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WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name GUHIN, MICHAEL: FILES

Withdrawer

KML 9/30/2011

File Folder BOLIVIA (2)

FOIA

M10-353/1

Box Number 13

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83

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
120424	CABLE	LA PAZ 5738 R 5/18/2015 M353/1	6	9/22/1981	B1
120425	CABLE	STATE 254594 R 5/18/2015 M353/1	4	9/23/1981	B1
120426	CABLE	LA PAZ 5839 R 5/18/2015 M353/1	11	9/28/1981	B1
120427	CABLE	LA PAZ 5909 R 5/18/2015 M353/1	2	10/1/1981	B1
120434	CABLE	RE BOLIVIA	4	10/5/1981	B1 B3
120428	CABLE	LA PAZ 6118 R 5/18/2015 M353/1	1	10/13/1981	B1
120429	CABLE	LA PAZ 9436 R 5/18/2015 M353/1	2	11/3/1981	B1
120430	CABLE	LA PAZ 7275 R 5/18/2015 M353/1	1	12/11/1981	B1
120431	CABLE	LA PAZ 0067 R 5/18/2015 M353/1	4	1/6/1982	B1
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DE RUESLZ #5738/1 2651850

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FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC IMMEDIATE 8994

INFO AMEMBASSY BOGOTA 1864

AMEMBASSY BONN 0104

AMEMBASSY BRASILIA 2219

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AMEMBASSY CARACAS 3680

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NLRR M353/1 #120424

BY RW NARA DATE 5/18/15~~C O N F I D E N T I A L~~ SECTION 01 OF 02 LA PAZ 5738

EXDIS

E.O. 12065: GDS 9/21/87 (STRASSER, DANIEL A.) OR-P

TAGS: PGOV, PINT, SHUM, SNAR, PEPR, PDIP, BL, US

SUBJECT: THE TORRELIO GOVERNMENT: THE FIRST TWO WEEKS

REF: (A) LA PAZ 5465, (B) LA PAZ 5424

1. (C-ENTIRE TEXT).

2. SUMMARY: THE TORRELIO GOVERNMENT IN ITS FIRST TWO WEEKS HAS EXPRESSED ITS DETERMINATION TO DEAL WITH NARCOTICS TRAFFICKING, TO DISTANCE ITSELF FROM GARCIA MEZA, TO COME TO TERMS WITH THE IMF OVER ITS ECONOMIC/FINANCIAL PROBLEMS, AND TO RETURN THE COUNTRY TO DEMOCRACY. THE REGIME'S WORDS HAVE YET TO BE MATCHED BY CONCRETE DEEDS, PERHAPS BETRAYING A FUNDAMENTAL WEAKNESS. THE GOVERNMENT, HOWEVER, NEEDS MORE TIME TO SHOW WHETHER IT CAN ATTACK THE PRIMARY ISSUES. WE BELIEVE ON BALANCE THAT IT IS IN THE U.S. INTEREST TO HELP EXTEND THE LIFE OF THE TORRELIO REGIME WHILE ENCOURAGING TORRELIO TO DO THE RIGHT THING. END SUMMARY.

3. REFTELS CONTAIN EARLY EVALUATIONS OF THE DIRECTION IN

SIT:

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WHSR COMMENTS:

PAGE 01

LA PAZ 5738

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WHICH THE TORRELIO PRESIDENCY MIGHT TAKE BOLIVIA. SOME TWO WEEKS AFTER ASSUMING OFFICE, THE TORRELIO PRESIDENCY CONTINUES TO OFFER A MIXED PICTURE OF BOTH POSITIVE AND NEGATIVE ELEMENTS. IN ESSENCE, THOUGH ON THE ONE HAND THE PRESIDENT AND HIS CABINET HAVE DECLARED THEIR GOOD INTENTIONS TO DEAL WITH NARCOTICS TRAFFICKING, THE ECONOMY AND A RETURN TO DEMOCRACY, AND APPEAR TO BE TRYING TO DISTANCE THEMSELVES FROM THE GARCIA MEZA REGIME, ON THE OTHER HAND FEW IF ANY CONCRETE STEPS HAVE BEEN TAKEN. IF TIME IS AN ELEMENT IN ANY POLITICAL SITUATION, IT IS EVEN MORE SO IN BOLIVIA, WHICH IS TRADITIONALLY UNSTABLE BUT WHICH CURRENTLY FACES EVEN MORE DIFFICULT AND ECONOMIC AND POLITICAL CHALLENGES THAN NORMAL. AFTER TWO WEEKS, BOLIVIAN ARE IMPATIENT: IMPATIENT WITH THE LACK OF CONCRETE ACTIONS AS OPPOSED TO WORDS ON THE PART OF THEIR NEW GOVERNMENT, BUT IMPATIENT ALSO THAT THE GOVERNMENT HAS THUS FAR NOT APPEARED TO BE MOVING CLOSER TOWARDS NORMALIZATION OF RELATIONS WITH THE U.S.

4. TORRELIO STARTED OFF ON A GOOD FOOTING IN THE STATEMENTS HE MADE WHEN HE ASSUMED POWER AND WHEN HE INAUGURATED NEW CABINET MINISTERS. THE NEW CABINET ITSELF, WHILE CONTAINING FEW CHANGES, DID REPRESENT SOME IMPROVEMENT, PARTICULARLY THE NAMING OF GONAZLO ROMERO AS FOREIGN MINISTER. ROMERO, A CONSERVATIVE DEMOCRAT, QUICKLY EMPHASIZED IN HIS OWN STATEMENTS BOTH THE NEED FOR AN EVENTUAL RETURN TO DEMOCRACY AND THAT THE NARCOTICS PROBLEM IS THE PRINCIPAL IMPEDIMENT TO IMPROVING RELATIONS WITH THE U.S. ALSO, ON THE NARCOTICS FRONT, TORRELIO KEPT ON AIR FORCE COL. RENE OCAMPO (NAMED BY THE JUNTA) AS THE DIRECTOR OF THE GOB COUNCIL TO COMBAT NARCOTICS TRAFFICKING, REISTING SOME EFFORTS TO REPLACE OCAMPO WITH A LESS QUALIFIED INDIVIDUAL. WE HAVE ESTABLISHED A GOOD RELATIONSHIP WITH OCAMPO AT THE CHARGE, NCU AND DEA LEVELS, AND OCAMPO AT LEAST APPEARS EAGER TO IMPLEMENT COURSES OF ACTION WHICH COULD HAVE AN IMPACT ON THE CONTROL OF THE COCAINE TRADE. OCAMPO IS SAID TO HAVE THE PRESIDENT'S FULL SUPPORT. ALSO, WE ARE BEGINNING TO SENSE IN BOLIVIA A SIGNIFICANT CHANGE IN BOLIVIAN PUBLIC OPINION, CONCERNING THE IMPORTANCE OF THE GOVERNMENT'S TAKING CONCRETE, IMMEDIATE STEPS TO CURB NARCOTICS TRAFFIC. IN OUR CONVERSATIONS WITH MEMBERS OF THE BANKING COMMUNITY, PRIVATE ENTERPRISE AND THE MEDIA, AND IN THEIR PUBLIC DECLARATIONS, THERE IS A SENSE THAT THE NARCOTICS PROBLEMS IS NOT JUST AN AMERICAN PROBLEM BUT HAS BECOME THE FUNDAMENTAL PROBLEM IN U.S./BOLIVIAN RELATIONS, AND THEREFORE A NATIONAL PRIORITY. THIS NEWLY EMERGING ATTITUDE

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(WHICH WE HAVE BEEN WORKING TO ENCOURAGE) MAY GIVE THE TORRELIO REGIME A STRONGER POLITICAL BASE UPON WHICH TO TACKLE THE NARCOTICS ISSUE.

5. THE EMBASSY HAS ALSO HAD AN INCREASINGLY GOOD PRIVATE DIALOGUE WITH THE TORRELIO GOVERNMENT, INCLUDING THE PRESIDENT HIMSELF AS WELL AS THE MINISTERS OF FOREIGN AFFAIRS, FINANCE, COMMERCE AND INDUSTRY, AND PLANNING AND COORDINATION. TORRELIO HAS ASSURED
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H. Adelman

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EXDIS

US OF HIS INTEREST IN DISTANCING HIMSELF FROM GARCIA MEZA, AND INDEED, GARCIA MEZA IS CURRENTLY IN TAIWAN ON A 30 DAY JUNKET. TORRELIO HAS ALSO EXPRESSED TO US PRIVATELY HIS INTENTION TO GET FORMER INTERIOR MINISTER LUIS ARCE GOMEZ OUT OF THE COUNTRY, AND TO ABOLISH THE DISREPUTABLE SPECIAL SECURITY SERVICE (SES).

6. ON THE ECONOMIC FRONT, THE VISIT OF THE IMF MISSION WAS A USEFUL BEGINNING, AND THE GOVERNMENT'S FINANCE MINISTER IS GOING TO WASHINGTON ON SEP 23 IN THE HOPES OF MAKING FURTHER PROGRESS TOWARDS OBTAINING A 170 MILLION DOLLAR STANDBY AGREEMENT (SEE SEPTEL).

7. IN THE AREA OF HUMAN RIGHTS, TORRELIO HAS PROMISED A RETURN TO DEMOCRACY IN THREE YEARS. IN THE SHORTER RUN HE HAS REDUCED, BUT NOT ELIMINATED, THE HOURS OF THE CURFEW. ALSO, TORRELIO APPEARS TO BE HARMONIZING DIFFERENCES WITH THE GROUP OF OFFICERS LED BY COL. LUCIO ANEZ WHO LED THE SANTA CRUZ REBELLION OF EARLY AUGUST; ON SEPT 22 THE REINCORPORATION OF ANEZ AND MOST OTHER FORMER REBEL OFFICERS INTO THE ARMED FORCES

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WAS ANNOUNCED IN THE PRESS (SEPTEL). FURTHERMORE, TORRELIO'S APPROXIMATION WITH THE CATHOLIC CHURCH SEEMED TO GIVE HIS GOVERNMENT A CLEANER NEW MANTLE AND BASE OF ADDITIONAL SUPPORT.

8. AGAINST THIS BACKGROUND OF POSITIVE PORTENT, HOWEVER, THE TORRELIO GOVERNMENT HAS ALSO DISPLAYED SOME NEGATIVE CHARACTERISTICS. THE GOVERNMENT HAS BEEN LONG ON PROMISES AND SHORT ON PERFORMANCE IN ALL AREAS. WHILE THE GOVERNMENT HAS PROMISED A NATIONAL CAMPAIGN AGAINST NARCOTICS TRAFFICKING, APPEARS TO BE MOVING TOWARDS A PUBLIC DENUNCIATION BY NAME OF INDIVIDUAL NARCOTICS TRAFFICKERS AND MAY BE MAKING SOME EFFORTS TO BRING ABOUT THE HANDLING OVER OF AT LEAST ONE OF THE MAJOR TRAFFICKERS INDICATED IN THE U.S., IT HAS YET TO ACTUALLY TAKE ANY CONCRETE STEPS IN THE NARCOTICS AREA. ALSO WE HAVE DISCONCERTING REPORTS THAT COCA PRODUCTION IS AT AN ALL TIME HIGH IN SANTA CRUZ AND THAT A NUMBER OF NARCOTICS TRAFFICKERS WHO HAD BEEN ARRESTED THERE LAST MONTH HAVE BRIBED THEIR WAY OUT OF JAIL.

9. IN ADDITION, THE PRESIDENT'S EFFORTS TO DISTANCE HIMSELF FROM GARCIA MEZA HAVE SEEMINGLY BEEN FRUSTRATED: THE PRESIDENT HAS BEEN UNABLE TO ASSIGN COL. ARCE, WHO REMAINS ON ACTIVE DUTY, TO AN ATTACHE POSITION OUTSIDE OF THE COUNTRY (THE ARGENTINES TURNED HIM DOWN); THE SES, AN ARCE CREATURE, HAS NOT YET BEEN DISBANDED; WE HEAR REPORTS THAT THE PRESIDENT CONTINUES TO SURROUND HIMSELF WITH ADVISORS FROM THE GARCIA MEZA REGIME. THERE IS ALSO A STRONG PUBLIC IMAGE THAT TORRELIO IS A MERE CONTINUATION OF RECENT REGIMES, AND THAT HE CONTINUES TO DRAW HIS SUPPORT FROM THE LA PAZ "SYSDICATE" OF MILITARY COMMANDERS. MANY EMBASSY CONTACTS COMMENT THAT IT IS IMPOSSIBLE FOR TORRELIO "TO SAW OFF THE LIMB WHICH LIFTED HIM TO POWER."

10. A NEW DEVELOPMENT WHICH MAY ALSO BETRAY THE INTERNAL WEAKNESS OF THE REGIME HAS BEEN THE GROWING SCANDAL OVER THE POSSIBLE INTENTION OF THE GOVERNMENT TO PURCHASE A NUMBER OF NATIO F-104 FIGHTER AIRCRAFT. WHILE THE PRESIDENT HAS EXPRESSED TO US PRIVATELY HIS INTENTION TO HOLD UP THE SALE, IT REMAINS UNCLEAR WITHIN THE DEEP DARK RECESSES OF THE GOB WHAT KIND OF POLITICAL AND FINANCIAL DEALS MAY HAVE BEEN STRUCK WHICH COULD KEEP THE SALE ALIVE. THE GOVERNMENT HAS COMPOUNDED THIS ERROR BY TRYING TO SUPPRESS PRESS CRITICISM OF IT THROUGH PUBLIC THREATS (SEE SEPTEL).

11. ALL OF THE ABOVE COULD BE SEEN AS A POSSIBLE PORTRAIT OF THE MAN TORRELIO, HIS STRENGTHS AND WEAKNESSES. WE ARE REPEATEDLY TOLD THAT TORRELIO IS A "GOOD AND HONEST MAN." TORRELIO IS KNOWN TO BE

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RELIGIOUS AND IS BASICALLY A GOOD SOLDIER. HOWEVER, TORRELIO IS ALSO CONSIDERED, PROPERLY, WE BELIEVE, TO BE A WEAK AND INDECISIVE PERSON, SWEEPED INTO POWER--UNWILLINGLY, WE MIGHT ADD--BY FORCES IN THE BOLIVIAN ARMY INTENT ON MAINTAINING POSITIONS OF PRIVILEGE AND POWER. TORRELIO EVIDENCES LITTLE PERSONAL STRENGTH, ONLY A MODEST INTELLIGENCE, AND LITTLE DETERMINATION OR INNOVATIVENESS. HE MAY WELL BE UNWILLING OR UNABLE TO TAKE THE CONCRETE STEPS WHICH ARE REQUIRED TO CUT THE GORDIAN KNOT OF U.S.- BOLIVIAN RELATIONS. ON BALANCE WE BELIEVE THAT TORRELIO SHOULD CONTINUE TO BE GIVEN THE BENEFIT OF THE DOUBT FOR THE TIME BEING. THERE ARE FEW HAPPY ALTERNATIVES AT PRESENT TO HIS PRESIDENCY. TORRELIO NEEDS TIME TO DEMONSTRATE WHETHER OR NOT HE CAN RISE TO THE OCCASION. HIS CRITICS, BOTH TO THE LEFT AND TO THE RIGHT, WILL NOT GIVE HIM MUCH TIME. DESPITE THEIR REINCORPORATION INTO THE ARMED FORCES, ANEZ AND HIS GROUP REMAIN A SOURCE OF POTENTIAL OPPOSITION TO TORRELIO, ALTHOUGH TO OUR KNOWLEDGE THEY ARE NOT CURRENTLY INVOLVED IN COUP PLOTTING. HOWEVER, WITHIN THE HARDLINE MILITARY WE HEAR UNCONFIRMED REPORTS OF OFFICERS WHO ARE ALREADY PLANNING THE NEXT COUP. IN THIS TURBID POLITICAL ATMOSPHERE WE BELIEVE THE UNITED STATES CAN BEST ADVANCE ITS INTERESTS BY HELPING TO EXTEND THE REGIME'S LIFE EXPECTANCY WHILE ENCOURAGING TORRELIO TO DO THE RIGHT THING. IN THIS REGARD WE CONSIDER THE UPCOMING VISIT OF AMBASSADOR SUMNER AND ARA/AND DIRECTOR HART AS AN IMPORTANT VEHICLE FOR BRINGING TORRELIO ALONG.

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EXDIS
E.O. 12065: GDS 9/22/87 (BOSWORTH, STEPHEN W.)

TAGS: OTRA, PEPR, PINS, PINT, BL

SUBJECT: SUMNER/HART MISSION'S TALKING POINTS IN
DISCUSSION WITH THE GOB
REF: STATE 251764

1. (C - ENTIRE TEXT).

2. HERewith ARE THE TALKING POINTS FOR THE SUMNER/HART
MISSION IN DISCUSSIONS WITH THE GOB:

A. DRUGS AND NORMALIZATION

— FOR THE US TO NAME AN AMBASSADOR TO BOLIVIA, WE
MUST HAVE SOME CONCRETE ACTIONS WHICH WILL DRAMATICALLY
DEMONSTRATE TO THE US CONGRESS, PUBLIC AND MEDIA THAT
THE GOB IS SERIOUS IN ITS COMMITMENT TO ACT AGAINST
THE DRUG TRADE. AN ESSENTIAL ELEMENT OF THIS WOULD
BE THE DELIVERY TO THE U.S. OF AT LEAST ONE OF THE
MAJOR NARCOTICS TRAFFICKERS (PREFERABLY INCLUDING
ROBERTO SUAREZ) WHO HAS BEEN INDICTED IN THE U.S.
IT IS IMPORTANT THAT RECENT STEPS TO ESTABLISH AN
EFFECTIVE ANTI-DRUGS ORGANIZATION BE CONTINUED AND
THAT PLANS NOW BEING MADE BY THE GOB BE IMPLEMENTED.
IN ADDITION TO OPERATIONS TO CAPTURE TRAFFICKERS,
THE ORGANIZATION SHOULD START TO MAKE REASONABLY
EFFECTIVE EFFORTS TO ERADICATE ILLICIT COCA PRODUCTION,
INTERDICT THE MOVEMENT OF ILLICITLY GROWN COCA LEAF
MOVING FROM THE CHAPARE TO SANTA CRUZ VIA ROAD, AND
ESTABLISH A CONTROL MECHANISM FOR LICIT COCA CULTIVATION
TO MEET STRICTLY BOLIVIAN CONSUMPTION NEEDS.

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BY RW NARA DATE 5/18/15

-- WE ARE ENCOURAGED BY THE STATEMENTS WHICH GENERAL TORRELIO HAS MADE ON HIS INTENTIONS IN THE DRUG FIELD AND BY THE EARLY ORGANIZATIONAL EFFORTS OF COL. OCAMPO.

-- AS EVIDENCE OF OUR SUPPORT IN THIS AREA, WE ARE SENDING AN ADDITIONAL DEA AGENT TO LA PAZ ON OCTOBER 1. WE ARE PREPARED TO CONSIDER FURTHER DEA AND GENERAL ENFORCEMENT ASSISTANCE IF THE ANTI-NARCOTICS PROGRAM DEVELOPS SUCCESSFULLY.

-- WE HAVE BEEN SUPPORTING A CROP SUBSTITUTION PROGRAM IN BOLIVIA FOR SEVERAL YEARS (PRODES) AND WE WILL CONTINUE TO DO SO OVER THE NEXT YEAR, AT LEAST AT A MINIMAL FUNDING LEVEL. NO SIGNIFICANT NEW MONEY WILL BE AVAILABLE BEFORE FY-83, BUT UNDER APPROPRIATE CIRCUMSTANCES WE WOULD BE PREPARED TO INITIATE JOINT CONSIDERATION OF AN EXPANDED PROGRAM. THIS IS A LONGER RANGE PROBLEM IN ANY CASE.

B. THE ECONOMY

-- WE CONSIDER IT VERY IMPORTANT THAT THE GOVERNMENT OF BOLIVIA ADDRESS ITS SEVERE ECONOMIC PROBLEMS IMMEDIATELY. THE EXACT MEASURES TO BE TAKEN ARE, OF COURSE, A MATTER TO BE DECIDED BY THE GOB IN CONSULTATION WITH THE INTERNATIONAL FINANCIAL INSTITUTIONS. WE HOPE THAT AN EFFECTIVE PROGRAM WILL BE AGREED TO AND IMPLEMENTED PROMPTLY. IF SIGNIFICANT PROGRESS IS MADE ON THE DRUG ISSUE, SO THAT THE RANGEL AMENDMENT WOULD NOT APPLY, THE USG WOULD BE PREPARED TO SUPPORT FINANCIAL ASSISTANCE FOR BOLIVIA IN THE IFI'S.

-- IN BOLIVIA'S DIRE ECONOMIC STRAITS, WE ASSUME THAT NO MAJOR MILITARY EQUIPMENT PURCHASES WILL BE MADE. TO DO SO WOULD CREATE SEVERE DOUBTS ABOUT THE SERIOUSNESS OF THE GOB'S ECONOMIC POLICIES.

C. US ASSISTANCE

-- S DISBURSEMENTS OF ECONOMIC AID ARE NOW RUNNING AT APPROXIMATELY \$16 MILLION A YEAR -- \$8 MILLION EACH IN ON-GOING DEVELOPMENT ASSISTANCE AND PL 480 TITLE II. CONTINGENT UPON SATISFACTORY ECONOMIC AND ANTI-NARCOTICS POLICIES, OUR DISBURSEMENTS IN FY 82 AND FY 83 MIGHT RISE TO \$35-40 MILLION ANNUALLY FROM CURRENTLY SUSPENDED PROGRAM -- \$17.2 IN PL480 TITLE I AND \$52 MILLION IN DEVELOPMENT ASSISTANCE. IN VIEW OF THE BUDGET STRINGENCY IN THE US, NEW PROGRAMS IN

THE FORESEEABLE FUTURE ARE NOT LIKELY.

D. RETURN TO DEMOCRACY.

— WE REALIZE THAT BOLIVIA MUST GO THROUGH A TRANSITIONAL PERIOD BEFORE IT CAN RETURN TO DEMOCRATIC, CIVILIAN GOVERNMENT. DURING THIS TRANSITION WE HOPE THAT THERE WILL BE SUBSTANTIAL AND INCREASING CIVILIAN PARTICIPATION IN THE INTERIM. THE TRANSITION GOVERNMENT SHOULD HAVE A POSITIVE PROGRAM WHICH WILL ATTRACT WIDESPREAD SUPPORT FROM VARIOUS SECTORS OF THE BOLIVIAN PEOPLE SO THAT A NATIONAL CONSENSUS ON WHERE BOLIVIA SHOULD BE HEADED CAN BE DEVELOPED.

E. HUMAN RIGHTS

— WE ARE ENCOURAGED BY WHAT PRESIDENT TORRELIO HAS SAID ABOUT HIS INTENTIONS TO RESPECT HUMAN RIGHTS. THE GARCIA MEZA REGIME HAD A VERY BAD INTERNATIONAL REPUTATION ON THIS SUBJECT. SOME PROMPT AND CONCRETE STEPS TO REVERSE THIS PERCEPTION WOULD BE USEFUL. THE MOST DRAMATIC MOVE WOULD BE THE ABOLISHMENT OF THE SES (PARA-MILITARIES) WHICH HAS COMMITTED MANY HUMAN RIGHTS ABUSES. OTHER POSITIVE ACTIONS WOULD INCLUDE FULL COOPERATION WITH THE SPECIAL REPRESENTATIVE OF THE UN HUMAN RIGHTS COMMISSION, THE LIFTING OF CENSORSHIP, CANCELLATION OF THE NATIONAL RADIO CHAIN AND LIFTING OF THE CURFEW.

— MANY PEOPLE WONDER WHETHER THE TORRELIO GOVERNMENT IS REALLY A CONTINUATION OF THE GARCIA MEZA REGIME. IT IS IMPORTANT THAT THESE SUSPICIONS BE PUT TO REST IF THERE IS TO BE WIDESPREAD INTERNATIONAL ACCEPTANCE OF THE PRESENT GOVERNMENT. WE NOTE THAT GARCIA MEZA IS ABROAD AND THAT PRESIDENT TORRELIO HAS SAID HE INTENDS TO SEND COL. ARCE OUT OF THE COUNTRY. IN OUR VIEW, THE MORE DISTANCE BETWEEN TORRELIO AND THESE PEOPLE, THE BETTER FOR THE TORRELIO IMAGE.

3. STATEMENT - FOR POSTING ON WEDNESDAY, SEPTEMBER 23: THE US IS ENCOURAGED BY RECENT STATEMENTS BY THE GOVERNMENT OF BOLIVIA CONCERNING POLICIES IT INTENDS TO PURSUE IN A NUMBER OF AREAS OF INTEREST TO US. OF PARTICULAR IMPORTANCE ARE BOLIVIA'S PLANS TO COMBAT NARCOTICS TRAFFICKING. AMBASSADOR GORDON SUMNER, SPECIAL ADVISER TO THE ASSISTANT SECRETARY OF STATE FOR AMERICAN REPUBLIC AFFAIRS, AND SAMUEL HART, DIRECTOR OF THE OFFICE OF ANDEAN AFFAIRS, WILL SOON MAKE A SHORT VISIT TO BOLIVIA TO DISCUSS WITH GOB OFFICIALS THE DETAILS OF THE CONCRETE

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ACTIONS THEY EXPECT TO TAKE. THIS VISIT IS IN THE
CONTEXT OF A CONTINUATION OF EXCHANGES OF VIEWS BETWEEN
OUR TWO GOVERNMENTS WHICH HAS BEEN GOING ON FOR SOME
TIME. CLARK
BT

PAGE 04 OF 04 SECSTATE WASHDC 4594

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BY RW NARA DATE 5/18/15

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EXDIS
DIA FOR IR BRANCH
USCINCSO ALSO FOR POLAD
E.O. 12065: GDS 9/25/87 (STRASSER, DANIEL A.) OR-P
TAGS: OTRA, PDIP, PINS, PEPR, PINT, BL, US
SUBJECT: SMNER/HART MISSION'S DISCUSSIONS WITH THE GOB
REF: (A) STATE 251764, (B) STATE 254584

1. (C - ENTIRE TEXT)

2. SUMMARY: IN MEETINGS WITH PRESIDENT TORRELIO, FOREIGN MINISTER ROMERO, AND OTHER GOB OFFICIALS, THE SUMNER/HART MISSION REVIEWED STEPS THE US GOVERNMENT HOPES WILL BE TAKEN BY BOLIVIA IN THE AREAS OF NARCOTICS TRAFFICKING, THE ECONOMY AND HUMAN RIGHTS, AND MADE CLEAR THE NEED FOR TORRELIO TO DISTANCE HIMSELF FROM THE GARCIA MEZA REGIME. TORRELIO AND ROMERO APPEARED TO BE IN COMPLETE AGREEMENT WITH THE POINTS DISCUSSED. THEY WERE EAGER TO DEMONSTRATE THEIR SINCERITY AND TO DETAIL THE EFFORTS BEING MADE AND

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PLANNED TO DEAL WITH THE ISSUES, PARTICULARLY THE FIGHT AGAINST NARCOTICS TRAFFICKING. THE GOB PLANS TO TAKE LEGAL ACTIONS AGAINST THE FIVE NARCOTICS TRAFFICKERS INDICTED IN THE US, AND TORRELIO SAID HE HOPES TO HAND OVER ONE OF THE MAJOR TRAFFICKERS BY EARLY IN THE WEEK OF SEPT 28 AND EVENTUALLY TO CAPTURE ALL OF THEM. THE PRESIDENT NOTED, HOWEVER, THE DIFFICULTY OF ACHIEVING THIS, AND EXPRESSED THE FEAR THAT IF US NORMALIZATION DEPENDED EXCLUSIVELY ON TURNING OVER THESE NARCOTICS TRAFFICKERS TO THE US AND HE FAILED TO ACHIEVE HIS GOAL, HE FACED THE POSSIBILITY OF BEING TURNED OUT OF OFFICE. THE MISSION SPELLED OUT OTHER ACTIONS IN THE NARCOTICS AREA WHICH COULD ALSO BRING ABOUT NORMALIZATION. PRESS COVERAGE OF THE MISSION'S VISIT WAS EXTENSIVE AND POSITIVE. END SUMMARY.

3. AMBASSADOR GORDON SUMNER AND ARA/AND DIRECTOR SAMUEL HART MET SEPTEMBER 24 WITH FOREIGN MINISTER GONZALO ROMERO AND HIS STAFF (SUB-SECRETARIES MOISES FUENTES IBANEZ, HERNANDO VELASCO, AND FOREIGN MINISTRY LEGAL ADVISER HERNANDO GARCIA VESPA), AND WITH PRESIDENT CELSO TORRELIO AND FOREIGN MINISTER ROMERO IN THEIR OFFICE. ON SEPTEMBER 25 THEY HAD A FINAL WORKING DINNER HOSTED BY CHARGE WITH TORRELIO, ROMERO, INTERIOR MINISTER ROMULO MERCADO, CHIEF OF THE PRESIDENT'S MILITARY HOUSEHOLD COL. ROLANDO CANIDO, AND PLANNING MINISTER ADOLFO LINARES. HART ALSO RECEIVED A BRIEFING THAT DAY FROM THE DIRECTOR OF THE GOB ANTI-NARCOTICS COUNCIL, COL. RENE OCAMPO. THE MISSION WAS ACCOMPANIED IN ITS MEETINGS BY THE CHARGE AND EMBOFFS.

4. DRUGS ANDKORMALIZATION: IN TALKING WITH PRESIDENT TORRELIO AND THE FOREIGN MINISTER, AMBASSADOR SUMNER AND MR. HART DREW ON TALKING POINTS CONTAINED REF B, STRESSING THAT THE US NEEDED CONCRETE GOB ACTIONS IN ORDER TO APPOINT AN AMBASSADOR TO BOLIVIA. BOLIVIA MUST DEMONSTRATE TO THE US CONGRESS, PUBLIC, AND MEDIA THAT IT IS SERIOUS IN ITS COMMITMENT TO ACT AGAINST THE DRUG TRADE. THE DELIVERY OF AT LEAST ONE OF THE MAJOR NARCOTICS TRAFFICKERS INDICTED IN THE US WOULD BE SUCH AN ACT. ALSO STRESSED WERE THE NEED FOR AN EFFECTIVE ANTI-DRUG ORGANIZATION, EFFORTS TO ERADICATE ILLICIT COCA PRODUCTION, AND TO INTERDICT THE MOVEMENT OF ILLICIT COCA LEAF FROM THE CHAPARE TO SANTA CRUZ. IT WAS NOTED THAT THE US WOULD SOON SEND AN ADDITIONAL DEA AGENT TO LA PAZ TO DEMONSTRATE ITS SUPPORT FOR THE ANTI-NARCOTICS EFFORT.

5. BOTH THE FOREIGN MINISTER AND THE PRESIDENT MADE THE

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FOLLOWING POINTS CONCERNING THE PROBLEM OF NARCOTICS:

1) THE PROBLEM IS BEING MOVED INTO THE JUDICIAL SYSTEM.

BT

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TO SECSTATE WASHDC IMMEDIATE 0068

INFO AMEMBASSY ASUNCION 2537
AMEMBASSY BOGOTA 1869
AMEMBASSY BRASILIA PRIORITY 2226
AMEMBASSY BUENOS AIRES IMMEDIATE 4784
AMEMBASSY CARACAS PRIORITY 3688
AMEMBASSY LIMA PRIORITY 7604
AMEMBASSY MONTEVIDEO 0731
AMEMBASSY PANAMA 4039
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DIA WASHDC
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USMISSION USUN NEW YORK 0803

~~CONFIDENTIAL~~ SECTION 02 OF 04 LA PAZ 5839

EXDIS
DIA FOR IR BRANCH
USCINCSO ALSO FOR POLAD
THE PUBLIC PROSECUTOR WILL INITIATE A COMPLAINT AGAINST
THE MAJOR TRAFFICKER. THE FIRST STAGE WOULD BE INVESTIGATE
FOLLOWED BY AN INDICTMENT, IF WARRANTED. THE NAMES OF THE
TRAFFICKERS WILL BE PUBLISHED, HE SAID,
AND IF THE TRAFFICKERS DO NOT
TURN THEMSELVES IN THEY WILL BE DECLARED TO BE FUGITIVES
FROM JUSTICE. THE MISSION WAS ASSURED THAT THERE IS GOOD
COORDINATION WITHIN THE VARIOUS GOB MINISTRIES ON THIS.
B) A NEW DRAFT NARCOTICS LAW WOULD BE SENT TO THE PRESIDENT BY
OCTOBER 9 AND WAS SCHEDULED TO BE APPROVED BY THE CABINET
BY OCTOBER 30.
C) PRESIDENT TORHELIO SAID THAT THE GOVERNMENT WAS INVOLVED
IN A SECRET FIGHT WITHOUT PUBLICITY AGAINST THE THREE OR
FOUR MOST SIGNIFICANT NARCOTICS GROUPS. HE HAD A SPECIAL
GROUP OF 150 MEN OPERATING IN THE FIELD TO CAPTURE THE
MAJOR TRAFFICKERS INDICTED BY THE US. HE PROMISED TO FIGHT

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THE TRAFFICKERS "WITHOUT QUARTER." TORRELIO SAID HE HAD HOPES THAT ONE OR TWO OF THE MAJOR TRAFFICKERS MIGHT HAND THEMSELVES OVER VOLUNTARILY. ONE OF THEM, WIDEN RAZUK, HE SAID, WAS BELIEVED TO BE ALREADY IN MIAMI (THE CHARGE CONFIRMED THAT RAZUK WAS INDEED IN MIAMI, BUT ADDED THAT HE IS NOT ONE OF THE INDICTED INDIVIDUALS). HE HOPED ALSO, HOWEVER, THAT BY MONDAY OR TUESDAY OF NEXT WEEK ANOTHER MAJOR TRAFFICKER WOULD BE READY TO TURN HIMSELF IN. (NOTE : ON SEPT 25, THE COUNCIL TO FIGHT NARCOTICS TRAFFICKING PUBLISHED THE LIST OF THE FIVE MAJOR TRAFFICKERS INDICTED IN THE U.S.

THE NAMES AND PHOTOGRAPH OF TWO OTHER TRAFFICKERS WERE ALSO PUBLISHED AND A CASH REWARD WAS OFFERED FOR EACH.)

D. TORRELIO NOTED THAT THE FIGHT AGAINST NARCOTICS TRAFFICKERS WAS AN UNEQUAL ONE BECAUSE OF THE HUGE SUMS OF MONEY AVAILABLE TO THE TRAFFICKERS. HE BELIEVED THE US HAD GIVEN VERY LITTLE ASSISTANCE TO BOLIVIA COMPARED TO SUCH COUNTRIES AS PERU AND COLOMBIA. THE GOB NEEDED MORE AND BETTER EQUIPMENT TO CARRY ON THE FIGHT.

E) PRESIDENT TORRELIO SAID REPEATEDLY THAT WITHOUT US NORMALIZATION HIS GOVERNMENT MIGHT HAVE A DIFFICULT TIME SURVIVING AND THE RESULT WOULD BE EITHER LEFTIST GOVERNMENT OR ONE DOMINATED BY NARCOTICS TRAFFICKERS. HE HOPED THAT THIS WOULD NOT BE CAUSED BY THE POSSIBILITY THAT HE WOULD BE UNABLE TO CAPTURE ONE OR TWO DRUG TRAFFICKERS. IN RESPONSE HE WAS TOLD THAT THE US DID NOT CITE AS THE ONLY CONDITION FOR NORMALIZATION OF RELATIONS THE CAPTURE OF THESE TRAFFICKERS. HART NOTED THAT IN HIS LETTER TO CHAMAS OF JUNE 13 OTHER TYPES OF ACTIONS IN THE NARCOTICS FIELD WERE CITED WHICH COULD ALSO BE THE BASIS FOR NORMALIZATION OF RELATIONS. THESE INCLUDED:

- AN EFFECTIVE ANTI-NARCOTICS ORGANIZATION
- ERADICATION OF ILLICIT COCA PRODUCTION
- INTERDICTION OF THE TRANSPORT OF ILLICIT COCA LEAF
- CAPTURE AND DESTRUCTION OF COCAINE IN LARGE QUANTITIES.

6. ON SEPTEMBER 25, HART WAS BRIEFED BY COL. RENE OCAMPO, DIRECTOR OF THE GOB COUNCIL TO COMBAT NARCOTICS TRAFFICKING. OCAMPOS PRESENTED COCUMENTATION ON THE ACTIONS TAKEN BY THE GOB SINCE FEBRUARY 17, WHEN THE ARMED FORCES FIRST BECAME INVOLVED IN THE ANTI-NARCOTICS CAMPAIGN. HE ALSO NOTED THE ACTIONS TAKEN IN THE MONTH HE HAD PERSONALLY BEEN RESPONSIBLE FOR THE EFFORT, INCLUDING THE DESTRUCTION OF 28 COCAINE FACTORIES, NUMEROUS ARRESTS AND THE CONFISCATION OF CASH AND JEWELRY FROM TRAFFICKERS. HE ALSO TOLD OF PLANS OF THE COUNCIL FOR CROP SUBSTITUTION AND FOR COCA CENSUS. OCAMPO SAID A SPECIAL EFFORT IS UNDEWAY TO CAPTURE MAJOR TRAFFICKER

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ROBERTO SUAREZ, SR; EFFORTS TO CATCH SUAREZ THUS FAR HAD FAILED, SOMETIMES NARROWLY, BUT HE PURSUIT CONTINUES. OCAMPO SUGGESTED SOME UNUSED AID FUNDS COULD BE CHanneLED INTO THE CROP SUBSTITUTION EFFORT.

7. THE ECONOMY AND US ASSISTANCE: THE MISSION STRESSED THE IMPORTANCE OF THE GOB PUTTING ITS ECONOMIC HOUSE IN ORDER AND OF REACHING AN AGREEMENT WITH THE IMF, AND DETAILED THE POSSIBLE DIMENSION OF US ECONOMIC ASSISTANCE SHOULD RELATIONS BE NORMALIZED, NOTING OUR BUDGETARY CONSTRAINTS. (THE GOB REACTION WAS THAT IT WAS NOT RELYING ON DIRECT US ASSISTANCE;
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INFO AMEMBASSY ASUNCION 2538
AMEMBASSY BOGOTA 1870
AMEMBASSY BRASILIA PRIORITY 2227
AMEMBASSY BUENOS AIRES IMMEDIATE 4785
AMEMBASSY CARACAS PRIORITY 3689
AMEMBASSY LIMA PRIORITY 7605
AMEMBASSY MONTEVIDEO 0732
.AMEMBASSY PANAMA 4040
AMEMBASSY QUITO 2130
AMEMBASSY SANTIAGO 4090
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USMISSION USUN NEW YORK 0804

~~CONFIDENTIAL~~ SECTION 03 OF 04 LA PAZ 5839

EXDIS
DIA FOR IR BRANCH
SUCINCSO ALSO FOR POLAD
RATHER, NORMALIZATION WOULD OPEN UP OTHER AREAS OF CREDIT IN
THE INTERNATIONAL FINANCIAL AND PRIVATE BANKING SECTORS.)
AMB SUMNER EXPLAINED THE EFFECT ON INTERNATIONAL ECONOMIC
ASSISTANCE WHICH A GOB FAILURE TO DEAL WITH NARCOTICS COULD
HAVE DUE TO THE RANGEL AMENDMENT. THE MISSION RECEIVED
GENERAL INFORMATION ON ECONOMIC MEASURES CONTEMPLATED
BY THE GOB FROM PLANNING MINISTER LINARES AND SUB-SECRETARY
MOISES ARTEAGA (FINANCE MINISTER ALCOREZA WAS IN WASHINGTON
FOR THE WORLD BANK/IMF MEETINGS). HOWEVER, THERE WAS VERY
LITTLE CONCRETE INFORMATION ON WHAT THE GOB EXPECTS TO
DO IN THE SHORT TERM TO REACH AGREEMENT WITH THE IMF.
THE GOB, FOR EXAMPLE, IS NOT PREPARED TO ENTER INTO
EITHER A CURRENCY DEVALUATION OR A FLOAT OF THE PESO
WITHOUT SOME PRIOR AGREEMENT THAT THE IMF STANDBY WOULD
BE FORTHCOMING. EVEN IN THAT EVENT IT WAS CLEAR THAT
DEVALUATION WOULD BE POLITICALLY DIFFICULT. THERE WERE SOME

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STATEMENTS ABOUT BRINGING ABOUT A REDUCTIONS OF SPENDING IN THE GOVERNMENT AND IN THE PUBLIC ENTERPRISES. THESE DISCUSSION DID LITTLE TO DISPEL THE MISSION'S AND THE EMBASSY'S DOUBTS WHETHER THE GOB IS WILLING AND ABLE TO TAKE THE STEPS NECESSARY TO PUT THE ECONOMY IN ORDER.

8. HUMAN RIGHTS AND DEMOCRATIZATION: THE PRESIDENT AND FOREIGN MINISTER SAID THAT BOLIVIA IS ESSENTIALLY A "CHRISTIAN AND CATHOLIC COUNTRY" AND THIS WAS A BRAKE ON EXCESSIVE ABUSES. THEY NOTED THE GOVERNMENT'S COMMITMENT TO RETURN THE COUNTRY IN THREE YEARS TO DEMOCRACY. WHILE THIS PROCESS STILL LACKS A TIMETABLE, IT INVOLVED THE FOLLOWING STEPS:

- ESTABLISHMENT OF A COUNCIL OF STATE TO DRAFT AN AMENDED CONSTITUTION.
- AFTER REVIEW WITHIN THE GOB, THE DRAFT CONSTITUTION WOULD BE PUT TO A CONSTITUENT ASSEMBLY.
- A NEW POLITICAL PARTY LAW (DESIGNED TO ELIMINATE THE PROBLEM OF THE PAST IN WHICH SOME 53 DIFFERENT PARTIES RAN FOR OFFICE).
- A NEW ELECTORAL LAW.
- LABOR-UNION-ACTIVITY, SOMEWHAT CURTAILED, WOULD RESUME.

9. AMBASSADOR SUMNER SAID HUMAN RIGHTS WAS A SUBJECTIVE AREA. THE UNITED STATES DID NOT INTEND TO IMPOSE ITS VIEWS ON BOLIVIA BUT WAS SURE THAT THE BOLIVIAN WOULD FIND HUMAN RIGHTS SOLUTIONS WITHIN THEIR OWN CULTURAL CONTEXT. IN RESPONSE TO A QUESTION ABOUT THE SPECIAL SECURITY SERVICE (SES) THE PRESIDENT SAID IT HAD ALREADY BEEN ORDERED DISSOLVED AND A NEW INTELLIGENCE SERVICE, THE SIN, WOULD BE FORMED. INTERIOR MINISTER MERCADO TOLD THE CHARGE THE NEW SERVICE WOULD CONTAIN COMPLETELY NEW PERSONNEL AND ONLY BE AN INTELLIGENCE ORGANIZATION. BOTH THE MISSION AND THE EMBASSY TOOK THIS ASSERTION WITH A LARGE GRAIN OF SALT.

10. TORRELIO AND THE MILITARY: THE PRESIDENT SAID HE BELIEVED HE HAD BROUGHT CONSIDERABLE UNITY TO THE ARMED FORCES. HE HAD REINCORPORATED ALL BUT A FEW OF THE OFFICERS WHO HAD BEEN CASHIERED BECAUSE OF THEIR ROLES IN RECENT COUP ATTEMPTS. THE ARMED FORCES WERE NOW, IN HIS VIEW, 85 PER CENT STABILIZED IN SUPPORT OF OF HIS GOVERNMENT. IN HIS RECENT TRIP TO COCAHBAMBA AND SANTA CRUZ HE HAD BEEN IMPRESSED BY THE NEW SPIRIT OF DISCIPLINE. HE HOPED, THEREFORE, IF THINGS CONTINUED TO IMPROVE, TO RESIGN FROM HIS POSITION OF COMMANDER OF THE ARMY IN ONE WEEK.

(AS PRESIDENT HE WOULD REMAIN, HOWEVER, AS COMMANDER IN CHIEF OF THE ARMED FORCES.) THE MISSION TOLD TORRELIO THAT IT HOPED THERE WOULD BE NO NEW PURCHASES OF MILITARY EQUIPMENT SINCE THIS WOULD PUT THE SERIOUSNESS OF THE GOB'S ECONOMIC POLICIES INTO QUESTION. TORRELIO SAID THERE WAS A PROPOSAL TO PURCHASE F-104 AIRCRAFT AND THE PURCHASE PRICE WAS REASONABLE. HOWEVER, DUE TO THE COUNTRY'S ECONOMIC SITUATION, THE PROPOSAL HAS BEEN SUSPENDED.

11. BOLIVIA'S STRATEGIC/POLITICAL SITUATION: PRESIDENT TORRELIO AND FON MIN ROMERO FREQUENTLY ASSERTED BOLIVIA'S STRATEGIC GEOPOLITICAL SITUATION. THE COUNTRY, IN THE HEART OF SOUTH AMERICA, WAS OF IMPORTANCE TO BOTH THE UNITED STATES AND THE SURROUNDING SOUTH AMERICAN COUNTRIES, ALL OF WHICH ARE MORE POWERFUL THAN ITSELF. THIS MADE THE INTERNAL POLITICAL SITUATION IN BOLIVIA ALSO OF CONCERN. THERE
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INFO AMEMBASSY ASUNCION 2539
AMEMBASSY BOGOTA 1871
AMEMBASSY BRASILIA PRIORITY 2228
AMEMBASSY BUENOS AIRES IMMEDIATE 4796
AMEMBASSY CARACAS PRIORITY 3690
AMEMBASSY LIMA PRIORITY 7606
AMEMBASSY MONTEVIDEO 0733
AMEMBASSY PANAMA 4041
AMEMBASSY QUITO 2131
AMEMBASSY SANTIAGO 4091
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USMISSION USUN NEW YORK 0805

~~CONFIDENTIAL~~ SECTION 04 OF 04 LA PAZ 5839

EXDIS
DIA FOR IR BRANCH
USCINCSO ALSO FOR POLAD
ALWAYS REMAINED THE DANGER OF AN EXTREMIST GOVERNMENT
COMING TO POWER IN BOLIVIA AS THE RESULT OF ECONOMIC AND
POLITICAL INSTABILITY. TORRELIO SAID THAT CONDITIONS
IN BOLIVIA COULD RESULT IN A SITUATION WORSE THAN THAT
IN EITHER NICARAGUA OR EL SALVADOR. THERE WAS THE
POTENTIAL OF NEIGHBORING COUNTRIES BECOMING INVOLVED IN
BOLIVIA SHOULD THERE BE A TURN TO THE LEFT.

12. THE MISSION LEFT COPIES OF ITS TALKING POINTS (REF B) IN THE
FORM OF A NON-PAPER WITH BOTH PRESIDENT TORRELIO AND
FOREIGN MINISTER ROMERO.

13. PRESS TREATMENT OF THE SUMNER/HART VISIT WAS
EXTENSIVE AND POSITIVE. THE GOB MANAGEMENT OF INFORMATION
TO THE PRESS CONCERNING THE VISIT WAS, WHILE UPBEAT, CAUTIOUS
AND ACCURATE. (WE CREDIT FM ROMERO FOR THIS.) WITHOUT

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QUESTION THE MISSION'S VISIT WAS PLAYED BY THE PRESS
AS A BOOST TO THE TORRELIO GOVERNMENT AND AS AN
IMPORTANT TOWARDS THE NORMALIZATION OF RELATIONS.

.....PRYCE

NOTE BY OC/T: EXDIS CAPTION ADDED PER SS-O: M. ELLIOTT
BT

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DTG:282113Z SEP 81
TOR: 272/0353Z

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Department of State

INCOMING
TELEGRAM

PAGE 01
ACTION INM-06

LA PAZ 05823 281417Z

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INFO	OCT-01	ADS-00	INR-10	CIAE-00	ICA-15	IO-15	<u>NSC-05</u>
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UNCLAS LA PAZ 5823

STATE FOR INM AND ARA

DEA FOR FRL

DIA FOR IR BRANCH

USCINCSO ALSO FOR POLAD

E. O. 12065: N/A

TAGS: SNAR, CGEN, BL

SUBJECT: **GOB ANNOUNCED NAMES OF NARCOTICS TRAFFICKERS WANTED IN U.S.**

1. THE NATIONAL COUNCIL FOR THE FIGHT AGAINST NARCOTICS TRAFFICKING ANNOUNCED TO THE PRESS SEPT 24 THE NAMES OF THE 5 NARCOTICS TRAFFICKERS UNDER INDICTMENT IN THE U.S. ROBERTO SUAREZ (FATHER), ROBERTO SUAREZ JUNIOR, MARCELO IBANEZ, RENATO ROCA SUAREZ AND ALFREDO GUTIERREZ. THE NATIONAL COUNCIL ASKED FOR THE ASSISTANCE OF THE ARMED FORCES AND THE PUBLIC IN APPREHENDING THESE CRIMINALS. ON SEPTEMBER 25, ACCORDING TO THE MID-DAY NEWS, THE COUNCIL ALSO ANNOUNCED A REWARD OF 1 MILLION PESOS (US DOLS 40,000) FOR INFORMATION LEADING TO THE CAPTURE OF ANY OF THESE 5.

2. THE COUNCIL ALSO ANNOUNCED THAT IT HAD COMPLETED A NEW DRAFT ON NARCOTICS. THE DRAFT WOULD BE CIRCULATED TO VARIOUS PARTS OF THE GOVERNMENT. THE COUNCIL ANTICIPATED, THAT IT WOULD BE FINALLY APPROVED BY OCTOBER 15. IT ADDED THAT THE LAW WAS COMPLETELY NEW, NOT JUST A REVISION OF A PREVIOUS NARCOTICS LAWS.

3. COMMENT: WE HAVE RECEIVED A COPY OF THE DRAFT. LAWYERS FOR THE CONSULAR SECTION HAVE FOUND A NUMBER OF CONTRADICTIONS BETWEEN THE DRAFT AND THE BOLIVIAN CONSTITUTION. MISSION WILL BE SUBMITTING COMMENTS ON THE DRAFT TO THE NATIONAL COUNCIL.

..... PRYCE

Q Bolivia

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BY LW NARA DATE 5/18/15

TO SECSTATE WASHDC IMMEDIATE 9112

INFO AMEMBASSY BOGOTA 1873
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AMEMBASSY LONDON 514
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AMEMBASSY QUITO 2133
AMEMBASSY ROME 445
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O Bolivia

~~CONFIDENTIAL~~ LA PAZ 5909

EXDIS

E.O.12065: RDS- 10/1/01 (PRYCE, WILLIAM T.) OR-M
TAGS: PINT, PINS, SNAR, PEPR, BL, US
SUBJ: PRIVATE MEETING WITH PRESIDENT TORRELIO

1. (~~CONFIDENTIAL~~- ENTIR TEXT)

2. DURING SMALL PRIVATE DINNER LAST NIGHT (SEPTEMBER 30) PRESIDENT TORRELIO TOLD CHARGE THAT GOB HAD SEIZED 18 KILOS OF COCAINE EARLIER THAT DAY AND INTENDED TO COMBINE IT WITH OTHER SEIZED COCAINE TO HOLD A PUBLIC BURNING ON FRIDAY OCTOBER 2ND; THAT HE HOPED A MAJOR DRUG TRAFFICKER WOULD TURN HIMSELF OVER TO THE US BY OCTOBER 6; THAT HE INTENDED TO STEP DOWN AS ARMY COMMANDER WITHIN A WEEK AND APPOINT ARMY CHIEF OF STAFF GENERAL MARISCAL TO TAKE HIS PLACE; THAT HE PLANNED TO FIRE 50 OF THE MEMBERS OF THE DISCREDITED SES SECURITY ORGANIZATION (WHICH HE SAID NUMBERED ABOUT 150) WITHIN THE NEXT FEW DAYS; THAT HE WAS HAVING TROUBLE GETTING RID OF FORMER INTERIOR MINISTER LUIS "LUCHO" ARCE GOMEZ NOW THAT ARGENTINA HAD REFUSED TO ACCEPT HIM AS MILITARY ATTACHE BUT WOULD SEEK EITHER TO SEND HIM TO PARAGUAY OR TAIWAN, OR FAILING THAT TO HAVE HIM RESIGN FROM THE ARMY; AND REITERATED THE NEED FOR FULL NORMALIZATION OF RELATIONS

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LA PAZ 5909

DTG: 011440Z OCT 81
TOR: 274/1622Z

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WITH THE US.

3. COMMENT: TORRELIO, WHO WAS IN A RELAXED MOOD AT THE SMALL GATHERING (4 COUPLES IN ALL) SEEMED RELATIVELY CONFIDENT ALTHOUGH OBVIOUSLY PROCCUPIED WITH THE PROBLEMS FACING HIM AND HIS GOVERNMENT. HE CLAIMED HE WAS REASONABLY SURE OF HIS POSITION WITH THE ARMY AND WOULD CONTINUE TO MANAGE IT "BEHIND THE SCENES" THROUGH GENERAL MARISCAL IN WHOM HE HAD COMPLETE CONFIDENCE. IN DISCUSSING HIS PROBLEMS WITH LUCHO ARCE, THE PRESIDENT SAID IT WAS DIFFICULT TO MOVE AGAINST HIM SUMMARILY WITHOUT PROOF BECAUSE OTHER MILITARY OFFICERS WOULD RESENT SUCH ACTION. EVEN THOUGH ARCE HAD A BAD REPUTATION AS A NARCOTICS TRAFFICKER THERE WAS NO FIRM EVIDENCE AGAINST HIM AND ARCE WAS GRUDGINGLY ADMIRER AS A MAN OF VALOR AND COURAGE DESPITE HIS NAFAARIOUS ACTIVITIES. TORRELIO, WITH A LITTLE PRODDING, SAID HE WAS NOW HAVING ARCE "FOLLOWED" AND ADDED HE WILL RENEW HIS EFFORTS TO NEUTRALIZE THE FORMER INTERIOR MINISTER. WE CONTINUE TO BELIEVE TORRELIO IS SINCERE IN HIS STATED PLANS TO MOVE FORWARD IN AREAS OF INTEREST TO THE US AND TO BE CAUTIOUSLY HOPEFUL THAT HE MAY BE SUCCESSFUL.

PRYCE

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120434	CABLE RE BOLIVIA	4	10/5/1981	B1 B3

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

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

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~~SECRET~~ LA PAZ 6118

EXDIS

E.O. 12065: GDS 10/13/87 (PRYCE, WILLIAM T.) OR-M

TAGS: PEPR, BL

SUBJECT: EMBASSY RECOMMENDS ASST. SEC. ENDERS MEET WITH
BOLIVIAN FOREIGN MINISTER GONZALO ROMERO

REF: LA PAZ 5705

1. ~~SECRET~~ - ENTIRE TEXT.

2. GIVEN THE SURRENDER OF MAJOR NARCOTICS TRAFFICKER "CUTUCHI" GUTIERREZ AND INDICATIONS OF SOME PROGRESS IN HUMAN RIGHTS AREA, SUCH AS THE REDUCTION OF CURFEW HOURS, LIMITED CURTAILMENT OF ARBITRARY SECURITY FORCE ACTIONS AND A DECIDED LESSENING OF PRESS RESTRICTIONS, WE RECOMMEND STRONGLY THAT THE DEPARTMENT SEEK TO ARRANGE A MEETING WITH ASST. SECRETARY ENDERS FOR BOLIVIAN FOREIGN MINISTER GONZALO ROMERO WHO IS CURRENTLY IN NEW YORK ATTENDING THE 36TH UNGA SESSION.

WE ARE AWARE THAT "CUTUCHI" GAVE HIMSELF UP VOLUNTARILY BUT THE GOB DESERVES CREDIT FOR ENCOURAGING HIM TO DO SO AND FOR FACILITATING HIS ARRIVAL INTO THE ARMS OF A US MARSHAL IN MIAMI. WE ARE ALSO AWARE OF THE KILLING OF A BUS DRIVER BY A SES OFFICIAL OVER THE WEEKEND (SEPT), BUT BELIEVE THIS WAS AN ISOLATED INCIDENT WHICH GOES CONTRARY TO THE TREND. THE FACT THAT THE GOVERNMENT IS APPARENTLY INVESTIGATING THE INCIDENT AND PERMITTING A LIMITED CHAUFFEURS' PROTEST STRIKE OVER IT IS NOT A BAD SIGN.

3. WE SUGGEST THE FOLLOWING TALKING POINTS FOR THE PROPOSED MEETING:

A. THE US GOVERNMENT CONTINUES TO BE ENCOURAGED BY GOB STATEMENTS RE: NARCOTICS, DEMOCRACY AND HUMAN RIGHTS. WE ARE ALSO PLEASED THAT SOME CONCRETE STEPS IN THESE AREAS ARE BEING TAKEN.

B. THESE POSITIVE STEPS SUCH AS THE PRESSURES WE UNDERSTAND ARE BEING PUT ON MAJOR TRAFFICKERS, RELAXATION OF CURFEW HOURS, AND LESSENING OF RESTRICTIONS ON THE PRESS ARE HELPING TO CREATE A CLIMATE IN THE US WHICH IS CONDUCTIVE TO NORMALIZATION OF RELATIONS.

C. CONTINUED FORWARD MOVEMENT IN THESE AREAS WILL BE HELPFUL NOT ONLY IN CREATING AN ATMOSPHERE CONDUCTIVE TO THE NAMING OF A NEW AMBASSADOR BUT ALSO IN MAKING POSSIBLE FURTHER COOPERATION IN AREAS OF MUTUAL INTEREST SUCH AS NARCOTICS TRAFFICKING. WE HOPE THERE WILL BE NO DIMINUTION OF GOB EFFORTS.

D. WE ARE TROUBLED BY CONTINUING REPORTS OF COLLUSION IN THE NARCOTICS AREA ON THE PART OF SOME GOB OFFICIALS

INCLUDING MILITARY OFFICERS AND HOPE THAT THE GOB WILL MAKE EVERY EFFORT TO ROOT OUT CORRUPT OFFICIALS WHEREVER THEY MAY BE FOUND.

E. THERE ARE CONTINUED RUMORS THAT FORMER PRESIDENT GARCIA MEZA AND SOME OF HIS PRINCIPAL COHORTS WILL PLAY A MAJOR ROLE IN THE PRESENT GOVERNMENT. WE DO NOT GIVE CREDENCE TO THESE RUMORS, BUT THEY CONTINUE TO PLAGUE THE GOB'S INTERNATIONAL IMAGE. ANY CONCRETE STEP THE GOB CAN TAKE TO SHOW PUBLICLY ITS DISAPPROVAL OF FORMER INTERIOR MINISTER COLONEL LUIS ARCE WOULD BE PARTICULARLY HELPFUL IN THIS REGARD.

THE FACT THAT THE NOTORIOUS ARCE CONTINUES ON ACTIVE SERVICE, AND THAT HIS PRIVATE BUSINESS AFFAIRS SEEM TO BE FLOURISHING, IS PARTICULARLY DAMAGING TO THE GOB'S IMAGE.

F. WE ARE WORRIED THAT THE GOB DOES NOT YET SEEM TO BE COMING TO GRIPS WITH ITS ECONOMIC PROBLEMS, AND HOPE THAT IT WILL BE ABLE TO COME UP WITH DEFINITE PLANS SOON. IN THIS CONNECTION WE HOPE THAT MILITARY EXPENDITURES WILL BE DELAYED AND HELD TO MINIMUM NECESSARY LEVELS IN VIEW OF BOLIVIA'S OTHER ECONOMIC NEEDS. WE WERE ENCOURAGED BY PRESIDENT TORRELIO'S STATEMENTS TO AMBASSADOR SUMNER AND MR. HART IN THIS REGARD AND HOPE THE POLICY HE EXPRESSED THEN WILL CONTINUE TO PREVAIL.

G. ASSUMING THAT THE GOB CONTINUES TO TAKE ACTIONS WHICH DEMONSTRATE ITS INTENTIONS TO MOVE FORWARD IN THE AREAS WE HAVE DISCUSSED OVER THE LAST SEVERAL WEEKS, WE HOPE TO BE IN A POSITION TO ASK FOR AGREEMENT FOR A NEW AMBASSADOR IN THE NEAR FUTURE.

4. ON THE LAST POINT, EMBASSY BELIEVES THAT THE ACTIONS TAKEN BY PRESIDENT TORRELIO SHOULD JUSTIFY THE NAMING OF AN AMBASSADOR VERY SOON. AS WE HAVE MENTIONED PREVIOUSLY, ALTHOUGH TORRELIO IS NOT A STRONG DECISIVE LEADER, HE IS WELL INTENTIONED, IS FREE OF ANY TAINT OF PERSONAL INVOLVEMENT IN NARCOTICS TRAFFIC AND HAS MADE SOME CONCRETE MOVES IN THE

DIRECTION WE HAVE SOUGHT. MORE IMPORTANT, WE CONTINUE TO SEE NO ONE IN THE RUNNING WITH A GOOD CHANCE OF REPLACING TORRELIO WHO IS LIKELY TO SERVE US INTERESTS BETTER. THE LONGER WE WAIT TO NAME AN AMBASSADOR, THE WEAKER TORRELIO IS LIKELY TO BECOME, AND IF WE WAIT TOO MUCH LONGER HE MAY NO LONGER BE AROUND. ALTHOUGH WE HAVE NO FIRM COUP REPORTS, WE ARE RECEIVING AND INCREASING NUMBER OF RUMORS CONCERNING POLITICAL ACTIVITY ON THE PART OF PEOPLE LIKE GENERAL LUCIO ANEZ AND COL. FAUSTINO RICO TORO WHO CONSIDER THEMSELVES ALTERNATIVES SHOULD THE TORRELIO GOVERNMENT FAIL TO TAKE HOLD.

PPRYCE

BT

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SAID CHARGE, MADE IT ALL THE MORE IMPORTANT FOR BOLIVIA TO
COME TO TERMS WITH IMF. PRES. TORRELIO APPEARED SLIGHTLY
DISAPPOINTED BUT SEEMED TO ACCEPT THE EXPLANATION.
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EXDIS

DIA FOR IR BRANCH

E.O. 12065: GDS 11/3/87 (PRYCE, WILLIAM T.) OR-M

TAGS: PEPR, PINT, BL, SNAR

SUBJECT: CHARGE'S CONVERSATION WITH PRESIDENT TORRELIO

1. (C - ENTIRE TEXT).

2. SUMMARY: DURING CONVERSATION WITH CHARGE LAST EVENING,
(NOVEMBER 2) PRESIDENT TORRELIO ASKED ABOUT POSSIBLE U.S.
ASSISTANCE; EXPRESSED UNDERSTANDING OF NEED TO COME TO TERMS
WITH IMF; ASSERTED HE IS CONTINUING EFFORTS TO ISOLATE FORMER
PRESIDENT GARCIA MEZA; INDICATED AN UNDERSTANDING THAT GOB
MUST CONTINUE AND INTENSIFY ITS ANTI-NARCOTICS EFFORTS IN
ORDER FOR RELATIONS WITH THE U.S. TO CONTINUE TO IMPROVE,
STATED HIS FIRM INTENTION TO SEE THAT IT DOES SO; AND
APOLOGIZED FOR THE FACT THAT OUR REQUEST FOR AGREEMENT
HAD BEEN LEAKED TO THE PRESS EARLIER THAT DAY. END SUMMARY.

3. FOLLOWING ARE THE PRINCIPAL TOPICS OF INTEREST DISCUSSED
IN A PRIVATE CONVERSATION BETWEEN PRESIDENT TORRELIO AND CHARGE
AT SMALL DINNER LAST NIGHT (NOVEMBER 2).

4. U.S. ASSISTANCE: PRESIDENT TORRELIO OPENED THE SUBSTANTIVE
PART OF THE CONVERSATION BY INQUIRING WHETHER IT WOULD NOT BE
POSSIBLE FOR THE U.S. TO HELP BOLIVIA WITH SIGNIFICANT
ECONOMIC ASSISTANCE SOON, NOW THAT THE NAMING OF A U.S.
AMBASSADOR WAS IMMINENT. CHARGE EXPLAINED THAT ALTHOUGH
HE BELIEVED UNITED STATES WOULD WANT TO INCREASE COOPERATION
IN A NUMBER OF FIELDS, ASSUMING CONTINUED GOB PROGRESS IN
AREAS OF MUTUAL INTEREST, THERE WAS LITTLE PROSPECT OF
IMMEDIATE INCREASE IN USG GOVERNMENT ASSISTANCE. GIVEN THE
DIFFICULT BUDGETARY RESTRICTIONS CURRENTLY EXTANT IN U.S.,
PROSPECTS FOR NEW AID PROGRAMS WERE NOT BRIGHT. THE
SITUATION IN THIS RESPECT, HE SAID, HAD NOT CHANGED FROM WHAT
IT WAS WHEN AMBASSADOR SUMNER AND MR. HART HAD DESCRIBED IT
IN LATE SEPTEMBER. EVEN IF MONEY BEGAN TO FLOW FROM CURRENTLY
SUSPENDED U.S. AID PROGRAMS, THIS WOULD TAKE TIME AND THERE
WOULD NOT BE SIGNIFICANT CASH FLOWS IN THE NEAR TERM. THIS,

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DIA FOR IR BRANCH

5. RELATIONS WITH IMF: TORRELIO SAID THAT HE UNDERSTOOD FULLY THE NEED TO COME TO TERMS WITH THE IMF IN ORDER FOR BOLIVIA TO BEGIN TO RECEIVE ECONOMIC ASSISTANCE BOTH FROM IT AND FROM OTHER INTERNATIONAL LENDING INSTITUTIONS. HE SAID HE KNEW THAT DIFFICULT ECONOMIC MEASURES WERE NECESSARY AND THAT HE WAS PREPARED TO TAKE THEM. HE WISHED TO POSTPONE DOING SO, HOWEVER, UNTIL AFTER WASHINGTON HAD PUBLICLY NAMED THE NEW UNITED STATES AMBASSADOR.

6. RELATIONS WITH GARCIA MEZA: RESPONDING TO CHARGE'S COMMENT THAT IT WAS VERY IMPORTANT FOR GOB'S IMAGE FOR IT TO CONTINUE EFFORTS TO DISTANCE ITSELF FROM FORMER PRESIDENT GARCIA MEZA, TORRELIO ASSERTED THAT HE WAS INDEED CONTINUING HIS EFFORTS IN THIS AREA. HE POINTED TO THE FACT THAT GARCIA MEZA HAD MADE ABSOLUTELY NO PUBLIC STATEMENT SINCE HIS RETURN TO BOLIVIA AS EVIDENCE THAT THE FORMER PRESIDENT WAS 'UNDER CONTROL.' TORRELIO ADDED THAT HE WAS WORKING NOW TO SEND GARCIA MEZA ABROAD, HINTING BROADLY THAT HIS CURRENT GOAL WAS TO HAVE THE FORMER PRESIDENT NAMED AS AMBASSADOR TO "CHINA" (READ TAIWAN). AS FOR FORMER INTERIOR MINISTER LUCHO ARCE, HE AGAIN LAMENTED THAT THE ARGENTINIANS HAD REBUFFED HIS EFFORTS TO HAVE THE NEFARIOUS COLONEL ASSIGNED AS ATTACHE THERE. HE ASSERTED THAT IF WE SHOULD COME UP WITH PROOF OF NARCOTICS INVOLVEMENT BY ARCE, THE GOB WOULD TURN HIM OVER TO US.

7. ANTI-NARCOTICS EFFORTS: TORRELIO EXPRESSED A FIRM UNDERSTANDING THAT INCREASED U.S. COOPERATION WAS CONTINGENT UPON CONTINUED AND INTENSIFIED GOB EFFORTS TO CONTROL THE NARCOTICS TRAFFIC, AND INDICATED HIS FIRM INTENT TO KEEP UP HIS EFFORTS IN THIS AREA. HE SAID THAT HE STILL PLANS TO REPLACE NARCOTICS CHIEF COL. OCAMPO WITH COL. GONZALEZ, WHO HE FELT WAS A MORE DYNAMIC, FORCEFUL INDIVIDUAL WHO WOULD BE MORE EFFECTIVE ON THE JOB. HE AGREED THAT THE LONG TERM SOLUTION TO THE NARCOTICS PROBLEM WAS CROP SUBSTITUTION, BUT ASSERTED THAT THIS WILL BE A LONG,

8. AGREEMENT REQUEST: NEAR THE CLOSE OF THE CONVERSATION, THE PRESIDENT SAID, SOMEWHAT SHEEPISHLY, THAT HE REGRETTED THAT OUR REQUEST FOR AGREEMENT EARLY THAT MORNING HAD LEAKED TO THE PRESS WITHIN HOURS AFTER IT WAS MADE, ASSERTED THAT HE HAD ASKED FOREIGN MINISTER ROMERO TO "MAKE A FULL INVESTIGATION" AS TO HOW THE LEAK HAD OCCURRED, AND NOTED THAT AT LEAST THE NAME OF THE NEW AMBASSADOR HAD NOT BEEN MENTIONED BY AN OFFICIAL GOB SOURCE. COMMENT: TORRELIO WAS PROBABLY JUST GOING THROUGH THE MOTIONS ON THIS ONE SINCE FOREIGN MINISTER ROMERO HAD MADE IT CLEAR THAT GOB HAD WISHED TO MAKE PUBLIC ANNOUNCEMENT OF NEW AMBASSADOR'S APPOINTMENT, AND WAS DISAPPOINTED THAT WE INSISTED IT WAS NECESSARY TO WAIT FOR THE WHITE HOUSE TO MAKE THE ANNOUNCEMENT. TORRELIO DEFINITELY APPEARED MORE CONFIDENT AND RELAXED THAN IN THE RECENT PAST, OBVIOUSLY BOLSTERED BY OUR AGREEMENT REQUEST.

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EXDIS

DEPT PLS PASS DEA WASHDC FOR FRL AND DIA FOR IR BRANCH

E.O. 12065: GDS 12/11/87 (PRYCE, WILLIAM, T.) OR-M

TAGS: PEPR, PINT, SNAR, BL

SUBJECT: AMBASSADOR MAKES FURTHER DEMARCHE ON NARCOTICS PROBLEM

REF: LA PAZ 7177

1. C- ENTIRE TEXT.

2. SUMMARY: FOLLOWING UP ON HIS CONVERSATION WITH PRESIDENT TORRELIO RE NARCOTICS, THE AMBASSADOR USED THE OPPORTUNITY OF COURTESY CALL ON MINISTER OF INTERIOR MERCADO (WHO WAS PRESENT AT MEETING WITH THE PRESIDENT) TO REITERATE US GOVERNMENT CONCERN RE REPORTS OF NARCOTICS CORRUPTION BY GOB OFFICIALS AND TO INQUIRE ABOUT RESULTS OF THE INVESTIGATION PRESIDENT HAD INITIATED AS A RESULT OF AMBASSADOR'S DEMARCHE TO HIM. MERCADO REPLIED THAT THE TWO CABINET MINISTERS WHO HAD BEEN ASSIGNED TO THE INVESTIGATION WERE PREPARING A REPORT, WHICH HE IMPLIED WOULD PROBABLY PRODUCE NO PROOF OF THE ALLEGATIONS. THIS INCIDENT HIGHLIGHTS THE NEED FOR ADDITIONAL DEA AGENTS HERE NOT ONLY IN ORDER TO COUNSEL THE GOB AND STRENGTHEN ITS RESOLVE IN THE NARCOTICS FIGHT BUT ALSO TO GIVE US MORE ACCURATE INFORMATION REGARDING GOB'S PERFORMANCE PROGRESS ON THE ANTI-NARCOTICS FRONT. IN THIS REGARD, ALTHOUGH WE DO NOT DISCOUNT, ACCURACY OF RECENT DEA REPORT THAT GOB OFFICIALS HELD BACK 67 KILOS OF RECENT SEIZURE NEITHER ARE WE READY TO GIVE IT FULL CREDENCE, SINCE REPORT COMES FROM A MAJOR TRAFFICKER WHO MAY WELL HAVE HIS OWN AXES TO GRIND. END SUMMARY.

3. THE AMBASSADOR USED OPPORTUNITY OF A COURTESY CALL ON MINISTER OF INTERIOR MERCADO THIS MORING (DECEMBER 11) TO MAKE AN ADDITIONAL STRONG DEMARCHE ON NARCOTICS PROBLEMS. THE AMBASSADOR FIRST ASKED WHETHER THERE WERE ANY RESULTS FROM THE INVESTIGATION PRESIDENT TORRELIO HAD ORDERED INTO ALLEGATIONS THAT THE RECENT SEIZURE OF COCAINE IN SANTA CRUZ HAD AMOUNTED TO 170 KILOS RATHER THAN THE 103 KILOS REPORTED, AND THAT THE ADDITIONAL 67 KILOS WAS BEING SOLD BY GOB OFFICIALS INVOLVED IN THE SEIZURE. HE ALSO INQUIRED ABOUT REPORTS THAT HALF OF THE 103 KILOS SEIZED HAD BEEN REPLACED BY NON-NARCOTICS SUBSTANCE. (REFTEL) MINISTER MERCADO REPLIED THAT A REPORT WAS NOW IN PROCESS

OF PREPARATION AND IMPLIED IT WOULD SAY THAT THE TWO MINISTERS WHO CONDUCTED THE INVESTIGATION COULD FIND NO EVIDENCE TO SUBSTANTIATE THE CHARGES. THOSE INVOLVED HAD EVIDENTLY CLAIMED THAT THE CHARGES HAD BEEN FABRICATED BY ELEMENTS SEEKING TO DISCREDIT THE GOVERNMENT.

4. THE AMBASSADOR THEN RAISED THE QUESTION OF THE 15 KILOS OF COCAINE MISSING FROM A CENTRAL BANK VAULT, NOTING THAT HE WAS NOT COMPLETELY CONVINCED BY THE EXPLANATION GIVEN BY DIRECTOR OF NARCOTICS POLICE GUERRERO ON TELEVISION SEVERAL NIGHTS AGO THAT THE CHARGES IN THE MATTER WERE FALSE. MERCADO CLAIMED THAT ALTHOUGH GUERRERO'S EXPLANATION INDEED HAD NOT BEEN CONVINCING, THE ALLEGATIONS WERE IN FACT FALSE AND THE GOB PRESENTLY HAD IN CUSTODY THE PERSON WHO HAD FALSELY MADE THE CLAIMS. MERCADO ASSERTED THAT A FULL PUBLIC EXPLANATION OF THIS MATTER WOULD BE MADE SOON.

5. THE AMBASSADOR WENT ON TO SAY THAT WHILE WE DID NOT GIVE CREDENCE TO EVERY REPORT OF NARCOTICS CORRUPTION IN BOLIVIA, WE CONTINUE TO BE MOST CONCERNED OVER A SERIES OF REPORTS COMING FROM A NUMBER OF COUNTRIES ABOUT CONTINUED HIGH LEVEL OF ILLEGAL NARCOTICS ACTIVITIES AND OFFICIAL INVOLVEMENT THEREIN IN BOLIVIA, AND ABOUT THE NEED TO EFFECTIVELY CURB THESE ACTIVITIES IF U.S./BOLIVIAN RELATIONS ARE TO CONTINUE TO IMPROVE.

6. COMMENT: OUR FRUSTRATIONS OVER OUR LACK OF ABILITY TO PROPERLY JUDGE REPORTS OF GOB INVOLVEMENT IN NARCOTICS TRAFFIC, SUCH AS THOSE REFERRED TO ABOVE, HIGHLIGHTS THE NEED FOR ADDITIONAL DEA AGENTS HERE. IN THE CASE OF THE 103 KILOS SEIZURE, WE DO NOT DISCOUNT THAT THE REPORT OF CORRUPTION MAY BE TRUE, BUT NEITHER ARE WE READY YET TO

ACCEPT IT WITHOUT CORROBORATION, SINCE IT CAME FROM A KNOWN NARCOTICS TRAFFICKER WHO MAY WELL HAVE HIS OWN AXES TO GRIND. IF WE HAD DEA AGENTS OPERATING IN SANTA CRUZ ON A REGULAR BASIS, WE WOULD NOT ONLY BE IN A BETTER POSITION TO HELP INTERICT NARCOTICS TRAFFIC, WE WOULD ALSO BE IN A MUCH BETTER POSITION TO EVALUATE THE GOB'S PERFORMANCE.

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STATE FOR INM AND ARA, DEA FOR FRL, DIA FOR IR BRANCH
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E.O. 12065: NA
TAGS: SNAR, BL
SUBJ: MONTHLY NARCOTICS REPORT-BOLIVIA-DECEMBER 1981

REF: A. 81 LA PAZ 7177, B. 81 LA PAZ 7275, C. 81
LA PAZ 7569.

1. SUMMARY: STAFFDEL VISITS BOLIVIA TO LEARN ABOUT
NARCOTICS ACTIVITIES; NARCOTICS POLICE CARRY OUT
OPERATION AGAINST FOOT TRAIL TO SANTA CRUZ AND
DESTROY FOUR COCAINE FACTORIES IN CHAPARE; FOOT
TRAIL CLOSED AND COCA PRICES FALL, COCAINE BURNED
IN SANTA CRUZ, RANGER REGIMENT OPERATES AGAINST
TRAFFICKERS, NEW NARCOTICS LAW PUBLISHED AND
PUBLICISED, COCA CONTROL SYSTEM ANNOUNCED, CENSUS
OF COCA GROWERS COMPLETED, OVER 40,000 GROWERS
REGISTERED, PRODES EMPLOYEE HARASSED IN CHAPARE,
IBTA ANNOUNCES PRODUCTION PLANS FOR CHAPARE AND
YUNGAS. END SUMMARY.

STAFFDEL

2. STAFFERS JAMES SCHOLLAERT AND EDWARD PALMER
VISITED BOLIVIA DEC 15-18 TO LEARN ABOUT NARCO-
TICS CONTROL ACTIVITIES. REF C. REPORTS ON THEIR
VISIT.

REPRESSION

3. TRAFFIC ALONG A FOOT TRAIL LEADING FROM IVIGARSAMA
IN THE EASTERN CHAPARE TO PUERTO GREYER IN SANTA
CRUZ DEPARTMENT HAD REPORTEDLY REACHED AS MANY AS
1000 PEOPLE PER DAY IN EARLY DECEMBER. ON THE
AVERAGE, EACH PERSON CARRIED ON TAMBOR ALONG THE
TRAIL, WHICH TOOK 2-3 DAYS TO TRAVERSE. THE NARCO-
TICS POLICE CARRIED OUT AN OPERATION AGAINST THE
TRAIL DEC 6-9 IN WHICH, ACCORDING TO COL. OCAMPO,
DIRECTOR OF THE NATIONAL COUNCIL FOR THE FIGHT AGAINST
DRUGS (NATIONAL COUNCIL) 700-800 TAMBORS OF COCA
WERE SEIZED AND DESTROYED AND ABOUT 700 PEOPLE
DETAINED. (ONE TAMBOR EQUALS 62.5 OUNDS). THE
DETAINED WERE QUICKLY RELEASED BECAUSE THEY
INCLUDED A NUMBER OF WOMEN AND YOUNG PEOPLE, AND
BECAUSE THERE WERE SIMPLY TOO MANY PEOPLE TO
PROCESS, OCAMPO TOLD US. STAFFDEL
OBSERVED NO MOVEMENT ALONG THE TRAIL DURING
HELICOPTERS RECONNAISSANCE DEC 16.

4. ON DEC 24, OCAMPO ANNOUNCED THE OPERATION TO THE

PRESS. HE ALSO TOLD PRESS ABOUT OPERATION
AGAINST FOUR COCAINE FACTORIES "DEEP IN THE
JUNGLE", WHICH CONGRESSIONAL STAFFER SCHOLLAERT
AND EMBOFF HAD OBSERVED DEC 17. HE SAID ACCURATELY THAT
DURING THE OPERATION A LARGE QUANTITY OF COCA AND
CHEMICAL PRODUCTS HAD BEEN DISCOVERED AND IMMEDIA-
TELY DESTROYED. HE REPORTED THAT THERE HAD BEEN
AN EXCHANGE OF FIRE WITH NARCOTICS TRAFFICKERS BUT
THAT THERE WERE NO INJURIES TO GOVERNMENT PERSONNEL.
HE ADDED THAT THE OPERATION HAD BEEN CARRIED OUT WITH
THE ASSISTANCE OF THE AIR FORCE, WHICH HAD
PROVIDED HELICOPTERS.

5. PRODES REPORTED TO NCU THAT AS OF THE END OF DECEM-
BER, ACTIVITY LONG THE TRAIL REMAINED SUSPENDED.
PRODES SOURCES ATTRIBUTED THIS TO THE OPERATION.
THEY SAID THAT THEY UNDERSTOOD THAT ALTERNATE ROUTES
WERE BEING SET UP BUT THAT THEY WERE NOT YET
OPERATIONAL. AS A RESULT OF THE SHUTDOWN OF THE
IVIGARSAMA-PUERTO GREYER ROUTE, PRODES REPORTED,
THE OPEN MARKET PRICE FOR COCA IN THE CHAPARE
HAD FALLEN AS OF DEC 26 TO 4000 TO 5000 PESOS A
CARGA (125 POUNDS, 25 PESOS EQUAL ONE US DOLLAR)
COMPARED TO THE OFFICIAL PRICE OF 4000 PESOS
AND DOWN FROM A REPORTED 10,000 PESO CARGA IN NOVEMBER.
THUS, FOR THE MOMENT, FARMERS ARE RECEIVING LITTLE OR
NO PREMIUM FROM TRAFFICKERS FOR THEIR COCA.

6. THE NATIONAL COUNCIL ANNOUNCED DEC 8 THAT SEVERAL
TANKS OF COOKING GAS WERE CONFISCATED WHICH HAD
BEEN ALTERED TO HIDE COCA. IT ALSO
ANNOUNCED THE SAME DAY THAT 140 TAMBORS OF COCA
WERE SEIZED IN THE INDUSTRIAL COMPLEX OF RIO SECO,
LOCATED IN THE LA PAZ SUBURB OF EL ALTO.

7. IN SANTA CRUZ, 3.9 KILOGRAMS OF COCAINE SULPHATE
WERE BURNED ON DEC 16 AND 78.580 KILOGRAMS WERE
BURNED DEC 24. THE FIRST LOT BURNED WAS FROM A
SEIZURE MADE IN JULY AND THE SECOND LOT FROM A
NUMBER OF SEIZURES IN WHICH NO ONE HAD BEEN
DETAINED.

8. IT WAS REPORTED ON DEC 22 THAT THE RANGER REGI-
MENT, BASED IN MONTERO, WAS CARRYING OUT AN OPERA-
TION IN THE AREA OF YAPACANI, SANTA CRUZ DEPART-
MENT, AGAINST ARMED MEN WHO WERE BELIEVED TO BE
INVOLVED IN NARCOTICS TRAFFICKING. NO REPORT WAS
PUBLISHED ON THE RESULTS OF THE OPERATION.
NEW NARCOTICS LAW PUBLISHED

9. THE NEW NARCOTICS LAW, DECRETO LEY NO. 18,714
ENTERED INTO EFFECT WHEN IT
WAS PUBLISHED IN THE OFFICIAL GAZETTE DEC 9.
(THE LAW VARIED IN SEVE-
RAL SIGNIFICANT ASPECTS FROM THE DRAFT LEFT IN
INM BY COL. OCAMPO. ONE COPY OF THE OFFICIAL
GAZETTE WAS POUNCHED TO INM: MARTZ DEC 9.) SEVERAL
ARTICLES APPEARED IN NATIONAL NEWSPAPERS DURING
THE FOLLOWING DAYS PUBLICIZING THE LAW. FOR
INSTANCE, COCHABAMBA DAILY LOS TIEMPOS REPORTED
ON DEC 9 THE FINES AND JAIL SENTENCES FOR
ILLEGAL TRANSPORT OF COCA AND ON DEC 12 REPORTED
THAT IT WAS ILLEGAL TO GROW COCA OUTSIDE LA PAZ
AND COCHABAMBA DEPARTMENTS. IT FURTHER REPORTED
THAT FARMERS OUTSIDE THOSE AREAS HAD 90 DAYS TO
DESTROY THEIR CROPS. IN ITS DECEMBER 17 EDITION,
LOS TIEMPOS INCLUDED AN ARTICLE POINTING OUT THAT
THE NATIONAL COUNCIL AND PRODES WERE DIRECTED,
UNDER THE NEW LAW, TO PROGRAM AN ANNUAL REDUCTION
OF COCA PLANTINGS, AND THAT FARMERS WHO DID NOT
COMPLY COULD BE PUNISHED WITH THE DESTRUCTION OF

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THEIR COCA FIELDS, WITHOUT COMPENSATION.

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10. THE NATIONAL COUNCIL RELEASED DECEMBER 8 AN ANNOUNCEMENT THAT IT WAS THE ONLY ORGANIZATION ALLOWED TO TRANSPORT COCA LEAVES WITHIN BOLIVIA. IT ALSO ADVISED TRUCKERS AND TRUCKING FIRMS TO BE CAREFUL OF THE CARGOS THEY WERE CARRYING AND TOLD MINING COMPANIES THAT USE CONTROLLED CHEMICALS, WHICH COULD ALSO BE USED TO MANUFACTURE COCAINE, TO REGISTER AND OBTAIN THE REQUIRED AUTHORIZATIONS.

11. ON DEC 15 THE NATIONAL COUNCIL ADVISED PRODUCES OF COCA LEAVES IN THE AREAS OF THE YUNGAS AND CHAPARE TO REGISTER AT THE COCA COLLECTION CENTERS SITUATED IN CHULUMANI, CORIPATA, SACABA AND VILLA TUNARI RESPECTIVELY, IN ACCORDANCE WITH THE NEW NARCOTICS LAW. THE FARMERS HAVE SIXTY DAYS, FROM JANUARY 1, TO COMPLETE THE REGISTRATION. (ACCORDING TO ARTICLE 18 OF THE NEW LAW, FARMERS NOT INCLUDED IN THE RECENT CENSUS PROVIDED FOR BY THE LAW HAVE 90 DAYS FROM THE COMPLETION OF THE CENSUS TO REGISTER. AFTER THAT ALL UNREGISTERED COCA WILL BE ILLEGAL.) THE COUNCIL AT THE SAME TIME REMINDED FARMERS THAT ALL NEW PLANTINGS OR RENOVATIONS OF EXISTING FIELDS OF COA ARE ILLEGAL.

12. ON DECEMBER 8, THE SUBSECRETARY FOR JUSTICE IN THE MINISTRY OF INTERIOR INSTRUCTED ALL DISTRICT PROSECUTORS TO PROCESS DRUG CASES WITH MAXIMUM SPEED. ON THE SAME DAY, THE DRUG POLICE (DNCSP) COMPLAINED THAT JUDICIAL "ERRORS" WERE THE CAUSE OF THE EVASION OF THE LAW BY NARCOTICS TRAFFICKERS RECENTLY. THE DNCSP CLAIMED THAT TRAFFICKERS HAVE BEEN GETTING PERMISSION TO GET OUT OF JAIL WITH FRAUDULENT MEDICAL CERTIFICATES AND THAT IT HAS BEEN IMPOSSIBLE TO RECAPTURE THEM LATER.

13. THOSE IMPLICATED IN NARCOTICS TRAFFICKING WILL BE MORE SEVERELY PUNISHED ACCORDING TO THE NEW LAW SAID AGUSTIN CAMACHO POZO, THE PRESIDENT OF THE SUPERIOR COURT OF LA PAZ, ON DEC 11. HE ALSO SAID THAT AUTHORITIES AND MAGISTRATES THAT DO NOT COMPLY WITH THE BRIEF TIME PERIODS ALLOWED IN THE NEW LAW FOR THE VARIOUS STEPS OF JUDICIAL PROCESSING OF NARCOTICS CASES WILL BE SEVERELY PUNISHED AS WOULD DOCTORS WHO FILLED OUT FALSE MEDICAL CERTIFICATES FOR NARCOTICS TRAFFICKERS TO SECURE THEIR TRANSFER FROM JAILS TO HOSPITALS. HE SAID "WE BELIEVE THAT THE FAMOUS ILLEGAL ADMISSIONS (TO HOSPITALS) OF THE PAST CANNOT BE REPEATED." HE ALSO REPORTED THAT PRISONERS RELEASED TO HOSPITALS HAD BEEN SLOWLY RETURNING, SUCH THAT THE POPULATION OF THE LA PAZ SAN PEDRO PRISON HAD INCREASED BY 5 PER CENT,

AGGRAVATING AN ALREADY SERIOUS PROBLEM OF OVER-CROWDING.

14. THE PUBLIC PROSECUTOR IN SANTA CRUZ, OSCAR RUIZ DORADO, STATED DEC 28 THAT HE WOULD INSIST THAT THE REGIONAL NARCOTICS POLICE OFFICE ACCELERATE ITS PROCESSING OF NARCOTICS CASES. HE SAID THAT THERE WERE PROVEN CASES IN WHICH THE NARCOTICS POLICE HAD NOT ACTED WITHIN ESTABLISHED TIME LIMITS TO PRESENT CASES TO THE COURTS AND THAT THIS IMPEDED THE JUDICIAL PROCESS. HE MENTIONED SPECIFICALLY A CASE OF 102 KILOGRAMS FOR WHICH THE NARCOTICS POLICE STILL HAD NOT TURNED OVER EVIDENCE TO THE COURTS. HE ALSO COMPLAINED THAT HE WAS NOT RECEIVING DAILY REPORTS FROM THE DRUG POLICE, AS WERE REQUIRED. FINALLY, RUIZ SAID THAT HE WOULD TAKE ACTION AGAINST JUDGES WHO RELEASED IMPRISONED NARCOTICS TRAFFICKERS WITHOUT ADEQUATE REASON.

COCA CONTROL

15. THE NATIONAL COUNCIL ANNOUNCED THAT IT WOULD CREATE SEVERAL SUBCENTERS FOR THE COLLECTION OF COCA IN THE YUNGAS, INCLUDING ONE EACH AT UNDAVI, QUIME, PULCHIRI AND PUERTO LINARES. COCA FARMERS THESE SUBCENTERS WILL BE OPERATED IN COORDINATION WITH THE AGRICULTURAL CUSTOMS HOUSES. BETWEEN UNDAVI AND EL ALTO (LA PAZ CITY) NO ONE BUT THE COUNCIL WILL BE ALLOWED TO TRANSPORT COCA. THE COUNCIL SAID THAT IT BELIEVES THIS SYSTEM WILL ALLOW EFFECTIVE CONTROL OVER THE MOVEMENT OF COCA IN THE YUNGAS AND PREVENT YUNGUEÑO COCA FROM REACHING COCAINE PRODUCERS.

CENSUS OF COCA GROWERS

16. THE NATIONAL COUNCIL COMPLETED A CENSUS OF COCA GROWERS IN THE CHAPARE, THE YUNGAS AND APOLO THE WEEK OF DEC 20. ON DEC 28, THE COUNCIL SIGNED AN AGREEMENT WITH THE NATIONAL COMPUTER CENTER (CENACO) FOR THE PROCESSING OF THE DATA COLLECTED IN THE CENSUS. CENACO IS TO COMPLETE THE ANALYSIS OF THE DATA WITHIN 40 DAYS. COL OCAMPO TOLD NCU CHIEF THAT CENSUS TAKERS REGISTERED OVER 40,000 COCA GROWERS (COMPARED TO PREVIOUS ESTIMATES OF 20,000 PLUS GROWERS.) OCAMPO SAID THAT HE EXPECTED TO SPEND FROM 3-10,000,000 PESOS ON THE CENSUS (\$US 320-400,000) BY THE TIME IT WAS COMPLETED.

ALTERNATE CROPS PROGRAM.

17. PRODES REPORTED TO NCU AN INCIDENT WHICH TOOK PLACE THE WEEK OF DECEMBER 20 IN WHICH PRODES

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COCA IS STILL BEING INVESTIGATED IN APPROPRIATE
LEGAL CHANNELS.

22. THE INCIDENT AGAINST PRODES DEMONSTRATES THE
POTENTIAL FOR HOSE OPPOSED TO COCA REDUCTION
TO CREATE SERIOUS PROBLEMS FOR THE GOVERNMENT

WHILE THE FEDERACION ESPECIAL DE AGRICOLA TRO-
PICAL HAS TO DATE COOPERATED WITH BOTH PRODES
AND THE NATIONAL COUNCIL, A SMALLER RIVAL UNION,
THE FEDERACION DE COLONIZADORES NACIONAL, OPENLY
OPPOSES COCA REDUCTION. THIS LATTER UNION COULD
WELL USE THE ISSUE TO GAIN POWER AND CREATE
DIFFICULT INCIDENTS. (END COMMENT)

CORR

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ADMINISTRATIVE OFFICER FOR VILLA TUNARI WAS
DRIVING TO THE NURSERY AT BOLIVAR WHEN HE WAS
SURROUNDED BY A LARGE GROUP OF FARMERS. INCIDENT
TOOK PLACE NEAR THE CHAPARE END OF THE FOOT TRAIL
TO SANTA CRUZ. THE FARMERS WER APPARENTLY UPSET
BY THE NEW NARCOTICS LAW AND THE THREAT OF DESTRUC-
TION OF THEIR COCA. THEIR ANXIETY HAD PROBABLY
BEEN INCREASED BY THE EARLY DECEMBER OPERATION
AGAINST THE TRAIL, BY THE VISIT OF US CONGRESSIONAL
STAFFERS TO THE PRODES BOLIVAR NURSERY, ACCOMPA-
NIED BY AIR FORCE HELICOPTERS, AND BY THE SUBSE-
QUENT OPERATION AGAINST FOUR COCAINE FACTORIES.

18. THE BOLIVIAN TECHNICAL AGRICULTURAL INSTITUTE.
(IBTA) ANNOUNCED THAT IT PLANS TO PRODUCE IN 1982
A NATIONAL LEVEL OF 150,000 CACAO PLANTS AND
75,000 COFFEE PLANTS WITH THE HELP OF SMALL
FARMERS, SAID ING. FRANCISCO PEREIRA, EXECUTIVE
DIRECTOR OF IBTA DEC 14. HE SAID THAT IN THE
CHAPARE AREA 90,000 CACAO PLANTS WILL BE PRODUCED
AND DISTRIBUTED TO THE FARMERS. IN THE COFFEE
PROGRAM, IBTA IS TRYING TO MULTIPLY COFFEE PLANTS
THAT HAVE RESISTANCE TO COFFEE BLIGHT (ROYA),
20,000 PLANTS WILL BE PRODUCED FOR DISTRIBUTION
IN THE CHAPARE AND 15,000 FOR THE YUNGAS, FINANCED
BY THE NATIONAL TREASURY.

19. (COMMENT) THE OPERATION AGAINST THE FOOT TRAIL
TO SANTA CRUZ APPEARS TO HAVE BEEN SUCCESSFUL.
HOWEVER, CONSTANT VIGILANCE AGAINST THE ESTABLISH-
MENT OF NEW ROUTES AND PERIODIC OPERATIONS AGAINST
THEM WILL BE REQUIRED TO KEEP THIS TYPE OF TRAF-
FICKING FROM BECOMING REESTABLISHED.

20. THE COUNCIL IS BEGINNING TO APPLY THE NEW NARCO-
TICS LAW. IT WILL TAKE SOME TIME TO FULLY IMPLE-
MENT IT, HOWEVER, ESPECIALLY BECAUSE THE LAW
ITSELF PROVIDES FOR PHASING IN SOME OF ITS
PROVISIONS. FOR INSTANCE, COCA GROWERS OUTSIDE
THE TRADITIONAL COCA GROWING ZONES HAVE 90 DAYS
TO DESTROY THEIR CROPS ON THEIR OWN. THUS,
ACCORDING TO THE LAW, THE GOVERNMENT COULD NOT
DESTROY THESE FIELDS BEFORE MARCH 9, 1982.

21. THE CASE OF 102 KILOGRAMS MENTIONED BY THE
PUBLIC PROSECUTOR OF SANTA CRUZ IS ALMOST CERTAIN-
LY THE SAME CASE OF 103 KILOGRAMS WHICH THE
AMBASSADOR DISCUSSED WITH PRESIDENT TORRELIO DEC.
3. AND INTERIOR MINISTER MERCADO DEC 11 (REFS A&B).
ALTHOUGH MERCADO IMPLIED NO WRONG DOING HAD BEEN
UNCOVERED, PUBLIC PROSECUTOR'S SOMMENT SHOWS THAT

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APPROVED BY ARA: TOENDERS
ARA/AND: SHART
ARA/ECP: CALLEN
INM: JVANWERT
DEA: RSAUCEDO
AID: RWEBER ARA/RPP: PLASBURY
L/ARA: KSGUDGEON (SUBS)
L/HRR: ASURENA
L/LEI: FARMSTRONG

BY *RW*

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E.O. 12065: GDS 1/5/82 (ENDERS, THOMAS O.)

TAGS: PINT, SNAR, BL

SUBJECT: NARCOTICS AND NORMALIZATION OF RELATIONS WITH
BOLIVIA

1. C - ENTIRE TEXT.

2. SUMMARY: WE HAVE BECOME INCREASINGLY CONCERNED ABOUT THE GOB'S NARCOTICS PERFORMANCE. THE NEW LAW LEGALIZING VAST AREAS OF COCA PLANTATION IS A MAJOR OBSTACLE TO ERADICATION. MOREOVER, THERE IS CREDIBLE EVIDENCE THAT SENIOR LAW ENFORCEMENT AND MILITARY OFFICERS ARE IMPLICATED IN TRAFFICKING. AS AN INCENTIVE FOR PRESIDENT TORRELIO TO DEMONSTRATE HIS COMMITMENT TO DEAL EFFECTIVELY WITH NARCOTICS, YOU ARE AUTHORIZED TO OFFER TORRELIO AN INCREASE IN THE DEA LA PAZ STAFF, PRECEDED BY A TDY TASK FORCE, AND UP TO \$500,000 TO ASSIST GOB COCA CROP DESTRUCTION EFFORTS. TO ACHIEVE CREDIBILITY AND OBTAIN ANY FURTHER USG ASSISTANCE IN ITS ANTI-NARCOTICS PROGRAM, THE GOB MUST SHOW POSITIVE RESULTS IN ENFORCEMENT, ERADICATION AND LEAF INTERDICTION. TORRELIO SHOULD BE LEFT WITH NO DOUBT THAT GOB FAILURE TO IMPROVE ITS NARCOTICS PERFORMANCE IN ALL OF THESE

AREAS WILL SEVERELY RESTRICT OUR ABILITY TO COOPERATE WITH IT IN OTHER MATTERS. END SUMMARY.

3. THE NARCOTICS PROBLEM HAS BEEN AND WILL CONTINUE TO BE ONE OF THE TWO MAJOR OBSTACLES TO NORMALIZING OUR RELATIONS WITH BOLIVIA. (THE OTHER IS HUMAN RIGHTS.) WE UNDERSTAND THAT THE CHIEF OF THE PRINCIPAL ANTI-NARCOTICS ENFORCEMENT ORGANIZATION (COL. RENE OCAMPO) AND OTHER MILITARY OFFICERS ARE DEEPLY INVOLVED IN THE COCAINE TRAFFIC. AT THE SAME TIME, THERE IS NO EVIDENCE THAT PRESIDENT TORRELIO OR MEMBERS OF HIS CABINET HAVE BEEN COMPROMISED BY THE TRAFFICKERS.

4. AS YOU KNOW, UNDER THE RANGEL AND RODINO AMENDMENTS, WE ARE OBLIGED TO VOTE AGAINST MDB LOANS AND TO SUSPEND BILATERAL ASSISTANCE (ECONOMIC AND MILITARY) FOR COUNTRIES WHICH DO NOT TAKE ADEQUATE STEPS INTERALIA TO PREVENT CONTROLLED SUBSTANCES PRODUCED OR PROCESSED IN THEIR TERRITORY FROM ENTERING THE US UNLAWFULLY. WHILE A FORMAL DETERMINATION HAS NEVER BEEN MADE TO APPLY THESE PROVISIONS, WE ARE SUBJECT TO AN INFORMAL UNDERSTANDING

WITH CONGRESS THAT WE WILL NOT VOTE IN FAVOR OF MDB LOANS FOR BOLIVIA PENDING AMBASSADOR CORR'S EVALUATION OF THE SUBJECT. ON THAT BASIS WE ABSTAINED RECENTLY ON AN IDB LOAN FOR A BOLIVIAN GAS PIPELINE PROJECT.

5. BOTH THE EMBASSY AND THE DEPARTMENT AGREE THAT NOBODY BETTER THAN TORRELIO IS CURRENTLY ON THE HORIZON TO LEAD BOLIVIA. MOREOVER, BOLIVIA NEEDS POLITICAL STABILITY IF IT IS TO BE ABLE TO ADDRESS ITS DIFFICULT PROBLEMS. WE UNDERSTAND THAT TORRELIO IS UNDER CONSIDERABLE PRESSURE TO CONSOLIDATE HIS POSITION WITHIN THE MILITARY, TO DEAL WITH THE DISASTROUS ECONOMIC SITUATION AND TO SETTLE LABOR PROBLEMS. WHILE TORRELIO PRESUMABLY GIVES THESE ISSUES PRECEDENCE OVER THE NARCOTICS PROBLEM, THE FAILURE OF THE GOB TO DEAL WITH NARCOTICS EFFECTIVELY IMPEDES OUR ABILITY TO BE RESPONSIVE TO TORRELIO'S PLEAS FOR FINANCIAL SUPPORT.

6. THE DEPARTMENT AND DEA BELIEVE THAT WE CAN AND SHOULD PROVIDE INCENTIVES TO TORRELIO TO DEAL WITH THE NARCOTICS PROBLEM. HOWEVER, IF HE IS NOT WILLING AND ABLE TO TAKE EFFECTIVE ACTIONS ALONG THE LINES WE PROPOSE, OR BY OTHER MEANS EQUALLY SUPPORTIVE OF THE SAME OBJECTIVES, WE WOULD THEN BE OBLIGED TO REEVALUATE OUR JUDGMENT ABOUT THE EXTENT TO WHICH HIS GOVERNMENT MERITS USG SUPPORT. WHILE WE ARE NOT PROPOSING A DEADLINE FOR THE GOB TO CARRY OUT AN EFFECTIVE ANTI-NARCOTICS PROGRAM, WE WOULD EXPECT TO SEE SOME COMMENCEMENT OF CONCRETE

ACTIONS ON ALL FACETS OF A PROGRAM BY THE END OF JANUARY/EARLY FEBRUARY.

7. THE FOLLOWING MEASURES ARE A PACKAGE, WHICH WILL INDICATE THE GOB'S POLITICAL WILL/ABILITY TO DEAL SERIOUSLY WITH THE NARCOTICS PROBLEM:

- A. TO ASSIST PRESIDENT TORRELIO AND THE EMBASSY IN DETERMINING THE EXTENT OF THE NARCOTICS DISTRIBUTION SYSTEM IN BOLIVIA, THE DEA LA PAZ OFFICE WOULD BE INCREASED FROM ONE AGENT TO SIX AGENTS AND ONE SECRETARY. WE WOULD EXPECT THAT THIS INCREASE IN PERSONNEL WOULD ENABLE THE IDENTIFICATION AND ARREST OF A SIGNIFICANT NUMBER OF VIOLATORS AND THE SEIZURE OF NARCOTIC SUBSTANCES BOTH WITHIN AND OUTSIDE THE COUNTRY. AN INCREASED DEA PRESENCE IN BOLIVIA WOULD ALSO HELP CLARIFY THE EXTENT TO WHICH GOB OFFICIALS ARE INVOLVED IN NARCOTICS TRAFFICKING. AT THE DISCRETION OF AMBASSADOR CORR, INFORMATION CONFIRMING OFFICIAL GOB PARTICIPATION IN ILLEGAL ACTIVITY WOULD BE CONVEYED TO PRESIDENT TORRELIO WITH THE REQUEST THAT THEY BE REMOVED FROM OFFICE. (WE WOULD LEAVE IT TO TORRELIO AS TO HOW THIS COULD BE ACCOMPLISHED WITHIN BOLIVIA BUREAUCRATIC/JUDICIAL PROCEDURES.)

IN ADDITION TO THE ABOVE, THE DEA STAFF WOULD WORK WITH GOB AUTHORITIES TO ESTABLISH AN EFFECTIVE DOMESTIC ENFORCEMENT UNIT. DEA HAS ALREADY TRAINED MORE THAN 300 BOLIVIANS IN ITS PROGRAMS, AND THESE PERSONS PROVIDE READY CANDIDATES FOR THIS UNIT.

IF THESE GOALS ARE ACHIEVED, THE DEA OFFICE WOULD THEN BE ABLE TO CARRY-OUT ITS MORE TRADITIONAL ENFORCEMENT ACTIVITIES.

SINCE IT WILL TAKE SOME TIME TO BUILD THE STAFF TO THIS LEVEL, DEA IS PREPARED TO ASSIGN A TASK FORCE OF UP TO 10 PERSONS TO BOLIVIA FOR A PERIOD UP TO 90 DAYS, BEGINNING IN MID-JANUARY.

- B. A SUBSTANTIAL COCA CROP DESTRUCTION PROGRAM

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IS THE MOST COST EFFECTIVE AND DIRECT METHOD FOR ATTACKING THE NARCOTICS PROBLEM. INM HAS AGREED TO ASSIST THE GOB IN THE ERADICATION OF A SIGNIFICANT PORTION OF COCA CULTIVATION WITH UP TO \$500,000 (SUBJECT TO THE APPROVAL OF A GOB PLAN BY INM/WASHINGTON). YOU WILL RECALL THAT TWO SUCH SUCCESSFUL CAMPAIGNS WERE CONDUCTED IN PERU IN 1979 AND 1980 (OPERATION GREENSEA). UNDER THE PREVIOUS BOLIVIAN NARCOTICS LAW THERE WAS SUBSTANTIAL ILLICIT COCA ACREAGE WHICH WAS READILY ACCESSIBLE. HOWEVER,

A MAJOR POTENTIAL OBSTACLE TO THE ACCOMPLISHMENT OF CROP ERADICATION IS THE NEW NARCOTICS LAW, WHICH LEGALIZES ALL COCHABAMBA AND LA PAZ DEPARTMENT COCA CULTIVATION REGISTERED IN THE 1981 CENSUS. THE GOB MUST ACT TO REVERSE THIS MASS LEGALIZATION AND THEN THEY MUST COMPLETE A SIGNIFICANT ERADICATION EFFORT.

- C. THE GOB SHOULD UNDERTAKE PROGRAM OF CONTINUOUS INTERDICTION OF ILLICIT COCA LEAF ALONG THE MAIN ROADS UTILIZED BY TRAFFICKERS. SUCH ACTION WOULD REQUIRE MINIMAL RESOURCES AND WAS EFFECTIVELY, BUT BRIEFLY, CARRIED OUT LAST APRIL, WHEN GARCIA MEZA WAS SEEKING NORMALIZATION OF RELATIONS.

- D. IN ORDER TO LEND PROFESSIONALISM AND INTEGRITY TO THE GOB ENFORCEMENT EFFORT, THE TOP AUTHORITIES MUST HAVE THE ABILITY TO ACT IN AN INDEPENDENT FASHION AGAINST NARCOTICS TRAFFICKERS. WE UNDERTAND THAT COL. GUIDO LOPEZ IS ONE OF THE FEW OFFICIALS OF PROVEN INTEGRITY AND ABILITY WHO HAS REMAINED COMMITTED TO THE ANTI-NARCOTICS PROGRAM THROUGH THE YEARS. TORRELIO SHOULD BE TOLD THAT LOPEZ AND PEOPLE LIKE HIM MUST BE APPOINTED TO REPLACE OCAMPO AND OTHER KEY ANTI-NARCOTICS POSITIONS WITH FULL AUTHORITY TO ACT.

8. AMBASSADOR CORR SHOULD SEEK AN EARLY APPOINTMENT WITH PRESIDENT TORRELIO TO PRESENT THE ABOVE PACKAGE. IT OFFERS HIM AN OPPORTUNITY TO DEMONSTRATE THAT HIS ADMINISTRATION HAS BOTH THE WILL AND THE ABILITY TO DEAL WITH THE NARCOTICS PROBLEM. WHILE A RETURN OF US ECONOMIC ASSISTANCE TO PRE-JULY 1980 LEVELS IS NOT IN THE CARDS, TORRELIO SHOULD BE TOLD THAT THE GOB'S FAILURE TO DEAL EFFECTIVELY WITH THE NARCOTICS PROBLEM WILL PRECLUDE ANY INCREASE IN US AID ABOVE THE MINIMAL AMOUNTS NOW BEING DISBURSED. HE SHOULD UNDERSTAND THAT WE ARE SEEKING SERIOUS GOB PERFORMANCE IN ALL FOUR AREAS DETAILED IN PARA 7 AND THAT BOLIVIA'S FAILURE TO BE RESPONSIVE WILL SEVERELY RESTRICT OUR ABILITY TO COOPERATE WITH THE GOB IN OTHER IMPORTANT MATTERS. HAIG

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STATE FOR INM AND ARA, DEA FOR FRL, DIA FOR IR BRANCH,
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E.O. 12065: GDS 3/18/82 (GEHRING, ROBERT A.) OR-O

TAGS: SNAR, BL

SUBJECT: VISIT OF ASSISTANT SECRETARY OF STATE DICARLO TO
BOLIVIA,
MARCH 6-12, 9182.

1. (C-ENTIRE TEXT)

2. SUMMARY: ASSISTANT SECRETARY OF STATE FOR INTERNATIONAL
NARCOTICS MATTER DICARLO VISITED BOLIVIA MARCH 6-12, ACCOMPANIED BY CHIEF OF THE AMERICAS DIVISION, INM PROGRAM OFFICE, PAUL GLASOE, TO REVIEW THE SITUATION IN BOLIVIA WITH REGARD TO THE CONTROL OF COCA PRODUCTION AND COCAINE TRAFFICKING. DURING THE VISIT, ASSISTANT SECRETARY DICARLO MET WITH PRESIDENT TORRELIO, SEVERAL CABINET MINISTERS, THE DIRECTORS OF THE NATIONAL COUNCIL FOR THE FIGHT AGAINST NARCOTICS TRAFFICKING (NARCOTICS COUNCIL) AND THE PROJECT FOR DEVELOPMENT, CHAPARE-YNGAS (PRODES), LEADERS OF THE TWO FARMERS UNIONS IN THE CHAPARE, TWO CONGREGATIONS OF FARMERS, AND NUMEROUS OTHER GOB OFFICIALS.

3. MR. DICARLO CONSISTENTLY POINTED OUT BOLIVIA'S TREATY OBLIGATIONS TO COMBAT THE COCAINE TRADE AND THE DAMAGE TO BOLIVIA CAUSED BY THE BAD IMAGE BOLIVIA HAD EARNED BECAUSE OF ITS FAILURE TO CARRY OUT ITS OBLIGATIONS. MR. DICARLO CITED HIGH-LEVEL INTEREST IN THE U.S. GOVERNMENT WITH REGARD TO BOLIVIA'S ACTIONS TO COMBAT COCAINE TRAFFICKING. HE STATED THAT THE U.S. PLACES EMPHASIS ON CONTROL OF NARCOTICS AT THE SOURCE; AND IN BOLIVIA, ON THE REDUCTION OF COCA PLANTINGS, ESPECIALLY IN THE CHAPARE.

4. DR. DICARLO STRESSED THAT WHILE THE U.S. BELIEVES THAT THE BOLIVIAN GOVERNMENT HAS PRIMARY RESPONSIBILITY TO COMBAT COCAINE TRAFFICKING, THE U.S. RECOGNIZES THAT BOLIVIA FACES ECONOMIC, SOCIAL AND POLITICAL RESTRAINTS IN DOING SO. THEREFORE, THE U.S. IS WILLING TO ASSIST. BEFORE BEGINNING TO DO SO, HOWEVER, THE U.S. MUST BE CONVINCED OF THE SERIOUSNESS OF THE GOB TO ACT. SPECIFICALLY, THE U.S. WOULD LIKE TO SEE THE GOB DEVELOP A

COMPREHENSIVE COCA CONTROL PLAN FOR THE CHAPARE AND INITIATE CONCRETE ACTIONS THEREUNDER.

5. MR. DICARLO REACHED AN AGREEMENT IN PRINCIPLE WITH THE NARCOTICS COUNCIL TO MAKE CHANGES IN THE NARCOTICS LAW OF 1981, WHICH WOULD ALLEVIATE CERTAIN U.S. CONCERNS WITH REGARD TO THAT LAW.

6. MR. DICARLO TOURED THE CHAPARE AND VISITED PRODES FACILITIES THERE. PRODES OFFICIALS POINTED OUT THAT BECAUSE OF LACK OF RESOURCES IN THE PAST, THEY WERE NOT NOW IN A POSITION TO PROVIDE IMMEDIATELY THE NUMBER OF PLANTS REQUIRED FOR A FULL-SCALE CROP SUBSTITUTION PROGRAM, BUT GAVE ASSURANCES THAT WITH INCREASED RESOURCES PRODES WOULD DO ALL POSSIBLE TO GEAR UP RAPIDLY. END SUMMARY.

7. ON MONDAY AND TUESDAY, MARCH 8 AND 9, MR. DICARLO TRAVELED TO COCHABAMBA, WHERE HE RECEIVED A BRIEFING ON PRODES ACTIVITIES AT ITS HEADQUARTERS AND THEN PROCEEDED TO THE CHAPARE. HE VISITED SEVERAL PRODES NURSERIES WHERE HEART OF PALM, RUBBER, LATE YIELDING VARIETIES OF ORANGES, PINEAPPLE AND CACAO PLANTS WERE BEING RAISED. THE NURSERIES WERE WELL TENDED. HOWEVER, PRODES OFFICIALS EXPLAINED THAT BECAUSE OF LIMITED FUNDING OVER THE LAST YEAR AND A HALF, THEY HAD ONLY ENOUGH PLANTS IN ALL THEIR NURSERIES TO DISTRIBUTE THIS YEAR TO COVER A TOTAL OF 300-400 HECTARES, BARELY A FRACTION OF WHAT IS NEEDED FOR A FULL-SCALE SUBSTITUTION PROGRAM. IT WILL TAKE A YEAR OR MORE, EVEN WITH AMPLE RESOURCES, FOR PRODES TO PRODUCE SUFFICIENT PLANTS FOR A FULL-SCALE PROGRAM. (THE PRODES OFFICIALS POINTED OUT THAT IF MORE RESOURCES HAD BEEN PROVIDED IN THE PAST, THEY WOULD BE IN A BETTER POSITION NOW TO SUPPLY PLANTS.) PRODES OFFICIALS SUGGESTED SEVERAL WAYS THIS DIFFICULTY COULD BE PARTIALLY OVERCOME, I.E.

IMPORTATION OF PLANTS AND PLANTING OF FIELDS WITH KUTZU LEGUME TO ENRICH SOILS UNTIL NEW CROPS ARE AVAILABLE.

8. MR. DICARLO MET WITH A NUMBER OF FARM LEADERS FROM BOTH FEDERATIONS OF FARMERS (ONE FEDERATION REPRESENTS FARMERS IN THE AREA OF DIRECTED COLONIZATION AND THE OTHER THOSE IN THE AREA OF SPONTANEOUS COLONIZATION) DURING A DINNER IN VILLA TUNARI MONDAY NIGHT AND IN THE FILED ON TUESDAY.

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BY RW NARA DATE 5/18/15

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9. ON TUESDAY MORNING, MR. DICARLO MET WITH A LARGE GROUP OF FARMERS IN CHIMORE, THE CENTER OF THE AREA OF DIRECTED COLONIZATION. IN A VERY OPEN AND FRANK MEETING, THE FARMERS EXPRESSED A WILLINGNESS TO GIVE UP COCA GROWING. THEY EXPLAINED THAT COCA HAD BEEN AND IS STILL THE ONLY CROP WHICH HAD GIVEN THEM A REASONABLE CASH RETURN, LARGELY BECAUSE OF THE COMPARATIVELY POOR MARKETING SYSTEM FOR OTHER CROPS. THEY ASSERTED THAT IN AREAS WITHOUT ADEQUATE ACCESS ROADS, COCA IS THE ONLY CROP WHICH HAD A HIGH ENOUGH VALUE IN RELATION TO WEIGHT TO BE FEASIBLE, SINCE CROPS IN THESE AREAS MUST BE CARRIED OUT BY HAND. NEVERTHELESS, THEY RECOGNIZED THE DAMAGE THAT THE DERIVATIVE OF COCA, COCAINE, CAUSED IN OTHER COUNTRIES AND THE DANGER THAT IT POSES FOR THEIR OWN CHILDREN. IN EXCHANGE FOR GIVING UP COCA, HOWEVER, THE FARMERS ASKED FOR ASSISTANCE IN DEVELOPING OTHER SOURCES OF INCOME. IN PARTICULAR, THEY ASKED FOR THE DEVELOPMENT OF AGRO-INDUSTRIES TO DEVELOP MARKETS FOR EXISTING CROPS, SUCH AS YUCCA, PLATANO AND CITRUS, WHICH CURRENTLY SELL AT SUCH LOW PRICES THAT THE COST OF HARVESTING IS NOT EVEN RECOVERED. THEY ALSO EMPHASIZED THE NEED FOR ELECTRIFICATION AND ROAD EXPANSION, IMPROVEMENT AND MAINTENANCE. THE LEADERS REITERATED THE IMPORTANCE OF IMPLEMENTING SUBSTITUTION AND DEVELOPMENT PROGRAMS CONCURRENTLY WITH COCA ERADICATION, BOTH IN ORDER TO ENABLE THE FARMER TO SURVIVE AND TO AVOID SOCIAL UNREST.

10. THE FARMERS ALSO COMPLAINED IN VIVID TERMS OF ABUSES BY EMPLOYEES OF THE MOBIL COCA CONTROL PATROLS AND AT STATIONARY CHECKPOINTS. THEY FURTHER DESCRIBED THAT TRUCKLOADS OF COCA OPENLY PASSED CHECKPOINTS, WHILE PEOPLE CARRYING SMALL AMOUNTS WERE STOPPED AND THEIR COCA SEIZED. THEY COMPLAINED ABOUT THE NEW MARKETING SYSTEM ESTABLISHED BY THE COUNCIL WHICH PROHIBITS FARMERS FROM SELLING TO ANYONE BESIDES THE COUNCIL'S PURCHASING CENTERS.

11. ON TUESDAY AFTERNOON, MR. DICARLO WAS MET BY COLONEL RAUL CONZALES, THE DIRECTOR OF THE NARCOTICS CONTROL COUNCIL, AND ACCOMPANIED HIM ON A HELICOPTER OVERFLIGHT OF THE CHAPARE. THE HELICOPTER STOPPED IN VILLA IVIRSA,

IN THE EASTERN CHAPARE, AN AREA OF RECENT SETTLEMENT, AND HIGH COCA PRODUCTION, WHERE MR. DICARLO MET WITH LOCAL FARM LEADERS, AND A SMALL GROUP OF FARMERS. THE FLIGHT ALSO PERMITTED A VIEW OF A TRAIL WHERE ILLICIT COCA IS BEING CARRIED BY BACKPACK FROM THE CHAPARE.

12. ON TUESDAY EVENING, MR. DICARLO HAD DINNER WITH THREE MEMBERS OF THE JUDICIAL SYSTEM IN COCHABAMBA. THEY DESCRIBED TO HIM THE BOLIVIAN LEGAL SYSTEM AND NOTED THAT THE NEW NARCOTICS LAW HAD LEFT OUT A SECTION ON CONSPIRACY.

13. IN SANTA CRUZ ON WEDNESDAY MORNING, MARCH 18, MR. DICARLO MET WITH OFFICIALS OF THE NARCOTICS COUNCIL WHO BRIEFED HIM ON THE YAPACANI AREA AND PLANS FOR THE DESTRUCTION OF COCA GROWING IN THIS AREA. BY AERIAL RECONNAISSANCE THE COUNCIL CLAIMS TO HAVE IDENTIFIED SIGNIFICANTLY MORE THAN THE 100 HECTARES OF COCA PREVIOUSLY ESTIMATED. GROUND RECONNAISSANCE WAS UNDERWAY TO CONFIRM THE EXACT LOCATION AND APPROXIMATE SIZE OF COCA PLOTS ALREADY IDENTIFIED FROM THE AIR AND TO DEVELOP A LOGISTICS PLAN FOR DESTRUCTION TEAMS TO REACH THE FIELDS. DR. DICARLO THEN OVERFLEW THE YAPACANI AREA IN A LIGHT AIRCRAFT TO VIEW THE COCA PLANTINGS.

14. ON WEDNESDAY AFTERNOON, MR. DICARLO WAS BRIEFED BY DNGSP OFFICIALS FROM LA PAZ AND SANTA CRUZ ON THEIR ACTIVITIES DURING THE FIRST TWO MONTHS OF JANUARY AND FEBRUARY. WITH THESE OFFICIALS AND WITH THE DISTRICT PROSECUTOR FOR SANTA CRUZ, MR. DICARLO DISCUSSED THE NARCOTICS LAW. IN THIS SESSION IT WAS NOTED THAT THROUGH A LOOPHOLE IN THE LAW, A TRAFFICKER COULD GET OUT ON BAIL IF CHARGED WITH POSSESSION; WHEREAS IF CHARGED UNDER OTHER SECTIONS OF THE LAW, HE COULD NOT.

15. ON THURSDAY, MARCH 11, MR. DICARLO MET WITH THE MINISTERS OF INTERIOR, OF AGRICULTURE AND CAMPESINO AFFAIRS, OF FOREIGN AFFAIRS AND OF THE PRESIDENCY. MR. DICARLO CLEARLY EXPLAINED TO EACH MINISTER THAT COCAINE TRAFFICKING ORIGINATING IN BOLIVIA WAS DAMAGING BOLIVIA. BECAUSE OF THE TRAFFICKING, BOLIVIA HAD DEVELOPED A VERY BAD IMAGE IN THE WORLD COMMUNITY WHICH AFFECTED ITS ABILITY TO GAIN ASSISTANCE TO OVERCOME ITS SEVERE ECONOMIC PROBLEMS. IN RESPONSE TO ATTEMPTS BY THE MINISTERS TO DISTINGUISH THE PRESENT GOVERNMENT OF PRESIDENT TORRELIO FROM ITS PREDECESSOR, MR. DICARLO SAID THAT WHILE WE RECOGNIZED AN APPARENT INCREASE WILL ON THE PART OF THE TORRELIO GOVERNMENT TO CONFRONT THE NARCOTICS PROBLEM, WE CONSIDERED THAT THE GOVERNMENT HAD NEVERTHELESS TAKEN SOME BACKWARD STEPS, PRIMARILY IN THE ADOPTION OF A NEW NARCOTICS LAW WHICH RECOGNIZED ALL EXISTING COCA IN THE PRIMARY GROWING AREAS AS LEGAL. FURTHERMORE, THE FACT THAT LEADING TRAFFICKERS, SUCH AS ROBERT SUAREZ, REMAINED AT LARGE AND THE CONTINUED REPORTS OF CORRUPTION AMONG OFFICIALS INVOLVED IN NARCOTICS CONTROL AND THE ARMED FORCES RAISED QUESTIONS REGARDING THE GOB'S COMMITMENT.

16. MR. DICARLO EMPHASIZED IN ALL HIS MEETINGS THAT BOLIVIA, UNDER THE SINGLE CONVENTION, HAD A COMMITMENT TO CONTROL THE PRODUCTION OF COCA AND COMBAT COCAINE TRAFFICKING. THEREFORE, THE RESPONSIBILITY FOR COCA/COCAINE CONTROL LAY FIRST AND FOREMOST WITH THE BOLIVIAN BT

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GOVERNMENT. NOVERTHELESS, HE CONTINUED, THE U.S. RECOGNIZES THE ECONOMIC, SOCIAL AND POLITICAL PROBLEMS THAT THE BOLIVIAN GOVERNMENT FACES IN THIS TASK AND THE LIMITS OF ITS RESOURCES, AND THEREFORE, THE USG MUST BE CONVINCED THAT THE GOB IS SERIOUS. TO DO SO, THE GOB MUST TAKE CONCRETE ACTIONS ON ITS OWN TO BEGIN TO CONFRONT THE PROBLEM. FURTHERMORE, IT MUST DEVELOP A COMPREHENSIVE PLAN FOR COCA CONTROL. THE U.S. IS WILLING TO REVIEW THIS PLAN AND CONSIDER HOW IT CAN HELP.

17. MR. DICARLO ALSO TOLD THE MINISTERS THAT PRESIDENT REAGAN HAD RECENTLY APPOINTED A TASK FORCE HEADED BY VICE PRESIDENT BUSH TO COMBAT NARCOTICS TRAFFICKING IN SOUTH FLORIDA AND THAT THE TASK FORCE, IN ITS INTERNATIONAL PERSPECTIVE, HAD PLACED SPECIAL EMPHASIS ON FOUR COUNTRIES, AMONG WHICH WAS INCLUDED BOLIVIA. HE EMPHASIZED THAT, THEREFORE, TOP U.S. OFFICIALS WERE INFORMED OF AN INTEREST IN THE SITUATION IN BOLIVIA AS A SOURCE COUNTRY FOR COCAINE.

18. MR. DICARLO WENT ON TO STATE THAT THE U.S. EMPHASIZES CONTROL OF NARCOTICS AT THEIR SOURCE; IN THIS CASE, THE REDUCTION IN COCA CULTIVATION. IN BOLIVIA, OUR EMPHASIS IS ON THE ERADICATION OF COCA IN THE CHAPARE AREA. FURTHERMORE, WE BELIEVE THAT THE GROWER OF ILLICIT COCA SHOULD RECEIVE NO DIRECT REWARD AND WE WOULD NOT SUPPORT ANY TYPE OF COMPENSATION TO COCA GROVES OUTSIDE THE CHAPARE AND TRADITIONAL GROWING AREAS.

19. FINALLY, MR. DICARLO CAUTIONED THE MINISTERS THAT WHILE THE U.S. WAS WILLING TO COOPERATE WITH THE GOB SHOULD IT TAKE POSITIVE ACTIONS TO CONTROL COCA AND COCAINE TRAFFICKING AND SHOULD IT PRESENT A VIABLE CONTROL PLAN, THE GOB SHOULD NOT ENTER INTO AN AGREEMENT WHICH IT DID NOT INTEND OR WAS UNABLE TO IMPLEMENT. MR. DICARLO STATED THAT OUR RELATIONS WOULD BE WORSENERED SHOULD WE ENTER INTO AN AGREEMENT WITH REGARD TO NARCOTICS CONTROL WHICH THE GOB DID NOT HONOR.

20. IN A SESSION WITH COL. CONZALES AND HIS LEGAL ADVISORS THURSDAY AFTERNOON, MR. DICARLO REACHED AN AGREEMENT

IN PRINCIPLE THAT CHANGES IN THE NARCOTICS LAW WOULD BE MADE TO ALLEVIATE CERTAIN U.S. CONCERNS. IN PARTICULAR, WITH REGARD TO ARTICLE 18, 19, 21 AND 23, CHANGES WILL BE MADE TO REVERSE THE LEGALIZATION OF NEW PLANTINGS OF COCA WHICH THE PRESENT LAW HAD EFFECTED, TO ELIMINATE THE CONDITIONING OF A COCA CONTROL PROGRAM ON THE FINANCIAL RESOURCES AVAILABLE TO PRODES TO IMPLEMENT A CROP SUBSTITUTION AND DEVELOPMENT PROGRAM, AND TO ELIMINATE THE REQUIREMENT THAT ALTERNATE CROPS INTRODUCED SHOULD TEND TO PROVIDE FARMERS WITH INCOME EQUAL TO THAT RECEIVED FROM COCA CULTIVATION. THE NARCOTICS COUNCIL IS TO DEVELOP SPECIFIC LANGUAGE FOR THE CHANGES IN THE LAW. IT ALSO PLANS TO CONVENE A COLLOQUIUM OF JUDGES, PUBLIC PROSECUTORS AND LAWYERS AS SOON AS POSSIBLE TO DISCUSS THE LAW AND MAKE RECOMMENDATIONS FOR ADDITIONAL IMPROVEMENTS. IT IS EXPECTED THAT AMONG OTHER THINGS, THE COLLOQUIUM WILL PRODUCE RECOMMENDATIONS WITH REGARD TO INCLUDING AN ARTICLE ON CONSPIRACY AND REDUCING THE CURRENT LOOP-HOLE WITH REGARD TO POSSESSION.

21. ASSISTANT SECRETARY DICARLO'S VISIT CULMINATED WITH A SMALL LUNCH WITH PRESIDENT TORRERLIO AT THE RESIDENCE. AT THE LUNCHEON MR. DICARLO TOOK THE OPPORTUNITY TO REITERATE HIS CONCERNS ABOUT BOLIVIAN PAST PERFORMANCE, OR RATHER NON-PERFORMANCE, IN THE NARCOTICS AREA AND TO EXPLAIN WHY THIS HAD CAUSED HIM AND OTHERS TO BELIEVE UNTIL RECENTLY THAT THE POSSIBILITIES FOR CLOSE COOPERATION WITH BOLIVIA WERE NOT GREAT. HE EXPLAINED THAT HIS VISIT, WHICH CAME ABOUT AS A RESULT OF A RECOMMENDATION BY THE AMBASSADOR, HAD ENABLED HIM TO GET A BETTER VIEW OF THE SITUATION AND TO CONCLUDE THAT THERE ARE NOW REAL POSSIBILITIES FOR IMPROVED COOPERATION, ASSUMING BOLIVIA MOVES AHEAD ON THE ANTI-NARCOTICS FRONT. MR. DICARLO WAS PARTICULARLY PLEASED TO LEARN THAT THE GOB

WAS WILLING TO MAKE MODIFICATIONS IN ITS NARCOTICS LAW TO TAKE INTO ACCOUNT OUR CONCERNS THAT THE PRESENT LAW
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ICATION IN THE YAPACANI AREA, COMPLETE PREPARATION OF
A COMPREHENSIVE COCA CONTROL PLAN FOR THE CHAPRE, AND
INITIATE CONCRETE ACTIONS THEREUNDER. EMBASSY WILL BE
FOLLOWING UP TO ENCOURAGE GOB TO FOLLOW THROUGH WITH
THE COMMITMENTS MADE DURING THE VISIT. END COMMENT.
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APPEARS TO MAKE LEGAL VAST AREAS OF COCA WHICH WERE
PREVIOUSLY ILLEGAL, TO COMPLETE PREPARATION OF A COMPRE-
HENSIVE COCA CONTROL PLAN, AND TO INITIATE CONCRETE
ACTIONS THEREUNDER.

2. MR. DICARLO NOTED TO PRESIDENT TORRELIO THAT
PRESIDENT REAGAN HAS RECENTLY APPOINTED A TASK FORCE
UNDER VICE PRESIDENT BUSH TO COMBAT NARCOTICS TRAFFICK-
ING IN SOUTH FLORIDA, AND A PRICIPLE PART OF THIS TRAF-
FICKNG CONSISTS OF COCAINE FROM BOLIVIA AND PERU. IF
THE GOB COMES UP WITH A VIABLE COCA CONTROL PLAN, BEGINS
EFFECTIVE ERADICATION OF ILLICIT COCA AND REVISES THE
NARCOTICS CONTROL LAW, THERE IS A POSSIBILITY OF IN-
CREASED U.S. NARCOTICS ASSISTANCE, AND THE RESUMPTION OF
OUR ECONOMIC ASSITSTANCE IN OTHER AREAS.
PRESIDENT TORRELIO
CONCLUDED THE LUNCHEON BY REITERATING HIS DEDICATION
TO THE ANTI-NARCOTCS BATTLE AND HIS DETERMINATION
BOTH TO MOVE MORE EFFECTIVELY AGAINST MAJOR TRAFFICKERS
AND TO SUPPORT A COCA ERADICATION PROGRAM IN CONJUNCTION
WITH A CROP SUBSTITUTION PROGRAM. HE FULLY ACKNOWLEDGED
BOLIVIA'S RESPONSIBILITES FOR NARCOTICS CONTROL AND
SPECIFICALLY DISAVOWED REPRESENTATIONS MADE BY FORMER
NARCOTICS CHIEF COL. OCAMPO IN WASHINGTON LAST DECEMBER,
SYAING THEY WERE COMPLETELY UNAUTHORIZED. THE PRESIDENT
ASKED FOR U.S. ECONOMIC ASSISTANCE TO HELP BOLIVIA WITH ITS
CURRENT ECONOMIC CRISIS AND
REPEATED PREVIOUS PLEASE FOR ASSISTANCE STATING
THAT BOLIVIA WITH ITS LIMITED RESOURCES COULD NOT WIN
THE FIGHT AGAINST NARCOTICS TRAFFICKING ALONE.

23. COMMENT: WE CONSIDER ASSITANT SEGRETARY DICARLO'S
VISIT TO BE AN UNQUALIFIED SUCCESS. PERHAPS THE MOST
SIGNIFICANT POSITIVE RESULT WAS THE FACT THAT HE WAS
ABLE TO GET THE AGREEMENT OF GOB AUTHORITIES TO CHANGE
THE BOLIVIAN GOVERNMENT'S NARCOTICS LAW IN A NUMBER OF
AREAS OF IMPORTANCE TO THE U.S. GOVERNMENT. THE EN-
BASSY WILL BE FOLLOWING THE AGREEMENT IN PRINCIPLE REACHED
BY MR. DICARLO. ASSISTANT SECRETARY DICARLO'S VISIT
ALSO SERED TO GIVE A MAJOR BOOST TO GOB'S ANTI-NAR
COTICS EFFORTS. SPECIFICALLY, GOB OFFICIALS IN PRODES
AND DSNCP WERE ENCOURAGED TO MOVE AHEAD WITH THE ERAD-

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