political and ideological field, as well as in organization. Up until now, the verbal radicalization of the leaders has not led to any unified and coordinated work to develop the potential and consolidate the seeds of people’s power that have emerged spontaneously....

“This can be key to their defeat. We have not seen either any signs of revolutionary work to divide or neutralize the police and the army. There is no talk of arms and insurrection. There is no united revolutionary leadership. In many sectors ... there is an unfounded confidence that gigantic mobilizations are sufficient to defeat the bourgeoisie. Others put their confidence in elections, and many still believe that the solution proposed by the MAS ... is the surest.”⁹

Without really posing the tasks involved in the seizure of power, or taking up the democratic demands of the masses (which have been left, criminally, in the hands of the MAS), the “leftist” boasting of Solares cannot solve the question of power or achieve the organizational and political conditions for taking it. That is, it cannot develop the embryonic forms of alternative power, taking up the democratic banners of the broad masses, to be able to draw these masses beyond the most advanced contingents of the workers and poor.

It is these conditions that explain the paradox that the revolutionary days reached such heights but led only to the calling of a snap election. Undoubtedly, the Rodriguez government is much weaker in taking office than [the ousted president] Mesa was. It has a mandate of only six months.

It is also clear that the first attempt at a bourgeois-democratic reabsorption of the revolutionary process failed with Carlos Mesa. Today, the bourgeoisie is resorting not simply to another president but to calling general elections.

In any case, we have to offer a double explanation for the second attempt to divert the process through bourgeois-democratic channels. On the one hand, there is the role of the MAS, which is today virtually the only national party in Bolivia, and which, in general terms, is seen by the masses (especially by the peasants and indigenous) as the incarnation of their aspirations.

The more radical leaderships, both in the COB and Indian nationalist party of Quispe, have been unable to offer any coherent alternative to the clearly electoralist project of the MAS. At the same time, the MAS has been able to exploit the genuine democratic sentiments of the indigenous masses, who aspire to make their numbers count, as in elections.

This is the basic explanation of the paradox we have been pointing out, and which has to be resolved in order for Bolivia to become a historic lever of class struggle. This involves the task of building a new revolutionary socialist party made up the most experienced and advanced of the present vanguard in an arduous political and strategic struggle against the dominant leaderships of the indigenous movements and the COB.

1 The recent statement of the Coordinadora del Gas, led by Oscar Olivera, who is close to the MAS.

2 La Nación, Buenos Aires, June 3, 2005.

3 That is, resorting to a regime that balances between the classes on the basis of the armed forces and police.

4 “Tres fuerzas se disputan el poder en Bolivia,” Econoticias bolivia, June 8, 2005.

5 Of course, it was not only Morales who appealed to “the method of revolutionary mobilization” but also the mass organizations in El Alto and La Paz. Morales’ tragedy is that although he is a total reformist, the imperialists still see him almost as a “Commie.”

6 Mariano Grondona in La Nación, Buenos Aires, June 12, 2005

- 7 “Las piezas de un rompecabezas”, Bolpress, May 27, 2005
- 8 An anonymous account of a young man in Santa Cruz.
- 9 Econoticias bolivia, June 8, 2005.

Bolivian Crisis Ends in Uneasy Truce

For the second time in two years, mass protests in Bolivia reached the brink of revolution. But this time, it was the brink of a socialist revolution, as the vanguard mass organizations—the Central Regional of El Alto, the Federation of Neighborhood Councils of El Alto, the Confederation of Bolivian Workers (COB), and the miners union—called for shutting down the bourgeois parliament and creating a workers government based on people’s assemblies.

At the peak of the mass mobilizations, on June 6, half a million people, the largest demonstration in the history of Bolivia, crowded the central square of La Paz to hear the proclamation of a plan to form a revolutionary government.

The radical website, Econoticias reported: “A tumultuous multitude of more than 400,000 workers, peasants, miners, students, and the inhabitants of all the neighborhoods of El Alto and the poor slopes of La Paz approved a plan to build their own government, nationalizing the hydrocarbons and expelling the transnationals and the native bourgeoisie.

“‘This afternoon we are installing the National People’s Assembly,’ said the leader of the Bolivian Workers Confederation (COB), the miner Jaime Solares, to the applause of the excited crowd in the packed Plaza de San Francisco in the besieged city of La Paz.

“‘All the social and peoples organizations are going to proclaim a great people’s assembly and forge a new government that will fill the power vacuum. The oil companies want another clown in the government to defend their interests, but we will form a new government of the people that is arising today out of the People’s Assembly on the line of nationalizing the hydrocarbons,’ proclaimed the president of the Bolivian Federation of Mine workers, Miguel Zubieta.”

Continual mass protests prevented the parliament from meeting in La Paz. The country’s leading right-wing politician, Hormando Vaca Diez, the president of the senate, managed to get a majority of the deputies, 100 out of about 150, to move to Sucre, the other capital, also in the mountains but far from La Paz. But the demonstrators followed the rump parliament to its new base.

A miners’ leader was shot and killed by police while riding on a truck headed into Sucre, reportedly as a result of orders given to the police by Vaca Diez to fire on demonstrators.

In the face of the mass upsurge, the president, Carlos Mesa, agreed to resign. (He had taken office when the former president, Sanchez de Lozada, was forced to flee to exile in the United States in October 2003 in the face of the previous wave of protests against the sell-off of Bolivian oil to foreign trusts.) Mesa warned that if Vaca Diez or the next in line after him, the president of the chamber of deputies, Mario Cossio, also a right-wing politician, were installed in power, it would mean civil war.

Vaca Diez is linked to the right-wing landowners who dominate the eastern province of Santa Cruz, where much of the petroleum fields are located. At the same time that La Paz was overwhelmed by revolutionary protests, the Santa Cruz oligarchy sought to separate their territory from the country in the name of autonomy.

This area is also the heartland of Bolivian fascism, and many of the landowners are descendants of refugees from the fall of Hitler's empire. However, it is mainly Amazonian Indian tribes that live on top of the oil fields, and they threatened to separate from Santa Cruz, if Santa Cruz separated from Bolivia. Bolivia was obviously on the brink of civil war, and the threat of U.S. military intervention hung over the country.

The U.S. has recently gained authorization to station troops in the neighboring country of Paraguay, and Vaca Diez tried to push through a bill in parliament that would allow the U.S. to bring troops into Bolivia by granting them impunity from prosecution in the World Court for crimes they might commit in the country. He failed because of the inability of the parliament to function.

The leader of one of the major opposition forces, Evo Morales of the MAS, a party based on the coca farmers, sought a parliamentary solution and so supported the appointment of an interim, supposedly neutral president, Eduardo Rodriguez, the chief justice of the Supreme Court. The Catholic Church also supported this formula.

Apparently, the Bolivian bourgeoisie, including its Santa Cruz component, decided to try to defuse the popular protests rather than launch a civil war. Both Cossio and Vaca Diez announced their resignations as successors to Mesa, clearing the way for the appointment of Rodriguez on June 9. Vaca Diez immediately took refuge in a military barracks in Sucre.

The vanguard organizations had no illusions about Rodriguez. The editorial board of *Econoticias* wrote on June 12: "Eduardo Rodriguez is the new pawn of the ruling class to defend the interests of the foreign oil companies, warned the Bolivian Mine Workers Federation, the revolutionary vanguard of the people, which called on them to continue struggling.

"After a real show that cost the life of a miner and several wounded, the parliament opted for electing the chief justice of the Supreme Court as president of the country. The ruling minority of the country has changed its pawn and once again demonstrated that it prefers to shed blood rather than nationalize the hydrocarbons," said a communiqué of the Miners Federation."

The *Econoticias* editors went on to describe Rodriguez's "credentials" for his elevation to the post of the country's chief executive: "Up until now, he has been the chief of the judicial authority, a branch of government rotten with corruption and characterized by its legalization of the plundering of Bolivia's riches by the transnationals as well as by granting impunity to the

top state bureaucracy that is robbing the public coffers. He became chief justice thanks to the support given him by former president Gonzalo Sanchez de Lozada, who was ousted by a popular insurrection in October 2003.

“According to the Urban Teachers’ Federation of La Paz, Rodriguez was a legal adviser of the U.S. embassy, and a partner in the firm of Carlos Sanchez Berzain, Sanchez de Lozada’s minister of the interior, who was directly responsible for the massacres from February to October 2003. These were sufficient ‘credentials’ to put him in the presidency with the enthusiastic support of the Church, the businessmen, the media, and the Movimiento al Socialismo (MAS) of the coca farmers’ deputy Evo Morales.”

However, after three weeks of mass mobilizations, economic paralysis, and growing shortages of food and fuel oil, it proved impossible to maintain large-scale protests. A de facto truce developed.

Nonetheless, the conflict has not been resolved. And although Morales was decisive in defusing the revolutionary situation, he is still apparently not acceptable to the right in Bolivia and probably not to the U.S. government. He continues to denounce U.S. imperialism in strong terms. And in recent days, he and his representatives have been subjected to the threat of physical attacks by fascist-like groupings in Santa Cruz province.

On the other hand, Morales has been losing some support that he gained as an advocate of the disinherited. He obviously hopes that he can be elected president in the upcoming elections. He narrowly missed the last time around, but the most recent polls now show his popularity declining.

The country remains in a state of latent civil war. The right and its Yankee big brother are certainly going to be preparing for the next confrontation. It remains to be seen what conclusions the vanguard organizations have drawn from the aborted uprising. Days after the end of the crisis, Econoticias disappeared from the internet, and little news about the activities and discussions of the vanguard organizations has since gotten out of Bolivia.

There is also insufficient information as yet about the impact of the Bolivian events on the neighboring countries. This, after all, was the first time in our era when mass organizations in Latin America have raised the slogan of overthrowing the bourgeois parliamentary system and setting up a government based on direct representation of the workers and the poor masses, a soviet-type government.

Both the success and failures of the Bolivian movement are certainly going to be discussed extensively intensively by socialists and by the rising movement in Latin America that is seeking ways to escape from the suffocating grip of the imperialist offensive called neoliberalism.

Bolivia Remains a Powder Keg Following the Election of Morales

by Gerry Foley / February 2006 issue of Socialist Action newspaper

The election of Evo Morales to the presidency of Bolivia on Dec. 18 aroused a flurry of disquiet in the international capitalist press. It was described as a “new step to the left in Latin America,” or even a “new step toward socialism.”

It is true that Morales’ first moves after his victory included a visit to Fidel Castro and an embrace of Venezuela’s president Hugo Chavez, the two regional bogeymen of the U.S. government and press. Moreover, Morales’ victory came in the wake of two vast upsurges that went to the brink of insurrection and in which the leading mass organizations in the country called for the formation of a revolutionary government based on the mobilized working people.

Morales’ vote came predominately from the communities that played the leading role in the upsurges. Obviously, these voters hoped that the candidate they supported would strike blows against the imperialist powers and corporations against which their rebellion had been directed. In fact, the mobilizations were focused against the sell-out of Bolivian natural resources, in particular oil and natural gas, to foreign capitalist trusts.

Morales did make nationalistic statements after his victory, including a pledge to end the subordination of the indigenous majority in Bolivia to the white minority. The fact that he is the first Bolivian president of indigenous ancestry is no small part of his radical image. However, the rise to high positions by politicians of indigenous backgrounds is not so new or so rare in Latin America as the capitalist press suggested. In itself, such changes in the color of the faces of the leading politicians have never brought any substantial alteration in the tradition pattern of racial domination.

While Morales identified himself with the opposition to the imperialist offensive (neoliberalism) in Latin America, he was also quick to reassure the national and foreign capitalists. His trip to Cuba was followed quickly by a tour of Europe, including a meeting with the Spanish president, Jose Luis Rodriguez Zapatero, which had a special importance.

One of the largest, if not the largest, petroleum trust operating in Bolivia is the Spanish corporation Repsol, which absorbed the privatized Argentinian state oil company YPF. Repsol by itself is estimated to control about a fourth of Bolivia’s oil and natural gas resources. It is a company with a particularly bad reputation. Its “downsizing” of the workforce in the Argentine oil industry and its “upsizing” of the prices for petroleum products were at the origin of the massive rebellion against neoliberal policies that led ultimately to the flight of the Argentinian president in 2001.

The Bolivian radical website Econoticias reported Jan. 4: “Morales said during his meeting with the president of Spain, Jose Luis Rodriguez Zapatero, and the managements of companies such as Repsol, Iberdrola, and others that have investments in the country that ‘the Bolivian government is going to exercise its right of ownership but this does not mean

expropriating or confiscating.’ His interlocutors indicated their satisfaction with his promises. “Morales’ promise is to carry out a symbolic nationalization, which amounts to applying with minor adjustments the present hydrocarbon law [imposed by his predecessor Carlos Mesa, who was forced to resign in June 2005 by a mass rebellion], which retains the ownership of the hydrocarbons for the Bolivian state while they remain in the ground or as they come to the surface.

Once they come one meter above the ground, into the so-called mouth of the well, all the hydrocarbons become the property of the transnationals that operate in Bolivia, which will continue to be in charge of exploration, production, sales, exports, and refining of the hydrocarbons.”

In an article dated Jan. 26, the British Economist, one of the world’s principal capitalist business publications, stressed the threat of radicalism in the Morales regime, while at the same time noting his reassurances to the capitalists: “He also called for private investment, for an ‘alliance’ against the drug trade with the United States, and hinted that he might support an Americas free-trade accord if it helped small business.”

The Economist article focused on some ministers in Morales’ cabinet with radical backgrounds, such as the minister of hydrocarbons and water. For some reason, it overlooked ministers as important as those holding the portfolios of mining and defense, who are hardly radicals.

Morales’ appointment of Walter Villarroel as the minister of mining provoked outraged protests from the workers in the industry. Econoticias reported: “The strongest protest came from the Miners’ Federation, which organizes the wage workers in the industry. It decreed a state of emergency and a mobilization opposing the nomination. It accused Villarroel of promoting the destruction of the state mining company (COMIBOL) and privatizing one of the world’s biggest iron deposits.

“Villarroel is a former member of the right-wing UCS. ... He is the president of the Federation of Cooperative Miners [that is, miners who work as individual entrepreneurs], an organization that supported the ex-president Carlos Mesa and today is trying to cooperativize the ore deposits instead of supporting state companies and nationalizing the centers that are in the hands of the big mining companies.

“The new minister, who gained office through an electoral agreement that his sector signed with Morales, assured that during his term of office he would give priority to giving out a license for exploitation of the huge iron deposit at El Mutun, which is in the process of being handed over to the transnational companies.”

Morales’ appointment of Walker San Miguel as minister of defense, encharged with controlling the military that has repeatedly established right-wing military dictatorships, immediately touched off a scandal, forcing the president to publicly demand explanations from his appointee.

Agence France-Presse reported Jan. 31: “Bolivian President Evo Morales today asked his minister of defense, Walter San Miguel, to clear up a series of accusations about his role in the privatization of the Bolivian state airline, the Linea Lloyd Aereo Boliviano, during the government of Gonzalo Sanchez de Lozada between 1993 and 1997.”

Sanchez de Lozada was forced to flee in 2003 by a mass uprising against his plans to sell off Bolivian natural gas to foreign trusts. He took refuge in the United States. The labor movement is demanding his extradition and trial.

Even Morales’ water minister, Abel Mamani, a leader of the Federation of Neighborhood Councils in El Alto, was particularly decried by The Economist article. But Econoticias reported

that Mamani’s acceptance of the job was regarded as a betrayal by the working people of El Alto who he is supposed to represent:

“One of the appointments that drew the most criticism was that of the leader of the Federacion de Juntas Vecinales of El Alto (Fejuve), Abel Mamani, appointed minister of water. An El Alto council member, Roberto de la Cruz, said that in naming him they had spared him from being thrown out of the organization that led the popular uprising of 2003:

“‘Abel Mamani should have asked permission from the neighborhood councils to take the portfolio for water. But he didn’t, and there is discontent among the people of El Alto because of this.’

“In the same vein, Fejuve leader Jorge Chura said that Evo Morales had made a mistake in appointing Mamani as minister of water. ‘Mamani is being very much questioned; what is more, he has been disavowed by six districts. We are not against having somebody from El Alto being named minister, but this appointment should have been discussed in an expanded meeting of the councils. Mamani used Fejuve for his personal objectives.’”

In fact, despite the fact that Fejuve formally took a position in support of forming a revolutionary government based on the mass organizations, Mamani tried to get a place on the slate of Morales’ party in the parliamentary elections.

Other ministers were rejected by various unions. The fact that The Economist ignored Morales’ right-wing appointees and the rejection of them by the mass organizations probably reflects the briefings the capitalist press is getting from imperialist government officials.

And this in turn probably reflects the pressures these governments are bringing to bear on Morales and their lack of confidence that he can control the mass movement in his country.

In fact, following his election, the COB union federation announced that it was “besieging” the new government, campaigning for it to meet demands for a real nationalization of the country’s

natural resources, a breakup of the big landed estates, and an immediate increase in the minimum wage. On Jan. 27, Econoticias reported that the Morales government denied it had ever promised an increase in the minimum wage but that there was documentary evidence that his party had.

It is clear that Morales is just another populist politician in a long Latin American tradition. His objective is to keep the mass revolt against imperialist and capitalist exploitation within the bounds of the existing economic and parliamentary system. But he is facing a more dynamic and conscious mass movement than similar populist leaders in the past.

Thus Bolivia remains a powder keg, and the imperialists have good reason to be worried. Supporters of the right of self-determination and the rights of labor have to remain alert to oppose imperialist threats to Bolivia and attempts by the capitalist press to project an image of the developments in the country designed to justify imperialist pressures and even eventually intervention.

Bolivia: The Cockpit of the Radicalization in Latin America

by Gerry Foley / July 2006 issue of Socialist Action newspaper

The government of Evo Morales suffered serious setbacks in the elections for the Constituent Assemblies and in the referenda on autonomy held in the country's nine departments. (In Bolivia, a department corresponds to what are often called "provinces" in other countries. The "provinces" in Bolivia are smaller subdivisions).

In the Constituent Assembly elections, Morales' party, the Movimiento al Socialismo (MAS), got 135 out of the total of 255 seats in the Assembly, or a bare majority, not enough to make any major changes in the constitution. Morales had said that he expected a vote of more than 70 percent, as he had a right to expect given his approval ratings of over 70 percent in public opinion polls.

Instead, the MAS got about 51 percent. The result was a glaring contradiction and indicates either that the type of approval he is getting is superficial or that those who generally approve of him were not sufficiently motivated to vote.

Autonomy was rejected in the five highland departments in which the MAS (and the left historically) enjoy a large majority. But it passed overwhelmingly in the departments of Santa Cruz and Tarija in the southeast, as well as in the other southeastern departments of Beni and Pando. These are regions dominated by a right-wing, white land-owning oligarchy, which is seeking means to defend itself against the left and indigenous majorities in the highlands.

This is also the area in which the great bulk of the oil, natural gas, and other natural resources that constitute the main potential wealth of the country are concentrated. In this region, the oligarchy has threatened outright separation from Bolivia if the national government harms its interests.

In the Constituent Assembly elections, although gaining a slim majority of the popular vote, the MAS far outdistanced its nearest rivals. In the referenda on autonomy, nationwide, the "no" vote was 56 percent. That enabled the MAS and Morales to claim that they won both elections. But in reality they were denied any effective mandate in the Constituent Assembly vote while the right wing strengthened its hold on vital departments.

Thus, the "victories" were Pyrrhic—that is, in reality, defeats. In Santa Cruz, the MAS actually slightly outdistanced Podemos, its major opponent in the popular vote. In that department also, MAS and Podemos got the same number of Constituent Assembly seats. But the "yes" vote on autonomy in that key department was 78 percent.

The path to both of these defeats was paved by Morales and the MAS itself. Morales waffled on the question of autonomy and only came out clearly against it at the end of the campaign. Immediately after his election in December, for example, he went to Santa Cruz, addressed the

local oligarchy's main club, and praised them for raising the proposition of autonomy. He now pledges to respect the mandate for autonomy that the oligarchy won.

In the case of the Constituent Assembly, Morales' promises that it would "refund" Bolivia obviously did not electrify the masses. The Bolivia press commented before the election that there was general apathy.

In that respect, the promise by the vice president, Alvaro Linera, that the Constituent Assembly would only change 20 percent of the constitution certainly did not strengthen its appeal to the masses. It meant that the MAS intended to keep an essentially bourgeois constitution and thus would not fundamentally change the situation of the poor and oppressed.

In the wake of the July 2 elections, the right-wing parties are declaring that they accept that the MAS is the majority party in the country but emphasize that it does not have a sufficient mandate to impose its own program and therefore must rule by "consensus"—in other words, not implement any reforms that would seriously harm the interests of the capitalists and the landlords. That tightens the trap into which Morales has stepped.

On the other hand, having gained the presidency of Bolivia and a tenuous majority in national parliament on the back of three near insurrections in the past four years, Evo Morales is obviously under pressure to meet the material demands of the Bolivian masses.

For example, when he delayed in making good on his promise to nationalize the oil and natural gas fields, his approval rating dropped by 12 points in a matter of weeks. It is also clear that he and his government are trying to stay within the limits of the capitalist system.

When Morales finally nationalized the hydrocarbons, the nationalization was of an extremely limited type. It fell far short of the nationalization of the natural resources that followed the revolution of 1952 and that was liquidated by the privatizations of the 1990s. It did not go beyond the state control on foreign oil companies imposed by conservative oil-producing countries (like Saudi Arabia) that are bastions of world capitalism.

It did, however, substantially increase the Bolivian share of the profits from the previous pittance. That was welcomed by the Bolivian people and deplored by the oil companies. The latter are now pressuring the Bolivian government to cut even their modest losses. It is far from clear how much Bolivia will gain from the final settlement.

One of the most pressing demands Morales faces comes from the peasant movement, in particular since his party, the Movimiento al Socialismo (MAS), is mainly based on the peasantry. The second of the major reforms offered by Morales is a response to the demand from land from peasants who have little or none.

However, in this area also, the Morales reform is quite limited. It calls for the distribution of 2.2 million hectares of state-owned land to peasants and small holders, without touching the 25

million hectares owned by 100 big land-owning families. (By comparison, 2 million peasants hold only 5 million hectares.)

Moreover, the government has responded to the fears of the landowners that these meager land grants will encourage the peasants to seize more land by insisting that it will repress any land occupations.

El Mundo, the main paper of Santa Cruz province, where the most desirable available land is concentrated, reported June 8: "With respect to the seizure of land by peasants and presumed activists of the MAS, the authority [INRA, the agrarian reform agency] reiterated that it would not permit such illegal practice, 'regardless of where it comes from, either in the east, the highlands, or the valleys.'"

What this means was made clear on June 13 when the police attacked peasants in the highland region of Oruro who were occupying land and blocking roads to press their demands. The Bolivian radical website Econoticias reported: "Bolivian police forces this Tuesday attacked landless peasants, beating up the leaders and clearing the highland highway. Three persons were arrested, including the main leader of the Movimiento Sin Tierra, Angel Duran, who was jailed.

According to El Mundo (June 15), "Reports from the city of Oruro, where a landless peasant was shot to death on Friday, recount that yesterday evening, dozens of police dispersed the peasants and local people with teargas." One of the peasant leaders arrested was Felipe Morales, a first cousin of the president. Duran was later charged with "sedition" and advocacy of "armed rebellion."

The daily El Diario, published in the capital city of La Paz, reported June 8 that joint action of the police and military were planned to prevent land seizures and conflicts over land. It noted that the intervention of the army would be necessary because of the inadequacy of the police.

In addition to their fear that Morales' land reform would uncontrollably arouse the land appetites of the peasants, the landlords were worried by its proposal to distribute land illegally acquired by rural bosses and "unproductive" land. The latter two categories are subject to different definitions, notably by the landlords and the land-hungry peasants, and also by the MAS government, which accuses a number of rightist politicians and rural strongmen of having illegally acquired land under previous neoliberal governments.

The question is complicated by the fact that most of the available land is in the southeastern provinces of Santa Cruz and Tarija, which are controlled by the rightist opposition. The right wing got a large majority of the vote in those two lowland provinces in the December elections. Morales was put in office on the basis of the high vote he and the MAS got in the highlands.

Although Santa Cruz contains a number of strategically situated forest Indian communities, the population is largely of European origin and culture. (In fact, many of the landowners are

German and East European refugees from the fall of Hitler's empire.) The landless peasants largely are indigenous people living in the more populated highlands, where the revolutionary tradition of the country has been centered, mainly among the miners and in the working-class areas.

In addition to the conflict between the landowners and the peasants in general, there is also a division between the local peasants in Santa Cruz and newcomers from the highlands.

El Mundo reported June 14: "In the early hours of this Tuesday, the Federacion de Trabajadores Campesinas de Santa Cruz [Santa Cruz Rural Workers' Confederation] opened its lists to sign up rural workers so that they will get 'a piece of land' in the department [province] before migrants from the interior, the executive secretary of this organization ... noted: He also said, by way of denunciation, that the government party ... already has lists that provide for a massive immigration from the west to occupy land in Santa Cruz."

The Santa Cruz landlords have organized their own armed gangs to defend lands that they claim against peasant occupations. Despite the government's assurances, they do not trust Morales' ability to repress peasant occupations. And in this respect, they have reason to fear. The previous national upsurges in 2003 and 2005 came to the brink of shattering the armed forces.

And the MAS is essentially a peasant-based party. Morales is unlikely to be able to use the army and police consistently or on a large scale to repress the peasant movement. In fact, the Mexico City daily La Jornada reported June 24 that Morales has pledged not to repress social protests. And the peasant movement itself is apparently not ready to subordinate itself to the MAS and its government.

La Jornada reported June 14, "The Movimiento de los sin Tierra [MST, Landless Movement] decided to give President Morales' to the end of the month to proceed in distributing the state-owned lands. Otherwise, they will initiate a series of mass land occupations.

"The MST is also demanding that the handover of the land be accompanied with plans for community development and the granting of titles for the lands occupied by the MST throughout the country. Another demand is for the freeing of the indigenous people who have been imprisoned just for fighting for a piece of land."

Morales is obviously caught between two fires. His statements and gestures have been more radical than his concrete actions. Recently, he has accused the U.S. of smuggling in intelligence agents disguised as students and tourists. The U.S. is no more likely than the landlords to trust Morales.

In its June 23 issue, the Bolivian daily La Razon noted an article in the Miami Herald that had given an account of a report presented to the U.S. administration by the Latin America USAID director for Latin America, Adolfo Franco: "According to the article, Franco said that 'Evo

Morales and his Movimiento al Socialismo have constantly vacillated in their economic policy, the fight against drugs, and their attitude to democracy.'

"The functionary suggested that 'the patience of the White House is beginning to be exhausted,' although various U.S. authorities have declared that they continue to intend to establish dialogue with 'the Aymara indigenous leader.'"

The article said that the U.S. feared that Morales would use the constituent assembly that is about to be elected to impose an "antidemocratic" constitution modeled on the Bolivarian Constitution of Venezuela. It is, of course, reactionary propaganda to call the Venezuelan constitution "antidemocratic." It is the most democratic of bourgeois constitutions. But it does offer a lot of rights to working people that go against the grain of the U.S. imperialists and their Latin American clients.

However, if the U.S. rulers have decided that they want to move against Morales' regime, they have much more deadly instruments at their command than a few intelligence agents that they might smuggle in as tourists or students. They have the rightist oligarchs of the southeast in their pocket, the threat of Santa Cruz separatism, and troops in neighboring Paraguay.

They also have the threat of not renewing the current trade treaty with Bolivia, which is worth \$300 million to the country, almost equal to the Bolivian state's income from hydrocarbons before the partial nationalization. Bolivian Vice President Alvaro Linera was scheduled to visit the U.S. in the last week of June to negotiate a renewal of the treaty.

If the U.S. rulers have decided to mount an attack on the Morales government, it will soon be revealed by large events. If that happens, it will be important to mobilize the masses in Bolivia and throughout Latin America against it, as well as to arouse world public opinion. But that can be done more effectively if Morales goes beyond words and actually moves to meet the demands of Bolivian working people—taking actions that inspire active mass support.

Unfortunately, Morales has weakened his position relative to the oligarchy in Santa Cruz by taking a vacillating position on the autonomy referendum that they are pushing in order to gain weapons against a central government that they suspect will go against their interests.

According to Morales' statement reported in the La Jornada article of June 24 mentioned above, it seems that he has begun to become alarmed at the machinations of the Santa Cruz strongmen. But he previously tried to accommodate them.

In the meantime, how much maneuvering room Morales has depends to a large extent on the result of his campaign to win control of the country's major trade unions and mass organizations. He needs to be able to control the mass organizations to keep them from going beyond the limits he clearly wants to maintain.

During the runup to the July 2 elections, a battle was fought for control of the Confederacion Obrera Boliviana (COB), the country's national trade-union confederation, which had called for the rejection of bourgeois parliamentarianism and the establishment of a government based directly on the mobilized masses.

With the support of the state institutions, MAS supporters sought to wrest control from the left. It appears, however, that they failed at least to win a decisive victory.

Econoticias said that they won "halfway" control and that the new chair of the organization, Pedro Montes, "a former Trotskyist," was a sympathizer of the MAS. However, both Montes and the COB as a whole rejected the Constituent Assembly elections as a deception, a clear defiance of Morales and the MAS leadership.

Prior to this fight, the MAS failed to win control of the La Paz teachers' union, another union that supported the demand for a people's assembly. The union continues to be led by a Trotskyist party, the Partido Obrero Revolucionario.

The political situation in Bolivia thus remains very volatile. Overall, the country is a laboratory for tactics and strategies to take the radicalization that has arisen in Latin America in the last decade beyond populism and toward socialist revolution. If there were a major advance in this direction even in this small and landlocked country, it could change the history of the world. The stakes are very high and rapidly rising. It is likely that the mass movement will overstep Morales' limits. But it is unlikely that a socialist revolution can be achieved by backing into it. Such a process needs to be led. Without consistent leadership it risks falling victim to a counterrevolutionary onslaught from imperialism and its local clients.

There are revolutionary nuclei in Bolivia, and there is an extensive social vanguard that emerged in the near insurrections of 2003 and 2005. These forces are now being tested.

The revolutionary party that is needed could emerge very quickly. But that depends on both the consistency and the tactical flexibility of the present nuclei, on their ability to base themselves on the mass movements without subordinating themselves to Morales and his heterogeneous peasant party, the MAS.

Morales Seeks Compromise With Right Wing in Bolivia

by Gerry Foley / December 2006 issue of Socialist Action Newspaper

Since Evo Morales was voted into the presidency by a substantial majority in the December 2005 elections, the political and social situation in Bolivia has remained fluid.

This is hardly surprising since the country experienced two national mass upsurges that came to the brink of insurrection in 2003 and 2005. But it does demonstrate that Morales has not satisfied the demands of the masses who drove his predecessors from office.

Since assuming the leadership of the country, Morales' popularity ratings, although not yet falling below a majority, have fluctuated dramatically. This is explained by his promises of radical change on the one hand, and the very limited results on the other, as well as by Morales' fast footwork.

Morales' popularity rating was plummeting before he announced the nationalization of the country's hydrocarbon resources on May 1, and it was plummeting again when an open war opened up between the cooperative miners and the unionized miners at the Huanuni tin mine at the beginning of October.

The national union confederation, the COB, was threatening a general strike in support of the unionized miners. Morales responded by rebuffing the cooperative miners, even though they were linked to his party, the Movimiento al Socialismo (MAS). Moreover, the "cooperativistas" were presumably stars of the "Andean capitalism" proclaimed in particular by his vice president, Alvaro Garcia Linera—that is a sort of "people's capitalism" of small enterprises.

Morales ousted his minister of mines, Walter Villarroel, who was linked to the cooperatives, and appointed Jose Guillermo Dalence, reportedly a former miners union leader, as his replacement.

The miners' cooperatives are subcontractors, many of which employ workers who do not get the benefits and guarantees of the unionized workers. According to the radical news service Econoticias of Oct. 31, they control about a third of Bolivian mining production. The big foreign capitalist companies control about two thirds, and the state corporation, Comibol, only about 5 percent.

The conflict at the Huanuni mine, a hotbed of working-class revolutionary ideas, was provoked by the attempt of the cooperatives to grab more of the mine, while the unionized miners were demanding that Comibol hire more workers.

Morales defused the conflict by announcing that the mines would be renationalized and offering 4000 jobs for the cooperative miners under Comibol. His decision was a concession to the miners union, but a very limited one.

The only mine where nationalization was extended was Huanuni, which accounts for about 4 percent of Bolivian minerals exports. Further nationalization was promised for next year.

However, Econoticias reported Oct. 31: "The government, through Vice President Alvaro Garcia Linera, assured that all the concessions that the state, as the owner of the mines, granted to the native and foreign private companies, whereby they make only token payments of royalties and taxes, will be respected."

The article also noted: "In its first nine months in government, the indigenista neoliberal policy continued, with the privatization of the world's biggest iron mine, El Mutún, to the [East] Indian transnational Jindal, with a series of onerous concessions, such as a subsidized price for natural gas that amounts to transferring \$100 million a year to Jindal along with permitting massive exploitation of raw materials with a low level of industrialization (only 5 percent of the iron mined will be made into steel.)"

At the end of October, the Morales government signed contacts with the foreign oil companies that were affected by his dramatic May Day proclamation of nationalization.

Morales announced that the new contacts would bring billions of dollars of additional revenue to Bolivia, enabling it to solve all its social problems. The government sweetened its announcement by beginning immediately to hand out payments to school children that it said were the fruits of the new income.

However, a closer look at the deal with the oil companies indicates that it was far less favorable to the Bolivian government than Morales had claimed.

Morales revealed that the deal offered legal security to the big corporations for 30 years. He was quoted in the Oct. 30 *Le Monde* as saying: "We are going to respect what the companies have always demanded, judicial security. We will never violate these transparent contacts. We have assured our sovereignty over our resources without confiscation and without expelling anyone."

One indication, moreover, that there was something fishy about Morales' claims of victory in Bolivia's dispute with the oil companies was the fact that these rapacious capitalist corporations declared their satisfaction with the deal.

Econoticias reported Nov. 1: "The chairman of Petrobras in Brazil [the largest oil company operating in Bolivia], Sergio Gabrielli, said Tuesday at a press conference that the firm signed the contract because it was more favorable than that projected by the nationalization decree and did not require the company to make new investments."

Furthermore, Petrobras announced in a press release that the Bolivian government's share of the oil profits would only increase by four percent over the level established by the law that was on the books before Morales took office.

Econoticias noted: “Since the signing of the new contract between the YPFB [the state oil company] and Petrobras, Brazil’s minister of mines and energy, Silas Rondeau, maintained that both sides had to ‘yield’ in order to achieve an agreement, and thereby showed clearly how it is possible to overcome small differences strategically: ‘Certainly Bolivia gave something, certainly Petrobras gave something. I do not know who gave most, but both sides are satisfied.’”

Petrobras announced that the profits would be shared 50/50 with the Bolivian state, after the company recovered its investments.

However, the audits that have been done since May have shown that the oil companies greatly exaggerated the real extent of their investments. Furthermore, the major profits from the hydrocarbons industry come from the processing of oil and gas, not from the sale of the raw materials as such. And from the former, Bolivia will not collect a cent.

Even Morales’ former minister of hydrocarbons, Andres Soliz Rada, pointed out in a statement published Nov. 15 in *El Mundo*, the major daily in the right-wing stronghold of Santa Cruz, that the deal allowed the companies to post their Bolivian holdings as assets and therefore raise capital based on them, thereby depriving the Bolivian state oil corporation of that possibility and thereby of acquiring the means for doing its own investment in the development of the oil fields.

Soliz also lamented that Morales had promised the oil companies that there would be no expropriations. He said that such measures were essential, although he proposed only expropriations with compensation. Moreover, a Nov. 1 Reuters dispatch reprinted by Econoticias noted: “The contracts are mostly symbolic, since a lot of issues remain to be negotiated, mainly the price of the natural gas that the mountain country sells to Brazil.”

Obviously, the actual sum accruing to Bolivia will be a percentage of this price. So what Bolivia will finally get remains unclear. The accounting practices of the oil companies involved have been notably fraudulent and shown to be so by what investigations the Bolivian government has been able to sponsor.

One of the basic accusations that the Econoticias staff have made against Morales is that he has exonerated the companies from any legal responsibility for their past robberies by signing these contracts. But it is clear that the new contracts do not fundamentally alter the exploitation of Bolivian resources by the oil companies. The rules of international capitalism remain firmly in place. And therefore, the basic dilemma of the Bolivian masses remains the same, despite the political hype of the Morales regime.

On the other hand, public tensions remain high between Morales’ government and the traditional right wing—essentially on three fronts. The first is the agrarian reform, which, despite limitations, worries the big landowners. The law was passed by the lower house of

Congress but stalled in the upper house, where the right has a small majority. Morales has called for peasant marches to try to put pressure on the Senate.

Then there is the law on the provincial governors, which would give the federal government more oversight and possibility even the ability to remove local officials. The right holds the majority of governorships, and notably all the governors of the provinces where the hydrocarbon resources are located.

And the third question is the Constituent Assembly, which is the depository of Morales' promises to "refound" the country on a basis more favorable to the masses, in particular the indigenous peoples. Morales' problem is that in the elections to the Assembly, his party failed to get the two-thirds majority that the original rules required for the adoption of changes.

Recently, the MAS has incensed the right by changing the rules to permit the adoption of changes by a simple majority. But it remains unclear what effect this will have since the final document can still only be approved by a two-thirds majority. Thus popular changes could be thrown out at the end of the process in the name of making a necessary compromise with the right in order to get the new constitution adopted.

These tensions reveal the die-hard reactionary nature of the Bolivian right, but Morales in every case has called for more "dialogue" with the parties of the oligarchy to overcome them. It is hardly likely in these circumstances that there will be substantial changes in the way the country and its economy are run.

In other words, although Morales was elected on the back of the upsurge against exploitation by imperialists and local capitalism and landlordism, he is serving more as a cushion for these interests than as a battering ram against them. His identification with Cuba and the anti-imperialism of Hugo Chavez in Venezuela serves him more than his proclaimed international comrades.

If the workers and peasants of Bolivia are going to achieve their aims and counter the backlash of the right, they will need to be able to get Morales out of the way and find a leadership that genuinely represents their interests.

Rightists Build Parallel Government in Bolivia

[by Gerry Foley] 2008

A latent civil war in Bolivia was defused temporarily by a holiday truce and the Morales government's offer of "dialogue" with its right-wing opposition. But the rightists continue to consolidate a regime of reactionary and racist terror in the southeastern provinces, known as the "Media Luna" (the "Half Moon"), and in some border areas, notably Sucre, the country's judicial capital.

The southeastern provinces, called "prefecturas," have a majority Caucasian or mixed population, and have historically been dominated by the right. The highlands, or "Altiplano," has a predominately indigenous population, which forms the national majority and has a radical tradition.

One of the objectives of the rightists was to transfer the political capital of the country from La Paz, which is in the highlands and subject to the pressure of the radicalized masses, to Sucre, which is in an intermediate zone. Pushing this demand, the rightists organized riots in Sucre that forced the prefect of the province, a member of the ruling party, to flee and plead for asylum in Peru.

The opposition-governed "prefecturas" have in fact seceded from the country for most practical purposes. (Formal secession would be difficult because U.S. imperialism and the neighboring bourgeois governments undoubtedly fear that the breakup of the Bolivian state could create dangerous instabilities in the region.).

It is possible that the local conflict between a reactionary racist ruling class in the Media Luna and a government that claims to represent the indigenous majority has developed a dynamic of its own. But the secessionist right is the pillar of bourgeois power in Bolivia and, however reluctantly, in the last analysis U.S. imperialism will continue to rely on it.

The most important of the southeastern provinces has long had an important fascist tradition represented by the Falange, as well as other groups. Many of the local landowners are German and south Slavic refugees from the defeat of Nazism in Europe. As it happens, the chairman of the Santa Cruz Comite Civico is a Branko Marinkovic.

The "Civic Committees" in the separatist provinces are parallel government bodies, along with the newly formed Provisional Autonomist Assemblies. The rightists have whipped a campaign of hysteria about a possible influx into the lowlands of indigenous peasants from the more densely populated Altiplano. The "autonomists" are demanding that the royalties paid by foreign companies exploiting Bolivian natural resources go first to the prefectural governments, which can then decide how much they want to send to the national government, and that the prefectures establish their own citizenship rules.

Most of the available agricultural land and the most profitable resources (oil and natural gas, as well as iron and magnesium) are concentrated in the southeastern prefectures. The natural resources on which the Bolivian economy was based in the past – the silver, lead, and tin mines – are concentrated in the highlands, and their profitability has been declining for a long time.

Thus, Morales cannot allow the rightists to erect their own kingdom in the southeast. But he has not shown any determination to fight them effectively. From the beginning of his government he has tried to make an accommodation with them, initially even claiming to favor autonomy of the prefectures. He made no attempt to mobilize the indigenous peoples of the lowlands, who occupy many of the oil and gas-producing areas, to demand their own rights.

He says he relies on the army to defend the integrity of the country. This is the same army that protected the former neoliberal presidents, who were overthrown by mass upsurges, and the same army that was the basis of the Barrientos dictatorship, which liquidated the gains of the 1952 Bolivian revolution and was rooted above all in the southeast. And he is trying to reinforce his political authority by calling a referendum to renew his mandate.

His remedies are like trying to cure a disease with a paralytic poison. They run directly counter to the only effective means of fighting the right – that is, mobilizing the poor masses of the country to take their fate in their own hands by establishing their own organs of direct democracy and taking full control of the country's economy.

In the last election, Morales and his party, the Movimiento al Socialismo (MAS), won 54 percent of the vote nationally but lost the government of key prefectures to the right, which are now the spearhead of the right-wing uprising against his government. The right in the southeastern provinces is not going to be impressed by an electoral majority in the indigenous highlands. And in the southeastern provinces and some other areas, like Sucre, all opposition to the rightists has been driven underground.

It is necessary for the workers movement and the poor and oppressed population to oppose the attempts of the right to overthrow the Morales government. But they cannot do this effectively if they subordinate themselves to it. They need to mobilize independently and fight for their own interests and their own demands.