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WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name LATIN AMERICAN AFFAIRS DIRECTORATE, NSC:
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KML 9/30/2011

File Folder BOLIVIA (SAFE 1) 10/02/1986-01/06/1987

FOIA

M10-353/1

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ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
120366	CABLE	STATE 309917 R 5/18/2015 M353/1	3	10/2/1986	B1
120367	CABLE	LA PAZ 08448 PAR 5/18/2015 M353/1	4	10/2/1986	B1
120368	CABLE	LONDON 21391 PAR 5/18/2015 M353/1	1	10/3/1986	B1 B6
120369	CABLE	LA PAZ 08473 R 5/18/2015 M353/1	3	10/3/1986	B1
120370	CABLE	032259Z OCT 86	2	10/3/1986	B1 B3
120371	CABLE	040219Z OCT 86	2	10/4/1986	B1 B3
120372	CABLE	040126Z OCT 86	1	10/4/1986	B1 B3
120373	CABLE	LA PAZ 08554 R 5/18/2015 M353/1	2	10/7/1986	B1
120374	CABLE	LA PAZ 08607 R 5/18/2015 M353/1	2	10/8/1986	B1
120375	PAPER	RE BOLIVIA-U.S.	3	10/7/1986	B1 B3

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120379	CABLE	LA PAZ 08636 <i>R 5/18/2015 M353/1</i>	2	10/9/1986	B1
120380	PROFS NOTE	RE BOLIVIA	1	10/10/1986	B1 B2 B3
120381	CABLE	LA PAZ 08723 <i>R 5/18/2015 M353/1</i>	3	10/10/1986	B1
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120386	MEMO	KENNETH W. BLEAKLEY TO MR. INK, ET AL RE BOLIVIA <i>R 5/18/2015 M353/1</i>	1	12/10/1986	B1
120387	MEMO	PETER MCPHERSON, ELLIOTT ABRAMS, ET AL TO THE SECRETARY RE BOLIVIA <i>R 5/18/2015 M353/1</i>	6	12/10/1986	B1
120388	CABLE	RE IMPLEMENTING THE REPORT <i>R 5/18/2015 M353/1</i>	3	12/9/1986	B1

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EXDIS

E. O. 12356: DECL: OADR
TAGS: UNGA, BL
SUBJECT: DEPUTY SECRETARY'S BILATERAL WITH FONMIN
BEDREGAL

1. ~~CONFIDENTIAL~~ ENTIRE TEXT.

2. SUMMARY: FONMIN BEDREGAL URGED THAT THE BILATERAL COMMISSION GET UNDERWAY ASAP, SAID HE HAD BEEN MEETING WITH OTHER COUNTRY REPS TO OBTAIN ADDITIONAL DRUG CONTROL ASSISTANCE AND APPEALED FOR FURTHER FINANCIAL ASSISTANCE TO MEET THE CURRENT ECONOMIC CRISIS. UN AMBASSADOR GUMUCIO ASKED ABOUT USG SUPPORT FOR THE BOLIVIAN CANDIDATE FOR THE PRESIDENCY OF THE INTERNATIONAL CONFERENCE ON DRUG ABUSE AND ILLICIT TRAFFICKING (ICDAIT). THE DEPUTY SECRETARY COMPLIMENTED BEDREGAL ON THE GOB'S DRUG INTERDICTION EFFORTS, AGREED TO MOVE RAPIDLY ON THE BILATERAL COMMISSION, ASSURED THE USG WOULD DO ALL POSSIBLE TO PROVIDE FINANCIAL ASSISTANCE, URGED CLOSE ATTENTION TO GOB POSITIONS ON UN VOTES AND EXPRESSED DOUBT THE USG HAD YET DECIDED ON THE ICDAIT ISSUE. END SUMMARY.

3. THE DEPUTY SECRETARY, ACCOMPANIED BY ASSISTANT SECRETARY ABRAMS AND DAS GELBARD, MET WITH FONMIN BEDREGAL AND BOLIVIAN UN AMBASSADOR GUMUCIO FOR THIRTY MINUTES ON SEPTEMBER 26. BEDREGAL STARTED BY REFERRING TO HIS CONTACTS WITH SENATORS LUGAR AND D'AMATO IN WASHINGTON THE PREVIOUS DAY. BEDREGAL TERMED THE CONVERSATIONS VERY USEFUL, BUT OBSERVED THAT IN SOME SENSE THINGS WERE WORSE IN WASHINGTON THAN IN BOLIVIA. HE SAID D'AMATO SPOKE PRINCIPALLY TO DRUG ISSUES. BOTH SENATORS WERE WORKING ON HELPFUL LANGUAGE (WHICH THE DEPARTMENT HAD PROVIDED) TO BE INCLUDED IN THE SENATE OMNIBUS NARCOTICS BILL. BEDREGAL SAID HE WAS VERY HAPPY ABOUT THE RESULTS OF THE CURRENT U. S. -BOLIVIAN NARCOTICS CAMPAIGN.

4. BEDREGAL SAID THAT THE SUCCESSES OF BLAST FURNACE HAVE CREATED A NEW IMAGE OF BOLIVIA, BOTH INTERNALLY AND

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PAGE 02 OF 03 SECSTATE WASHDC 9917

DTG: 020051Z OCT 86 PSN: 002527

INTERNATIONALLY. HE HAS BEEN TAKING ADVANTAGE OF THAT IN HIS CONTACTS WITH UN DELEGATIONS AND URGING OTHER COUNTRIES TO JOIN THE GOB EFFORT. BEDREGAL SAID THE PRESENCE OF U.S. FORCES WAS CRUCIAL TO THE SUCCESS OF THE INTERDICTION OPERATION. BECAUSE OF THE DROP IN COCA PRICES, IT IS NOW MORE POLITICALLY POSSIBLE TO THINK IN TERMS OF AN ERADICATION PROGRAM. NOW, HE SAID, IT IS IMPORTANT TO START NEGOTIATING THE ASSISTANCE THE USG WILL PROVIDE DURING THE TRANSITION PERIOD. HE SAID THAT THE GOB HAS ALREADY NAMED ITS MEMBERS FOR THE BILATERAL COMMISSION, AND WAS EAGER TO KNOW THE NAMES OF THE U.S. MEMBERS.

5. THE DEPUTY SECRETARY SAID THE USG WOULD GET STARTED ASAP. GELBARD ADVISED THAT AMBASSADOR ROWELL WOULD BE IN WASHINGTON FOR SEVERAL DAYS NEXT WEEK, BUT WOULD BE RETURNING TO LA PAZ ON ABOUT OCTOBER 10. THE U.S. MEMBERS OF THE BILATERAL COMMISSION, REPRESENTING VARIOUS USG AGENCIES COULD ARRIVE IN LA PAZ WITHIN TWO OR THREE DAYS AFTER THE AMBASSADOR'S RETURN AND WOULD BE UNDER HIS DIRECTION.

6. BEDREGAL SAID THERE WERE STILL OTHER AREAS OF THE WORLD THAT NEEDED TO BE CONVINCED OF THE NEED FOR BLAST FURNACE. AT THE NAM MEETING IN HARARE, THE BOLIVIAN DELEGATION CONTENDED SUCCESSFULLY WITH SOME VERY EMOTIONAL AFRICAN DELEGATIONS, BUT THERE ARE STILL SOME LATIN AMERICAN NATIONS WHICH FEEL UNCOMFORTABLE WITH THE IDEA OF A U.S. MILITARY PRESENCE IN BOLIVIA.

7. GELBARD SAID THAT STATE WAS WORKING CLOSELY WITH DOD ON THE TRANSITION ASSISTANCE. THE USG HOPED TO PROVIDE

SIX HUEYS, ALONG WITH EXTRA FUEL TANKS AND MACHINE GUNS FOR BOLIVIA. TRAINING ON THEIR USE AND MAINTENANCE WILL BE PROVIDED THROUGH SOUTHCOM. WITH THE THREE OTHER HELICOPTERS BEING REPAIRED USING U.S. FUNDS, THIS WILL MAKE NINE HELICOPTERS AVAILABLE TO THE GOB.

8. BEDREGAL SAID THERE HAD BEEN ERRORS IN COORDINATION OF OPERATIONS AND INTELLIGENCE, AND REFERRED TO THE POLITICAL PROBLEMS CAUSED BY THE HANDLING OF THE KEMPF MURDER. HE SAID HE HAD ORDERED THAT THE DIPLOMATIC STATUS OF THE TWO DEA AGENTS IN SANTA CRUZ BE RESPECTED. HE REACTED POSITIVELY TO THE NEW YORK TIMES ARTICLE OF SEPTEMBER 26 THAT THE USG WAS DISCUSSING WITH OTHER COUNTRIES THE POSSIBILITY OF USING U.S. FORCES FOR DRUG CONTROL ACTIONS AS THEY HAVE BEEN USED IN BOLIVIA.

9. THE DEPUTY SECRETARY AGREED THAT BOLIVIA COULD SERVE AS A MODEL. HE ASKED WHAT THE U.S. COULD DO TO IMPROVE SUCH OPERATIONS IN THE FUTURE. CERTAINLY THE U.S. DID NOT WISH TO CREATE THE IMPRESSION THAT IT WAS SEEKING TO ESTABLISH MILITARY BASES IN THE REGION. BEDREGAL RESPONDED THAT DIPLOMATIC ACTIONS WOULD BE NEEDED TO CONVINCE OTHERS, JUST AS HE HAD DONE WITH AN INITIALLY VERY SKEPTICAL ALAN GARCIA. HE SAID ARGENTINA WAS STILL A PROBLEM, BUT THOUGHT THAT THE BRAZILIANS UNDERSTOOD THE SITUATION AND PROBABLY COULD BE PERSUADED TO JOIN THE ANTI-DRUG CLUB.

10. TURNING TO ECONOMIC MATTERS, BEDREGAL SAID BOLIVIA WAS FACING THE WORST RECESSION OF ITS HISTORY. THE NON-FERROUS MINING INDUSTRY WAS FINISHED. HIGH UNEMPLOYMENT IN THE MINING SECTOR WOULD LEAD TO GHOST

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PAGE 03 OF 03 SECSTATE WASHDC 9917

DTG: 020051Z OCT 86 PSN: 002527

TOWNS IN PLACES SUCH AS ORURO AND POTOSI AND MUCH LABOR UNREST. INCREASED PRIVATE INVESTMENT IS NEEDED AND THE USG MUST HELP CONVINCE THE U. S. PRIVATE SECTOR. BEDREGAL ACKNOWLEDGED THAT MANY U. S. COMPANIES ARE ALREADY AWARE OF THE NEED, BUT ONLY OCCIDENTAL AND TESORO HAD SIGNIFICANT INVESTMENTS. THE MOST PRESSING NEED, HE SAID, WAS FOR SOME QUICK-DISBURSING, SMALL PUBLIC WORKS ROAD PROJECTS THAT COULD EMPLOY PEOPLE. AMBASSADOR GUMUCIO SUGGESTED USING CASH GRANTS, SUCH AS THOSE USED IN THE DOMINICAN REPUBLIC IN APRIL 1984, AND WONDERED WHETHER THE START OF THE NEW FISCAL YEAR WOULD OPEN UP POSSIBILITIES FOR IMMEDIATE DISBURSALS.

11. THE DEPUTY SECRETARY SAID THE USG CERTAINLY WOULD HELP GET THE WORD OUT ABOUT THE NEED FOR INCREASED PRIVATE INVESTMENT, BUT POINTED OUT THAT CRASH PROGRAMS USUALLY DO NOT ACCOMPLISH MUCH IN THE LONG RUN. BEDREGAL

SAID THAT THE NEXT WORLD BANK MEETING ON BOLIVIA WOULD NOT OCCUR UNTIL NOVEMBER. IN THE MEANTIME, HE WAS WORKING WITH UN SECRETARY GENERAL PEREZ DE CUELLAR FOR A OCTOBER 13 MEETING OF POTENTIAL DONORS.

12. GUMUCIO MADE A PITCH FOR USG SUPPORT OF THE BOLIVIAN CANDIDACY FOR THE PRESIDENCY OF THE INTERNATIONAL CONFERENCE ON DRUG ABUSE AND ILLICIT TRAFFICKING, WHICH WILL MEET NEXT JUNE IN VIENNA. GUMUCIO SAID THE MALAYSIANS WERE CLAIMING THEY ALREADY HAD USG SUPPORT FOR THEIR CANDIDACY, AND HE HOPED THAT WAS UNTRUE. THE DEPUTY SECRETARY SAID HE DOUBTED THAT THE USG HAD YET REACHED A POSITION ON THE ISSUE AND WOULD BE HAPPY TO LOOK INTO THE MATTER. HE NOTED THAT THE GENERAL PATTERN OF ANY COUNTRY'S VOTES IN THE UNGA ON MATTERS OF IMPORTANCE TO THE USG WAS GIVEN GREAT ATTENTION IN ESTABLISHING OUR POSITIONS ON BILATERAL ISSUES. THE DEPUTY SECRETARY SAID THE USG VERY MUCH REGRETTED SEEING COUNTRIES TAKING SIDES AGAINST US, ESPECIALLY ON AN ISSUE SUCH AS THE NICARAGUAN ATTEMPT TO USE THE ICJ DECISION. HE SAID THE SANDINISTAS WERE CREATING A MILITARY FORCE WHICH THREATENED ALL OF CENTRAL AMERICA.

13. GUMUCIO REPLIED THAT BOLIVIA HAD SUPPORTED THE USG ON NAME-CALLING ISSUES, BUT ON THE MATTER OF THE ECONOMIC BLOCKADE OF NICARAGUA, HAD TO PART COMPANY. BOLIVIA HAD OPPOSED ALL FORMS OF ECONOMIC BLOCKADE AS A MATTER OF PRINCIPLE EVER SINCE BOLIVIA ITSELF HAD BEEN THE OBJECT OF SUCH A BLOCKADE IN 1952. ALL LATIN AMERICAN COUNTRIES, HE SAID, FELT THE SAME. THE DEPUTY SECRETARY SAID THAT NEVERTHELESS THERE ARE CONNECTIONS BETWEEN A COUNTRY'S VOTING BEHAVIOR AND OTHER ISSUES. IT IS HARD TO GO TO CONGRESS AND ARGUE SUCCESSFULLY FOR MORE FINANCIAL ASSISTANCE WHEN A COUNTRY HAS VOTED AGAINST THE USG. GUMUCIO ACKNOWLEDGED THIS WAS TRUE AND OBSERVED THAT BOLIVIA VOTING PERFORMANCE WAS IMPROVING.

14. THE DEPUTY SECRETARY CONCLUDED THE MEETING BY EXPRESSING HIS APPRECIATION FOR THIS REVIEW OF BILATERAL CONCERNS, AND SPECIAL SATISFACTION OVER THE EXCELLENT PROGRESS BEING MADE ON NARCOTICS CONTROL. HE ASSURED

BEDREGAL THAT THE USG WOULD CONTINUE TO HELP BOLIVIA AS MUCH AS POSSIBLE. WHITEHEAD
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~~SECRET~~ SECTION 01 OF 02 LA PAZ 08448

EXDIS

E.O. 12356: DECL: OADR
TAGS: BL, PREL, SNAR
SUBJECT: CONGRESSIONAL INVESTIGATION OF HUANCHACA
NARCOTICS MURDERS

REF: LA PAZ 8421

THE CONGRESSIONAL COMMITTEE AND EMBASSY RESPONSE

1. (C) THE AMBASSADOR MET PRIVATELY FOR AN HOUR-AND-A-HALF WITH SANTA CRUZ CONGRESSMAN MARIO (VELARDE) DORADO WHO CHAIRS THE BOLIVIAN CONGRESSIONAL COMMITTEE THAT HAS BEEN INVESTIGATING THE NARCOTICS TRAFFICKER MURDER OF PROFESSOR NOEL KEMPF AND ITS ANTECEDENTS. THE AMBASSADOR REVIEWED WITH VELARDE THE INFORMATION CONTAINED IN REFTEL AND URGED HIM TO DO EVERYTHING HE CAN TO FOCUS THE COMMITTEE'S WORK ON THE TERRIBLE THREAT TO BOLIVIA POSED BY DRUG PRODUCTION AND TRAFFICKING. VELARDE RESPONDED POSITIVELY AND HAD THE FOLLOWING COMMENTS:

- THE INVESTIGATING COMMITTEE HAS BECOME A CIRCUS. IT WAS ESSENTIAL TO INCLUDE MEMBERS OF ALL PARTIES, AND ULTRA-LEFTISTS (FOR EXAMPLE, REPRESENTATIVES OF THE MOVIMIENTO BOLIVIA LIBRE, MIR-MASAS/EJE AND OTHER FRINGE PARTIES) ARE USING THE SHOW FOR CRASS POLITICAL ENDS.
- THE CONTENT OF THE EMBASSY'S NOTE TO THE FOREIGN MINISTRY (REFTEL) IS EXTREMELY HELPFUL. THE EMBASSY HAS BEEN HANDLING ITSELF JUST RIGHT IN RELATION TO THE COMMITTEE AND ITS MEMBERS' ACTIVITIES AND PUBLIC STATEMENTS.
- VELARDE ASKED IF INTERIOR MINISTER BARTHELEMY KNEW IN EARLY AUGUST OF DEA'S OVERFLIGHT OF THE HUANCHACA TRAFFICKER SITE. THE AMBASSADOR SAID HE HAD ASSUMED THAT BERTHELEMY'S COLONEL (MARTINEZ) IN CHARGE OF NARCOTICS IN SANTA CRUZ, WHO HAD BEEN ON THE OVER-FLIGHT, HAD INFORMED HIS SUPERIORS, BUT WE COULD NOT

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PAGE 02 OF 02 LA PAZ 8448

DTG: 022303Z OCT 86 PSN: 005318

CERTIFY THAT THE INFORMATION HAD FLOWED UPWARD.

INTERIOR MINISTRY AND CORRUPTION

2. (S) VELARDE SAID HE HAD JUST COME FROM A "SECRET" MEETING WITH PRESIDENT PAZ ESTENSSORO AT THE PRESIDENT'S RESIDENCE (WHERE THE MEDIA NORMALLY DO NOT HANG OUT).

[REDACTED]

3. (C) VELARDE SAID THAT DURING THE COMMITTEE'S INVESTIGATIONS THE ONLY OFFICER WHO CAME ACROSS AS GENUINELY HONEST AND DEDICATED TO HIS DUTY IS POLICE MAJOR JIJENA, WHO HAD JUST BEEN DUMPED AS COMMANDER OF THE UMOPAR IN THE CHAPARE AND "PUNISHED" BY BEING SENT TO POTOSI. THE AMBASSADOR TOLD VELARDE OF JIJENA'S EXTRAORDINARY SUCCESSES AT INTERDICTION IN COCHABAMBA DEPARTMENT AND THE CHAPARE. THE AMBASSADOR SAID HE BELIEVES THAT SENIOR POLICE OFFICERS ARE TRYING TO DESTROY JIJENA'S REPUTATION IN ADDITION TO EXILING HIM TO POTOSI. THE AMBASSADOR ADDED THAT THE EMBASSY IS TRYING TO GET JIJENA REASSIGNED TO A MORE APPROPRIATE POSITION, PERHAPS IN THE POLICE OFFICE OF SPECIAL INVESTIGATIONS WHICH NAU FUNDS. VELARDE STRONGLY URGED THE AMBASSADOR TO CONTINUE TO TRY TO HELP JIJENA.

ANTI-DRUG/COCA LEGISLATION; CORRUPTION IN THE CONGRESS

4. (S) VELARDE SAID HE HAD URGED PRESIDENT PAZ TO SUPPORT THE EXISTING DRAFT LAW (WHICH VELARDE HAS SPONSORED, WORKING CLOSELY WITH NAU). THAT GREATLY STRENGTHENS THE LEGISLATIVE BASIS FOR ATTACKING DRUGS AND TRAFFICKERS. THE PRESIDENT HAD ANSWERED THAT INTERIOR MINISTER BARTHELEMY SAW DIFFICULTIES WITH THE LAW. VELARDE SAID HE HAD URGED THE PRESIDENT TO TAKE MAXIMUM ADVANTAGE OF CURRENT PUBLIC OUTRAGE OVER THE MURDER OF PROFESSOR KEMPF IN ORDER TO GET THE LAW PASSED. VELARDE SAID HE HAD TOLD THE PRESIDENT THAT TWO YEARS AGO THERE WERE PERHAPS TWO CONGRESSMEN WHO OWED THEIR POSITIONS TO

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EXDIS

E.O. 12356: DECL: OADR
TAGS: BL, PREL, SNAR
SUBJECT: CONGRESSIONAL INVESTIGATION OF HUANCHACA

TRAFFICKER FINANCING, BUT NOW "THERE ARE 20" (NOT NAMED) ON THE DRUG LORDS' PAYROLL. IF THE COUNTRY WAITS MUCH LONGER, NO CONGRESS WILL BE ABLE TO ACT AGAINST DRUGS. VELARDE FINISHED BY ASKING THE AMBASSADOR AND THE U.S. EMBASSY TO USE EVERY LEVER THEY HAVE TO PRESS TO GET THE LAW PASSED.

5. (C) THE AMBASSADOR SAID WE ARE DOING JUST THAT. HE ASKED VELARDE TO INCLUDE IN THE LAW MEASURES DEFINING THE PARTS OF BOLIVIA -- THE BULK OF THE NATIONAL TERRITORY -- WHERE COCA GROWING WOULD BE STRICTLY ILLEGAL. HE ALSO INFORMED VELARDE OF THE RECENTLY CONCLUDED STUDY OF "TRADITIONAL VS. NON-TRADITIONAL" COCA AREAS. VELARDE SAID THE LEGISLATION SHOULD INCLUDE THE DEFINITION OF NON-TRADITIONAL, AND THEREFORE ILLEGAL, COCA ZONES. THE ONLY "TRADITIONAL" AREAS ARE IN THE YUNGAS AND A RELATIVELY SMALL PART OF THE CHAPARE.

6. (C) REFERRING AGAIN TO CORRUPTED CONGRESSMEN, VELARDE SAID HE IS CONVINCED THAT AT LEAST FOUR OF THE MEMBERS OF THE COMMITTEE INVESTIGATING HUANCHACA ARE TAKING PAYOFFS FROM TRAFFICKERS. THESE PEOPLE, HE SAID, ARE DELIBERATELY TRYING TO MUDDY THE WATERS AND FOCUS THE COMMITTEE ON A WIDE VARIETY OF RED HERRINGS SO THAT NOTHING COMES OUT OF IT OR THE CONGRESS TO IMPEDE THE DRUG TRADE. TO SUPPORT HIS CONCLUSION VELARDE SAID THAT IN A PRIVATE SESSION OF THE EIGHT MOST ACTIVE MEMBERS OF THE COMMITTEE, ONLY FOUR VOTED TO DEMAND PREVENTIVE DETENTION OF MAJOR WITNESSES IN SANTA CRUZ, INCLUDING SOME PERSONS NOTORIOUSLY ASSOCIATED WITH THE DRUG TRADE. THE OTHER FOUR MEMBERS OF THE GROUP (HE DID NOT NAME THEM) INSISTED THAT THERE SHOULD BE NO/NO EFFORT TO DETAIN OR OTHERWISE KEEP A STRING ON ANYONE. HE SAID THOSE FOUR GAVE NO CONCRETE REASONS, NO LEGAL RATIONALE OR PHILOSOPHICAL BASIS FOR BEING SO "LENIENT".

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PAGE 02 OF 02 LA PAZ 8448

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HE CONCLUDED THAT THE FOUR HAD SIMPLY BEEN TOLD TO MAKE SURE THE COMMITTEE DOES NOT HURT ANY MEMBER OF THE SANTA CRUZ DRUG COMMUNITY. AS A RESULT, THE COMMITTEE SIMPLY VOTED TO ASK THE AUTHORITIES NOT TO LET ANY OF THE NAMED PERSONS LEAVE THE COUNTRY (THE NAMES INCLUDE MEMBERS OF THE ROCA AND SUAREZ CLANS).

AWARENESS CAMPAIGN; VISAS

7. (LOU) VELARDE CLOSED BY ASKING FOR STRONG U. S. SUPPORT FOR A MAJOR PUBLIC AWARENESS EFFORT IN BOLIVIA. THE AMBASSADOR TOLD VELARDE WE HAVE ALLOCATED MAJOR RESOURCES TO SUCH AN EFFORT AND ARE TRYING TO PUT IT TOGETHER, BUT IT TAKES TIME TO GET ALL THE PROGRAM MATERIAL ASSEMBLED. THE AMBASSADOR EMPHASIZED THAT WE PLAN TO USE PRIVATE AS WELL AS OFFICIAL INSTITUTIONS TO HELP IN THE CAMPAIGN. VELARDE NODDED HIS ENTHUSIASTIC ENDORSEMENT.

8. (LOU) VELARDE SAID THAT ONE "EMBARRASSING" QUESTION THAT ARISES REPEATEDLY IS "WHY DOES THE U. S. GRANT VISAS TO NOTORIOUS DRUG TRAFFICKERS SUCH AS CERTAIN MEMBERS OF THE ROCA AND SUAREZ FAMILIES?" THE AMBASSADOR SAID THAT EVERY VISA CASE IS DECIDED ON ITS OWN MERITS AND THAT IT IS NOT POSSIBLE TO ANSWER SUCH A QUESTION GENERICALLY. IT HAS TO BE DEALT WITH IN TERMS OF SPECIFIC CASES. THE AMBASSADOR ADDED THAT SOMETIMES TRAFFICKERS TRAVEL UNDER FALSE IDENTITIES USING FRAUDULENT DOCUMENTS. THERE ALSO HAVE COME TO OUR ATTENTION SOME CASES WHERE PERSONS WHO RECEIVED INDEFINITE-VALIDITY VISAS SOME YEARS AGO SUBSEQUENTLY WENT INTO THE DRUG TRADE. THE AMBASSADOR ALSO POINTED OUT CERTAIN INVESTIGATIVE AND LAW ENFORCEMENT CONSIDERATIONS WHICH COULD LEAD TO THE DESIRED ARREST OF PERSONS IN THE U. S. THE AMBASSADOR ASSURED VELARDE THAT WE MONITOR THE VISA ISSUE SERIOUSLY AND CONTINUOUSLY.

ROWELL
BT

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 E.O.12356: DECL: OADR
 TAGS: SNAR, UN, UK, BL

Bolivia

<SUBJ> SUBJECT: UK MINISTER TO OPPOSE BID BY BOLIVIAN FOMIN
 FOR CHAIRMANSHIP OF UN DRUG CONFERENCE

<TEXT> 1. CONFIDENTIAL ENTIRE TEXT.
 2. SUMMARY: UK HOME OFFICE MINISTER DAVID MELLOR HAS
 PRIVATELY EXPRESSED HIS OPPOSITION TO BOLIVIAN FOREIGN
 MINISTER BENDREGAL'S CANDIDACY FOR THE CHAIR OF THE
 UPCOMING UN INTERNATIONAL CONFERENCE ON DRUG ABUSE AND
 ILLICIT TRAFFICKING. [REDACTED]

13526
 E.O. 12708
 As amended
 SEC. 3.3 b(6)

[REDACTED] END SUMMARY

3. WHILE DISCUSSING HIS RECENT TOUR OF ANDEAN
 COUNTRIES (DETAILS SEPT), MELLOR SAID THAT HE WAS
 GENERALLY IMPRESSED BY BOLIVIAN OFFICIALS, BUT
 "HEARTILY DISLIKED" FOREIGN MINISTER BENDREGAL. HE
 REVEALED THAT BENDREGAL WAS THE ONLY GOB OFFICIAL WHO
 HAD BLAMED HIS COUNTRY'S PROBLEMS WITH DRUGS ON DEMAND
 CREATED BY CONSUMER NATIONS, [REDACTED]

4. MELLOR CONSIDERS IT AN "OUTRAGE" THAT BENDREGAL IS
 ONE OF ONLY TWO CANDIDATES FOR THE CONFERENCE
 CHAIRMANSHIP. HE WILL URGE HMG TO OPPOSE BENDREGAL'S
 CANDIDACY, AND ENCOURAGED US TO DO LIKEWISE.
 PRICE

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PLEASE PASS TO DEPT OF LABOR FOR ILAB

E.O. 12356: DECL: OADR

TAGS: BL, ELAB, PINR, PINS

SUBJECT: MINE WORKER RANK-AND-FILE REJECT PACT WITH
GOVERNMENT; ULTRA LEFT SEIZES CONTROL OF THE
MORIBUND MINERS' UNION

REF: (A) LA PAZ 4011 DTG 122122Z MAY 86

(B) LA PAZ 26216 DTG 262008Z SEP 86

(C) LA PAZ 7896 DTG 181545Z SEP 86

SUMMARY

1. (C) FOR THE FIRST TIME IN MANY YEARS, ULTRA LEFTIST
FACTIONS HAVE TAKEN OVER DOMINANT POSITIONS IN THE
BOLIVIAN WORKERS CENTRAL (COB) AND THE SYNDICAL
FEDERATION OF BOLIVIAN MINE WORKERS (FSTMB -- TRADITION-
ALLY THE MOST IMPORTANT UNION IN BOLIVIA). BUT THEY
HAVE ASSUMED CONTROL, BY DEFAULT, OF A DECIMATED AND
DEMORALIZED UNION. THE ULTRA LEFTISTS' SUCCESS IS DUE
TO RANK-AND-FILE MINE WORKERS' REJECTION OF A RECENT
PACT BETWEEN THE GOVERNMENT AND THE DISCREDITED
COMMUNIST PARTY LEADERS WHO NEGOTIATED THAT PACT. THE
LEADERSHIP VACUUM CAUSED BY THE ABSENCE OF COB
EXECUTIVE SECRETARY JUAN (LECHIN) OQUENDO FROM
BOLIVIA (REF B) HAS ALSO CONTRIBUTED TO THE EXTREMISTS'
SUCCESS. THE FSTMB IS CURRENTLY BEING RUN BY A
TROTSKYITE AND TWO MEMBERS OF THE ULTRA LEFTIST
PATRIOTIC CONVERGENCY AXIS (EJE) WHO ARE REQUIRED TO
CONSULT WITH A COMMITTEE OF 64 UNION LEADERS BEFORE
MAKING ANY SUBSTANTIVE DECISION.

2. (C) WHILE THIS MAY FULFILL ULTRA LEFTISTS' DREAMS (REF A
OF WORKERS' DEMOCRACY, THE FSTMB, AS IT CURRENTLY
EXISTS, IS INCAPABLE OF SERIOUS NEGOTIATIONS WITH THE
GOVERNMENT ON THE FUTURE OF THE BOLIVIAN TIN INDUSTRY.
THE NEW ULTRA LEFT LEADERSHIP IS USING ITS NEW PLATFORM
TO QUESTION THE REVOLUTIONARY CREDENTIALS OF THE PCB
AND ATTACK THE GOVERNMENT. A NEW NATIONAL FSTMB
CONGRESS IS SCHEDULED FOR OCTOBER 20 IN SANTA CRUZ.
THE CATHOLIC CHURCH IS DISILLUSIONED BY THE MINERS'
REJECTIONS OF THE SEPTEMBER 13 AGREEMENT WHICH THE
CHURCH SO CAREFULLY ENGINEERED BETWEEN THE GOVERNMENT
AND THE MINERS (REF C). THE GOVERNMENT CONTINUES TO
PURSUE ITS HANDS-OFF POLICY WITH BOLIVIAN LABOR AND
TO WATCH ITS NUMBER ONE OPPONENT BECOME INCREASINGLY
SELF-CONSUMED WITH INTERNAL FACTIONALISM. MEANWHILE,
INCREASING NUMBERS OF MINERS IN STATE-OWNED MINES ARE
GOING BACK TO WORK. END SUMMARY.

MINER RANK-AND-FILE REJECTS PACT WITH GOB...AND ITS OWN
LEADERSHIP AS WELL

3. (U) EFFORTS BY THE ULTRA LEFTIST COALITION, THE
PATRIOTIC CONVERGENCY AXIS (EJE) AND THE TROTSKYITE
REVOLUTIONARY WORKERS PARTY (POR) TO UNSEAT THE
BOLIVIAN COMMUNIST PARTY (PCB) FROM LEADERSHIP
POSITIONS IN THE SYNDICAL FEDERATION OF BOLIVIAN MINE
WORKERS (FSTMB) FINALLY HAVE BORN FRUIT:

-- ON SEPTEMBER 27, FSTMB WORKERS VOTED BY A 90 PERCENT
MARGIN TO REPUDIATE THE SEPTEMBER 13 AGREEMENT THEIR

LEADERS HAD NEGOTIATED TO END THE IMPASSE CREATED BY
THE GOVERNMENT'S PLANS TO RESTRUCTURE THE STATE
MINING CORPORATION (COMIBOL).

-- ON SEPTEMBER 28 AN EMBARRASSED AND DISCREDITED
PCB LEADERSHIP SUBMITTED THEIR RESIGNATIONS, WHICH
WERE QUICKLY ACCEPTED BY THE MINERS.

-- ON SEPTEMBER 29, A TEMPORARY JUNTA WAS FORMED
CONSISTING OF THREE RADICAL UNION LEADERS AND 64
BT

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E.O. 12356: DECL: OADR
TAGS: DL, E-AB, PINR, PINS
SUBJECT: MINE WORKER RANK-AND-FILE REJECT PACT WITH

FSTMB SECRETARIES GENERAL WHO ARE TO GOVERN THE
FSTMB UNTIL OCTOBER 20 WHEN THE UNION WILL HOLD
ANOTHER NATIONAL CONGRESS TO ELECT NEW LEADERS.

-- ON SEPTEMBER 30, THE NEW FSTMB JUNTA INFORMED THE
GOVERNMENT THAT THE SEPTEMBER 13 AGREEMENT WAS
INVALID AND DEMANDS THAT THE GOVERNMENT REOPEN
TALKS STARTING FROM SCRATCH.

THE TRANSITION "LEADERSHIP" -- CLOSE TO ANARCHY

4. (LOU) THE FSTMB, UNDER ITS TWO-TIERED LEADERSHIP
OF THREE RADICAL UNION LEADERS (ONE TROTSKYITE AND TWO
EJE MEMBERS) AND 64 UNION LEADERS, IS UNGOVERNABLE.
ALL SUBSTANTIVE DECISIONS HAVE TO BE RATIFIED BY EACH
INDIVIDUAL MINE, WHICH IN TURN CAN PROPOSE ALTERNATIVES.
DESPITE EJE CLAIMS THAT THIS IS "TRUE WORKERS'
DEMOCRACY," THE FSTMB AS IT NOW STANDS IS INCAPABLE
OF NEGOTIATING IN ANY MEANINGFUL WAY WITH THE
GOVERNMENT. ON OCTOBER 1, THE GOVERNMENT REFUSED TO
CONSIDER REOPENING TALKS WITH THE FSTMB, NOTING THAT
THE SEPTEMBER 13 AGREEMENT WAS NEGOTIATED IN GOOD FAITH
WITH LEGITIMATELY ELECTED LEADERS OF THE FSTMB.

MUTUAL RECRIMINATIONS FAN INTRA-LABOR HOSTILITIES

5. (LOU) VICIOUS AND BITTER NAME-CALLING BETWEEN OLD
AND NEW FSTMB LEADERS HAS GIVEN THE BOLIVIAN PUBLIC A
FIRST-HAND OPPORTUNITY TO SEE AND HEAR HOW THE MINERS
PRACTICE "DEMOCRACY" AND HOW THEY TOLERATE DISSENT.
THE NEW FSTMB LEADERS HAVE CALLED PCB FIRST SECRETARY
SIMON (REYES) RIVERA AND HIS ALLY FILEMON ESCOBAR
"TRAITORS" AND "IMPERIALIST LACKEYS," AND HAVE SUGGESTED
THE TWO EX-LEADERS SHOULD "DIE" FOR THEIR "TREASON."
A COMMENTATOR IN THE LA PAZ DAILY, "PRESENCIA,"
INVOKING LENIN, CALLED THIS SPECTACLE "LEFT-WING
INFANTILISM." ON THE OTHER HAND, ESCOBAR AND OTHERS
HAVE RESPONDED WITH A BARRAGE OF CRITICISMS OF THE
FSTMB FOR BEING "DUPED" BY THE NEFARIOUS MACHINATIONS
OF THE POR AND EJE.

THE CATHOLIC CHURCH'S DISILLUSIONMENT

6. (C) THE CATHOLIC CHURCH, THROUGH THE BISHOPS'
CONFERENCE, IS DISILLUSIONED BY THE RANK-AND-FILE
DECISION TO RENEGE ON THE AGREEMENT WITH THE
GOVERNMENT. THE CHURCH FEELS THAT ITS BEHIND-THE-SCENES
PRESSURE TACTICS AGAINST THE GOVERNMENT ON BEHALF OF
THE MINERS TO FORCE THE TWO SIDES TO COME TO AN
AGREEMENT HAVE BEEN TORPEDOED BY THE MINERS. THE
BISHOPS' CONFERENCE PRESIDENT AND KEY MEDIATOR IN THESE
TALKS, BISHOP JULIO TERRAZAS, JUSTIFIED THIS FAVORITISM
TO LABATT ON THE GROUNDS THAT THE CHURCH HAD A NATURAL
RESPONSIBILITY TO "DEFEND" THE POOR -- IN THIS CASE THE
MINERS. HOWEVER, MINISTRY OF LABOR SOURCES NOTED
THAT THE CHURCH'S ONE-SIDED POSITION IN THE TALKS USED
UP A LOT OF ITS CREDIBILITY WITH THE GOVERNMENT, WHICH

WILL BE WARY OF THE CHURCH'S "HONEST BROKER" STANCE
IN POSSIBLE FUTURE TALKS. MONSIGNOR TERRAZAS TOLD THE
PRESS ON OCTOBER 2 THAT THE SEPTEMBER 13 PACT HAS MANY
POSITIVE ELEMENTS AND SAID THAT ITS REJECTION BY THE
MINERS COULD SET A BAD PRECEDENT. HE DISCOUNTED THE
POSSIBILITY OF MEDIATING A NEW ACCORD BETWEEN THE
GOVERNMENT AND THE FSTMB JUNTA, SINCE SUCH A PACT COULD
BE EASILY REJECTED BY THE UNION'S NEW LEADERSHIP. HE
ADDED THAT NOW THAT TENSIONS HAVE BEEN REDUCED THERE IS
NOTHING TO PREVENT THE GOVERNMENT AND THE MINERS FROM
NEGOTIATING DIRECTLY, WITHOUT THE CHURCH'S GOOD OFFICES.
BT

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E.O. 12356: DECL: OADR

TAGS: BL, ELAB, PINR, PINS

SUBJECT: MINE WORKER RANK-AND-FILE REJECT PACT WITH

GOVERNMENT TAKES "WAIT AND SEE" POSITION

7. (C) SO FAR THE GOVERNMENT HAS CHOSEN NOT TO SAY OR DO ANYTHING THAT MIGHT UNITE LABOR'S FACTIONS AGAINST THEIR "COMMON ENEMY" -- THE GOVERNMENT. ON SEPTEMBER 30, MINISTER OF MINES TOLD EMBOFF THAT HE WOULD DO NOTHING WITH THE MINERS UNTIL NEW LEADERS ARE ELECTED. THE GOVERNMENT'S "HANDS OFF" POSTURE MAY BE PAYING OFF AS MINERS BEGIN TO RETURN TO WORK; SO FAR MINERS ARE WORKING AT SEVEN OF THE 45 MINING INSTALLATIONS INCLUDING SAN JOSE AND BOLIVAR. TEN FSTMB UNIONS HAVE VOTED TO REMAIN ON STRIKE INCLUDING HUANUNI, SIGLO XX, UNIFICADA AND CATAVI WHILE 28 HAVE NOT VOTED WHETHER TO CONTINUE THEIR STRIKES. BOTH SIDES REALIZE THAT UNATTENDED MINES BECOME DANGEROUS AS WATER BEGINS TO SEEP INTO THE SHAFTS AND MACHINERY IS ABANDONED.

COMMENT

8. (C) THE FACTIONALISM AND INFIGHTING THAT HAVE SO SERIOUSLY DIVIDED AND WEAKENED BOLIVIAN LABOR (REF B) CONTINUE. THE GOVERNMENT'S POSITION IS STRENGTHENED AS MORE AND MORE BOLIVIANS-- INCLUDING MANY MINERS -- ACCEPT THE INEVITABILITY OF THE RESTRUCTURING OF THE

STATE-OWNED MINING INDUSTRY. GENERAL SYMPATHY FOR THE MINERS' PLIGHT NOTWITHSTANDING, THE GOVERNMENT SEEMS TO HAVE WON THE DECADES-OLD DEBATE ON WHETHER TO CONTINUE TO PROVIDE HEAVY SUBSIDIES TO THE INEFFICIENT, HIGH-COST COMIBOL MINING OPERATIONS.

9. (C) BOLIVIAN WORKERS CENTRAL (COB) EXECUTIVE SECRETARY JUAN (LECHIN) OQUENDO'S ABSENCE FROM THE COUNTRY (REF B) HAS WEAKENED THE POSITION OF HIS COMMUNIST-LEANING SUPPORTERS IN BOTH THE COB AND FSTMB. THE PCB HAS BEEN DEALT A DECISIVE SETBACK WITH THE SEPTEMBER 28 RESIGNATIONS OF THE FSTMB LEADERSHIP. FOR THE FIRST TIME IN MANY YEARS, TOP POSITIONS IN BOLIVIAN LABOR ARE BEING HELD BY THE INEXPERIENCED, HIGHLY POLITICIZED LEADERS OF THE MINISCULE PARTIES OF THE ULTRA LEFT -- WHO SEEM INCAPABLE OF DOING ANYTHING BUT ATTACKING THE PCB AS TRAITORS AND CALLING FOR STRUGGLE AGAINST THE GOVERNMENT. WITH THE RANK-AND-FILE REJECTING AND IGNORING BOTH OLD AND NEW LEADERS, IT IS DIFFICULT TO PREDICT WHO WILL FILL THE VACUUM. ASSUMING ANYONE WILL WANT TO.

(DRAFTED BY: POL:HO'HARA) ROWELL

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E.O. 12356: DECL: OADR

TAGS: SNAR, BL, EAID

SUBJECT: COCA ERADICATION STRATEGY: FURTHER
EXPLORATORY DISCUSSIONS

REF: LA PAZ 8342

1. (C) IN FURTHER MEETING SEPTEMBER 29 AND
OCTOBER 1, CHAIRED BY PLANNING, MINISTER SANCHEZ
DE LOZADA AND ATTENDED BY THE INTERIOR MINISTER
BARTHELEMY, THE DIALOGUE ON COCA REDUCTION CONTINUED
WITH THE AMBASSADOR AND MEMBERS OF THE EMBASSY
NARCOTICS ACTION COMMITTEE.

SEPTEMBER 29 -- GENERAL DISCUSSION, NO CONCLUSIONS

2. (C) MINISTER SANCHEZ DE LOZADA EMPHASIZED DURING
THE SEPTEMBER 29 GATHERING HIS FAITH IN THE ABILITY
TO ACHIEVE ERADICATION BY BUYING COCALES AT A LOWER
COST THAN THE TAKE FOR CAMPESINOS TO REPLANT.
THE POTENTIAL FIVE-YEAR COST OF CROP SUBSTITUTION
FOR COCA LAND WAS ESTIMATED BY GOB MINISTRY OF
PLANNING OFFICIALS TO BE APPROXIMATELY 42,000,000
DOLLARS FOR 27,000 HECTARES IN THE CHAPARE REGION
ALONE. THERE WAS UNIVERSAL AGREEMENT THAT WITHOUT
A STRONG INTERDICTION PROGRAM TO MAINTAIN LOW PRICES
FOR COCA LEAF ANY SUBSTITUTION OR BUY-OUT WOULD BE
IMPOSSIBLE. TAPIA, DEPUTY IN THE LEGISLATIVE
ASSEMBLY, NOTED THAT WITH THE CURRENT INTERDICTION
EFFORTS THERE WAS PRACTICALLY NO MARKET FOR LEAF IN
EITHER THE TRADITIONAL OR NON-TRADITIONAL AREAS OF
CULTIVATION. THE PRICE OF LEAVES, REPORTEDLY, IS
NOW LOWER THAN BEFORE THE COCAINE BOOM BEGAN SOME
YEARS AGO.

3. (C) A MINISTRY OF PLANNING OFFICIAL EMPHASIZED
THAT AFTER ERADICATION COCA FARMERS SHOULD BE

PROVIDED NOT ONLY A ALTERNATIVE CROPS BUT ASSISTED
WITH A "GRUB STAKE" UNTIL THE NEW CASH PRODUCING
CROP CAN BE HARVESTED AND SOLD. IN DISCUSSING
SUBSTITUTES SEVERAL PERSONS EMPHASIZED A "GUARANTEED
MARKET" AS A CRITICAL REQUIREMENT.

4. (C) MINISTER BARTHELEMY, NOTING THAT THE
ERADICATION OF COCA CULTIVATION POSED POTENTIAL
SOCIAL CONFLICT, SUGGESTED BY-PASSING CAMPESINO
FEDERATIONS AND CONTRACTING WITH INDIVIDUALS FOR
ERADICATION. HE ALSO INFORMED THE GROUP THAT COCA
CULTIVATION AND COCA PLANT NURSERIES SHOULD BE
PROSCRIBED OUTSIDE THE CURRENT ZONES OF PRODUCTION.
ONCE THAT IS ACCOMPLISHED, ERADICATION PROGRAMS
COULD BE DEVELOPED PROGRESSIVELY IN THE CULTIVATION
AREAS. AMBASSADOR ROWELL COMMENTED THAT THE
ADMINISTRATIVE COSTS OF REACHING OUT TO INDIVIDUAL
PRODUCERS WOULD NOT ONLY BE TIME CONSUMING BUT
EXTREMELY EXPENSIVE. HE ADDED THAT IT IS ESSENTIAL
TO MAKE COCA CULTIVATION ILLEGAL IN LARGE AREAS.
INTERDICTION ALONE WILL NOT PUT ENOUGH PRESSURE ON
CAMPESINOS. SANCHEZ DE LOZADA CONTINUED TO BE THE
SOLE HOLD-OUT AGAINST PROSCRIBING NON-TRADITIONAL
COCA CULTIVATION ON GROUNDS THE GOVERNMENT WOULDN'T
BE ABLE TO ENFORCE THE LAW.

5. (C) THE EFFECTIVENESS OF INTERDICTION IN
DEPRESSING COCA LEAF PRICES WAS REPEATED BY THE
MINISTER OF PLANNING. HE THOUGHT THAT AT THIS
POINT A CAMPESINO IN THE CHAPARE OUGHT TO BE
WILLING TO SELL HIS COCAL FOR 1-3,000 DOLLARS
PER HECTARE. THE MINISTER REASONED THAT SINCE
THE GOVERNMENT WAS ABLE TO COUNTER THE MINERS

INITIAL EXHORBITANT REQUESTS FOR COMPENSATION
TO LEAVE THE MINES FOR A FAR LOWER PAYMENT, COCA
FARMERS SHOULD ALSO BE AS MALLEABLE. A NOTE OF
CAUTION WAS INJECTED BY A MINISTRY OF PLANNING
OFFICIAL FAMILIAR WITH THE CHAPARE WHO REPORTED
THAT CAMPESINOS ARE STILL CARING FOR COCALES AND
THAT MANY BELIEVE THE CURRENT PRESSURE FROM
INTERDICTION WILL BE A PASSING PHENOMENON.

6. (C) FOLLOWING THE MEETING THE AMBASSADOR TOLD
THE PLANNING MINISTER THAT MUCH MORE HARD DATA
ARE NEEDED RE CAMPESINO COSTS, AGRICULTURAL
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E.O. 12356: DECL: OADR

TAGS: SNAR, BL, EAID

SUBJECT: COCA ERADICATION STRATEGY: FURTHER

COMMODITY PRICES/MARKETS AND CAMPESINO ATTITUDES.
THE MINISTER AGREED AND PROMISED TO SEND HIS
PERSONAL INVESTIGATOR (WHOM THE EMBASSY TRUSTS
AND HAS USED) INTO THE CHAPARE FROM THE YUNGAS
OCTOBER 4.

OCTOBER 1 -- A PILOT AGREEMENT WITH A CHAPARE VILLAGE

7. (C) AT THE OCTOBER 1 SESSION IT WAS ANNOUNCED THAT
A COCA ERADICATION AGREEMENT HAD BEEN SIGNED SEPTEMBER
30 WITH A CAMPESINO VILLAGE (IBUELO) IN THE CHAPARE
BY THE BOLIVIAN COCA REDUCTION AGENCY (DRAPCO). IBUELO
IS NEAR VILA TUNARI IN THE TRADITIONAL COCA GROWING
PART OF THE CHAPARE. APPROXIMATELY 850-950 HECTARES
OF COCA ARE INVOLVED. THE AGREEMENT REQUIRES TOTAL
ERADICATION OF COCA VIA A LABOR PAYMENT OF
350 DOLLARS PER HECTARE, AFTER WHICH DRAPCO WILL
PROVIDE SUBSTITUTE CROPS UNDER A CREDIT ARRANGEMENT AND
SOME INFRASTRUCTURAL DEVELOPMENT. THE DRAPCO OFFICIAL
SAID THE CAMPESINOS HAD SOUGHT THE AGREEMENT BECAUSE
THE DEPRESSED PRICE OF COCA LEAF HAD BANKRUPTED THE
VILLAGE.

8. (C) THE MINISTERS THOUGHT THIS AGREEMENT MIGHT
BE ACCEPTABLE AS A PILOT FOR TRADITIONAL COCA AREAS
IF TIGHTENED BY THE INCORPORATION OF A CLAUSE
PROHIBITING THE REPLANTING OF COCA AND IF THE
INFRASTRUCTURE SUPPORT CLAUSES ARE CUT BACK.
MINISTER BARTHELEMY PROPOSED THE LOSS OF LAND
REPLANTED IN COCA BY ANYONE ADHERING TO THIS TYPE
OF ERADICATION ACCORD. ACCORDING TO MINISTER
SANCHEZ DE LOZADA, THE GOB LACKS SUFFICIENT MEANS
TO ENFORCE ANY DECREE PROHIBITING COCA CULTIVATION

OR OVERSEEING ERADICATED FIELDS, THUS TO PAY
CAMPESINOS FOR THE DESTRUCTION OF THEIR FIELDS
WOULD BE THE BEST COMPROMISE. FOR MOST ERADICATION
(I.E., INCLUDING "NON-TRADITIONAL" AREAS) HE
FAVORED A FLAT PAYMENT AFTER ERADICATION AND FELT
THAT A PROGRAM OF FOLLOW-ON CROP SUBSTITUTION WOULD
HAVE TO BE CAREFULLY ELABORATED IN ORDER TO AVOID
PROMISING COOPERATING CAMPESINOS MORE THAN COULD
BE DELIVERED AND TO LIMIT EXPENDITURES TO LEVELS
THAT COULD BE SUPPORTED BY THE GOB (WITH DONOR
ASSISTANCE) IN FUTURE COOPERATING COMMUNITIES.

9. (C) MINISTER OF THE INTERIOR BARTHELEMY OFFERED
IN SUMMATION THAT THERE MUST BE SOME LEGAL BASIS TO
MAKE COCA CULTIVATION ILLEGAL. IF THIS IS ACHIEVED
THE GOVERNMENT HAS THE LEVERAGE TO MAKE A CONCRETE
OFFER FOR DESTRUCTION OR, IF REFUSED, THE OPTION OF
ERADICATION WITHOUT COMPENSATION OF ANY SORT.
SANCHEZ DE LOZADA TABLED THE IDEA THAT INSTEAD OF
DECLARING TRADITIONAL AND NON-TRADITIONAL AREAS,
WHY NOT MAKE ALL CULTIVATION OF COCA ILLEGAL AFTER
SOME FUTURE DATE. THIS, HE CALCULATED, MIGHT BE
DRACONIAN ENOUGH TO PROVIDE THE NECESSARY THREAT
TO FORCE CAMPESINOS OUT OF COCA.

(DRAFTED: NAU:TORUM)

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19

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E.O. 12356: DECL: OADR
TAGS: BL, SNAR, EAD, MASS
SUBJECT: CONTINUING EXPLORATORY DISCUSSIONS ON COCA
ERADICATION STRATEGY - MEETING NO. 5

REF: (A) LA PAZ 8342 DTG 011407Z OCT 86,
(B) LA PAZ 8554 DTG 072057Z OCT 86,
(C) LA PAZ 8526 DTG 062239Z OCT 86

IBUELO "MODEL" AGREEMENT OKAYED

1. (C) THE FIFTH COCA ERADICATION STRATEGY MEETING
CHAIRIED BY PLANNING MINISTER SANCHEZ DE LOZADA OCTOBER 6
CONFIRMED, VIA CHAPARE SECRETARIAT REPRESENTATIVE
CARLOS MONTANO (AID'S BOLIVIAN COUNTERPART), THAT THE
CHAPARE VOLUNTARY ERADICATION/DEVELOPMENT AGREEMENT WITH
IBUELO (REFS B AND C) HAD THE COMMUNITY'S FULL ENDORSE-
MENT INCLUDING CREDIT PROVISIONS AND PROSCRIPTIONS
AGAINST ANY FUTURE COCA CULTIVATION. WEEKEND REPORTS
FROM THE AREA, HOWEVER, INDICATED DISTURBING BUT NOT
TOTALLY UNPREDICTABLE DEVELOPMENTS.
CHAPARE COCA PRICES RISE IN ANTICIPATION OF "BLAST

FURNACE" END

2. (U) DURING OCTOBER 4-5 IN ETERRAMAZAMA IN THE
CHAPARE A CARGA (100 LBS.) OF DRY COCA LEAF WAS
SELLING FOR AS MUCH AS 75 MILLION PESOS (DOLS. 35-40)
WHICH REPRESENTS UP TO A FIVE-FOLD JUMP. FACTORS
CONTRIBUTING TO THIS INCLUDED PRESS REPORTS IN WHICH
DEFENSE MINISTER DEL VALLE CONFIRMED THAT U.S. MILITARY
PERSONNEL WOULD BE OUT OF BOLIVIA BY MID-NOVEMBER AND
WOULD NOT GET DIRECTLY INVOLVED IN THE ANTI-NARCOTICS

3. (C) THERE APPEARS TO BE SOME RESURGENCE IN PASTE
LAB OPERATIONS AT A LEVEL BEYOND THE PAST SEVERAL MONTHS
ADDITIONALLY, CAMPESINOS NOW ARE HAVING TO TRANSPORT
THEIR OWN LEAVES TO THE PASTE LABORATORIES. THIS BRINGS
THE PEASANTS FAR MORE DIRECTLY INTO THE COCA-PROCESSING
CYCLE. (EMBASSY COMMENT: AT LEAST FOR THE PARTICIPANTS
IN THE PLANNING MINISTER'S THRICE-WEEKLY ERADICATION
MEETINGS, REPORTS SUCH AS THIS HAVE BEEN INSTRUMENTAL
IN STRIPPING AWAY ANY MYSTICAL NOTION THAT CHAPARE
COCA-GROWING CAMPESINOS ARE NOT FULLY AWARE OF THEIR
ROLE IN ULTIMATE COCAINE PRODUCTION).

SUPREME DECREE OR LEGISLATIVE ROUTE FOR ERADICATION?

4. (C) LEGISLATIVE PROPOSALS OFFERED BY INTERIOR
MINISTRY REP CARLOS VARGAS AND AID'S BOLIVIAN CHAPARE
DEVELOPMENT COUNTERPART, SECRETARIAT REP CARLOS MONTANO
LED TO CONSIDERABLE DISCUSSION ABOUT THE NEED FOR A
LEGAL UMBRELLA SANCTIONING ERADICATION. HARVARD
ECONOMIST/GOB CONSULTANT JEFFREY SACHS, AS A NEUTRAL
OBSERVER (INVITED BY SANCHEZ DE LOZADA) ACCURATELY
SUMMED UP THE OUTLINES OF EMERGING CONSENSUS:

-- THE GOAL OF CLOSE TO COMPLETE COCA ERADICATION
IN BOLIVIA OVER THE NEXT THREE YEARS REPRESENTS TOO
MASSIVE A SOCIAL AND POLITICAL TRANSFORMATION TO BE
BASED ON ANYTHING LESS THAN LEGISLATION BY BOLIVIA'S
CONGRESS. THE GOVERNMENT'S EXPERIENCE LAST DECEMBER
WITH A "FORCED LOAN" THROUGH DECREE ILLUSTRATES THE
LIMITS OF THE NON-LEGISLATIVE APPROACH.

-- THE PLANNING MINISTER'S PREFERENCE THAT ALL COCA
BE DECLARED ILLEGAL GREATLY EASES ENFORCEMENT AND AVOIDS
EASY LOOPHOLES. HOWEVER, IT IS TOO RADICAL TO PASS
CONGRESS. NONETHELESS, THE DISTINCTION BETWEEN LEGAL
(TRADITIONAL) VS. ILLEGAL (NON-TRADITIONAL) COCA SHOULD
BE MADE ON A GEOGRAPHIC BASIS AND SHOULD BE DRAWN AS
TIGHTLY AS POSSIBLE. SLOWLY, BUT SURELY, THE
"TRADITIONAL" AREA IS EMERGING AS THE YUNGAS AS OPPOSED
TO THE CHAPARE WHICH PRODUCES COCA LEAVES ALMOST
EXCLUSIVELY FOR THE DRUG MARKET.

-- ANY PROPOSED LEGISLATION MUST BE POLITICALLY
REALISTIC. YOU CANNOT SIMPLY OUTLAW COCA, BUT YOU CAN
BT

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E.O. 12356: DECL: OADR
TAGS: BL, SNAR, EAD, MASS
SUBJECT: CONTINUING EXPLORATORY DISCUSSIONS ON COCA

DRAW AN EVER-CONSTRICTING CIRCLE AROUND COCA CULTIVATION
BY OUTLAWING ANY NEW PLANTING, IMMEDIATELY PROHIBITING
CULTIVATION ~~IN AREAS~~ CURRENTLY CLEARLY NOT GENERALLY
ASSOCIATED WITH COCA (BOLIVIAN DEPARTMENTS SUCH AS
SANTA CRUZ, BENI, PANDO, CHUQUISACA, TARIJA, POTOSI,
ORURO), AND FINALLY OUTLAWING ALL "NON-TRADITIONAL"
(THAT IS, "NON-YUNGAS") COCA AS OF SOME FUTURE DATE
CERTAIN (TWO TO THREE YEARS).

-- DURING THE INTERIM BETWEEN NOW AND A FIXED FUTURE
DATE SUCH AS AUGUST 5, 1989 (LAST DAY OF THE PAZ
ESTENSORO ADMINISTRATION) THE ERADICATION EMPHASIS
SHOULD BE ON THE IBUELO MODEL OF ERADICATION/
DEVELOPMENT FOR LONG-STANDING COCA AREAS IN WHICH
THERE ARE ECONOMICALLY REASONABLE CROP ALTERNATIVES
AND, FOR THOSE AREAS RELATIVELY NEW TO COCA CULTIVATION
OR WITHOUT ANY ECONOMICALLY VIABLE AND LEGAL CROP
ALTERNATIVE, A RELATIVELY GENEROUS BUY-OUT AND ERADICA-
TION OF COCA PLANTS ACCOMPANIED BY PROSCRIPTIONS
AGAINST ANY RE-PLANTINGS ON PENALTY OF REVERSION OF
LAND TITLES. WHILE THE BUY-OUT WOULD BE INITIALLY
FINANCED BY THE BOLIVIAN GOVERNMENT (UP TO AS MUCH AS
FIVE MILLION DOLLARS), THIS SHOULD BE AUGMENTED BY AN
INTERNATIONAL FUND TO ATTRACT DONATIONS (PARTICULARY
FROM DRUG USING COUNTRIES).
SIGNIFICANCE OF "BLAST FURNACE" MILITARY PRESENCE

HE SUGGESTED THAT THE LEGISLATIVE PROPOSAL DIRECTLY
ADDRESS THIS ISSUE BY SANCTIONING THE PRESENCE OF
FOREIGN MILITARY LOGISTIC SUPPORT FOR THE DURATION
OF THE PERIOD LEADING UP TO THE FUTURE FIXED DATE FOR
FULL ERADICATION OF NON-TRADITIONAL AREAS. HE WAS NOT
SPECIFIC AS TO NATIONALITY OF FOREIGN MILITARY
ASSISTANCE. (COMMENT: DESPITE THE GROUP'S VIEW THAT
THE MERE FACT OF U.S. MILITARY PRESENCE IN SUPPORT OF
INTERDICTION HAS BEEN A MAJOR DEPRESSANT FOR COCA
PRICES, WE DOUBT THAT A MAJOR PRESENCE CAN BE TOLERATED
POLITICALLY AFTER NOVEMBER 15. SOME LINGERING MINOR
SUPPORT -- FOR EXAMPLE, FOR HELICOPTER PILOT AND
MECHANICS' TRAINING MAY BE ALL RIGHT NONTHELESS, SANCHEZ
DE LOZADA LATER SAID HE INTENDS TO URGE PRESIDENT
PAZ ESTENSORO TO ASK THE U.S. TO KEEP SOME MILITARY
PRESENCE IN BOLIVIA AFTER NOVEMBER 15. END COMMENT).
COMMENT

6. (C) WHILE THIS REMAINS A SOMEWHAT NON-SPECIFIC
BASIS FOR A LEGISLATIVE PROPOSAL, IT NONETHELESS MAKES
A REALISTIC DISTINCTION BETWEEN WHAT IS REQUIRED FOR
THE LONG TERM VIA LEGISLATIVE ACTION, AS OPPOSED TO
MECHANISMS TO MEET THE NEED FOR IMMEDIATE ERADICATION
IN THE MEANTIME: A BUY-OUT WITH PROHIBITIONS AGAINST
RE-PLANTING COCA COULD BE LAUNCHED WITH BOLIVIAN GOVERN-
MENT FUNDS WITH SOME HOPE OF SUCCESS AS LONG AS THE
LOW PRICE OF COCA CAN BE MAINTAINED; THE PRICE EFFECT
WILL DEPEND ON INDEFINITELY CONTINUED INTERDICTION
AGAINST COCAINE LABORATORIES AND STEPPED-UP INTERDICTION
AGAINST PASTE FACILITIES, TRANSPORTATION AND PRECURSORS
IN THE CHAPARE. THE ELABORATION OF COCA AND THE OPERA-
TION OF COCA NURSERIES COULD EMPHATICALLY BE DECLARED
ILLEGAL THUS UNDERSCORING INTERDICTION EFFORTS.

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5. (C) THE FINAL ELEMENT IN SACHS' RESUME WAS A
RECOGNITION THAT THE PRESENCE OF U.S. MILITARY PERSONNEL
IN BOLIVIA HAS CONTRIBUTED AN ESSENTIAL ELEMENT OF
CREDIBILITY FOR WHICH NOTHING ELSE CAN REALLY SUBSTITUTE

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E. O. 12356: DECL: OADR
TAGS: PREL, CU, BL
SUBJECT: BOLIVIAN FOREIGN MINISTER MEETS CASTRO

REF: HAVANA 4216

1. (C) ENTIRE TEXT.

2. BOLIVIAN FOREIGN MINISTER BEDREGAL ON OCTOBER 6 AND 7 SIGNED THREE BILATERAL AGREEMENTS, HELD TALKS WITH THE CUBAN FOREIGN MINISTER AND WAS RECEIVED BOTH BY FIDEL CASTRO AND VICE-PRESIDENT CARLOS RAFAEL RODRIGUEZ. BEDREGAL ALSO GAVE A PRESS CONFERENCE, REPORTED SELECTIVELY AND SOMEWHAT SPARSELY IN THE CUBAN MEDIA. JUDGING BY THE AVAILABLE PUBLIC EVIDENCE, BEDREGAL'S PROGRAM FULFILLED AMPLY THE EXPECTATIONS HE HAD IN VISITING CUBA, ALTHOUGH THE SUBSTANCE OF THE RELATIONSHIP CONTINUES TO SEEM THIN. WE ANTICIPATE A MORE EXTENSIVE DEBRIEF FROM THE BOLIVIAN EMBASSY IN THE NEXT FEW DAYS.

3. CUBA'S WELCOME FOR BEDREGAL WAS TEMPERED BY EVENTS SURROUNDING THE OCTOBER 8 ANNIVERSARY OF THE DEATH IN BOLIVIA OF CUBA'S GUERRILLA HERO CHE GUEVARA. AS BEDREGAL WAS SIGNING THE THREE AGREEMENTS, A MUSEUM DEVOTED TO CHE'S MEMORY WAS BEING DEDICATED 50 MILES AWAY IN MATANZAS. AND THE BRIEF PRESS REPORT OF FIDEL'S MEETING WITH BEDREGAL WAS OVERSHADOWED BY EDITORIAL EULOGIES TO CHE AND HIS IMMORTAL CONTRIBUTION TO REVOLUTION IN THE HEMISPHERE. THE OCTOBER 7 GRANMA ALSO SAW FIT TO CARRY A PRENSA LATINA DESPATCH FROM LA PAZ CONCERNING PARLIAMENTARY DEMANDS FOR THE SUSPENSION OF THE NATIONAL ANTI-NARCOTICS POLICE CHIEF. WHETHER THIS NONE-TOO-SUBTLE CUBAN POLITICAL GAMESMANSHIP WAS APPRECIATED BY BEDREGAL IS NOT CLEAR. KAMMAN
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DEVOTED TO CHE'S MEMORY WAS BEING DEDICATED 50 MILES AWAY
IN MATANZAS. AND THE BRIEF PRESS REPORT OF FIDEL'S
MEETING WITH BEDREGAL WAS OVERSHADOWED BY EDITORIAL EULO-
GIES TO CHE AND HIS IMMORTAL CONTRIBUTION TO REVOLUTION IN
THE HEMISPHERE. THE OCTOBER 7 GRANMA ALSO SAW FIT TO

CARRY A PRENSA LATINA DESPATCH FROM LA PAZ CONCERNING
PARLIAMENTARY DEMANDS FOR THE SUSPENSION OF THE NATIONAL
ANTI-NARCOTICS POLICE CHIEF. WHETHER THIS NONE-TOO-SUBTLE
CUBAN POLITICAL GAMESMANSHIP WAS APPRECIATED BY BEDREGAL
IS NOT CLEAR. KAMMAN
** END OF CABLE **

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78

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DIA FOR IR BRANCH; USCINCSO ALSO FOR POLAD

E.O. 12356: DECL: OADR
TAGS: BL, SNAR, PREL
SUBJECT: EXECUTIVE SENDS NARCOTICS BILL TO CONGRESS;
URGES IMMEDIATE AND CAREFUL CONSIDERATION

REF: (A) LA PAZ 8421 DTG 021627Z OCT 86 (NOTAL)
(B) LA PAZ 8146 DTG 242122Z SEP 86 (NOTAL)

PAZ ESTENSORO SENDS NARCOTICS BILL TO CONGRESS

1. (U) THE PRESIDENT'S OMNIBUS NARCOTICS BILL, DRAFTED BY A COMMITTEE OF LAWYERS AND "EXPERTS" ON THE SUBJECT, WENT TO CONGRESS ON OCTOBER 7. THE TEXT OF THE BILL HAS NOT BEEN PUBLISHED, BUT WE WILL TRY TO PROCURE A COPY AND ANALYSE IT FROM THE POINT OF VIEW OF EFFECTIVENESS, ENFORCEABILITY AND U.S. INTERESTS. IN HIS COVERING LETTER TO CONGRESS, PAZ ACKNOWLEDGES THAT THE MAY 1985 LAW, NOW IN FORCE, GIVES RISE TO "DOUBTS AND CONFUSIONS" IN ITS APPLICATION. HE NOTES THAT THE CRIME OF DRUG TRAFFICKING IS ON THE RISE, AFFECTING PARTICULARLY YOUNG PEOPLE. THE WELL-BEING OF BOLIVIANS AND THE COUNTRY'S INTERNATIONAL IMAGE DEMAND, HE SAYS, MORE EFFECTIVE PENALTIES, FASTER AND MORE CREDIBLE JUDGMENTS, AND A PROGRAM OF EDUCATION, PREVENTION AND TREATMENT.

VICE PRESIDENTIAL EXHORTATION

2. (LOU) ANTICIPATING BY ONE DAY PAZ ESTENSORO'S INITIATIVE, ON OCTOBER 6 BOLIVIAN VICE PRESIDENT JULIO (GARRETT) ALLON CALLED ON THE CHAMBER OF DEPUTIES

TO ACT EXPEDITIOUSLY ON AN OMNIBUS NARCOTICS BILL. GARRETT'S LETTER TO THE CHAMBER EXHORTS THE DEPUTIES TO COME UP WITH "THE PROPOSALS AND FOCUS NECESSARY TO DEFINE A COHERENT NATIONAL POLICY FOR THE STRUGGLE AGAINST NARCOTICS TRAFFICKING, COMPATIBLE WITH NATIONAL INTERESTS AND THE COUNTRY'S RESPONSIBILITIES TO THE INTERNATIONAL COMMUNITY."

3. (U) GARRETT CALLS THE INVESTIGATION BEING CARRIED OUT BY THE JOINT SPECIAL COMMITTEE OF CONGRESS ON THE HUANCHACA AFFAIR (REFTELS) "A CONFIRMATION OF THE NEED FOR A LAW" OF THIS TYPE. COMMENDING THE COMMITTEE FOR ITS WORK, GARRETT NEVERTHELESS SAYS THAT IT WOULD BE SENSELESS FOR CONGRESS TO LIMIT ITS FUNCTIONS TO MERE CONTROL, SHIRKING ITS DUTY TO LEGISLATE IN THIS MATTER. GARRETT ASKS CONGRESS TO DEMONSTRATE THE "POLITICAL WILL" TO APPROVE THE BILL PROPOSED BY THE EXECUTIVE.

COMMENT

4. (C) WE WERE AWARE THAT A SPECIAL COMMITTEE WAS WORKING ON A NEW NARCOTICS LAW, BUT WE DID NOT EXPECT IT TO BE READY SO SOON. ALTHOUGH THE GROUP THAT PREPARED THE BILL ARE ACKNOWLEDGED EXPERTS IN LEGAL AND NARCOTICS MATTERS, WE WILL RESERVE JUDGMENT ON THE BILL UNTIL WE HAVE A CHANCE TO STUDY IT. A SUBJECT OF SUCH TRANSCENDENTAL IMPORTANCE FOR BOLIVIA WILL OF NECESSITY BE THE FOCUS OF A GREAT DEAL OF STUDY AND DEBATE IN CONGRESS. GARRETT'S INITIATIVE, UNUSUAL EVEN FOR THE TITULAR HEAD OF THE CONGRESS, IS AN ASTUTE MOVE TO CAPITALIZE ON THE CONCERNS CREATED BY THE HUANCHACA INCIDENT, AND PERHAPS TO GET THE JUMP ON THE PRESIDENT HIMSELF. ANTI-NARCOTICS LEGISLATION, ALL OF IT VARYING IN QUALITY AND COMPREHENSIVENESS TO DATE, HAS BEEN LANGUISHING IN THE CONGRESS SINCE 1984. IF THE PAZ GOVERNMENT AND THE CONGRESS APPROACH THE THORNY SUBJECT OF NARCOTICS LEGISLATION WITH THE SAME ZEAL AND CONSCIENTIOUSNESS SHOWN IN PASSING ECONOMIC REFORMS, TAX LEGISLATION AND REVISIONS TO THE ELECTORAL LAW THIS IS INDEED A VERY POSITIVE STEP FORWARD. THE REGRETTABLE INCIDENT AT HUANCHACA AND THE CONTROVERSY IT HAS PROVOKED SHOULD GIVE SOME IMPETUS TO THE

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BY RW NARA DATE 5/19/15

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DIA FOR IR BRANCH; USCINCSO ALSO FOR POLAD

E.O. 12356: DECL: OADR
TAGS: BL, SNAR, PREL
SUBJECT: EXECUTIVE SENDS NARCOTICS BILL TO CONGRESS;
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DIA FOR IR BRANCH; USCINCSO ALSO FOR POLAD

E.O. 12356: DECL: OADR

TAGS: BL, PGOV, PINR, KPKP

SUBJECT: CONSOLIDATING DEMOCRACY: BOLIVIA'S NEW
ELECTORAL COURT

REF: LA PAZ 4944 DTG 121904Z JUN 86

SUMMARY

1. (C) LAST JUNE'S AMENDMENTS TO BOLIVIA'S ELECTORAL LAW SIGNIFICANTLY CHANGED THE NATIONAL ELECTORAL COURT (CNE) STRUCTURE. RADICAL LEFTIST MEMBERS ARE NOW GONE AND THE RULES OF THE ELECTORAL GAME ARE CLEARER. PARTISAN POLITICS AND LACK OF RESOURCES CONTINUE TO PLAGUE THE CNE, HOWEVER, AND ITS ABILITY TO WORK EFFECTIVELY REMAINS A QUESTION. STILL, FOR ALL ITS FAULTS, THE ELECTORAL COURT HAS THE POTENTIAL TO ASSUME A KEY ROLE IN THE CONSOLIDATION OF BOLIVIAN DEMOCRACY AND RELATED INSTITUTION-BUILDING -- FUNDAMENTAL U.S. INTERESTS HERE. THE CNE FACES MAJOR TESTS IN OVERSEEING THE DECEMBER 1987 MUNICIPAL ELECTIONS AND THE 1989 NATIONAL PRESIDENTIAL/CONGRESSIONAL CONTESTS. BOLIVIA'S ELECTORAL COURT AND DEMOCRATIC PROCESS CAN BE STRENGTHENED BY TIMELY AND ADEQUATE SUPPORT FROM THE EXECUTIVE AND FRIENDLY DEMOCRACIES. AS THE NEXT ELECTIONS DRAW NEAR, WE SHOULD TAKE ANOTHER LOOK AT A 1985 USAID-SPONSORED PROJECT WHICH WAS TORPEDOED BY RADICALS IN THE FORMER SILES GOVERNMENT. END SUMMARY.

STRUCTURE OF THE NEW COURT

2. (LOU) IN AN IMPORTANT STEP IN FURTHER DEMOCRATIC INSTITUTION BUILDING, BOLIVIA'S CONGRESS LAST JUNE SUBSTANTIALLY AMENDED THE EXISTING ELECTORAL LAW AND, POTENTIALLY AT LEAST, IMPROVED THE MECHANISMS FOR THE CONDUCT AND OVERSIGHT OF FREE ELECTIONS (REFTEL). AMONG OTHER THINGS, THE CHANGES RESTRUCTURE THE NATIONAL ELECTORAL COURT FROM NINE TO SEVEN MEMBERS,

GIVE PARTISAN REPRESENTATION ON THE COURT ONLY TO THE THREE POLITICAL PARTIES WITH THE GREATEST NUMBER OF VOTES IN PREVIOUS NATIONAL ELECTIONS AND AUTHORIZE GREATER AUTONOMY AND FLEXIBILITY IN COURT ACTIVITIES. THE ONE NOW SITS PERMANENTLY, NOT JUST AT ELECTION TIME. MEMBERS SERVE FOUR-YEAR TERMS AND CAN BE REAPPOINTED. THE CURRENT COURT THUS WILL HAVE THE CONTINUITY ESSENTIAL TO MANAGE BOTH THE DECEMBER 1987 MUNICIPAL ELECTIONS AND THE 1989 PRESIDENTIAL/CONGRESSIONAL CONTESTS.

3. (U) THE CNE IS RESPONSIBLE FOR THE ENTIRE RANGE OF ELECTION-RELATED MATTERS:

-- VOTER REGISTRATION;

-- INSCRIPTION OF PARTIES ON THE BALLOT;

-- ASSURING COMPLIANCE WITH ELECTION PROCEDURES (ADVERTISING, CAMPAIGNING);

-- STAFFING AND MONITORING THE POLLS; AND

-- TABULATION AND CERTIFICATION OF RESULTS.

TEN DEPARTMENTAL (STATE) ELECTORAL COURTS -- ONE FOR EACH OF BOLIVIA'S NINE DEPARTMENTS AND ONE EXTRA FOR POPULOUS LA PAZ CITY -- ARE OVERSEEN BY THE CNE AND ARE REORGANIZED IN SIMILAR FASHION.

MAKE-UP OF THE NEW COURT

4. (LOU) IN ADDITION TO THE THREE CNE MEMBERS APPOINTED RESPECTIVELY BY PRESIDENT PAZ'S NATIONALIST REVOLUTIONARY MOVEMENT (MNR), HUGO BANZER'S NATIONALIST DEMOCRATIC ACTION (ADH) AND THE MOVEMENT OF THE REVOLUTIONARY LEFT (MIR OF JAIME PAZ ZAMORA, THE EXECUTIVE, SENATE, CHAMBER OF DEPUTIES AND JUDICIARY NAME ONE REPRESENTATIVE EACH. THE INSTITUTIONAL APPOINTEES SUPPOSEDLY ARE NON-PARTISAN BUT IN REALITY MOST HOLD STRONG PARTY AFFILIATION. THE BREAKDOWN (THREE MEMBERS EACH FOR THE MNR AND ADH, ONE FOR THE MIR) WAS NEGOTIATED UNDER THE MNR/ADH "PACT FOR DEMOCRACY" WHICH GOVERNS RELATIONS BT

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DIA FOR IR BRANCH; USCINCSO ALSO FOR POLAD

E.O. 12356: DECL: OADR

TAGS: BL, PGOV, PINR, KPKP

SUBJECT: CONSOLIDATING DEMOCRACY: BOLIVIA'S NEW

BETWEEN THE TWO LARGEST PARTIES. FOLLOWING IS THE NEW
MAKE-UP OF THE CNE:

- MAURO ((CUELLAR)), PRESIDENT, ADN PARTY BUT APPOINTED
AS REPRESENTATIVE FOR CHAMBER OF DEPUTIES
- MARCELO ((CESPEDES)) GUTIERREZ, VICE PRESIDENT,
EXECUTIVE'S REPRESENTATIVE, HAS CONNECTIONS TO MNR
PARTY THROUGH HIS PERSONAL TIES TO PRESIDENT PAZ
ESTENSSORO
- EDMUNDO ((ARAOZ)) REA (ADN), SENATE APPOINTEE
- FRANZ MARCELO ((GOMEZ)) COLLAZOS (MNR), JUDICIARY
- MARCELO ((GALINDO)) DE UGARTE, MNR PARTY REP
- JORGE ((TORRICO)) ARGUEDAS, ADN PARTY REP
- ROGER ((PANDO)) VIAMONT, MIR PARTY REP

5. (C) CUELLAR, CESPEDES, ARAOZ AND PANDO WERE MEMBERS
OF THE FORMER COURT AS WELL. CUELLAR IS A CLOSE AND
LONG-TIME FRIEND OF THE EMBASSY. CESPEDES, THE MOST
EXPERIENCED CNE MEMBER, ALSO IS CORDIAL AND OPEN TO US.

A BIG IMPROVEMENT OVER PREVIOUS COURT

6. (C) THE PREVIOUS NINE-MEMBER CNE SUPERVISED THE 1985
NATIONAL ELECTIONS REASONABLY EFFECTIVELY BUT NONETHELESS
SUFFERED FROM OCCASIONAL PARTISAN CATERWAULING AND
RADICAL POSTURING. THAT COURT, CHOSEN BY LOT FROM THE
PARTIES IN CONGRESS AFTER A CONSENSUS COULD NOT BE
REACHED, INCLUDED RADICAL LEFT MEMBERS FROM THE -
BOLIVIAN COMMUNIST PARTY (PCB), THE SOCIALISTS (PS-1)
AND HERNAN SILES' NATIONALIST REVOLUTIONARY MOVEMENT--

LEFT (MNR)), BUT IRONICALLY HAD NO ADN REPRESENTATIVE.
GIVEN THE PARTISAN COMPOSITION OF THE NEW COURT,
DIFFERENCES AND JOCKEYING ARE INEVITABLE. MOST, IF
NOT ALL, OF THE NEW MEMBERS ARE MODERATES, HOWEVER,
AND CONSENSUS RATHER THAN CONFRONTATION SHOULD PREVAIL
ONCE THE TEAM SETTLES IN.

PROBLEMS

7. (C) IN ADDITION TO BUILT-IN POLITICAL CLEAVAGES
AND INEXPERIENCE WITH MANAGING THE MECHANICS OF
ELECTIONS, THE CNE AND ITS DEPARTMENTAL COUNTERPARTS
SUFFER FROM A SEVERE SHORTAGE OF RESOURCES.
APPROXIMATELY TEN CNE STAFFERS IN LA PAZ, FOR EXAMPLE,
LABOR IN CRAMPED, POORLY LIGHTED, RENTED QUARTERS
WITH NO TECHNICAL SUPPORT OTHER THAN A FEW OLD MANUAL
TYPEWRITERS. CNE PRESIDENT CUELLAR TELLS US THAT
NEGOTIATING A BUDGET INCREASE IS THE PRIORITY ITEM
ON THE COURT'S AGENDA. THE SYSTEM OF ALLOTING THE
THREE PARTY SEATS ON THE CNE AND DEPARTMENTAL COURTS
TO THE TOP THREE PARTIES IN THE 1985 NATIONAL REPEAT
NATIONAL ELECTIONS ALSO HAS CAUSED PROBLEMS. THE
APRIL 9 VANGUARD PARTY OF MEDIA MAGNATE CARLOS
((SERRATE)) REICH, WHICH BESTED THE MIR IN THE LA PAZ
DEPARTMENT VOTE, CLAIMS THAT IT -- RATHER THAN THE
MIR -- SHOULD SIT ON THE TWO LA PAZ DEPARTMENTAL
COURTS. SIMILARLY, THE RIGHT-WING NEO-FASCIST
BOLIVIAN SOCIALIST FALANGE CLAIMS A SEAT ON THE
BENI DEPARTMENTAL COURT. THE CNE HAS DENIED BOTH
PETITIONS.

COURT VETERAN'S PERSPECTIVE

8. (C) PRESIDENT PAZ ESTENSSORO'S APPOINTEE TO THE CNE
DR. MARCELO CESPEDES, PARTICIPATED DIRECTLY IN THE
ADMINISTRATION OF NATIONAL ELECTIONS IN 1976, 1979, 1980
AND 1985. AN EXPERT IN COMPUTER SCIENCE, CESPEDES IS
CLEARLY THE MOST KNOWLEDGEABLE AND EXPERIENCED MEMBER OF
THE NEW COURT, WHICH IS STILL IN THE ORGANIZATIONAL
PHASE. CESPEDES TOLD POLCOUNS THAT HE IS DISTURBED BY
WHAT HE VIEWS AS THE EXCESSIVE POLITIZATION OF THE NEW
MEMBERS OF THE CNE.

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DIA FOR IR BRANCH; USCINCSO ALSO FOR POLAD

E.O. 12356: DECL: OADR
TAGS: BL, PGOV, PINR, KPKP
SUBJECT: CONSOLIDATING DEMOCRACY: BOLIVIA'S NEW

9. (C) WITH THE EXCEPTION OF CESPEDES, CNE MEMBERS ARE ALL ACTIVE PARTISANS. THEIR MAIN OBJECTIVE, IN CESPEDES' VIEW, IS TO FURTHER THEIR RESPECTIVE PARTIES' POLITICAL INTERESTS IN ANTICIPATION OF THE DECEMBER 1987 MUNICIPAL ELECTIONS AND THE GENERAL ELECTIONS OF 1989. HE CITED, AS AN EXAMPLE, AN ATTEMPT BY THE MIR REPRESENTATIVE TO HAVE THE COURT AUTHORIZE THE ADDITION OF THE LETTERS "BL" (BOLIVIA LIBRE) TO THE PARTY'S ACRONYM, THUS PRE-EMPTING THE NAME RECENTLY CHOSEN BY A SPLINTER FACTION OF THE MIR -- THE FREE BOLIVIA MOVEMENT -- OF ANTONIO ARANIBAR. CESPEDES SAID THAT FEW OF THE NEW CNE MEMBERS HAD MUCH INTEREST IN STRENGTHENING THE COURT AS AN INSTRUMENT OF THE DEMOCRATIC PROCESS, OR MUCH UNDERSTANDING OF HOW THE ELECTORAL PROCESS WORKS.

COMMENT

10. (C) CESPEDES TENDS TO BE OBSESSIVE AND SOMEWHAT OF AN IDEALIST WITH REGARD TO THE COURT. HE WOULD LIKE TO SEE IT STRENGTHENED AND ITS FUNCTIONS EXPANDED, PROVIDING IT WITH A PERMANENT HEADQUARTERS AND STAFF, COMPUTERS TO REGISTER VOTERS AND CONSTANTLY UPDATE REGISTRIES, AND CONCENTRATING IN THE COURT VITAL STATISTICS FUNCTIONS -- BIRTHS, DEATHS, NATIONAL ID CARDS -- NOW IN THE HANDS OF THE INTERIOR MINISTRY. ALL OF THIS WOULD COST A LOT OF MONEY, OF COURSE, PROBABLY MORE THAN THIS GOVERNMENT CAN AFFORD.

11. (C) THERE IS CLEARLY A PERSONALITY CONFLICT BETWEEN CESPEDES AND CNE PRESIDENT CUELLAR WHICH WILL COMPLICATE THE COURT'S EFFORTS. STILL, CUELLAR EXPRESSES CONFIDENCE THAT THE GROUP WILL BE ABLE TO PULL TOGETHER TO SUPERVISE EFFECTIVELY FUTURE DEMOCRATIC ELECTIONS.

12. (C) IN THIS REGARD, CUELLAR AND CESPEDES ALREADY HAVE EXPRESSED INTEREST IN REVITALIZING THE 1985 THREE MILLION DOLLAR USAID-SPONSORED PROJECT TO COMPUTERIZE THE ELECTORAL REGISTERS. THAT PROJECT WAS PROPOSED PRIOR TO THE 1985 ELECTIONS AND SCUTTLED BY LEFTISTS IN THE PREVIOUS SILES ZUAZO GOVERNMENT. A STRENGTHENED ELECTORAL COURT CAPABLE OF SUPPORTING A TRADITION OF FREE ELECTIONS IS AN ESSENTIAL INSTITUTIONAL PART OF THE U.S. INTEREST IN SUSTAINING DEMOCRACY IN BOLIVIA. WE NEED TO EXPLORE WAYS IN WHICH THE U.S. CAN APPROPRIATELY HELP AS NEXT YEAR'S ELECTIONS APPROACH. BIGGS.
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34

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E. O. 12356: N/A
TAGS: UN, AORG, ECON, BL, SNAR, EAID
SUBJECT: INFORMAL DONORS MEETING ON BOLIVIA

1. ON 13 OCTOBER, 1986 THE UN SECRETARY-GENERAL CONVENED A MEETING WHERE HE MADE ANOTHER APPEAL FOR ASSISTANCE TO BOLIVIA AND RENEWED HIS REQUEST FOR VOLUNTARY CONTRIBUTIONS IN THE FORM OF MEDIUM AND LONG-TERM CREDITS OR OTHER FORMS OF CONTRIBUTIONS TO BE USED FOR SPECIFIC PROGRAMMES ENVISAGED UNDER BOLIVIA'S SOCIAL EMERGENCY FUND.

2. THE UN/SYG PERSONALLY CHAIRED THE MEETING WHICH WAS ADDRESSED BY THE BOLIVIAN MINISTER OF FOREIGN AFFAIRS, DR. GUILLERMO BEDREGAL-GUTIERREZ AND THE MINISTER OF PLANNING MR. GONZALO SANCHEZ DE LOSADA. A DOCUMENT ON THE APPEAL FOR INTERNATIONAL SUPPORT TO THE EMERGENCY SOCIAL FUND OF BOLIVIA WAS CIRCULATED AT THE MEETING (COPIES POUCHED TO IO/D, AA/LAC AND PPC/DC/UN).

3. THE REPRESENTATIVES OF SPAIN, FRANCE, SWITZERLAND, FRG, SWEDEN, US, DENMARK, UK, NETHERLANDS, JAPAN, CHINA, ITALY, IMF, IADB AND THE WORLD BANK MADE SHORT STATEMENTS THANKING THE UN/SYG FOR HIS EFFORTS ON BEHALF OF BOLIVIA AND ALSO THANKING THE FOREIGN MINISTER AND THE PLANNING MINISTER FOR THEIR EXPLANATORY REMARKS.

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DIA FOR IR BRANCH; USCINCSO ALSO FOR POLAD

E.O. 12356: DECL: OADR
TAGS: BL, SNAR, MASS, EAID, PINR, PREL
SUBJECT: TEXT OF REPORT OF THE U.S./BOLIVIAN JOINT
COMMISSION ON NARCOTICS INTERDICTION, COCA
ERADICATION AND DEVELOPMENT

REF: (A) LA PAZ 9264 DTG 272302Z OCT 86
(B) LA PAZ 9220 DTG 251723Z OCT 86

1. (LOU) EMBASSY SUBMITS FOR DEPARTMENT'S INFORMATION
AND CONSIDERATION AN INFORMAL TRANSLATION OF THE DRAFT
REPORT OF THE RECENTLY CONCLUDED JOINT COMMISSION. THE
FINAL SPANISH LANGUAGE VERSION HAS BEEN VETTED WITH
THE BOLIVIAN TEAM'S RAPPORTEUR INTERIOR MINISTER
BARTHELEMY.

2. (C) TEXT OF REPORT:

BASIC PREMISES

THIS PROGRAM FOR THE STRUGGLE AGAINST NARCOTICS
TRAFFICKING IS A JOINT EFFORT WHOSE RESPONSIBILITIES
ARE SHARED BY THE GOVERNMENTS OF BOLIVIA AND OF THE
UNITED STATES OF AMERICA.

THE OVERALL NATURE OF THE PROGRAM CONSISTS
ESSENTIALLY IN THE ASSUMPTION BY EACH COUNTRY, IN
ACCORDANCE WITH ITS POSSIBILITIES, OF THOSE COORDINATED
EFFORTS THAT MAY HAVE AS A GOAL THE TOTAL ERADICATION
OF THE CRIME OF NARCOTICS TRAFFICKING IN BOLIVIA,
TAKING INTO ACCOUNT THE FOLLOWING COMBINED ACTIONS:

- 1) INTENSIVE AND SUSTAINED INTERDICTION WITH THE
UNDERSTANDING AND CONVICTION THAT THE ESSENTIAL
PROBLEM OF THIS CRIME, DEFINED AS THE TRANS-
FORMATION AND INTERNATIONAL MARKETING OF THE
RAW MATERIAL INTO ALCALOID, LIES IN THE,
INDUSTRIAL TRANSFORMATION OF COCA LEAF.
- 2) CROP SUBSTITUTION MUST NECESSARILY BE BASED ON
THE SUCCESS AND STRENGTH OF THE INTERDICTION
PROCESS. THIS SUBSTITUTION, AS WELL AS ALTERNATE
PROGRAMS OF DIVERSIFIED PRODUCTION, SHOULD BE
VOLUNTARY AND SHOULD BE NEGOTIATED WITH PEASANTS.
FORCED SUBSTITUTION WILL BE A SECOND, COMPLEMENTARY
PHASE THAT WE HOPE WILL NOT BE NECESSARY IF
INTERDICTION IS REALLY EFFECTIVE.
- 3) THIS START-UP AGREEMENT WILL BE OPEN TO THE
ADHESION OF OTHER COUNTRIES AND INSTITUTIONS
OF THE INTERNATIONAL COMMUNITY.
- 4) THE STRUGGLE CONSISTS OF:
 - A) THE INTERDICTION OF ALL KINDS OF DRUGS AND
CHEMICALS, AS WELL AS OTHER ESSENTIAL INPUTS
INTO THE PRODUCTION OF DRUGS.
 - B) THE ERADICATION OF NON-TRADITIONAL COCA
CULTIVATION.
 - C) THE DEVELOPMENT OF AGRICULTURAL ALTERNATIVES.

1. INTERDICTION

1. OBJECTIVE

THE OBJECTIVE OF INTERDICTION IS TO STOP THE
PRODUCTION, MARKETING, SHIPMENT AND TRAFFICKING
OF ALL KINDS OF DRUGS, AS WELL AS THE CHEMICALS
AND OTHER PRECURSORS USED IN THE PRODUCTION OF
DRUGS.

FOR AN INDEFINITE PERIOD, INTENSIVELY AND IN
THE ENTIRE TERRITORY OF BOLIVIA WE SHOULD

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BY RW NARA DATE 5/18/15

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DIA FOR IR BRANCH; USCINCSO ALSO FOR POLAD

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TAGS: BL, SNAR, MASS, EAID, PINR, PREL
SUBJECT: TEXT OF REPORT OF THE U.S./BOLIVIAN JOINT

CONTINUE:

- A) THE INTERDICTION OF SITES WHERE COCAINE
IN ANY OF ITS STAGES IS MANUFACTURED;
- B) THE INTERRUPTION OF THE FLOW OF MATERIALS
USED IN THE PREPARATION OF DRUGS, ESPECIALLY
IN THE TROPICAL AREAS AND THE VALLE ALTO
REGION OF THE DEPARTMENT OF COCHABAMBA, AS
WELL AS IN THE YUNGAS OF THE DEPARTMENT OF
LA PAZ.

THE MOST OBJECTIVE INDICATOR OF THE EFFECTIVE-
NESS OF INTERDICTION HAS BEEN THE MARKET PRICE
OF COCA LEAVES. AS LONG AS THIS PRICE IN AREAS
LIKE THE CHAPARE IS LOWER THAN THE COST OF
PRODUCTION, IT CAN BE ASSUMED THAT INTERDICTION
IS EFFECTIVE. THEREFORE, STRICT MONITORING OF
THE BEHAVIOR OF PRICE LEVELS SHOULD BE MAIN-
TAINED.

2. COMMITMENTS

THE GOVERNMENT OF BOLIVIA COMMITS ITSELF TO
CONTINUE AND INTENSIFY THE INTERDICTION PROGRAM
FOR AN INDEFINITE PERIOD, USING TO THAT END ALL
THE INFRASTRUCTURE ASSIGNED TO THAT ADMINISTRA-
TIVE TASK, AS WELL AS, ON A PRIORITY BASIS,
THE EQUIPMENT AND MATERIEL AVAILABLE.

THE GOVERNMENT OF THE UNITED STATES COMMITS
ITSELF TO PROVIDE, AS LONG AS IS NECESSARY,

MATERIEL AND TRAINING FOR AN INTENSIVE INTER-
DICTION EFFORT. IN ADDITION, IT IS AGREED
THAT THE MATERIEL AND EQUIPMENT PROVIDED BY
THE GOVERNMENT OF THE UNITED STATES FOR THIS
PROGRAM WILL BE DESTINED EXCLUSIVELY TO THE
NARCOTICS INTERDICTION EFFORT. THE STRUCTURE
OF THE REQUIRED ORGANIZATION AND OF THE AREAS
IN WHICH THE GOVERNMENT OF THE UNITED STATES
WILL COOPERATE HAVE BEEN DEFINED (SEE ANNEX
NO. 1) (NOTE: ANNEX NO. 1 NOT INCLUDED IN
THIS MESSAGE.)

BOTH GOVERNMENTS WILL DETERMINE IN DETAIL
AS SOON AS POSSIBLE THE TOTAL RESOURCE AND
BUDGETARY REQUIREMENTS NECESSARY FOR THE
INTERDICTION PROGRAM.

II. ERADICATION

1. GENERAL ASPECTS

THE ERADICATION PROGRAM DEPENDS INTIMATELY
ON THE EFFICIENCY, RIGOR AND CONTINUITY OF
THE FIRST PROGRAM - "INTERDICTION." THE
ERADICATION PROGRAM HAS TWO PHASES: A
VOLUNTARY FIRST PHASE AND A SUBSEQUENT FORCED
PHASE, INVOLVING APPROXIMATELY 70,000 PRODUCERS
AND 350,000 PERSONS.

2. LEGAL ASPECTS

THE JOINT COMMISSION RECOMMENDS THAT THE
OFFICIAL PROPOSAL FOR A LAW FOR CONTROLLED
SUBSTANCES PRESENTED TO THE BOLIVIAN CONGRESS
BY THE EXECUTIVE BE APPROVED, WITH THE
FOLLOWING AMENDMENTS AND ADDITIONS:

- A) TO ESTABLISH AS THE SOLE AND EXCLUSIVE AREA

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DIA FOR IR BRANCH; USCINCSO ALSO FOR POLAD

E.O. 12356: DECL: OADR

TAGS: BL, SHAR, MASS, EAID, PINR, PREL

SUBJECT: TEXT OF REPORT OF THE U.S./BOLIVIAN JOINT

FOR TRADITIONAL CULTIVATION THE FOLLOWING
ZONE OF THE DEPARTMENT OF LA PAZ, WITH AN
ANNUAL PRODUCTION OF UP TO 10,000 METRIC
TONS. PROVINCE OF NOR YUNGAS -- THE
FOLLOWING CANTONS:

COROICO
MURURATA
SUAPI
CHORO
ARAPATA

PROVINCE OF SUR YUNGAS -- THE FOLLOWING
CANTONS:

HUANCANE
CHULUMANI
OCOBAYA
CHICALOMA
IRUPANA
PLAZUELA
CHIRCA
LAZA

B) AN ARTICLE THAT EXPRESSLY AUTHORIZES THE
EXECUTIVE TO REQUEST THE TEMPORARY PRESENCE
OF MILITARY OR TECHNICAL POLICE PERSONNEL
AS LOGISTIC SUPPORT, EITHER BINATIONAL OR
MULTINATIONAL, AS REQUIRED BY THE COUNTRY.

C) A PROHIBITION ON INTRODUCING, POSSESSING
OR HOLDING IN COCA PRODUCING AREAS ANY
KIND OF PRECURSOR CHEMICALS USED IN THE

MANUFACTURE OF COCAINE. THESE PRECURSORS
WILL BE STRICTLY CONTROLLED IN THE REST OF
THE COUNTRY, UNDER PENALTY OF CONFISCATION
OF THE PRECURSORS AND THE VEHICLES THAT
TRANSPORT THEM FOR THESE ENDS. VIOLATORS
WILL ALSO BE SUBJECT TO ARREST.

D) A PROHIBITION ON THE CREATION OF NEW SEED
BEDS, CROPS AND COCA NURSERIES IN THE
ENTIRE COUNTRY UNDER PENALTY OF DESTRUCTION
BY AUTHORITIES, WITH THE EXCEPTION OF THE
TRADITIONAL ZONES UNDER NORMAL AGRICULTURAL
PRACTICES IN ESTABLISHED AREAS. IN
ADDITION, IT SHOULD BE ESTABLISHED THAT IN
THE CASE OF VIOLATIONS THE LAND WILL REVERT
TO THE STATE.

E) THE IMMEDIATE EVACUATION AND RELOCATION
OF PEASANT FAMILIES WHO ARE NOW ARBITRARILY
SETTLED IN THE ISIBORO SECURE NATIONAL PARK.

F) ESTABLISH THAT RURAL PROPERTIES SEIZED FROM
NARCOTICS TRAFFICKERS BE ASSIGNED TO
COOPERATIVES MADE UP OF RESETTLED WORKERS.
THESE TRANSFERS WILL INCLUDE THE PROVISION
OF ECONOMIC AID AND TECHNICAL ASSISTANCE
UNTIL THE COOPERATIVES ARE COMPLETELY
ECONOMICALLY VIABLE AND SELF-SUSTAINING.

3. VOLUNTARY REDUCTION

THIS PHASE WILL BEGIN NO LATER THAN JANUARY
1, 1987, WHEN THE NECESSARY PLANNING IS
COMPLETED AND THE RESOURCES ARE AVAILABLE, AND
WILL CONTINUE FOR 12 MONTHS.

THE VOLUNTARY REDUCTION PHASE IS BASED ON THE
EXISTENCE OF APPROXIMATELY 50,000 HECTARES OF
NON-TRADITIONAL CULTIVATION. IT IS ESTIMATED
THAT 60 PERCENT OF THIS AREA WILL AVAIL ITSELF
OF THE VOLUNTARY REDUCTION PROGRAM.

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E.O. 12356: DECL: OADR
TAGS: BL, SNAR, MASS, EAD, PINR, PREL
SUBJECT: TEXT OF REPORT OF THE U.S./BOLIVIAN JOINT

THE COST OF THIS PROGRAM IS ESTIMATED IN THE
FOLLOWING MANNER:

A) A FUND FOR FAMILY REHABILITATION (ESTIMATED
TO BENEFIT 40,000 FAMILIES: 50,000 HECTARES
X U.S. DOLS 2,000/HECTARE X 60 PERCENT EQUALS
DOLS 60,000,000.

B) A SUPPLEMENTARY FUND FOR FAMILY REHABILITA-
TION TO COVER CROP REDUCTION THAT EXCEEDS
60 PERCENT OF THE AREA, OR REINFORCE THE
INTERDICTION BUDGET -- U.S. DOLS 40,000,000.

C) A CREDIT FUND FOR ECONOMIC REACTIVATION AND
REGIONAL DEVELOPMENT -- U.S. DOLS
150,000,000.

D) COSTS OF EXECUTING AND CONTROLLING THE
PROGRAM -- U.S. DOLS 10,000,000.

TOTAL COST, PROGRAM II -- U.S. DOLS 260,000,000.

IT IS UNDERSTOOD THAT THE FUNDS IN THE ABOVE-
MENTIONED CATEGORIES ARE TRANSFERABLE ACCORDING
TO NEEDS.

III. SOURCES OF FUNDING

THE ALLOTMENT OF RESOURCES NECESSARY FOR THESE
PROGRAMS SHOULD BE DIVIDED, ACCORDING TO THE
FINANCIAL CAPACITIES OF THE INTERESTED PARTIES,
IN THE FOLLOWING MANNER:

20 PERCENT - GOVERNMENT OF BOLIVIA

80 PERCENT - GOVERNMENT OF THE UNITED STATES AND
OTHER GOVERNMENTS OR MULTILATERAL
ENTITIES THAT ADHERE TO OR
ASSOCIATE WITH THE RESPECTIVE
PROGRAMS.

BOTH DELEGATIONS HAVE COMMITTED THEMSELVES TO
UNDERTAKE NECESSARY CONSULTATIONS WITH THEIR
GOVERNMENTS AND WITH OTHER APPROPRIATE ORGANIZA-
TIONS IN ORDER TO FINANCE AND COMPLY WITH THE
PROGRAMS RECOMMENDED BY THE JOINT COMMISSION AS
SOON AS POSSIBLE.

THE PROGRAMS RECOMMENDED ABOVE SHOULD BE INCORPO-
RATED IN A BILATERAL AGREEMENT TO REPLACE THE
AGREEMENTS OF 1983 AS SOON AS POSSIBLE.

(DRAFTED BY: POL:WLOFSTROM) ROWELL
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OF A BOLIVIAN INTERDICTION CAPABILITY DURING THE PERIOD
15 NOV TO 15 DEC 86.

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E.O. 12356: DECL: OADR

TAGS: BL, SNAR, MARR, PREL, PGOV

SUBJECT: BLAST FURNACE: EXTENSION OF TF JANUS ELEMENTS
IN BOLIVIA

1. (S) REQUEST YOUR CONSIDERATION OF THE EXTENSION OF
PART OR ALL OF THE TF JANUS UH-1H ELEMENT IN BOLIVIA
FROM 15 NOV 86 TO APPROX 15 DEC 86. THIS REQUEST, WHILE
POLITICALLY DELICATE AND DEMANDING ON YOUR PERSONNEL, IS
THE RESULT OF THE FOLLOWING FACTORS:

A. AS DISCUSSED LAST WEEK WITH BG (P) LOEFFE AND COL
MOORE, THE GOB IS CONCERNED WITH THEIR ABILITY TO INITIATE
AND MAINTAIN ADEQUATE PRESSURE ON THE NARCOTRAFFICKERS
IMMEDIATELY AFTER TF JANUS WITHDRAWAL. IN THIS REGARD
THE GOB HAS REQUESTED THAT I INVESTIGATE THE RETENTION
OF SOME US CAPABILITY IN BOLIVIA BEYOND 15 NOV 86 IN ORDER
TO INSURE THAT THERE IS NOT A COMPLETE LOSS IN INTER-
DICTION OPERATIONS WHEN TF JANUS IS WITHDRAWN.

B. WITH THE ANNOUNCEMENT OF TF JANUS DEPARTURE O/A
15 NOV 86 OUR BAROMETER FOR INTERDICTION SUCCESS--
THE PRICE OF COCA LEAF--HAS STEADILY MOVED THE WRONG WAY.
AT THE BEGINNING OF BLAST FURNACE, IN JULY, PRICES FOR
100 POUNDS OF COCA LEAF PLUMMETED FROM APPROXIMATELY
\$100 TO LESS THAN \$10. THESE PRICES HAVE RECENTLY JUMPED
TO ABOVE \$65 (BREAK-EVEN POINT IS APPROX \$40). MORE
RECENTLY, WITH RUMORS THAT INTERDICTION WILL INDEED
CONTINUE AFTER 15 NOV, PRICES HAVE GONE BACK DOWN SOME-
WHAT. FURTHER, THERE HAS BEEN SOME CONSIDERABLE VEHICLE
AND LABOR MOVEMENT BACK INTO THE CHAPARE.

C. OUR TRANSITION OF AN INTERDICTION CAPABILITY TO THE
BOLIVIANS--PARTICULARLY REGARDING HELICOPTERS--IS PROVING
TO BE A COMPLICATED PROCESS. IT INVOLVES UNPRECEDENTED
LEVELS OF COOPERATION ON BOTH THE BOLIVIAN SIDE, E.G.,
POLICE AND MILITARY, AS WELL AS OUR OWN, E.G., DOD, STATE,
AND DEA. FURTHER, AS COL MURPHY'S AVIATION ASSESSMENT
TEAM HAS SHOWN US, THE DEVELOPMENT OF A SUSTAINED INTER-
DICTION CAPABILITY MUST OVERCOME FUNDAMENTAL INFRA-
STRUCTURE SHORTCOMINGS THROUGHOUT THE BOLIVIAN POLICE
AND ARMED FORCES. IN SHORT, WHILE I'M CONFIDENT THAT
OUR HELICOPTERS, SUPPORTING EQUIPMENT, AND TRAINING PLANS
ARE GENERALLY ON TRACK, I DO NOT SEE THAT WE'LL HAVE MUCH

2. (S) IN VIEW OF THE ABOVE, REQUEST YOU CONSIDER
RETAINING PART OR ALL OF YOUR UH-1H ELEMENTS WITH SUPPORT
PERSONNEL IN BOLIVIA FOR THE PERIOD 15 NOV 86 TO 15 DEC 86.
TWO MISSIONS FOR THE UNIT ARE POSSIBLE:

A. OPERATING FROM COCHABAMBA OR SANTA CRUZ, PROVIDE A
CONTINUOUS INTERDICTION CAPABILITY, PRINCIPALLY IN THE
CHAPARE, DURING THE PERIOD 15 NOV - 15 DEC 86. WE SEE
DAILY MISSIONS OF TWO UH-1HS, EACH, MOVING UMOPAR
THROUGHOUT CHAPARE AREA. CENTER OF MASS OF OPERATIONAL
AREA IS APPROX 55 MILES (VILLA TUNARI) FROM COCHABAMBA.
THIS OPTION PROVIDES THE BEST OPERATIONAL CAPABILITY
DURING THE BOLIVIAN AIR FORCE PILOT TRAINING SCHEDULED
FOR PERIOD 15 NOV - 15 DEC 86. HOWEVER, THIS OPTION FACES
THE MAJOR POLITICAL OBSTACLE OF MAINTAINING US ELEMENTS
IN BOLIVIA BEYOND 15 NOV 86 IN AN OPERATION ROLE. I AM
NOW ADDRESSING THIS POSSIBILITY WITH THE MINISTERS MOST
CONCERNED (INTERIOR AND FOREIGN AFFAIRS).

B. SUPPORT TRANSITION TRAINING FOR BAF PILOTS DURING THE
PERIOD 15 NOV - 15 DEC 86. THIS SUPPORT WOULD ENABLE
THE GOB TO EMPLOY TWO OF THE SIX LOANED UH-1H HELICOPTERS
IN THE CHAPARE AS SOON AS ITS MOST EXPERIENCED PILOTS HAVE
COMPLETED REFRESHER TRAINING O/A 25 NOV 86 (EARLIER IF
WE CAN GET SOME QUALIFIED DEA PILOTS). WITH THE TRAINING
SUPPORT OF THREE US ARMY UH-1H AND CONSIDERING TWO OF
THE SIX UH-1HS LOANED TO BAF WOULD BE OPERATING IN THE
CHAPARE AT ANY ONE TIME, THIS WOULD LEAVE SEVEN TO SUPPORT
PILOT AND MAINTENANCE TRAINING (REQUIRES SIX). THIS
OPTION AVOIDS THE POLITICAL COSTS OF US ELEMENTS
OPERATING BEYOND 15 NOV 86 BUT PRESENTS FUNDING/LEGAL
PROBLEMS AND PERHAPS COMPLICATED TRAINING.

3. (S) IN VIEW OF THE NECESSITY TO MAINTAIN SOME LEVEL
OF INTERDICTION OPERATIONS, REQUEST YOUR RECOMMENDATIONS
ON HOW TO PROCEED REGARDING THE OPTIONS PRESENTED ABOVE.
(DRAFTED: MILGP:RBROWN) ROWELL
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DIA FOR IR BRANCH; USCINCSO ALSO FOR POLAD

USIA FOR AR

E.O. 12356: DECL: OADR

TAGS: BL, SNAR, PREL

SUBJECT: BOLIVIAN NOTE REQUESTING ASSISTANCE FOR
TRANSITION FROM "BLAST FURNACE" TO
BOLIVIAN-SUPPORTED INTERDICTION EFFORT

REF: (A) LA PAZ 9601 DTG 061626Z NOV 86 (NOTAL)

(B) LA PAZ 9640 DTG 072010Z NOV 86 (NOTAL)

1. (C) ON NOVEMBER 7 DCM AND EMBOFFS MET AT THE FOREIGN
MINISTRY IN MORNING AND AFTERNOON SESSIONS WITH MINISTERS
OF FOREIGN RELATIONS, INTERIOR, DEFENSE AND PLANNING TO
DISCUSS TRANSITION FROM U.S.-SUPPORTED "BLAST FURNACE"
NARCOTICS INTERDICTION OPERATIONS TO A BOLIVIAN-RUN
PROGRAM USING THE SIX UH-1H HELICOPTERS SCHEDULED TO
ARRIVE ON NOVEMBER 15.

2. (C) EMBASSY PRESENTED BOLIVIAN OFFICIALS WITH A
DRAFT NOTE FROM THEM TO US DETAILING THE VARIOUS PHASES
AND ASPECTS OF THE TRANSITION PERIOD. AFTER CONSIDERABLE
DISCUSSION, SOME NON-SUBSTANTIVE LANGUAGE CHANGES AND
THE ADDITION BY THE BOLIVIANS OF SEVERAL ALLUSIONS TO
THE RECENT CONGRESSIONAL RESOLUTION ON THE HUANCHACA
AFFAIRS (REFTELS) A TEXT WAS AGREED UPON. THE FORMAL
BOLIVIAN NOTE, WHICH WE HAVE INFORMALLY TRANSLATED BELOW,
WAS DELIVERED TO THE AMBASSADOR ON NOVEMBER 11 BY
ACTING FOREIGN MINISTER JORGE VALDEZ (BEDREGAL IS

3. TEXT OF THE BOLIVIAN NOTE FOLLOWS:

(COMPLIMENTARY OPENING) AND HAS THE HONOR TO REFER TO
THE TRANSITION OF LOGISTICAL AND TECHNICAL SUPPORT FOR
THE NARCOTICS INTERDICTION PROGRAM TO BEGIN ON NOVEMBER
15, IN WHICH THE GOVERNMENT OF BOLIVIA WILL RECEIVE FROM
THE GOVERNMENT OF THE UNITED STATES EQUIPMENT, MATERIAL,
REPLACEMENT PARTS AND TECHNICAL ASSISTANCE FOR THE
CREATION OF A BOLIVIAN SUPPORT GROUP FOR THE INTERDICTION
TASKS OF THE BOLIVIAN POLICE.

1. IN ACCORDANCE WITH THE NOVEMBER 5 RESOLUTION OF
THE HONORABLE NATIONAL CONGRESS, THAT LEGISLATIVE BODY,
ALONG WITH THE EXECUTIVE, HAS ASSIGNED THE HIGHEST
PRIORITY TO THE STRUGGLE AGAINST NARCOTICS TRAFFICKING
AND THEREFORE REQUESTS "THE EXECUTIVE TO PROCEED, BASED
ON THE FORMULATION OF A NEW, MORE CONSISTENT AND
EFFECTIVE POLICY FOR THE STRUGGLE AGAINST NARCOTICS
TRAFFICKING, WITH THE TOTAL REORGANIZATION OF THE
ORGANIZATIONS CHARGED WITH AND RESPONSIBLE FOR THESE
TASKS." THE IMPLEMENTATION OF THE AFOREMENTIONED
TRANSITION IS REFERRED TO IN CONNECTION WITH THIS
COMMON GOAL, WHOSE HIGHEST PRIORITIES ARE:

(A) TO DEVELOP A HIGH LEVEL OF EFFICIENCY AND
CAPABILITY IN THE BOLIVIAN AIR FORCE SO THAT ITS
PERSONNEL WILL BE ABLE TO OPERATE AND MAINTAIN THE
HELICOPTERS WHICH THE GOVERNMENT OF THE UNITED STATES
WILL PROVIDE; AND

(B) TO SUSTAIN THE PRESSURE OF SPECIFIC ACTIONS
AGAINST NARCOTICS TRAFFICKING WITH MAXIMUM ENERGY,
ADEQUATELY COORDINATING ALL INTERDICTION EFFORTS.

2. WITHIN THE FRAMEWORK OF THIS JOINT EFFORT, THE
GOVERNMENT OF BOLIVIA CONSIDERS THAT THE TRANSITION
INCLUDES THE FOLLOWING AREAS OF SUPPORT ON THE PART OF
THE GOVERNMENT OF THE UNITED STATES:

(A) AN INDEFINITE LOAN OF HELICOPTERS IN OPTIMUM
FLIGHT CONDITION, TOGETHER WITH THE PROVISION OF
APPROPRIATE TRAINING FOR THEIR USE AND MAINTENANCE FOR
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TAGS: BL, SNAR, PREL

SUBJECT: BOLIVIAN NOTE REQUESTING ASSISTANCE FOR

BOLIVIAN PERSONNEL;

(B) THE PROVISION OF EQUIPMENT AND TRAINING THAT
WILL IMPROVE THE CAPACITY OF THE BOLIVIAN GOVERNMENT'S
SPECIALIZED AGENCIES IN THEIR EFFORTS DEDICATED TO
RIVERINE INTERDICTION AND CONTROL; AND

(C) THE PROVISION OF COMMUNICATIONS EQUIPMENT
AND ADEQUATE TRAINING FOR BOLIVIAN PERSONNEL IN THE
EFFICIENT USE OF THE SAME.

3. WITH REGARD TO THE PROVISION OF HELICOPTERS BY
THE UNITED STATES, THE GOVERNMENT OF BOLIVIA UNDERSTANDS
THAT THIS ACTION IMPLIES THE INDEFINITE LOAN OF SIX
AIRCRAFT IDENTIFIED AS UH-1H HELICOPTERS, SUPPORT
EQUIPMENT, ADEQUATE AND TIMELY SPARE PARTS AND
NECESSARY TECHNICAL ASSISTANCE.

4. THE TRAINING PROGRAM FOR THE EFFICIENT MANAGEMENT
AND OPERATION BY BOLIVIAN PERSONNEL OF THE UH-1H
CONSISTS OF THE PROVISION, BY THE UNITED STATES, OF AN
ADEQUATE NUMBER OF INSTRUCTORS FOR THE TRAINING OF
BOLIVIAN FLIGHT CREWS FOR A PERIOD OF 30 WORKING DAYS
AS WELL AS SPECIALISTS FOR THE TRAINING OF MECHANICS
AND OTHER GROUND PERSONNEL FOR 90 DAYS.

5. FURTHER, THE GOVERNMENT OF BOLIVIA CONSIDERS THAT
THE ABOVE-MENTIONED LOGISTICAL OPERATIONAL SUPPORT WILL
BE SUBJECT TO THE FOLLOWING OBLIGATORY CONDITIONS:

(A) THE TOTALITY OF SAID EQUIPMENT WILL BE USED
EXCLUSIVELY FOR THE SUPPORT AND ENERGETIC PURSUIT OF
THE NARCOTICS INTERDICTION PROGRAM; AND

(B) THE BOLIVIAN AIR FORCE WILL BE RESPONSIBLE
FOR THE OPERATION, SECURITY AND MAINTENANCE OF SAID
EQUIPMENT, OBVIOUSLY TAKING INTO ACCOUNT THE ABOVE-
MENTIONED TECHNICAL AND LOGISTICAL SUPPORT.

6. IN VIEW OF THE COMPLEXITY OF THE DIVERSE
ACTIVITIES TO BE CARRIED OUT DURING THE TRANSITION
PERIOD OF LOGISTICAL AND TECHNICAL SUPPORT, AND
ACKNOWLEDGING THE UNAVOIDABLE NEED TO SUSTAIN THE
STRUGGLE AGAINST THIS KIND OF ORGANIZED CRIME THAT
OUR GOVERNMENT HAS DECIDED TO PURSUE IN A RIGOROUS AND
EFFICIENT MANNER, THE GOVERNMENT OF BOLIVIA REQUESTS
CONSIDERATION (BY THE EMBASSY) OF COMPLIMENTARY
SUPPORT; THIS SUPPORT WILL CONSIST OF THE FOLLOWING
ELEMENTS:

(A) TEMPORARY PROVISION OF GREATER SUPPORT
CAPACITY FOR HELICOPTER MAINTENANCE;

(B) DONATION OF A SYSTEM FOR THE CONTROL OF
BOLIVIAN AIRSPACE WITH THE OBJECTIVE OF PREVENTING
CLANDESTINE FLIGHTS OVER NATIONAL TERRITORY;

(C) THE CONCESSION OF SPECIAL LOGISTICAL
SUPPORT FOR THE NEWLY CREATED COMMAND TASK FORCE (CTO)
OF THE NATIONAL POLICE DURING THIS TRANSITION PERIOD; AND

(D) THE TEMPORARY PROVISION OF A FIXED-WING
AIRCRAFT TYPE CASA C-212 TO SUPPORT INTERDICTION
OPERATIONS.

7. IN LIKE MANNER THE GOVERNMENT OF BOLIVIA IS
PLEASED TO INFORM (THE EMBASSY) THAT, IN ORDER TO
PROVIDE THE COUNTRY WITH AN ADEQUATE JURIDICAL
INSTRUMENT, MODERN AND CAPABLE OF COMBATTING NARCOTICS
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42

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DIA FOR IR BRANCH; USCINCSO ALSO FOR POLAD

USIA FOR AR

E.O. 12356: DECL: OADR
TAGS: BL, SNAR, PREL
SUBJECT: BOLIVIAN NOTE REQUESTING ASSISTANCE FOR

TRAFFICKING, THE HONORABLE NATIONAL CONGRESS IN THE
ABOVE-MENTIONED RESOLUTION OF NOVEMBER 5 HAS DECIDED
"TO DECLARE LEGISLATIVE TREATMENT OF THE PROPOSED
BILLS FOR A LAW ON CONTROLLED SUBSTANCES TO BE OF
THE HIGHEST PRIORITY."

8. THE PRESENT NOTE ESTABLISHES VERY CLEARLY
JOINT DUTIES AND RESPONSIBILITIES AMONG WHICH STANDS
OUT THE NEED TO BUILD A STRUCTURE OF PERMANENT
COORDINATION IN ALL FIELDS, PARTICULARLY IN MATTERS OF
INTELLIGENCE, PROGRAMMING AND OPERATION OF
INTERDICTION EFFORTS.

FINALLY, IN AGREEMENT WITH THE DETERMINATION OF THE
HONORABLE NATIONAL CONGRESS IN THE REFERENCED RESOLUTION,
(THE MINISTRY) ASKS THE HONORABLE EMBASSY TO UNDERTAKE
THE CORRESPONDING ANALYSIS OF THE BEHAVIOR OF ITS
DEPENDENT PERSONNEL WHO IN ANY WAY FAILED TO LIVE UP
TO THEIR RESPONSIBILITIES IN LOGISTICAL AND TECHNICAL
OPERATIONS, AND TO PROCEED ACCORDINGLY. (COMPLIMENTARY
CLOSE.)

4. (C) EMBASSY WILL PROVIDE PROPOSED LANGUAGE FOR U.S.
RESPONSE IN SEPTEL AND WILL APPRECIATE DEPARTMENT'S
GUIDANCE.

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42

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BY RLV NARA DATE 5/18/15

PAGE 01 OF 02

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Bolivia

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E O. 11356: N A

TAGS: BL, SNAP, ECON, PINT

SUBJECT: DEMARCHES ON BOLIVIAN DEVELOPMENT

<BEGIN SUMMARY>

1. SUMMARY: ON DECEMBER 3 AND 4, THE WORLD BANK WILL LEAD A CONSULTATIVE GROUP (CG) MEETING ON BOLIVIA IN PARIS. THIS CG IS THE PRINCIPAL VEHICLE FOR GARNERING DONOR SUPPORT FOR GOB'S IMPRESSIVE ECONOMIC REFORM AND ANTI-NARCOTICS PROGRAMS. THEREFORE WE REQUEST THAT EMBASSIES APPROACH THE MOST SENIOR LEVEL OF HOST GOVERNMENT MINISTRIES OF FOREIGN AFFAIRS AND DEVELOPMENT TO DISCUSS THE NEED FOR FINANCIAL SUPPORT OF GOB DEVELOPMENT AND COCA ERADICATION PROGRAMS. END SUMMARY.

>END SUMMARY<

TALKING POINTS

2. POSTS MAY DRAW ON FOLLOWING TALKING POINTS IN DISCUSSIONS WITH HOST GOVERNMENT OFFICIALS:

- 0 WE ENCOURAGE YOUR GOVERNMENT TO PARTICIPATE AT A HIGH LEVEL IN THE DECEMBER 3/4 WORLD BANK CONSULTATIVE GROUP MEETING ON BOLIVIA;
- 0 BOLIVIA NEEDS ADDITIONAL ECONOMIC ASSISTANCE TO CARRY OUT THE BOLD STRUCTURAL ADJUSTMENT UNDERTAKEN BY THE PAZ GOVERNMENT AND WE URGE YOUR GOVERNMENT'S SUPPORT.

-- BOLIVIA'S MEDIUM TERM ECONOMIC PROGRAM IS AN AMBITIOUS AND COURAGEOUS ATTEMPT TO FUNDAMENTALLY ALTER THE STRUCTURE OF THE BOLIVIAN ECONOMY AND PREPARE THE

NECESSARY FOUNDATION FOR SUSTAINABLE GROWTH.

THE GOVERNMENT IS TO BE COMPLIMENTED FOR THE BOLD POLICY MEASURES IT HAS ALREADY UNDERTAKEN. ESPECIALLY IMPORTANT ARE REALISTIC EXCHANGE RATES AND THE ELIMINATION OF DISTORTION-GENERATING SUBSIDIES WHICH ARE

VITAL TO SET THE STAGE FOR ECONOMIC RECOVERY.

O WE URGE YOUR SUPPORT FOR THE UNPRECEDENTED COCA
ERADICATION AND DEVELOPMENT EFFORT WHICH BOLIVIAN
AMEMBASSADOR ILLANES WILL DESCRIBE TO THE CONSULTATIVE
GROUP.

O THE GOB COCA ERADICATION EFFORT OFFERS A UNIQUE OPPORTUNITY TO SUBSTANTIALLY REDUCE THE SUPPLY OF COCAINE ENTERING INTERNATIONAL MARKETS. IT IS A COURAGEOUS INITIATIVE WORTHY OF YOUR SUPPORT.

O WE URGE YOUR GOVERNMENT TO SUPPORT THIS COCA
ERADICATION EFFORT BECAUSE INTERNATIONAL AND REGIONAL AID
WOULD DEMONSTRATE UNIVERSAL ABHORRENCE OF THE DRUG
SCOURGE.

O WE ARE CONTINUING OUR FINANCIAL AND MATERIAL SUPPORT
FOR ACTIVE INTERDICTION MEASURES BEING CARRIED OUT BY THE
GOR.

O WE ALSO INTEND TO SUPPORT THE GOB'S COURAGEOUS COCA
ERADICATION EFFORT.

O TIMELY ASSISTANCE BY EUROPEAN AND LATIN AMERICAN GOVERNMENT WOULD CONSIDERABLY IMPROVE THE CHANCES FOR SUCCESS OF THE EFADICATION EFFORT.

0 (FOR EUROPEAN GOVERNMENTS) BOLIVIA IS THE SECOND
LARGEST DIRECT SUPPLIER OF COCAINE TO EUROPE AND THE US,
(OVER 30 PERCENT OF ALL COCAINE ENTERING EUROPE COMES
FROM BOLIVIA; OVER 20 PERCENT ENTERING THE US COMES FROM
BOLIVIA).

O (FOR LATIN AMERICA GOVERNMENTS) NARCOTICS TRAFFICKING AND PRODUCTION IS A REGIONAL PROBLEM. THEREFORE WE CAN ONLY WIN THE NARCOTICS WAR THROUGH A REGIONAL APPROACH. YOUR GOVERNMENT'S PARTICIPATION IN BOLIVIA'S ERADICATION EFFORTS WILL UNDERLINE YOUR GOVERNMENT'S COMMITMENT TO ELIMINATION OF THE DRUG SCOURGE FROM THIS HEMISPHERE.

O THE CG WILL OFFER A FORUM FOR DISCUSSION OF THE DOE'S
COCA ERADICATION STRATEGY. GOVERNMENTS THAT DECIDE TO
PARTICIPATE IN THIS COURAGEOUS EFFORT WOULD ASSIST IN
DESIGNING AND CARRYING OUT THE PROJECT.

THE ECONOMIC REFORM EFFORT

3. BOLIVIA IS AT A POLITICAL AND ECONOMIC CROSSROADS. DESPITE POLITICAL RISKS, PRESIDENT PAZ ESTENSORRO HAS CARRIED OUT A TOUGH, COMPREHENSIVE ECONOMIC REFORM PROGRAM. THE IMF CHARACTERIZED THE GOVERNMENT'S FIRST YEAR IN OFFICE AS "EXTRAORDINARY". A FEW OF GOB'S MOST IMPRESSIVE ACCOMPLISHMENTS ARE:

- COMPLIANCE WITH IMF STANDBY PROVISIONS, INCLUDING TARGETS ON FOREIGN RESERVES AND CREDIT EXPANSION;
- RESCHEDULING OFFICIAL DEBT AT THE PARIS CLUB;
- STABILIZING THE ECONOMY BY STOPPING HYPER-INFLATION, REDUCING PUBLIC SECTOR EMPLOYMENT, REORGANIZING STATE ENTERPRISES, IMPROVING TAX AND CUSTOMS COLLECTION.

4. DESPITE THE SUCCESS OF THE REFORM EFFORT, THE ECONOMY HAS FALLEN INTO A STILL DEEPER RECESSION. PLUMMETING PRICES FOR BOLIVIA'S MAJOR EXPORTS OF GAS AND TIN HAVE REDUCED EXPORT EARNINGS BY ONE THIRD AND FORGED MASSIVE

LAY-OFFS. THE WAR ON ILLEGAL DRUGS HAS FURTHER DEPRESSED EMPLOYMENT AND FOREIGN EXCHANGE EARNINGS. PER CAPITA GDP IS THIRTY PERCENT BELOW ITS 1980 LEVEL AND EXPECTED TO FALL BY THREE PERCENT THIS YEAR.

5. THE GOB ECONOMIC RECOVERY PLAN WHICH WILL BE CONSIDERED AT THE CG, WOULD AIM AT PROVIDING THE FINANCIAL AND TECHNICAL SUPPORT NEEDED TO RESTRUCTURE THE ECONOMY AWAY FROM DEPENDENCE UPON TIN AND DRUGS.

SPECIFICALLY THE CG WILL:

-- DISCUSS THE NEEDS OF THE KEY AGRICULTURAL, MINING, ENERGY AND TRANSPORT SECTORS:

-- WORK TOWARD ESTABLISHING AN ADEQUATE PROGRAM OF SOCIAL SERVICES; AND

REVIEW POSSIBILITIES FOR INTERNATIONAL SUPPORT OF A GOB

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49

PAGE 02 OF 02

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COCA ERADICATION EFFORT.

COCA ERADICATION

6. LIKE IT OR NOT, NARCOTICS MONEY PLAYS A SIGNIFICANT ROLE IN THE BOLIVIAN ECONOMY. GIVEN FORCED LAY-OFFS AND THE LACK OF ALTERNATIVE EMPLOYMENT, COCA MONEY PROVIDES AN ESCAPE VALVE FOR DIRT POOR BOLIVIANS. CONSEQUENTLY, BOLIVIANS ARE DEEPLY AMBIVALENT ABOUT HOW TO RID THE COUNTRY OF THE DRUG SCOURGE. WHILE MOST CITIZENS FEAR THAT DRUG BARONS MIGHT COME TO CONTROL THE ECONOMY AND POLITICS, THEY ALSO FEAR THE CONSEQUENCES OF A MOVE AGAINST THE FINANCIAL AND POLITICAL POWER OF DRUG TRAFFICKERS.

7. DESPITE THESE FEARS, PRESIDENT PAZ OPENED THE WAR ON TRAFFICKERS BY ASKING FOR US MILITARY SUPPORT FOR THE BOLIVIAN NARCOTICS POLICE. UNDER OPERATION BLAST FURNACE NINETEEN COCAINE PROCESSING LABORATORIES AND OVER 2,000 BARRELS OF PRECURSOR CHEMICALS WERE DESTROYED. MOST IMPORTANTLY, COCAINE TRAFFICKING WAS PARALYZED, FORCING THE PRICE OF COCA LEAF TO BELOW THE COST OF PRODUCTION. NOW THAT US FORCES HAVE DEPARTED, THEIR BOLIVIAN COUNTERPARTS, WITH THE LOAN OF SIX US HELICOPTERS, MATERIAL SUPPORT AND TRAINING, WILL KEEP THE PRESSURE ON.

8. PLANNING MINISTER SANCHEZ DE LOZADA, WITH PRESIDENT PAZ BACKING, HAS OPENED A SECOND FRONT IN THE ANTI-NARCOTICS WAR. AFTER A SERIES OF DISCUSSIONS THE BOLIVIANS HAVE AGREED TO UNDERTAKE A COCA ERADICATION EFFORT THAT WOULD CONSIST OF THE FOLLOWING ELEMENTS:
- THE BOLIVIAN CONGRESS PASSING A LAW PROHIBITING COCA PRODUCTION IN OTHER THAN DECLARED TRADITIONAL AREAS. IN CASE OF VIOLATION LAND TITLES WOULD BE FORFEIT; AND
- A THREE YEAR PROGRAM WHICH WOULD INCLUDE A VOLUNTARY REDUCTION PHASE BEGINNING NO LATER THAN JANUARY 1, 1987 AND SHIFTING TO FORCED ERADICATION NO LATER THAN DECEMBER 31, 1987.

9. THE GOB WILL NEED INTERNATIONAL FINANCIAL SUPPORT IF IT IS TO SUCCESSFULLY CARRY OUT AN ERADICATION EFFORT. THE TOTAL COST OF THE EFFORT IS LIKELY TO BE HIGH, PARTICULARLY WHEN ADDED TO THE SOCIAL COSTS ALREADY INCURRED BY THE TOUGH ECONOMIC ADJUSTMENT MEASURES UNDERTAKEN BY THE GOB. RESOURCES WILL BE NEEDED TO HELP FARMERS WHO VOLUNTARILY ERADICATE THEIR COCA CROPS TO FIND ALTERNATIVE SOURCES OF INCOME AND EMPLOYMENT. ASSISTANCE ALSO WILL BE NEEDED FOR DEVELOPMENT OF

INFRASTRUCTURE AND SERVICES FOR OPENING NEW AGRICULTURAL AREAS. THE GOB AND THE US, HOWEVER, CANNOT PROVIDE THE MAGNITUDE OF RESOURCES REQUIRED TO MEET THESE NEEDS.

10. IF INTERDICTION IS EFFECTIVE, WE BELIEVE FARMERS WILL BE WILLING TO GIVE UP COCA FARMING. BUT WITHOUT ASSISTANCE WHICH WOULD HELP THE FAMILIES MAKE THE TRANSITION TO OTHER CROPS AND/OR EMPLOYMENT AND CREATE NEW OPPORTUNITIES, THE GOB WOULD POSSESS NEITHER ECONOMIC NOR POLITICAL GROUNDING TO PURSUE THE ERADICATION EFFORT. MOREOVER, PLANNING MINISTER SANCHEZ DE LOZADA FEELS THAT CONGRESS WILL ONLY PASS THE STRINGENT NARCOTICS LAW IF MEMBERS ARE CONVINCED THERE ARE PROSPECTS FOR ALTERNATIVE SOURCES OF INCOME.

FINANCING ERADICATION

11. THE TOTAL COST OF A THE ERADICATION EFFORT, SHOULD BE SHARED BY THE GOB AND INTERNATIONAL DONORS. PARTICIPATION OF EUROPEAN AND LATIN AMERICAN GOVERNMENTS IS ESSENTIAL TO WINNING THE LONG-TERM WAR ON DRUGS FOR BOTH PRACTICAL AND POLITICAL REASONS:
MONEY -- THE GOB ALONE CANNOT AND SHOULD NOT FINANCE THE

COMPREHENSIVE ERADICATION EFFORT BECAUSE THE NARCOTICS THREAT IS INTERNATIONAL. (BOLIVIA IS THE WORLD'S SECOND LARGEST DIRECT SUPPLIER OF COCAINE TO EUROPE AND THE US;) POLITICS -- THE NOT UNCOMMON PERCEPTION OF US DOMINATION OF BOLIVIA DOES NEITHER OF US ANY GOOD. FINANCIAL AND LOGISTICAL INVOLVEMENT OF OTHER FRIENDLY COUNTRIES WOULD LEAVEN OUR ROLE AND PROVIDE GOB WITH A MORE EFFECTIVE SHIELD AGAINST OPPORTUNISTIC CRITICS; MORALE -- TANGIBLE PROOF THAT BOLIVIA IS NOT ALONE IN THIS FIGHT WOULD GO A LONG WAY TO SHORE UP THE GOVERNMENT AND ENCOURAGE PUBLIC ACTIVISM.

12. WHILE PRECISE LEVELS OF US SUPPORT OR HOW US ASSISTANCE MIGHT BE USED HAVE NOT YET BEEN DETERMINED, WE WISH TO DO OUR PART TO ASSIST THE GOB IN THEIR WAR AGAINST NARCOTICS. WE HOPE TO PROVIDE MORE DETAILS AFTER THE GOB HAS PRESENTED ITS PROPOSAL TO THE CG. DONORS WHO PARTICIPATE WOULD BE ABLE TO ACTIVELY DESIGN AND ADMINISTER THE PROGRAM.

WHY COCA ERADICATION IS IMPORTANT TO OTHER GOVERNMENTS

13. EUROPEAN GOVERNMENTS HAVE AS LARGE A STAKE IN THE ERADICATION OF COCA PRODUCTION IN BOLIVIA AS DOES THE US BECAUSE:

- COCAINE ADDICTION IS INCREASING IN EUROPE;
 - BOLIVIA IS THE SECOND LARGEST DIRECT SUPPLIER OF COCAINE TO EUROPE;
 - EUROPE PROPORTIONALLY, RECEIVES MORE COCAINE FROM BOLIVIA THAN THE US. (THE US RECEIVES 80 PERCENT OF COCAINE FROM COLOMBIA AND 20 PERCENT FROM BOLIVIA, WHILE EUROPE'S RATIO IS 70/30.) AND
 - DRUG TRAFFICKING AND PRODUCTION IS A REGIONAL PROBLEM AND CAN BEST BE ATTACKED THROUGH THE UNITED EFFORTS OF ALL LATIN AMERICAN COUNTRIES.
15. BOLIVIAN AMBASSADOR TO THE US, FERNANDO ILLANES, WILL LEAD DISCUSSIONS ON THE COCA ERADICATION STRATEGY AT THE CG PARIS MEETING. HE WILL MEET WITH FOREIGN MINISTRY OFFICIALS IN LONDON AND BRUSSELS PRIOR TO THE CG.

AFTERWARD HE WILL VISIT OTHER MAJOR CAPITALS. THE US TEAM WILL BE LED BY AID ASSISTANT ADMINISTRATOR FOR LATIN AMERICA, DWIGHT INK. OTHER PARTICIPANTS INCLUDE PHILLIP MCLEAN, DIRECTOR ARA/AND AND DAVID COHEN, AID BOLIVIA MISSION DIRECTOR.

16. ACTION REQUESTED: EMBASSY SHOULD MEET AT THE HIGHEST POSSIBLE LEVEL IN THE MINISTRIES RESPONSIBLE FOR FOREIGN AFFAIRS AND DEVELOPMENT AND ENCOURAGE INCREASED LEVELS OF DEVELOPMENT ASSISTANCE FOR THE GOB. AMBASSADORS SHOULD URGE HOST COUNTRIES ATTENDING THE DECEMBER 3/4 CONSULATIVE GROUP MEETING TO EARMARK AID FOR THE GOB'S NARCOTICS CONTROL EFFORT. THEY MAY NOTE THAT COUNTRIES CONTRIBUTING TO THE COCA ERADICATION EFFORT WOULD PARTICIPATE IN ITS DESIGN AND ADMINISTRATION.

17. FOR COPENHAGEN, OSLO, THE HAGUE, STOCKHOLM: WE UNDERSTAND THAT YOUR GOVERNMENT MAY NOT SEND A REPRESENTATIVE TO THE CG. WE URGE YOU TO RECONSIDER, GIVEN THE IMPORTANCE OF SUPPORTING THE COURAGEOUS AND UNPRECEDENTED BOLIVIAN NARCOTICS AND ECONOMIC INITIATIVES. SHULTZ

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United States Department of State

Washington, D.C. 20520

45

December 10, 1986

Bolivia

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Latest
version as
of Thursday
P.M.

TO: AID - Mr. Ink
ARA - Mr. Gelbard, via Ms. Huddleston
INM - Mr. Hesse

FROM: S/P - Kenneth W. Bleakley *KWB*

SUBJECT: Bolivia Narcotics Effort

Attached is a revised memo to the Secretary which seeks to meet the concerns expressed at the December 5 meeting, incorporating subsequent suggestions from participants. Please provide either your Principal's concurrence or specific comments as soon as possible.

Attachment - As stated.

cc:L:JDonoghue
T:RBoyce
EB/ODF:LBenedict
H:SKrebs
AID/PPC:RBissel

Drafted:S/P:KW Bleakley
hdm:12/10/86:ext. 71494

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DECL: OADR

DECLASSIFIED
NLR 17353/1 #120386
BY *RW* NARA DATE 5/18/15



120 387
United States Department of State

Washington, D. C. 20520

December 10, 1986

INFORMATION MEMORANDUM
S/S

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TO: The Secretary

FROM: AID - Peter McPherson
ARA - Elliott Abrams
S/P - Richard H. Solomon
INM - Ann Wroblewski

SUBJECT: Bolivia Narcotics Effort

ISSUE FOR DECISION

Whether to authorize the attached cable instructing Ambassador Rowell in Bolivia to:

-- inform President Paz that the USG accepts the Report of the Joint US/Bolivian Commission on Narcotics as the framework for our mutual effort and is making funds available to launch the program;

-- negotiate a new bilateral narcotics agreement that includes a first year program of voluntary eradication along with forceful eradication on government lands.

ESSENTIAL FACTORS

With the cooperation of President Paz Estenssoro and his cabinet, a US/Bolivian Commission has developed an unprecedented strategy whose goal is the termination of illicit coca production in Bolivia, the second largest supplier of coca to the US and Europe. Its elements are interdiction, eradication and economic development.

Interdiction

Operation "Blast Furnace", which drove the price of coca leaves below the cost of production, ended November 15. The transition to a Bolivian effort includes UH1H helicopters loaned to replace the US operated Blackhawks so that they can

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47

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-2-

simultaneously train their personnel and maintain an active interdiction capability. INM has a package to intensify the effort at a cost of \$7 million, available from the FY '87 appropriation. Bolivian authorities have an organizational plan giving primary responsibility to the police but, for the first time, also involving the military forces. The US will also continue to play a significant, if muted, operational role through DEA and military trainers.

Eradication

Legislation proposed by the GOB, including all of the provisions we sought, is to be enacted. It will outlaw the cultivation of coca (except for a limited area for traditional domestic purposes). Implementation will require persuading, and, in some cases, forcing up to 70,000 families (350,000 people) to abandon their principal means of livelihood. In order to achieve this, the interdiction program must succeed in maintaining coca prices below the cost of production. Alternative means of livelihood must be created.

The Commission agreed that the 3 year program would include a voluntary reduction phase beginning no later than January 1, 1987 and shifting to forced eradication no later than December 31. Incentives in the voluntary phase are:

- a Family Rehabilitation Fund consisting of a cash payment of \$2000 per hectare (prorated for less than one hectare) for up to 50,000 hectares.
- a Fund for Economic Reactivation and Regional Development based on a minimal cost of 2,500 per hectare for putting equivalent amounts of land in production or developing other economically viable projects.

Funding Eradication

There are sufficient funds to launch the program using Bolivian contributions plus FY '87 INM (\$5 million) and ESF (\$15 million) appropriations. Use of \$20 million from a 1987 supplemental ESF appropriation proposed for the narcotics battle, reprogramming of part of the AID Bolivian pipeline, and contributions from other donors would be used to cover any additional first year requirements.

For subsequent years, much will depend on: the initial success of the eradication program; our ability to use this case within the Administration and with the Congress as a concrete example of the need for additional foreign assistance; and the response of other donors both multilateral and bilateral. All

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-3-

this will require placing a high priority on the Bolivian program during very lean budget years. Select Committee Chairman Rangel has advised us, "I believe that only a long term well conceived comprehensive program that is fully funded and implemented by both our countries with skill and determination will succeed."

The Bolivians talk in terms of a \$300 million dollar program over three years, of which \$210 million for the eradication element would have to be externally provided. For reasons outlined below, we believe the actual program will cost far less. However, they want to assure their Congress that the full funding would be available, if needed, before asking it to vote on the government's legislation. Our budget constraints preclude any guarantee of full funding. Instead we will assure them of an all-out USG effort to support their plan bilaterally and with other potential donors.

The amount of funds actually required will be reduced substantially in any case because:

-- our estimates of the amount of coca land to be eradicated are considerably less than those of the Bolivians;

-- nowhere near 100% of the eligibles are likely to participate in the voluntary program;

-- it may be possible to substitute seeds, tools or training for part of the cash payment to affected farmers.

The Cash Payment Problem

The most controversial element of the Family Rehabilitation Fund, in our view, is the proposed cash payment to farmers. The Commission considers the payment to be essential as a simple and rapid means for the fragile Bolivian government to avoid encountering overwhelming opposition to its eradication plans. Foreign support for this element of the program is critical to continuing the entire effort since the GOB does not have sufficient funds for it.

Nonetheless, our use of ESF for cash payments raises these policy questions:

A. Can we structure cash payments so they work?

The USG position elsewhere has been to oppose cash payments. In the Bolivian case, we would have to assure that payment is only made on the basis of destruction of the coca plant, verified by international teams, and only as a prelude to the involuntary eradication program without payment,

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49

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-4-

beginning in 1988. The prohibition on new plantings would have to be strictly enforced from the beginning. Bolivia would be presented as a unique case, not as a precedent for a costly-worldwide program.

B. How much should we pay?

The Family Rehabilitation Fund, based on \$2000 per hectare, is designed to provide the average family of 5, cultivating a one hectare plot, \$400 each to sustain themselves at the Bolivian per capita income level for one year, while seeking alternative livelihood. This is the lowest income level on the mainland of the Americas and, in the view of the Binational Commission, is the minimum level necessary to break the dependence of the growers on the cash payments of the traffickers.

C. How to handle the legal issue?

Section 483 of the Foreign Assistance Act provides: "Funds made available to carry out this Act may not be used to reimburse persons whose illicit drug crops are eradicated." Alternatives include:

-- A package which seeks to reach the target figure and remain within the provisions of Section 483 by combining payment for labor costs of eradication, unemployment compensation, and in-kind contributions. We would have to explore whether this is administratively feasible, is satisfactory to Congress, and meets Bolivian requirements.

-- Using waiver authority under Section 614. This authority may be used elsewhere and thus not be available. It would also raise questions about bypassing Congressional intent.

-- Seeking a legislative amendment to existing legislation. This could be time consuming; but given widespread congressional interest in early action, could be our best option.

D. When to consult with Congress

Upon your authorization, we would lay this problem squarely before concerned committees and staff and seek to work with them in developing an expeditious solution. They have expressed support for a special effort on Bolivia. Now is the time to work with them on implementing the comprehensive proposals of the Binational Commission.

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Development

Sustained economic growth will be an integral part of winning the war on narcotics. Bolivia is at a political and economic crossroads. Per capita GDP is thirty percent below its 1980 level and expected to fall by three percent this year. Plummeting prices for tin, traditionally Bolivia's most important export, have forced massive lay-offs. The war on drugs has also reduced foreign exchange earnings.

Despite political risks, President Paz Estenssoro has carried out a tough, comprehensive economic reform program. Hyper-inflation has been stopped, the peso stabilized, official debt rescheduled, and tax and customs laws revised. The GOB has exceeded targets mandated under its IMF Standby Arrangement and has met criteria for CFF and SAF programs.

Bolivia will need wide support from the international donor community to restructure its economy away from tin and drugs. We should make a major effort to elicit positive responses from the Paris Club and donors. We would encourage higher funding levels for all types of bilateral and multilateral assistance, especially quick disbursing program assistance.

Instructions

The proposed cable to Ambassador Rowell would authorize him to assure President Paz that we are prepared to go ahead with the ambitious program outlined by the Joint Commission, to provide initial funding and to participate in a broad effort to sustain the program. We need to do this now so that La Paz will continue the interdiction effort, begin voluntary eradication, and press the legislation for a mandatory program. The cable does not commit us to a particular funding level or formula for supporting the program.

It authorizes the Ambassador to negotiate a Narcotics Assistance Agreement to replace the existing 1983 agreement, including language to satisfy requirements in the 1987 US Foreign Assistance Legislation and to provide a vehicle for INM's cooperation.

Recommendation:

That you approve the attached cable.

Attachment:

Proposed cable.

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51
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-6-

Drafted:S/P:KW Bleakley
hdm:12/10/86:x71494

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H:SKrebs
L:JDonoghue
T:RBoyce
INM:SPatterson/RHesse
EB/ODF:LBenedict

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S/P:KBLEAKLEY
12/09/86 EXT. 71494
THE SECRETARY

AID:DINK
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L:ASOFAER
INM:AWROBLESKI

DEA
DOD
T
EB

IMMEDIATE LA PAZ

FOR THE AMBASSADOR

E.O. 12356: DECL: OADR

KB

TAGS: BL, SNAR

SUBJECT: IMPLEMENTING THE REPORT OF THE JOINT
COMMISSION ON NARCOTICS.

1. CONFIDENTIAL ENTIRE TEXT.

2. YOU ARE AUTHORIZED TO UNDERTAKE THE FOLLOWING
MEASURES TO IMPLEMENT THE REPORT OF THE U.S./BOLIVIAN
JOINT COMMISSION ON NARCOTICS INTERDICTION, COCA
ERADICATION AND DEVELOPMENT:

A. SEEK A MEETING WITH PRESIDENT PAZ ESTENSSORO AS SOON
AS POSSIBLE TO INFORM HIM THAT:

-- THE US GOVERNMENT ACCEPTS THE REPORT OF THE JOINT
COMMISSION AS THE FRAMEWORK FOR OUR MUTUAL EFFORTS TOWARD
NARCOTICS INTERDICTION, COCA ERADICATION AND DEVELOPMENT.

-- IN SUPPORT OF THE INTERDICTION PROGRAM, THE USG HAS
ALREADY BEGUN TO PROVIDE THE RESOURCES REQUIRED FOR
INTERDICTION AND HAS BUDGETED THE REQUIRED FUNDING FOR

DECLASSIFIED

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NLRR 11353/1 #120388
BY RW NARA DATE 5/18/15

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THAT SUPPORT TO CONTINUE DURING THIS FISCAL YEAR AS PROPOSED IN THE COMMISSION'S REPORT.

-- THE USG RECOGNIZES THE IMPORTANCE OF LAUNCHING THE ERADICATION PROGRAM AT ONCE AND HAS GONE TO EXTRAORDINARY LENGTHS TO MAKE FUNDS AVAILABLE FROM PREVIOUSLY AUTHORIZED FY 1987 GLOBAL ASSISTANCE PROGRAMS. ACCORDINGLY, WE HAVE ALLOCATED 20 MILLION DOLLARS {5 MILLION INM FUNDING FOR EXECUTION OF THE PROGRAM AND 15 MILLION DOLLARS ESF} TO BOLIVIA TO SUPPLEMENT THE 5 MILLION DOLLARS OF ITS OWN FUNDS WE UNDERSTAND BOLIVIA HAS AVAILABLE TO BEGIN THE VOLUNTARY ERADICATION PROGRAM.

-- THE USG WILL CONTINUE TO MAKE A SIGNIFICANT EFFORT TO SUPPORT THE ERADICATION PROGRAM AS IT PROGRESSES OVER THE NEXT 3 YEARS BY GENERATING FUNDS FROM NEW BILATERAL ASSISTANCE, REPROGRAMMING AVAILABLE RESOURCES AND SEEKING THE SUPPORT OF OTHER INTERESTED NATIONS BILATERALLY AND MULTILATERALLY. {YOU SHOULD DISCUSS FRANKLY OUR SERIOUS BUDGET CONSTRAINTS AND OUR INTENTION TO DO ALL WE CAN TO COME UP WITH THE NECESSARY FUNDING. EMPHASIZE THAT MUCH WILL DEPEND ON SUCCESS OF THE INITIAL STAGES OF THE PROGRAM}.

-- IN ORDER TO COMPLY WITH US LEGISLATIVE REQUIREMENTS FOR THE DISBURSEMENT OF FUNDS, WE WILL NEED TO CONCLUDE AN AGREEMENT TO REPLACE THE 1983 BILATERAL AGREEMENT ON NARCOTICS CONTROL. THIS AGREEMENT MUST INCLUDE NUMERICAL TARGETS. BOLIVIAN LEGISLATIVE PROPOSALS TO PROHIBIT ANY NEW PLANTING OUTSIDE THE TRADITIONAL AREAS AND TO REMOVE PRODUCERS FROM PUBLIC PARK LANDS SHOULD MAKE IT POSSIBLE TO SPECIFY PARTICULAR TARGETS IN 1987 IN ADDITION TO WHAT IS ACCOMPLISHED THROUGH VOLUNTARY ERADICATION.

-- THE USG MADE A SIGNIFICANT EFFORT TO SUPPORT BOLIVIA'S QUEST FOR BROADER ASSISTANCE FROM THE PARIS CONSULTATIVE GROUP FOR BOLIVIA'S DEVELOPMENT PLANS. WE SUGGEST THAT COUNTRIES WHICH TAKE UP THE INVITATION TO ASSOCIATE THEMSELVES WITH THE REPORT OF THE COMMISSION BE PERMITTED A ROLE IN FUTURE TASK FORCE EFFORTS.

B. CONCLUDE A BILATERAL AGREEMENT ON NARCOTICS COOPERATION TO REPLACE THE 1983 AGREEMENT, INCLUDING THE FOLLOWING:

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- 54
1. MAINTAINING SUFFICIENT POLICE PRESENCE, WITH LOGISTICAL SUPPORT PROVIDED BY THE BOLIVIAN MILITARY, TO CONTROL COCA PROCESSING AND TRAFFICKING;
 2. DEDICATION TO EXCLUSIVE ANTI-NARCOTICS USE THE ASSETS THE USG IS MAKING AVAILABLE FOR THAT PURPOSE; AND
 3. REDUCTION OF COCA CULTIVATION DURING CY 87 THROUGH THE VOLUNTARY ERADICATION PROGRAM, COMPLEMENTED BY FORCED ERADICATION OF ALL NEW COCA PLANTINGS AND COCA CULTIVATION IN THE BOLIVIAN NATIONAL TERRITORIES, ESTIMATED TO BE _____ HECTARES, OF WHICH _____ WILL BE ERADICATED DURING 1987; AND
 4. DURING 1988 AND 1989, FORCED ERADICATION OF ALL COCA OUTSIDE OF THE LEGAL GROWING AREAS IN THE YUNGAS, WITH A REALISTIC ACHIEVABLE NUMERICAL TARGET FOR EACH YEAR. YY