

Ronald Reagan Presidential Library Digital Library Collections

This is a PDF of a folder from our textual collections.

Collection: Latin American Affairs Directorate,
NSC: Records
Folder Title: Bolivia (Safe 1)
09/10/1986-09/18/1986
Box: RAC Box 2

To see more digitized collections visit:

<https://www.reaganlibrary.gov/archives/digitized-textual-material>

To see all Ronald Reagan Presidential Library Inventories, visit:

<https://www.reaganlibrary.gov/archives/white-house-inventories>

Contact a reference archivist at: **reagan.library@nara.gov**

Citation Guidelines: <https://reaganlibrary.gov/archives/research-support/citation-guide>

National Archives Catalogue: <https://catalog.archives.gov/>

Last Updated: 9/6/2024

WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name LATIN AMERICAN AFFAIRS DIRECTORATE, NSC:
RECORDS

Withdrawer

KML 9/30/2011

File Folder BOLIVIA (SAFE 1) 09/10/1986-09/18/1986

FOIA

M10-353/1

Box Number 2

DENNISON

78

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
120341	CABLE	LA PAZ 07648 <i>R 5/18/2015 M353/1</i>	3	9/10/1986	B1
120342	CABLE	LA PAZ 07652 <i>R 5/18/2015 M353/1</i>	2	9/10/1986	B1
120343	PROFS NOTE	JAMES STARK TO JOHN POINDEXTER RE BLAST FURNACE <i>R 5/18/2015 M353/1</i>	1	9/11/1986	B1
120344	CABLE	LA PAZ 07715 <i>R 5/18/2015 M353/1</i>	1	9/12/1986	B1
120345	CABLE	LA PAZ 07764 <i>R 5/18/2015 M353/1</i>	2	9/15/1986	B1
120347	CABLE	160055Z SEP 86	2	9/16/1986	B1 B3
120348	MEMO	ELLIOTT ABRAMS & RICHARD SOLOMON TO THE SECRETARY RE SUSTAINING PROGRESS IN BOLIVIA <i>R 5/18/2015 M353/1</i>	8	9/15/1986	B1
120349	CABLE	BRASILIA 10329 <i>R 5/18/2015 M353/1</i>	5	9/17/1986	B1
120350	CABLE	172045Z SEP 86	5	9/17/1986	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)]

- 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]

C. Closed in accordance with restrictions contained in donor's deed of gift.

WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name LATIN AMERICAN AFFAIRS DIRECTORATE, NSC:
RECORDS

Withdrawer

KML 9/30/2011

File Folder BOLIVIA (SAFE 1) 09/10/1986-09/18/1986

FOIA

M10-353/1

Box Number 2

DENNISON

78

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
120351	CABLE	STATE 294079 R 5/18/2015 M353/1	2	9/18/1986	B1
120352	CABLE	181810Z SEP 86 PAR 5/3/2012 M353/1	2	9/18/1986	B1 B3
120353	CABLE	181814Z SEP 86 PAR 5/3/2012 M353/1	1	9/18/1986	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)]

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]

C. Closed in accordance with restrictions contained in donor's deed of gift.

~~CONFIDENTIAL~~

120341

NATIONAL SECURITY COUNCIL
SECRETARIAT

PAGE 01 OF 02 LA PAZ 7648
EOB267 AN009171

DTG: 102106Z SEP 86 PSN: 041905
TOR: 255/2204Z CSN: HCE107

DISTRIBUTION: BURG-01 PERR-01 NORT-01 RAY-01 STRK-01 TILL-01
RODM-01 BARM-01 /008 A1

WHTS ASSIGNED DISTRIBUTION:
SIT:
EOB:

OP IMMED
DE RUEHLP #7648 2532107
O 102106Z SEP 86 ZFF4
FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC NIACT IMMEDIATE 4631

INFO DEAHQS WASHDC
JCS WASHDC
USCINCSO QUARRY HEIGHTS PN//SCCS/SCJ3//
193DINFBDE FT CLAYTON PN//SC/JE//
AMEMBASSY BOGOTA 5350
AMEMBASSY BRASILIA 5464
AMEMBASSY LIMA 3832
AMEMBASSY QUITO 5313

~~CONFIDENTIAL~~ LA PAZ 07648

EXDIS

USCINCSO ALSO FOR POLAD

E.O. 12356: DECL: OADR
TAGS: BL, SNAR
SUBJECT: CONTINUATION OF OPERATION BLAST FURNACE

REF: (A) LA PAZ 7248 DTG 292042Z AUG 86 (NOTAL);
(B) LA PAZ 7514 DTG 052255Z SEP 86 (NOTAL)

1. (C) REF (A) REPORTS THE TEXT OF AN AUGUST 28 NOTE FROM FOREIGN MINISTER BEDREGAL IN WHICH, WITH REFERENCE TO TASK FORCE JANUS, HE SAYS "THE U.S. SUPPORT PERSONNEL MUST BE REPLACED GRADUALLY" (EMPHASIS ON GRADUALLY) "BY BOLIVIANS". REF (B) REPORTS MY SEPTEMBER 4 CONVERSATION WITH PRESIDENT PAZ ESTENSSORO IN WHICH HE UNEQUIVOCALLY DECLARED THAT THERE MUST BE NO BREAK BETWEEN THE PRESENCE OF TASK FORCE JANUS AND THE FOLLOW-ON ABILITY OF THE BOLIVIANS TO PROVIDE THE TRANSPORT FOR ANTI-NARCOTICS EFFORTS NOW BEING PROVIDED BY U.S. FORCES. PRESIDENT PAZ MADE THAT STATEMENT KNOWING THAT THE ASSUMPTION OF TRANSPORT RESPONSIBILITY BY BOLIVIANS COULD NOT BEGIN BEFORE EARLY NOVEMBER. HE CLEARLY EXPECTED THAT JANUS WOULD REMAIN IN BOLIVIA UNTIL THEN.

2. (U) IN A STATEMENT TO THE PRESS SEPTEMBER 10, INTERIOR MINISTER FERNANDO BARTHELEMY INDICATED "ACCORDING TO "EL DIARIO" OF SEPTEMBER 10) THAT "THE GOVERNMENT HAS DETERMINED THAT THE U.S. TROOPS SHOULD STAY IN (BOLIVIAN) NATIONAL TERRITORY UNTIL THE ARMED FORCES HAVE THE HELICOPTERS AND SUPPORT EQUIPMENT FOR THE FIGHT AGAINST NARCO-TRAFFICKING SIMILAR TO THOSE NOW PRESENT IN THE BENI."

DECLASSIFIED

NLRR M353/1 #120341

BY RW NARA DATES 10/15

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL
SECRETARIAT

3

PAGE 02 OF 02 LA PAZ 7648

DTG: 102106Z SEP 86 PSN: 041905

3. (C) I AM SATISFIED ON THE BASIS OF THE MINISTER'S STATEMENT AND THE PRESIDENT'S CONVERSATION WITH ME THAT THE BOLIVIAN GOVERNMENT HAS UNEQUIVACALLY STATED THAT IT EXPECTS TASK FORCE JANUS TO REMAIN IN BOLIVIA BEYOND SEPTEMBER 15 AND THAT IT WANTS "BLAST FURNACE" TO CONTINUE UNTIL WE CAN BRING IN SOME EQUIPMENT THAT WOULD PERMIT THE BOLIVIANS TO ASSUME RESPONSIBILITY FOR TRANSPORTING THE SPECIAL ANTI-NARCOTICS POLICE. I URGE IN STRONGEST TERMS THAT THE NECESSARY DECISIONS BE MADE NOW TO CONTINUE "BLAST FURNACE".

4. (C) IN THIS CONTEXT, I HAVE DISCUSSED WITH THE MINISTER OF THE PRESIDENCY, JUAN CARLOS DURAN, ON SEPTEMBER 10 A PROPOSED TEXT FOR RESPONDING TO PRESS INQUIRIES. I TOLD HIM THAT WE AND THE BOLIVIANS MUST BE PREPARED TO RESPOND THE SAME WAY TO THE INEVITABLE QUESTIONS CONCERNING HOW LONG TASK FORCE JANUS WILL REMAIN IN BOLIVIA. MINISTER DURAN IS REVIEWING THAT TEXT WITH PRESIDENT PAZ ESTENSSORO THIS AFTERNOON. FOR WASHINGTON INFORMATION, WE ARE CABLING THE DRAFT IMMEDIATELY BY SEPTTEL.

ROWELL

NOTE BY OC/T: MESSAGE UPGRADED EXDIS PER S/S, MR. OLSON.
BT

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

NSJT

PAGE 01
IBM348

LA PAZ 7648

DTG:102106Z SEP 86 PSN:037763
TOR: 254/0213Z CSN:HCE789

DISTRIBUTION:

NSCPC	NARCOTIC
NSJJY	EXDIS
NSJRS	*NOMAIL* NARCOTIC
NSJT	BOLIVIA
NSOLN	NARCOTIC
NSPWR	EXDIS
NSTIO	BOLIVIA
NSWP	BOLIVIA

WHSR COMMENT:

WHTS ASSIGNED DISTRIBUTION:

SIT:

EOB:

OP IMMED
DE RUEHLP #7648 2532107
O 102106Z SEP 86 ZFF4
FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC NIACT IMMEDIATE 4631

~~CONFIDENTIAL~~ LA PAZ 07648

EXDIS

USCINCSO ALSO FOR POLAD

E.O. 12356: DECL: OADR

TAGS: BL, SNAR

SUBJECT: CONTINUATION OF OPERATION BLAST FURNACE

REF: (A) LA PAZ 7248 DTG 292042Z AUG 86 (NOTAL);

. (B) LA PAZ 7514 DTG 052255Z SEP 86 (NOTAL)

.

1. (C) REF (A) REPORTS THE TEXT OF AN AUGUST 28 NOTE FROM FOREIGN MINISTER BEDREGAL IN WHICH, WITH REFERENCE TO TASK FORCE JANUS, HE SAYS "THE U.S. SUPPORT PERSONNEL MUST BE REPLACED GRADUALLY" (EMPHASIS ON GRADUALLY) "BY BOLIVIANS". REF (B) REPORTS MY SEPTEMBER 4 CONVERSATION WITH PRESIDENT PAZ ESTENSSORO IN WHICH HE UNEQUIVOCALLY DECLARED THAT THERE MUST BE NO BREAK BETWEEN THE PRESENCE OF TASK FORCE JANUS AND THE FOLLOW-ON ABILITY OF THE BOLIVIANS TO PROVIDE THE TRANSPORT FOR ANTI-NARCOTICS EFFORTS NOW BEING PROVIDED BY U.S. FORCES. PRESIDENT PAZ MADE THAT STATEMENT KNOWING THAT THE ASSUMPTION OF TRANSPORT RESPONSIBILITY

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

120342

NATIONAL SECURITY COUNCIL
SECRETARIAT

PAGE 01 LA PAZ 7652 DTG: 102200Z SEP 86 PSN: 037299
EOB837 AN008060 TOR: 253/2225Z GSN: HCE665

DISTRIBUTION: BURG-01 PERR-01 NORT-01 RAY-01 TILL-01
/005 A1

WHTS ASSIGNED DISTRIBUTION:
SIT:
EOB:

OP IMMED
DE RUEHLP #7652/01 253220Z
O 102200Z SEP 86 ZFF4
FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC NIACT IMMEDIATE 4633

INFO DEAHQS WASHDC
JCS WASHDC
USCINCSO QUARRY HEIGHTS PN// SCGS/SCJ3//
193DINFBDE FT CLAYTON PN//CS/J3//
AMEMBASSY BOGOTA 5351
AMEMBASSY BRASILIA 5465
AMEMBASSY LIMA 3833
AMEMBASSY QUITO 5314

Bolivia

~~CONFIDENTIAL~~ SECTION 01 OF 02 LA PAZ 07652

USCINCSO ALSO FOR POLAD

E.O. 12356: DECL OADR
TAGS: BL, SNAR,
SUBJECT: PROPOSED Q AND A'S FOR RESPONDING TO INQUIRIES
ABOUT CONTINUATION OF "BLAST FURNACE"

REF: LA PAZ 7648 DTG 102106Z

Q. U.S. LOGISTICAL SUPPORT TO "OPERATION BLAST FURNACE"
IS NEARING THE REPORTED SEPTEMBER 15 SIXTY-DAY
TERMINATION DATE. WILL THE U.S. WITHDRAW THE BLACKHAWKS
AND U.S. MILITARY PERSONNEL OR WILL THE OPERATION
CONTINUE?

A. AS WE HAVE INDICATED BEFORE, THE BOLIVIAN GOVERNMENT
REQUESTED U.S. LOGISTICAL SUPPORT FOR THEIR ON-GOING
ANTI-NARCOTICS EFFORT. AT THE GOVERNMENT'S REQUEST THIS
ASSISTANCE WAS PROVIDED FOR A LIMITED BUT INDEFINITE
PERIOD. IN LIGHT OF THE OPERATION'S SUCCESS IN
SUBSTANTIALLY DISRUPTING THE NARCOTICS TRADE IN BOLIVIA
THE GOVERNMENT OF THAT COUNTRY HAS ASKED THE UNITED
STATES TO CONTINUE THE CURRENT SUPPORT DURING A
TRANSITION PERIOD IN WHICH THE BOLIVIAN AUTHORITIES
WOULD ASSUME RESPONSIBILITY FOR THE TRANSPORTATION
SUPPORT CURRENTLY BEING PROVIDED BY THE U.S. THE U.S.
WILL COOPERATE IN PROVIDING THE NECESSARY TRAINING AND
MATERIEL. IN THE MEANTIME, WE HAVE AGREED TO CONTINUE
THE CURRENT U.S. SUPPORT TO THE BOLIVIAN GOVERNMENT.
PRESS GUIDANCE: EXTENSION OF U.S. LOGISTICAL SUPPORT IN
BOLIVIA

Q1. IT HAS BEEN REPORTED THAT THE U.S. LOGISTICAL
SUPPORT FOR BOLIVIAN ANTI-NARCOTICS OPERATIONS WOULD
LAST 60 DAYS. THE 60-DAY PERIOD WILL COME TO AN END ON
OR ABOUT SEPTEMBER 15. WILL THE U.S. SUPPORT PERSONNEL
AND THE HELICOPTERS LEAVE BOLIVIA ON THAT DATE?

A1. NO.

Q2. ON WHAT BASIS WILL U.S. FORCES STAY?

A2. IN LIGHT OF THE ENCOURAGING SUCCESS OF OPERATIONS TO
DATE, BOTH THE BOLIVIAN AND THE U.S. GOVERNMENTS BELIEVE
THAT THEY SHOULD CONTINUE. IN BOTH ORAL AND WRITTEN
DIPLOMATIC COMMUNICATIONS BETWEEN THE GOVERNMENTS,
BOLIVIA HAS ASKED THE U.S. PERSONNEL TO CONTINUE THEIR
SUPPORT ROLE IN BOLIVIA WHILE THE BOLIVIANS ARE
PREPARING TO ASSUME A LARGER SHARE OF THE TRANSPORT
RESPONSIBILITIES.

Q3. IS A COPY OF THE REQUEST AVAILABLE?

A3. NO. AS IS CUSTOMARY, DIPLOMATIC EXCHANGES REMAIN
CONFIDENTIAL.

Q4. WHAT PRESSURES DID THE U.S. USE TO FORCE BOLIVIA TO
ALLOW AMERICAN MILITARY PERSONNEL AND HELICOPTERS TO
REMAIN IN COUNTRY?

A4. AS WE NOTED AT THE BEGINNING OF OPERATIONS IN
MID-JULY, OPERATION BLAST FURNACE REPRESENTS THE
BOLIVIAN GOVERNMENT'S OWN ANTI-NARCOTICS STRATEGY. THE
GOB REQUESTED THE LEVEL OF SUPPORT CURRENTLY IN COUNTRY
AND HAS ASKED THAT IT BE CONTINUED.

Q5. WILL THE U.S. GIVE BOLIVIA HELICOPTERS?

A5. AT THE PRESENT TIME, THE U.S. IS ALREADY ASSISTING
IN THE REPAIR OF BELL HELICOPTERS OWNED BY THE BOLIVIAN
AIR FORCE. WE ALSO HOPE TO LEND SOME HELICOPTERS WHICH
THE BOLIVIANS WOULD FLY.

Q6. HOW MUCH LONGER WILL THE PRESENT U.S. SUPPORT
PERSONNEL AND THE HELICOPTERS REMAIN IN BOLIVIA?

A6. THEY WILL REMAIN FOR A PERIOD MUTUALLY AGREEABLE TO
THE BOLIVIANS AND OURSELVES. NO TERMINATION DATE HAS YET
BEEN SPECIFIED. WE AND THEY HOPE THAT THE TRANSITION TO
BOLIVIAN OPERATION OF TRANSPORTATION SUPPORT WILL BE
DONE AS QUICKLY AS POSSIBLE.

Q7. WILL THE BLACK HAWKS STAY IN BOLIVIA?
BT

DECLASSIFIED

NLRR M3531 #120342
BY RW NARA DATE 5/18/15

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL SECRETARIAT

PAGE 01 LA PAZ 7652 DTG: 102200Z SEP 86 PSN: 037302
EOB836 AN008059 TOR: 253/22262 CSN: HCE666

DISTRIBUTION: BURG-01 PERR-01 NORT-01 RAY-01 TILL-01
/005 A1

WHTS ASSIGNED DISTRIBUTION:

SIT:

EOB:

OP IMMED
DE RUEHLP #7652/02 2532204
O 102200Z SEP 86 ZFF4
FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC NIACT IMMEDIATE 4634

INFO DEAHQS WASHDC
JCS WASHDC
USCINCSO QUARRY HEIGHTS PN//SCCS/SCJ3//
193DINFBDE FT CLAYTON PN//CS/J3//
AMEMBASSY BOGOTA 5352
AMEMBASSY BRASILIA 5466
AMEMBASSY LIMA 3834
AMEMBASSY QUITO 5315

~~CONFIDENTIAL~~ SECTION 02 OF 02 LA PAZ 07652

USCINCSO ALSO FOR POLAD

E.O. 12356 DFCL OADR
TAGS BL, SNAR,
SUBJECT: PROPOSED Q AND A'S FOR RESPONDING TO INQUIRIES

A7. WE EXPECT THEM TO REMAIN FOR A LIMITED BUT
INDEFINITE TIME. ONE OBJECTIVE OF THE TRANSITION IS TO
MAKE AVAILABLE HELICOPTERS FOR WHICH BOLIVIAN AIR FORCE
PILOTS ARE ALREADY TRAINED AND FOR WHICH A MAINTENANCE
CAPABILITY COULD BE DEVELOPED QUICKLY.

Q8. WHAT KIND OF HELICOPTERS WILL BE PROVIDED TO BOLIVIA?

A8. AT PRESENT THE POSSIBILITY OF PROVIDING UH-1H HUEY
HELICOPTERS, COMPARABLE TO MACHINES CURRENTLY USED BY
THE BOLIVIAN AIR FORCE, IS BEING CONSIDERED.

Q9. HAS A FORMAL AGREEMENT BEEN REACHED ON THE HUEY
HELICOPTERS?

A9. NO FINAL ARRANGEMENTS HAVE BEEN REACHED.

Q10. HOW MANY HELICOPTERS WILL BE PROVIDED?

A10. THAT DETERMINATION HAS NOT YET BEEN MADE.

Q11. WILL U.S. MILITARY PERSONNEL REMAIN IN BOLIVIA IN
THE SAME NUMBERS AS AT PRESENT?

A11. AS AN IMPORTANT PART OF THE TRANSITIONAL PERIOD,
WE EXPECT THE NUMBER OF U.S. PERSONNEL IN A SUPPORT ROLE
IN BOLIVIA TO DECREASE AS THE GOB PROGRESSIVELY ASSUMES
RESPONSIBILITY FOR THE LOGISTICAL SUPPORT.

Q12. WILL THE DEA REMAIN IN BOLIVIA?

A12. THE DEA AND BOLIVIAN POLICE AUTHORITIES HAVE HAD A
COOPERATIVE RELATIONSHIP FOR SEVERAL YEARS, LONG BEFORE

THE BEGINNING OF THE CURRENT OPERATIONS. WE WOULD
EXPECT THAT SAME WORKING RELATIONSHIP TO CONTINUE
INDEFINITELY.

Q13. IN TERMS OF THE BLACK HAWKS AND THE MILITARY
PERSONNEL WHAT DOES "INDEFINITE" MEAN?

A13. WHAT IT SAYS.

Q14. WILL THE U.S. HAVE A ROLE IN THE BOLIVIAN
GOVERNMENT'S RIVERINE INTERDICTION EFFORTS?

A14. YES. WE EXPECT TO BE ABLE TO COOPERATE WITH
MATERIEL ASSISTANCE AND DEA OPERATIONAL SUPPORT.

Q15. HAS THE U.S. BOUGHT BOATS FOR BOLIVIA?

A15. YES. THE INM BUREAU OF THE STATE DEPARTMENT HAS A
BUDGET TO SUPPORT NARCOTICS INTERDICTION EFFORTS IN THIS
WAY. AT THE MOMENT, THE SUPPORT CONSISTS OF A NUMBER OF
SMALL OUTBOARD ENGINE-POWERED RIVER CRAFT. ROWELL
BT

~~CONFIDENTIAL~~

6 120343

From: NSJRS --CPUA Date and time 09/11/86 19:35:32
To: NSRBM --CPUA JOHN M. POINDEXTER NSWRP --CPUA JOHN M. POINDEXTER
NOTE FROM: JAMES R. STARK
SUBJECT: Blast Furnace extension

There seems to be general agreement at the working level that the US should keep its 6 helos and supporting personnel in Bolivia after the nominal Sep 18 deadline. We are now waiting for a public request from the GOB for an extension of Blast Furnace. (Without such a request, it would appear that the USG forced Bolivia to accept an extended US presence). Once State gets word that a request has been made, (hopefully Friday), a PD 27 conference call will be made to ensure interagency agreement. I recommend that we proceed as follows:

--That I be allowed to state your approval in principle of the extension, which would last until about mid-Nov, when the rains will shut down all flying. Final approval would require you checking with the President.

--After the interagency conference call, I would inform you of the agency positions so that you could brief the President and get his approval.

--Subsequent to Pres. approval, I would inform agencies of the President's decision.

cc: NSHRT --CPUA
NSJT --CPUA

NSKAK --CPUA
NSPWH --CPUA

Bolivia

DECLASSIFIED

NLRR M353/1 # 120343

BY RW NARA DATE 5/18/05

~~CONFIDENTIAL~~

120344

NATIONAL SECURITY COUNCIL
SECRETARIAT

PAGE 01 LA PAZ 7715 DTG:121451Z SEP 86 PSN:043385
EOB477 AN010240 TOR: 256/1313Z CSN:HCE534

DISTRIBUTION: BURG-01 PERR-01 MAN-01 NORT-01 RAY-01 TILL-01
LENC-01 MAT-01 /008 A2

WHTS ASSIGNED DISTRIBUTION:
SIT:
EOB:

ROUTINE
DE RUEHLP #7715 2551451
R 121451Z SEP 86
FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC 4687

INFO AMEMBASSY ASUNCION 5028
AMEMBASSY BOGOTA 5365
AMEMBASSY LIMA 3849
AMEMBASSY QUITO 5321

DIA WASHDC
USAFSO HOWARD AFB PN//LA1//
USCINCSO QUARRY HEIGHTS PN//J2/INTAFF/SCJ2-PLOPS//
24COMPW HOWARD AFB PN//DOI//

~~CONFIDENTIAL~~ LA PAZ 07715

DIA FOR IR BRANCH; USCINCSO ALSO FOR POLAD

E.O. 12356: DECL: OADR
TAGS: BL, PGOV, PHUM
SUBJECT: EMBASSY ACTION ON HUMAN RIGHTS OF STATE OF
SIEGE INTERNAL EXILES.

REF: (A) LA PAZ 7550 DTG 082116Z SEP 86
(B) LA PAZ 7514 DTG 052255Z SEP 86 (NOTAL)

EMBASSY EFFORTS ON BEHALF OF INTERNAL EXILES

1. (C) FURTHER TO PARA 6 OF REF A, ON SEPTEMBER 9
POLCOUNS SPOKE WITH MINISTER OF LABOR WALTER ((RIOS))
GAMBOA REGARDING THE BOLIVIAN PERMANENT ASSEMBLY FOR
HUMAN RIGHTS (APDHB) REQUEST FOR THE EMBASSY'S GOOD
OFFICES ON BEHALF OF THE 63 INTERNAL EXILES AT CAMPS
IN SAN JOAQUIN (BENI DEPARTMENT) AND PUERTO RICO
(PANDO DEPARTMENT). THE APDHB IS CONCERNED FOR THE
HEALTH OF SOME OF THE DETAINEES, AND HAS ASKED THE
INTERIOR MINISTRY FOR PERMISSION TO SEND REPRESENTATIVES
TO THE CAMPS. TO OUR KNOWLEDGE THE INTERIOR MINISTRY
HAS NOT YET RESPONDED TO THE APDHB REQUEST.

2. (C) POLCOUNS TOLD MINISTER ((RIOS)) GAMBOA, WHO IS
A CLOSE AND LONG-TIME FRIEND OF THE EMBASSY, OF OUR
CONCERN AND ASKED HOW WE MIGHT BEST PREVAIL ON THE
INTERIOR MINISTRY TO GRANT THE APDHB REQUEST. RIOS
ACKNOWLEDGED THAT THE HEALTH AND GENERAL SITUATION
OF THE INTERNAL EXILES IS A POTENTIAL PROBLEM. HE
VOLUNTEERED TO TRANSMIT DISCREETLY OUR CONCERNS TO
INTERIOR MINISTER BARTHELEMY. FIFTEEN MINUTES LATER
RIOS CALLED TO REPORT HIS CONVERSATION WITH INTERIOR
MINISTER SUBSECRETARY GUIDO ((MERUVIA)) GUTIERREZ
(BARTHELEMY WAS NOT AVAILABLE):

-- MERUVIA WAS MADE AWARE OF THE APDHB DEMARCHE TO
THE EMBASSY AND OF OUR CONCERN FOR THE DETAINEES.

-- HE RESPONDED THAT THE MINISTRY WOULD BE WILLING
TO ALLOW APDHB REPRESENTATIVES TO VISIT SAN
JOAQUIN AND PUERTO RICO, TO TAKE MEDICAL AND
OTHER SUPPLIES TO THE EXILES.

-- MERUVIA RECOMMENDED THAT THE EMBASSY SUGGEST TO
THE APDHB THAT THOSE CHOSEN TO VISIT THE CAMPS
BE "IMPARTIAL," AND THAT AN "OBJECTIVE"
JOURNALIST ACCOMPANY THEM.

-- HE ALSO INFORMED RIOS THAT A MECHANISM HAS BEEN
SET UP WHEREBY RELATIVES OF THE DETAINEES ARE
ALLOWED TO SEND CLOTHING, MEDICINE AND OTHER
ESSENTIAL ITEMS TO THE CAMPS VIA INTERIOR
MINISTRY CHANNELS.

ON SEPTEMBER 10, THE GOVERNMENT UNDER THE AUSPICES OF
THE MINISTRY OF HEALTH FLEW MEDICAL SUPPLIES AND TWO
DOCTORS TO THE DETAINEES.

3. (C) COMMENT: THE BOLIVIAN GOVERNMENT HAS BEEN MADE
AWARE OF OUR CONCERN FOR THE DETAINEES THROUGH THE
AMBASSADOR'S SEPTEMBER 4 CONVERSATION WITH PRESIDENT
PAZ (REF B), AND INFORMAL DEMARCHES TO OTHER
GOVERNMENT OFFICIALS SUCH AS THE CONVERSATION WITH
RIOS GAMBOA. NEVERTHELESS, THE INTERIOR MINISTRY'S
PROFESSED WILLINGNESS TO ALLOW APDHB REPRESENTATIVES
TO VISIT SAN JOAQUIN AND PUERTO RICO HAS NOT YET BORNE
FRUIT. WE BELIEVE THAT THE BASIC NEEDS OF THE DETAINEES
ARE BEING MET, BUT WE WILL CONTINUE TO MONITOR THE

SITUATION AND REPORT.

(DRAFTED BY: POL:WLOFSTROM) ROWELL
BT

DECLASSIFIED

NLRR M35311 #120344

BY RW NARA DATE 5/18/15

~~CONFIDENTIAL~~

UNCLASSIFIED

NATIONAL SECURITY COUNCIL
SECRETARIAT

8

PAGE 01
EOB471

LA PAZ 7713
AN010228

DTG: 121445Z SEP 86
TOR: 256/1302Z

PSN: 043365
CSN: HCE530

DISTRIBUTION: BURG-01 PERR-01 NORT-01 RAY-01 TILL-01
/005 A2

WHTS ASSIGNED DISTRIBUTION:

SIT:
EOB:

ROUTINE
DE RUEHLP #7713 2551445
R 121445Z SEP 86
FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC 4684

INFO AMEMBASSY BOGOTA 5364
AMEMBASSY LIMA 3848
AMEMBASSY QUITO 5320
DIA WASHDC
USAFSO HOWARD AFB PN//LAI//
USCINCSO QUARRY HEIGHTS PN//J2//INTAFF/SCJ2-PLOPS//
24COMPW HOWARD AFB PN//DOI//

UNCLAS LA PAZ 07713

DIA FOR IR BRANCH; USCINCSO ALSO FOR POLAD

E. O. 12356: N/A
TAGS: BL, PGOV, PINS
SUBJECT: CONGRESS APPROVES STATE OF SIEGE

REF: LA PAZ 7183 DTG 281642 AUG 86

1. (U) ON SEPTEMBER 10 THE BOLIVIAN CONGRESS APPROVED THE EXECUTIVE BRANCH'S AUGUST 28 DECISION TO IMPOSE A 90-DAY STATE OF SIEGE (REFTEL). EVEN THOUGH DEBATE ON THE STATE OF SIEGE HAS BEEN CONTENTIOUS AND LASTED SIX CONGRESSIONAL DAYS, THERE NEVER WAS REAL DOUBT THAT THE "PACT FOR DEMOCRACY" WOULD HOLD TOGETHER AND THAT CONGRESS WOULD APPROVE THE STATE OF SIEGE.

(DRAFTED BY: POL: HO' HARA) ROWELL
BT

UNCLASSIFIED

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL
SECRETARIAT

PAGE 01 LA PAZ 7764 DTG: 151417Z SEP 86 PSN: 045966
EOB111 AN009999 TOR: 258/1448Z CSN: HCE264

DISTRIBUTION: BURG-01 PERR-01 NORT-01 RAY-01 STRK-01 TILL-01
BARM-01 /007 A2

WHTS ASSIGNED DISTRIBUTION:
SIT:
EOB:

PRIORITY
DE RUEHLP #7764/01 2581420
P 151417Z SEP 86
FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC PRIORITY 4741

INFO AMEMBASSY ASUNCION 5029
AMEMBASSY BOGOTA 5366
AMEMBASSY LIMA 3858
AMEMBASSY QUITO 5322
DIA WASHDC
USAFSO HOWARD AFB PN//LA1//
USCINCSO QUARRY HEIGHTS PN//J2/INTAFF/SCJ2-PLOPS//
24COMPW HOWARD AFB PN//DO1//

~~CONFIDENTIAL~~

LIMITED OFFICIAL USE SECTION 01 OF 02 LA PAZ 07764

DIA FOR IR BRANCH; USCINCSO ALSO FOR POLAD

E.O. 12356: N/A
TAGS: BL, SNAR
SUBJECT: BOLIVIAN PUBLIC OPINION AWAKENS TO THE
NARCOTICS SCOURGE

REF: LA PAZ 7559 DTG 082158Z SEP 86

SUMMARY

1. (LOU) THE ASSASSINATION OF PROMINENT BOLIVIAN BIOLOGIST NOEL (KEMPF) MERCADO BY NARCOTICS TRAFFICKERS (REFTEL) AND THE DISCOVERY OF A LARGE, RECENTLY OPERATIVE COCAINE LABORATORY IN THE REMOTE NORTHEASTERN PART OF THE DEPARTMENT (STATE) OF SANTA CRUZ HAVE HAD A DRAMATIC IMPACT ON BOLIVIAN PUBLIC OPINION. ORATORS AT THE FUNERAL OF KEMPF AND COLUMNISTS HAVE MADE STRONG, HEART-FELT APPEALS FOR ACTION AGAINST NARCOTICS TRAFFICKERS. IN SANTA CRUZ, KEMPF MERCADO'S HOMETOWN, CIVIC ORGANIZATIONS STAGED A MASSIVE AND UNPRECEDENTED DEMONSTRATION REPUDIATING NARCO-TRAFFICKING "IN DEFENSE OF CRUCENO DIGNITY" ON SEPTEMBER 11. RESIDENTS OF SAN IGNACIO DE VELASCO, CAPITAL OF THE PROVINCE WHERE THE HUANCHACA NATIONAL PARK -- SITE OF THE COCAINE LAB -- IS LOCATED, ARE ALARMED OVER THE DISAPPEARANCE OF SOME 80 PEOPLE ALLEGEDLY CONTRACTED BY NARCO-TRAFFICKERS TO WORK IN THE LAB. AT ALL LEVELS BOLIVIAN ARE SUDDENLY SPEAKING LOUDLY AND OPENLY OF THE THREAT THAT COCAINE TRAFFICKING AND ABUSE POSE TO THEIR SOCIETY AND ITS INSTITUTIONS. END SUMMARY.

EXHORTATIONS TO PUBLIC OPINION

2. (U) AT THE SEPTEMBER 9 FUNERAL SERVICES FOR KEMPF IN SANTA CRUZ, THE PRESIDENT OF THE PRO-SANTA CRUZ CIVIC COMMITTEE, CARLOS DABDOUB, DECLARED IN UNUSUALLY BLUNT LANGUAGE THAT THE SCIENTIST WAS "A VICTIM OF THAT NEW (SOCIAL) CLASS THAT MANY STILL APPLAUD AND A FEW OTHERS COVER UP FOR." HE CALLED FOR EFFECTIVE MEASURES AGAINST NARCO-TRAFFICKING AND URGED HIS AUDIENCE TO REJECT "IRRESPONSIBLE INDIFFERENCE AND AN ABETTING SILENCE." IN THE SAME VEIN, A REPRESENTATIVE OF "DRUGADDICTS ANONYMOUS" CRITICIZED THE GOVERNMENT FOR FAILING TO REPRESS NARCOTICS TRAFFICKERS WHO, HE SAID ARE OPENLY ACCEPTED IN THE HIGHEST CIRCLES OF CRUCENO SOCIETY. (NOTE: THE SAME CIRCLES TO WHICH KEMPF MERCADO BELONGED.)

3. (U) SIMILAR COMMENTS APPEARED IN THE REGULAR COLUMN OF JOSE GRAMUNT, S.J. IN THE DAILY "HOY" ON SEPTEMBER 10. GRAMUNT'S INSIGHTFUL COLUMNS ARE GENERALLY A GOOD BAROMETER OF INFORMED BOLIVIAN PUBLIC OPINION. GRAMUNT CRITICIZES THE "RELATIVE TOLERANCE" AND "CONDESCENDENCE" WITH WHICH BOLIVIANS HAVE TREATED THE DRUG PROBLEM. HE SAYS THAT THERE IS NO EFFECTIVE SOCIAL CONTROL WHICH REJECTS PEOPLE INVOLVED IN COCAINE TRAFFICKING. ON THE CONTRARY, THOSE WHO OSTENTATIOUSLY FLAUNT THEIR QUICK RICHES ARE WELCOME IN "DISTINGUISHED CIRCLES." GRAMUNT POINTS OUT THAT THE HUANCHACA MURDERS ARE NOT THE FIRST SYMPTOM OF DRUG-RELATED CRIME IN SANTA CRUZ, AND THAT IN THE PAST VICTIMS AS WELL AS PERPETRATORS OF CRIME WERE ALL TAINTED WITH NARCOTICS. THE COLUMNIST CALLS ON WELL-OFF BOLIVIANS TO OPEN THEIR EYES TO THE OBVIOUS EVIDENCE OF ILL-GOTTEN GAINS AND CLOSE THEIR DOORS TO THOSE SUSPECTED OF INVOLVEMENT IN NARCOTICS TRAFFICKING.

ANTI-NARCOTICS MARCH IN SANTA CRUZ

4. (U) FOR MORE THAN TWO HOURS ON SEPTEMBER 10 CITIZENS OF SANTA CRUZ FROM ALL WALKS OF LIFE MARCHED SILENTLY INTO THE MAIN PLAZA FOR BOLIVIA'S FIRST ANTI-NARCOTICS DEMONSTRATION. SPEAKING AFTER THE REPRESENTATIVES OF SEVERAL CIVIC ORGANIZATIONS, PRO-SANTA CRUZ CIVIC COMMITTEE PRESIDENT DABDOUB SAID THAT THE REGION "MUST SEEK CHANGE TOWARD A CLEANER OBJECTIVE. THIS MAY BE BT

DECLASSIFIED

NLRR 17353/1 #180345

BY RW NARA DATE 5/10/15

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL SECRETARIAT

PAGE 01 LA PAZ 7764 DTG: 151417Z SEP 86 PSN: 045974
EOB121 AN009998 TOR: 258/1451Z CSN: HCE266

DISTRIBUTION: BURG-01 PERR-01 NORT-01 RAY-01 STRK-01 TILL-01
BARM-01 /007 A2

WHTS ASSIGNED DISTRIBUTION:

SIT:

EOB:

PRIORITY

DE RUEHLP #7764/02 2581421

P 151417Z SEP 86

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC PRIORITY 4742

INFO AMEMBASSY ASUNCION 5030

AMEMBASSY BOGOTA 5367

AMEMBASSY LIMA 3859

AMEMBASSY QUITO 5323

DIA WASHDC

USAFSO HOWARD AFB PN//LA1//

USCINCSO QUARRY HEIGHTS PN//J2/INTAFF/SCJ2-PLOPS//

24COMFW HOWARD AFB PN//DO1//

~~CONFIDENTIAL~~

LIMITED OFFICIAL USE SECTION 02 OF 02 LA PAZ 07764

DIA FOR IR BRANCH; USCINCSO ALSO FOR POLAD

E.O. 12356: N/A

TAGS: BL, SNAR

SUBJECT: BOLIVIAN PUBLIC OPINION AWAKENS TO THE

OUR LAST CHANCE TO JOIN FORCES TO COMBAT THIS HIDDEN
FACE OF OUR SOCIETY." HE SAID THAT NO ONE IN SANTA
CRUZ CAN CLAIM IGNORANCE OF THE DRUG PROBLEM AND THAT
THOSE WHO PROFIT FROM NARCOTICS SHOULD BE EXPELLED
FROM SOCIETY. "IF WE WANT TO SURVIVE WE MUST COMBAT
THE FALSE SUCCESS OF THE NEW (DRUG) ELITE THAT WANTS
TO SHOW OFF, THAT TAKES REFUGE IN OUR CLUBS, WHOSE
REPRESENTATIVES ARE CONSIDERED DISTINGUISHED IN OUR
MILIEU."

WORKERS RECRUITED FOR COCAINE LAB DISAPPEAR

5. (U) LA PAZ'S PRESTIGIOUS CATHOLIC DAILY "PRESENCIA"
REPORTED IN A FRONT-PAGE ARTICLE ON SEPTEMBER 12 THAT
SOME 80 LABORERS RECRUITED FROM THE PROVINCIAL CAPITAL
OF SAN IGNACIO DE VELASCO (NORTHERN SANTA CRUZ DEPART-
MENT) TO WORK IN "AGRICULTURAL ACTIVITIES" IN HUANCHACA
HAVE DISAPPEARED. RELATIVES OF THE LABORERS REPORT
THAT RECRUITERS OFFERED THEM U.S. 100 DOLLARS A DAY TO
WORK IN THE COCAINE LAB. ONE WROTE TO HIS WIFE THAT HE
WAS DECEIVED BY THE RECRUITERS AND THAT HE WAS NOT
ALLOWED TO LEAVE THE SITE. THE CONCERNED FAMILY MEMBERS
HAVE ASKED THE AUTHORITIES TO INTERVENE IN THE CASE OF
THE MISSING LABORERS.

LA PAZ MURDER BY ADDICTS EVOKES DEMONSTRATIONS

6. (U) THE BRUTAL TORTURE-MURDER OF AN EIGHT-YEAR-OLD
MIDDLE-CLASS BOY IN LA PAZ HAS PROVOKED SEVERAL DAYS
OF DEMONSTRATIONS DEMANDING REINSTATEMENT OF THE DEATH
PENALTY. A MASSIVE PROTEST CROWD (ESTIMATED AT
SEVERAL THOUSAND) IN FRONT OF THE PRESIDENTIAL
OFFICES WRECKED SEVERAL CARS THE EVENING OF SEPTEMBER

11. THE ACCUSED KIDNAPPER/KILLERS (IN POLICE CUSTODY)
ARE REPORTEDLY DRUG ADDICTS AND THERE IS AN
ASSUMPTION THAT THE 15,000 DOLLAR RANSOM THEY
RECEIVED (AFTER THE CHILD HAD DIED) WAS PARTLY TO
FEED THEIR HABIT.

7. (LOU) WE HAVE SUGGESTED TO LOCAL MEDIA THAT THEY
DRAW MORE SHARPLY THE LINKAGE BETWEEN DRUGS AND AN
UNPRECEDENTEDLY GRUESOME MURDER THAT HAS SHOCKED
BOLIVIA'S SEAT OF GOVERNMENT.

COMMENT

8. (LOU) FOR THE FIRST TIME IN THIS EMBASSY'S
COLLECTIVE MEMORY BOLIVIANS, ESPECIALLY "CRUCENOS"
ARE SPEAKING UP FORCEFULLY ABOUT THE CANCER THAT HAS
INVADDED THEIR SOCIETY. ONLY THE LOSS OF SUCH A
PROMINENT INDIVIDUAL AS NOEL KEMPFER COULD HAVE PROVOKED
SUCH A DRAMATIC EXAMINATION OF THE COLLECTIVE CONSCIENCE.
WE BELIEVE HIS DEATH AND THE HEART-FELT REACTIONS OF
PEOPLE LIKE DABDOUB, GRAMUNT AND OTHERS WILL HAVE A
VERY HEALTHY IMPACT ON THE WAY BOLIVIANS IN GENERAL FEEL
ABOUT THE DRUG SCOURGE. EVEN IN REMOTE AREAS LIKE
SAN IGNACIO DE VELASCO THE MESSAGE IS GETTING THROUGH.
NARCOTICS TRAFFICKERS ARE RUTHLESS AND THEY PLAY FOR

KEEPS. DRUG ABUSERS CAN BE JUST AS DEADLY.

(DRAFTED BY: POL: WLOFSTROM) ROWELL

BT

~~CONFIDENTIAL~~

WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name

Latin American Affairs Directorate, NSC: Records

Withdrawer

KM 9/30/2011

L

File Folder

BOLIVIA (SAFE 1) 09/10/1986-09/18/1986

FOIA

M10-353/1

DENNISON

Box Number

2

78

ID	Document Type	No of pages	Doc Date	Restrictions
	Document Description			
120347	CABLE	2	9/16/1986	B1
	160055Z SEP 86			B3

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]

C. Closed in accordance with restrictions contained in donor's deed of gift.

Substitute for sec. 611 FAA

Blum

B

The requirements of any law conditioning the obligation or expenditure of funds appropriated by this Act for assistance to Bolivia upon steps toward the reduction and elimination of illicit production of or trafficking in narcotics shall be deemed to be met by the following:

(1) up to 50 percent of the aggregate amount of such assistance may be provided at any time after the President certifies to the Congress that the Government of Bolivia has made substantial progress in disrupting the flow of illicit narcotics from Bolivia to the United States; and

(2) the remaining amount of such assistance may be provided at any time after the President certifies to the Congress that the Government of Bolivia has adopted a plan to eliminate illicit narcotics cultivation, production and trafficking countrywide, has entered into an agreement with the United States for cooperation in implementing that plan for 1987 and beyond and is achieving substantial progress toward the plan's objectives (including the effective use of United States assistance).

1 SEC. 531. None of the funds made available in this Act
2 shall be restricted for obligation or disbursement solely as a
3 result of the policies of any multilateral institution.

4 SEC. 532. Ceilings and earmarks contained in this Act
5 shall not be applicable to funds or authorities appropriated or
6 otherwise made available by any subsequent act unless such
7 act specifically so directs.

8 SEC. 533. The Secretary of the Treasury and the Secre-
9 tary of State are directed to submit to the Committees on
10 Foreign Affairs and the Committees on Appropriations by
11 February 1, 1987, a report on the domestic economic policies
12 of those nations receiving economic assistance, either directly
13 or indirectly from the United States including, where appro-
14 priate, an analysis of the foreign assistance programs con-
15 ducted by these recipient nations.

16 SEC. 534. None of the funds appropriated or otherwise
17 made available pursuant to this Act for "Economic support
18 fund" or for "Foreign military credit sales" shall be obligated
19 or expended for Lebanon except as provided through the reg-
20 ular notification procedures of the Committees on
21 Appropriations.

22 SEC. 535. Of the funds made available by this Act for
23 Jamaica and Peru, not more than 50 per centum of the funds
24 made available for each country shall be obligated unless the
25 President determines and reports to the Congress that the

Language
in
appropriation
bill

1 Governments of these countries are sufficiently responsive to
2 the United States Government concerns on drug control and
3 that the added expenditures of the funds for that country are
4 in the national interest of the United States: *Provided*, That
5 this provision shall not be applicable to funds made available
6 to carry out section 481 of the Foreign Assistance Act of
7 1961: *Provided further*, That assistance may be provided to
8 Bolivia for fiscal year 1987, under chapter 2 (relating to
9 grant military assistance), chapter 4 (relating to the economic
10 support fund), and chapter 5 (relating to international mili-
11 tary education and training) of part II of the Foreign Assist-
12 ance Act of 1961, and under chapter 2 of the Arms Export
13 Control Act (relating to foreign military sales financing), only
14 in accordance with the provisions of section 611 of the Inter-
15 national Security and Development Cooperation Act of 1985
16 (Public Law 99-83).

17 SEC. 536. None of the funds available in this Act may
18 be used to make available to El Salvador any helicopters or
19 other aircraft, and licenses may not be issued under section
20 38 of the Arms Export Control Act for the export to El
21 Salvador of any such aircraft, unless the Committee on Ap-
22 propriations of the House of Representatives and the Com-
23 mittee on Appropriations of the Senate are notified at least
24 fifteen days in advance in accordance with the procedures
25 applicable to notifications.

16

BOLIVIA

ISSUES

Current law (Section 611 of P.L. 99-83, the Foreign Assistance Authorization Act) prevents the US from giving greatly needed security assistance to Bolivia until the Bolivian government undertakes an eradication campaign. The Obey bill (Section 536, H.R. 5339) reaffirms that requirement for FY87. This restriction, which effectively prohibits US assistance to Bolivia is counterproductive at a time when the Government of Bolivia is taking such effective measures to eliminate Bolivia as a source of illicit cocaine.

TALKING POINTS

- The Paz government has given convincing proof of its determination to rid the country of the narcotics menace. The use of US military transportation (Operation Blast Furnace) in the northeastern jungle was politically risky but given the lack of resources, was judged the only way to take on the traffickers directly.
- Current operations are having a much more dramatic effect on the coca trade than the eradication we sought to force by legislative sanctions. Refining has stopped and with the price of coca below the cost of production, a full coca harvest is being left to rot. There is evidence the population is turning against the traffickers and growers are looking for alternate activities.
- Now we need to focus on further narcotics control cooperation, not punitive measures. Unless economic stability can be restored we will lose the best opportunity we are likely to have to achieve progress on narcotics. The survival of this cooperative government and democratic institutions are at stake.
- The very funds which could be used in FY 1987 to fight narcotics in Bolivia are blocked under current legislation. This legislation requires that Bolivia must agree on a plan to eradicate all its coca and actually eradicate 50% of the 1986 target before it can receive 50% of the planned FY87 economic support funds and military assistance, including training.
- The second 50% tranche of U.S. FY87 assistance would be available only if the entire 1986 eradication target is met.

17

-2-

- These blocked funds could be used for agricultural development as an alternative to mining and coca growing and for training and equipment to prepare the military for a greater role in narcotics control.
- Any reference to narcotics in US legislation should recognize that both interdiction and eradication are important, and in the Bolivian case, clearly related. Senior Bolivian officials understand that eradication must be part of a comprehensive control program but challenged by an economic crisis do not feel they can confront campesinos over coca growing at this time. We should not be punishing the GOB while it is cooperating on programs which are having greater immediate effect than eradication.

doc. 6122D

120348
17

~~CONFIDENTIAL~~

TO: The Secretary

FROM: ARA - Elliott Abrams
S/P - Richard Solomon

SUBJECT: Sustaining Progress in Bolivia

SUMMARY: Bolivian President Paz Estenssoro has stopped hyper-inflation and shut down the cocaine trade. It is a record of achievement greater than any of us thought possible when Paz took office a year ago. He has taken enormous political risks to obtain these impressive gains but they will be short-lived unless we can muster the resources to demonstrate that we place sound economic policies and tough anti-narcotics measures among our highest priorities. The fall of the Paz government would be the first reversal of the democratic trend in Latin America and a poor lesson to those we seek as allies in the war against narcotics. END SUMMARY.

Paz's bold steps are a model for other third world leaders. His first goal was to restore economic incentives after years of mismanaged government intervention. Prices were

DECLASSIFIED
NLRR M353/1 #120348
BY RW NARA DATE 5/18/15

freed, taxes reformed and government spending constrained. The immediate social cost has been high, especially after the collapse of the tin market earlier this year which finally convinced Paz's advisors to close inefficient mines employing some 23,000. The government has just broken its second general strike by declaring a state of siege. The Paz government now desperately needs some economic successes.

Years of depressed mineral prices and high returns from coca allowed narcotics to become the mainstay of the Bolivian economy. But Paz saw the corruption as a clear threat to democratic government. Making good on his commitment to stop the drug trade, the President agreed in July to undertake a major sweep of the eastern jungle (Operation Blast Furnace) using US army helicopters and a more visible DEA presence.

The direct results are about what we expected (so far nine lab complexes and seven support bases destroyed; no major arrests or drugs siezed; but huge quantities of chemicals destroyed). The broader effects have exceeded our most optimistic estimates. For two months there has been virtually

~~CONFIDENTIAL~~

DECL: OADR

20

~~CONFIDENTIAL~~

- 2 -

no cocaine processed in Bolivia. Campesinos in the Chapare Valley are not bothering to pick the coca leaves whose price has dropped from \$8.00 a pound in June to 15¢ last week. Paz's decision to go ahead with Blast Furnace sent a message throughout the country. Police units have shown new vigor; citizens are volunteering more information on trafficker movement; and campesinos are showing interest in alternative crops.

Policy Implications

Bolivian authorities have warned that all these results will be temporary, and the traffickers will return stronger than ever, unless we can keep the pressure on. To do so while preserving democracy will require not just narcotics control assistance but also measures to ease the economic crunch. Paz has chosen the right policies but he (and we) risk losing it all if his democratic rule ends and is followed as is likely by an anti-US regime backed by the traffickers. The bad demonstration effect would set back our goals for the region by years.

To achieve these interrelated goals Bolivia will need equipment for the immediate narcotics fight, support to staunch the drain on the country's meagre reserves and assistance to diversify the economy away from coca and tin. The inescapable conclusion is that we must raise the priority we attach to the country above that which it merited when we were developing our FY86 and FY87 assistance and narcotics strategies. To do this we are seeking the following:

ANTI-NARCOTICS EFFORTS

Short Term: Extend Operation Blast Furnace. Responding to Bolivian officials' pleas, we have agreed to keep our six Blackhawks in country until the rainy season reduces their effectiveness in early to mid November.

Medium Term: Provide Replacement Helicopters. When our task force leaves the traffickers will quickly return to business as usual in the Texas-sized Bolivian lowlands unless they continue to feel threatened. We want DoD to replace the Blackhawks with a "loan" of six Hueys to the Bolivian air force and have them delivered on the same transport which takes the Blackhawks out. These might be supplemented by three helicopters recently provided to Colombia for regional use, or by leased aircraft. A small river patrol team we are organizing may be of some help

22

when the rains come.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

- 3 -

Longer Term: Build a Bolivian Capability. While we must necessarily remain involved in the anti-narcotics struggle in Bolivia, Bolivian nationalists will resist a repeat of a large scale US presence like Blast Furnace. We must then help create a Bolivian airwing to carry the police to the far corners of the country to disrupt the traffickers. That will mean with the year working out the transfer, preferably through increased MAP and FMS financing, of the "loaned" helicopters followed by provision of transport aircraft such as C-130s, essential for moving troops and fuel across the vast distances.

ECONOMIC ASSISTANCE

Bridge Loan Support. Treasury's announced willingness to consider a bridge loan immediately slowed the outflow of foreign exchange, but the drain is still above what is sustainable. A "blocked reserve" account to be signed this week will provide further psychological support. Treasury is willing to move to true bridge financing as soon as the prospect for IMF and World Bank funds is clearer.

23

Year-End Money. The argument for increased economic and military assistance is strong. Yet FY86 money is scarce and we are constrained by the legislative sanctions imposed last year. The most promising immediate source of funding seems to be AID's Development Assistance account and the possibility of increased food donations (section 416). We see a need for \$20 million DA and perhaps as much as \$30 million in 416 commodities. Re-programming ESF would require a special 614 waiver but we believe a consensus exists on the Hill for doing something and making the effort would be worthwhile if we could identify at least \$20 million.

Removing Legislative Sanctions. The sanctions imposed by Congress last year will have the effect of barring any FY87 security assistance to Bolivia until the government has instituted a coca eradication program, an impossibly difficult step for the government given the strength of the peasants in Bolivian politics. The current interdiction program is reducing cocaine trafficking far more than eradication would have, and if attacks against the labs can keep the price down, eradication will eventually become politically acceptable. We are accordingly working to modify the present language to establish a more realistic performance criteria in this year's resolution.

24

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

- 4 -

FY 87 Assistance. Paz wrote to President Reagan saying Bolivia could undertake to eradicate all illicit coca in three years but to handle the economic cost and gain political acceptance of the sacrifices his government needs a major increase in assistance. He has called for a binational commission to study what and how much needs to be done. We are currently selecting US participants from several agencies and believe they will find that Bolivia's requirements are less than his ministers claim and a large percentage can come from other donors. Nonetheless, there inevitably will be increased demands on our already over extended international affairs budget, perhaps on the order of an additional \$50-70 million over currently programmed levels in each of the next several years. Specifically, we strongly believe FY '87 aid should be increased as follows:

	Current request	Needed
ESF	\$7.5 million	\$35 million
DA	\$9.3 million	\$32 million
Title I/III		
	\$20 million	\$40 million
MAP	\$3 million	\$8 million

25

FY 88 Assistance and Beyond. The battle to defeat narcotics trafficking and sustain Bolivian democracy will not be won in one fiscal year, but may well be with an intensive investment over the next several years. The numbers needed are not great in comparison with other priority US concerns and unless we take advantage of the present opportunity our cost later are certain to be higher. Our FY88 requests then should continue at the level of the about \$120 million we recommend for this coming year.

Bolivia then in our view serves illustrate well our need across the board for greater resources and greater flexibility in allocating them. Other bureaus and AID have seen this memo but could not naturally enough agree at this time to the increase in resource transfers we see as necessary. Nonetheless, we hope to make progress on all the above items in coming weeks but may return to seek your and John Whitehead's intervention.

Drafted: ARA/AND:PMcLean

WANG #6075D 9/15/86 647-1715

Cleared: S/P:KW Bleakley

~~CONFIDENTIAL~~

Subject: Economic Assistance to Bolivia

FY 1986

Bolivia's most urgent needs for economic assistance are for balance-of-payments support and for increased liquidity in Bolivia's financial system, particularly for \$54+ million agricultural credit during the October-November planting season.

Because of existing legislative restrictions on the provision of ESF, no additional money from this account can be provided this fiscal year for balance-of-payments purposes. We would like to provide \$10 million in FY 1986 for an Emergency Agricultural Credit project. However, we have not yet been able to identify that amount of ARDN funds needed for this project.

At this time we are able to provide the following additional resources in FY 1986 which can be made available through reobligation of deobligated prior-year funds from various programs:

--\$0.4 to \$2.4 million of ARDN for the Agricultural Credit project that would provide fast disbursing production credit to farmers during the October-November planting season. Of this amount \$2.0 million is being held in reserve to cover part of the offset requirement for the \$300 million Central America Supplemental. It would be available for Bolivia only if the Supplemental is incorporated in the FY 1987 Continuing Resolution. In addition to these resources, the Bolivia Mission intends to reprogram \$3 million within its on-going Disaster Recovery project for agricultural production credit. (While important, this reprogramming does not represent a net increase in resource levels for Bolivia.)

--\$6.4 million of EHR funds to fully fund an on-going Management Training project and to provide scholarships for Bolivian participants. Of this amount \$3.1 million will be provided through the Latin American Regional Training Initiatives II project which will be obligated in a Project Agreement Amendment with the Bolivian Ministry of Planning but will not be included in Bolivia's OYB.

--\$1.7 million of HE funds to provide additional funding for CARE child survival activities.

--\$2.0 million for a PRE loan guaranty project with the Union of Bolivian Banks which will guaranty 50% of domestic currency loans for agricultural, small industry and artisan credit.

Total Available: \$8.5 million to \$10.5 million plus the \$2 million PRE loan guaranty and application of \$3 million within the existing portfolio to agricultural credit needs.

FY 1987

Bolivia's economy is expected to continue in severe recession. GDP which fell about 3% in 1986, is unlikely to grow in 1987. Given continued excellent performance in implementing its stabilization program and recent improvements in narcotics interdiction, we wish to be responsive to Bolivia's most pressing economic needs (which will continue to be balance-of-payments support and increased liquidity in financial markets). However, our response capability is severely limited by anticipated significant reductions in worldwide appropriation levels in FY 1987. Financial needs and constraints are summarized below:

--ESF -- The balance-of-payments gap is now estimated at \$165 million for 1986 and \$130 million for 1987 assuming current payment of interest and principal on all unrescheduled debt. Even if the GOB manages to obtain the commercial bank rescheduling on the very favorable terms it is asking for, a gap of \$90 million in 1986 and \$32 million in 1987 would remain. These estimates assume a 3% decline in GDP for 1986 and no growth for 1987. The large levels far exceed our ability to respond. If the political decision were made to disproportionately reduce ESF levels for other LAC countries, we could maintain the \$20 million request level or seek a \$5-10 million increase.

--DA -- Projected needs range from \$27-\$30 million primarily to help meet liquidity requirements. Moreover a positive political signal to the GOB would imply a DA level equal to or greater than FY 86 funding which is currently estimated at \$27 million. This would require a major increase from the CP request level of \$9 million. Again, it could be accomplished at a time of overall reductions by a decision to cut DA allocations for other countries by more than proportional amounts. Additional funding for credit would be channelled through the on-going Agricultural Credit and Market Town Capital Formation projects as well as a new Financial Markets Strengthening project.

--PL 480 Title III -- The Bolivia Mission has requested that FY 1987 PL-480 Title III level be increased from the current planning level of \$20 million to \$30 million to meet Bolivia's wheat and other commodity requirements. The current working group proposal, given Gramm-Rudman, is to provide \$15 million in early 1987 and hold off on any further allocation until FY 1987 budget levels are firmly established. Local currency generations from increased allocations could be channelled for agricultural credit but would not be available during the critical October-November planting period.

--Section 416 -- The Bolivia Mission is requesting \$7 million of food aid under Section 416 of which \$3.5 million would be monetized and used in temporary employment programs for currently unemployed and politically powerful miners.

The Table below shows: (a) the current OYB level and the planned increases for FY 1986; and (b) FY 1987 CP levels, Bolivian economic assistance needs, and possible availabilities if anticipated budget reductions are absorbed proportionally by LAC countries.

BOLIVIA
Economic Assistance Needs
(\$000)

Program	FY 86		FY 87		<u>Probable Availability*</u>
	<u>OYB</u>	<u>Additional</u>	<u>CP</u>	<u>Needs</u>	
PL 480 Title III	20,000	--	20,000	30,000	15,000
Title II	11,800	--	8,300	9,100	6,225
Section 416	1,100	--	--	7,000	7,000
ESF	7,200		20,000	130,000	8,900
DA:					
ARDN	11,289	2,425	4,300	18,500	3,849
HEA/CS	1,112	1,736	1,892	2,700	2,700
POP	30		30	30	28
EHR	1,130	6,358	760	1,000	638
SDA	3,850	--	2,310	7,770	1,492
Subtotal DA	17,411	10,519**	9,292	30,000	8,707
Total	57,511	10,519**	57,592	206,100	45,832

* Assuming that FY 1987 appropriations will be an average of the HAC and SAC markup levels, and that budget cuts will be absorbed proportionally by all Latin American and Caribbean programs.

** Plus a \$2 million loan guaranty

9/16/86 - BOLIVIA -

~~Sit Room~~ Room 208²⁹

<u>name</u>	<u>Phone</u>	<u>Agency</u>
Betsy Stillman	395-5190	USTR
William Primack	647-9498	State
Anne E. Beard	377-4382	Commerce
Charles G. Billo	647-1813	State
Bob Bostick	395-3947	OMB
Dan Speckhard	395-3947	OMB
Richard Bissell	647-5482	AID
Jim Conrow	566-8243	TREASURY
DWIGHT INK	647-8247	AID
BOB QUEENER	647-7939	AID
Phil McLean	647-1715	State /ARA

CONFIDENTIAL

120349

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL
SECRETARIAT

30

PAGE 01 OF 02
EOB314

BRASILIA 0329
AN000368

DTG: 171440Z SEP 86 PSN: 051692
TOR: 261/0332Z CSN: HCE896

DISTRIBUTION: BURG-01 PERR-01 NORT-01 RAY-01 TILL-01 ROOM-01

/006 A2

WHSR COMMENT: POSS 5 LINER

WHTS ASSIGNED DISTRIBUTION:
SIT: VP SIT
EOB:

PRIORITY
DE RUEHBR #0329/01 2601440
P 171440Z SEP 86
FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC PRIORITY 9793

~~CONFIDENTIAL~~ SECTION 01 OF 02 BRASILIA 10329

EXDIS

E. O. 12356: DECL: OADR
TAGS: OVIP (SARNEY, PRESIDENT), PREL, ETRD, BR, US
SUBJ: SARNEY VISIT: INFORMATICS AND GATT

1. ~~CONFIDENTIAL~~ -- ENTIRE TEXT.

2. SUMMARY: PRESIDENT SARNEY TOLD ME HIS VISIT HAD BEEN HIGHLY POSITIVE IN OPENING CHANNELS OF COMMUNICATION. HE WAS DISCOMFITED BY WHAT HE THOUGHT WAS A PUBLIC SUGGESTION THAT BRAZIL WAS GROWING AT THE EXPENSE OF THE U. S. BUT SAID HE HAD NO PROBLEM WITH THE DISCUSSION AT BREAKFAST ON THE 11TH, FEELING AT HOME IN THAT KIND OF FRANK DISCUSSION. BUT SARNEY WAS UNHAPPY THAT WE WERE ASKING FOR ANOTHER MEETING BETWEEN AMBASSADOR YEUTTER AND FLECHA DE LIMA AND CONCERNED THAT INFORMATICS CONTINUES TO SHADOW THE RELATIONSHIP. END SUMMARY.

3. ON THE LAST DAY OF HIS STAY IN THE U. S. (SEPT. 13) I TALKED FOR ABOUT 40 MINUTES WITH PRESIDENT SARNEY AND MET SEPARATELY WITH AMBASSADOR RICUPERO, SEEKING REACTIONS TO THE VISIT. SARNEY SAID HE THOUGHT OVERALL THE VISIT HAD BEEN "HIGHLY POSITIVE." HIS PRINCIPAL PURPOSE HAD BEEN TO OPEN EFFECTIVE COMMUNICATIONS, TO "UNBLOCK THE CHANNELS" AS HE PUT IT, AFTER A PERIOD IN WHICH HE FELT THERE HAD BEEN LITTLE REAL DIALOGUE BETWEEN THE TWO GOVERNMENTS. HE BELIEVED THE MEETING WITH PRESIDENT REAGAN HAD GONE VERY WELL AND THAT THEY HAD ESTABLISHED AT LEAST THE BEGINNINGS OF A PERSONAL RELATIONSHIP. SARNEY WAS HIGH IN HIS PRAISE FOR SECRETARY SHULTZ FOR HIS COMPETENCE AND BREADTH-- "DIPLOMAT, PROFESSOR, BUSINESSMAN."

4. ON THE NEGATIVE SIDE SARNEY SAID THE MEDIA IN BRAZIL HAD SEIZED ON SOME OF PRESIDENT REAGAN'S REMARKS AT THE WELCOMING CEREMONY TO DEPICT THE VISIT AS CONFRONTATIONAL IN TONE. HE HAD CAREFULLY PREPARED HIS OWN PUBLIC STATEMENTS TO EMPHASIZE THE POSITIVE AND AVOID CONTROVERSY. HE ALSO WANTED ME TO KNOW THAT HIS FOREIGN AFFAIRS ARTICLE WAS WRITTEN 10 MONTHS AGO. (RICUPERO TOLD ME SARNEY REDRAFTED HIS LUNCHEON TOAST IN ORDER TO RESPOND TO THE PRESIDENT'S REMARKS.) BUT,

DECLASSIFIED

NLRR m353/1 #120349

BY RW NARA DATE 5/18/15

~~CONFIDENTIAL~~

EXDIS

EXDIS

EXDIS

EXDIS

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL
SECRETARIAT

31

PAGE 02 OF 02 BRASILIA 0329

DTG: 171440Z SEP 86 PSN: 051692

SARNEY SAID, HE HAD ALWAYS REALIZED THAT THE VISIT WOULD CARRY RISKS IN TERMS OF THE PERCEPTIONS OF THE BRAZILIAN PUBLIC. AND HE THOUGHT THE "UNBLOCKING OF CHANNELS" WAS WELL WORTH THE POLITICAL FALLOUT.

5. AS FOR THE SEPTEMBER 12 BREAKFAST MEETING, WHICH HAS BEEN REPORTED IN BRAZIL AS A HEAD-ON CLASH, SARNEY SAID THE FRANK EXCHANGE ON THAT OCCASION DID NOT BOTHER HIM. HE FELT "AT HOME" IN THE GIVE AND TAKE OF THAT KIND OF ARGUMENT. BUT HE REMAINED CONCERNED THAT THE INFORMATICS ISSUE AND THE GATT DIFFERENCES WOULD DO DAMAGE TO THE OVERALL RELATIONSHIP. ON THE LATTER, HE HAD INSTRUCTED THE BRAZILIAN DELEGATION AT PUNTA DEL ESTE TO KEEP A "LOW PROFILE" (IN ENGLISH). BRAZIL WOULD MAINTAIN ITS POSITION ON SERVICES, VOTE THAT WAY IF IT CAME TO A VOTE, BUT WOULD NOT TAKE A LEADING ROLE IN THE DEBATE.

6. AS FOR INFORMATICS, HE WAS DISTURBED THAT WE HAD ASKED TO REVIEW THE DRAFT LAW ON INFORMATICS. WE SHOULD REALIZE THAT THE BRAZILIAN CONGRESS IS "A REAL CONGRESS." IT WOULD NEVER COUNTENANCE THE APPEARANCE OF U. S. INTERVENTION IN BRAZIL'S LEGISLATIVE PROCESS. AS HE HAS SO OFTEN, SARNEY SAID THAT THE INFORMATICS PROBLEM HAD BEEN MISHANDLED AND SHOULD NOW BE PUT OFF UNTIL AFTER BRAZIL'S ELECTIONS. THE U. S. SHOULD UNDERSTAND HOW DELICATE THE POLITICAL MOMENT IS IN BRAZIL. HE, SARNEY, HAS WORKED HARD TO CONTAIN ANTI-AMERICANISM THERE AND TO PREVENT THE EMERGENCE OF GROUPS "LIKE THE SANDINISTAS." AFTER ALL, SARNEY CONCLUDED, BRAZIL DOES NOT FIGURE LARGE IN THE U. S. VIEW OF THE WORLD, BUT THE U. S. OCCUPIES THE CENTRAL PLACE IN BRAZIL'S SCHEME OF THINGS.

7. I SAID FROM MY VANTAGE POINT I THOUGHT SARNEY HAD DONE WELL BY HIMSELF AND IN PROJECTING BRAZIL THROUGH HIS EXCELLENT SPEECHES. I THOUGHT HIS HANDLING OF THE QUESTIONS AT THE PRESS CLUB PARTICULARLY EFFECTIVE. BUT IN REVIEWING MY NOTES ON THE BREAKFAST MEETING, IT SEEMED TO ME WE WERE STILL SOMEWHAT TALKING PAST ONE ANOTHER. UNBLOCKED CHANNELS SHOULD BE USED TO ESTABLISH DIRECT COMMUNICATION AND UNDERSTANDING. AS FOR THE DIFFERENCES BETWEEN US, I UNDERSTOOD SARNEY'S DESIRE TO LOOK AT THE RELATIONSHIP IN THE BROADER CONTEXT BUT THESE ARE REAL PROBLEMS ON WHICH RICUPERO AND I AMONG OTHERS WILL HAVE TO WORK HARD TO FIND SOLUTIONS.

BT

~~CONFIDENTIAL~~

RECEIVED

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL
SECRETARIAT

32✓

PAGE 01 OF 02
EOB316

BRASILIA 0329
AN000367

DTG: 171440Z SEP 86 PSN: 051707
TOR: 261/0342Z CSN: HCE902

DISTRIBUTION: BURG-01 PERR-01 NORT-01 RAY-01 TILL-01 RODM-01
/006 A2

WHTS ASSIGNED DISTRIBUTION:
SIT:
EOB:

PRIORITY
DE RUEHBR #0329/01 2601440
P 171440Z SEP 86
FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC PRIORITY 9793

~~CONFIDENTIAL~~ SECTION 01 OF 02 BRASILIA 10329

EXDIS

E.O. 12356: DECL: OADR
TAGS: OVIP (SARNEY, PRESIDENT), PREL, ETRD, BR, US
SUBJ: SARNEY VISIT: INFORMATICS AND GATT

1. ~~CONFIDENTIAL~~ - ENTIRE TEXT.

2. SUMMARY: PRESIDENT SARNEY TOLD ME HIS VISIT HAD BEEN HIGHLY POSITIVE IN OPENING CHANNELS OF COMMUNICATION. HE WAS DISCOMFITED BY WHAT HE THOUGHT WAS A PUBLIC SUGGESTION THAT BRAZIL WAS GROWING AT THE EXPENSE OF THE U.S. BUT SAID HE HAD NO PROBLEM WITH THE DISCUSSION AT BREAKFAST ON THE 11TH, FEELING AT HOME IN THAT KIND OF FRANK DISCUSSION. BUT SARNEY WAS UNHAPPY THAT WE WERE ASKING FOR ANOTHER MEETING BETWEEN AMBASSADOR YEUTTER AND FLECHA DE LIMA AND CONCERNED THAT INFORMATICS CONTINUES TO SHADOW THE RELATIONSHIP. END SUMMARY.

3. ON THE LAST DAY OF HIS STAY IN THE U.S. (SEPT. 13) I TALKED FOR ABOUT 40 MINUTES WITH PRESIDENT SARNEY AND MET SEPARATELY WITH AMBASSADOR RICUPERO, SEEKING REACTIONS TO THE VISIT. SARNEY SAID HE THOUGHT OVERALL THE VISIT HAD BEEN "HIGHLY POSITIVE." HIS PRINCIPAL PURPOSE HAD BEEN TO OPEN EFFECTIVE COMMUNICATIONS, TO "UNBLOCK THE CHANNELS" AS HE PUT IT, AFTER A PERIOD IN WHICH HE FELT THERE HAD BEEN LITTLE REAL DIALOGUE BETWEEN THE TWO GOVERNMENTS. HE BELIEVED THE MEETING WITH PRESIDENT-REAGAN HAD GONE VERY WELL AND THAT THEY HAD ESTABLISHED AT LEAST THE BEGINNINGS OF A PERSONAL RELATIONSHIP. SARNEY WAS HIGH IN HIS PRAISE FOR SECRETARY SHULTZ FOR HIS COMPETENCE AND BREADTH-- "DIPLOMAT, PROFESSOR, BUSINESSMAN."

4. ON THE NEGATIVE SIDE SARNEY SAID THE MEDIA IN BRAZIL HAD SEIZED ON SOME OF PRESIDENT REAGAN'S REMARKS AT THE WELCOMING CEREMONY TO DEPICT THE VISIT AS CONFRONTATIONAL IN TONE. HE HAD CAREFULLY PREPARED HIS OWN PUBLIC STATEMENTS TO EMPHASIZE THE POSITIVE AND AVOID CONTROVERSY. HE ALSO WANTED ME TO KNOW THAT HIS FOREIGN AFFAIRS ARTICLE WAS WRITTEN 10 MONTHS AGO. (RICUPERO TOLD ME SARNEY REDRAFTED HIS LUNCHEON TOAST IN ORDER TO RESPOND TO THE PRESIDENT'S REMARKS.) BUT,

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~
NATIONAL SECURITY COUNCIL
SECRETARIAT

33

PAGE 02 OF 02 BRASILIA 0329

DTG: 171440Z SEP 86 PSN: 051707

SARNEY SAID, HE HAD ALWAYS REALIZED THAT THE VISIT WOULD CARRY RISKS IN TERMS OF THE PERCEPTIONS OF THE BRAZILIAN PUBLIC. AND HE THOUGHT THE "UNBLOCKING OF CHANNELS" WAS WELL WORTH THE POLITICAL FALLOUT.

5. AS FOR THE SEPTEMBER 12 BREAKFAST MEETING, WHICH HAS BEEN REPORTED IN BRAZIL AS A HEAD-ON CLASH, SARNEY SAID THE FRANK EXCHANGE ON THAT OCCASION DID NOT BOTHER HIM. HE FELT "AT HOME" IN THE GIVE AND TAKE OF THAT KIND OF ARGUMENT. BUT HE REMAINED CONCERNED THAT THE INFORMATICS ISSUE AND THE GATT DIFFERENCES WOULD DO DAMAGE TO THE OVERALL RELATIONSHIP. ON THE LATTER, HE HAD INSTRUCTED THE BRAZILIAN DELEGATION AT PUNTA DEL ESTE TO KEEP A "LOW PROFILE" (IN ENGLISH). BRAZIL WOULD MAINTAIN ITS POSITION ON SERVICES, VOTE THAT WAY IF IT CAME TO A VOTE, BUT WOULD NOT TAKE A LEADING ROLE IN THE DEBATE.

6. AS FOR INFORMATICS, HE WAS DISTURBED THAT WE HAD ASKED TO REVIEW THE DRAFT LAW ON INFORMATICS. WE SHOULD REALIZE THAT THE BRAZILIAN CONGRESS IS "A REAL CONGRESS." IT WOULD NEVER COUNTENANCE THE APPEARANCE OF U.S. INTERVENTION IN BRAZIL'S LEGISLATIVE PROCESS. AS HE HAS SO OFTEN, SARNEY SAID THAT THE INFORMATICS PROBLEM HAD BEEN MISHANDLED AND SHOULD NOW BE PUT OFF UNTIL AFTER BRAZIL'S ELECTIONS. THE U.S. SHOULD UNDERSTAND HOW DELICATE THE POLITICAL MOMENT IS IN BRAZIL. HE, SARNEY, HAS WORKED HARD TO CONTAIN ANTI-AMERICANISM THERE AND TO PREVENT THE EMERGENCE OF GROUPS "LIKE THE SANDINISTAS." AFTER ALL, SARNEY CONCLUDED, BRAZIL DOES NOT FIGURE LARGE IN THE U.S. VIEW OF THE WORLD, BUT THE U.S. OCCUPIES THE CENTRAL PLACE IN BRAZIL'S SCHEME OF THINGS.

7. I SAID FROM MY VANTAGE POINT I THOUGHT SARNEY HAD DONE WELL BY HIMSELF AND IN PROJECTING BRAZIL THROUGH HIS EXCELLENT SPEECHES. I THOUGHT HIS HANDLING OF THE QUESTIONS AT THE PRESS CLUB PARTICULARLY EFFECTIVE. BUT IN REVIEWING MY NOTES ON THE BREAKFAST MEETING, IT SEEMED TO ME WE WERE STILL SOMEWHAT TALKING PAST ONE ANOTHER. UNBLOCKED CHANNELS SHOULD BE USED TO ESTABLISH DIRECT COMMUNICATION AND UNDERSTANDING. AS FOR THE DIFFERENCES BETWEEN US, I UNDERSTOOD SARNEY'S DESIRE TO LOOK AT THE RELATIONSHIP IN THE BROADER CONTEXT BUT THESE ARE REAL PROBLEMS ON WHICH RICUPERO AND I AMONG OTHERS WILL HAVE TO WORK HARD TO FIND SOLUTIONS.
BT

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL
SECRETARIAT

34

PAGE 01
EOB312

BRASILIA 0329
AN000366

DTG: 171440Z SEP 86 PSN: 051660
TOR: 261/0317Z CSN: HCE887

DISTRIBUTION: BURG-01 PERR-01 NORT-01 RAY-01 TILL-01 RODM-01
/006 A2

WHTS ASSIGNED DISTRIBUTION:
SIT:
EOB:

PRIORITY
DE RUEHBR #0329/02 2601442
P 171440Z SEP 86
FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC PRIORITY 9794

~~CONFIDENTIAL~~ SECTION 02 OF 02 BRASILIA 10329

EXDIS

E.O. 12356: DECL: OADR
TAGS: OVIP (SARNEY, PRESIDENT), PREL, ETRD, BR, US
SUBJ: SARNEY VISIT: INFORMATICS AND GATT

I ADDED THAT, CONTRARY TO HIS VIEW, BRAZIL VERY MUCH HAS THE ATTENTION OF MY GOVERNMENT AS HE COULD SEE BY THE TURNOUT AT THE BREAKFAST. HE MUST HAVE SENSED THERE THE CONCERN AT THE HIGH LEVELS OF THE USG OVER THE PROBLEMS BETWEEN OUR TWO COUNTRIES. FINALLY, I SAID WE WERE PLEASED AND HONORED THAT HE HAD COME TO THE UNITED STATES.

8. IN MY PREVIOUS CONVERSATION WITH RICUPERO HE DID MAKE IT CLEAR THAT THE BRAZILIANS THOUGHT THEY HAD MADE A SIGNIFICANT CONCESSION BY AGREEING TO GIVE AMBASSADOR YEUTTER A WRITTEN REPLY. RICUPERO REMARKED THAT EVERY TIME THEY GIVE US SOMETHING, AS IN APPROVING THE IBM INVESTMENT, WE "PUT IT IN OUR POCKET" AND COME BACK FOR MORE. I SAID WE BELIEVED WE HAD MADE THE REAL CONCESSION IN LEAVING THE INFORMATICS LAW ITSELF OUTSIDE THE DISCUSSIONS. I ADDED THAT AS SEEN FROM WASHINGTON THE GOB APPEARS IN SO MANY ISSUES TO IGNORE U. S. INTERESTS.

9. COMMENT: SARNEY AND HIS TRAVELING COMPANIONS SEEM TO HAVE PROTECTED THEMSELVES ADEQUATELY BY BACKGROUNDING THE BRAZILIAN PRESS ON HOW THEY STOOD UP TO THE USG. I DID HAVE THE IMPRESSION, HOWEVER, THAT SARNEY WAS GENUINELY EXHILARATED BY THE VISIT AND PLEASED WITH THE WAY HE HANDLED IT. WHETHER THAT IS STILL THE CASE BACK HERE IN BRASILIA REMAINS TO BE SEEN.

10. BUT HE FAILED IN ONE OBJECTIVE HE PROBABLY HAD IN MIND: TO HAVE US, IN THE GLOW OF THE VISIT, PUT OFF THE INFORMATICS ISSUE UNTIL AFTER THE ELECTIONS. HE WAS OBVIOUSLY DISPLEASED THAT WE WERE ASKING FOR ANOTHER MEETING AND RELUCTANT TO AGREE TO IT. AS FOR THE GATT ISSUE, JUDGING FROM THE PRESS HERE BRAZIL'S PROFILE AT PUNTA DEL ESTE WOULD NOT APPEAR ALL THAT LOW. SHLAUDEMAN
BT

~~CONFIDENTIAL~~

From: NSJT --CPUA
To: NSRBM --CPUA

Date and time 09/17/86 16:39:32

NOTE FROM: Jackie Tillman
SUBJECT: ANDEAN SUMMIT

Talked to Henkle. Told me that decision had been made not to do "drug events" while Pres is on campaign trail. Think that sort of kills it before Nov. He said if summit does not happen, and we would probably know next week, Nov is a possibility for meeting with Andean Presidents. I need to tell the Bolivians something fairly soon. Any advice?

On related subject, have chaired 2 interagency mtgs on additional assistance for Bolivia with very unsatisfying results. Steve Farrar thinks we can maybe pull something off for '87, but I'm not as sure. Bottom line is if we want others to confront narcos the way the Bolivians have, we have to have our ducks in order. Bolivia is a case study, many are watching carefully. Will keep at it, but may need some help.

Bolivia

cc: NSWRP --CPUA

NSJRS --CPUA

From: NSRBM --CPUA
To: NSJT --CPUA

Date and time 09/17/86 19:57:57

*** Reply to note of 09/17/86 16:39

NOTE FROM: ROD B. MCDANIEL

Subject: ANDEAN SUMMIT

I don't think Soviet summit will be cleanly resolved by next week, and think it will be hard to firm schedule in November as a result. Will have to revisit in early October. Sorry.

cc: NSWRP --CPUA

NSJRS --CPUA

Bolivia

34

WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name

Latin American Affairs Directorate, NSC: Records

Withdrawer

KM 9/30/2011

L

File Folder

BOLIVIA (SAFE 1) 09/10/1986-09/18/1986

FOIA

M10-353/1

DENNISON

Box Number

2

78

<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>
120350	CABLE	5	9/17/1986	B1
	172045Z SEP 86			B3

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]

C. Closed in accordance with restrictions contained in donor's deed of gift.

9/18/86

4v

NOTE TO RON SABLE

FROM: JACKIE TILLMAN

I spoke to you the other morning about needing some White House legislation to get some conditionality lifted for Bolivia. Attached is the relevant information:

1. Language we want substituted for section 611 of last year's FAA
2. Language now in the appropriations bills that we would like to eliminate
3. Talking points
4. A bootlegged memo, not yet sent to Shultz, that gives the background of what we're trying to accomplish in Bolivia.

The bottom line is that many countries are looking to see what happens in Bolivia vis a vis the narcos. It took an act of extreme political courage for Pres Paz to let our troops and helicopters into the country. If we fail in Bolivia and the narcos come back, very few other countries are going to be willing to take the narcos on the way Bolivia has, and the way we would like to see other countries do. They deserve our help. We need them to succeed.

I'm told that White House interest could do the trick. I know that habitually South American countries are near the bottom of the list. But given the current rage on narcotics, they ought to be bumped up a little higher. I would be grateful for anything you and/or the WH Legislative office could do to help.

Many thanks.

DECLASSIFIED

120351

~~CONFIDENTIAL~~

NLRR M3531 #120351

BY RW NARA DATE 5/19/15NATIONAL SECURITY COUNCIL
SECRETARIAT

LB

PAGE 01 OF 02 SECSTATE WASHDC 4079 DTG:181711Z SEP 86 PSN:052763
EOB818 AN000550 TOR: 261/1739Z CSN:HCE154DISTRIBUTION: BURG-01 DANZ-01 PERR-01 NORT-01 RAY-01 TILL-01
/006 A2

WHTS ASSIGNED DISTRIBUTION:

SIT:

EOB:

OP IMMED

DE RUEHC #4079 2611712

O 181711Z SEP 86

FM SECSTATE WASHDC

TO AMEMBASSY BRASILIA IMMEDIATE 0000
AMCONSUL SAO PAULO IMMEDIATE 0000
AMCONSUL RIO DE JANEIRO IMMEDIATE 0000

INFO AMEMBASSY MONTEVIDEO IMMEDIATE 0000

~~CONFIDENTIAL~~ STATE 294079

BRASILIA FOR AMBASSADOR, MONTEVIDEO FOR USDEL GATT

E.O. 12356: DECL: OADR

TAGS: ETRD, EIND, BR

SUBJECT: INFORMATICS DEMARCHE

1. SUMMARY: THE DEPUTY SECRETARY AND ACTING USTR ALAN WOODS CALLED IN THE BRAZILIAN CHARGE SEPTEMBER 17 TO EMPHASIZE THE UNITY OF THE U.S. GOVERNMENT IN URGING BRAZIL TO MAKE FURTHER CONCESSIONS ON INFORMATICS. THEY ACKNOWLEDGED THAT BRAZIL HAD BEEN FORTHCOMING IN RECENT WEEKS, BUT SAID THAT CLARIFICATION AND EXPANSION OF PREVIOUS BRAZILIAN COMMITMENTS ARE NEEDED BY OCTOBER 6 TO ALLOW USTR YEUTTER TO RECOMMEND THAT ADDITIONAL TIME BE ALLOWED FOR NEGOTIATIONS AFTER OCTOBER 6. END SUMMARY.

2. DEPUTY SECRETARY WHITEHEAD AND ACTING USTR ALAN WOODS CALLED IN BRAZILIAN CHARGE JOSE MEDEIROS SEPTEMBER 17 TO EXPLAIN THE STATE OF PLAY ON INFORMATICS AND TO URGE FURTHER PROGRESS PRIOR TO OCTOBER 6. MEDEIROS WAS ACCOMPANIED BY MINISTER LUIZ ARAUJO CASTRO AND COUNSELOR MAURICIO CORTES COSTA. EB DAS RALPH JOHNSON, ASSISTANT USTR BRUCE WILSON, ELKIN TAYLOR OF ARA/BR AND DAVID WEISS OF THE DEPUTY SECRETARY'S STAFF ALSO SAT IN.

3. THE DEPUTY SECRETARY OPENED THE DISCUSSION. HE BRIEFLY REVIEWED PROGRESS TO DATE, BUT STATED THAT USTR

YEUTTER NEEDED ADDITIONAL CLARIFICATION OF THE HELPFUL LETTER SENT BY SECRETARY GENERAL PAULO TARSO FLECHA DE LIMA TO AMBASSADOR YEUTTER PRIOR TO THE VISIT OF PRESIDENT SARNEY. HE SAID THAT IF SUFFICIENT ADDITIONAL PROGRESS COULD BE MADE BY OCTOBER 6, AMBASSADOR YEUTTER WOULD BE ABLE TO RECOMMEND TO PRESIDENT REAGAN THAT ADDITIONAL TIME BE GIVEN TO NEGOTIATE A FINAL SOLUTION BY THE END OF THE YEAR AFTER BOTH COUNTRIES' NOVEMBER ELECTIONS.

4. THE DEPUTY SECRETARY THEN ASKED WOODS TO GIVE A MORE DETAILED ACCOUNT OF ACTION TAKEN SO FAR AND WHAT WE NEED

IN ORDER TO RECOMMEND ADDITIONAL TIME. WOODS SUMMARIZED THE CONTENT OF THE MEMORANDUM SENT BY AMBASSADOR YEUTTER TO PRESIDENT REAGAN. FIRST, BRAZIL'S INFORMATICS POLICY WAS FOUND TO BE "UNREASONABLE" IN THE CONTEXT OF SECTION 301 OF THE TRADE ACT. SECOND, HE RECOMMENDED THAT NO ACTION BE TAKEN PRIOR TO OCTOBER 6, GIVING TIME FOR ADDITIONAL MEETINGS TO BRAZIL TO EXPAND ON AND CLARIFY THE PAULO TARSO LETTER. HE SAID THAT AMBASSADOR YEUTTER HAD ON SEPTEMBER 12 SPOKEN BY TELEPHONE WITH PAULO TARSO AND HAD EXPLAINED THAT WE NEED FURTHER INFORMATION ON HOW THE GOB INTENDS TO IMPLEMENT CERTAIN POLICY CHANGES, AS WELL AS COMMITMENTS WITH RESPECT TO SOME MATTERS NOT DEALT WITH IN THE LETTER (E.G. INVESTMENT). HE SAID THAT YEUTTER BELIEVES THAT FURTHER ACTION WOULD BE REQUIRED BY OCTOBER 6 SINCE THE PACKAGE AS IT NOW STANDS IS NOT ADEQUATE.

5. MEDEIROS NOTED THAT IN AN EARLIER MEETING THE DEPUTY SECRETARY HAD ASKED THAT THE GOB'S PROPOSALS BE FORTHCOMING, SUBSTANTIVE AND SPECIFIC. HE SAID THAT THE GOB HAD HOPED THAT PAULO TARSO'S LETTER WOULD MEET THOSE REQUIREMENTS AND ALLOW AMBASSADOR YEUTTER TO RECOMMEND POSTPONEMENT OF FINAL CONSIDERATION OF THE INFORMATICS QUESTION UNTIL AFTER BRAZIL'S NOVEMBER ELECTIONS. HE ADDED HE WOULD REPORT THE CONVERSATION IMMEDIATELY TO BRASILIA, NOTING THAT HE HAD NO SPECIFIC INSTRUCTIONS CONCERNING A RESPONSE.

6. THE ACTING USTR NOTED THAT THE DECISION TAKEN BY AMBASSADOR YEUTTER WAS BASED ON A UNANIMOUS RECOMMENDATION OF THE ECONOMIC POLICY COUNCIL. HE SAID THAT PAULO TARSO'S LETTER HAD BEEN FORTHCOMING, BUT CERTAIN ITEMS IN THE LETTER "NEED FLESH" AND

SPECIFICITY. HE ADDED THAT WE RECOGNIZE THE POLITICAL PROBLEMS WHICH THIS ISSUE CAUSES FOR BRAZIL AND HOPE THAT THE BRAZILIANS RECOGNIZE THE POLITICAL PROBLEMS IT ENTAILS FOR US. IN ORDER TO ALLOW TIME FOR FURTHER

DISCUSSIONS, PRESIDENT REAGAN MUST BE ABLE TO SAY PRIOR TO OUR ELECTIONS THAT GOOD PROGRESS IS BEING MADE WHICH CAN BE BUILT UPON IN FURTHER TALKS. HE REITERATED THAT WE DON'T EXPECT A COMPLETE RESOLUTION OF THE ISSUE PRIOR TO THE ELECTIONS.

7. THE DEPUTY SECRETARY SAID THAT POSTPONEMENT WOULD APPEAR TO INDICATE WEAKNESS UNLESS THE PRESIDENT CAN MAKE A STRONG CASE THAT GOOD PROGRESS IS BEING MADE. HE SAID THAT BOTH GOVERNMENTS HAVE POLITICAL PROBLEMS, AND WE CAN HELP EACH OTHER OUT BY CAREFUL HANDLING OF THE ISSUE. WE DO NOT REQUIRE "A TREMENDOUS AMOUNT" OF ADDITIONAL CONCESSIONS FROM BRAZIL IN ORDER TO RECOMMEND A POSTPONEMENT, BUT WE DO NEED CONTINUATION OF THE DIALOGUE, WITH SOME SUBSTANTIVE CLARIFICATIONS AND ADDITIONS TO THE LANGUAGE IN THE PAULO TARSO LETTER.

8. MEDEIROS SAID THAT HE HOPED THAT ANY GOB-USTR MEETING AT THIS JUNCTURE WOULD BE QUIET AND UNPUBLICIZED. HE ALSO ASSUMED THAT WE WERE LOOKING FOR ORAL STATEMENTS EXPANDING ON THE LETTER RATHER THAN A NEW LETTER. WOODS RESPONDED THAT FURTHER CLARIFICATION MIGHT NOT BE REQUIRED IN A LETTER BUT THAT WE WOULD HAVE TO GET SOMETHING ON PAPER SOON.

9. COMMENT. WE WANT TO MAKE CERTAIN THAT THE BRAZILIANS UNDERSTAND THE IMPORTANCE OF ADDITIONAL MOVEMENT ON INFORMATICS BEFORE OCTOBER 6 TO JUSTIFY DEFERRAL OF USG

~~CONFIDENTIAL~~

44

~~CONFIDENTIAL~~
NATIONAL SECURITY COUNCIL
SECRETARIAT

PAGE 02 OF 02 SECSTATE WASHDC 4079 DTG:181711Z SEP 86 PSN:052763

ACTION UNDER SECTION 301. WHILE THE PRESIDENT MUST MAKE A FINDING BY OCTOBER 6 AS TO WHETHER THE BRAZILIAN POLICY IS UNREASONABLE WITHIN THE MEANING OF SECTION 301 -- THAT DATE CANNOT BE POSTPONED -- HE CAN DELAY TAKING ANY ACTION IN RESPONSE TO THE FINDINGS. HE USUALLY WILL ONLY DELAY TAKING SUCH ACTION IF IT APPEARS A FINAL SETTLEMENT IS IMMINENT. FURTHER GOB MOVEMENT IS NEEDED TO JUSTIFY THE RECOMMENDATION FOR ACTION -- WHICH USTR MUST MAKE TO THE PRESIDENT BY THAT DATE -- THAT WE DEFER ANY RETALIATORY ACTION UNDER SECTION 301 PENDING FURTHER NEGOTIATIONS. WE WOULD APPRECIATE FOLLOW-UP ACTION BY THE EMBASSY TO ENSURE THAT THE GOB UNDERSTANDS THIS MESSAGE. END COMMENT. SHULTZ

BT

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL
SECRETARIAT

120352

40

PAGE 01
EOB863

AN888625

DTG: 181810Z SEP 86 PSN: 052823
TOR: 261/1813Z CSN: EHA850

DISTRIBUTION: BURG-01 PERR-01 MORT-01 RAY-01 TILL-01
/005 A2

WHTS ASSIGNED DISTRIBUTION:
SIT:
EOB:

YEARS AS AN OFFICER RECEIVES APPROXIMATELY CZ\$10,500 IN
PAY AND ALLOWANCES (US\$760.00) WHILE A 3D SARGEANT
(E-5/6) WITH SIMILAR SERVICE RECEIVES APPROXIMATELY
CZ4,000 (US\$300.00)

- CONSTANT TRANSFERS THROUGHOUT BRAZIL (ESPECIALLY FOR A
JUNIOR OFFICER) CREATE CONTINUAL RENTERS WHO FREQUENTLY
SPEND 60 PERCENT OF THEIR EARNINGS ON HOUSING, THEREBY
LEAVING LITTLE FOR CHILDREN'S EDUCATION, FOOD, CLOTHING,
TRANSPORTATION ETC.

3. (U) FOR HIS ACTIONS, CAPTAIN BOLSONARO RECEIVED 15
DAYS RESTRICTION TO HIS BATTALION AREA. IN SUPPORT OF
HIS STAND, A SMALL DEMONSTRATION TOOK PLACE IN THE
RECREATION AREA OF RIO'S VILA MILITAR WHERE APPROXIMATELY
30 OFFICER WIVES GATHERED QUIETLY AND WITHOUT SIGNS TO
SHOW SOLIDARITY WITH BOLSONARO. THE DEMONSTRATION DREW
PRESS COVERAGE BUT LOCAL ARMY OFFICIALS PREVENTED THEM
FROM GETTING CLOSE TO THE DEMONSTRATION.

COUNTRY: (U) BRAZIL (BR)

WARNING: (U) THIS IS AN INFO REPORT, NOT FINALLY
EVALUATED. INTEL

2. (C) AS TO MILITARY PAY, BOLSONARO SPOKE FOR MANY WHEN
HE CRITICIZED THE EROSION OF BUYING POWER, AND THE
DIFFICULTIES INVOLVED IN MAKING ENDS MEET.

3. (C) AS TO MILITARY DISCIPLINE, BOLSONARO BROKE A
CARDINAL RULE BY GOING PUBLIC WITH HIS CRITICISM. HE WILL
BT

SUMMARY: (C) A HIGHLY RESPECTED BRAZILIAN CAPTAIN HAS
BROKEN TRADITIONAL ARMY DISCIPLINE BY PUBLICLY DECRYING
THE PRECARIOUS FINANCIAL REALITIES FACED BY JUNIOR
OFFICERS AND ENLISTED PERSONNEL. THE PROBLEM IS REAL,
WITH NO TANGIBLE SOLUTION AVAILABLE IN THE SHORT TERM.

TEXT: 1. (U) THE 3 SEP 86 EDITION OF THE BRAZILIAN WEEKLY
NEWS MAGAZINE VEJA PUBLISHED IN ITS POINT OF VIEW COLUMN
AN ESSAY BY BRAZILIAN ARMY CAPTAIN JAIR MESSIAS
(BOLSONARO)) CRITICIZING THE LOW SALARIES EARNED BY
ACTIVE DUTY ARMY PERSONNEL.

2. (U) THE MAIN POINTS OF BOLSONARO'S CRITICISM INCLUDED:
- SINCE 1983, THE BUYING POWER OF ARMY PAY HAS BEEN
SIGNIFICANTLY ERODED BY INFLATION
- WITH THE ADVENT OF THE NEW REPUBLIC. ARMY PERSONNEL
BUYING POWER HAS DECREASED COMPARED TO THEIR CIVILIAN
COUNTERPARTS WHOSE UNIONS WON TIMELY WAGE AND BENEFIT
CONCESSIONS
- WHILE THE SITUATION IS BAD FOR THE JUNIOR OFFICER, FOR
ENLISTED PERSONNEL IT'S CRITICAL. A CAPTAIN WITH 8-9

13526
E.O. 12958
As Amended
Sec. 3.3 (b)(1)(6)

DECLASSIFIED IN PART

NLRR m10-353/1 #120352

BY RW NARA DATE 5/3/12

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL
SECRETARIAT

PAGE 01
EOB862

AN000624

DTG: 181810Z SEP 86 PSN: 052826
TOR: 261/1814Z CSN: EHA851

DISTRIBUTION: BURG-01 PERR-01 NORT-01 RAY-01 TILL-01
/005 A2

WHTS ASSIGNED DISTRIBUTION:
SIT:
EOB:

~~CONFIDENTIAL~~ SECTION 02 OF 02 RIO DE JANEIRO BR 03942

RELY PAY A PROFESSIONAL PRICE FOR HIS ACTIONS, BUT HE
HASN'T NECESSARILY COMMITTED SUICIDE. HE IS A HIGHLY
RESPECTED OFFICER SERVING IN THE ELITE AIRBORNE BRIGADE'S
ARTILLERY BATTALION.

4. (C) THE DEMONSTRATION IN SUPPORT OF BOLSONERO CONSISTED
MAINLY OF ESAO CAPTAIN'S WIVES BUT SOME FIELD GRADE
WIVES WERE ALSO PRESENT. THE COMANDANT OF ESAO, UPON
LEARNING OF THE EXPECTED WEDNESDAY MORNING DEMONSTRATION,
MOVED THE SCHEDULED FRIDAY AFTERNOON FREE TIME TO
WEDNESDAY MORNING, AND TOLD THE BRAZILIAN OFFICERS TO GET
THEIR WIVES UNDER CONTROL. WEDNESDAY MORNING BECAME FREE
TIME AND THE DEMONSTRATION TOOK PLACE THAT AFTERNOON AFTER
THE OFFICERS HAD RETURNED TO SCHOOL.

DECL: OADR
BT

~~CONFIDENTIAL~~

FOIA(b) (3)

~~CONFIDENTIAL~~

120353

4X

NATIONAL SECURITY COUNCIL
SECRETARIAT

PAGE 01
EO8874

AN888573

DTG: 181814Z SEP 86 PSN: 052838
TOR: 261/1821Z CSN: EHA852

DISTRIBUTION: BURG-01 PERR-01 MORT-01 RAY-01 TILL-01
/805 A2

WHTS ASSIGNED DISTRIBUTION:
SIT:
EOB:

Bear!

DECL: OADR
BT

13526
E.O. 12958
As Amended
Sec. 3.3(b)(1)(6)

TEXT: 1. (C)

DECLASSIFIED IN PART

NLRR MID-353/# 120353

BY RW NARA DATE 5/3/12

~~CONFIDENTIAL~~