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WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name FONTAINE, ROGER: FILES

Withdrawer

KML 9/22/2011

File Folder BOLIVIA (DEC 1980-MAR 1981)

FOIA

M10-353/1

Box Number 1

DENNISON

21

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
119235	MEMO	RE ASSESSING GOB PERFORMANCE - DEMOCRACY <i>R 5/18/2015 M353/1</i>	1	12/2/1980	B1
119236	LIST	RE DOS AND OTHER AGENCIES	1	ND	B1 B2 B3
119237	PAPER	RE BOLIVIA <i>R 5/18/2015 M353/1</i>	14	ND	B1
119238	CABLE	LA PAZ 0625 <i>R 5/18/2015 M353/1</i>	3	1/30/1981	B1
119239	MEMO	RE ASSESSING GOB PERFORMANCE - NARCOTICS <i>R 5/18/2015 M353/1</i>	1	12/2/1980	B1
119240	MEMO	RE ASSESSING GOB PERFORMANCE - HUMAN RIGHTS PRACTICES <i>R 5/18/2015 M353/1</i>	1	12/2/1980	B1
119241	MEMO	RE ASSESSING GOB PERFORMANCE - ECONOMIC POLICY <i>R 5/18/2015 M353/1</i>	2	1/31/1987	B1
119245	LETTER	STEVE DACHI TO ROGER FONTAINE RE BOLIVIA <i>R 4/15/2013 M353/1</i>	2	2/4/1981	B1

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
119242	MEMO	ROGER FONTAINE TO RICHARD ALLEN RE IG MEETING ON BOLIVIA (WITH NOTATIONS) <i>R 5/18/2015 M353/1</i>	2	2/9/1981	B1
119243	MEMO	SAME TEXT AS DOC 119242 (WITHOUT NOTATIONS) <i>R 5/18/2015 M353/1</i>	2	2/9/1981	B1
119244	MEMO	ROGER FONTAINE TO RICHARD ALLEN RE PROPOSED MEETING <i>R 5/18/2015 M353/1</i>	1	2/26/1981	B1
119246	MEMO	FOR THE RECORD RE MEETING <i>R 4/15/2013 M353/1</i>	2	3/18/1981	B1

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MEMORANDUM
CONFIDENTIAL

SUBJECT: Assessing GOB Performance --
Guidelines on Restoration of Democracy

The following series of steps would demonstrate the GOB's commitment to restore democratic government:

A. Immediate

1. Public pledge by the GOB to restore democracy within a stated period, preferably not to exceed three years.
2. Incorporation of civilians in key policy positions in the GOB.
3. Removal of restrictions on the functioning of political parties.
4. Restoration of freedom of speech, assembly and press.

B. Longer Term

1. Establishment of a date for the election of a constituent assembly which will draft a new constitution.
2. Holding of free and fair elections for the constituent assembly and seating of the body.
3. Promulgation of the constitution drafted by the constituent assembly.
4. Holding of free and fair municipal elections for mayors and city councils.
8. Holding of free and fair national elections for a congress and executive.

CONFIDENTIAL
GDS 12/2/80

DECLASSIFIED
NLRR M3531 #119235
BY RW NARA DATE 5/18/15



DEPARTMENT OF STATE

Washington, D.C. 20520

File
Bolivia 2

~~CONFIDENTIAL~~

February 2, 1981

MEMORANDUM

TO: See Distribution **LE**
FROM: Luigi R. Einaudi, Executive Secretary NSC/IG-ARA
SUBJECT: Policy Paper for Interagency Meeting on Bolivia

As promised in Mr. Morley's memorandum to you of January 28 on the ARA Interagency Work Schedule, attached is a copy of a policy paper to be discussed at the February 3 Interagency meeting on Bolivia. Please review it carefully before the meeting. Participants should be prepared to speak for their agency/bureau.

Please note that the meeting in Room 6909 of the State Department is now scheduled for 4:00 p.m. rather than 4:30 as previously indicated and will be chaired by Acting Assistant Secretary of State for Inter-American Affairs John A. Bushnell.

Attachment:
Policy Paper

~~CONFIDENTIAL~~
GDS 2/2/87

DECLASSIFIED
Dept. of State Guidelines, July 21, 1997
BY KML NARA, DATE 9/21/11

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Ronald Reagan Library

Collection Name

Fontaine, Roger: Files

Withdrawer

KM 9/22/2011

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File Folder

BOLIVIA (DEC 1980-MAR 1981)

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1

21

<i>ID</i>	<i>Document Type</i> <i>Document Description</i>	<i>No of</i> <i>pages</i>	<i>Doc Date</i>	<i>Restric-</i> <i>tions</i>
119236 LIST		1	ND	B1
	RE DOS AND OTHER AGENCIES			B2
				B3

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SECRET (ENTIRE TEXT)

POLICY PAPER ON BOLIVIA

I. THE ISSUE: How can US interests best be protected and advanced in Bolivia?

II. UNITED STATES INTERESTS

The United States has three principal interests in Bolivia:

1. Avoiding a radicalization of Bolivia.

Bolivia has a long history of instability with many changes of government. However, the regime which came into power by the the July 17, 1980 coup is qualitatively different from any in recent history in its level of brutality, venality, and unpopularity. Authoritarian regimes which respond to popular demands for order and responsible programs with good government and restraint in the use of power can be positive for a time until the desire for political freedom reasserts itself. But when a regime combines incompetence with broad abuse of power, as is the present Bolivian case, it polarizes the society, increases the likelihood of escalated violence, weakens the center, and strengthens the hand of the extreme left. In view of Bolivia's generally small role in hemisphere and world affairs, Marxism there would not be a matter of serious concern for us were it not for (a) our preference for democracy in the hemisphere and (b) the negative effect Marxism, or a threat of Marxism, in Bolivia could have on the politics of neighboring countries.

2. Avoiding a signal to others that would tend to discourage democratic forces and encourage authoritarian or totalitarian forces.

The Garcia Meza regime effectively controls the country, but the majority of Bolivians oppose the continuation of authoritarian military rule, particularly by the present governing group. The Church, labor, the educated elite and most political party leadership strongly oppose this

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NLRR M3531 #119237
BY RW NARA DATE 5/18/15

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government. Initial support by sectors of the business and banking community is eroding because of the regime's incompetence and abusiveness. There is a group within the armed forces who believe the military should retire to barracks and dedicate itself to becoming an effective national defense force. These more moderate and modernizing elements of the society appreciate the efforts of the United States to encourage restoration of democratic government.

Elsewhere in the hemisphere, and also in Europe, democratic forces take the United States attitude toward this Bolivian regime as an unusually clear indication of our attitude toward democracy and responsible government in Latin America.

3. Containment of the drug traffic.

Bolivia produces much of the cocaine smuggled into the US. Past Bolivian governments have tolerated this activity, and senior government officials have aided, abetted and profited from it, but the degree of complicity of the present government is unprecedented. The senior law enforcement official of the GOB, the Minister of the Interior, is himself a major trafficker and oversees and extracts pay-offs from others in the business. Additionally, we have strong evidence that the Minister of Education is a trafficker and that President Garcia Meza, although he may not be directly involved, is aware of the activity and benefits either politically or personally from funds deriving from it. Many others in top official positions are also a part of the narcotics business.

All interests other than the above three are of a lower order of importance. However, the United States has a significant humanitarian interest in a successful Bolivian economic and social development effort.

III. BOLIVIAN INTERESTS

The primary interests of the principal members of this Bolivian Government are continuation in power and personal gain. Garcia Meza is interested in the strengthening of the military institution, but his stewardship works against that interest.

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-3-

The primary interests of the majority of the Bolivian people are a change to a responsible, responsive government and concentration on sound economic programs.

IV. BACKGROUND

Bolivia has been marked by political instability throughout its existence. Nevertheless, by 1979, when a military government peacefully transferred power to an interim civilian government for the first time in almost 15 years, Bolivians and their principal political institutions had achieved a remarkable degree of consensus on how their competing interests should most properly be articulated and met.

The authoritarian Banzer government gave Bolivia an unusual period of political stability and substantial economic growth. The progress, especially in the early years of the Banzer government, coupled with the promise of a return to democracy at the end, moderated the left and contributed to a broader, democratically oriented center in Bolivia. By 1977, however, it had become increasingly corrupt and its economic performance had also deteriorated. The public had tired of it and was ready for return to democratic government. In 1977, too, most Bolivian armed forces officers in command positions accepted the idea that the military should return to the barracks. When those commanders retired and their places were taken by the current leadership, and when the Bolivian legislature attacked General Banzer in a way that seemed to threaten the armed forces as a whole, the institutional orientation of the armed forces changed to the detriment of continued civilian rule. This led to the November 1, 1979 and July 17, 1980 coups.

The new military leadership alleged that its principal concerns were the disorder and inefficiency of civilian government and the threat of Marxism. In fact, the disorder was to a considerable extent the result of disruptive military actions. No credible threat of Marxism existed. The real motivations of the new set of military leaders (whether Natusch who made the first coup attempt or Garcia Meza who led the second one) were personal ambition and greed.

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-4-

The military did not actively support the interim civilian government. On the contrary, it criticized it, entered into polemics with the legislature, perpetrated terrorist incidents that it blamed on the left, and then harassed the left. In a celebrated case last March, a left-leaning priest was brutally assassinated. His assassination is widely attributed to the present Minister of Interior who was then an army intelligence officer.

Although there were Marxists or ex-Marxists in the interim government, it carried out conservative, center-oriented programs, including a courageous stabilization effort. It also conducted on June 29 one of the most honest and fair elections in Bolivian history, despite claims by the military that there was widespread fraud. The coalition led by Hernan Siles Zuazo which won a plurality in those elections included Communists, but Siles had told us none would be included in his government were he to win the run-off. The left-leaning MIR, which was a minority partner in his coalition, had become non-violent and, together with Siles, was committed to moderate government and respect for the Armed Forces.

The army is the most powerful institutional player in the Bolivian political scene but it cannot act in complete isolation. Today, as in the past, military leaders realize that their ability to retain power for extended periods requires at least the partial support of key civilian elements. Garcia Meza has attempted to involve select business and financial leaders in his administration (mainly followers of former President, General Hugo Banzer) by creating an advisory board. However, their involvement is limited and Banzer, with Argentine encouragement, is staying at arms length. Garcia Meza is not backed by other Bolivian institutions: the Catholic Church has strongly condemned the coup, the media suffers government intimidation and political parties and unions have been suppressed. The escalation of brutality on January 15, with the killing of eight opposition politicians by paramilitary forces under the orders of Interior Minister Arce, has shocked even some conservative elements who previously condoned or supported this regime.

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The present Bolivian Government systematically violates the human rights of large numbers of people, resorting to mass detentions, torture and summary executions. This repression and the frustration of a democratic out-tends to radicalize Bolivian society to the advantage of the extreme left. In the long run it could lead to another Nicaragua-type situation. The eventual effect of such policies is to discourage moderate, democratic elements in Bolivia and elsewhere in the hemisphere and to encourage authoritarian or totalitarian regimes.

The present GOB is also deeply involved in the manufacture, distribution and sale of cocaine. Senior officials of the GOB, including President Garcia Meza, rely upon proceeds from illicit narcotics operations to buy the loyalty of key military commanders and for personal enrichment. Known narcotics traffickers and manufacturers receive the official protection of the Ministry of Interior for their activities.

To date, USG policy toward Bolivia has sought to achieve improvements in GOB policies on human rights abuses, narcotics involvement and interruption of democratic process. A sound economic program is also desirable. In pursuit of these changes we have:

- Withdrawn the American Ambassador and cut sharply the staff of the American Embassy at La Paz,
- Eliminated the security assistance program and removed the Military Assistance Group from Bolivia,
- Significantly curtailed development assistance,
- Closed the DEA office in La Paz,
- Joined twice with the other members of the Andean Pact to adopt resolutions in the OAS expressing concern over the situation in Bolivia,
- Persuaded most other democracies in Latin America and Europe not to resume normal relations with the GOB under existing circumstances, and
- Avoided policy level contacts with representatives of the GOB.

9

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-6-

We have communicated clearly to the Garcia Meza government the four areas of greatest concern to us, despite the lack of direct, policy level contacts with it. In several informal contacts between unofficial emissaries of the GOB and the Department we told them that improvements in GOB performance on the issues of human rights, restoration of democratic government, economic policy and narcotics control were essential prerequisites to the resumption of more normal bilateral relations. Our Embassy in La Paz has had similar contacts during the past six months in which the same message was delivered.

In spite of these expressions of USG concern, there has been no significant improvement in GOB behavior or policies. The regime continues to use terror and brutality routinely as an instrument of policy, official involvement in narcotics trafficking has grown, there has been no serious attempt to address the country's basic economic problems and the regime has made no commitment to move toward an eventual restoration of democracy.

Within the hemisphere, only six countries (Argentina, Brazil, Uruguay, Paraguay, Guatemala and Costa Rica) have restored full diplomatic relations with the GOB. None is enthusiastic about the Garcia Meza regime. Even Argentina, which supported the coup, is pressing it through ex-President Banzer to change its character and policies. No major European industrialized democracy has normal relations with the Garcia Meza regime. Most such governments have believed thus far, as have we, that continued international isolation of the Garcia Meza regime is the approach most likely to bring about the positive changes we, and they, desire. However, some have become somewhat uncomfortable with isolation as time has passed with no changes in the GOB and are all watching us for signals regarding our future position. Peru's border disputes with Chile and Ecuador make it hard for Peru to remain firm on Bolivia. The US position has been that we would not normalize relations with Bolivia before the Andean group, which is most directly concerned with Bolivian matters.

Meanwhile, dissident officers in the Bolivian army continue to plot an overthrow of Garcia Meza. They see continued international isolation as an encouraging factor

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-7-

and the position of the United States as crucial. The conspirators' plans wax and wane in synchronization with their perception (and the regime's) of the likelihood of a resumption of more normal relations with Washington. They are also affected by the state of the economy and the general incompetence and corruption of this government.

Garcia Meza probably would like to make changes in his government, including the removal of Interior Minister Arce. Arce, who is the real strong man of the regime, as well as the principal source of its brutality and venality, would like to take over outright. Other military leaders have their own personal ambitions. Failed coup leader Alberto Natusch would like to make another try, perhaps this time supported by the "institutionalists" in the military. Air Force Commander and junta member Waldo Bernal would like to be president. So would the present head of Army Intelligence. They and a number of others are opportunists awaiting their time.

Over the short run, it is probable that the GOB will be under strong pressure to introduce somewhat more responsible economic policies. Private international bankers, who have twice agreed to permit the GOB to defer payments on commercial debt, will insist on IMF approval of an Extended Fund Facility (EFF) for Bolivia before they agree to reschedule short term obligations. The IMF, in turn, is unlikely to provide the EFF unless the GOB undertakes economic stabilization measures much more effective than those announced last January 9. The adoption of such policies might be accompanied by the inclusion in the government of more capable technicians and most of these may be adherents of former president Hugo Banzer.

Assuming the regime made an effort to include the moderately right-wing supporters of Banzer in such technical positions, Garcia Meza would have to show more restraint on human rights abuses and attempt to deal with the narcotics problem. In so doing, the regime would also be forced again to begin integrating and satisfying competing demands from other interest groups. It could not expect to continue closing newspapers it does not like or keep exterminating political opponents and still hope for meaningful support from business, industrial and banking sectors. It also could not permit

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-8-

the narcotics traffic to continue as it has for the same reason.

But moves in all these areas would run strongly against the grain of Interior Minister Arce, who is the present strongman. It is unlikely they would be carried out with him still in a position of responsibility in the government.

Against this background we make these assumptions:

- As presently constituted, the GOB cannot make credible commitments to change its policies of which we disapprove. In particular, it cannot do so without the departure of Interior Minister Luis Arce Gomez. His record of criminality, brutality and venality is such that there should be no supposition that he could change his spots.

We would prefer to see a broader change for the better of the principal protagonists and that may occur. We realize, however, that an immediate return to full civilian government is not in the cards. The best that can be hoped for is a responsible and responsive, rather than corrupt, incompetent and brutal, transition military regime.

- The other principal concerned European and Latin American governments largely, though not uniformly, share US views of this Bolivian government, and
- The Garcia Meza regime is inherently unstable. It lacks sufficient institutional support within the armed forces specifically and the rest of the country generally to survive the year unless it receives major foreign support. Left alone, it will fall, or at least change its personnel or character significantly.
- A continued testing of these assumptions for at least another six months or until the Andean countries on their own decide to normalize their relations with Bolivia (whichever occurs

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earlier), does no harm to our most important interests in Bolivia. On the contrary, it is more likely to forward them.

IV. OPTIONS

All options presented below assume a continuation of the effort to achieve a GOB commitment to:

1. End gross human rights abuses,
2. Drastically reduce drug traffic,
3. Announce and implement a program for a return to democracy, and
4. Implement a responsible economic program.

Illustrative benchmarks of progress in these four areas are attached.

All options assume prior consultations with and advice to principal concerned European and Latin American governments before action is taken. This is because on several occasions we have stated our belief that Bolivia's Andean Pact co-members should take the lead in any resumption of policy level contacts with the GOB, and our NATO allies have concurred with this approach. Failure to honor this commitment to the Andeans would be seen by them and the NATO governments as insufficient coordination. It would call into question our reliability in other areas.

OPTION 1

Maintain current policies. This would mean no high level substantive contacts between GOB and USG officials. No military assistance would be provided, development aid would remain curtailed, we would continue to oppose increased DMB assistance, the DEA office in La Paz would not be reopened and the American Ambassador would not return to Bolivia.

PRO:

- By continuing to avoid contact or normalize relations with the GOB in the absence of any performance improvements, we deny it a measure of legitimacy which Garcia Meza and his cohorts desperately want.

- The continued withholding of a resumption of normal relations encourages more moderate and modern elements within the armed forces to seize the initiative and oust Garcia Meza.
- Our stance will also lend encouragement to democratic elements elsewhere in the hemisphere and the world. In so doing, we reduce the attraction of the extreme left and the tendency to polarization.
- Limited humanitarian assistance programs administered by private voluntary organizations could continue unimpeded, providing help to the most needy.
- Given the current involvement of senior GOB officials in narcotics trafficking, this policy is best because it is impossible to collaborate with them on control efforts.
- Long term USG influence among responsible sectors is increased.
- The GOB is well aware of our conditions for renewal of more normal relations through informal channels. These conditions can be communicated again through the same channels.

CON:

- The avoidance of contact prevents us from communicating clearly and forcefully at the highest policy levels precisely what GOB policies we would like to see changed.
- We are prevented from developing and pursuing information on cocaine trafficking patterns which would permit greater seizures and interdictions.

OPTION 2

Re-establish policy level contact directly but privately. Communicate the performance improvements we would like to see directly to the Bolivian Charge or to a special

emissary the GOB may wish to send here for that purpose, seeking specific actions by Bolivia along the lines of the attached performance benchmarks before renewal of more normal relations. Perhaps send a special emissary to La Paz for this purpose to talk directly with Garcia Meza. As in Option 1, pending satisfactory improvements in performance, security and development assistance would remain as they are now, U.S. Embassy staff would remain at the present reduced level, the DEA office would not be reopened and no Ambassador would be sent to La Paz.

PRO:

- We could communicate clearly and forcefully the kinds of policy changes and specific actions we would like the GOB to adopt.
- Contact at this level would still be short of the close US embrace Garcia Meza hopes for and leaves us the option of resuming more normal relations at a later time, assuming there are specific, satisfactory improvements.
- This approach would not totally discourage democratic elements in Bolivia nor eliminate the possibility of positive changes in the makeup of the GOB.

CON:

- Since this option is a shift from our previous policy of no contact, the GOB would interpret it as an indication that its unwillingness to alter its behavior over the past six months was justified. It would be impossible to keep these direct contacts private. Bolivia would interpret them publicly as "resumption of relations". We would be forced to clarify publicly that relations had never been interrupted, only reduced to a low, administrative and consular level, that they had not returned to normal, and would not do so until Bolivian performance warranted.
- Peru and perhaps a number of other countries might well take this resumption of policy level

15

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-12-

contacts by the U.S., no matter how explained, as a signal to resume normal relations with Bolivia.

- The shift would thus reduce pressure on the GOB for positive changes in policies on the areas of greatest interest to us.
- Any assurances we got from this Bolivian government would not be credible.
- It is not necessary. We can communicate this Administration's views through the same informal channels used by the last Administration.

OPTION 3

Reestablish contact as in Option 2, and, without returning the American Ambassador to La Paz, return the DEA team provided first there is a positive response on narcotics control as a result of such contact. Perhaps also review PL-480 Title III assistance as a sweetener after the required program review.

PRO:

- With DEA once again in Bolivia, information on illicit narcotics trafficking patterns would improve.
- USG influence on the GOB would tend to be greater, with correspondingly greater possibility of achieving more performance improvements.

CON:

- We would convey legitimacy on the GOB.
- It is unlikely the GOB would truly reduce official involvement in narcotics as long as Interior Minister Arce, Air Force Commander Bernal and Minister of Education Coca remained.
- If improvements in narcotics actually occurred, but were not accompanied by parallel improvements in the other areas of principal interest to

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-13-

us, we would have provided USG support to the GOB without any corresponding concession in these important areas and make it that much more difficult to insist on further policy changes.

- It would raise doubts about the sincerity of our support for moderate, democratic elements and our concern over gross abuses of human rights.

OPTION 4

Act as in Option 3, resume full policy level contact, send in an Ambassador and resume the suspended assistance program.

PRO:

- There are no advantages to this option except for some humanitarian gain for recipients of aid. Even that would be attenuated by the negative effect on economic policy of an assumed weakening of our requirements for performance improvements.

CON:

- We would convey an unmistakeable stamp of legitimacy on the Garcia Meza regime, in effect declaring our indifference to the nature of the GOB.
- The GOB would have been confirmed in the rightness of not altering its behavior, brutality would continue, narcotics trafficking increase and there would be no movement toward eventual restoration of democracy.
- We would significantly undercut more moderate and democratic elements in Bolivia and the rest of the hemisphere.
- Absent the positive changes we have been seeking, we would be participating in a polarization of Bolivian society to the advantage of the extreme left.

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-14-

Attachments:

1. La Paz 0625 of January 30, 1981
2. Performance Improvement Guidelines

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Department of State

INCOMING
TELEGRAM 18

PAGE 01 LA PAZ 00625 01 OF 03 301743Z
ACTION ARA-10

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LA PAZ 00625 01 OF 03 301743Z

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INFO OCT-01 ADS-00 INR-05 SS-14 CIAE-00 DODE-00 NSCE-00
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E.O. 12065: RDS 1/28/01 (WATSON, A.F) OR-M
TAGS: PINT, PEPR, MILI, BL
SUBJECT: REFLECTIONS ON US POLICY TOWARD BOLIVIA

REF: (A) STATE 23755, (B) 80 LA PAZ 7634, (C) 80 LA PAZ 9611

1. (S - ENTIRE TEXT)

2. SUMMARY: THIS CABLE OUTLINES FOR CONSIDERATION BY THE INTER-AGENCY GROUP MEETING FEBRUARY 3 OUR VIEWS

ON HOW US INTERESTS IN BOLIVIA MAY BE BEST ADVANCED IN CURRENT CIRCUMSTANCES, AS REQUESTED IN REF A. THE MEETING IS PARTICULARLY TIMELY BECAUSE THE NEW ADMINISTRATION HAS MAXIMUM LEVERAGE IN BOLIVIA NOW. OVERRIDING US INTERESTS HERE ARE REDUCTION OF COCAINE FLOW, PROTECTION OF US CITIZENS AND AVOIDANCE OF FURTHER POLITICAL RADICALIZATION WHICH PROVIDES INCREASED OPPORTUNITIES FOR THE RADICAL LEFT. THE DIPLOMATIC CONTEXT IN WHICH THESE INTERESTS MUST BE PURSUED IS ONE OF INTERNATIONAL ISOLATION OF A BOLIVIAN REGIME WHICH HAS STUBBORNLY DEFIED SERIOUS CONCERNS EXPRESSED BY THE US, OTHER GOVERNMENTS, INTERNATIONAL ORGANIZATIONS AND THE HOLY SEE. THE REGIME HOPES TO BE RESCUED FROM THIS ISOLATION WITHOUT ADDRESSING THESE CONCERNS BY GAINING US SUPPORT WHICH WILL RESULT IN FOREIGN ASSISTANCE, JUSTIFICATION OF ITS PERFORMANCE AND AN UNDERMINING OF OTHER GOVERNMENTS' AND ORGANIZATIONS' POSITIONS. CONTRADICTORILY, THE BEHAVIOR OF THE REGIME AND ITS PRE-COUP ANTECEDENTS TOWARD THE US HAS BEEN BELLIGERENTLY HOSTILE: VICIOUSLY ATTACKING OUR AMBASSADOR, DESTROYING OUR CONSULAR AGENCY AND BINATIONAL CENTER IN SANTA CRUZ, SACKING OUR COMMISSARY, AND TREATING US CITIZENS IN VIOLATION OF THE VIENNA CONSULAR CONVENTION, INCLUDING THE GROSS MISTREATMENT OF THREE EMBASSY MARINE SECURITY GUARDS. THERE HAVE BEEN NO SIGNIFICANT EFFORTS BY THE REGIME TO IMPROVE RELATIONS WITH THE US AND IT HAS COMPLETELY IGNORED THE SERIOUS SUBSTANTIVE ISSUES WE HAVE RAISED. ON THE OTHER HAND, OUR LOW-KEY, UNSUPPORTIVE POSITION HAS WON THE PRAISE OF THE MILITARY AND CIVILIAN MODERATES WHO CONSTITUTE THE BROAD CENTER OF THE POLITICAL SPECTRUM AND WILL LEAD FUTURE GOVERNMENTS. IN THIS POLITICAL AND DIPLOMATIC ENVIRONMENT THE MOST EFFECTIVE WAY TO ADVANCE OUR KEY INTERESTS IS FOR THE USG TO ADVISE THE BOLIVIAN REGIME DIRECTLY THAT A NORMALIZATION OF RELATIONS IS OUT OF THE QUESTION UNTIL THE REGIME MAKES SERIOUS EFFORTS: (A) TO END ITS OWN INVOLVEMENT IN COCAINE TRAFFICKING AND MOVE AGAINST OTHER MAJOR TRAFFICKERS; (B) TO TREAT AMERICANS IN ACCORDANCE WITH TREATIES, LAWS AND CIVILIZED NORMS; AND (C) TO TERMINATE THE RADICAL, REPRESSIVE BEHAVIOR WHICH FOSTERS POLITICAL POLARIZATION AND RADICALIZATION AND TO MOVE TOWARD A MORE OPEN POLITICAL SYSTEM. THERE ARE NO SHORT-TERM OBJECTIVES WHICH WE WOULD GAIN BY NORMALIZATION OF RELATIONS UNDER CURRENT CIRCUMSTANCES WHICH WOULD JUSTIFY THE RESULTING SACRIFICE OF OUR CURRENT LEVERAGE ON THESE VITAL ISSUES. IF THE USG APPLIES THIS LEVERAGE NOW, WE COULD MAKE SIGNIFICANT PROGRESS TOWARD ATTAINING OUR IMMEDIATE OVERRIDING OBJECTIVES AND POSITION OURSELVES VERY WELL FOR THE FUTURE.

END SUMMARY.

3. THE ADVENT OF A NEW ADMINISTRATION IN WASHINGTON AFFORDS US A UNIQUE OPPORTUNITY TO TAKE A FRESH LOOK AT OUR POLICY TOWARD BOLIVIA. AS I WILL NOT BE ABLE TO ATTEND THE FEBRUARY 3 INTER-AGENCY MEETING AT WHICH OUR POLICY WILL BE REVIEWED, I AM OFFERING IN THIS CABLE SOME THOUGHTS IN SUMMARY FORM WHICH I HOPE THE IG WILL FIND USEFUL.

4. US INTERESTS: WHILE WE HAVE NO MAJOR STRATEGIC INTERESTS IN BOLIVIA, THERE ARE TWO BASIC CATEGORIES OF US INTERESTS OF SOME IMPORTANCE--COUNTRY SPECIFIC INTERESTS AND BROAD HEMISPHERIC INTERESTS. THERE SEEM TO US TO BE THREE OVER-RIDING COUNTRY SPECIFIC US INTERESTS HERE. THEY ARE: (A) REDUCTION OF THE FLOW INTO THE US OF COCAINE ORIGINATING IN BOLIVIA; (B) PROTECTION OF THE WELFARE OF AMERICAN CITIZENS IN THIS COUNTRY; AND (C) AVOIDANCE OF FURTHER POLITICAL POLARIZATION AND RADICALIZATION WHICH WOULD INCREASE OPPORTUNITIES FOR THE EXTREME LEFT AND MIGHT

NOTE: THIS TELEGRAM HAS THE
UNANIMOUS CONCURRENCE OF THE
COUNTRY TEAM IN BOLIVIA.

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NLR 119238

BY PW NARA DATE 5/18/15

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Department of State

INCOMING
TELEGRAM 19

PAGE 01 LA PAZ 00625 02 OF 03 301907Z

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LA PAZ 00625 02 OF 03 301907Z

ACTION ARA-10

INFO OCT-01 ADS-00 INR-05 SS-14 CIAE-00 DODE-00 NSCE-00
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DEVOLVE INTO A DANGEROUS SITUATION SIMILAR IN SOME RESPECTS TO THOSE IN NICARAGUA AND EL SALVADOR. ALTHOUGH DEFINITION OF BROADER US INTERESTS IN THE HEMISPHERE IS CLEARLY BEYOND MY RESPONSIBILITIES, I VENTURE TO SUGGEST SEVERAL INTER-RELATED BROAD INTERESTS RELEVANT HERE: (A) ESTABLISHMENT OF POLITICAL, SOCIAL AND ECONOMIC CONDITIONS IN THE HEMISPHERE WHICH REDUCE THE POSSIBILITIES OF SUCCESSFUL MEDDLING BY THE SOVIET UNION OR ITS AGENTS; (B) MAINTENANCE AND FURTHERING OF RECENT PROGRESS TOWARD DEMOCRATIC, PLURALISTIC SOCIETIES, NOTABLY AMONG THE ANDEAN COUNTRIES AND BRAZIL, AND (C) INCREASED SHARING BY THE LATIN COUNTRIES OF VALUES OF MAJOR IMPORTANCE TO THE US, INCLUDING A RESPECT FOR DEMOCRATIC PRINCIPLES AND HUMAN RIGHTS.

5. CURRENT DIPLOMATIC SITUATION: HOW WE ATTEMPT TO ADVANCE OUR INTERESTS IN BOLIVIA DEPENDS, OF COURSE, ON THE DIPLOMATIC ENVIRONMENT IN WHICH WE ARE WORKING. THE GARCIA MEZA REGIME CONTINUES TO BE ISOLATED INTERNATIONALLY--A SITUATION OF ITS OWN MAKING. NOT ONLY THE US, BUT ALSO THE HOLY SEE, THE INDUSTRIALIZED DEMOCRACIES SAVE JAPAN, THE ANDEAN COUNTRIES AND OTHERS HAVE REFRAINED FROM ESTABLISHING "NORMAL" DIPLOMATIC RELATIONS WITH BOLIVIA SINCE THE JULY 17 COUP. EVEN GOVERNMENTS WHICH HAVE "NORMAL" RELATIONS, SUCH AS BRAZIL AND MEXICO, HAVE EXPRESSED THEIR DEEP CONCERN ABOUT EVENTS IN BOLIVIA SINCE JULY 17 AND CERTAINLY DO NOT HAVE WARM RELATIONS. RATHER THAN TRY TO ACCOMMODATE THE PROFOUND CONCERNS OF OTHER GOVERNMENTS, INTERNATIONAL ORGANIZATIONS AND THE CHURCH, THE REGIME (WITH SIGNIFICANT SUPPORT FROM ARGENTINA) HAS HELD ITS GROUND DEFIANTLY, HOPING THAT A NEW AMERICAN ADMINISTRATION WILL OFFER SUPPORT (CHIEFLY IN TERMS OF SENDING AN AMBASSADOR TO LA PAZ AND RESTORING OUR ASSISTANCE PROGRAMS), THUS PROVIDING MORAL JUSTIFICATION FOR EVENTS SINCE JULY 17 AND CUTTING THE GROUND FROM UNDER THE OTHER GOVERNMENTS, INTERNATIONAL ORGANIZATIONS AND THE VATICAN. WE HAVE EVEN RECEIVED REPORTS FROM SEVERAL SOURCES WHICH SUGGEST THAT THE REGIME WILL INTERPRET SUPPORT FROM THE US AS LICENSE TO CONTINUE AND EVEN INTENSIFY ITS CURRENT REPRESSIVE POLICIES.

6. IRONICALLY, THE REGIME'S TREATMENT OF THE US IN THIS REGARD HAS BEEN OUTRAGEOUS, EXCEEDED PERHAPS ONLY BY ITS TREATMENT OF THE ROMAN CATHOLIC CHURCH. IT IS USEFUL TO REMIND OURSELVES THAT THIS REGIME AND ITS PRE-COUP ANCESTORS HAVE FROM THE BEGINNING DISPLAYED AN UNCONCEALED HOSTILITY TOWARD US POLICY IN SUPPORT OF CONSTITUTIONALISM IN BOLIVIA. EXTREMIST ELEMENTS IN THE BOLIVIAN ARMED FORCES AND THEIR CIVILIAN SUPPORTERS EMBARKED ON A DELIBERATE, VICIOUS CAMPAIGN TO SPEAR AMBASSADOR WEISSMAN, OSTENSIBLY FOR A STATEMENT IN SUPPORT OF THE CONSTITUTIONAL PROCESS HE MADE BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE DURING HIS CONFIRMATION HEARINGS. THE ANTI-AMERICAN CAMPAIGN CULMINATED IN THE SACKING AND DESTRUCTION OF OUR CONSULAR AGENCY AND BINATIONAL CENTER IN SANTA CRUZ AND, AFTER THE COUP, THE SACKING OF THE EMBASSY COMMISSARY AND THE SHOOTING OF A US GOVERNMENT CONTRACT

EMPLOYEE. OFFENSES AGAINST AMERICAN CITIZENS HAVE CONTINUED, IN VIOLATION OF THE VIENNA CONSULAR CONVENTION, INCLUDING CONSISTENT FAILURE TO NOTIFY THE EMBASSY OF DETENTIONS OF AMERICANS, DENIAL OF CONSULAR ACCESS TO THEM WITH VERY FEW EXCEPTIONS, AND SEVERE MISTREATMENT OF SOME OF THEM. PARTICULARLY OUTRAGEOUS IN THIS RESPECT WAS THE UNLAWFUL DETENTION AND GROSS TREATMENT OF THREE OF OUR MARINE SECURITY GUARDS, BEARERS OF OFFICIAL US PASSPORTS, WHICH IS ALREADY IN THE RECORD. THE REGIME HAS FAILED TO PROVIDE A REASONABLE, RESPONSIVE REPLY TO ANY OF OUR PERSISTENT PROTESTS. IT HAS MADE NO SIGNIFICANT EFFORT TO IMPROVE RELATIONS WITH THE US. RATHER THAN DEAL WITH THE SERIOUS ISSUES IT HAS CREATED, THE REGIME HAS RESORTED TO VISITS TO WASHINGTON BY EMISSARIES WHO "EXPLAIN" THE CURRENT REALITY HERE AND PUBLIC-RELATIONS STUNTS SUCH AS INTERIOR MINISTER ARCE'S CHEAP EFFORT TO LAY A WREATH ON THE TOMB OF THE UNKNOWN IN WASHINGTON, A GESTURE ALL THE CHEAPER IN VIEW OF HIS DIRECT ROLE IN THE MISTREATMENT OF AMERICANS, INCLUDING THE THREE MARINES.

7. ON MORE SUBSTANTIVE ISSUES, THE REGIME HAS NOT RESPONDED POSITIVELY TO ANY OF THE CONCERNS THE USG HAS CONVEYED THROUGH A NUMBER OF SERIOUS INTERMEDIARIES. THERE HAS BEEN NO PROGRESS TOWARD DISASSOCIATION OF THE REGIME FROM THE NARCOTICS INDUSTRY WHOSE PRIMARY TARGET IS THE

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INCOMING
TELEGRAM 20

PAGE 01 LA PAZ 00625 03 OF 03 301827Z
ACTION ARA-10

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LA PAZ 00625 03 OF 03 301827Z

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ILLEGIT US MARKET. IN FACT, ITS INVOLVEMENT IS EVER DEEPER AND MORE CONSPICUOUS. SECONDLY, THERE HAS BEEN NO SIGNIFICANT PROGRESS TOWARD ENDING THE REGIME'S REPRESSION: ILLEGAL BREAKING INTO HOMES, SACKING, STEALING, ARBITRARY ARRESTS, MISTREATMENT AND TORTURE OF PRISONERS AND THE USE OF PARAMILITARY DEATH SQUADS CONTINUE. THIRDLY, THERE IS NO INDICATION THAT THIS REGIME EVER INTENDS TO SEEK A NEW OPENING TOWARD CONSTITUTIONALISM; RATHER, IT HAS MADE IT INCREASINGLY CLEAR THAT IT WILL REMAIN IN POWER AS LONG AS IT CAN. FINALLY, DESPITE THE SIGNIFICANT ECONOMIC MEASURES THAT WERE TAKEN SEVERAL WEEKS AGO, WE REMAIN UNCONVINCED THE REGIME WILL TAKE THE ADDITIONAL STEPS, INCLUDING REINING IN PUBLIC SPENDING, ESSENTIAL TO RESTORATION OF ECONOMIC HEALTH.

8. OUR DOMESTIC POSTURE: WHILE THE REGIME HAS BEEN CONSISTENTLY HOSTILE TO THE US, OUR LOW-KEY, DIGNIFIED POSTURE OF REFUSING TO DEAL WITH IT WHILE MAKING CLEAR TO ALL WHO INQUIRE THAT OUR CONCERNS ARE WITH MAJOR SUBSTANTIVE ISSUES NOT PERSONALITIES HAS WON THE PRAISE OF MODERATE ELEMENTS WITHIN THE ARMED FORCES AND THE CIVILIAN POLITICAL GROUPS OF THE MODERATE LEFT, CENTER AND INCREASINGLY THE MODERATE RIGHT. THE MODERATE MILITARY OFFICERS ARE THE ONLY FORCE WITH REALISTIC POSSIBILITIES OF BRINGING ABOUT A CHANGE OF REGIME OR MODIFICATION OF GARCIA MEZA'S POLICIES. MOREOVER, THEY ARE LIKELY TO CONTROL ANY IMMEDIATE SUCCESSOR REGIME. THE MODERATE CIVILIAN POLITICAL GROUPS ARE THE DOMINANT CIVILIAN POLITICAL FORCES WHO WILL LEAD EVENTUAL CIVILIAN GOVERNMENTS. THESE CIVILIAN AND MILITARY ELEMENTS HAVE URGED US TO HOLD FIRM. WE BELIEVE THAT IT IS ESSENTIAL FOR THE US TO RETAIN THEIR CONFIDENCE.

9. ADVANCEMENT OF US INTERESTS: THE FUNDAMENTAL QUESTION IS HOW IN THE CURRENT DIPLOMATIC AND POLITICAL ENVIRONMENT WE CAN BEST ADVANCE US INTERESTS, PARTICULARLY OVER THE MEDIUM AND LONGER TERM. UNTIL THE REGIME MAKES A SERIOUS EFFORT TO END ITS OWN EXTENSIVE INVOLVEMENT IN COCAINE TRAFFICKING AND TO MOVE AGAINST THE "SANTA CRUZ MAFIA", US COOPERATION IN NARCOTICS CONTROL WOULD BE A WASTE OF FUNDS AND PRESTIGE. COOPERATION BY DEA IN CURRENT CIRCUMSTANCES LIKELY WOULD BE OF LITTLE VALUE; WOULD TEND TO LEGITIMIZE THE REGIME'S CYNICAL CLAIMS THAT IT IS ATTACKING THE PROBLEM SERIOUSLY; AND, IF SUCCESSFUL IN EXPOSING THE REGIME'S INVOLVEMENT IN TRAFFICKING, COULD BE VERY DANGEROUS FOR US PERSONNEL. OUR BEST COURSE ON THIS ISSUE IS TO PRESS THE REGIME TO DEMONSTRATE CLEARLY IT INTENDS TO DEAL EFFECTIVELY WITH THE PROBLEM, BEFORE WE TAKE ANY ACTION. SIMILARLY, WE BELIEVE THE REGIME SHOULD TREAT AMERICANS IN ACCORDANCE WITH THE VIENNA CONSULAR CONVENTION AND ADHERE TO CIVILIZED NORMS OF BEHAVIOR, BEFORE WE MOVE TO IMPROVE RELATIONS.

10. FINALLY, IN ORDER TO REDUCE THE TENDENCY TOWARD POLITICAL POLARIZATION AND RADICALIZATION, WE MUST RETAIN THE CONFIDENCE OF THE MODERATE MILITARY ELEMENTS AND THE BROAD CENTER OF THE CIVILIAN POLITICAL SPECTRUM, WHILE PRESSU-

RING THE REGIME TO CEASE ITS GROSS EXCESSES AND MOVE TOWARD A MORE OPEN, PARTICIPATIVE POLITICAL SYSTEM. IF WE DO NOT, THE MILITARY FORCES MOST LIKELY TO BRING ABOUT CHANGE WILL BECOME DEMORALIZED AND MODERATE LEFTISTS MAY WELL CONCLUDE THAT A DEMOCRATIC APPROACH IS HOPELESS AND ADOPT MORE RADICAL METHODS, PERHAPS TURNING TO OTHER FOREIGN SOURCES FOR SUPPORT. IN THIS REGARD, IT SHOULD BE NOTED THAT GARCIA MEZA'S CLAIMS THAT HIS COUP PREVENTED A COMMUNIST TAKEOVER AND THAT HIS REGIME IS A BULWARK AGAINST THE RADICAL LEFT ARE PATENTLY FALSE. ON THE CONTRARY, THE REGIME'S INCOMPETENCE, CORRUPTION AND REPRESSION CREATE THE CONDITIONS IN WHICH THE EXTREME LEFT TAKES ROOT.

11. I CAN THINK OF NO SHORT-TERM OBJECTIVE THAT WOULD BE GAINED BY NORMALIZATION OF RELATIONS UNDER CURRENT CIRCUMSTANCES WHICH WOULD JUSTIFY THE CONSEQUENT SACRIFICE OF THE INFLUENCE ON THESE VITAL ISSUES WE NOW HAVE. TO NORMALIZE RELATIONS WITHOUT POSITIVE PROGRESS ON THE ISSUES THAT ARE IMPORTANT TO US WOULD HELP THIS REGIME CONSOLIDATE WITHOUT ANY ASSURANCE THAT IT WOULD BE RESPONSIVE TO OUR INTERESTS. MOREOVER, SUCH A NORMALIZATION WOULD VITIATE THE SOLID INFLUENCE AND CREDIBILITY WE HAVE WITH THOSE ELEMENTS WITHIN THE ARMED FORCES AND THE CIVILIAN POLITICAL LEADERSHIP WHICH TO OUR MIND CONSTITUTE THIS COUNTRY'S REAL FUTURE.

12. CONCLUSION: WE BELIEVE THE USG HAS AN EXTRAORDINARY OPPORTUNITY TO ADVANCE US INTERESTS IN BOLIVIA NOW AND IN THE FUTURE. THE GARCIA MEZA REGIME HAS BEEN STALLING FOR MONTHS IN THE HOPE THAT A NEW ADMINISTRATION WOULD PROVIDE THE RECOGNITION AND ASSISTANCE IT SEEKS WITH NO RECIPROCAL ACTION ON ITS PART. WITH THE ADVENT OF A NEW ADMINISTRATION, WE NOW HAVE MAXIMUM LEVERAGE. BY SPELLING OUT TO THE GARCIA MEZA REGIME CLEARLY AND SOON (PROBABLY IN WASHINGTON) THAT NORMALIZATION OF RELATIONS IS OUT OF THE QUESTION UNTIL EFFECTIVE ACTION IS TAKEN ON THE ISSUES OF MAJOR CONCERN TO US, AND COMMUNICATING THIS POSITION TO OTHER GOVERNMENTS, I BELIEVE WE COULD MAKE SIGNIFICANT PROGRESS TOWARD ACHIEVING OUR OBJECTIVES.

..... WATSON

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MEMORANDUM~~CONFIDENTIAL~~

SUBJECT: Assessing GOB Performance --
Guidelines on Narcotics Control

In the field of narcotics control the GOB should take the following measures:

1. Enforcement of existing Bolivian legal provisions making any coca cultivation initiated since 1977 illegal. (In effect this would mean destruction of any three-year old or younger coca plants in the Chapare. The destruction would presumably be accomplished by hand labor and include destroying the roots so that the trunks would not grow back.)
2. Arrest and prosecution of major traffickers. (A list of ten of the most notorious traffickers is being compiled with DEA.)
3. Complete restructuring of the GOB's procedures for issuance of permits (carnets) to authorize the production of an amount of coca leaves not to exceed that needed for licit use.
4. Commitment to an enforceable program of crop substitution designed to replace present coca cultivation with other cash crops.

~~CONFIDENTIAL~~GDS 12/2/80

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NLRR M353/1 # 119239

BY RW NARA DATE 5/18/15

MEMORANDUM
~~CONFIDENTIAL~~

SUBJECT: Assessing GOB Performance --
Guidelines on Human Rights Practices

The following are the actions which should be taken by the GOB in the human rights area:

1. Cessation of violations of the integrity of the person, including such practices as torture, summary executions and the use of illegal, uncontrolled, irregular armed groups.
2. Release of all political figures and labor leaders detained by the regime and closing of concentration camps.
3. Cessation of the use of warrantless searches of journalists, churches and the violation of the sanctity of the home.
4. Cessation of intimidation and repression of the press.
5. A commitment to treat diplomatic personnel under accepted norms of behavior and to comply with the Vienna Consular Convention in providing consular access to detained foreigners.
6. Safe conduct for those seeking asylum abroad.
7. Follow through on invitation to UNHRC to visit Bolivia.
8. An invitation to the IAHR to carry out the investigations called for in the OAS resolution.
9. A restoration of due process.
10. Removal of barriers to the return of Bolivian citizens to Bolivia.

~~CONFIDENTIAL~~
GDS 12/2/80

DECLASSIFIED
NLRR M353/1 # 119240
BY RW NARA DATE 5/18/15

MEMORANDUM
CONFIDENTIAL

SUBJECT: Assessing GOB Performance --
Guidelines on Economic Policy

The following steps would demonstrate GOB's commitment to sound economic policies:

1. Institute adjustments in the exchange rate to avoid overvaluation.
2. Reduce subsidies on agriculture goods and provide credit incentives to the agricultural sector.
3. Reduce subsidies on petroleum products.
4. Reduce public sector deficit. Rationalize COMIBOL.
5. Reduce financing of that deficit by the domestic banking system.
6. Limit public sector external indebtedness.
7. Widen income tax coverage.
8. Impose new indirect taxes.
9. Curtail import duty exemptions.
10. Reduce mining taxes to restore production and investment incentives.
11. Restraining public sector wage increases.
12. Match bank credit expansion to targets for private sector savings.
13. Raise bank deposit interest rates and reduce reserve requirements.

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GDS 1/31/87

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NLRR M3531 #119241

BY RW NARA DATE 5/18/15

~~CONFIDENTIAL~~

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14. Meet quarterly targets on domestic bank credit to non-financial public sector, Central Bank domestic assets and limits on public sector external indebtedness agreed to with the IMF.

~~CONFIDENTIAL~~

Bolivia

To: Roger Fontaine - NSC
R41- Mont Allen - Press Office
25

For More Information Please Contact:

Julio Zavala
(212) MU2-8132

For Immediate Release

Date: Tuesday, February 3, 1981

BOLIVIA CALLS ON PRESIDENT REAGAN TO
RESTORE AND RESUME FORMAL RELATIONS

The Government of Bolivia today called on the Administration of President Ronald Reagan to restore and resume full diplomatic relations.

In its appeal to the President, Bolivia asked for the removal of arbitrary standards of social and economic behavior imposed on that country, standards which do not fully recognize the peculiar being of nations.

Bolivia announced that it has established as policy the need and concern for human rights, within the scope of national security, consistent with the Government's responsibility to provide orderly and responsible rule, and pointed to the recent release of all political prisoners.

At the same time, the Government of Bolivia revealed that it has requested the United States to enter into a cooperative effort to eliminate international drug trafficking in Bolivia. The United States has not yet acknowledged the Bolivian offer.

The request for a resumption of normal relations, the imposition of a program for human rights, the release of the political prisoners and the offer to work to eliminate drug trafficking were demonstrations of Bolivia's good faith and among its efforts to demonstrate to the United States that Bolivia does not want to continue living in angry isolation.

W

STATEMENT BY AMBASSADOR JUSTO CHAMAS
ON BEHALF OF GENERAL LUIS GARCIA MEZA TEJADA
CALLING UPON PRESIDENT RONALD REAGAN
TO RESTORE FULL DIPLOMATIC RELATIONS
WITH THE GOVERNMENT OF BOLIVIA.

21

The Government of Bolivia calls upon the Administration of President Ronald Reagan of the United States of America to accord our nation full and proper recognition that will permit the resumption of normal relations.

We ask President Ronald Reagan to remove the arbitrary standards of social and economic behavior imposed on our nation by the former United States Administration, standards which did not and do not now fully recognize the peculiar being of each nation on the face of the earth, including the Nation of Bolivia.

Given an understanding of that arbitrary standard, the Government of Bolivia foresees no existing problems that cannot be resolved to our mutual satisfaction.

The Government of Bolivia fully understands that a proper international partnership must exist between nations, and that demonstrations of good faith are vitally important in binding the ties of partnership.

That is why we have established as policy the need and concern for human rights, consistent with our responsibility to provide orderly and responsible government for our people.

We have care and concern about the need for human rights-- because we consider Bolivia to be an integral part of an interdependent, international community, and it is in the interest of Bolivia and her people to adhere to standards establishing ethical social behavior.

That is why the Government of Bolivia recently released from prison all individuals who had committed overt acts of sabotage against our national security and integrity or were suspected of having done so: individuals who had been detained for good and sufficient reason and in our own national interest.

We did so, frankly, with some reservation, but we released those individuals to demonstrate to our countrymen and to the international community that we are intent on establishing, as our fundamental responsibility, a proper and humane social order for all our people. Such action on our part does not mean that we will blind ourselves to continuing acts of sabotage and terrorism. We must establish an ongoing social order that

protects the rights of all our people, and which does not leave to any single group the right to disrupt the fabric of our society.

The release was a demonstration of our good faith and an effort to demonstrate to the United States that Bolivia does not want to continue to live in angry isolation.

In another area relating to our understanding of the need for cooperation between nations, the Government of Bolivia recently took another step calculated to demonstrate our good faith.

We refer here to international drug trafficking. The Government of Bolivia is as concerned with that problem as are other members of the international community, especially the United States.

We have officially informed the proper authorities in the United States that Bolivia is prepared to work, without reservation, to eliminate drug trafficking in our nation. In fact, we have invited the United States Drug Enforcement Administration to come to Bolivia to work with us, hand in hand.

We sincerely hope that our good faith offer, which has not yet been acknowledged by the United States, will be taken up expeditiously so that in full partnership Bolivia and the United States may go forward in a forceful demonstration of international accord.

There are a number of current and historical factors the Government of Bolivia wishes to bring to the attention of President Ronald Reagan.

There is no question that with the exception of the Communist-dominated world, all nations cherish the fundamental desire for human rights.

However, any nation threatened with internal peril by outside instigated forces must take dramatic steps to preserve and protect its own self interest.

All nations who cherish human rights, within the general framework of Democracy, must recognize that the international Communist movement has chosen Bolivia among its prime targets in the world, and its prime target in Latin America.

Acceptance of our fundamental concern about Communism is not at all a difficult matter when proper and careful consideration is given to our economic infirmity, our adherence to Roman Catholicism as our predominant religion, our literacy rate, our life expectancy, our ethnic breakdown and our history of political unrest which had led to a succession of military and civilian governments.

It must be understood that Bolivia is the geopolitical heart of the Latin American continent. The international Communist movement has established as its prime goal in Latin America obtaining control of the triangle formed by the Bolivian cities of Santa Cruz, Sucre and Cochabamba. Whoever controls the triangle will control Bolivia, and whoever controls Bolivia has the potential to ultimately control the Latin American continent.

~~We cannot and will not accept control.~~

We will only accept partnership with those nations, including the United States, whose principles, aims and objectives lie within the framework of mutual understanding. We will countenance no mutuality with Communism.

In conclusion, we ask President Reagan and the United States to understand us within the context of our history, our heritage and our concern relating to Communist subversion, never forgetting that Che Guevara of Cuba chose Bolivia as the setting for his Communist inspired and dominated base of operations.

Given that understanding, and given the understanding that the present Government of Bolivia is faced with a fundamental dilemma of misunderstanding, we do not believe that President Ronald Reagan and the United States of America will continue the tragic sanctions imposed upon Bolivia either by error or generality.

Now is the time for a new beginning, a new age of understanding and mutuality. We call upon President Ronald Reagan and the United States of America to provide us with the due and proper consideration accorded to all freedom-loving nations.

Bolivia
T. L.

724-9206 119245



30

February 4, 1981

Roger:

I saw you were at the IG meeting on Bolivia. (Fiasco might be a better word for it). I don't see how you stood it til 6 p.m. I couldn't, and I've had more exposure to it during the last four years than you have.

The problem with Bolivia is not:

- a) a de facto government; there are plenty of those around and many of them work perfectly well.
- b) a military government; same as above. The problem is that the colonels in power at this time are involved in crime and other flagrant abuses of law and due process. Accordingly, we cannot support or work with them the way we need to and should, if there was a respectable government of Bolivia.

This talk about return to democracy is ridiculous. What return? Bolivia has only had two reasonable governments in recent times, both headed by generals: Barrientos and Banzer.

It's also silly to sit back, wringing our hands all the way, waiting for a coup to happen. We've been wringing our hands full time all over this hemisphere for the past four years.

USICA is supposed to explain our foreign policy around the world, but believe me it has been damned tough to explain with a straight face.

Anyway, I think our interests in Bolivia are first and foremost not to condone a situation which could create fertile ground (yet another) for a hostile ideology to move in. Since the present situation is

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NLRR M353/1 # 119245

BY KML NARA DATE 4/15/13

inherently unstable and dangerous in that regard, we should do something besides sit back sulking and waiting for a coup.

I think we should act by making it clear to the government of Bolivia that we would be prepared to cooperate with them in a mutually beneficial way, provided they take a couple of reasonable steps to clean up their act, to wit: eliminate drug traffickers from the Cabinet, and interpret the rule of law in a more civilized fashion. That message could be delivered by either the Chargé or better still by a special emissary. The President commands a great deal of respect throughout the hemisphere and his potential influence via such a simple message should not be underestimated.

This would be a simple and a hell of an effective way to start. The continuation would flow from that. (Once the new people show up in ARA). And we over here, would have a simpler task of explaining a policy that speaks for itself.

Steve Dack:

~~SECRET~~

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Fontaine

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32

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~SECRET~~

February 9, 1981

INFORMATION

MEMORANDUM FOR: RICHARD V. ALLEN
FROM: ROGER FONTAINE RF
SUBJECT: IG Meeting on Bolivia (U)

See my notes
2/16/81

The IG meeting on US-Bolivian relations held February 3 was presided over by John Bushnell, Acting Assistant Secretary of State for Latin American Affairs. The Secretary solicited responses to the paper prepared by State on US-Bolivian relations. (C)

The paper outlines in pungent terms the nature of the Bolivian government. It listed three basic concerns of the US regarding Bolivia: 1) promotion of human rights and democracy; 2) containment of the drug traffic; 3) avoiding the radicalization of Bolivia. The paper also denied that Bolivia had any strategic value to the US. Moreover, it predicted that the present regime would collapse within one year if significant "foreign" support were not given. The collapse of General Meza Garcia's regime would be in the form of a military coup carried out by "institutionalist" and more moderate army officers. (S)

The IG paper presented four options for Bolivia -- only two of which were treated with any seriousness. The first maintains the present policy, namely, keeping relations suspended and avoiding any high level contact. The second option would re-establish contact on a direct, but discreet basis, and relations would only improve after the Bolivian government improved its performance on drugs and human rights. (S)

The discussion and commentary at the meeting were weighted in favor of maintaining the present policy with a minority arguing for improvement of relations on a quid pro quo basis. (S)

Comment

The State Department for the most part is content with keeping the same policy of the previous administration. The hope is that a military coup will solve our problems. However:

1. The Carter policy has clearly failed. The Bolivian government had done nothing positive in response to the policy of isolation and public denunciation. (S)

~~SECRET~~

Review 2/9/87

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NLRR M353/1 #119242

BY RW NARA DATE 5/18/15

~~SECRET~~

33

2. The argument for maintaining the present policy overlooks the fact that the present regime is the direct result of the Carter Administration's pushing President Banzer into elections which the country was not prepared for. (S)

3. The present policy relies on a risky and uncertain solution: namely, a coup from "moderate" officers. It overlooks the fact that any coup risks dividing the armed forces which in turn invites further trouble, even civil war. (S)

4. The report and discussion is over-optimistic about the possibility of democracy developing soon in Bolivia. (S)

Recommendation

The President has every right to embark on a new course, and thus drop the baggage of failure in regard to Bolivia. (S)

The basic principle is to accept governments as they basically are unless they directly threaten us. (S)

Bolivia's current regime is no model of decency, but it is no worse than other past governments which we have supported. (S)

We can use our influence through private diplomacy to ameliorate the situation, both in drugs and human rights which the present policy has no hope of doing. (S)

*I agree with these recommendations,
Now, how do we get them into
the menu of options to be reviewed
at NSC level?
Are you pushing hard to get them
them ~~to~~ included?*

[Signature]
16 Feb 81

*P.S. It is painfully obvious that
State has little intention of
implementing a foreign policy.*

~~SECRET~~

376

119243

34

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~SECRET~~

February 9, 1981

INFORMATION

MEMORANDUM FOR: RICHARD V. ALLEN
FROM: ROGER FONTAINE RF
SUBJECT: IG Meeting on Bolivia (U)

The IG meeting on US-Bolivian relations held February 3 was presided over by John Bushnell, Acting Assistant Secretary of State for Latin American Affairs. The Secretary solicited responses to the paper prepared by State on US-Bolivian relations. (C)

The paper outlines in pungent terms the nature of the Bolivian government. It listed three basic concerns of the US regarding Bolivia: 1) promotion of human rights and democracy; 2) containment of the drug traffic; 3) avoiding the radicalization of Bolivia. The paper also denied that Bolivia had any strategic value to the US. Moreover, it predicted that the present regime would collapse within one year if significant "foreign" support were not given. The collapse of General Meza Garcia's regime would be in the form of a military coup carried out by "institutionalist" and more moderate army officers. (S)

The IG paper presented four options for Bolivia -- only two of which were treated with any seriousness. The first maintains the present policy, namely, keeping relations suspended and avoiding any high level contact. The second option would re-establish contact on a direct, but discreet basis, and relations would only improve after the Bolivian government improved its performance on drugs and human rights. (S)

The discussion and commentary at the meeting were weighted in favor of maintaining the present policy with a minority arguing for improvement of relations on a quid pro quo basis. (S)

Comment

The State Department for the most part is content with keeping the same policy of the previous administration. The hope is that a military coup will solve our problems. However:

1. The Carter policy has clearly failed. The Bolivian government had done nothing positive in response to the policy of isolation and public denunciation. (S)

~~SECRET~~

Review 2/9/87

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NLRR M353/L # 119243

BY RW NARA DATE 5/18/15

~~SECRET~~

2. The argument for maintaining the present policy overlooks the fact that the present regime is the direct result of the Carter Administration's pushing President Banzer into elections which the country was not prepared for. (S)

3. The present policy relies on a risky and uncertain solution: namely, a coup from "moderate" officers. It overlooks the fact that any coup risks dividing the armed forces which in turn invites further trouble, even civil war. (S)

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Recommendation

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We can use our influence through private diplomacy to ameliorate the situation, both in drugs and human rights which the present policy has no hope of doing. (S)

MEMORANDUM

~~CONFIDENTIAL~~

821

119244

36

NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~

February 26, 1981

ACTION

MEMORANDUM FOR: RICHARD V. ALLEN
FROM: ROGER FONTAINE RF
SUBJECT: Proposed Meeting with Hugo Banzer (U)

Hugo Banzer, former President of Bolivia, through a mediary, is attempting to arrange a meeting with me and possibly you. (C)

I have never met Banzer before. Colonel Larry Tracy of ISA (who knows the situation well) and I both agree such a meeting now would be unwise. (C)

Banzer intends to be President again and is a wily political animal who would exploit such a meeting for all its worth. That would send the wrong signal to a very suspicious Bolivian government at this time. Therefore, such a contact should be avoided until we have a Bolivian policy on track. (C)

I need guidance on this one, however. (U)

RECOMMENDATION

That neither of us see Banzer. (C)

~~CONFIDENTIAL~~
Review 2/26/86

~~CONFIDENTIAL~~

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NLRR M353/1 # 119244

BY RW NARA DATE 5/18/15

119246
37
File BOLIVIA
18 March 1981

MEMORANDUM FOR RECORD

SUBJECT: Meeting - Admiral Barroso and MG Schweitzer

1. On 18 Mar 81 at 1035 hours, Vice Admiral Gutemberg Barroso Hurtado, Bolivian Navy, met with MG Robert L. Schweitzer, U.S. Army, at the latter's office. The undersigned accompanied Admiral Barroso as an interpreter.

2. Admiral Barroso opened the meeting by stating that although the subject for discussion was political in nature, he nevertheless was there as a soldier and as a personal friend of MG SCHWEITZER, not as a politician. He then presented a brief socio-political recount on Bolivia's current situation. The thrust of his statements were:

a. Sixty percent of the Bolivian population is illiterate. This segment of the population is comprised mainly of peasants, poor farmers, miners, laborers and factory workers who speak the Quechua and Aymara dialects instead of Spanish.

b. This group of people is the target of Marxist-Communist indoctrination by cadres who were trained in Cuba and the Soviet Union and were heavily subsidized by the latter. Among these cadres there were some natives who had learned Spanish, had been sent abroad for indoctrination and training, and had returned to the Bolivian countryside to work in small cells among the illiterates, with the goal of overthrowing the government. As an example of their influence over the illiterates, the cadres had gone as far as distributing fake Bolivian paper currency, identical to legitimate currency, except for the fact that it displayed the pictures of Marxists-Communists rather than official government photos.

c. Bolivia had experienced a serious political crisis, close to chaos and anarchism, created by the unrest among the poor and spurred by the Marxists-Communists. The presence of a tough, strong and determined leader such as General Garcia Meza was required in order to put a halt to the situation, lest the country fall in the hands of the leftists. Gen. Garcia Meza had been able to bring some control both to the government and the populace; however, prompt U.S. recognition of his government was indeed necessary if he were to succeed. The absence of recognition weakened Garcia Meza's efforts to stabilize the country, bring democracy, and keep it from falling to the leftists. The country was in the midst of a serious and difficult situation and prompt action on the part of the U.S. was needed.

3. Gen. Schweitzer responded that he personally agreed with Adm. Barroso's assessment of the difficult situation surrounding Bolivia, particularly the threat of a possible leftist takeover. However, he emphasized that the cur-

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NLRR M353/1 #119246

BY KML NARA DATE 4/15/13

rent government had to initiate steps to correct some of the problems facing it. Now that control had been restored, changes had to be implemented -- not overnight miracles, because if made in haste, other more difficult problems might result -- but in steady, visible ways. With all respect, he felt that the Bolivian leadership was moving too slowly toward progress and the improvement of existing social conditions. The road toward Bolivia's recognition was a two-way proposition. Bolivia had to demonstrate its willingness to resolve some of the problems that both the past and present U.S. Administrations had clearly enumerated. The current Administration was moving toward improving its relations with Argentina, Brazil and Chile, but the situation with those countries was of a different nature. One major obstacle that had to be surmounted was the drug problem. Open and clear attempts on the part of the leaders of Bolivia to stop the traffic of drugs into the U.S. were key factors in the recognition process. As long as this problem existed, the U.S. Congress, State Department, Administration and general public could not look too warmly at recognition.

4. Adm. Barroso interjected that if Bolivia, surrounded as it was by avowed anticommunist countries such as Brazil, Paraguay, Argentina and Chile, were to fall in the hands of leftists, it ran the risk of being invaded by these countries, who would do so to prevent a Communist regime in their midst. Partition and ultimate disappearance of Bolivia would follow. Bolivia's problems could turn into a larger regional conflict.

5. Gen. Schweitzer stated that intervention by some of those countries, to prevent a Communist takeover in Bolivia, was plausible; however, he seriously doubted the premise of partition and disappearance.

6. The meeting ended very amicably at 1110 hours.


A. LUIS FLORES
LTC, FA

MAR 30 1981

A

39

ARMAO AND COMPANY, INC.

45 ROCKEFELLER PLAZA - SUITE 1501
NEW YORK, NEW YORK 10020

(212) 582-1525

9-151

No Reply
Roger Fontaine for info.

March 26, 1981

Mr. Richard V. Allen
Assistant to the President
for National Security Affairs
THE WHITE HOUSE
Washington, D.C. 20500

Dear Mr. Allen:

You may recall that on December 11, 1980 you met in Blair House with Bolivian officials Ambassador Justo Chamas and Minister of Information, Fernando Palacios. At that meeting the Bolivians expressed to you their government's interest in resuming normal diplomatic relations with the United States and presented you with a letter from President Luis Garcia Meza to then President-elect Ronald Reagan.

Armao and Company represented and advised the Government of Bolivia on public relations matters from November 15, 1980 to January 15, 1981. During that period we examined a number of extremely serious domestic problems facing that government. We bluntly advised General Meza that he should take immediate steps to confront alleged human rights violations, to make drastic changes in Cabinet personnel and publicly outline steps he planned to eradicate the drug trafficking problems which reportedly had reached enormous proportions.

During the course of our 90 day's activities, we had been advised that some of our recommendations to General Meza had been implemented. With respect to human rights violations, scores of political prisoners had been released and the United States Drug Enforcement officials had been invited back to resume their activities in Bolivia pending normalization of relations.

Unfortunately for Bolivia, however, Ambassador Chamas was not permitted to present his credentials to Secretary of State Haig.

40

ARMAO AND COMPANY, INC.

Mr. Richard V. Allen

-2-

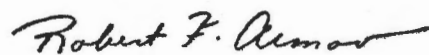
March 26, 1981

Subsequent to our representation, we learned that our suggestions regarding the removal of certain Bolivian Cabinet officials had been implemented, specifically the removal of controversial Interior Minister Arce Gomez.

Inasmuch as you met with the Bolivians at our request, we feel it important to formally advise you via this letter that Armao and Company ceased its relationship with the Government of Bolivia effective February 15, 1981 after coming to the conclusion that no productive purposes would be served by continuing the relationship.

With best wishes,

Sincerely,



Robert F. Armao