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Collection Name LATIN AMERICAN AFFAIRS DIRECTORATE, NSC:
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File Folder BOLIVIA (SAFE 1) 01/07/1987-02/18/1987

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M10-353/1

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ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
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120390	CABLE	STATE 006768 R 5/18/2015 M353/1	2	1/9/1987	B1
120391	CABLE	LA PAZ 00335 R 5/18/2015 M353/1	2	1/12/1987	B1
120392	CABLE	LA PAZ 00405 R 5/18/2015 M353/1	4	1/13/1987	B1
120393	CABLE	LA PAZ 00424 R 5/18/2015 M353/1	4	1/14/1987	B1
120394	CABLE	SAME TEXT AS DOC 120393 R 5/18/2015 M353/1	2	1/14/1987	B1
120395	CABLE	LA PAZ 00467 R 5/18/2015 M353/1	1	1/15/1987	B1
120396	CABLE	LA PAZ 00485 R 5/18/2015 M353/1	5	1/16/1987	B1
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120401	CABLE	LA PAZ 01262 <i>R 5/18/2015 M353/1</i>	3	2/9/1987	B1
120402	CABLE	RE BOLIVIA <i>R 5/18/2015 M353/1</i>	1	ND	B1
120403	CABLE	LA PAZ 01325 <i>R 5/18/2015 M353/1</i>	3	2/11/1987	B1
120404	LETTER	FROM PRESIDENT REAGAN RE BOLIVIA <i>R 5/18/2015 M353/1</i>	5	ND	B1
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TO AMEMBASSY LA PAZ NIACT IMMEDIATE 0000

<SUBJ> SUBJECT: IMPLEMENTING NARCOTICS CONTROL IN BOLIVIA

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FOR THE AMBASSADOR FROM THE ACTING SECRETARY

E.O. 12356: DECL: OADR

TAGS: BL, SNAR, ECON, PREL

SUBJECT: IMPLEMENTING NARCOTICS CONTROL IN BOLIVIA

1. CONFIDENTIAL ENTIRE TEXT.

2. THIS CABLE CONVEYS THE DEPARTMENT'S DECISION ON NARCOTICS RELATED ASSISTANCE SOUGHT BY THE GOVERNMENT OF BOLIVIA TO IMPLEMENT ITS NARCOTICS CONTROL PLAN. THE CABLE ESTABLISHES THE FRAME OF REFERENCE FOR NEGOTIATION OF A NEW INM PROGRAM AGREEMENT WITH THE GOVERNMENT OF BOLIVIA ON A US-ASSISTED NARCOTICS CONTROL PROGRAM FOR FY 1987 AND FUTURE YEARS. YOU AND INM/AS WROBLESKI SHOULD DRAW UPON THESE DECISIONS IN YOUR TALKS JANUARY 9 AND JANUARY 12 TO DETERMINE WHETHER THERE IS A BASIS FOR MORE SPECIFIC NEGOTIATIONS.

>BEGIN SUMMARY>

3. SUMMARY OF DECISION. THE US ENDORSES THE FRAMEWORK OF THE PLAN DELIBERATED BY U.S. AND BOLIVIAN REPRESENTATIVES LAST OCTOBER. OUR GOVERNMENT SHOULD MOVE FORWARD AS EXPEDITIOUSLY AS POSSIBLE WITH A US ASSISTED NARCOTICS CONTROL PROGRAM AND ASSISTANCE TO FARMERS WHO ERADICATE COCA. THE KEY ELEMENTS APPROVED INCLUDE:

--IMPROVED INTERDICTION OPERATIONS ARE ESSENTIAL; ERADICATION EFFORTS WILL FAIL UNLESS INTERDICTION KEEPS PRICES DOWN;

- A NEW LAW MUST BE IN PLACE ALONG WITH A VIGOROUS ENFORCEMENT PROCESS. ERADICATION WON'T WORK UNLESS THERE IS PUBLIC ACCEPTANCE GENERATED THROUGH A VIABLE PUBLIC AWARENESS PROGRAM AND A LEGAL FRAMEWORK FOR IMPLEMENTING THE PROGRAM.

-- EVERY EFFORT MUST BE MADE TO ENSURE THAT THE PROPOSED COMMODITIES-BASED PROGRAM IS ESTABLISHED QUICKLY AND OPERATES EXPEDITIOUSLY TO MEET THE NEEDS OF FARMERS. A STRONG AID PRESENCE IS ESSENTIAL TO ENSURE PROGRAM INTEGRITY.

- FARMERS ERADICATING COCA WOULD RECEIVE A DIRECT TO FARMER COMBINATION OF PAYMENTS FOR LABOR COSTS OF ERADICATION (350 DOLLARS PER HECTARE SHOULD BE REVIEWED AS IT MAY BE EXCESSIVE), AND IN-KIND PAYMENT IN THE FORM OF COMMODITIES FOR HECTARES ERADICATED. THIS WOULD CONSIST OF MATERIALS OR SERVICES, NOT LIMITED TO FOOD, TOOLS AND CONSTRUCTION MATERIAL.

-- THE USG IS WILLING TO CONSIDER CASH REIMBURSEMENT IN GOB-OWNED LOCAL CURRENCY TO FARMERS VOLUNTARILY ERADICATING COCA TO COVER SOME RESETTLEMENT COSTS BUT ON A FAMILY AND NOT A PER HECTARE BASIS.

4. YOU SHOULD SEEK A MEETING WITH APPROPRIATE SENIOR GOB OFFICIALS AS SOON AS POSSIBLE TO INFORM THEM THAT:

-- THE US AGREES TO THE FRAMEWORK DEVELOPED IN NOVEMBER

BY US AND GOB OFFICIALS FOR NARCOTICS INTERDICTION, COCA ERADICATION AND DEVELOPMENT.

-- INTERDICTION. IT IS ESSENTIAL THAT INTERDICTION OPERATIONS BE IMPROVED; THE RECENT SHARP INCREASES IN COCA PRICES IS CAUSE FOR DEEP CONCERN. THE USG SHARES THE BELIEF THAT THE ERADICATION PROGRAM WILL NOT SUCCEED

UNLESS THE INTERDICTION EFFORT KEEPS PRICES DOWN. THE USG IS PROVIDING THE AIRCRAFT AND OTHER RESOURCES REQUIRED FOR INTERDICTION. THE USG HAS BEGUN TO PROVIDE THE RESOURCES REQUIRED FOR INTERDICTION AND HAS BUDGETED THE REQUIRED FUNDING TO CONTINUE THAT SUPPORT DURING THIS FISCAL YEAR.

-- 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 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.

-- TYPE OF ASSISTANCE. THE US ACCEPTS THE NEED TO PROVIDE THE MEANS FOR AFFECTED GROWERS TO SUSTAIN THEMSELVES UNDER A FAMILY REHABILITATION PROGRAM, WHILE DEVELOPING OTHER MEANS OF LIVELIHOOD. HOWEVER, WE HAVE NOT SUPPORTED CASH PAYMENTS ELSEWHERE AND THERE IS LEGISLATIVE PROVISION AGAINST REIMBURSING FARMERS WHOSE CROPS HAVE BEEN ERADICATED. THE US OFFERS TO SUPPORT A DIRECT-TO-FARMERS COMBINATION OF PAYMENT FOR LABOR COSTS OF ERADICATION TIED TO HECTARES ERADICATED, AND VOUCHERS FOR IN-KIND COMMODITIES, MATERIALS OR SERVICES, INCLUDING TRAINING AND CREDITS, NOT LIMITED TO FOOD, TOOLS AND CONSTRUCTION MATERIALS, WITH A VERSATILITY THAT PERMITS DIRECTING COCA FARMERS TOWARD OTHER LEGAL OCCUPATIONS. THE PROGRAM OFFERED IS CONSISTENT WITH US POLICY AND LAW. THE US EMPHASIZES THAT THIS OFFER PROVIDES A PACKAGE EQUAL IN VALUE TO THE CASH PAYMENTS SOUGHT BY THE GOB (THIS ASSUMES THAT OUR FY 88 LEVELS WILL BE AT LEAST EQUAL TO FY 87 LEVELS); ASSURES THAT FARMERS RECEIVE MATERIALS SPECIFICALLY DESIGNED TO ASSIST THEM AND THEIR FAMILIES IN ADOPTING A NEW LIFE; AND CAN BE IMPLEMENTED WITHIN 40-60 DAYS.

-- LIMITS ON ASSISTANCE. FARMERS WHO AGREE TO ERADICATE CAN RECEIVE UP TO THE EQUIVALENT OF 2,000 DOLLARS IN ASSISTANCE PER FAMILY. (FYI: CASH PAYMENTS FOR THE LABOR INVOLVED IN ERADICATION WHICH WOULD BE IN LOCAL CURRENCY ARE PERMITTED BY THE US CONGRESS UNDER SEC. 483; WE CONSIDER THE 350 DOLLAR FIGURE TO BE HIGH AND SHOULD BE REVIEWED IN COMPARISON TO OTHER EXPERIENCED COSTS FOR LABOR IN BOLIVIA. END FYI) WE ARE AWARE THAT MANY OF THE CURRENT COCA FARMERS HAVE MOVED INTO THE CHAPARE SOLELY TO GROW COCA AND THAT THE CHAPARE CANNOT SUPPORT THE LARGE NUMBER OF THESE FARMERS AGRICULTURALLY, THE US IS ALSO WILLING TO CONSIDER CASH REIMBURSEMENT (GOB-OWNED LOCAL CURRENCY)

FOR MOVING AND POSSIBLY SOME RESETTLEMENT EXPENSES. IF THE LATTER ARE OFFERED, IT SHOULD BE ON A FAMILY, NOT A PER HECTARE BASIS, AND ONLY FOR THOSE WHO MOVE OFF THEIR CURRENT FARMS.

-- VERIFICATION. THERE SHOULD BE AGREEMENT ON A METHOD

OF VERIFYING VOLUNTARY ERADICATION, AND NO PAYMENTS OF ANY KIND SHOULD BE MADE UNTIL CROP DESTRUCTION IS VERIFIED.

-- FUNDING. US ASSISTANCE TO BOLIVIA IN 1987 WILL BE THE HIGHEST FOR ALL OF SOUTH AMERICA, IN A PERIOD OF SERIOUS BUDGET CONSTRAINTS. WE ARE PROPOSING TO ALLOCATE 67.8 MILLION DOLLARS IN ECONOMIC, MILITARY AND FOOD ASSISTANCE, WHICH INCLUDES 15 MILLION DOLLARS IN NEW ESF FUNDS (THE LOCAL CURRENCY EQUIVALENT OF) WHICH WILL BE ALLOCATED TO THE NARCOTICS-RELATED ASSISTANCE PROGRAM, AS WELL AS 12 MILLION DOLLARS IN NARCOTICS ASSISTANCE. THERE ARE 22 MILLION DOLLARS IN DEVELOPMENT ASSISTANCE PIPELINE FOR THE CHAPARE THAT CAN BE USED TO IMPLEMENT A COMPANION ECONOMIC REDEVELOPMENT PROGRAM.

-- THE USG WILL CONTINUE TO MAKE A SIGNIFICANT EFFORT TO

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<SECT>SECTION: 01 OF 01<SSN> 6768<TOR> 870108211049 MSG000158447449

SUPPORT THE ERADICATION AND ECONOMIC REACTIVATION PROGRAMS AS THEY PROGRESS 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).

-- A NEW LAW MUST BE IN PLACE THAT INCLUDES ALL OF THE LEGAL PROVISIONS CONTAINED IN THE OCTOBER PLAN RECOMMENDED BY US/BOLIVIAN OFFICIALS.

-- THERE MUST BE A VIGOROUS ENFORCEMENT PROCESS. THE US CONCURS IN A ONE-YEAR VOLUNTARY PROGRAM, WITH A GOB COMMITMENT TO ENFORCED, INVOLUNTARY ERADICATION FOR THE FOLLOWING TWO YEARS, WITH NO SPECIAL BENEFITS TO FARMERS WHO FAIL TO COOPERATE. THE US ENCOURAGES A STRONG PUBLIC AWARENESS CAMPAIGN TO BOLSTER PUBLIC ACCEPTANCE OF THIS PROGRAM.

-- COCA CONTROL AGREEMENT. TO ENCOURAGE FARMER PARTICIPATION, AND TO ENSURE WIDE UNDERSTANDING OF GOB INTENT, THE US RECOMMENDS A PARALLEL FIRST-YEAR ERADICATION EFFORT. AS REQUIRED BY LAW, A COCA CONTROL AGREEMENT MUST SET A NUMERICAL OBJECTIVE FOR ERADICATION. A MINIMUM OBJECTIVE MUST BE SET FOR THE FIRST YEAR, DURING WHICH THE PROGRAM WILL RELY IN PART ON VOLUNTARY ERADICATION. BOLIVIA SHOULD AGREE TO ADOPT LAWS AND DEVELOP A PROGRAM WHICH: (1) LIMITS LICIT CULTIVATION TO THE DEPARTMENT OF THE YUNGAS; (2) COMMITS BOLIVIA TO ERADICATE IN 1987 AND FUTURE YEARS ALL NEW COCA CULTIVATION; (3) COMMITS BOLIVIA TO ERADICATE IN 1987 ALL COCA BEING GROWN ON LANDS UNDER FEDERAL CONTROL; AND (4) COMMITS BOLIVIA TO ERADICATE ALL COCA OUTSIDE THE YUNGAS IN 1988 AND THEREAFTER.

-- DEADLINES. THE GOB MUST UNDERSTAND THAT THE US HAS ADOPTED A NEW CERTIFICATION PROCESS (SEC. 481 FAA), UNDER WHICH THE PRESIDENT MUST CERTIFY ON OR BEFORE MARCH 1 THE ADEQUACY OF NARCOTICS COOPERATION BY ALL MAJOR SOURCE COUNTRIES. MOST KINDS OF US ASSISTANCE WILL BE SUSPENDED FOR ANY COUNTRY NOT CERTIFIED; THERE WILL ALSO BE A LOSS OF TRADE BENEFITS AND SUPPORT IN MDBS. (NOTE THAT INM NARCOTICS ASSISTANCE IS EXEMPTED.) BOLIVIA HOWEVER MUST MEET OTHER CONDITIONS, SPECIFICALLY THE REQUIREMENTS OF SEC. 611 AS AMENDED BY PL 99-570, WHICH SPECIFY THAT THE

US AND BOLIVIA CONCLUDE AND MAKE SUBSTANTIAL PROGRESS TOWARDS IMPLEMENTATION OF A NEW NARCOTICS CONTROL AGREEMENT WHICH, INTER ALIA, SETS NEW NUMERICAL GOALS FOR ERADICATION, IN PURSUIT OF A BOLIVIA PLAN FOR COCA CONTROL. AGREEMENT SHOULD BE CONCLUDED IN ADVANCE OF MARCH 1, TO FACILITATE SECTION 481 CERTIFICATION. ONLY IF THAT CERTIFICATION SURVIVES CONGRESSIONAL REVIEW, AND IF WE ARE ABLE TO MAKE SECTION 611 CERTIFICATION, CAN WE OBLIGATE SECOND 50 PERCENT OF ASSISTANCE TO BOLIVIA.

- CONGRESSIONAL CONSULTATION. WE WILL ADVISE APPROPRIATE US CONGRESSIONAL COMMITTEES OF DECISIONS ON THE OVERALL PROGRAM FRAMEWORK AND HOW OUR ECONOMIC AND NARCOTICS ASSISTANCE IS RELATED TO IT. THE SECTION 611 CERTIFICATION PROCESS WILL PROVIDE THE BASIS FOR ADVISING CONGRESS OF BOLIVIAN PROGRESS TO DATE, PRIOR TO THE MARCH 1 CERTIFICATION UNDER SEC. 481.

5. ACTION REQUESTED: DEPT REQUESTS THAT POST REPORT SUBSTANCE OF DISCUSSIONS WITH GOB BY IMMEDIATE CABLE. THIS WILL ENABLE US TO DETERMINE WHETHER BOLIVIA IS PREPARED TO ENTER INTO AGREEMENT WITH US THAT WOULD IMPLEMENT A BOLIVIAN PLAN TO ELIMINATE ILLICIT NARCOTICS PRODUCTION. ARMACOST

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<SUBJ>SUBJECT: INM ASSISTANT SECRETARY WROBLESKI LUNCHEON

~~CONFIDENTIAL~~ SECTION 01 OF 04 LA PAZ 00335
E.O. 12356: DECL: OADR
TAGS: BL, SNAR, EAD
SUBJECT: INM ASSISTANT SECRETARY WROBLESKI LUNCHEON
WITH MINISTERS OF FOREIGN RELATIONS AND PLANNING
REF: STATE 6768 (NOTAL)

>BEGIN SUMMARY<
SUMMARY

1. (C) AT A JANUARY 9 LUNCHEON HELD AT THE AMBASSADOR'S RESIDENCE IN HER HONOR, ASSISTANT SECRETARY WROBLESKI HAD A FRANK AND OPEN CONVERSATION WITH BOLIVIA'S MINISTERS OF FOREIGN RELATIONS (BEDREGAL) AND PLANNING (SANCHEZ DE LOZADA). MRS. WROBLESKI EMPHASIZED THE IMPORTANCE GIVEN BY THE USG AND THE REST OF THE INTERNATIONAL COMMUNITY TO GOB PASSAGE OF A TOUGH, CREDIBLE ANTI-NARCOTICS LAW. SHE ALSO UNDERScoreD THE CRITICAL REQUIREMENT FOR A NEW BILATERAL AGREEMENT TO REPLACE THE 1983 ACCORD IN ORDER TO ENABLE THE MARCH 1 CERTIFICATION UPON WHICH THE CONTINUATION OF ASSISTANCE DEPENDS. THE AMBASSADOR AND THE ASSISTANT SECRETARY ALSO COMMUNICATED THE SUBSTANCE OF REFTEL, I.E., THAT THE U.S. ENDORSES THE OBJECTIVES FRAMEWORK OF THE GOB ANTI-NARCOTICS PLAN DESCRIBED IN THE OCTOBER AD REFERENDUM MEMORANDUM AND AT THE DECEMBER CONSULTATIVE GROUP MEETING, BUT THAT OUR PARTICIPATION IN ASSISTANCE TO FARMERS WHO ERADICATE COCA WILL BASICALLY BE IN THE FORM OF COMMODITIES PLUS SOME LABOR COSTS. U.S. LAW AND POLICIES PREVENT US FROM FINANCING A PROGRAM OF DIRECT CASH PAYMENTS TO FARMERS WHO ERADICATE THEIR COCA. BOTH MINISTERS EXPRESSED THEIR DISAPPOINTMENT WITH THIS DECISION AND VOICED DOUBTS AS TO WHETHER ANY OTHER APPROACH COULD WORK. MORE DETAILED DISCUSSIONS ON THIS MATTER WILL TAKE PLACE IN THE FOLLOWING WEEK. FOREIGN MINISTER BEDREGAL STATED A CONCERN THAT THE FEBRUARY 7 MEETING IN VIENNA ON BOLIVIAN NARCOTICS PROGRAM NEEDS WOULD BE POSTPONED. MRS. WROBLESKI INDICATED THAT SHE WOULD BE HAVING A MEETING WITH UNFDC DIRECTOR DI GENNARD IN LA PAZ ON JANUARY 12, DURING WHICH SHE WOULD STRONGLY ENCOURAGE THAT THE VIENNA MEETING BE HELD.
END SUMMARY.

>END SUMMARY<

2. (C) A FOLLOW-UP CALL ON BEDREGAL AT THE FOREIGN MINISTRY WAS MAINLY PROTOCOLARY. AT A LATER ONE-HOUR SESSION WITH INTERIOR MINISTER BARTHELEMY, BARTHELEMY SAID HE WANTS TO STEP UP INTERDICTION, AND HE IS READY TO PUSH FOR IMMEDIATE ERADICATION OF NEW COCA NURSERIES. HOWEVER, HE SAID HE COULD NOT COMMENT ON THE WORKABILITY

OF COMMODITY ASSISTANCE TO EX-COCA FARMERS BECAUSE THE ISSUE TRANSCENDS MINISTERIAL LINES.

3. (C) THE NIGHT OF JANUARY 9 SANCHEZ DE LOZADA ASKED FOR A PRIVATE JANUARY 13 LUNCH WITH THE AMBASSADOR TO EXPLORE THE COCA ERADICATION STRATEGY WITH ABSOLUTELY OPEN MINDS TO SEE IF THE U.S. COMMODITY ASSISTANCE PROPOSAL CAN BE MADE TO WORK; (B) ASSURE U.S. THAT NO MATTER WHAT THE OUTCOME, BOLIVIA WILL PUSH INTERDICTION; (C) DEPENDING ON THE RESULTS OF THE JANUARY 13 LUNCH, THE BOLIVIAN GOVERNMENT WILL JUDGE HOW AND HOW FAR IT CAN GO ON ERADICATION.

BACKGROUND

4. (U) ON FRIDAY, JANUARY 9, AMBASSADOR ROWELL HELD A SMALL, INFORMAL LUNCHEON IN HONOR OF THE VISIT OF INM ASSISTANT SECRETARY WROBLESKI. ALSO PRESENT WERE THE MINISTER OF FOREIGN RELATIONS, GUILLERMO BEDREGAL; THE MINISTER OF PLANNING, GONZALO SANCHEZ DE LOZADA; DCM JEFFREY BIGGS; USAID DIRECTOR DAVID COHEN; NAU CHIEF DONALD YELLMAN AND INM'S LATIN AMERICAN DIRECTOR, SUE PATTERSON.

GOB STRATEGY

5. (U) SANCHEZ DE LOZADA DESCRIBED THE GOB "CARROT STICK" STRATEGY FOR DEALING WITH THE COUNTRY'S NARCOTICS PROBLEM. ONCE COCA PRODUCERS KNOW THAT THE GOVERNMENT IS SERIOUS ABOUT ELIMINATING TRAFFICKING AND ILLICIT PRODUCTION, THEY SHOULD COOPERATE PEACEFULLY WITH A VOLUNTARY ERADICATION PROGRAM. THERE ARE THREE CRITICAL ELEMENTS TO THE PROGRAM: (1) ESTABLISHMENT OF AN EFFECTIVE, SUSTAINED INTERDICTION PROGRAM THAT WILL HOLD COCA PRODUCTION TO A MINIMUM; (2) ESTABLISHMENT OF AN EFFECTIVE, SUSTAINED INTERDICTION PROGRAM THAT WILL HOLD COCA PRODUCTION TO A MINIMUM; (3) CASH PAYMENTS TO FARMERS WHO ERADICATE THEIR COCA SO AS TO FACILITATE THEIR TRANSITION TO LEGAL ECONOMIC ACTIVITIES.
USG POLICY AGAINST CASH PAYMENTS

6. (C) AMBASSADOR ROWELL DESCRIBED THE DECISION AGAINST CASH PAYMENTS PROVIDED IN REFTEL. SANCHEZ DE LOZADA INDICATED HIS DISAPPOINTMENT WITH THIS, BUT DID NOT WANT TO REJECT THE PROPOSED COMMODITY-BASED ALTERNATIVE OUT OF HAND WITHOUT GIVING IT FURTHER CONSIDERATION. HE EXPRESSED HIS BELIEF THAT ANY MEANS OF COMPENSATION OTHER THAN CASH -- IN U.S. DOLLARS -- WILL NOT/NOT GET CAMPESEINOS TO PULL THEIR COCA OUT OF THE GROUND. WITHOUT SUCH AN INCENTIVE, HE SAID, FARMERS WILL MOVE ON TO SOME OTHER ACTIVITY, BUT LEAVE THEIR COCA PLANTS WHERE THEY ARE IN CASE INTERDICTION FAILS TO HOLD DOWN PRICES AND

COCA AGAIN BECOMES PROFITABLE. NEVERTHELESS, SANCHEZ DE LOZADA SAID HE WOULD HAVE TO THINK ABOUT OTHER OPTIONS. AS A MATTER OF INTELLECTUAL HONESTY HE ACKNOWLEDGED THAT CASH PAYMENTS (I.E., SEVERENCES) TO MINERS WHO HAD BEEN DISMISSED BY COMIBOL HAD NOT PROVIDED AN ADEQUATE SOLUTION FOR THAT PROBLEM, AS AFTER THE MINERS HAD SPENT THEIR CASH THEY WERE STILL WITHOUT JOBS AND WERE PRESSING THE GOB FOR EMPLOYMENT. FOREIGN MINISTER BEDREGAL WAS NOTABLY MORE NEGATIVE THAN SANCHEZ DE LOZADA, STATING THAT THE U.S. HAD BETRAYED BOLIVIA IN REJECTING WHAT IT HAD "AGREED TO" DURING THE OCTOBER BILATERAL NEGOTIATIONS. TO THIS, SANCHEZ DE LOZADA REMINDED HIS COLLEAGUE THAT THE OCTOBER AGREEMENT WAS AD REFERENDUM, THUS "BETRAYAL" WAS PERHAPS NOT QUITE AN ACCURATE DESCRIPTION OF WHAT HAD OCCURRED. THE ASSISTANT SECRETARY INDICATED THAT THE

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DECISION WAS NOT ARRIVED AT EASILY, AND THAT THE ALTERNATIVE CONSTITUTED AN HONEST ATTEMPT TO MEET THE NEEDS OF THE FARMERS.

FEBRUARY 7 VIENNA MEETING

7. (C) THE FONMIN MADE A STRONGLY NEGATIVE INFERENCE THAT THE USG HAS BEEN TRYING TO POSTPONE THE BOLIVIA ANTI-NARCOTICS PROGRAM NEEDS CONSULTATIVE GROUP SUB-COMMITTEE MEETING SCHEDULED TO TAKE PLACE IN VIENNA ON FEBRUARY 7. MRS. WROBLESKI EXPLAINED THAT IF SUCH A POSTPONEMENT WAS BEING SOUGHT, IT WAS NOT AT THE INITIATIVE OF THE USG, BUT RATHER UNFDAC, WHICH RECENTLY HAD BEEN MANIFESTING INCREASED DISCOMFORT WITH THE POSSIBILITY OF SETTING AN UNSUSTAINABLE PRECEDENT BY HAVING A COUNTRY MAKE A DIRECT PLEA FOR AID TO THE UNFDAC MEMBERSHIP. IT WAS POINTED OUT THAT (A) THE MEETING WAS NOT BEING HOSTED BY UNFDAC, BUT RATHER UNFDAC, AT ITS OWN SUGGESTION, WAS PROVIDING LOGISTIC SUPPORT FOR THE MEETING; AND (B) THE MEETING WAS CONSIDERED THAT OF A SUB-COMMITTEE OF THE BOLIVIA CONSULTATIVE GROUP AND THEREFORE WOULD NOT SET ANY PRECEDENTS FOR UNFDAC. THE ASSISTANT SECRETARY INDICATED THAT SHE WOULD BE HAVING A MEETING ON JANUARY 12 IN LA PAZ WITH UNFDAC DIRECTOR GIUSEPPI DI GENNARO AND WOULD STRONGLY ENCOURAGE HIS SUPPORT FOR THE FEBRUARY 7 MEETING.

THE BOLIVIAN NARCOTICS LAW

8. (LOU) MRS. WROBLESKI AND AMBASSADOR ROWELL EMPHASIZED SEVERAL TIMES HOW CRITICAL IT IS FOR BOLIVIA TO PASS QUICKLY A STRONG ANTI-NARCOTICS LAW. BOTH MINISTERS ACKNOWLEDGED THIS, BUT INDICATED THAT PASSAGE OF THE LAW WOULD REQUIRE AT LEAST SOME INDICATION THAT THE OVERALL COCA ERADICATION PROGRAM WILL RECEIVE ADEQUATE INTERNATIONAL FINANCIAL SUPPORT. THIS, ACCORDING TO SANCHEZ DE LOZADA, WAS HOW THE GOB HAD FINALLY SECURED POSITIVE CONGRESSIONAL ACTION ON ITS MAY 1986 TAX REFORM

C O N F I D E N T I A L SECTION 03 OF 04 LA PAZ 00335

E.O. 12356: DECL: OADR

TAGS: BL, SNAR, EAD

SUBJECT: INM ASSISTANT SECRETARY WROBLESKI LUNCHEON LEGISLATION. IT WAS AGREED THAT IT IS A SINE QUA NON FOR GOB CREDIBILITY FOR IT AT LEAST TO HAVE IN HAND A COMPLETED DRAFT OF THE LEGISLATION AT THE VIENNA MEETING. SANCHEZ DE LOZADA SAID THAT, BECAUSE OF IMPENDING 1987 BOLIVIAN MUNICIPAL ELECTIONS AND THE NATIONAL ELECTIONS OF 1989, THE TIME WINDOW FOR CARRYING OUT THE GOB NARCOTICS STRATEGY WAS VERY SMALL. ACTION MUST BE TAKEN IMMEDIATELY.

9. (LOU) COMMENT: THE DAY BEFORE (JANUARY 8) IN A MEETING WITH THE DCM AND USAID DIRECTOR, SANCHEZ DE LOZADA HAD CALLED BOLIVIA'S AMBASSADOR TO THE UNITED STATES, FERNANDO ILLANES, AND ASKED HIM TO COME TO LA PAZ THE NEXT WEEK (JANUARY 12/16) TO HEAD A LAW-DRAFTING TASK FORCE. (THE LAW NOW BEFORE THE BOLIVIAN CONGRESS DOES NOT CONFIRM WITH THE GOB PROGRAM OUTLINED IN EITHER THE AD REFERENDUM MEMORANDUM OR THE DRUG POLICY PAPER PRESENTED TO THE CONSULTATIVE GROUP IN PARIS.) END COMMENT.

USG CONDITIONALITY

10. (U) THE ASSISTANT SECRETARY EMPHASIZED SEVERAL TIMES THE IMPORTANCE OF THE GOB HAVING AN ACCEPTABLE NARCOTICS LAW IN PLACE AND A NEW BILATERAL AGREEMENT WITH THE USG PRIOR TO THE MARCH 1 DATE FOR CERTIFICATION TO THE U.S. CONGRESS. IF THIS DEADLINE FOR CERTIFICATION IS NOT MET, BOLIVIA, WHICH IS SLATED TO RECEIVE THE LARGEST AMOUNT OF USG ASSISTANCE IN THE SOUTH AMERICAN REGION, WOULD LOSE A SUBSTANTIAL AMOUNT OF ITS FY-1987 AID RESOURCES.

11. (C) A FOLLOW-UP CALL ON BEDREGAL AT THE FOREIGN MINISTRY WAS MAINLY PROTOCOLARY. AT A LATER ONE-HOUR SESSION WITH INTERIOR MINISTER BARTHELEMY, BARTHELEMY SAID HE WANTS TO STEP UP INTERDICTION AND HE IS READY TO PUSH FOR IMMEDIATE ERADICATION OF NEW COCA NURSERIES. HOWEVER, HE SAID, HE COULD NOT COMMENT ON THE WORKABILITY OF COMMODITY ASSISTANCE TO EX-COCA FARMERS BECAUSE THE ISSUE TRANSCENDS MINISTERIAL LINES.

12. (C) THE NIGHT OF JANUARY 9 SANCHEZ DE LOZADA ASKED FOR A PRIVATE JANUARY 13 LUNCH WITH THE AMBASSADOR TO EXPLORE THE ISSUES FURTHER PER PRESIDENT PAZ ESTENSORRO'S INSTRUCTIONS, NAMELY: (A) EXPLORE THE COCA ERADICATION STRATEGY WITH ABSOLUTELY OPEN MINDS TO SEE IF THE U.S. COMMODITY ASSISTANCE PROPOSAL CAN BE MADE TO WORK; (B) ASSURE U.S. THAT NO MATTER WHAT THE OUTCOME BOLIVIA WILL PUSH INTERDICTION; (C) DEPENDING ON THE RESULTS OF THE JANUARY 13 LUNCH, THE BOLIVIAN GOVERNMENT WILL JUDGE HOW AND HOW FAR IT CAN GO ON ERADICATION.

COMMENT

13. (C) THE LUNCHEON CONVERSATION WAS FRANK AND PRODUCTIVE. SANCHEZ DE LOZADA IS COMMITTED TO ACTION AND SEEMS TO BE FLEXIBLE IN THE SEARCH FOR WORKABLE SOLUTIONS. HE IS REALISTIC ABOUT WHAT HE BELIEVES WILL BE POSSIBLE AND WHAT WILL NOT. AN INTERESTING OBSERVATION HE MADE WAS THAT ILLANES WOULD BE A MUCH MORE EFFECTIVE EMISSARY TO THE EUROPEANS THAN SANCHEZ DE LOZADA WHOSE NATIVE AMERICAN ENGLISH UNDERMINES HIS CREDIBILITY AS A BOLIVIAN. BEDREGAL, ON THE OTHER HAND, DEMONSTRATED A MUCH LESS FLEXIBLE ATTITUDE. HE MADE SEVERAL INACCURATE ALLEGATIONS, AND HIS ATTITUDE DID NOT INDICATE A STRONG PREDISPOSITION TO A CONSTRUCTIVE, PROBLEM-SOLVING-ORIENTED WORKING RELATIONSHIP WITH US.

14. (C) THE BOTTOM LINE ON THE POSSIBILITY OF ARRIVING AT A SATISFACTORY BILATERAL DETERMINATION TO PROCEED ALONG THE LINES DESCRIBED IN REFTEL WILL FOLLOW MORE DETAILED DISCUSSIONS DURING THE WEEK OF JANUARY 11. (FYI: AID/W SHOULD NOTE THAT USAID/ BOLIVIA, WITH EMBASSY CONCURRENCE, HAS DECIDED NOT TO PROCEED WITH THE DEVELOPMENT OF THE DESIGN OF A COMMODITY-BASED REHABILITATION FUND UNTIL THE POLITICAL ACCEPTABILITY OF SUCH AN APPROACH IS DETERMINED TO BE ACCEPTABLE TO THE BOLIVIANS.) (DRAFTED:USAID:DCOMEN)

ROWELL

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<DIST>SIT: EOB VAX

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<ORIG>FM AMEMBASSY LA PAZ

<TO>TO RUEHC/SECSTATE WASHDC IMMEDIATE 7242

INFO RUEHPE/AMEMBASSY LIMA IMMEDIATE 4314

RUEHBO/AMEMBASSY BOGOTA 5687

RUEHQT/AMEMBASSY QUITO 5638

RUFHVI/UNVIE MISSION VIENNA

RUEHDT/USMISSION USUN NEW YORK 3946

RUEOEHA/USCINCSO QUARRY HEIGHTS PN//POLAD//

Bolivia

<SUBJ>SUBJECT: INM ASSISTANT SECRETARY WROBLESKI'S CALL ON

<TEXT>

~~SECRET~~ SECTION 01 OF 03 LA PAZ 00405

LIMA FOR ASSISTANT SECRETARY WROBLESKI

E.O. 12356: DECL: OADR

TAGS: SNAR, BL, EAID

SUBJECT: INM ASSISTANT SECRETARY WROBLESKI'S CALL ON
BOLIVIAN PRESIDENT VICTOR ((PAZ)) ESTENSSORO
REF: (A) LA PAZ 335; (B) STATE 6768 (NOTAL)

(LOW) THE AMBASSADOR AND INM ASSISTANT SECRETARY WROBLESKI CALLED ON BOLIVIAN PRESIDENT VICTOR ((PAZ)) ESTENSSORO LATE JANUARY 12. NO OTHER BOLIVIANS WERE PRESENT. INM LATIN AMERICA DIRECTOR SUE PATTERSON AND LA PAZ NAU DIRECTOR DON YELLMAN ALSO WERE THERE. COCA ERADICATION -- FAMILY REHABILITATION FUND

2. (S) AMBASSADOR ROWELL OPENED THE CONVERSATION OBSERVING THAT HE AND MRS. WROBLESKI HAD JUST RETURNED FROM THE CHAPARE REGION OF BOLIVIA, WHERE THEY HAD OVERFLOWN MAJOR COCA-PRODUCING AREAS AND VISITED INSTALLATIONS OF BOLIVIAN NARCOTICS STRIKE FORCE POLICE (UMOPAR). THE VISIT HAD BEEN HELPFUL TO THEM IN UNDERSTANDING THE EXTENT OF COCA CULTIVATION AND NARCOTICS PRODUCTION IN BOLIVIA'S MAJOR COCA-PRODUCING REGION. THE AMBASSADOR OBSERVED THAT INSTRUCTIONS HAD JUST BEEN PROVIDED FROM WASHINGTON OUTLINING THE USG POSITION ON BOLIVIA'S STRATEGY FOR NARCOTICS INTERDICTION, COCA REDUCTION AND ASSISTANCE TO FAMILIES THAT VOLUNTARILY ERADICATE THEIR COCA DURING THE FIRST 12 MONTHS OF THE PROGRAM. THE USG WILL DIRECTLY SUPPORT REHABILITATION HELP TO SUCH FAMILIES WITH A MIX OF CASH COMPENSATION FOR LABOR UP TO DOLS 350 PER HECTARE (SUBJECT TO VERIFICATION OF LABOR COSTS) AND COMMODITY ASSISTANCE TOTALING ABOUT DOLS 1,650 PER FAMILY.

3. (S) PRESIDENT PAZ REPLIED THAT HE HAD BEEN INFORMED BY FERNANDO ILLANES, BOLIVIA'S AMBASSADOR TO WASHINGTON, THAT THE U.S. RESOURCES AVAILABLE TO CARRY OUT BOLIVIA'S COCA REDUCTION PLAN ARE GROSSLY INSUFFICIENT AND THAT THE USG HAD DETERMINED THAT THE REHABILITATION ASSISTANCE TO FAMILIES COULD NOT BE CASH IF USG RESOURCES ARE TO BE USED. HE SAID THIS NEWS WAS VERY DISCOURAGING AND THAT HE HAS RECALLED AMBASSADOR ILLANES TO LA PAZ FOR CONSULTATIONS. HE ADDED THAT FOREIGN MINISTER BEDREGAL WAS SAYING THE WHOLE COCA ERADICATION STRATEGY NOW IS HOPE-

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BY LW NARA DATE 5/18/15

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LESS AND SHOULD BE DUMPED. PLANNING MINISTER SANCHEZ DE LOZADA IS VERY DISCOURAGED. PAZ SAID HE IS MORE OPTIMISTIC THAN EITHER OF HIS MINISTERS THAT A WAY CAN BE FOUND TO PURSUE THE STRATEGY. HE ASKED IF THE USG POSITION AGAINST CASH PAYMENTS AS REPORTED BY AMBASSADOR ILLANES REPRESENTS WASHINGTON'S BOTTOM LINE.

4. (C) MRS. WROBLESKI REPLIED THAT AMBASSADOR ILLANES' REPORT ACCURATELY DESCRIBES USG VIEWS ON THE QUESTION OF CASH VERSUS COMMODITY ASSISTANCE TO FAMILIES. HOWEVER, ILLANES' REPORT FAILS TO CONVEY THE DEPTH AND SERIOUSNESS OF OUR COMMITMENT TO THE BOLIVIAN DEMOCRATIC SYSTEM AND THE SUCCESS OF THE PAZ ADMINISTRATION. THAT COMMITMENT IS CLEARLY EXPRESSED IN PROPOSED LEVELS OF FOREIGN ASSISTANCE FOR BOLIVIA IN FY-88 AND IN OUR EXISTING FY-87 COMMITMENTS WHICH ARE GREATER FOR BOLIVIA THAN FOR ANY OTHER WESTERN HEMISPHERE COUNTRY OUTSIDE OF CENTRAL AMERICA. THE U.S. IS COMMITTING OVER 66 MILLION DOLLARS THIS YEAR TO THE ANTI-NARCOTICS EFFORT ALONE IN BOLIVIA. THAT IS SIGNIFICANT. PRESIDENT PAZ NODDED AND SMILED, ADDING THAT MAYBE BOLIVIA SHOULD HAVE BEEN CREATED PHYSICALLY CLOSER TO THE U.S.

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ESSENTIALITY OF MULTI-FACETED CAMPAIGN

5. (LOU) IN RESPONSE TO PRESIDENT PAZ' OBSERVATION THAT INTERDICTION AND EDUCATION MUST BE ACCOMPANIED BY COCA ERADICATION EFFORTS, MRS. WROBLESKI CONCURRED THAT WE HAVE LEARNED THAT A BALANCED STRATEGY INCLUDING ALL THESE ELEMENTS IS NECESSARY FOR SUCCESS. PAZ NOTED THAT IF WE FAIL TO ERADICATE WHEN INTERDICTION MAKES IT POSSIBLE, THE RAW MATERIAL FOR DRUGS WILL REMAIN IN THE FIELD. WITH THAT INCENTIVE, EVENTUALLY THE TRAFFICKERS WILL FIND A WAY AROUND THE INTERDICTION CAMPAIGN AND NOTHING LASTING

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LIMA FOR ASSISTANT SECRETARY WROBLESKI

E.O. 12356: DECL: OADR

TAGS: SNAR, BL, EAID

SUBJECT: INM ASSISTANT SECRETARY WROBLESKI'S CALL ON
WILL HAVE BEEN GAINED.

ANTI-NARCOTICS LAW

6. (C) PRESIDENT PAZ RAISED THE ISSUE OF NEW BOLIVIAN NARCOTICS LEGISLATION, NOTING THAT SEVERAL PROVISIONS OF THAT LAW WILL BE CONTROVERSIAL IN THE BOLIVIAN CONGRESS. IF CONGRESSIONAL SUPPORT IS TO BE OBTAINED, THE GOVERNMENT MUST BE ABLE TO INFLUENCE CONGRESSIONAL THINKING WITH AS MANY POSITIVE ARGUMENTS AS POSSIBLE. IT IS AN ELECTION YEAR IN BOLIVIA. HE THOUGHT THAT CASH ASSISTANCE TO FARMERS WHO ERADICATE WOULD BE SUCH A POSITIVE FACTOR. MRS. WROBLESKI RESPONDED THAT, WHILE WE UNDERSTAND THE BOLIVIAN INTEREST IN CASH PAYMENTS, OTHER TYPES OF ASSISTANCE COULD BE EQUALLY OR MORE VALUABLE TO THE FARMERS.

7. (C) THE PRESIDENT RESPONDED THAT IT REMAINS TO BE SEEN HOW THE BOLIVIAN CONGRESS AND FARMER REPRESENTATIVES WILL REACT TO THE USG POSITION. HE SAID HE IS NOT AS RIGID IN HIS JUDGMENT ON THIS ISSUE AS HIS MINISTERS HAD BEEN IN EARLIER EXCHANGES ON THE SUBJECT (REF A). HOWEVER, HE STRESSED THE NEED TO HAVE ADEQUATE RESOURCES PLEDGED TO COVER THE REQUIREMENTS FORESEEN IN THE COCA

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ERADICATION PROGRAM. HE ADMITTED THAT VOLUNTARY ERADICATION PROGRAMS UNDERTAKEN THUS FAR HAD BEEN A FAILURE. THE AMBASSADOR OBSERVED THAT THE VOLUNTARY ERADICATION PROGRAM PLANNED FOR THE COMMUNITY OF IBUELO IN THE CHAPARE HAD FAILED WHEN THE PRESSURES OF U.S.-SUPPORTED BLAST FURNACE ACTIVITY WERE REMOVED, AND THE PRICE OF COCA LEAF RETURNED TO ITS PREVIOUS LEVELS. THE PRESIDENT AGREED THAT ONLY SUSTAINED ENFORCEMENT EFFORTS CAN KEEP COCA PRICES LOW AND CREATE THE NECESSARY CONDITIONS FOR ERADICATION TO OCCUR.

NEW LAW AND NEED FOR A NEW BILATERAL AGREEMENT

8. (C) RETURNING TO THE SUBJECT OF THE NARCOTICS LAW, AMBASSADOR ROWELL EMPHASIZED THE FUNDAMENTAL IMPORTANCE OF THE NEW GOVERNMENT PROPOSAL TO FUTURE PROGRESS AND COOPERATION ON NARCOTICS. HE ALSO STRESSED THAT UNLESS A NEW BILATERAL NARCOTICS AGREEMENT WITH BOLIVIA CAN BE AGREED ON AND SIGNED BY FEBRUARY 28, THE EFFECTS ON U.S. AID LEVELS FOR THE BALANCE OF FY-87 WILL BE SEVERE. MRS. WROBLESKI ADDED THAT BOLIVIA IS THE ONLY NARCOTICS-PRODUCING COUNTRY IN THE WORLD WITHOUT ADEQUATE NARCOTICS LEGISLATION. SHE SAID SHE BELIEVED THE PAZ ADMINISTRATION HAS THE OPPORTUNITY TO PASS A TOUGH LAW NOW. THE LAW MUST LIMIT COCA CULTIVATION TO TRADITIONAL NEEDS ONLY AND MAKE CLEAR PROVISION FOR ERADICATION OF THE REMAINDER. WHEN DR. PAZ OBSERVED THAT COCA CULTIVATION IS TRADITIONAL IN BOLIVIA, MRS. WROBLESKI REPLIED THAT OTHER ANDEAN COUNTRIES WHERE COCA CHEWING EXISTS HAVE PASSED SUCH TOUGH LAWS. PRESIDENT PAZ SAID THAT HIS GOVERNMENT IS DOING ITS BEST TO PUSH THE NEW LAW ALONG WITH THE KEY PROVISIONS AGREED DURING THE OCTOBER U.S.-BOLIVIAN BILATERAL DISCUSSIONS, BUT THERE WILL BE DIFFICULTIES IN GETTING THIS LAW PASSED.

U.S. SUPPORT SUBSTANTIAL AND EXCEPTIONAL

9. (C) MRS. WROBLESKI SAID THAT THE USG SUPPORTS BOLIVIA'S PLAN FOR A 12-MONTH PERIOD OF VOLUNTARY ERADICATION, AND THAT THE ASSISTANCE WE HAVE OFFERED IN THE FORM OF LABOR PAYMENT AND COMMODITY SUPPORT HAS BEEN OFFERED TO NO OTHER NARCOTICS-PRODUCING NATION. PRESIDENT PAZ SAID HE FERVENTLY HOPES THAT WE CAN REACH AN AGREEMENT ON THIS ISSUE. AMBASSADOR ROWELL SAID HE WILL MEET PRIVATELY WITH PLANNING MINISTER GONZALO SANCHEZ DE LOZADA ON THIS SUBJECT JANUARY 13. AMBASSADOR

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LIMA FOR ASSISTANT SECRETARY WROBLESKI

E.O. 12356: DECL: OADR

TAGS: SNAR, BL, EAID

SUBJECT: INM ASSISTANT SECRETARY WROBLESKI'S CALL ON ROWELL CONCURRED THAT QUICK AGREEMENT ON THE FAMILY ASSISTANCE ISSUE IS ESSENTIAL. HE WAS OPTIMISTIC THAT WE WILL SUCCEED.

10. (L-OU) MRS. WROBLESKI AND PRESIDENT PAZ EXCHANGED COMMENTS ON THE DANGERS OF NARCOTICS TO CURRENT AND

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FUTURE GENERATIONS OF BOLIVIANS. PRESIDENT PAZ AGREED, OBSERVING THAT BOLIVIA MUST ALSO FACE PROBLEMS OF POVERTY AND CORRUPTION. MRS. WROBLESKI REPLIED THAT NARCOTICS TRAFFICKERS MUST BE VIEWED AS COMMON CRIMINALS AND INTERNATIONAL OUTLAWS WHO WORK BY VIOLENCE AND INTIMIDATION. THEY MUST NOT BE ALLOWED TO INFLUENCE THE DECISIONS OF GOVERNMENTS. PRESIDENT PAZ AGREED, NOTING THAT IN BOLIVIA'S CASE CONTINUED INTERNATIONAL SUPPORT WILL BE NECESSARY TO HELP BOLIVIA CARRY ON THE FIGHT.

COMMENT

11. (S) AT A RECEPTION LATE JANUARY 12 FOREIGN MINISTER BEDREGAL TOLD THE AMBASSADOR THAT PRESIDENT PAZ HAD TURNED DOWN BEDREGAL'S REQUEST TO PARTICIPATE IN THE PAZ-WROBLESKI MEETING. WE THINK THAT FOR PERSONAL POLITICAL REASONS BEDREGAL WOULD LIKE TO TORPEDO THE COCA ERADICATION STRATEGY IF HE CAN BLAME THE U.S. FOR THE COLLAPSE. PAZ OBVIOUSLY IS FIGHTING BEDREGAL ON THIS. FURTHER ANALYSES COMING SEPTTEL.

12. (LOW) THIS REPORT HAS NOT/NOT BEEN SEEN BY ASSISTANT SECRETARY WROBLESKI.
(DRAFTED:NAU:DYELLMAN)
ROWELL

<SECT>SECTION: 01 OF 03<SSN> 0405<TOR> 870114112000 MSG000158930399
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RUEHQT/AMEMBASSY QUITO 5645

RUFHVI/AMEMBASSY VIENNA 0272

RUEHDT/USMISSION USUN NEW YORK 3949

RUFHRO/AMEMBASSY ROME 0737

RUFHLD/AMEMBASSY LONDON 0772

RUFHOL/AMEMBASSY BONN 0453

RUFHFR/AMEMBASSY PARIS 0964

RUFHMD/AMEMBASSY MADRID 0660

<SUBJ>SUBJECT: TALK WITH UNFDAC DIRECTOR DI GENNARO

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LIMA FOR ASSISTANT SECRETARY WROBLESKI

VIENNA FOR UNVIE

E.O.12356: DECL: OADR

TAGS: BL, SNAR, EAID, UNFDAC, UN

SUBJECT: TALK WITH UNFDAC DIRECTOR DI GENNARO

JANUARY 12 RE BOLIVIA, FEBRUARY 7 VIENNA

MEETING

"BEGIN SUMMARY"

SUMMARY

1. (C) AT A JANUARY 12 MEETING HELD AT AMEMBASSY, INM ASSISTANT SECRETARY WROBLESKI AND AMBASSADOR, JOINED BY EMBASSY STAFF, REVIEWED BOLIVIA'S ANTI-NARCOTICS STRATEGY SUPPORT NEEDS WITH UNFDAC DIRECTOR DI GENNARO. WE NOTED THE INTENSE BILATERAL DISCUSSIONS THE U.S. HAS CONDUCTED WITH BOLIVIA FOR THE PAST FEW MONTHS AND THE IMPORTANCE OF THE UPCOMING FEBRUARY 7 MEETING IN VIENNA AS A FOLLOW-ON TO THE OCTOBER PARIS WORLD BANK CONSULTATIVE SUB-GROUP DISCUSSIONS OF BOLIVIA'S THREE-YEAR ANTI-NARCOTICS STRATEGY. THE AMBASSADOR MADE CLEAR THAT THE PROJECTED BOLIVIAN DOLS 300 MILLION COSTS FOR THE STRATEGY ARE FAR BEYOND THE ABILITY OF BOLIVIA AND THE U.S. ALONE TO FUND. THIS UNDERSCORES THE IMPORTANCE OF THE VIENNA MEETING AS A POTENTIAL FORUM FOR GAINING ADDITIONAL INTERNATIONAL DONORS. DI GENNARO WAS EXTREMELY PESSIMISTIC ABOUT THE ONE-DAY VIENNA MEETING'S CHANCES OF SECURING SUCH FUNDING. HE INDICATED HE IS MAKING EVERY EFFORT DURING HIS BRIEF STAY IN LA PAZ TO LOWER SUCH BOLIVIAN EXPECTATIONS. HE ALSO SAID HE IS EMPHASIZING THAT THESE ARE HIS VIEWS ALONE AND THAT THE U.S. HAS NOT/NOT IN ANY WAY ENCOURAGED HIS POSITION. END SUMMARY.

"END SUMMARY"

DI GENNARO QUESTIONS WISDOM OF FEBRUARY 7 VIENNA

Bolivia

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NLRR M353/1 #120393

BY *RW* NARA DATE 5/18/15

MEETING ON BOLIVIA

2. (C-NF) DI GENNARO CANDIDLY SUGGESTED THAT THE UNFDAC DEPUTY DIRECTOR, CAUGHT UP IN THE ENTHUSIASM OF THE OCTOBER PARIS MEETING AND BOLIVIA'S ANTI-NARCOTICS FIGHT, HAD OVER-COMMITTED UNFDAC IN OFFERING TO PROVIDE FACILITATIVE ASSISTANCE FOR A ONE-DAY COUNTRY-SPECIFIC SESSION ON BOLIVIA. HE VOICED CONCERNS THAT EVEN THIS LOGISTICS GESTURE COULD SET A PRECEDENT FOR OTHER COUNTRIES. HE ALSO QUESTIONED WHETHER POTENTIAL DONOR COUNTRIES WOULD HAVE HAD SUFFICIENT TIME TO FOCUS ON BOLIVIA'S NEEDS, AND HE FEARED THAT A CONSEQUENT LACK OF AID PLEDGES -- "FAILURE" -- WOULD HURT UNFDAC'S REPUTATION AS THE "MOST SERIOUS AND EFFECTIVE ORGANIZATION IN THE U.N. SYSTEM." HE ALSO THOUGHT SUCH AN OUTCOME WOULD UNDERMINE HIM IN HIS CURRENT POWER STRUGGLE WITH U.N. SYG PEREZ DE CUELLAR.

3. (C) IN HIS LA PAZ MEETINGS WITH THE GOB, DI GENNARO SAID HE WAS TRYING TO LIMIT DAMAGE BY DEFLATING ### BDFVARCOTICS. HE CLEARLY INDICATED THAT UNFDAC WOULD STAY AT AN ARM'S-LENGTH DISTANCE FROM THE FEBRUARY VIENNA MEETING ON BOLIVIA.

RUMOR OF U.S. "MISGIVINGS" FIRMLY DENIED

4. (C) WITHOUT OFFERING A SOURCE, DI GENNARO INDICATED THAT THERE IS A RUMOR, PARTICULARLY IN THE U.K., THAT THE U.S. ITSELF HAS BACKED AWAY SOMEWHAT FROM BOTH THE BOLIVIAN STRATEGY AND THE VIENNA MEETING ITSELF. HE INDICATED
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LIMA FOR ASSISTANT SECRETARY WROBLESKI
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TAGS: BL, SNAR, EAID, UNFDAC, UN

HE HAD BEEN ACCUSED OF BEING OVERLY INFLUENCED BY THE U.S. LACK OF ENTHUSIASM FOR THE MEETING.

5. (LOW) BOTH ASSISTANT SECRETARY WROBLESKI AND THE AMBASSADOR EMPHATICALLY STATED THAT THE U.S. SUPPORTS THE OBJECTIVES AND FRAMEWORK OF THE BOLIVIAN ANTI-NARCOTICS STRATEGY AS WELL AS THE FEBRUARY VIENNA MEETING. A SUCCESSFUL MEETING IS AN ESSENTIAL PSYCHOLOGICAL BOOST FOR THE BOLIVIAN GOVERNMENT, PARTICULARLY WITH RESPECT TO KEEPING THE PRESSURE ON THE BOLIVIAN GOVERNMENT TO COMPLETE AND SUBMIT A TOUGH NEW ANTI-NARCOTICS LAW TO THE BOLIVIAN CONGRESS PRIOR TO THE VIENNA MEETING. DI GENNARO WAS IN ACCORD WITH THE IMPORTANCE OF THE NEW LAW AND SAID HE WOULD EMPHASIZE THE POINT IN HIS DISCUSSIONS WITH GOB OFFICIALS.

6. (C) DI GENNARO SAID HE HAS BEEN TELLING THE BOLIVIANS AND OTHERS THAT HIS VIEWS ABOUT THE FEBRUARY 7 MEETING ARE STRICTLY HIS OWN AND ARE BASED ON HIS CONCERNS FOR UNFDAC INTEGRITY AND POLICY AND HIS PAST EXPERIENCES WITH INTERNATIONAL

MEETINGS UNDER U.N. AUSPICES.
UNFDAC FUNDING PROSPECTS

7. (C) IN CONFIDENCE, DI GENNARO NOTED HIS EXPECTATION THAT THE ITALIAN GOVERNMENT WOULD SUBSTANTIALLY INCREASE ITS CONTRIBUTIONS TO UNFDAC TO SOME 300 MILLION DOLLARS AS OPPOSED TO THE 60 MILLION DOLLARS OVER THE PAST THREE YEARS. HE HOPED TO USE THIS INCREASE AS LEVERAGE FOR ADDITIONAL INTERNATIONAL CONTRIBUTIONS AND, ON THIS SCORE, WAS MOST HOPEFUL ABOUT INCREASES FROM LONDON AND BONN. HIS MOST DISCOURAGING COMMENT WAS ON SPANISH CONTRIBUTIONS THUS FAR WHICH HE TERMED "SHAMEFUL."

8. (C) WHILE HE CONTINUES TO EXHIBIT A SOFT SPOT FOR BOLIVIAN NEEDS, DI GENNARO PUT COLOMBIA AT THE TOP OF HIS HEMISPHERIC PRIORITY LIST WHILE CONCEDED THAT HE HOPED TO DOUBLE THE YUNGAS PROJECT FUNDING IN BOLIVIA FROM THE CURRENT 21 MILLION DOLLARS TO APPROXIMATELY 52 MILLION DOLLARS. HE STRONGLY RESISTED THE AMBASSADOR'S SUGGESTION THAT ADDITIONAL UNFDAC FUNDING IN BOLIVIA WOULD MORE PRODUCTIVELY GO TO AREAS SUCH AS THE CHAPARE, BUT DID NOT RULE THE IDEA OUT ENTIRELY. ANY INCREASES IN ALLOCATIONS FOR BOLIVIA OR DIRECTION OF UNFDAC RESOURCES TO AREAS OTHER THAN THE YUNGAS WILL DEPEND ON THE STRENGTH OF SUGGESTIONS ALONG THOSE LINES FROM MAJOR UNFDAC CONTRIBUTORS. DI GENNARO DID APPRECIATE THE NEED TO MULTI-LATERALIZE THE ANTI-NARCOTICS EFFORT IN BOLIVIA BEYOND THE PREDOMINANTLY U.S. FOCUS.

CONCLUSION

9. (C) IT WAS CRITICAL THAT ANY DOUBTS ABOUT U.S. SUPPORT TO THE BOLIVIAN ANTI-NARCOTICS STRATEGY AND OUR ENTHUSIASTIC PARTICIPATION IN THE UPCOMING VIENNA MEETING WERE RESOLVED. DI GENNARO'S SUGGESTION THAT THE U.S. CONTACT POTENTIAL DONORS BILATERALLY IS PARTICULARLY IMPORTANT IN LIGHT OF HIS DISCOMFORT ABOUT THE UNFDAC ROLE VIS-A-VIS BOLIVIA AT THE VIENNA MEETING AND HIS CLEAR INTENTION TO STAY AT ARM'S-LENGTH. UNFDAC'S POST-VIENNA INVOLVEMENT IN BOLIVIA CAN BE FAR MORE

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LIMA FOR ASSISTANT SECRETARY WROBLESKI
VIENNA FOR UNVIE

E.O.12356: DECL: OADR

TAGS: BL, SNAR, EAID, UNFDAC, UN
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(DRAFTED:DCM:JRBIGGS)

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<SECT>SECTION: 01 OF 03<SSN> 0424<TOR> 870114145907 MSG000158943546
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<PREC> IMMEDIATE<CLAS> CONFIDENTIAL<OSRI> RUEHLP<DTG> 141935Z JAN 87
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RUEHLD/AMEMBASSY LONDON 0772
RUEHOL/AMEMBASSY BONN 0453
RUEHFR/AMEMBASSY PARIS 0964
RUEHMD/AMEMBASSY MADRID 0660

<SUBJ>SUBJECT: TALK WITH UNFDC DIRECTOR DI GENNARO

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LIMA FOR ASSISTANT SECRETARY WROBLESKI
VIENNA FOR UNVIE

E.O. 12356: DECL: OADR

TAGS: BL, SNAR, EAID, UNFDC, UN

SUBJECT: TALK WITH UNFDC DIRECTOR DI GENNARO
JANUARY 12 RE BOLIVIA, FEBRUARY 7 VIENNA
MEETING

>BEGIN SUMMARY<

SUMMARY

1. (C) AT A JANUARY 12 MEETING HELD AT AMEMBASSY, INM ASSISTANT SECRETARY WROBLESKI AND AMBASSADOR, JOINED BY EMBASSY STAFF, REVIEWED BOLIVIA'S ANTI-NARCOTICS STRATEGY SUPPORT NEEDS WITH UNFDC DIRECTOR DI GENNARO. WE NOTED THE INTENSE BILATERAL DISCUSSIONS THE U.S. HAS CONDUCTED WITH BOLIVIA FOR THE PAST FEW MONTHS AND THE IMPORTANCE OF THE UPCOMING FEBRUARY 7 MEETING IN VIENNA AS A FOLLOW-ON TO THE OCTOBER PARIS WORLD BANK CONSULTATIVE SUB-GROUP DISCUSSIONS OF BOLIVIA'S THREE-YEAR ANTI-NARCOTICS STRATEGY. THE AMBASSADOR MADE CLEAR THAT THE PROJECTED BOLIVIAN DOLS 300 MILLION COSTS FOR THE STRATEGY ARE FAR BEYOND THE ABILITY OF BOLIVIA AND THE U.S. ALONE TO FUND. THIS UNDERSCORES THE IMPORTANCE OF THE VIENNA MEETING AS A POTENTIAL FORUM FOR GAINING ADDITIONAL INTERNATIONAL DONORS. DI GENNARO WAS EXTREMELY PESSIMISTIC ABOUT THE ONE-DAY VIENNA MEETING'S CHANCES OF SECURING SUCH FUNDING. HE INDICATED HE IS MAKING EVERY EFFORT DURING HIS BRIEF STAY IN LA PAZ TO LOWER SUCH BOLIVIAN EXPECTATIONS. HE ALSO SAID HE IS EMPHASIZING THAT THESE ARE HIS VIEWS ALONE AND THAT THE U.S. HAS NOT/NOT IN ANY WAY ENCOURAGED HIS POSITION. END SUMMARY.

>END SUMMARY<

DI GENNARO QUESTIONS WISDOM OF FEBRUARY 7 VIENNA

MEETING ON BOLIVIA

2. (C-NF) DI GENNARO CANDIDLY SUGGESTED THAT THE UNFDC DEPUTY DIRECTOR, CAUGHT UP IN THE ENTHUSIASM OF THE OCTOBER PARIS MEETING AND BOLIVIA'S ANTI-

NARCOTICS FIGHT, HAD OVER-COMMITTED UNFDC IN OFFERING TO PROVIDE FACILITATIVE ASSISTANCE FOR A ONE-DAY COUNTRY-SPECIFIC SESSION ON BOLIVIA. HE VOICED CONCERNS THAT EVEN THIS LOGISTICS GESTURE COULD SET A PRECEDENT FOR OTHER COUNTRIES. HE ALSO QUESTIONED WHETHER POTENTIAL DONOR COUNTRIES WOULD HAVE HAD SUFFICIENT TIME TO FOCUS ON BOLIVIA'S NEEDS, AND HE FEARED THAT A CONSEQUENT LACK OF AID PLEDGES -- "FAILURE" -- WOULD HURT UNFDC'S REPUTATION AS THE "MOST SERIOUS AND EFFECTIVE ORGANIZATION IN THE U.N. SYSTEM." HE ALSO THOUGHT SUCH AN OUTCOME WOULD UNDERMINE HIM IN HIS CURRENT POWER STRUGGLE WITH U.N. SYG PEREZ DE CUELLAR.

3. (C) IN HIS LA PAZ MEETINGS WITH THE GOB, DI GENNARO SAID HE WAS TRYING TO LIMIT DAMAGE BY DEFLATING THE BDFVARNOTICS. HE CLEARLY INDICATED THAT UNFDC WOULD STAY AT AN ARM'S-LENGTH DISTANCE FROM THE FEBRUARY VIENNA MEETING ON BOLIVIA.

RUMOR OF U.S. "MISGIVINGS" FIRMLY DENIED

4. (C) WITHOUT OFFERING A SOURCE, DI GENNARO INDICATED THAT THERE IS A RUMOR, PARTICULARLY IN THE U.K., THAT THE U.S. ITSELF HAS BACKED AWAY SOMEWHAT FROM BOTH THE BOLIVIAN STRATEGY AND THE VIENNA MEETING ITSELF. HE INDICATED
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TAGS: BL, SNAR, EAID, UNFDC, UN

HE HAD BEEN ACCUSED OF BEING OVERLY INFLUENCED BY THE U.S. LACK OF ENTHUSIASM FOR THE MEETING.

5. (LOU) BOTH ASSISTANT SECRETARY WROBLESKI AND THE AMBASSADOR EMPHATICALLY STATED THAT THE U.S. SUPPORTS THE OBJECTIVES AND FRAMEWORK OF THE BOLIVIAN ANTI-NARCOTICS STRATEGY AS WELL AS THE FEBRUARY VIENNA MEETING. A SUCCESSFUL MEETING IS AN ESSENTIAL PSYCHOLOGICAL BOOST FOR THE BOLIVIAN GOVERNMENT, PARTICULARLY WITH RESPECT TO KEEPING THE PRESSURE ON THE BOLIVIAN GOVERNMENT TO COMPLETE AND SUBMIT A TOUGH NEW ANTI-NARCOTICS LAW TO THE BOLIVIAN CONGRESS PRIOR TO THE VIENNA MEETING. DI GENNARO WAS IN ACCORD WITH THE IMPORTANCE OF THE NEW LAW AND SAID HE WOULD EMPHASIZE THE POINT IN HIS DISCUSSIONS WITH GOB OFFICIALS.

6. (C) DI GENNARO SAID HE HAS BEEN TELLING THE BOLIVIAN AND OTHERS THAT HIS VIEWS ABOUT THE FEBRUARY 7 MEETING ARE STRICTLY HIS OWN AND ARE BASED ON HIS CONCERNS FOR UNFDC INTEGRITY AND POLICY AND HIS PAST EXPERIENCES WITH INTERNATIONAL

MEETINGS UNDER U.N. AUSPICES.
UNFDC FUNDING PROSPECTS

7. (C) IN CONFIDENCE, DI GENNARO NOTED HIS EXPECTATION THAT THE ITALIAN GOVERNMENT WOULD SUBSTANTIALLY INCREASE ITS CONTRIBUTIONS TO UNFDC TO SOME 300 MILLION DOLLARS AS OPPOSED TO THE 60 MILLION DOLLARS OVER THE PAST THREE YEARS. HE HOPED TO USE THIS INCREASE AS LEVERAGE FOR ADDITIONAL INTERNATIONAL CONTRIBUTIONS AND, ON THIS SCORE, WAS MOST HOPEFUL ABOUT INCREASES FROM LONDON AND BONN. HIS MOST DISCOURAGING COMMENT WAS ON SPANISH CONTRIBUTIONS THUS FAR WHICH HE TERMED "SHAMEFUL."

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8. (C) WHILE HE CONTINUES TO EXHIBIT A SOFT SPOT FOR BOLIVIAN NEEDS, DI GENNARO PUT COLOMBIA AT THE TOP OF HIS HEMISPHERIC PRIORITY LIST WHILE CONCEDED THAT HE HOPED TO DOUBLE THE YUNGAS PROJECT FUNDING IN BOLIVIA FROM THE CURRENT 21 MILLION DOLLARS TO APPROXIMATELY 52 MILLION DOLLARS. HE STRONGLY RESISTED THE AMBASSADOR'S SUGGESTION THAT ADDITIONAL UNFAC FUNDING IN BOLIVIA WOULD MORE PRODUCTIVELY GO TO AREAS SUCH AS THE CHAPARE, BUT DID NOT RULE THE IDEA OUT ENTIRELY. ANY INCREASES IN ALLOCATIONS FOR BOLIVIA OR DIRECTION OF UNFAC RESOURCES TO AREAS OTHER THAN THE YUNGAS WILL DEPEND ON THE STRENGTH OF SUGGESTIONS ALONG THOSE LINES FROM MAJOR UNFAC CONTRIBUTORS. DI GENNARO DID APPRECIATE THE NEED TO MULTI-LATERALIZE THE ANTI-NARCOTICS EFFORT IN BOLIVIA BEYOND THE PREDOMINANTLY U.S. FOCUS.

CONCLUSION

9. (C) IT WAS CRITICAL THAT ANY DOUBTS ABOUT U.S. SUPPORT TO THE BOLIVIAN ANTI-NARCOTICS STRATEGY AND OUR ENTHUSIASTIC PARTICIPATION IN THE UPCOMING VIENNA MEETING WERE RESOLVED. DI GENNARO'S SUGGESTION THAT THE U.S. CONTACT POTENTIAL DONORS BILATERALLY IS PARTICULARLY IMPORTANT IN LIGHT OF HIS DISCOMFORT ABOUT THE UNFAC ROLE VIS-A-VIS BOLIVIA AT THE VIENNA MEETING AND HIS CLEAR INTENTION TO STAY AT ARM'S-LENGTH. UNFAC'S POST-VIENNA INVOLVEMENT IN BOLIVIA CAN BE FAR MORE

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TAGS: BL, SNAR, EAID, UNFAC, UN

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(DRAFTED: DCM:JRBIGGS)

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<PREC> IMMEDIATE<CLAS> CONFIDENTIAL<OSRI> RUEHLP<DTG> 152032Z JAN 87
FM AMEMBASSY LA PAZ
TO SECSTATE WASHDC IMMEDIATE 7286

<SUBJ>SUBJECT: COCA ERADICATION STRATEGY: NEGOTIATION OF

~~CONFIDENTIAL~~ LA PAZ 00467

E.O.12356: DECL: OADR

TAGS: BL, SNAR, EAID

SUBJECT: COCA ERADICATION STRATEGY: NEGOTIATION OF
THE FAMILY REHABILITATION FUND

REFS: (A) STATE 6768 DTG 090157Z JAN 87

(B) LA PAZ 335 DTG 122233Z JAN 87

(C) LA PAZ 405 DTG 132231Z JAN 87

1. (LOU) FOLLOWING A PRIVATE LUNCH WITH THE AMBASSADOR (SEPTELS), A LATE AFTERNOON JAN. 13 MEETING WAS CONVOCKED BY PLANNING MINISTER GONZALO SANCHEZ DE LOZADA. ATTENDING WERE DCM BIGGS, USAID DIRECTOR COHEN, AND NAV CHIEF YELLMAN FOR THE U.S.; AND REPRESENTATIVES OF UNFAC AND THE MINISTRIES OF PLANNING, INTERIOR, AND FOREIGN AFFAIRS. SANCHEZ DE LOZADA PRESIDED. THE PURPOSE OF THE MEETING WAS TO REVIEW THE FIRST DRAFT OF A WORKING PAPER PREPARED FOR THE FEBRUARY 7 MEETING IN VIENNA ON BOLIVIA'S NARCOTICS NEEDS. THE PRINCIPAL FOCUS OF ATTENTION, HOWEVER, WAS THE STRUCTURE OF THE FAMILY REHABILITATION FUND NOW THAT THE U.S. HAD MADE KNOWN THAT IT WOULD NOT SUPPORT CASH PAYMENTS TO FARMERS WHO HAD ERADICATED THEIR COCA.

2. (C) SANCHEZ DE LOZADA INDICATED THAT HE PERSONALLY THOUGHT THAT THERE MIGHT BE A POSSIBILITY THAT A COMMODITY-BASED PROGRAM COULD WORK, ALTHOUGH IN NO INSTANCE AS WELL (I.E., AS FLEXIBLY OR PERSUASIVELY) AS A CASH-BASED PROGRAM. IN REVIEWING THE POSSIBILITIES OF A COMMODITY ASSISTANCE PROGRAM, THE MINISTER EXPLORED SOME ALTERNATIVE PACKAGES THAT MIGHT EXIST. HIS OBJECTIVE WAS TO BE ABLE TO MEET THE VARIETY OF ECONOMIC TRANSITION NEEDS THAT DISPLACED COCA FARMERS WOULD HAVE.

3. (C) IN THIS CONTEXT, HE EXPLORED THE USE OF CREDIT AS A PACKAGE OPTION. CREDIT COULD BE USED FOR AGRICULTURAL PRODUCTION, NEW BUSINESS ENTERPRISES OR HOUSING. A WIDE-RANGING DISCUSSION OF THIS SUBJECT CONCERNED THE SEVERE ADMINISTRATIVE CONSTRAINTS THAT WOULD HAVE TO BE OVERCOME AND THE COST IMPLICATIONS. (COMMENT: AT THIS POINT IN THE MEETING, THE PLANNING MINISTER, EMPHASIZING THAT HE WAS SPEAKING OFF THE TOP OF HIS HEAD, LED THE GROUP INTO A PROTRACTED TANGENT ON THE POSSIBLE USE OF CREDIT AS A REPLACEMENT OR AT LEAST AVAILABLE ALTERNATIVE COMPONENT TO PART OF THE IN-KIND PACKAGE. THE SUBJECT OBVIOUSLY HAD NOT BEEN RAISED WITH HIS OWN STAFF PREVIOUSLY -- THEY OFFERED NO OBSERVATIONS PRO OR CON -- AND THE MINISTER THOUGHT HIS OWN WAY THROUGH THE SUBJECT AS HE SPOKE. THE CLEAR IMPLICATION OF HIS SUGGESTION WAS THAT HE

IS STILL LOOKING FOR AN ALTERNATIVE WHICH COMES CLOSER TO PAYMENT-IN-CASH WHICH HE RECOGNIZES AS UNACCEPTABLE TO THE USG. THE DIFFICULTY IS THAT, IN HIS SEARCH FOR OTHER ALTERNATIVES, HE'S COMING UP WITH VIRTUALLY

UNWORKABLE SUGGESTIONS. END COMMENT.)

4. (C) ANOTHER CONCEPT THAT WAS CONSIDERED WAS THAT OF A S
IDING SCALE OF ASSISTANCE TO BE DETER-
MINED BY, AND PROVIDE INCENTIVES FOR, EA
LY
ERADICATION. FOR EX)3 (FOR ILLUSTRATIVE
PURPOSES ONLY), THOSE ERADICATING THEIR COCA IN
THE FIRST THREE MONTHS OF THE PROGRAM WOULD BE
ELIGIBLE TO RECEIVE 2,000 DOLLARS IN COMMODITIES,
WHILE THOSE ERADICATING IN THE NEXT THREE MONTHS
MIGHT RECEIVE ONLY 1,750 DOLLARS IN GOODS.
5. (LOU) A MEETING TO DISCUSS FURTHER THE SUBSTANCE
AND FORM OF THE GOB NARCOTICS-RELATED STRATEGY IS
SCHEDULED FOR THE AFTERNOON OF JANUARY 15.
(DRAFTED: USAID:DCOHEH)
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RUEHSG/AMEMBASSY SANTIAGO 7534

<SUBJ> SUBJECT: COCA ERADICATION STRATEGY: PLANNING MINISTER

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E.O. 12356: DECL: OADR

TAGS: BL, #SNAR, PREL, PGOV

SUBJECT: COCA ERADICATION STRATEGY: PLANNING MINISTER
SEES POLITICAL CONTEXT WORSENING; POSSIBLE
CABINET CHANGES

REFS: (A) STATE 6768 DTG 090157Z JAN 87;
(B) LA PAZ 434 DTG 142212Z JAN 87;
(C) LA PAZ 467 DTG 152032Z JAN 87

>BEGIN SUMMARY<
SUMMARY

1. (S) IN OUR ONE-ON-ONE LUNCH JANUARY 13 I PRESSED PLANNING MINISTER "GONY" SANCHEZ DE LOZADA HARD TO ACCEPT THE ASSISTANCE WE ARE OFFERING ON COCA ERADICATION (REF A) AND TO IMPLEMENT THE STRATEGY IMMEDIATELY. I ALSO EMPHASIZED THE IMPORTANCE OF EARLY ACTION ON AN ANTI-NARCOTICS LAW AND A NEW BILATERAL AGREEMENT. GONY PERSONALLY THOUGHT IT DESIRABLE TO PROVIDE PART OF THE FAMILY ASSISTANCE IN COMMODITIES OR SPECIAL CREDITS, BUT HE STOPPED SHORT OF SAYING IT WILL SELL. DESPITE MY URGINGS THAT WE GO AHEAD WITH THE AGREEMENT NOW, HE HELD AT WISHING ME LUCK ON SELLING IT TO THE REST OF THE GOVERNMENT. HE SAID THAT IF WE ARE NOT/NOT ABLE TO IMPLEMENT THE STRATEGY AND GET THE ANTI-NARCOTICS LAW PASSED, HE IS LIKELY TO LEAVE THE GOVERNMENT.

2. (C) THE BULK OF THE LUNCHEON FOCUSED ON THE POLITICAL CONTEXT IN WHICH WE ARE TRYING TO MOVE FORWARD ON THE COCA ERADICATION STRATEGY. THE "CONSENSUS" AMONG BOLIVIAN MINISTRIES IN THE OCTOBER BILATERAL TALKS HAS COME APART, AND DIFFERENT POLITICAL ACTORS ARE TREATING THE ERADICATION ISSUE AS A POLITICAL FOOTBALL. THOSE ACTORS, PARTICULARLY FOREIGN MINISTER BEDREGAL, ARE POSITIONING THEMSELVES FOR THE 1989 PRESIDENTIAL ELECTIONS. END SUMMARY.

>END SUMMARY<

COCA ERADICATION: COMMODITIES VICE CASH ASSISTANCE TO
FAMILIES

3. (U) I OUTLINED TO GONY THE SUBSTANTIAL, FULLY ADEQUATE U.S. SUPPORT FOR THE FAMILY ASSISTANCE COMPONENT OF COCA ERADICATION (PARAS 4, 5 AND 6 OF REF B). I TOLD HIM THAT BOTH LEGAL AND POLICY ISSUES PREVENT US FROM PARTICIPATING DIRECTLY IN CASH ASSISTANCE TO CAMPESINO FAMILIES THAT ERADICATE

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ALL THEIR COCA. HOWEVER, OUR WILLINGNESS TO PARTICIPATE FULLY VIA COMMODITY SUPPORT IS AN EXTRAORDINARY POLICY DEPARTURE FOR THE UNITED STATES. IT UNDERSCORES OUR FULL, FORTHCOMING COMMITMENT TO BOLIVIA'S COCA ERADICATION STRATEGY. I EMPHASIZED THAT UNDER THE COMMODITY ASSISTANCE PORTIONS OF THE EFFORT, USAID WOULD ESTABLISH THREE WAREHOUSES (ONE EACH IN THE CHAPARE, COCHABAMBA CITY AND COCHABAMBA'S VALLE ALTO) WHERE CAMPESINOS COULD TAKE VOUCHERS AND IMMEDIATELY RECEIVE THE COMMODITIES THEY SELECT. THE COMMODITIES COULD INCLUDE SMALL HARD GOODS, FOR EXAMPLE, SMALL GASOLINE-POWERED GENERATORS AND WATER PUMPS, THAT SHOULD BE ATTRACTIVE TO CAMPESINOS. (COMMENT: I HOPE, BUT AM NOT OVERLY OPTIMISTIC, THAT USAID CAN SET UP AND ADEQUATELY STOCK THOSE WAREHOUSES WITHIN 40 DAYS, AS PROMISED, IF THE BOLIVIANS DECIDE TO ACCEPT OUR PROPOSAL. END COMMENT.)

4. (C) GONY SAID THAT SUCH ASSISTANCE IS USEFUL AND, FROM HIS VIEWPOINT, ATTRACTIVE BECAUSE IT REPRESENTS HARD GOODS UNLIKELY TO BE FRITTERED AWAY FOOLISHLY BY THE CAMPESINOS. HE ADDED, HOWEVER, THAT THE CASH COMPONENTS OF THE FAMILY ASSISTANCE PACKAGE (LABOR PAYMENTS FOR ERADICATION) ARE PROBABLY INSUFFICIENT. HE ALSO WAS SKEPTICAL THAT THE CAMPESINOS THEMSELVES AND THEIR REPRESENTATIVES IN CONGRESS WOULD BE SATISFIED. BECAUSE THE U. S. OFFER DEPARTS IN CONTENT FROM THE OCTOBER STRATEGY WHICH WAS THE BASIS FOR INTER-MINISTERI CONSENSUS, HE SAID, "YOU NOW WILL HAVE TO REBUILD THAT CONSENSUS. I HOPE YOU (RPT YOU) SUCCEED."

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E.O. 12356: DECL: OADR

TAGS: BL, SNAR, PREL, PGOV

SUBJECT: COCA ERADICAOIONNSTRATEGY: PLANNING MINISTER

5. (C) GONY THOUGHT THERE MAY BE A CHANCE THE STRATEGY CAN GO FORWARD IN TIME ON THE ASSUMPTION THAT SOME "THIR OPTION" INVOLVING ELEMENTS OF THE PRESENT U. S. PROPOSAL PLUS LARGER AMOUNTS OF CASH IN SOME FORM CAN BE FOUND. HE PROMISED TO CHAIR A SERIES OF INTENSIVE MEETINGS AT THE PLANNING MINISTRY TO TRY TO FIND A POSITIVE OUTCOME. DESPITE HIS OWN HALF-RESERVATIONS ABOUT ACCEPTING THE U. S. PROPOSAL AS IS, HE SAID HE WOULD CHAIR THE MEETINGS IN A NEUTRAL, NON-CONFRONTATIONAL WAY SO AS TO GIVE THE BEST POSSIBLE ATMOSPHERE FOR ARRIVING AT A POSITIVE CONCLUSION. (REF C REPORTS THE FIRST SUCH MEETING. THE SECOND IS TAKING PLACE LATE JANUARY 15.)

6. (S) GONY ACKNOWLEDGED THAT IT IS IMPERATIVE TO GET AN EFFECTIVE NEW ANTI-NARCOTICS LAW AND TO PROCEED WITH COCA ERADICATION EFFORTS IF AT ALL POSSIBLE. HE IS AWARE OF SEVERELY NEGATIVE ECONOMIC RESULTS IF WE FAIL TO ACHIEVE A NEW BILATERAL AGREEMENT BY FEBRUARY 28. (COMMENT: I THINK THIS IS WHY, LATER IN THE CONVERSATION, HE SAID HE

MAY WELL LEAVE THE CABINET IF WE DO NOT/NOT IMPLEMENT THE ERADICATION STRATEGY AND/OR GET TIMELY CERTIFICATION UNDER THE FOREIGN ASSISTANCE ACT. BOLIVIA'S PRIVATE SECTOR-BASED ECONOMIC RECOVERY IS GONY'S CHILD, AND HE DOES NOT WANT TO PRESIDE AT ITS FUNERAL. END COMMENT.)

FOREIGN MINISTER BEDREGAL'S AMBITIONS

7. (S) GONY NOTED THAT BEDREGAL IS ALREADY LAUNCHING HIS CAMPAIGN TO BECOME PRESIDENT UNDER THE MNR PARTY VIA THE 1989 ELECTIONS (REPORTED SEPTTEL VIA SIRO). BEDREGAL IS ERRATIC, OFTEN INTEMPERATE, INCLINED TO SHOOT FROM THE HIP IN ASSUMING POLICY STANCES. LIKE IT OR NOT, AS

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FOREIGN MINISTER BEDREGAL HAS A VETO OVER ALL INTERNATIONAL AGREEMENTS, INCLUDING ANY NEW BILATERAL ANTI-NARCOTICS AGREEMENT.

8. (C) BEDREGAL IS LOOKING FOR A COUPLE OF KEY ISSUES THAT HE CAN USE AS A BANDWAGON FOR HIS PRESIDENTIAL AMBITIONS. HE HAS TRIED WITHOUT LUCK TO MAKE PROGRESS ON BOLIVIA'S EFFORT TO GET SOVEREIGN ACCESS TO THE PACIFIC VIA CHILE. THE INCREASED NATIONAL AWARENESS AND SENSITIVITY TOWARD THE HEINOUS IMPACT OF DRUG TRAFFICKING AND ABUSE HELPED TO GET BEDREGAL'S SUPPORT FOR THE OCTOBER COCA ERADICATION STRATEGY. BUT BEDREGAL WILL BE WARY OF TYING HIMSELF TO ANY EFFORT THAT MIGHT BE POLITICALLY COSTLY IN DOMESTIC TERMS. BEDREGAL IS SATISFIED THAT NARCOTICS INTERDICTION WILL BE A "MOTHERHOOD" ISSUE. HE IS FAR LESS CERTAIN ABOUT THE ERADICATION SIDE OF THE STRATEGY, PARTICULARLY WITH REGARD TO OUR CURRENT PROPOSALS ON FAMILY REHABILITATION.

EXDIS

9. (S) GONY WARNED THAT BEDREGAL'S JANUARY 7 COMMENTS TO THE BOLIVIAN PRESS THAT THE U. S. HAD "BACKED OFF" ON THE "350 MILLION DOLLAR" PROGRAM WERE BASICALLY AN EFFORT BY THE FOREIGN MINISTER TO POSITION HIMSELF TO TAKE ADVANTAGE OF WHATEVER OUTCOME EMERGES FROM OUR CURRENT TALKS. IF WE MANAGE TO PERSUADE OTHER KEY ACTORS, INCLUDING BOLIVIAN CONGRESSMEN, TO GO THROUGH WITH THE STRATEGY ON THE BASIS OF CURRENTLY OFFERED U. S. ASSISTANCE, BEDREGAL IS ON THE HIGH GROUND IN TERMS OF ADVOCATING THE TOTAL STRATEGY. IF WE FAIL -- PRESUMABLY ON THE ALLEGATION THAT THE U. S. DID NOT COME THROUGH WITH THE NECESSARY RESOURCES -- BEDREGAL THEN CAN WRAP HIMSELF IN THE FLAG AND COME OUT AGAINST THE U. S. AND OUR PROPOSALS AND OBJECTIVES. BEDREGAL WOULD SAY THAT BOLIVIA HAD MADE A MAJOR EFFORT TO PRODUCE A WORKABLE STRATEGY THAT PROMISED TO ACCOMPLISH MORE COCA ERADICATION THAN ANY OTHER COUNTRY. BEDREGAL WOULD ADD, HOWEVER, THAT HE WAS NOT PREPARED TO TOLERATE CRITICAL, "UNWORKABLE AND UNACCEPTABLE" U. S. REVISION OF A PROGRAM WHICH IS INTEGRALLY AN ISSUE OF BOLIVIAN NATIONAL SOVEREIGNTY. (COMMENT: WE IN THE U. S. EMBASSY HAD ALREADY ARRIVED AT A SIMILAR ANALYSIS OF BEDREGAL'S JANUARY 7 PRESS COMMENTS. END COMMENT.)

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10. (S) WITH REGARD TO THE PROPOSED FEBRUARY 7
~~SECRET~~ SECTION 03 OF 04 LA PAZ 00485
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E. O. 12356: DECL: OADR
TAGS: BL, SNAR, PREL, PGOV
SUBJECT: COCA ERADICATION STRATEGY: PLANNING MINISTER MEETING IN VIENNA AT THE MARGINS OF AN UNFDAC CONFERENCE, GONY WARNED THAT BEDREGAL IS MANEUVERING TO GIVE HIMSELF THE SAME WIN-WIN OPTIONS. EITHER THE "MISSING" RESOURCES GET PLEDGED AT VIENNA OR THEY DON'T. HE CAN RUN WITH THE BALL IN EITHER DIRECTION. ADDITIONALLY, THERE HAS BEEN ENOUGH PUBLICITY ABOUT VIENNA NOW SO THAT IT WOULD BE POLITICALLY EXTREMELY DAMAGING IF THE FEBRUARY 7 MEETINGS WERE CANCELLED. BEDREGAL'S TIES WITH INTERIOR MINISTER BARTHELEMY

11. (C) GONY POINTED OUT THAT FOR SOME TIME THERE HAS BEEN A CLOSE POLITICAL RELATIONSHIP BETWEEN BEDREGAL AND BARTHELEMY. DURING THE 1985 NATIONAL ELECTION CAMPAIGN BEDREGAL HAD BEEN INSTRUMENTAL IN MAKING BARTHELEMY A CONGRESSIONAL CANDIDATE FROM PANDO DEPARTMENT. (BARTHELEMY WAS ELECTED. LIKE SEVERAL OTHERS, INCLUDING GONY SANCHEZ DE LOZADA AND BEDREGAL, HE GAVE UP HIS CONGRESSIONAL SEAT WHEN ASKED TO BE A CABINET OFFICER.) BEDREGAL HAD

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AN003240

AS HIS OWN PERSONAL CAMPAIGN CHIEF IN COCHABAMBA DEPARTMENT GUIDO MERUBIA -- THE NOTORIOUSLY CORRUPT NARCO-INVOLVED UNDERSECRETARY OF INTERIOR WHOM BARTHELEMY STEADFASTLY DEFENDED UNTIL THIS MONTH. MERUBIA FINALLY WAS FIRED IN EARLY JANUARY, AND BARTHELEMY HAS GOTTEN HIM A JOB AS DIRECTOR OF THE GOVERNMENT-INTERVENED SHERATON HOTEL.

12. (C) IT IS CLEAR THAT BEDREGAL AND BARTHELEMY OWE EACH OTHER POLITICAL DEBTS AND HAVE A CLOSE RELATIONSHIP. (COMMENT: WE OURSELVES HAVE NOTICED THAT BEDREGAL HAS CONTINUOUSLY AND CLOSELY TALKED WITH BARTHELEMY ON INTERDICTION AND OTHER COCA-RELATED ISSUES. MOREOVER, DURING THE WORST OF THE POLITICAL FLACK ABOUT OPERATION "BLAST FURNACE," BEDREGAL AND BARTHELEMY JOINTLY TOOK MORE HEAT AND POLITICAL ABUSE THAN ANY OTHER MEMBERS OF THE GOVERNMENT.) AGRICULTURE MINISTER SANDOVAL MORON

13. (C) SANDOVAL, BOTH GONY AND I REMARKED, WENT ALONG WITH THE COCA ERADICATION STRATEGY BUT WAS NOT/NOT ENTHUSIASTIC. NOW THAT PUBLIC DOUBTS ARE BEING VOICED REGARDING THE STRATEGY'S WORKABILITY, SANDOVAL IS GOING OFF ON HIS OWN TANGENT. (COMMENT: SANDOVAL'S BROTHER LEADS AN ANTI-PAZ ESTENSSORO DISSIDENT WING OF THE MNR IN SANTA CRUZ DEPARTMENT. MOREOVER, THE SANDOVAL FAMILY HAS LONG BEEN LINKED WITH VARIOUS KINDS OF CORRUPTION AND SOME NARCO-ASSOCIATIONS. EDIL SANDOVAL MORON PROBABLY WAS APPOINTED AGRICULTURE MINISTER LAST JANUARY IN A MOVE BY PRESIDENT PAZ ESTENSSORO TO REGAIN SOME LEVERAGE WITH THE SANTA CRUZ MNR. END COMMENT.) CABINET CHANGES, PRO-U.S. SIDE ISOLATED?

14. (S) GONY INDICATED THAT PRESIDENT PAZ ESTENSSORO HAD PRIVATELY AND SEPARATELY TALKED WITH HIM AND BEDREGAL ABOUT POSSIBLE CABINET CHANGES. GONY SAID THE PRESIDENT IS CONSIDERING REMOVING INTERIOR MINISTER BARTHELEMY

BECAUSE OF ALL THE CORRUPTION AND NARCOTRAFFICKER ACCUSATIONS AGAINST HIM. THE PRESIDENT INDICATED THAT IF HE DOES REMOVE BARTHELEMY, HE WILL MAKE SOME MORE GENERAL CHANGES IN THE CABINET IN ORDER TO DISGUISE THE REAL REASON FOR LETTING BARTHELEMY GO. IN SUCH CASE, HOWEVER, THE PRESIDENT SAID HE DEFINITELY WANTS BOTH BEDREGAL AND GONY SANCHEZ DE LOZADA TO STAY.

15. (S) GONY OBSERVED THAT HIS PERSONAL RELATIONS WITH BEDREGAL ARE STRAINED. MOREOVER, HE FINDS IT DIFFICULT TO WORK IN A CABINET IN WHICH THE FOREIGN MINISTER IS AS ERRATIC, SHORT-FUSED AND PRONE TO SHOOT FROM THE HIP AS BEDREGAL. LIFE WOULD BE EASIER, SAID GONY, IF BEDREGAL COULD BE MOVED TO SOME OTHER CABINET POST AND BE REPLACED BY AMBASSADOR-TO-THE-U.S. FERNANDO ILLANES. THAT SAID, GONY ACKNOWLEDGED THAT AT LEAST HE CAN HAVE AN HONEST DEBATE IN CABINET MEETINGS WITH BEDREGAL. SOME MINISTERS
~~SECRET~~ SECTION 04 OF 04 LA PAZ 00485

EXDIS

E.O. 12356: DECL: OADR

TAGS: BL, SNAR, PREL, PGOV

SUBJECT: COCA ERADICATION STRATEGY: PLANNING MINISTER ARE EITHER SO NARROW-MINDED OR SO VENAL (GONY NAMED ENERGY MINISTER CARLOS MORALES, WHO IS CLOSE TO BEDREGAL) THAT IT IS IMPOSSIBLE TO GET ANYTHING AT ALL DONE WITH THEM.

16. (S) GONY SAID THAT PAZ ESTENSSORO PREFERS TO MAKE MINIMAL OR NO CHANGES IN HIS CABINET SO THAT HE HAS AN EXPERIENCED TEAM OF COLLEAGUES RUNNING THE GOVERNMENT. BUT IF THE EVIDENCE BEING

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ACCUMULATED AGAINST BARTHELEMY IS SUFFICIENT, HE
WILL BE DUMPED. THE DECISION PROBABLY WILL BE
MADE WITHIN THE NEXT TWO TO FOUR WEEKS.
COMMENTS

17. (C) LISTENING TO SANCHEZ DE LOZADA, I GET THE
IMPRESSION HE IS FEELING ISOLATED WITHIN THE
CABINET REGARDING THE WAY BOLIVIA SHOULD CONDUCT
RELATIONS WITH THE U. S. HE KNOWS US AND OUR SYSTEM
WELL AND UNDERSTANDS THE LIMITS OF THE ART OF THE
POSSIBLE IN THE U. S. POLITICAL CONTEXT. HIS
CABINET COLLEAGUES ARE UNAWARE OR ARE PRONE TO
IGNORE THOSE LIMITS.

18. (C) WE THEREFORE ARE ENCOUNTERING A SITUATION
IN WHICH CERTAIN BOLIVIAN CABINET OFFICERS, LED
BY FOREIGN MINISTER BEDREGAL, MAY TRY TO PRESS A
GREATER U. S. FORTHCOMINGNESS IN A WAY THAT CAUSES
US TO MISS THE MARCH 1 CERTIFICATION DEADLINE. OUR
PUBLIC AFFAIRS CAMPAIGN (REF B) AND THE NEW
INTENSIVE ROUNDS OF TALKS (REF C) ARE, OF COURSE,
INTENDED TO HEAD OFF THIS DANGER IF WE CAN.

19. (C) TO HELP US HERE, I URGE THAT THE UNITED
STATES DO EVERYTHING POSSIBLE TO MAKE THE VIENNA
MEETINGS SUCCEED. EVERYTHING POSSIBLE MEANS
HEADING THE U. S. DELEGATION AT THE ASSISTANT
SECRETARY LEVEL; ANNOUNCING THE VERY SUBSTANTIAL
LEVELS OF THE U. S. SUPPORT (AS IN REF B); AND
URGING THE EUROPEANS TO START COMING FORWARD WITH
THEIR CONTRIBUTIONS.

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<SECT>SECTION: 01 OF 04<SSN> 0485<TOR> 870116062104 MSG000159085264
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AN003469

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SIT: EOB NSJHO BOHN NATALE SIGLER WERGELES VAX

<PREC> PRIORITY<CLAS> SECRET<OSRI> RUEHLP<DTG> 160120Z JAN. 87
FM AMEMBASSY LA PAZ
TO SECSTATE WASHDC PRIORITY 7306

<SUBJ>SUBJECT: CORRUPTION

~~SECRET~~ LA PAZ 00486

NODIS

E.O. 12356: DECL: OADR

TAGS: BL, PGOV, SNAR

SUBJECT: CORRUPTION

REF: (A) LA PAZ 386 (NODIS) DTG 132106Z JAN 87;
(B) STATE 12705 (ROGER) DTG 142114Z JAN 87;
(C) 86 LA PAZ 10907 (NODIS) DTG 222151Z DEC 86

1. (S-ENTIRE TEXT)

2. REF A ANTICIPATED REF B.

3. DURING OUR ONE-ON-ONE JANUARY 13 LUNCH, PLANNING MINISTER "GONY" SANCHEZ DE LOZADA SAID HE HAD BEEN CALLED BY BOLIVIA'S AMBASSADOR TO THE U.S., FERNANDO ILLANES, REGARDING U.S. PRESSURES TO DUMP INTERIOR MINISTER BARTHELEMY. GONY SAID ILLANES HAD INFORMED HIM THAT I WAS ABOUT TO GO TO PRESIDENT PAZ WITH CONVINCING INFORMATION THAT BARTHELEMY HAS BEEN REACHED BY NARCOTRAFFICKERS.

4. GONY SAID ILLANES HAD BEEN DIFFIDENT IN MAKING THE CALL BECAUSE OBVIOUSLY ILLANES SHOULD BE REPORTING THROUGH "HIS BOSS" (FOREIGN MINISTER BEDREGAL). HOWEVER, ILLANES FELT IT NECESSARY TO GIVE GONY A "HEADS UP". GONY THEN ASKED WHAT I KNOW ABOUT BARTHELEMY AND IF I HAD TALKED WITH BEDREGAL ON THE ISSUE AND WAS GOING TO SEE THE PRESIDENT.

5. I OUTLINED TO GONY MY DECEMBER 18 CONVERSATION WITH BEDREGAL AND ILLANES IN WHICH BEDREGAL ASKED ME, AT THE PRESIDENT'S DIRECTION, SPECIFICALLY FOR HARD EVIDENCE AGAINST BARTHELEMY (REF C). I INDICATED THAT THE HARDEST EVIDENCE AVAILABLE HAS NOT CHANGED SINCE THEN; THAT IS, THE PHONECALLS TO BARTHELEMY'S OFFICE IN THE INTERIOR MINISTRY (BUT NOT TO BARTHELEMY BY NAME) RESULTED IN CERTAIN TRAFFICKERS OR THEIR ASSOCIATES BEING RELEASED BY THE POLICE IN SANTA CRUZ. I TOLD GONY THAT PRESIDENT PAZ HAS ALREADY ASKED ME TO COME TO A PRIVATE, SECLUDED MEETING TO CONVEY TO HIM THE INFORMATION THAT I HAVE. ALTHOUGH THERE IS STRONG CIRCUMSTANTIAL EVIDENCE, WE DO NOT/HAVE A "SMOKING GUN". GONY AND I AGREED THAT AT THIS POINT IT IS HARD TO PREDICT WHICH SIDE PAZ WILL COME DOWN ON.

6. GONY SUGGESTED TO ME THAT I SHOULD NOT TRUST BEDREGAL'S DECEMBER ASSERTION THAT HE WAS ACTING ON PRESIDENTIAL INSTRUCTION. I SAID I AM FAMILIAR WITH BEDREGAL'S OCCASIONAL OPERATION BY INNUENDO, BUT THAT IN THE DECEMBER CONVERSATION I HAD EXPLICITLY ASKED FOR CONFIRMATION THAT THE PRESIDENT HAD ASKED FOR THE INFORMATION. AMBASSADOR ILLANES WAS PRESENT, AND HE

HAD NODDED ASSENT. THEREFORE, I HAD TO ASSUME THAT THE PRESIDENT WAS KNOWLEDGEABLE.

7. IN ANY CASE, IN MY BRIEF PRIVATE CONVERSATION WITH PRESIDENT PAZ JANUARY 12 I HAD TOLD THE PRESIDENT THAT I HAD COLLECTED THE INFORMATION ON BARTHELEMY THAT HE HAD ASKED FROM ME THROUGH BEDREGAL IN DECEMBER. GONY

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NARA DATE 5/10/15

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SAID IT WAS GOOD THAT I HAD CLOSED THE LOOP WITH THE
PRESIDENT THAT WAY.

8. GONY WENT ON TO RECITE THE CLOSE WORKING RELATIONSHIP
AND POLITICAL HISTORY BETWEEN BEDREGAL AND BARTHELEMY
(LA PAZ 0485), EMPHASIZING THAT ONE HAS TO ASSUME THAT
BEDREGAL WILL KEEP BARTHELEMY INFORMED OF ANYTHING SAID
TO BEDREGAL.
ROWELL

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BY

NLRR 10353/1 #120398

NARA DATE 5/18/15

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 <PREC> IMMEDIATE<CLAS> CONFIDENTIAL<OSRI> RUEHLP<DTG> 162157Z JAN 87
 FM AMEMBASSY LA PAZ
 TO RUEHC/SECSTATE WASHDC IMMEDIATE 7338
 INFO RUEHBO/AMEMBASSY BOGOTA 5718
 RUEHPE/AMEMBASSY LIMA 4350
 RUEHOT/AMEMBASSY QUITO 5666
 RUHVI/UNVIE MISSION VIENNA
 RUEOHA/USCINCSO QUARRY HEIGHTS PN//POLAD//

<SUBJ> SUBJECT: COCA ERADICATION STRATEGY: DISCUSSION WI

~~CONFIDENTIAL~~ SECTION 01 OF 03 LA PAZ 00529
 LIMA ALSO FOR A/S WROBLESKI

E.O. 12356: DECL: OADR

TAGS: BL, SNAR

SUBJECT: COCA ERADICATION STRATEGY: DISCUSSION WI
 PLANNING MINISTER AND BOLIVIAN AMBASSADOR
 TO THE U.S.

REF: (A) LA PAZ 485 DTG 160101Z JAN 87;

(B) LA PAZ 434 DTG 142212Z JAN 87

>BEGIN SUMMARY>

SUMMARY

1. (C) THE SCHEDULED JANUARY 15 GROUP MEETING WITH PLANNING MINISTRY STAFF ON COCA ERADICATION STRATEGY WAS SCRATCHED IN FAVOR OF A WIDE-RANGING, CLOSED SESSION BETWEEN PLANNING MINISTER SANCHEZ DE LOZADA, BOLIVIAN AMBASSADOR TO WASHINGTON FERNANDO ILLANES, DCM BIGGS AND USAID DIRECTOR COHEN. MAJOR POINTS:
- BOLIVIAN INTEREST IN TWO VIENNA MEETINGS, ONE FEBRUARY 7, THE OTHER IN MARCH.
 - SOME INTEREST IN COMMODITIES FOR FAMILY REHABILITATION, BUT CONTINUING DEMAND FOR A MUCH LARGER CASH COMPONENT.
 - POSSIBILITY OF A DIRECT APPEAL FROM PRESIDENT PAZ ESTENSORRO TO PRESIDENT REAGAN ON THIS.
 - INCREASED, ALBEIT INCOMPLETE, UNDERSTANDING AND ACCEPTANCE OF THE LEVELS OF U.S. ASSISTANCE.
 - AGREEMENT ON THE CRITICAL IMPORTANCE OF THE NEW ANTI-NARCOTICS LAW AND A NEW BILATERAL AGREEMENT (BY MARCH 1).

END SUMMARY.

>END SUMMARY>

IMPORTANCE OF VIENNA UNFDAC MEETINGS

2. (C) BASED LARGELY UPON THE UNCERTAINTIES THAT CONTINUE WITH RESPECT TO THE COMPOSITION OF THE FAMILY REHABILITATION FUND AND DOUBTS ABOUT ARRIVING IN VIENNA WITHOUT A CLEARLY COMPATIBLE AND MUTUALLY SUPPORTIVE U.S./BOLIVIAN FRONT, AMBASSADOR ILLANES PERSUADED PRESIDENT PAZ EARLY JANUARY 15 THAT BOLIVIA WOULD BE BETTER OFF POSTPONING THE SCHEDULED FEBRUARY 7 MEETING UNTIL THE LATTER PART OF MARCH. IN DISCUSSING THE FORMAT OF THE TWO-WEEK VIENNA MEETING, THE CLEAR NEED FOR ADDITIONAL DONORS AND THE NEED

FOR BOLIVIA TO BE REPRESENTED BY MORE THAN BOLIVIA'S U.N. AMBASSADOR GUMUCIO, AMBASSADOR ILLANES AND MINISTER SANCHEZ DE LOZADA FELT THE MORNING GOB DECISION, TAKEN WITHOUT CONSULTING THE EMBASSY, MIGHT WELL HAVE BEEN PRECIPITOUS.

3. (C) AT THIS JUNCTURE ILLANES AND SANCHEZ DE LOZADA

PLAN TO MEET WITH UNFDAC EXECUTIVE DIRECTOR DI GENNARO LATE FRIDAY EVENING (JANUARY 16) WITH RESPECT TO A MODIFIED FEBRUARY 7 MEETING. AMBASSADOR ILLANES WOULD MEET WITH THE SUB-GROUP OF POTENTIAL DONORS WHICH WAS FORMED DURING THE PARIS WORLD BANK CONSULTATIVE GROUP MEETING IN DECEMBER. EXPECTATIONS WILL BE LESS FOR ANY SPECIFIC PLEDGES AND MORE SIMPLY TO KEEP THE ISSUE ALIVE UNTIL A LATE MARCH MEETING TO SECURE TANGIBLE FINANCIAL COMMITMENTS. IDEALLY THE U.S./GOB WILL HAVE RESOLVED THE FAMILY REHABILITATION ISSUE, BUT AT A MINIMUM AMBASSADOR ILLANES HOPES TO GIVE THE PARTICIPANTS A SPECIFIC INDICATION OF U.S. COMMITMENT TO THE OVERALL STRATEGY IN DOLLAR TERMS AS AN IMPORTANT ENDORSEMENT. (EMBASSY COMMENT: WE EMPHASIZED THE IMPORTANCE OF AN ARTICULATE BOLIVIAN PRESENCE IN VIENNA AND THERE WAS (#) WITH POTENTIAL EUROPEAN GOVERNMENT DONOR REPRESENTATIVES BEFORE FEBRUARY 7, HE MAY DECIDE TO TELEPHONE VARIOUS EUROPEAN OFFICIALS. THIS WOULD ALLOW SOME TYPE OF USG FOLLOW-UP THROUGH OUR EMBASSIES IN EUROPE. CONFIDENTIAL SECTION 02 OF 03 LA PAZ 00529 LIMA ALSO FOR A/S WROBLESKI E.O. 12356: DECL: OADR TAGS: BL, SNAR SUBJECT: COCA ERADICATION STRATEGY: DISCUSSION WI FAMILY REHABILITATION FUND

5. (C) AMBASSADOR ILLANES, IN PARTICULAR, ENTERED THE MEETING CONVINCED THAT NOTHING SHORT OF THE FULL CASH-PAYMENT BASIS FOR THE FAMILY REHABILITATION FUND WOULD BE POLITICALLY ACCEPTABLE TO THE BOLIVIAN CONGRESS. BASED UPON HIS OWN DISCUSSIONS WITH U.S. CONGRESSIONAL STAFFERS, HE THOUGHT THIS HAD SUPPORT ON THE HILL IN WASHINGTON. HE IS A MAJOR DRIVING FORCE ARGUING FOR A DIRECT COMMUNICATION FROM PRESIDENT PAZ TO PRESIDENT REAGAN ADVOCATING THAT THE USG REVIEW ITS DECISION ON THIS ISSUE. EMBOFFS CHALLENGED THE COMPREHENSIVENESS OF ILLANES' CONGRESSIONAL SAMPLE; REVIEWED CURRENT LEGISLATIVE PROHIBITIONS AS WE UNDERSTAND THEM; NOTED THAT OTHER DRUG-PRODUCING COUNTRIES HAD PREVIOUSLY MADE SIMILAR UNSUCCESSFUL REQUESTS AND RESISTANCE TO CREATING SUCH A PRECEDENT; AND EMPHASIZED THAT THE CURRENT INSTRUCTIONS TO AMBASSADOR ROWELL FROM THE DEPUTY SECRETARY HAD EMERGED AFTER LENGTHY, PAINFULLY THOROUGH DISCUSSION OF THE ISSUES. MOST POINTEDLY, WE URGED THAT ANY PRESIDENTIAL COMMUNICATION SHOULD NOT HAVE A TAKE-IT-OR-LEAVE-IT TONE, BUT SHOULD LEAVE ROOM FOR FLEXIBILITY.

6. (C) CONSIDERABLE TIME WAS SPENT DISCUSSING THE AVAILABLE LATITUDE IN THE CURRENT U.S. POSITION (E.G., POSSIBILITY OF RELOCATION FINANCING, CREDIT, AND LEVEL OF LABOR COSTS FOR ERADICATION). DCM AND

USAID DIRECTOR STRESSED THAT OUR EFFORTS WOULD BE BEST SPENT ON TRYING TO ARRIVE AT A MUTUALLY ACCEPTABLE PACKAGE COMBINING ALL RELEVANT ELEMENTS WHILE RETAINING A HEAVY IN-KIND COMPONENT. PERHAPS THE IN-KIND AID WILL HAVE TO EMPHASIZE FOOD ASSISTANCE. ALL PARTICIPANTS IN THE VOLUNTARY ERADICATION PROGRAM WOULD PROBABLY REQUIRE SUCH AID AS ILLUSTRATED BY THE CURRENT UNEMPLOYED MINERS IN AREAS SUCH AS COCHABAMBA WHO HAD THEMSELVES RECEIVED A CASH PAYMENT AS PART OF THE GOVERNMENT SETTLEMENT.

7. (C) AMBASSADOR ILLANES, REFLECTING MORE OF SANCHEZ DE LOZADA'S OWN PRAGMATISM, BEGAN TO APPEAR WILLING TO CONSIDER SUCH A POSSIBILITY. HE STILL ARGUED, HOWEVER, THAT CASH MUST REMAIN A MAJOR INGREDIENT AS A POLITICAL INDUCEMENT.

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AN003507

LEVEL OF U.S. ASSISTANCE -- PUBLIC AFFAIRS

8. (C) WE REVIEWED AVAILABLE FY-87 AND PROPOSED FY-88 USG FUNDING FOR BOLIVIA'S COCA ERADICATION STRATEGY. ILLANES SEEMED GREATLY RELIEVED WHEN HE UNDERSTOOD HOW RESOURCES FROM TWO U.S. FISCAL YEARS COULD APPLY TO THE CRITICAL FIRST 12 MONTHS OF THE ERADICATION STRATEGY. THERE ALSO WAS CLEAR RECOGNITION OF THE NECESSITY FOR ADDITIONAL INTERNATIONAL FINANCING. IN THIS CONTEXT ALL PARTIES RECOGNIZED THAT RECENT GOB SPOKESMEN ALLEGING A PURPORTED USG COMMITMENT TO FUND THE FULL 300 MILLION DOLLARS WERE INACCURATE AND DESTRUCTIVE OF OUR MUTUAL EFFORTS.

9. (U) COMMENT: LATE JANUARY 15 AND EARLY JANUARY 16 PAPERS CARRIED AN ILLANES STATEMENT THAT SAID:

-- THE PUBLIC WAS BEING MISINFORMED.
-- THE U.S. COMMITMENT IN OCTOBER WAS MORAL, NOT/NOT FINANCIAL.
-- THE 300-MILLION-DOLLAR ESTIMATE WAS FOR A THREE REPEAT THREE-YEAR PROGRAM.
-- BOLIVIA IS TO CONTRIBUTE 20 PERCENT.
-- THE 66 MILLION DOLLARS MENTIONED BY ASSISTANT SECRETARY WROBLESKI IS A GOOD START. OBVIOUSLY
~~CONFIDENTIAL~~ SECTION 03 OF 03 LA PAZ 00529
LIMA ALSO FOR A/S WROBLESKI

E.O. 12356: DECL: OADR

TAGS: BL, SNAR

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SUBJECT: COCA ERADICATION STRATEGY: DISCUSSION W/ OTHER COUNTRIES WILL HAVE TO CONTRIBUTE.
-- THE VIENNA MEETING IS BEING DEFERRED FROM FEBRUARY TO MARCH IN ORDER TO PREPARE FOR IT BETTER AND TO ALLOW THE PARTICIPANTS TO BE IN A BETTER POSITION TO CONTRIBUTE TO THE COCA ERADICATION STRATEGY.

10. (U) AT A CEREMONIAL OCCASION AT THE FOREIGN MINISTRY THE MORNING OF JANUARY 16, AMBASSADOR ROWELL SPOKE ON THE RECORD TO TELEVISION (FOUR CHANNELS), RADIO AND PRESS REPORTERS. HE
-- SUPPORTED ILLANES' CLARIFICATION OF THE PREVIOUS AFTERNOON
-- EMPHASIZED THE ADEQUACY OF RESOURCES BEING

OFFERED AS OUTLINED IN REF B.
END COMMENT.

ANTI-NARCOTICS LEGISLATION AND NEW BILATERAL

11. (C) WITH THE PRESSURE SOMEWHAT OFF THE VIENNA MEETING, THE TOP PRIORITIES BECAME SUBMISSION AND PASSAGE OF THE REVISED ANTI-NARCOTICS LAW, AND SIGNING OF A NEW BILATERAL AGREEMENT PRIOR TO THE MARCH 1 CERTIFICATION DEADLINE. ON THIS THERE WAS FULL CONSENSUS.

(DRAFTED:DCM:JRBIGGS)
ROWELL

<SECT>SECTION: 01 OF 03<SSN> 0529<TOR> 870116173532 MSG000159125731
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<DIST>SIT: EOB VAX

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 RUEHQT/AMEMBASSY QUITO 5684
 RUEHBO/AMEMBASSY BOGOTA 5736
 RUEHKL/AMEMBASSY KUALA LUMPUR 0153
 RUEHDT/USMISSION USUN NEW YORK 3953
 RUFHVI/UNVIE MISSION VIENNA
 RUEOEHA/USCINCSO QUARRY HEIGHTS PN//POLAD//

Bolivia

<SUBJ>SUBJECT: BOLIVIAN DEMARCHE ON RANGE OF FOREIGN

<TEXT>

~~SECRET~~ SECTION 01 OF 03 LA PAZ 00764
 E.O.12356: DECL: OADR
 TAGS: BL, PREL, UN, UNFDAC, EMIN
 SUBJECT: BOLIVIAN DEMARCHE ON RANGE OF FOREIGN
 POLICY ISSUES

"BEGIN SUMMARY"

SUMMARY

1. (C) ON THURSDAY, JANUARY 23, A DELEGATION FROM THE FOREIGN MINISTRY (RENE SORIA GALVARRO, CHIEF OF STAFF; PASTOR SAINZ, U.S. DESK OFFICER; EULELIO MEDINA, DIRECTOR OF MULTILATERAL AFFAIRS) CALLED ON THE AMBASSADOR ON FOREIGN MINISTER BEDREGAL'S INSTRUCTION. ALTHOUGH THERE WAS NO ADVANCE AGENDA, THE 45-MINUTE MEETING DEALT WITH A RANGE OF BOLIVIAN BILATERAL CONCERNS DEALING MAINLY WITH U.S. ANTI-NARCOTICS COOPERATION IN BOLIVIA AND IN U.N. FORA. THE AMBASSADOR TOOK THE OPPORTUNITY TO REVIEW OUR OWN WORRIES ABOUT THE CURRENT COURSE OF CERTAIN BOLIVIAN ANTI-NARCOTICS EFFORTS AND STATEMENTS. THE BOLIVIANS ALSO FEARED POSSIBLE GSA TIN DISPOSALS WOULD SINK A RECENT WEAK TIN PRICE RECOVERY. END SUMMARY.

FONMIN BEDREGAL-SECSTATE SHULTZ CABLE

2. (C) SORIA HANDED THE AMBASSADOR A COPY (TEXT IN SEPTTEL) OF A FIRST-PERSON CABLE FROM BEDREGAL TO SECRETARY SHULTZ TO BE DELIVERED BY BOLIVIA'S AMBASSADOR ILLANES IN WASHINGTON. THE MESSAGE REVIEWS, AS A BACKDROP TO THE AMBITIOUS NEW THREE-YEAR ANTI-NARCOTICS PROGRAM, THE ECONOMIC OBSTACLES DARINGLY FACED BY THE BOLIVIAN GOVERNMENT (E.G., DROP IN TIN AND HYDROCARBON PRICES) IN RIGOROUSLY PURSUING ITS NEW ECONOMIC POLICY. NOTING WITH APPRECIATION THE U.S. SUPPORT IN "OPERATION BLAST FURNACE" AND THE OCTOBER BILATERAL NEGOTIATING MEETING, THE MESSAGE INDICATES BOLIVIAN "SURPRISE" AT THE "INAPPROPRIATE ANSWER" FROM THE U.S. RE THE CASH-PAYMENT PROVISIONS OF THE FAMILY REHABILITATION FUND WHICH, IN THE FOREIGN MINISTER'S

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BY RW NARA DATE 5/18/15

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ESTIMATE, MAKE A "RESPONSIBLE, SUSTAINED PROGRAM INOPERATIVE."

AMBASSADOR DETAILS APPROPRIATENESS, STRENGTH AND

POSITIVENESS OF U.S. RESPONSE

3. (C) EMPHASIZING A POINT THE EMBASSY HAS MADE FREQUENTLY OVER THE PAST FEW WEEKS, THE AMBASSADOR INDICATED THAT THE OCTOBER BILATERAL NEGOTIATIONS WERE CRYSTAL CLEAR IN THE CONCLUSION THAT:

- THE RESOURCES OF BOTH OUR GOVERNMENTS COMBINED
 - . WOULD BE INADEQUATE TO FINANCE THE ESTIMATED
 - . 300-MILLION-DOLLAR COST OF THE THREE-YEAR
 - . ANTI-NARCOTICS PROGRAM;
- IT IS A THREE-YEAR PROGRAM AND IT WAS NEVER
 - . ASSUMED, NOR WAS IT EVER POSSIBLE, THAT THE
 - . ENTIRE THREE-YEAR COST WOULD BE FULLY
 - . FUNDED FROM THE OUTSET;
- BOLIVIA HAD UNILATERALLY ESCALATED THE COST
 - . ESTIMATE TO 350 MILLION DOLLARS;
- WITH RESPECT TO THE MOST IMMEDIATE IMPLEMENTATION
 - . ISSUE, THE 100-MILLION-DOLLAR FAMILY REHABILITA-
 - . TION FUND WHOSE REAL REQUIREMENTS WERE UNLIKELY
 - . TO EXCEED 50 - 60 MILLION DOLLARS, THE 75 MILLION
 - . DOLLARS THE U.S. PROPOSED TO CONTRIBUTE OVER THE
 - . 12 MONTHS FROM APRIL 1987 THROUGH MARCH 1988
 - . WERE, ALONG WITH THE COMMITMENT MADE BY THE
 - . BOLIVIAN GOVERNMENT, AMPLY COVERS CRITICAL
 - . FIRST-YEAR COSTS; AND
- IN ADDITION, THE U.S. IS UNDERWRITING 90 PERCENT
 - . OF ALL INTERDICTION COSTS AND HAS ALREADY
 - . COMMITTED 22 MILLION DOLLARS OF PIPELINE
 - . COUNTERPART FUNDS TO THE DEVELOPMENT PHASE OF

~~SECRET~~ SECTION 02 OF 03 LA PAZ 00764

E.O.12356: DECL: OADR

TAGS: BL, PREL, UN, UNFDAC, EMIN

SUBJECT: BOLIVIAN DEMARCHE ON RANGE OF FOREIGN
. THE STRATEGY.

4. (C) WITHIN THIS CONTEXT, IT WAS BOTH UNFAIR AND DANGEROUSLY INACCURATE FOR THE FOREIGN MINISTER TO REFER TO ANY U.S. MORAL OBLIGATION TO PROVIDE 350 MILLION DOLLARS AS HAD BEEN DONE ON SEVERAL OCCASIONS RECENTLY IN THE BOLIVIAN MEDIA.

5. (C) THE MOST IMMEDIATE PRIORITY, THE AMBASSADOR STATED, IS ACTION ON THE STILL-STALLED BOLIVIAN ANTI-NARCOTICS LEGISLATION AND ON A NEW BILATERAL AGREEMENT. IF THE LATTER IS NOT COMPLETED BY MARCH 1, BOLIVIA WILL LOSE A SUBSTANTIAL PORTION OF THE REQUIRED U.S. FUNDING, SOME 20 MILLION DOLLARS FOR FY 1987 PLUS MUCH OF THE OVER 100 MILLION DOLLARS PRESIDENT REAGAN HAS ASKED THE CONGRESS TO APPROPRIATE FOR ECONOMIC AND MILITARY ASSISTANCE TO BOLIVIA IN FY 1988. AS A FURTHER COMPLICATION, HE UNDERLINED, U.S. REPRESENTATIVES IN MULTILATERAL FINANCIAL INSTITUTIONS WOULD BE FORCED TO VOTE AGAINST BOLIVIAN LOAN AND GRANT REQUESTS. THE AMBASSADOR REMINDED SORIA THAT

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BOLIVIA RECENTLY RECEIVED 140 MILLION DOLLARS IN IDB LOANS ONLY BECAUSE OF STRONG U.S. SUPPORT.

6. (C) COMMENT: OUR EXPERIENCE WITH SORIA IN THE PAST HAS BEEN THAT HE IS AN ACCURATE MESSENGER FOR THE FOREIGN MINISTER. HE TOOK EXTENSIVE NOTES ON THESE POINTS AND EXPRESSED APPRECIATION FOR THE DETAILED REVIEW. IT IS, HOWEVER, IRONIC THAT MUCH OF THIS CONTINUES TO BE RECEIVED AS ANYTHING OF A SURPRISE. WE HAVE BELABORED THE TIME-SENSITIVE NATURE OF BOTH THE LEGISLATION AND BILATERAL AGREEMENT CONTINUOUSLY OVER THE PAST FEW WEEKS, INCLUDING WITH THE FOREIGN MINISTER. END COMMENT.

BEDREGAL'S DESIRE TO CHAIR JUNE U.N. MEETING ON DRUGS

7. (C) SORIA AND HIS COLLEAGUES SPENT MOST OF THEIR TIME PRESSING THE SECOND POINT IN BEDREGAL'S MESSAGE: THE LACK OF USG SUPPORT FOR FOREIGN MINISTER BEDREGAL'S CANDIDACY TO PRESIDE OVER THE JUNE WORLD NARCOTICS CONFERENCE IN VIENNA. SORIA REFERRED TO A LATIN AMERICAN CONSENSUS, INCLUDING THE CARIBBEAN, BEHIND BEDREGAL. HE STRESSED THAT ONLY FULL PUBLIC, U.S. SUPPORT, HOWEVER, COULD BROADEN THIS BACKING ENOUGH TO WIN THE PRESIDENCY FOR BEDREGAL. IN CONTRAST TO OUR LONG-STANDING GOOD RELATIONS AND THE HEMISPHERIC INTERESTS WHICH WOULD ARGUE FOR SUCH SUPPORT, SORIA SAID THAT MALAYSIA HAS BEEN TELLING OTHERS IT HAS U.S. BACKING. ARE MALAYSIA'S ASSERTIONS "A GAME," OR IS THE U.S. TURNING ITS BACK ON BEDREGAL?

8. (S) COMMENT: BEDREGAL HAS A LOT OF PERSONAL POLITICAL AMBITION RIDING ON THIS CANDIDACY. IF FRUSTRATED BECAUSE OF WHAT HE SEES AS U.S. "PERFIDY," HE CAN BECOME A FORMIDABLE OBSTACLE TO A WIDE RANGE OF OUR BILATERAL OBJECTIVES IN BOLIVIA. COULD WE SPONSOR A "CO-PRESIDENCY" IN WHICH BEDREGAL WOULD BE "CO-PRESIDENT" FOR PERENNIAL DRUG CROP (COCA) COUNTRIES? END COMMENT.

REPORTED GSA STRATEGIC MINERALS SALES AUTHORIZATION

9. (C) BOLIVIAN ANXIETY OVER REPORTS OF POSSIBLE GSA STRATEGIC MINERALS SALES WAS RAISED AGAIN. SORIA SPECIFICALLY REFERRED TO RECENT U.S. LEGISLATION AUTHORIZING SUCH SALES. THE AMBASSADOR INDICATED THAT HE HAD NOT SEEN THE REFERENCED REPORT. HOWEVER, SUCH LEGISLATION IS ONLY AN AUTHORIZATION. MOREOVER, GSA SALES MUST ALWAYS BE CONDUCTED IN A FORM THAT MINIMIZES ANY IMPACT ON WORLD PRICES. THEY MUST BE PEGGED AT

~~SECRET~~ SECTION 03 OF 03 LA PAZ 00764

E.O. 12356: DECL: OADR

TAGS: BL, PREL, UN, UNFDAC, EMIN

SUBJECT: BOLIVIAN DEMARCHE ON RANGE OF FOREIGN THE CURRENT GOING RATE, ARE OFFERED PRIMARILY TO U.S. DOMESTIC PURCHASERS AS PART PAYMENTS FOR REPROCESSING GSA METALS, AND IN RECENT YEARS

HAVE CONSTITUTED NO MORE THAN TWO TO THREE PERCENT OF TOTAL WORLD SALES -- NOT ENOUGH TO AFFECT WORLD PRICES. BRAZILIAN AND CHINESE OUTPUT PLUS THE OLD TIN COUNCIL'S PLEDGED STOCKS ARE THE REAL SOURCE OF DEPRESSED TIN PRICES.

10. (C) SORIA NONETHELESS ASSERTED THAT THE GSA SALES HAVE A MAJOR PSYCHOLOGICAL IMPACT, AT LEAST IN THE SHORT RUN, THROUGH THE PUBLICITY THEY GENERATE. THE PRESENT TIMING FOR SUCH SALES IS PARTICULARLY DELICATE FOR BOLIVIA, HE SAID, BECAUSE TIN PRICES HAVE JUST STARTED TO RECOVER.

DUE TO THE PRODUCERS' NEW AGREEMENT TO CUT OUTPUT, ANNOUNCEMENT OF GSA SALES OF ANY KIND WOULD, HE SAID, WIPE OUT NASCENT PRICE RECOVERY.

CONCLUSION

11. (S) WHILE THERE WAS A FAIR AMOUNT OF FORM IN SORIA'S DEMARCHES, SEVERAL CONCERNS DO STAND OUT WITH LONGER-TERM IMPLICATIONS FOR OUR RELATIONS WITH THE BOLIVIAN GOVERNMENT, PARTICULARLY THE FOREIGN MINISTER. WHILE BEDREGAL'S OUTSPOKEN USE OF THE BOLIVIAN MEDIA TO MISCONSTRUE THE SIZE OF THE U.S. COMMITMENT FOR THE ANTI-NARCOTICS EFFORT INVOLVES HIS OWN POLITICAL POSITIONING TO ENSURE A SCAPEGOAT SHOULD THE EFFORT FAIL, HE DOES HAVE GENUINE RESERVATIONS ABOUT OUR INABILITY TO CONTRIBUTE TO A CASH PAYMENT FOR THE FAMILY REHABILITATION FUND. THESE POLITICAL INSTINCTS ARE SHARED BY PLANNING MINISTER GONZALO SANCHEZ DE LOZADA AND BOLIVIAN AMBASSADOR TO THE U.S. FERNANDO ILLANES, BOTH OF WHOM ARE FAR MORE SINCERE SUPPORTERS OF THE ANTI-NARCOTICS EFFORT. SECONDLY, BEDREGAL IS SERIOUS BOTH ABOUT HIS CANDIDACY FOR THE PRESIDENCY OF THE JUNE VIENNA MEETING AND THE IMPORTANCE OF STRONG, PUBLIC U.S. BACKING. HIS REACTION, READ RESENTMENT, TO A FAILURE OF SUCH BACKING WILL NOT DISAPPEAR QUICKLY AND, COMBINED WITH AN INSTINCTIVE ANTI-U.S. TEMPERAMENT, CAN COMPLICATE OUR ONGOING BILATERAL EFFORTS IN A MYRIAD OF WAYS.

(DRAFTED:DCM:JRBIGGS)

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Bolivia

<SUBJ>SUBJECT: MESSAGE FROM FOREIGN MINISTER BEDREGAL TO

<TEXT>

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LIMITED OFFICIAL USE SECTION 01 OF 02 LA PAZ 00765

E.O. 12356: N/A

TAGS: BL, PREL, UN, UNFDAC, EMIN

SUBJECT: MESSAGE FROM FOREIGN MINISTER BEDREGAL TO
SECRETARY SCHULTZ

REF: LA PAZ 764 DTG 262210Z JAN 87

1. (U) THERE FOLLOWS IN PARAGRAPH 2 AN INFORMAL TRANSLATION OF A PERSONAL MESSAGE WHICH FOREIGN MINISTER BEDREGA CABLED TO AMBASSADOR ILLANES IN WASHINGTON FOR DELIVERY TO SECRETARY SCHULTZ. REFTEL REPORTS THE ORAL EXCHANGE WHEN WE RECEIVED THIS TEXT AND OUR COMMENTS.

2. (LOU) BEGIN TEXT:

"AS YOU ARE FULLY AWARE, THE CONSTITUTIONAL GOVERNMENT OF BOLIVIA HAS UNDERTAKEN, BEGINNING IN AUGUST OF 1985, THE FUNDAMENTAL TASK OF HEALING ITS ECONOMY, WHICH WAS GRAVELY THREATENED BY THE WORST HYPERINFLATION IN THE HISTORY OF LATIN AMERICA. THIS TASK WAS DIRECTED TOWARD ADAPTING THE ECONOMY OF THE ENTIRE COUNTRY, WITHIN A FRAMEWORK OF LIBERTY THAT PROGRESSIVELY LIMITS THE EXCESSES OF STATE INTERVENTION, IN ORDER TO RESOLVE THE FISCAL DEFICIT AND CREATE THE CONDITIONS NECESSARY TO DEVELOP A FREE ECONOMY ENCOURAGED BY FREE PRIVATE INITIATIVE AND FOREIGN INVESTMENT.

"THIS TASK HAS BEEN CARRIED OUT IN SPITE OF THE ENORMOUS SOCIAL COST THAT ACCOMPANIES IT. THE EXECUTION OF THE NEW ECONOMIC POLICY WAS SERIOUSLY DAMAGED BY THE COLLAPSE OF METALS PRICES ON THE INTERNATIONAL MARKET, PARTICULARLY THAT OF TIN, WHICH AS YOU WELL KNOW MR. SECRETARY OF STATE IS THE MOST IMPORTANT COMPONENT OF MY COUNTRY'S EXPORTS. THE FALL IN HYDROCARBONS PRICES HAD A SIMILAR IMPACT, SINCE THE EXPORT OF NATURAL GAS IS THE SECOND MOST IMPORTANT SOURCE OF FOREIGN EXCHANGE FOR BOLIVIA.

"THESE MEASURES WERE ADOPTED BY MY GOVERNMENT WITHOUT ANY FOREIGN COOPERATION, WHICH CAME ONLY AFTER THE WORLD COMMUNITY BECAME AWARE OF THE POSITIVE RESULTS OF THE ANTI-HYPERINFLATIONARY STRUGGLE.

"JOINTLY WITH THE ILLUSTRIOUS GOVERNMENT OF THE UNITED STATES OF AMERICA WE HAVE DECIDED TO SHARE THE RESPONSIBILITY OF CONFRONTING FULLY AND LOYALLY THE CRIME OF NARCOTICS TRAFFICKING, WHICH IN BOLIVIA HAS TAKEN THE FORM OF COCAINE PRODUCTION. THE BOLIVIAN GOVERNMENT

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BY RW NARA DATE 5/18/15

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ENJOYED THE INITIAL SUPPORT OF THE UNITED STATES GOVERNMENT IN OPERATION BLAST FURNACE, WHICH, UPON ITS CONCLUSION IN NOVEMBER OF LAST YEAR, SHOULD HAVE BEEN SUBSTITUTED BY A GLOBAL, COHERENT, EFFECTIVE AND SERIOUS PROGRAM. MY GOVERNMENT PROPOSED THE SO-CALLED TRIENNIAL PLAN AGAINST NARCOTICS TRAFFICKING, WHOSE PRINCIPLES WERE ACCEPTED BY RESPONSIBLE AMERICAN OFFICIALS.

"THE CONCRETE MANIFESTATION OF THIS SUPPORT CAME ABOUT IN A BILATERAL MEETING OF OUR GOVERNMENTS, IN WHICH WE DISCUSSED ALL THE ASPECTS INHERENT IN THE PROPOSAL, PARTICULARLY THE PROVISION OF JOINT FINANCING FOR THIS UNAVOIDABLE ACTION BY OUR GOVERNMENTS, AN ACTION WHOSE MORAL AND ECONOMIC CONTENT IS OF SUCH IMPORTANCE THAT IT SURPASSES ANY SECONDARY CONSIDERATIONS.

"MR. SECRETARY OF STATE, WE HAVE BEEN TRULY SURPRISED BY THE DECISION OF YOUR GOVERNMENT WITH REGARD TO THIS PROGRAM, WHICH WE REGARD AS AN INAPPROPRIATE ANSWER WHICH LIES OUTSIDE THE CONTEXT OF THE AGREEMENT REACHED BY OUR RESPONSIBLE OFFICIALS.

"THE DELICATE ASPECT OF THIS MATTER LIES IN THE FACT THAT THE (PRESENT) ECONOMIC COMMITMENT OF YOUR ILLUSTRIOUS GOVERNMENT HAS FACETS THAT MAKE ANY RESPONSIBLE, SUSTAINED PROGRAM INOPERATIVE, PARTICULARLY WITH REGARD TO THE OPERATIONAL MODES FOR CROP SUBSTITUTION.

"THE DECISION OF YOUR ILLUSTRIOUS GOVERNMENT TO LIMIT THE AMOUNT OF CASH SUPPORT DOES NOT FIT WITHIN THE PRELIMINARY AGREEMENT WHICH WE REACHED LAST YEAR. ON THE CONTRARY, THE APPROPRIATION OF FUNDS FOR SOCIAL AND ECONOMIC DEVELOPMENT PROGRAMS WHICH ALREADY EXIST BETWEEN OUR TWO GOVERNMENTS IS WEAKENED AND THOSE SAME DEVELOPMENT RESOURCES ARE

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E.O. 12356: N/A

TAGS: BL, PREL, UN, UNFDAC, EMIN

SUBJECT: MESSAGE FROM FOREIGN MINISTER BEDREGAL TO WEAKENED AND DISTORTED IN ORDER TO INADEQUATELY FINANCE THIS FRONTAL STRUGGLE AGAINST NARCOTICS TRAFFICKING. THESE FUNDAMENTAL CONSIDERATIONS OBLIGE ME, MR. SECRETARY OF STATE, TO REQUEST THAT YOUR ILLUSTRIOUS GOVERNMENT RECONSIDER AND REVISE THE DECISION TO WHICH I HAVE REFERRED, REORIENTING YOUR POLICY TOWARD THAT WHICH WAS AGREED UPON BILATERALLY IN BOLIVIA AND ENCOURAGING ACTIVELY THE PARTICIPATION OF OTHER INDUSTRIALIZED COUNTRIES IN THIS PROJECT, WHICH WE HAVE CAST IN AN INTERNATIONAL CONTEXT PRECISELY BECAUSE OF THE NATURE OF THIS WORLDWIDE STRUGGLE, AND BECAUSE OF THE UNDENIABLE MEANING WHICH IT HAS IN THE UNITED STATES, DUE TO THE GROWING CONSUMPTION THERE OF THIS ALKALOID.

"IN THE MULTINATIONAL AREA, MY GOVERNMENT IS ALSO PREOCCUPIED BY THE FACT THAT, WITH REGARD TO THE UPCOMING WORLD CONFERENCE TO BE HELD IN VIENNA IN JUNE, YOUR ILLUSTRIOUS GOVERNMENT HAS NOT YET ANSWERED OUR TIMELY REQUEST FOR SUPPORT FOR THE BOLIVIAN CANDIDATE FOR THE PRESIDENCY OF SAID CONFERENCE.

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"THE ABOVE MENTIONED UNITED NATIONS CONFERENCE IN VIENNA, AIMED AT COORDINATING THE STRUGGLE AGAINST NARCOTICS TRAFFICKING, WOULD BE GRAVELY AFFECTED IF THE AMERICAN GOVERNMENT CONTINUES TO AVOID MAKING THE DECISION TO WHICH, WITH ALL CORDIALITY, I REFER. I REASSURE YOU THAT WE BOLIVIANS ARE DETERMINED TO TOTALLY EXTERMINATE THIS CRIMINAL MALIGNANCY FROM OUR COUNTRY, BUT WE ARE ALSO CERTAIN THAT WE WILL NOT BE ABLE TO ACHIEVE THE DEGREE OF SUCCESS THAT THIS ALL-IMPORTANT UNDERTAKING DEMANDS IF YOUR GOVERNMENT, MR. SECRETARY OF STATE, DOES NOT COOPERATE IN THE MANNER ORIGINALLY AGREED UPON.

"I AM PERFECTLY AWARE OF THE BUDGET DIFFICULTIES WHICH YOUR GOVERNMENT FACES, BUT I NEVERTHELESS BELIEVE THAT A REVIEW OF THE PROGRAM WITH A VIEW TO STRENGTHENING IT WILL GUARANTEE THE SUCCESS OF THIS STRUGGLE.

"I REMAIN ALERT TO IMPENDING NEWS FROM YOU ON THIS VERY IMPORTANT MATTER, AND RENEW TO YOU, MR. SECRETARY OF STATE, THE ASSURANCE OF MY HIGHEST CONSIDERATION.

DR. GUILLERMO BEDREGAL GUTIERREZ
MINISTER OF FOREIGN AFFAIRS AND
WORSHIP OF THE REPUBLIC OF BOLIVIA"

(DRAFTED:POL:WLOFSTROM)

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B. Luna

<SUBJ>SUBJECT: MEETING OF AID ASSISTANT ADMINISTRATOR

<TEXT>

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LIMA FOR DWIGHT INK

USCINCSO FOR POLAD

E.O. 12356: DECL: OADR

TAGS: BL, EAID, SNAR

SUBJECT: MEETING OF AID ASSISTANT ADMINISTRATOR

DWIGHT INK WITH PRESIDENT PAZ ESTENSSORO

1. (U) ON FRIDAY, FEBRUARY 6, AID ASSISTANT ADMINISTRATOR FOR LATIN AMERICA AND THE CARIBBEAN (AA/LAC) DWIGHT INK MET WITH BOLIVIAN PRESIDENT VICTOR ((PAZ)) ESTENSSORO AND HIS MINISTERS OF FOREIGN RELATIONS (GUILLERMO BEDREGAL), PLANNING (GONZALO SANCHEZ DE LOZADA) AND INTERIOR (FERNANDO BARTHELEMY). ALSO PRESENT WERE THE AMBASSADOR, USAID DIRECTOR AND CRAIG BUCK OF LAC/SAM.

2. (C) INK OUTLINED U.S. ADMIRATION AND SUPPORT FOR THE EFFECTIVE AND COURAGEOUS ACTIONS OF THE PAZ GOVERNMENT IN THE AREAS OF ECONOMIC STABILIZATION AND NARCOTICS CONTROL. HE INDICATED THE HIGH LEVEL OF GOOD WILL TOWARD BOLIVIA THAT HAD DEVELOPED WITHIN THE U.S. HE OFFERED AS TANGIBLE EVIDENCE OF U.S. SUPPORT THE FACT THAT BOLIVIA WAS ONE OF THE FEW COUNTRIES WHERE BILATERAL ASSISTANCE LEVELS HAVE INCREASED IN AN ERA OF DECLINING BUDGETS AS WELL AS U.S. ENCOURAGEMENT OF ADDITIONAL ASSISTANCE FOR BOLIVIA FROM THE IFI'S. HOWEVER, THE ASSISTANT ADMINISTRATOR NOTED THAT THIS GOOD WILL COULD RAPIDLY DISSIPATE IF THE GOB DID NOT TAKE IMMEDIATE ACTION TO MAKE ITS NARCOTICS CONTROL EFFORTS MORE EFFECTIVE.

3. (C) INK MADE CLEAR THAT PAYMENT OF CASH TO BOLIVIAN FARMERS WHO ERADICATED THEIR COCA WOULD NOT BE POSSIBLE USING USG FUNDS AND THAT TO DO SO WOULD VIOLATE BOTH U.S. LAW AND DEEPLY-ROOTED, LONG-STANDING U.S. POLICY WHICH IS STRONGLY SUPPORTED IN THE U.S. CONGRESS AS WELL AS IN THE EXECUTIVE BRANCH. HE ALSO REMINDED THE BOLIVIANS THAT THE FOREIGN ASSISTANCE ACT (FAA) SECTION 481(H) DEADLINE FOR PRESIDENTIAL CERTIFICATION ON NARCOTICS PERFORMANCE IS MARCH 1. ABSENT SUCH CERTIFICATION, BOLIVIA WOULD LOSE HALF OF ITS PLANNED FY-1987 U.S. ECONOMIC AND MILITARY ASSISTANCE AND FORCE NEGATIVE U.S. VOTES ON PROPOSED ASSISTANCE FOR BOLIVIA IN THE WORLD BANK (IBRD) AND THE INTERAMERICAN DEVELOPMENT BANK (IDB). INK WENT ON TO CITE THE SPECIFIC REQUIREMENTS OF 481(H) CERTIFICATION AS WELL AS THE ACTIONS NECESSARY FOR CERTIFICATION UNDER FAA SECTION 611(B).

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BY RW NARA DATE 5/10/15

4. (C) THE BOLIVIANS REACTED VERY NEGATIVELY. STRONGLY WORDED STATEMENTS BY THE MINISTERS OF PLANNING AND INTERIOR REITERATED THE GOB BELIEF THAT NOTHING OTHER THAN CASH WOULD BE SUCCESSFUL IN PROVIDING THE MEANS TO ECONOMIC TRANSITION THAT WOULD CONVINCE FARMERS TO ERADICATE THEIR COCA -- AND BOLIVIAN CONGRESSMEN TO MAKE COCA CULTIVATION ILLEGAL. THE INTERIOR MINISTER SAID THAT HE HAS BEEN ACTIVELY CAMPAIGNING WITH CONGRESSMEN TO PASS A STRONG ANTI-NARCOTICS LAW THAT OUTLAWS COCA CULTIVATION IN ALL OF BOLIVIA EXCEPT NORTH AND SOUTH YUNGAS PROVINCE OF LA PAZ DEPARTMENT. HE SAID THAT THE CONGRESSMEN ARE INSISTING THAT THEY MUST SEE AMPLE, EFFECTIVE FINANCIAL ASSISTANCE FOR THE COCA-GROWING FAMILIES THAT WILL BE FORCED TO ERADICATE AND ABANDON THEIR PRESENT SOURCES OF LIVELIHOOD BEFORE THEY (THE CONGRESSMEN) ARE PREPARED TO TAKE THE POLITICALLY PAINFUL ACTION OF AGREEING TO SUCH A LAW. THE CRUX OF THE ISSUE IS DEMONSTRABLY AVAILABLE FINANCIAL ASSISTANCE FOR THE CAMPESINOS IN EXCHANGE FOR OUTLAWING COCA CULTIVATION. THE MINISTER OF PLANNING SAID THAT THE U.S. POSITION, WHICH WAS CONVEYED TO THE BOLIVIANS IN EARLY JANUARY, MORE THAN TWO MONTHS AFTER THE BILATERAL MEETINGS IN OCTOBER, PUTS BOLIVIA IN A "NO-WIN" DILEMMA GIVEN THE STRONG U.S. SANCTIONS THAT WOULD FOLLOW FROM FAILURE TO REACH AGREEMENT BY THE MARCH 1 CERTIFICATION DEADLINE. FORCING BOLIVIA TO ACT ON SUCH MAJOR ISSUES UNDER SUCH NEGATIVE CONDITIONS AND TIME CONSTRAINTS IS UNFAIR AND LIKELY TO BE EXTREMELY COUNTER-PRODUCTIVE. HE SAID THAT THE U.S. IS, IN FACT, THREATENING THE FUTURE ABILITY OF THE BOLIVIAN GOVERNMENT TO TAKE EFFECTIVE ACTION THAT WE ALL WANT (FOR EXAMPLE, THE PASSAGE OF AN EFFECTIVE NEW ANTI-NARCOTICS LAW). IT EVEN PUTS THE FUTURE OF BOLIVIAN DEMOCRACY IN JEOPARDY. PRESIDENT PAZ SAT SILENT AND STONE-FACED THROUGHOUT MOST OF THE MEETING.

5. (C) IN SEEKING TO BREAK THE IMPASSE, ASSISTANT ADMINISTRATOR INK SUGGESTED THAT THE BOLIVIANS CONSIDER OTHER ALTERNATIVES OR COMBINATIONS OF ALTERNATIVES. ON POSSIBILITY COULD BE A CREDIT PROGRAM FOR FARMERS WHO HAD ERADICATED AND FORGIVING UP TO 1650 DOLLARS OF THE

~~CONFIDENTIAL~~ SECTION 02 OF 03 LA PAZ 01262

LIMA FOR DWIGHT INK

USCINCSO FOR POLAD

E.O.12356: DECL: OADR

TAGS: BL, EAID, SNAR

SUBJECT: MEETING OF AID ASSISTANT ADMINISTRATOR LOAN ONCE IT WAS DEMONSTRATED THAT FUNDS HAD BEEN USED TO PURCHASE COMMODITIES USEFUL TO THEIR ECONOMIC TRANSITION. THIS SUGGESTION WAS MADE WITH THE EXPLICIT CAVEAT THAT, IF SUCH A PROPOSAL WERE FOUND TO BE ACCEPTABLE BY THE GOB, ITS FINAL APPROVAL WOULD BE SUBJECT TO CONFIRMATION IN WASHINGTON.

6. (C) PRESIDENT PAZ ADJOURNED THE MEETING, SAYING THAT THIS SUBJECT IS OF VITAL IMPORTANCE TO BOLIVIA. HE INDICATED THAT HE WOULD CONFER FURTHER IN PRIVATE WITH HIS CABINET TO CONSIDER THE INFORMATION THAT HE HAD RECEIVED.

COMMENTS

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7. (C) THE PRESIDENT AND THE MINISTERS PRESENT WERE ACUTELY FRUSTRATED BY THE COMBINATION OF U.S. REFUSAL TO AGREE TO CASH PAYMENTS TO EX-COCA GROWERS, THE LACK OF TIME REMAINING UNTIL THE MARCH 1 CERTIFICATION DEADLINE, AND THE PROFOUND NEGATIVE IMPACT ON BOLIVIA IF CERTIFICATIONS FOR SECTIONS 481(H) AND 611(B) ARE NOT MADE. GIVEN THE TIME CONSTRAINTS, INK'S VISIT WAS WELL TIMED TO UNDERSCORE THE POTENTIAL DANGERS OF LACK OF MOVEMENT ON THE COMPENSATION ISSUE.

8. (C) THOUGH SILENTLY ANGRY, PRESIDENT PAZ ENDED THE MEETING IN WELL-CONTROLLED FASHION. WHILE THE AMBASSADOR TALKED PRIVATELY WITH THE PRESIDENT FOR A MOMENT ON OTHER SUBJECTS AFTER THE MEETING CLOSED, SANCHEZ DE LOZADA PRIVATELY TOLD INK AND COHEN THAT THE BOLIVIANS WILL LOOK VERY SERIOUSLY AT THE POSSIBLE SOLUTION INK HAD TABLED (PARA 5 ABOVE).

9. (C) AT A MEETING AT THE VICE PRESIDENT'S HOUSE LATER THAT NIGHT, THE AMBASSADOR FOLLOWED UP WITH BEDREGAL ON THE QUESTION OF CREDIT FORGIVENESS, AND BEDREGAL INDICATED THAT IT MERITS SERIOUS CONSIDERATION AS A POSSIBLE EXIT FROM THE IMPASSE. BEDREGAL CONFIRMED THAT WE SHOULD FOLLOW UP ON THIS SUBJECT AT THE MEETING ALREADY SCHEDULED TO DISCUSS A BILATERAL AGREEMENT ON NARCOTICS INTERDICTION (SCHEDULED FOR 10 A.M. FEBRUARY 10 -- A DELAY OF 24 HOURS -- AT THE FOREIGN MINISTRY).

10. (U) ALL THREE MAJOR LA PAZ DAILIES CARRIED FRONT-PAGE REPORTS BASED ON PRESS INTERVIEWS FOLLOWING THE MEETING WITH PRESIDENT PAZ. THE COVERAGE EMPHASIZED CLOSE U.S.-BOLIVIAN COOPERATION IN THE WAR AGAINST DRUGS. (USIS MEDIA REACTION REPORT COMING BY SEPTTEL.) PARTICULARLY SIGNIFICANT WERE THE STATEMENTS BY FOREIGN MINISTER BEDREGAL AND PLANNING MINISTER SANCHEZ DE LOZADA WHO SPOKE WITH THE PRESS AFTER THE U.S. DELEGATION HAD SPOKEN WITH THE PRESS AND LEFT THE OFFICE OF THE PRESIDENCY. BEDREGAL SAID THE TALKS "WITH USAID ARE ON A GOOD FOOTING, ESPECIALLY FOR ACCELERATING THIS PROGRAM (ANTI-NARCOTICS) WHICH IS MULTILATERAL AND IN WHICH THE UNITED STATES HAS AN IMPORTANT ROLE TO PLAY." SANCHEZ DE LOZADA SAID THAT THERE EXISTS "A DEFINITIVE AND CUTTING AFFIRMATION OF THE HELP THE UNITED STATES WILL GIVE TO BOLIVIA PRINCIPALLY IN THE FIGHT AGAINST NARCOTRAFFICKING. THERE ARE IMPORTANT PROBLEMS ESPECIALLY IN RECONCILING CRITERIA ON THE WAY TO CHANNEL FUNDS IN ORDER TO ASSURE THE SUCCESS OF THIS GRAND INTERNATIONAL PROJECT. BUT THE INTENTION AND WILL TO FIND SOLUTIONS ARE PRESENT." SUCH STATEMENTS COMING IN THE WAKE OF SEVERAL WEEKS OF AD HOC PUBLIC COMPLAINTS BY BEDREGAL THAT THE U.S. RESPONSE IS INADEQUATE AND INAPPROPRIATE SUGGESTS THAT THE BOLIVIANS, INCLUDING BEDREGAL, ARE DETERMINED TO MAKE A BEST EFFORT TO TRY TO FIND A SOLUTION THAT THE UNITED STATES CAN LIVE WITH AND THAT WILL AT THE SAME TIME OVERCOME THE ENORMOUS, PREDICTABLE AND NATURAL RESISTANCE IN THE CONGRESS TO DECLARING ILLEGAL THE CASH LIVELIHOOD OF 300,000 CONSTITUENTS.

11. (U) ASSISTANT ADMINISTRATOR INK CLEARED PARAGRAPHS ONE THROUGH SIX IN DRAFT AND PARAGRAPHS EIGHT THROUGH TEN OF THIS MESSAGE IN SUBSTANCE PRIOR TO DEPARTING FOR LIMA ON

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BOLIVIA:

. 1. TO IMMEDIATELY ORGANIZE A JOINT WORK TEAM MADE UP OF AUTHORITIES OF BOTH GOVERNMENT AT THE LEVEL OF

UNDER SECRETARIES, WHICH SHOULD MEET IN THE CITY OF LA PAZ AS SOON AS POSSIBLE.

. 2. THE WORK TEAM WILL DEFINE THE MODALITIES OF THE NEXT TRANSITIONAL STAGE UNTIL THE COMPLETE TRANSFER OF EQUIPMENT REQUIRED TO CONTINUE THE FIGHT AGAINST NARCOTICS TRAFFICKING IS ACCOMPLISHED.

. 3. THE AMERICAN SUPPORT PERSONNEL MUST BE GRADUALLY REPLACED BY BOLIVIAN PERSONNEL, SUBSEQUENT TO THE TRAINING THAT WILL BE GIVEN TO THE PILOTS OF THE BOLIVIAN AIR FORCE (FAB), IN THE OPERATION OF THE SIX HELICOPTERS AND THEIR AUXILIARY EQUIPMENT AND MAINTENANCE FACILITIES. ON OUR PART, WE SHALL TAKE SIMILAR ACTION IN ORDER TO ACHIEVE LOGISTICAL AND TECHNICAL STRENGTHENING OF THE BOLIVIAN POLICE.

. 4. IN ORDER TO PREVENT THE INTERRUPTION OF THE FIGHT AGAINST NARCOTICS TRAFFICKING IN THE RAINY SEASON, THE GOVERNMENT OF THE UNITED STATES OF AMERICA WILL PROVIDE EQUIPMENT FOR RIVER TRANSPORTATION WITH THE NECESSARY AUXILIARY ELEMENTS, MAINTENANCE FACILITIES AND TRAINING.

. 5. THE HANDLING OF RIVER EQUIPMENT WILL BE IN THE CHARGE OF THE PERSONNEL OF THE BOLIVIAN NAVY, AS WELL AS TECHNICAL PERSONNEL AND MAINTENANCE EXPERTS.

. FINALLY, THE MINISTRY OF FOREIGN AFFAIRS AND WORSHIP OF BOLIVIA PROPOSES THAT THE TRANSITION STAGE, WITHIN THE CURRENT OPERATIONS BEING EXECUTED, MUST BE CARRIED OUT AS SOON AS POSSIBLE, ACCORDING TO THE TECHNICAL AND ECONOMIC SUPPORT THAT THE GOVERNMENT OF THE UNITED STATES OF AMERICA WILL RENDER WITHIN THE FRAMEWORK OF THE THREE YEAR GENERAL AGREEMENT PROPOSED BY THE GOVERNMENT OF BOLIVIA.

. (COMPLIMENTARY CLOSE).

END TEXT.

(DRAFTED BY:POL:FFOULGER) BIGGS
** END OF CABLE **

DECLASSIFIED

NLRR M353/1 #120402
BY RW NARA DATE 5/18/15

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120403

NLRR

M3531 #120403

BY

RW

NARA DATE 5/18/15

NATIONAL SECURITY COUNCIL
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AND03974

HCC: DMZ FRM TORR TILL
DIST: FRT: SIT
CIT: EOG VAX

PREC: IMMEDIATE <CLAS: SECRET <OSRI> RUEHLP <DTG> 111547Z FEB 87
FM AMEMBASSY LA PAZ
TO RUEHC/SECSTATE WASHDC IMMEDIATE 7879
INFO RUEHBO/AMEMBASSY BOGOTA 5803
RUEHPE/AMEMBASSY LIMA 4456
RUEHOT/AMEMBASSY QUITO 5750
RUEHVI/UNVIE MISSION VIENNA

<SUBJ> SUBJECT: NEW U.S.-BOLIVIAN ANTI-NARCOTICS AGREEMENT

~~SECRET~~ SECTION 01 OF 05 LA PAZ 01325
LIMA ALSO FOR AID ASSISTANT ADMINISTRATOR DWIGHT INK
E.O. 12356: DECL: OADR
TAGS: BL, SNAR, EAD

SUBJECT: NEW U.S.-BOLIVIAN ANTI-NARCOTICS AGREEMENT

REF: (A) LA PAZ 1262 DTG 092214Z FEB 87;

(B) STATE 23561 DTG 281049Z JAN 87

>BEGIN SUMMARY>

SUMMARY

1. (C) UNDER THE VERY HELPFUL AEGIS OF FOREIGN MINISTER BEDREGAL, THE AMBASSADOR (ACCOMPANIED BY THE DCM, USAID DIRECTOR, POLCOUNS AND NAU REP) MET WITH MINISTERS OF INTERIOR, DEFENSE, AND AGRICULTURE AND CAMPESINOS FOR TWO HOURS EARLY FEBRUARY 10 TO DISCUSS A POSSIBLE BILATERAL ANTI-NARCOTICS AGREEMENT. BEDREGAL CONDUCTED THE SESSION IN A CORDIAL, PRODUCTIVE ATMOSPHERE AND AT A VERY BUSINESSLIKE PACE. WE NOW HAVE A DRAFT TEXT FOR WASHINGTON CONSIDERATION (PARA 10 ET. SEQ. BELOW). WE WOULD LIKE INSTRUCTIONS SOONEST ENABLING US TO PROCEED ALONG THESE LINES SO THAT WE MAY MEET THE MARCH 1 CERTIFICATION DEADLINE. END SUMMARY.

>END SUMMARY>

POSITIVE, PRODUCTIVE SESSION

2. (U) VIENNA LUNCH, FEBRUARY 5:

BEDREGAL STARTED OFF BY SAYING HE HAD JUST TALKED WITH AMBASSADOR-TO-THE-U.S. ILLANES, WHO WAS IN LONDON, REGARDING THE LUNCHEON ILLANES HAD HELD ON FEBRUARY 5 AT THE MARGINS OF THE ICDAIT CONFERENCE IN VIENNA. BEDREGAL CHARACTERIZED THE LUNCH AS POSITIVE AND ENCOURAGING. THE "EUROPEANS HAD REACTED VERY WELL." A GREAT DEAL, OF COURSE, DEPENDS ON THE CONCRETE SUPPORT THAT "WE ALL HOPE WILL EMERGE FROM THE MARCH 31 MEETING IN VIENNA."

3. (C) BOLIVIAN AIR FORCE INTERDICTION COOPERATION:

IN THE CONTEXT OF THE DISCUSSION OF A PROPOSED BILATERAL NARCOTICS CONTROL AGREEMENT, INTERIOR MINISTER BARTHELEMY AND THE U.S. SIDE EMPHASIZED THE PRIMORDIAL ROLE OF INTERDICTION. BEDREGAL ASKED DEFENSE MINISTER VALLE WHAT WAS WRONG WITH THE BOLIVIAN AIR FORCE THAT IT HAD NOT PROVIDED REQUESTED SUPPORT DURING THE PAST TWO

WEEKS. AFTER THE AMBASSADOR SUGGESTED THAT THE PROBLEM WAS THAT THE HELICOPTER PILOTS WERE ALL SEVERAL HUNDRED MILES AWAY IN COBIZA, VALLE EMPHATICALLY INSISTED THAT THE AIR FORCE WAS AND IS READY TO FLY AND THAT THE ONLY PROBLEM HAS BEEN CONCERN OVER WHO WOULD PAY FOR THE FUEL AND THE FIELD LIVING EXPENSES OF THE AIR FORCE FLYING CREWS. THE NAU REP SAID THAT THE U.S. HAS ALWAYS PAID THE FUEL COSTS OF NARCOTICS INTERDICTION STRIKES AND WOULD CONTINUE TO DO SO. THE AMBASSADOR ADDED THAT THE U.S. IS PREPARED TO PAY LODGING, TRANSPORTATION FROM LODGING

TO THE BOLIVIAN FLIGHT CREWS. VALLE SAID THAT UNDER THOSE CIRCUMSTANCES THE PROBLEM IS SOLVED.

4. (S) COMMENT: VALLE'S ASSERTION THAT THE FLIGHT CREWS WERE READY LAST WEEK IS A CANARD. HE WAS COVERING, AS HE MUST IN THE PRESENCE OF FOREIGNERS, FOR AIR FORCE MISBEHAVIOR. WE THINK THAT ON PRESIDENT PAZ' INSTRUCTIONS, HOWEVER, THE PROBLEM IS NOW INDEED SOLVED AS VALLE ASSERTS. THE AMBASSADOR HAD RAISED WITH PRESIDENT PAZ THE AIR FORCE PROBLEM LATE ON FEBRUARY 6. THE PRESIDENT WAS COGNIZANT OF THE ISSUE AND DISSATISFIED WITH BOLIVIAN AIR FORCE PERFORMANCE. END COMMENT.

DISCUSSION OF POSSIBLE BILATERAL AGREEMENT

5. (C) THE REST OF THE MEETING THEN FOCUSED ON A POSSIBLE TEXT FOR A NEW BILATERAL ANTI-NARCOTICS AGREEMENT. WE USED AS A POINT OF DEPARTURE THE INFORMAL DRAFT CONTAINED IN REF B. ON THE WHOLE, THE BOLIVIANS' RESPONSE WAS EXTREMELY UPBEAT. THEY SUGGESTED A NUMBER OF CHANGES:

- INTRODUCTION OF A PREAMBLE THAT OUTLINES THE OVERALL STRATEGY.
- INTRODUCTION OF LANGUAGE TO PERMIT INCREASED FUTURE ASSISTANCE FOR INTERDICTION PROVIDED IT

~~SECRET~~ SECTION 02 OF 05 LA PAZ 01325

LIMA ALSO FOR AID ASSISTANT ADMINISTRATOR DWIGHT INK
E.O. 12356: DECL: OADR

TAGS: BL, SNAR, EAD

SUBJECT: NEW U.S.-BOLIVIAN ANTI-NARCOTICS AGREEMENT

- IS INITIALLY AGREEABLE TO BOTH COUNTRIES.
- TECHNICAL MODIFICATIONS NECESSARY TO CONFORM TO BOLIVIAN LAW. FOR EXAMPLE, COMMITMENT OF THE BOLIVIAN GOVERNMENT TO DO ITS BEST TO GET CONGRESS TO PASS THE ANTI-NARCOTICS LAW. REASON: THE BOLIVIAN GOVERNMENT CANNOT PROMISE PASSAGE OF A LAW SINCE THAT IS EXCLUSIVELY CONGRESSIONAL PREROGATIVE.

- ANOTHER CORRECTION WHICH CONFORMS TO OUR OCTOBER UNDERSTANDINGS IS THAT THE AREA OF LEGAL CULTIVATION WOULD BE CONFINED TO THE YUNGAS AND WOULD BE LIMITED TO AN AREA SUFFICIENT TO PRODUCE NO MORE THAN 10,000 METRIC TONS OF COCA LEAF FOR LICIT CONSUMPTION PER YEAR.
- ADDITION OF LANGUAGE TO ACKNOWLEDGE THE DEVELOPMENTAL PART OF THE COCA ERADICATION STRATEGY.
- ADDITION OF A SECTION TO PROVIDE FOR A PERIODIC UPDATING AND ANY MUTUALLY AGREEABLE MODIFICATION OF

- THE AGREEMENT BY SIMPLE EXCHANGE OF LETTERS. IN THIS CONTEXT IT WAS UNDERSTOOD THERE WOULD BE AT LEAST ONE EXCHANGE PER YEAR IN WHICH THE UNITED STATES WOULD OUTLINE ITS PROPOSED CONTRIBUTIONS TO THE ERADICATION STRATEGY FOR THE FOLLOWING YEAR. THIS WAY IT IS UNDERSTOOD THAT THE UNITED STATES SUPPORTS THE ENTIRE THREE-YEAR STRATEGY, BUT IS ABLE TO DISCUSS THE SPECIFIC LEVELS OF U.S. ASSISTANCE ONLY IN ONE-YEAR INCREMENTS.

(U) AFTER BEDREGAL LEFT THE MEETING, A TASK GROUP CONSISTING OF THE DCM, USAID DIRECTOR AND POLCOUNS FOR THE U.S. SIDE AND THREE TECHNICAL ADVISORS FOR THE BOLIVIAN SIDE ROUGHED OUT A DRAFT PROPOSAL FOR A BILATERAL AGREEMENT. TEXT IS IN PARA 10 BELOW.

8. (C) THE U.S. SIDE REPEATEDLY EMPHASIZED THAT THIS DRAFTING EXERCISE IS SUBJECT TO WASHINGTON REVIEW AND MODIFICATION. THE FOREIGN MINISTER WILL WAIT UNTIL THE EMBASSY RECEIVES WASHINGTON CONCURRENCE

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BEFORE SEEKING FULL BOLIVIAN GOVERNMENT APPROVAL.
ACTION

9. (LOU) WE REQUEST WASHINGTON COMMENTS AND INSTRUCTIONS SOONEST SO THAT WE MAY PROCEED ALONG THE LINES OF THE DRAFT IMMEDIATELY IN ORDER TO MEET THE MARCH 1 CERTIFICATION DEADLINE.

INITIAL ROUGH DRAFT OF PROPOSED BILATERAL AGREEMENT:

10. (C) BEGIN DRAFT TEXT:

THE GOVERNMENTS OF THE REPUBLIC OF BOLIVIA AND THE UNITED STATES OF AMERICA, CONSCIOUS OF THE FACT THAT THE CRIME OF NARCOTICS TRAFFICKING IS A PROBLEM THAT AFFECTS BOTH COUNTRIES AS WELL AS THE INTERNATIONAL COMMUNITY, AND CONSIDERING THAT:

- THE STRUGGLE AGAINST NARCOTICS TRAFFICKING CONSTITUTES A JOINT EFFORT OF SHARED RESPONSIBILITY BETWEEN BOTH GOVERNMENTS, WITHOUT DISCOUNTING COOPERATION WHICH OTHER GOVERNMENTS OR INTERNATIONAL ENTITIES COULD PROVIDE;
- THE COMPREHENSIVENESS OF THE PROGRAM CONSISTS ESSENTIALLY IN THAT BOTH GOVERNMENTS ASSUME, WITHIN THEIR POSSIBILITIES, THOSE COORDINATED EFFORTS WHICH HAVE AS A GOAL THE TOTAL ERADICATION OF THE CRIME OF NARCOTICS TRAFFICKING IN BOLIVIA;
- THE ESSENCE OF THIS CRIME, WHOSE CHARACTERISTICS ARE DEFINED BY THE TRANSFORMATION AND INTERNATIONAL COMMERCIALIZATION OF THE RAW MATERIAL INTO COCAINE

~~SECRET~~ SECTION 03 OF 05 LA PAZ 01325

LIMA ALSO FOR AID ASSISTANT ADMINISTRATOR DWIGHT INK
E.O. 12356: DECL: OADR

TAGS: BL, SNAR, EAD

SUBJECT: NEW U.S.-BOLIVIAN ANTI-NARCOTICS AGREEMENT
PASTE, BASE OR HYDROCHLORIDE, LIES IN THE PROCESS OF INDUSTRIALIZATION OF COCA LEAVES; AND
-- THE STRATEGY OF INTERDICTION, ERADICATION AND RURAL AGRICULTURAL DEVELOPMENT IS THE MOST EFFECTIVE MEANS TO ELIMINATE THIS CRIME; BOTH GOVERNMENTS CONCUR IN THE FOLLOWING AGREEMENT:

ARTICLE 1. THE GOVERNMENTS OF THE REPUBLIC OF BOLIVIA AND THE UNITED STATES OF AMERICA AGREE TO CARRY OUT AN EFFECTIVE PROGRAM OF INTERDICTION AGAINST NARCOTICS TRAFFICKING IN THE ENTIRE NATIONAL TERRITORY.

ARTICLE 2. WITH THIS OBJECTIVE THE UNITED STATES OF AMERICA AGREES TO PROVIDE THE GOVERNMENT OF BOLIVIA WITH:

- A) SIX UH-1 HELICOPTERS ON LOAN PLUS MAINTENANCE AND SPARE PARTS;
- B) REPAIR AND MAINTENANCE OF THREE BOLIVIAN AIR FORCE 205 HELICOPTERS PLUS TRAINING OF BOLIVIAN PILOTS AND MAINTENANCE PERSONNEL FOR THE NINE AIRCRAFT; AND
- C) LOGISTIC SUPPORT AND MATERIEL FOR THE BOLIVIAN TASK FORCES CHARGED WITH THE INTERDICTION OF NARCOTICS TRAFFICKING.

ARTICLE 3. THE SIX UH-1 HELICOPTERS MENTIONED ABOVE WILL BE DEDICATED EXCLUSIVELY TO NARCOTICS INTERDICTION AND THE THREE BOLIVIAN AIR FORCE 205 HELICOPTERS WILL BE DEDICATED PREFERENTIALLY TO THE SAME TASK.

ARTICLE 4. THE GOVERNMENT OF THE UNITED STATES OF AMERICA MAY CONSIDER PROVIDING ADDITIONAL SUPPORT ACCORDING TO ITS BUDGET POSSIBILITIES AND RESULTS OF THE PROGRAM, AS DETERMINED ON THE BASIS OF PERIODIC EVALUATIONS.

ARTICLE 5. THE GOVERNMENT OF BOLIVIA COMMITS ITSELF

TO PASS A LAW ON THE CONTROL OF DANGEROUS SUBSTANCES WHICH OUTLAW THE CULTIVATION OF COCA IN BOLIVIAN NATIONAL TERRITORY EXCEPT FOR AREAS TO BE DETERMINED IN THE PROVINCES OF NORTH AND SOUTH YUNGAS IN THE DEPARTMENT OF LA PAZ, WITH AN ANNUAL PRODUCTION CAPACITY ABLE TO MEET DOMESTIC LEGAL DEMAND, WHICH IS ESTIMATED TO BE 10,000 METRIC TONS PER YEAR.

ARTICLE 6. THE GOVERNMENT OF BOLIVIA, WITH FINANCIAL AND TECHNICAL SUPPORT FROM THE UNITED STATES OF AMERICA, WILL CARRY OUT A 12-MONTH PROGRAM OF VOLUNTARY ERADICATION WHICH WOULD BE FOLLOWED BY FORCED ERADICATION OF THE HECTARES NOT VOLUNTARILY ERADICATED IN AREAS DECLARED TO BE ILLEGAL.

ARTICLE 7. WITHOUT AFFECTING THE VOLUNTARY ERADICATION PROGRAM, THE GOVERNMENT OF BOLIVIA AGREES TO ERADICATE DURING THIS 12-MONTH PERIOD ILLEGAL COCA CULTIVATIONS IN THE NATIONAL PARKS AND IN NURSERIES LOCATED IN NON-LEGAL AREAS, AS WELL AS COCA CULTIVATIONS PLANTED AFTER PASSAGE OF THE ABOVE-MENTIONED LAW IN AREAS CHARACTERIZED AS ILLEGAL. DURING THIS 12-MONTH PERIOD, THE MINIMUM ERADICATION GOAL WILL BE 1,000 HECTARES, NOTWITHSTANDING ANY DELAY IN THE PASSAGE OF THE LAW FOR CONTROL OF DANGEROUS SUBSTANCES.

ARTICLE 8. IN ORDER TO CARRY OUT THE VOLUNTARY ERADICATION PROGRAM, THE GOVERNMENT OF THE UNITED STATES OF AMERICA WILL PROVIDE PARTICIPATING FARM FAMILIES SUPPORT WHICH WILL TAKE THE FORM OF:

- 1. AGRICULTURAL AND OTHER DIRECT AND INDIRECT SUPPORT, WHOSE FORM AND CHARACTERISTICS WILL BE ESTABLISHED IN A COMPLEMENTARY ACCORD TO THIS

~~SECRET~~ SECTION 04 OF 05 LA PAZ 01325

LIMA ALSO FOR AID ASSISTANT ADMINISTRATOR DWIGHT INK
E.O. 12356: DECL: OADR

TAGS: BL, SNAR, EAD

SUBJECT: NEW U.S.-BOLIVIAN ANTI-NARCOTICS AGREEMENT
AGREEMENT; AND

B) THE REAFFIRMATION BY THE GOVERNMENT OF THE UNITED STATES OF AMERICA OF COMMITMENTS IN THE AREA OF RURAL AGRICULTURAL DEVELOPMENT ACQUIRED BY VIRTUE OF OTHER BILATERAL AGREEMENTS IN FORCE AND THE THREE-YEAR PLAN.

ARTICLE 9. BOTH GOVERNMENTS AGREE THAT ESTIMATES OF EXCESS COCA CULTIVATION IN BOLIVIA RANGE FROM 30,000 TO 50,000 HECTARES. THE GOAL OF THE OVERALL THREE-YEAR PLAN IS TO ERADICATE ALL COCA CULTIVATION EXCEPT FOR THAT REQUIRED TO MEET DOMESTIC LEGAL DEMAND, WHICH IS ESTIMATED TO BE 10,000 METRIC TONS PER YEAR. THE BOLIVIAN STRATEGY, DURING THIS FIRST PHASE OF VOLUNTARY ERADICATION, SEEKS THE ELIMINATION OF ALL EXCESS COCA CULTIVATION. WITH THIS UNDERSTANDING, THE GOVERNMENT OF THE REPUBLIC OF BOLIVIA ESTIMATES THAT THE VOLUNTARY PROGRAM WOULD ACHIEVE THE OBJECTIVE OF ERADICATING 30,000 HECTARES. THIS BOLIVIAN PROJECTION ASSUMES AN EFFECTIVE INTERDICTION PROGRAM AND FARMER ACCEPTANCE OF THE INCENTIVES OFFERED.

ARTICLE 10. AT THE END OF THE 12-MONTH PERIOD SET FOR VOLUNTARY ERADICATION, THE GOVERNMENT OF BOLIVIA AGREES TO BEGIN FORCIBLE ERADICATION OF REMAINING COCA CULTIVATION, SUBJECT TO THE LAW FOR CONTROL OF DANGEROUS SUBSTANCES.

ARTICLE 11. THIS AGREEMENT WILL ENTER INTO FORCE ON THE DATE IT IS SIGNED AND WILL HAVE A DURATION OF THREE YEARS. IT CAN BE EXTENDED BY AGREEMENT OF THE PARTIES, UNLESS ONE OF THEM DENOUNCES IT IN WRITING AT LEAST THREE MONTHS IN ADVANCE.

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AGREEMENT BETWEEN THE NATIONAL GOVERNMENT OF BOLIVIA
ROWELL

. ARTICLE 12. DURING THE LIFE OF THIS AGREEMENT, PERIODIC EVALUATIONS WILL BE CARRIED OUT AT THE REQUEST OF ANY OF THE CONTRACTING PARTIES.

. ARTICLE 13. THIS AGREEMENT IS OPEN TO PARTIAL OR TOTAL ADHERENCE BY THIRD PARTIES, WHICH CAN BE TRANSMITTED TO EITHER OF THE TWO GOVERNMENTS.

. MADE IN TWO COPIES, IN SPANISH AND ENGLISH LANGUAGES, OF THE SAME TENOR AND EQUALLY VALID.
END DRAFT TEXT.

<SECT-SECTION: 01 OF 05 <SSN: 1325 <TOR: 870211113125 MSG000161350284
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<SECT-SECTION: 05 OF 05 <SSN: 1325 <TOR: 870211113800 MSG000161350679

NOTES ON DRAFT TEXT

11. (C) CONGRESSIONAL ACTION REQUIRED?

THIS OBVIOUSLY COULD DELAY ENTRY INTO FORCE FOR A LENGTHY PERIOD, AND IT CREATES A GROSS ASYMMETRY WITH U.S. PROCEDURES. THE BOLIVIANS AND WE THEREFORE WOULD PREFER WHAT THE BOLIVIANS CALL "REVERSIBLE NOTES." FOREIGN MINISTRY LEGAL ADVISORS INFORM US THAT IF THE AGREEMENT TAKES THE FORM OF A "CONVENIO," ARTICLE 59 OF THE BOLIVIAN CONSTITUTION REQUIRES THAT IT BE APPROVED BY THE CONGRESS. THE FOREIGN MINISTRY IS PREPARING DRAFT INTRODUCTORY AND CLOSING LANGUAGE (WHICH WE WILL FORWARD SOONEST) TO ACCOMPLISH THIS.

12. (C) ARTICLE 3: BELL 205'S

. THE BOLIVIANS INSISTED THAT THE THREE BELL 205'S WOULD BE "PREFERENTIALLY" AVAILABLE FOR INTERDICTION RATHER THAN "FULLY DEDICATED" BECAUSE THEY HAVE TO HAVE THE FLEXIBILITY TO DIVERT THE BOLIVIAN-OWNED 205'S TO EMERGENCY USES (FOR EXAMPLE, FLOOD RESCUE) IF NECESSARY. WE CANNOT REALLY QUESTION THIS REQUIREMENT.

13. (C) ARTICLE 5: 10,000 TONS RATHER THAN HECTARES

. THE DEFINITION OF LICIT PRODUCTION TO MEET LEGITIMATE COCA USAGE HAS BEEN CHANGED FROM HECTARES CULTIVATED TO TONS OF COCA LEAF PRODUCED. THE NUMBER OF TONS OF CONSUMPTION THAT THE BOLIVIANS ESTIMATE, 10,000, IS
~~SECRET~~ SECTION 05 OF 05 LA PAZ 01325

LIMA ALSO FOR AID ASSISTANT ADMINISTRATOR DWIGHT INK
E.O. 12356: DECL: OADR
TAGS: BL, SNAR, EAID

SUBJECT: NEW U.S.-BOLIVIAN ANTI-NARCOTICS AGREEMENT
SUBSTANTIALLY BELOW EARLIER U.S. ESTIMATES. THE ACTUAL NUMBER OF HECTARES REQUIRED TO PRODUCE THE REQUIRED TONNAGE WILL VARY FROM YEAR TO YEAR BECAUSE THE LAND IN THE YUNGAS IS BADLY DEPLETED AND SPECIAL SOIL AND CLIMATE CONDITIONS MAKE THE LEAF HARVEST MUCH LOWER ON A HECTARE BASIS THAN IN THE CASE OF THE CHAPARE.

14. (C) ARTICLE 7, FINAL PHASE

. DURING THE WORKING GROUP DRAFTING SESSIONS WE ADDED THE FINAL PHRASE OF THE PARAGRAPH WHICH SAYS THAT THE 1,800 HECTARE ERADICATION TARGET APPLIES REGARDLESS OF "ANY DELAY IN THE PROMULGATION OF THE LAW ON THE CONTROL OF DANGEROUS SUBSTANCES."

. THE FOREIGN MINISTER'S "CHEF DE GABINET" RENE ((SORIA)) GALVARRO ACCEPTED THIS ADDITION SUBJECT TO LATER APPROVAL BY FOREIGN MINISTER BEDREGAL.

15. (C) ARTICLE 8: ECONOMIC ASSISTANCE

. THE LAST TWO SUBSTANTIVE PROVISIONS OF THIS ARTICLE COVER THE U.S. ECONOMIC ASSISTANCE INPUTS WHICH ARE ADMINISTERED BY USAID WITHOUT REQUIRING THAT THE RELEVANT PROJECT AGREEMENTS BE PART OF THIS AGREEMENT. WE THINK THIS IS A REASONABLE AND FLEXIBLE WAY TO COVER THIS ASPECT OF THE STRATEGY WHICH THE BOLIVIANS ABSOLUTELY INSIST MUST BE PART OF THIS AGREEMENT. NOTE ALSO THAT THEY AND WE HAVE FINESSED THE ISSUE OF HOW WE WILL ASSIST THE REHABILITATION OF FAMILIES THAT ERADICATE COCA. THIS WAS A CONCESSION EXTRACTED FROM THE BOLIVIANS IN ORDER TO MAKE PROGRESS ON THIS DRAFT

~~SECRET~~

ROUTING AND TRANSMITTAL SLIP

Date 2/17/87

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TO: (Name, office symbol, room number, building, Agency/Post)	Initials	Date
1. Jackie Tillman NSC		
2. The White House		
3.		
4.		
5.		

Action	File	Note and Return
Approval	☒ For Clearance	Per Conversation
As Requested	For Correction	Prepare Reply
Circulate	For Your Information	See Me
Comment	Investigate	Signature
Coordination	Justify	

REMARKS

Please call with your clearance by COB today. Thank you.

Bolivia

DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

FROM: (Name, org. symbol, Agency/Post)	Room No.—Bldg.
Vicki Huddleston	5906
ARA/AND Department of State	Phone No. 647-3076

5041-102

OPTIONAL FORM 41 (Rev. 7-76)
Prescribed by GSA
FPMR (41 CFR) 101-11.206

120404
41

Dear Mr. President:

I would like to take this opportunity to thank you for your letter of January 29 in which you describe your government's outstanding economic accomplishments and ask that I reconsider my government's participation in Bolivia's "Three-Year Plan for Combatting Drug Trafficking".

The economic program your government is carrying out is one of the most impressive reform efforts undertaken in the Western Hemisphere. Your strong and personal commitment to a free market economy has stabilized the Bolivian economy and restored public confidence in democratic government. Your success is particularly impressive because Bolivia has undertaken these reforms during a period of severe domestic recession. Although these courageous measures have a political cost, you have obviously realized that in the long run these measures will insure a more prosperous future for Bolivia's children.

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NLRR M353/1 #120404
BY RW NARA DATE 5/16/15

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This is an appropriate opportunity to repeat to you my appreciation of the close working relationship established between our gov[✓]ernments during operation Blast Furnace. Because of our mutual commitment to rid our countries of the drug scourge, we were able to overcome internal political difficulties and temporarily but successfully stop the illegal drug trade in your country. We can be proud of a job well done. Now, however, the time has come to move forward and resolve those differences that keep our two governments from working together to eliminate - for all time - illegal drugs in Bolivia.

My government supports the framework of the comprehensive narcotics control plan worked out by ^{our} ~~representatives of our two~~ ~~governments~~ in October. This plan reflects the key elements of your "Three-Year Plan for Combatting Drug Trafficking," which are: effective interdiction, passage of a law outlawing coca production outside of the Yungas, and a 12-month program of voluntary eradication, followed by forced eradication.

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We believe that this program is well conceived and will work if both our governments are fully committed to its success. We strongly believe that our assistance is sufficient to allow your government to initiate and carry out the first year of the program. We intend to provide \$75 million (\$30 million in FY87 and \$45 million in FY88) for support to families that voluntarily eradicate their coca crops. Although these funds depend upon the approval of a supplemental FY87 request and approval by Congress of our FY88 request, we are sure that they will be available if the voluntary eradication program is working, and Bolivian farmers are eradicating their coca crops. We also intend to use pipeline funds to help provide credit for the families in the impacted regions. In addition, we will continue to supply the bulk of the material and training needed for effective interdiction.

Our faith in your ability to carry out this unprecedented narcotics control program and continue your ambitious economic reform effort is reflected by the increase in our aid to Bolivia. Bolivia now receives more assistance from my government than any country on the continent.

My government has grappled with the question of what form US assistance to coca farmers voluntarily eradicating their crops should take. After several months of intensive discussion, we concluded that in-kind rather than cash payments would be most appropriate. Experience with cash payments indicates that these funds are often quickly dissipated and provide little useful support for needy families. Moreover, my government has refused requests by other nations for cash payments for eradication. If we were to begin a cash payment program now, it could set an unfortunate precedent. Finally, the Foreign Assistance Act prohibits the use of appropriated dollars for eradication of drug crops.

Although in-kind assistance does not provide the "carrot" or incentive for eradication that cash provides, in-kind payment can support a family while its productive members seek alternative employment. We believe that with effective interdiction and the passage of a law outlawing the production of coca, farmers will no longer be able to support themselves through coca production. Consequently, they will agree to eradicate their coca crops in order to receive the in-kind support payment and avoid forced eradication at the end of the voluntary period.

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It is my firm hope that our governments will find a mutually satisfactory solution to this payment problem. We can not let this issue stand in the way of winning the drug war, especially since Blast Furance has given us the courage and the momentum needed to successfully carry out this unique narcotics control program.

I hope that you will accept my invitation to officially visit in July. At that time we may review your plans for Bolivia's future, and I suspect that we will find that we have much in common, given your firm determination to direct your country toward a more prosperous future.

Ronald Reagan

Drafted: ARA/AND: VJHuddleston

Approved: ARA: EAbrams

Cleared: AID: DInk

INM: AWrobleski

L/LEI: DForman

P:

NSC:

S/S:

S/S - 0:

<DIST>SIT: EOB VAX

120405

<PREC> IMMEDIATE<CLAS> ~~SECRET~~<OSRI> RUEHC #<DTG> 181515Z FEB 87
<ORIG>FM SECSTATE WASHDC
<TO>TO AMEMBASSY LA PAZ 0000 IMMEDIATE

416

<SUBJ>SUBJECT: DECLARATION OF PRINCIPLES OF NARCOTICS COOPERATION

<TEXT>

~~SECRET~~ STATE 047052

FOR AMBASSADOR ROWELL

C O R R E C T E D C O P Y (ARTICLE 8 SUBPARA B LINE MISSING)

E.O. 12356:L: OADR

TAGS: SNAR, BL

SUBJECT: DECLARATION OF PRINCIPLES OF NARCOTICS COOPERATION

REF: A) LA PAZ 01325 B) STATE 23561

1. BEGIN DRAFT TEXT:

THE GOVERNMENTS OF THE REPUBLIC OF BOLIVIA AND THE UNITED STATES OF AMERICA, CONSCIOUS OF THE FACT THAT THE CRIME OF NARCOTICS TRAFFICKING IS A PROBLEM THAT AFFECTS BOTH COUNTRIES AS WELL AS THE INTERNATIONAL COMMUNITY, AND CONSIDERING THAT:

-- THE STRUGGLE AGAINST NARCOTICS TRAFFICKING CONSTITUTES A JOINT EFFORT OF SHARED RESPONSIBILITY BETWEEN BOTH GOVERNMENTS, WITHOUT DISCOUNTING COOPERATION WHICH OTHER GOVERNMENTS OR INTERNATIONAL ENTITIES COULD PROVIDE;

-- THE COMPREHENSIVE PROGRAM CONSISTS OF BOTH GOVERNMENTS UNDERTAKING, WITHIN THEIR CAPABILITIES, COORDINATED EFFORTS TO ELIMINATE NARCOTICS TRAFFICKING AND CARRY OUT A CONTROL STRATEGY TO REDUCE COCA CULTIVATION;

-- THE ESSENCE OF THE CRIME OF NARCOTICS TRAFFICKING LIES IN THE PROCESS OF THE INDUSTRIALIZATION OF COCA LEAVES THROUGH TRANSFORMATION OF THE RAW MATERIAL INTO PASTE, BASE OR HYDROCHLORIDE AND INTERNATIONAL MARKETING OF THOSE PRODUCTS; AND

-- THE STRATEGY OF GREATER PUBLIC AWARENESS, INTERDICTION OF TRAFFICKING AND TRAFFICKERS, CROP ERADICATION AND RURAL AGRICULTURAL DEVELOPMENT IS THE MOST EFFECTIVE MEANS TO ATTACK THE NARCOTICS PROBLEM; THEREFORE BOTH GOVERNMENTS CONCUR IN THE FOLLOWING:
ARTICLE 1. THE GOVERNMENTS OF THE REPUBLIC OF BOLIVIA AND THE UNITED STATES OF AMERICA AGREE TO COOPERATE IN CARRYING OUT AN EFFECTIVE PROGRAM OF INTERDICTION AGAINST NARCOTICS TRAFFICKING AND CROP ERADICATION IN THE ENTIRE THROUGHOUT BOLIVIA.

ARTICLE 2. TO CARRY OUT THIS PROGRAM, THE UNITED STATES OF AMERICA AGREES, PURSUANT TO THE TERMS IN ANNEX ONE, WHICH SHALL BE AN INTEGRAL PART OF THIS AGREEMENT, TO PROVIDE THE GOVERNMENT OF BOLIVIA WITH:

A) SIX UH-1 HELICOPTERS ON LOAN PLUS MAINTENANCE AND SPARE PARTS;

B) REPAIR AND MAINTENANCE OF THREE BOLIVIAN AIR FORCE 205 HELICOPTERS PLUS TRAINING OF BOLIVIAN PILOTS AND MAINTENANCE PERSONNEL FOR THE NINE AIRCRAFT;

C) LOGISTIC SUPPORT AND MATERIEL FOR THE BOLIVIAN FORCES CHARGED WITH THE INTERDICTION OF NARCOTICS TRAFFICKING;

D) LOGISTIC SUPPORT AND MATERIEL FOR THE BOLIVIAN FORCES CHARGED WITH FORCIBLE ERADICATION OF COCA CULTIVATION,

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BY RW NARA DATE 5/18/15
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AND

E) OTHER OPERATIONAL SUPPORT COSTS.

ARTICLE 3 THE SIX UH-1 HELICOPTERS MENTIONED ABOVE WILL BE DEDICATED EXCLUSIVELY TO NARCOTICS INTERDICTION AND CROP ERADICATION, AND THE THREE BOLIVIAN AIR FORCE 205 HELICOPTERS WILL BE DEDICATED PREFERENTIALLY AND IN ACCORDANCE WITH ANNEX ONE TO THE SAME TASKS.

ARTICLE 4 THE GOVERNMENT OF THE UNITED STATES OF AMERICA MAY CONSIDER PROVIDING ADDITIONAL SUPPORT ACCORDING TO THE RESULTS OF THE PROGRAM, AS DETERMINED ON THE BASIS OF THE EVALUATIONS PROVIDED FOR IN ARTICLE 13 AND SUBJECT TO THE AVAILABILITY OF FUNDS.

ARTICLE 5 THE GOVERNMENT OF BOLIVIA COMMITS ITSELF TO ACTIVE EFFORTS TO OBTAIN THE ENACTMENT OF A BOLIVIAN LAW ON THE CONTROL OF DANGEROUS SUBSTANCES WHICH OUTLAWS THE CULTIVATION OF COCA THROUGHOUT BOLIVIA, EXCEPT FOR AREAS TO BE DETERMINED IN THE PROVINCES OF NORTH AND SOUTH YUNGAS IN THE DEPARTMENT OF LA PAZ. THE GOVERNMENT OF BOLIVIA WILL AUTHORIZE THESE SPECIFIED AREAS TO HAVE AN ANNUAL PRODUCTION CAPACITY NO GREATER THAN IS NECESSARY TO MEET DOMESTIC LEGAL DEMAND, WHICH IS CURRENTLY ESTIMATED TO BE 10,000 METRIC TONS PER YEAR.

ARTICLE 6 THE GOVERNMENT OF BOLIVIA, WITH FINANCIAL AND TECHNICAL SUPPORT FROM THE UNITED STATES OF AMERICA AS SET FORTH IN THIS AGREEMENT, WILL CARRY OUT A 12-MONTH PROGRAM OF VOLUNTARY ERADICATION WHICH SHALL BE FOLLOWED BY FORCED ERADICATION OF THE HECTARES NOT VOLUNTARILY ERADICATED IN AREAS DECLARED TO BE ILLEGAL. THE 12-MONTH VOLUNTARY ERADICATION PERIOD WILL BEGIN UPON THE EFFECTIVE DATE OF THIS AGREEMENT AS SET FORTH IN ART. 12.

ARTICLE 7 DURING THE INITIAL 12-MONTH PERIOD (AS DEFINED IN ARTICLE SIX), AND WITHOUT AFFECTING THE VOLUNTARY ERADICATION PROGRAM, THE GOVERNMENT OF BOLIVIA AGREES TO ERADICATE COCA CULTIVATION IN 1) NATIONAL PARKS, 2) NURSERIES IN NON-LEGAL AREAS, AND 3) NEWLY-PLANTED AREAS CHARACTERIZED AS ILLEGAL AFTER PASSAGE OF THE LAW REFERRED TO IN ARTICLE FIVE. DURING THE INITIAL 12-MONTH PERIOD, THE MINIMUM ERADICATION GOAL WILL BE 1,800 HECTARES, NOTWITHSTANDING ANY DELAY IN THE PASSAGE OF THE LAW FOR CONTROL OF DANGEROUS SUBSTANCES. WITH THIS OBJECTIVE IN MIND THE GOVERNMENT OF BOLIVIA AGREES TO COMMIT ADEQUATE RESOURCES TO MEET THE REQUIREMENTS OF THIS ARTICLE, AS SET FORTH IN ANNEX ONE.

ARTICLE 8 IN ORDER TO CARRY OUT THE VOLUNTARY ERADICATION PROGRAM AND SUBJECT TO AVAILABILITY OF FUNDS, THE GOVERNMENT OF THE UNITED STATES OF AMERICA WILL PROVIDE PARTICIPATING FARM FAMILIES SUPPORT WHICH WILL TAKE THE FORM OF:

A) A CASH PAYMENT FOR THE PHYSICAL LABOR OF COCA CROP ERADICATION, UNDER THE TERMS OF ANNEX ONE;

B) OTHER DIRECT APPROPRIATE SUPPORT WHOSE FORM AND CHARACTERISTICS WILL BE ESTABLISHED IN ANNEX TWO, WHICH SHALL BE AN INTEGRAL PART OF THIS AGREEMENT;

C) THE REAFFIRMATION BY THE GOVERNMENT OF THE UNITED STATES OF AMERICA OF COMMITMENTS IN THE AREA OF RURAL AGRICULTURAL DEVELOPMENT AS PROVIDED IN OTHER BILATERAL AGREEMENTS IN FORCE; AND

D) THE CONSIDERATION BY THE GOVERNMENT OF THE UNITED STATES OF AMERICA OF RURAL DEVELOPMENT NEEDS DESCRIBED IN BOLIVIA'S "THREE-YEAR PLAN FOR COMBATTING DRUG

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TRAFFICKING".

ARTICLE 9 CURRENT ESTIMATES OF EXCESS COCA CULTIVATION IN BOLIVIA RANGE FROM 25,000 TO 50,000 HECTARES. THE GOAL OF THE OVERALL "THREE-YEAR PLAN FOR COMBATTING DRUG TRAFFICKING" IS TO ERADICATE ALL COCA CULTIVATION EXCEPT FOR THAT REQUIRED TO MEET DOMESTIC LEGAL DEMAND. DURING THE 12-MONTH PERIOD OF VOLUNTARY ERADICATION, THE BOLIVIAN STRATEGY SEEKS THE ELIMINATION OF ALL EXCESS COCA CULTIVATION. WITH THIS UNDERSTANDING, THE GOVERNMENT OF THE REPUBLIC OF BOLIVIA ESTIMATES THAT THE VOLUNTARY PROGRAM WOULD ACHIEVE THE OBJECTIVE OF ERADICATING 30,000 HECTARES. THIS BOLIVIAN PROJECTION ASSUMES AN EFFECTIVE INTERDICTION PROGRAM AND FARMER ACCEPTANCE OF THE ERADICATION INCENTIVES OFFERED.

ARTICLE 10 AT THE END OF THE 12-MONTH PERIOD SET FOR VOLUNTARY ERADICATION AND SUBJECT TO THE ENACTMENT OF THE LAW REFERRED TO IN ARTICLE 5, THE GOVERNMENT OF BOLIVIA AGREES TO BEGIN FORCIBLE ERADICATION OF REMAINING COCA CULTIVATION WITH THE GOAL OF ELIMINATING ALL ILLEGAL COCA CULTIVATION WITHIN A 24-MONTH PERIOD THEREAFTER.

ARTICLE 11 ANNEX ONE SHALL BE AGREED UPON WITHIN 45 DAYS OF THE DATE OF SIGNATURE OF THIS AGREEMENT. ANNEX TWO SHALL BE AGREED UPON WITHIN 45 DAYS OF SIGNATURE OF THIS AGREEMENT.

ARTICLE 12 THIS AGREEMENT WILL ENTER INTO FORCE AFTER BOTH THIS AGREEMENT AND ANNEX ONE HAVE BEEN SIGNED AND WILL HAVE A DURATION OF THREE YEARS. IT CAN BE EXTENDED BY AGREEMENT OF THE PARTIES. IT CAN BE TERMINATED BY EITHER PARTY WITH WRITTEN NOTIFICATION AT LEAST THREE MONTHS IN ADVANCE.

ARTICLE 13 DURING THE LIFE OF THIS AGREEMENT EVALUATIONS WILL BE CARRIED OUT AT LEAST ANNUALLY. AN INITIAL EVALUATION WILL BE CARRIED OUT WITHIN SIX MONTHS OF THE EFFECTIVE DATE.

ARTICLE 14 BOTH GOVERNMENTS WELCOME THE PARTICIPATION AND COOPERATION OF THIRD PARTIES IN ACHIEVING THE GOALS SET FORTH IN THIS AGREEMENT. OTHER GOVERNMENTS MAY BECOME PARTIES TO THIS AGREEMENT WITH THE MUTUAL AGREEMENT OF THE GOVERNMENTS OF BOLIVIA AND THE UNITED STATES.

DONE AT LA PAZ, BOLIVIA, ON FEBRUARY ---, 1987, IN THE ENGLISH AND SPANISH LANGUAGES, BOTH VERSIONS BEING EQUALLY VALID.

EXPLANATION OF REVISIONS

3. WE ARE NOT YET GRANTING AUTHORITY TO SIGN THE AGREEMENT. AS WROBLESKI WILL GRANT SIGNING AUTHORITY TO THE AMBASSADOR WHEN A NEGOTIATED FINAL TEXT IS AVAILABLE FOR REVIEW.

4. THE REVISIONS INCORPORATED IN THE PRO-AG CONTAINED IN PARA. 1 OF THIS MESSAGE ARE DESIGNED TO COVER LEGAL OBLIGATIONS OF THE USG AND TO CLARIFY CERTAIN PARTS OF THE PROPOSED AGREEMENT. THE MAJOR CHANGE IN MISSION'S DRAFT TEXT (REFTEL A) IS THE DECISION THAT WE MUST SEPARATE THE AGREEMENT INTO THREE PARTS: A) THE FRAMEWORK AGREEMENT, PROVIDED IN THIS CABLE, WHICH MAY BE SIGNED AS SOON AS MUTUALLY AGREED AND AUTHORIZED BY THE DEPARTMENT; B) ANNEX ONE, WHICH WILL CONTAIN STANDARD TERMS AND PROVISIONS OF INM ASSISTANCE, AS WELL AS

DETAILS ABOUT THE RESOURCES THAT BOLIVIA INTENDS TO COMMIT TO THE PROGRAM; AND C) ANNEX TWO, WHICH WILL DESCRIBE THE USAID PROGRAM OF SUPPORT FOR VOLUNTARY ERADICATION. OUR PURPOSE IS TO HAVE A SIGNED AGREEMENT BEFORE MARCH 1ST WHILE PREPARING THE DETAILS OF THE ANNEXES WHICH WILL TAKE A LONGER PERIOD OF TIME TO NEGOTIATE. IN ORDER TO RETAIN LEVERAGE, HOWEVER, THE AGREEMENT WILL NOT TAKE EFFECT UNTIL ANNEX ONE IS SIGNED, WHICH MUST OCCUR WITHIN 30 DAYS OF SIGNATURE OF THE AGREEMENT. NOTE THAT AGREEMENT ON ANNEX TWO IS NOT A CONDITION FOR ENTRY INTO FORCE OF THE AGREEMENT.

5. THE FOLLOWING PARAGRAPH BY PARAGRAPH EXPLANATION KEYED TO REFTEL A:

PREAMBLE: 1ST PARA - NO CHANGE

PREAMBLE: 1ST TIC - NO CHANGE

PREAMBLE: 2ND TIC - THE PREAMBLE MUST REFER TO BOTH ELEMENTS OF THE PROGRAM BECAUSE INTERDICTION AND CROP ERADICATION ARE EQUALLY IMPORTANT TO THE SUCCESS OF THE STRATEGY. THEREFORE, PARA 3 BROADENED TO ENCOMPASS ERADICATION;

PREAMBLE: 3RD TIC - CRIME DEFINED AS NARCO-TRAFFICKING

PREAMBLE: 4TH TIC - CROP ERADICATION INCLUDED AS PART OF THE NARCOTICS PROBLEM;

ARTICLE 2: REFERENCE TO ANNEX ONE. ANNEX ONE WILL DESCRIBE THE MATERIEL AND SUPPORT WHICH WILL BE PROVIDED BY THE USG FOR INTERDICTION AND ERADICATION. THIS ANNEX IS ESSENTIAL TO THE AGREEMENT BECAUSE IT DESCRIBES THE LIMITS AND CONDITION OF US ASSISTANCE AS WELL AS RESOURCE COMMITMENTS BY THE GOB. THE FRAMEWORK AGREEMENT OUTLINES THE SCOPE OF OUR MUTUAL ACTION BUT CANNOT TAKE EFFECT UNTIL ANNEX ONE IS SIGNED. THE ANNEX WILL NOT BE A LONG OR CUMBERSOME DOCUMENT, RATHER IT WILL CONTAIN THE STANDARD INM PROVISIONS AND DESCRIBE US AND GOB CONTRIBUTIONS IN DOLLAR TERMS, SO FAR AS POSSIBLE;

ARTICLE 2: (A, B, C) A AND B NO CHANGE, C LEAVE OUT "TASK," IT IS CONFUSING;

ARTICLE 2: (D) THIS PROVISION HAS BEEN ADDED IN ORDER THAT US EQUIPMENT AND MATERIEL PROVIDED FOR INTERDICTION, MAY BE USED TO SUPPORT FORCIBLE ERADICATION; WE ENVISION THAT INTERDICTION AND ERADICATION WOULD HAVE EQUAL CLAIM ON US EQUIPMENT AND MATERIEL. THIS PROVISION IS NOT A PROMISE OF ADDITIONAL US SUPPORT;

ARTICLE 2 (E) CATCH-ALL FOR OTHER FUND EXPENDITURES, BUT ALSO LIMITED BY THE TERMS OF ANNEX ONE;

ARTICLE 3: ANNEX 1 WOULD SPECIFY A CERTAIN PERCENTAGE OF HOURS THAT THE 205 HELICOPTERS WOULD BE AVAILABLE FOR THE TASKS OF INTERDICTION AND/OR ERADICATION;

ARTICLE 4: EVALUATION CLAUSE HAS BEEN STRENGTHENED;

ARTICLE 5: NO CHANGE;

ARTICLE 6: DEFINES THE BEGINNING OF THE 12-MONTH PERIOD AND IS MORE SPECIFIC;

ARTICLE 7: AS COCA CULTIVATION IN NATIONAL PARKS IS "ILLEGAL" THAT WORD HAS BEEN DELETED. OTHER CHANGES SELF-EXPLANATORY;

ARTICLE 7: A FINAL LINE HAS BEEN ADDED WHICH COMMITS THE GOB TO PROVIDE THE RESOURCES (POLICE OR OTHER TROOPS) NEEDED TO CARRY OUT FORCED ERADICATION;

ARTICLE 8: SELF-EXPLANATORY;

ARTICLE 8: (A) "COCA CROP" ADDED;

ARTICLE 8: (B) SPECIFIES THAT THE SUPPORT FOR VOLUNTARY

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ERADICATION WILL BE DESCRIBED IN ANNEX TWO. ANNEX TWO WOULD BE SIGNED WITHIN SIXTY DAYS OF THE SIGNATURE OF THE FRAMEWORK AGREEMENT, BUT DOES NOT HAVE TO BE SIGNED PRIOR TO THE AGREEMENT COMING INTO FORCE;

ARTICLE 8: (C AND D) WE PREFER TO AVOID AN OPEN-ENDED COMMITMENT TO THE BOLIVIA PLAN AND THEREFORE HAVE USED THE WORD "CONSIDER". THE PLAN IS REFERRED TO BY PRESIDENT PAZ IN HIS LETTER TO PRESIDENT REAGAN AS "THE THREE YEAR PLAN FOR COMBATTING DRUG TRAFFICKING", SO WE HAVE USED THE SAME TERM;

ARTICLE 9: REFERENCE TO GOB AND USG DROPPED. 25,000 HECTARES USED TO REFLECT INCSR FIGURES, E.G. 32,000 TO 38,000 HECTARES LESS 10,000 HECTARES OF LEGAL CULTIVATION;

ARTICLE 10: SPECIFIES THE PERIOD OVER WHICH FORCIBLE ERADICATION WOULD TAKE PLACE AND STATES THE GOAL OF THE STRATEGY AS TOTAL ERADICATION;

ARTICLE 11: NEW - COVERS THE COMING INTO FORCE OF THE AGREEMENT;

ARTICLE 12: MORE SPECIFIC;

ARTICLE 13: MORE SPECIFIC;

ARTICLE 14: OTHER GOVERNMENTS COULD JOIN THIS AGREEMENT BUT IT IS PROBABLY MORE LIKELY THAT THEY WOULD PARTICIPATE AND COOPERATE IN THE PROGRAM RATHER THAN BECOMING PARTIES.

6. SINCE THE SPANISH VERSION IS EQUALLY VALID, THE SPANISH VERSION MUST BE CERTIFIED TO BE ACCURATE BY LANGUAGE SERVICES. TO SAVE TIME, WE HAVE ASKED THAT OUR VERSION BE TRANSLATED AND WILL ASK LANGUAGE SERVICES TO REVIEW ANY REVISIONS MADE DURING FINAL NEGOTIATIONS. WHEN AUTHORIZED YOU SHOULD SIGN THE OFFICIAL ENGLISH AND SPANISH VERSIONS AS CERTIFIED BY THE DEPARTMENT.
SHULTZ

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