

Message Text

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E.O. 12065: N/A
TAGS: SNAR, OVIP, PDIP, BL
SUBJECT: US/GOB NARCOTICS PROGRAM: PROPOSED DEMARCHE BY
PRESIDENT CARTER'S REPRESENTATIVE TO BOLIVIAN INAUGURAL

1. I RECOMMEND THAT THE US DELEGATION TO THE BOLIVIAN
AUGUST 6 INAUGURATION, HEADED BY MRS. CARTER, TAKE THIS
OPPORTUNITY FOR A STRONG DEMARCHE TO THE PRESIDENT-ELECT
ON US DESIRE FOR MORE EFFECTIVE GOB COOPERATION ON OUR
US/GOB NARCOTICS PROGRAM. THIS NEWLY ELECTED PRESIDENT WILL
BE BEHOLDEN TO US FOR OUR SUPPORT OF DEMOCRATIZATION IN
BOLIVIA. HE WILL ALSO HAVE SIGNIFICANT REQUESTS FOR FURTHER
ECONOMIC AND POLITICAL SUPPORT FROM US. THEREFORE, IT IS
THE RIGHT TIME FOR US TO RAISE OUR DESIDIRATA. SINCE LATE
1977 THERE HAS BEEN A LACK OF STRONG COMMITMENT AND DRIVE
FROM THE TOP OF THE GOB, PARTLY RESULTING FROM THE ELECTORAL
CAMPAIGNS OF 1978 AND 1979. THE US MUST SEIZE THE OPPORTUNITY
OF THE INAUGURATION TO IMPRESS UPON THE PRESIDENT-ELECT OUR
MAJOR CONCERN WITH ILLICIT COCAINE TRAFFICKING AND PRODUCTION.
THE MAIN POINT TO IMPRESS UPON HIM IS THAT STERNER, MORE
DISCIPLINED GOB POLICIES AND ENFORCEMENT ACTION FROM
THE CABINET ON DOWN SHOULD BE ADOPTED. TO HELP FINANCE
THIS INCREASED BOLIVIAN EFFORT AND TO MAKE IT POLITICALLY
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TOLERABLE FOR THE NEW PRESIDENT, THE US WILL NEED TO OFFER
NEW FINANCIAL SUPPORT FOR NARCOTICS PROGRAMS IN BOLIVIA.
WE SHOULD OFFER IN RETURN FOR BOLIVIAN COMMITMENTS
\$15 MILLION (OVER FIVE YEARS) FOR MEASURES TO CONTROL THE COCA
LEAF MARKET AND, IN ADDITION TO PRESENTLY PLANNED USAID
PROJECTS FOR BOLIVIA IN FY80, \$19 MILLION FOR AN AGRICULTURAL
DEVELOPMENT PROGRAM WHICH WILL PROVIDE SMALL FARMERS THE

INCENTIVES TO CEASE OR RESTRICT THEIR PRODUCTION OF COCA.
OUR IDEAS ON THE GENERAL CONTENT OF A MEMORANDUM FOR THE
WHITE HOUSE PROPOSING SUCH A DEMARCHE FOLLOW.

A. PROBLEM

1) SINCE NOVEMBER 1977, WHEN THEN PRESIDENT BANZER ANNOUNCED
THAT ELECTIONS WERE TO BE HELD IN JULY 1978, PROGRESS IN
ACHIEVING OUR GOAL OF REDUCING THE ILLICIT FLOW OF COCAINE
TO THE US HAS BEEN DISAPPOINTING. WHILE SUBSTANTIAL PROGRESS
HAS BEEN MADE IN LAYING STRUCTURAL AND INSTITUTIONAL
FOUNDATIONS FOR FUTURE EFFORTS AND DRUG SEIZURES IN 1979
HAVE INCREASED SOMEWHAT, THE BOLIVIAN GOVERNMENT HAS NOT
SHOWN THE WILL TO LIVE UP TO ITS COMMITMENTS. PRIMARILY
FOR POLITICAL REASONS RELATED TO ELECTION CAMPAIGNS, THE
GOB HAS BEEN WEAK AND INEFFECTIVE IN THE NARCOTICS AREA, AS
INDEED IN OTHERS.

2) THE GOB NEEDS A SHARP KICK TO AWAKE IT TO ITS
RESPONSIBILITY TO:

--MOVE AGAINST MAJOR TRAFFICKERS;
--CURTAIL OR DESTROY NEW, ILLEGAL COCA PLANTINGS;
--SUPPORT VIGOROUSLY AN EFFECTIVE PROGRAM OF REPLACEMENT
INCOME FOR FARMERS IN COCA AREAS;
--REDUCE CORRUPTION IN THE JUDICIAL SYSTEM AND KEEP TRAFFICK-
ERS IN JAIL.

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3) BEARING IN MIND THE WEAKNESS OF BOLIVIAN POLITICAL INSTI-
TUTIONS AND THE US GOAL OF ENCOURAGING FREE, DEMOCRATIC
ELECTIONS IN BOLIVIA, WE HAVE NOT RECENTLY SOUGHT TO FORCE
THESE ISSUES. WE SHOULD NOW, HOWEVER, SEEK THE NEW
PRESIDENT'S COMMITMENT ON THESE FOUR POINTS AND, IF WE
GET IT, OFFER OUR COOPERATION TO IMPLEMENT A COMPREHENSIVE
STRATEGY.

4) IF THE NEW GOVERNMENT IS FOUND UNWILLING TO COOPERATE WITH
THE USG IN THIS RESPECT, WE SHOULD REVIEW AGAIN OUR NARCOTICS
STRATEGY VIS-A-VIS BOLIVIA. A MODEST ENFORCEMENT SUPPORT
PROGRAM AND A DEA PRESENCE IN BOLIVIA WILL ALWAYS BE WORTH-
WHILE FOR THE US. HOWEVER, WITHOUT EFFECTIVE GOB ACTION ON
ENFORCEMENT, PENAL AND JUDICIARY REFORMS AND DESTRUCTION OF
NEW COCA PLANTINGS, IT IS DOUBTFUL THAT MAJOR EXPANSIONS OF
ENFORCEMENT PROGRAMS, LARGE-SCALE AGRICULTURAL DEVELOPMENT
AND COCA INCOME SUBSTITUTION PLANS OR THE ESTABLISHMENT OF
A COCA CROP MARKETING MONOPOLY WOULD EVER BE SUCCESSFUL IN
REDUCING PRODUCTION TO THE LEVEL DEMANDED BY THE LEGAL
(CHEWING AND LEAF EXPORTS) MARKET.

B. TALKING POINTS

1) FOR OVER THREE YEARS THE US HAS BEEN ENGAGED IN AN INTENSIFIED COOPERATIVE CAMPAIGN WITH THE GOB TO SUPPRESS THE PRODUCTION AND ILLICIT TRAFFIC IN COCAINE. THE US HAS CONTRIBUTED ABOUT \$8.5 MILLION TO THIS EFFORT SINCE 1975 AND HAS PLANS FOR GREATLY INCREASED CONTRIBUTIONS AND EXPANDED EFFORTS DURING THE FORTHCOMING YEARS.

2) NEVERTHELESS, THE FLOW OF COCAINE CONTINUES UNABATED. AS MUCH AS 48 METRIC TONS OF COCAINE HYDROCHLORIDE AND BASE VALUED AT ABOUT \$170 MILLION MAY CONTINUE TO BE EXPORTED FROM BOLIVIA.

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3) THE ACTUAL AND POTENTIAL DANGER WHICH THIS REPRESENTS TO BOLIVIAN YOUTH CONTINUES AND THE CORRUPTIVE AND DISTORTING EFFECTS ON BOLIVIA'S YOUNG DEMOCRACY OF THE FLOWS OF BLACK MONEY RESULTING FROM THE TRAFFIC ARE ON THE INCREASE.

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4) PRESIDENT CARTER AND THE USG WISH TO CONTINUE AND EXPAND OUR COOPERATIVE PROGRAM, BUT WE ARE GREATLY CONCERNED OVER GOB FAILURE TO ACT ON SOME ASPECTS OF DRUG TRAFFICKING.
--THE US IS AWARE THAT A LARGE NUMBER OF INFLUENTIAL MAJOR

TRAFFICKING INDIVIDUALS AND FAMILIES ARE KNOWN TO GOB AND US DRUG AGENCIES. HOWEVER, A CONCERTED EFFORT HAS NOT BEEN MADE SO FAR TO PUT THESE TRAFFICKERS BEHIND BARS.

--PLANTINGS OF COCA TO BE USED FOR ILLICIT PURPOSES HAVE EXPANDED SINCE THE REGISTRATION OF COCA GROWERS AT THE END OF 1977. NOT EVEN TOKEN DESTRUCTION OF NEW ILLEGAL PLANTINGS HAS BEEN CARRIED OUT EVEN THOUGH SUCH DESTRUCTION IS PROVIDED FOR UNDER BOLIVIAN LAW.

--A LARGE NUMBER OF TRAFFICKERS WHO ARE SUPPOSED TO BE IN PENITENTIARIES SERVING SENTENCES OR WHILE THEY ARE ON TRIAL, ARE IN FACT RELEASED FROM CONFINEMENT AND ABLE TO GO ABOUT THEIR ILLEGAL ACTIVITIES AS THE RESULT OF CORRUPT OR INEFFICIENT PRACTICES BY PRISON AND JUDICIAL OFFICIALS.

5) I WOULD LIKE TO BE ABLE TO GIVE PRESIDENT CARTER YOUR ASSURANCES THAT THESE POLICIES AND PRACTICES WILL BE CHANGED. IF YOU CAN MOVE AHEAD IN THESE AREAS THE US WILL EXPAND ITS COOPERATIVE PROGRAM ON NARCOTICS WITH BOLIVIA, LIMITED OFFICIAL USE

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INCLUDING \$15 MILLION FOR PROGRAMS TO HELP CONTROL THE COCA LEAF MARKET AND \$19 MILLION FOR A PROGRAM OF AGRICULTURAL DEVELOPMENT AND CROP DIVERSIFICATION FOR THE TWO MAJOR COCA GROWING REGIONS. ANY MEASURES WHICH WE MAY TAKE JOINTLY, HOWEVER, WILL BE FUTILE AND INEFFECTIVE UNLESS THE BOLIVIAN GOVERNMENT IS READY TO TAKE ACTION TO IMPRISON MAJOR OFFENDERS, DESTROY NEW ILLEGAL COCA PLANTINGS AND CORRECT ABUSES OF THE PENAL AND JUDICIARY SYSTEM. THE UNITED STATES WOULD BE PREPARED TO HELP YOU IN EVERY FEASIBLE WAY IN MEETING THESE PROBLEMS.

C. BACKGROUND

IN THE ABSENCE OF ACCURATE FIGURES, THE MISSION ESTIMATES THAT 20,000 PLUS METRIC TONS OF COCA ARE PRODUCED YEARLY IN BOLIVIA. OF THIS AMOUNT, ABOUT 12,000 MT ARE SOLD FOR LEGAL PURPOSES, FOR CHEWING, TEA AND LEGAL EXPORTS (ABOUT 1,000 MT). THE BALANCE, 8,000 MT PLUS IS AVAILABLE FOR ILLICIT FABRICATION OF COCAINE. ILLICIT EXPORTS OF COCAINE--HYDROCHLORIDE AND BASE--ARE ESTIMATED AT 48 MT, OF WHICH 85 PERCENT, OR ABOUT 41 MT, MAY GO TO THE US.

US/GOB STRATEGY TO REDUCE THIS AMOUNT IS DIRECTED AT:

-THE INTERDICTION OF COCAINE SHIPMENTS
FROM PROCESSORS TO ACTUAL IMPORTS;
- CONTROL OF THE LEVEL OF COCA PRODUCTION;
- PRODUCTION AREA DEVELOPMENT AND REPLACEMENT
OF COCA WITH OTHER CROPS.

1) INTERDICTION: ENFORCEMENT AND CONTROLS

AS AN OBVIOUS FIRST ATTACK ON THE PROBLEM SINCE 1974 WE HAVE

BEEN STRENGTHENING THE BOLIVIAN NARCOTICS ENFORCEMENT AGENCY (DIRECCION NACIONAL DE CONTROL DE SUSTANCIAS PELIGROSAS-DNSP) THROUGH TRAINING, EQUIPMENT AND OPERATIONS SUPPORT FUNDS. WE HAVE CONTRIBUTED A CUMULATIVE TOTAL OF \$2.8 MILLION THROUGH LIMITED OFFICIAL USE

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FY 1979. THESE FUNDS HAVE RESULTED IN A SUBSTANTIALLY BETTER AND MORE NUMEROUS ORGANIZATION WITH IMPROVED COMMUNICATIONS AND TRANSPORTATION. THE FIVE AGENT DEA OFFICE IN LA PAZ HAS ALSO GREATLY STRENGTHENED THE DNSP AND WORKS CLOSELY WITH DNSP ON INTELLIGENCE AND OPERATIONS.

NEVERTHELESS, RESULTS OF THE US EFFORT IN THE ENFORCEMENT FIELD HAVE BEEN DISAPPOINTING. ALTHOUGH THE DNSP STAFF HAS INCREASED FROM 170 IN MID-76 TO 390 IN DECEMBER 1978, SEIZURES OF COCAINE BASE AND HYDROCHLORIDE, IN SPITE OF SOME IMPROVEMENT THIS YEAR, REMAIN AT LOW LEVELS; 236 KILOS IN 1978 AND 250.7 KILOS IN JANUARY-JUNE, 1979. FURTHERMORE, ARREST AND SUCCESSFUL PROSECUTION OF IDENTIFIABLE MAJOR TRAFFICKERS IS NOT TAKING PLACE, AND MANY INPRISONED TRAFFICKERS ARE BRIBING OR OTHERWISE COERCING JUDGES AND JAIL OFFICIALS SO THAT THEY ARE ABLE TO SPEND SATURDAYS TO SATURDAYS OUT OF JAIL.

THE DNSP HAS, HOWEVER, TAKEN A SIGNIFICANT STEP THIS YEAR, WITH HELP FROM I/NM FUNDS, IN REGISTERING ALL COCA TRADERS, TRANSPORTERS AND RETAILERS. THE EVENTUAL GOAL IS TO ESTABLISH CONTROL OVER THE FLOW OF COCA. FOLLOWING UP ON THE REGISTRATION, APPROXIMATELY FORTY-FIVE PERSONS WERE HIRED IN APRIL 1979 TO MAN TWENTY-FIVE CHECKPOINTS AS THE FIRST PHASE OF THE COCA MARKET FLOW CONTROL. WITH THE INFORMATION THAT IS NOW AVAILABLE WE EXPECT A SLOW DOWN OF THE AMOUNT OF COCA GOING TO MARKETS SUCH AS MONTERO AND SANTA CRUZ FOR OTHER THAN LEGAL PURPOSES.

ON THE NEGATIVE SIDE, DNSP'S WEAK INTELLIGENCE GATHERING CAPABILITY IS AN OBSTACLE TO DEVELOPING SOLID INFORMATION ON SUSPECTED ILLEGAL NARCOTICS ACTIVITY IN BOLIVIA. EMPHASIS NEEDS TO BE PLACED ON IDENTIFYING AND ARRESTING THE PRINCIPAL TRAFFICKERS AND CIRCUMVENTING THEIR ILLEGAL OPERATIONS WHILE AWAITING JUDICIAL PROCESS. IN ANOTHER AREA, ALTHOUGH BOLIVIAN LAW PROVIDES FOR THE DESTRUCTION OF NEW COCA PLANTINGS, E.E., THOSE NOT REGISTERED BY DNSP IN 1977, THE SUBSEQUENT BOLIVIAN GOVERNMENTS HAVE NOT BEEN STRONG ENOUGH--IN THE PRE-ELECTION POLITICAL ENVIRONMENT--TO AUTHORIZE SUCH DESTRUCTION.

IN SHORT, ALTHOUGH PROGRESS HAS BEEN MADE IN STRENGTHENING DNSP'S INTERDICTION CAPABILITY AS WELL AS IN ESTABLISHING A LIMITED OFFICIAL USE

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BETTER FRAMEWORK FOR THE CONTROL OF COCA MOVEMENTS, THE GOB HAS SO FAR FAILED TO REALLY MAKE THE HARD DECISIONS AND CLAMP DOWN

ON COCAINE TRAFFICKERS. ALONG WITH THIS FAILURE, WHICH WE EXPECT WILL BE REMEDIED BY THE NEW ELECTED GOVERNMENT, THE GOB DOES NEED A GREAT DEAL MORE HELP IN THE WAY OF TECHNICAL ADVISORS, COMMODITIES AND OTHER ASSISTANCE IF IT IS TO MOUNT AN EFFECTIVE INTERDICTION CAMPAIGN. A US CONTRIBUTION TO IMPROVED ENFORCEMENT OF ABOUT \$15 MILLION OVER A FIVE YEAR PERIOD IS NEEDED.

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2) YUNGAS AND CHAPARE DEVELOPMENT PROGRAM

(A) STRATEGY

THE GOB AND THE USG ARE ATTEMPTING TO CREATE ALTERNATIVE INCOME SOURCES FOR SMALL FARMERS IN THE YUNGAS AND CHAPARE REGIONS. THIS WILL ENABLE FARMERS IN THE CHAPARE TO MAINTAIN THEIR INCOME LEVELS WHEN COCA PRODUCTION DECREASES AND WILL INHIBIT THE SPREAD OF COCA PLANTINGS IN THE YUNGAS. UNLESS ALTERNATIVE INCOME SOURCES ARE DEVELOPED, THE GOB WILL BE UNDER CONSIDERABLE POLITICAL PRESSURE TO RESTRAIN COCA ERRADICATION MEASURES.

THE YUNGAS AND CHAPARE DEVELOPMENT PROGRAM WILL BEGIN IN FY 1980 AND WILL FOCUS INITIALLY ON THE FOLLOWING CROPS; COFFEE, TEA, COCOA, CITRUS AND TROPICAL FRUITS, AGAVE AND SPICES. INTEGRATED DEVELOPMENT PROGRAMS WILL BE ESTABLISHED FOR EACH CROP THROUGH A REGIONAL DEVELOPMENT AUTHORITY WHICH WILL CONTEMPLATE: 1) CREATION OF AGRICULTURE PROCESSING FACILITIES; 2) CONSTRUCTION OF ROADS AND ELECTRICAL SYSTEMS WHERE REQUIRED TO FACILITATE MARKETING AND PROCESSING; 3) TECHNICAL ASSISTANCE IN MARKETING AND PROCESSING; 4) CREATION OF PRODUCER ORGANIZATIONS TO COORDINATE PRODUCT-

ION AND MARKETING; 5) PRODUCTION CREDIT AND SUPPLY OF
AGRICULTURAL INPUTS; 6) MARKETING CREDIT TO FACILITATE INPUT
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AND OUTPUT HANDLING, STORAGE AND TRANSPORT; AND 7) TECHNICAL

ASSISTANCE IN PRODUCTION TECHNOLOGY TO DEVELOP FURTHER
ALTERNATIVE CROPS.

NO DEVELOPMENT PROGRAM IS CONTEMPLATED FOR THOSE COCA PRODUCING
ZONES OUTSIDE THE YUNGAS AND CHAPARE SINCE THEY ARE TOO SCATTER-
ED AND SMALL TO WARRANT A CONCENTRATED EFFORT. IT IS RECOMMEND-
ED INSTEAD THAT OLD COCA PLANTS IN THESE OTHER AREAS BE PURCHASED
AND ALL COCA PLANTS BE DESTROYED.

(B) GOB COMMITMENTS

(I) ESTABLISHMENT OF REGIONAL DEVELOPMENT AUTHORITY FOR THE
CHAPARE

PRESENTLY DEVELOPMENT EFFORTS IN THE CHAPARE ARE DIVIDED
AMONGST A LARGE NUMBER OF GOB AND PRIVATE ENTITIES. IN
ORDER FOR A MASSIVE DEVELOPMENT EFFORT TO SUCCEED A
CENTRALIZED BODY MUST BE CREATED WITH BOTH LEGAL AUTHORITY
AND FINANCIAL CONTROL TO ENSURE THAT IMPLEMENTATION EFFORTS
ARE TIMELY AND INTEGRATED. THE GOB MUST THEREFORE CREATE
THIS CENTRAL INSTITUTION IF THE DEVELOPMENT PROGRAM IS TO
SUCCEED.

(II) ASSIGNMENT OF MANPOWER TO PROGRAM

THE VARIOUS ELEMENTS OF THE DEVELOPMENT PROGRAM WILL REQUIRE
ASSIGNMENT OF CONSIDERABLE TECHNICAL RESOURCES BY THE GOB,
EITHER BY DIRECT DELEGATION TO THE REGIONAL DEVELOPMENT
AUTHORITY OR BY ASSIGNMENT BY VARIOUS GOB AGENCIES. OF
GREATEST IMPORTANCE WILL BE AGRICULTURAL CREDIT AND
EXTENSION AGENTS (THERE ARE ONLY 100 OF THE LATTER IN
BOLIVIA). THE GOB MUST BE WILLING TO COMMIT THESE
RESOURCES EVEN TO THE DETRIMENT TO OTHER ACTIVITIES.
AS WILL BE NOTED BELOW, U.S. GOVERNMENT FUNDS WILL BE
PROVIDED TO COVER THE OPERATING COSTS OF THE REGIONAL
DEVELOPMENT AUTHORITY.

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(III) GOB SUBSIDIES

IN ADDITION TO THE ABOVE, THE GOB MAY BE REQUIRED TO
PROVIDE INDIRECT SUBSIDIES TO FARMERS OR TO PROCESSING
INDUSTRIES WHICH WILL FAVOR ALTERNATIVE CROPS. THE
NATURE OF REQUIRED SUBSIDIES WILL BE DEFINED WHEN THE
DETAILED PROJECT IS PREPARED BUT MAY INCLUDE: PROVISION

TO FARMERS BY THE GOB OF SEVERAL FREE HECTARES OF LAND
FOR EACH TAKEN OUT OF COCA PRODUCTION; LIBERATION FOR
FIVE TO TEN YEARS OF IMPORT DUTIES FOR PROCESSING
FACILITIES; SUPPORT PRICES FOR CERTAIN CROPS; AND/OR
SUBSIDIZED PRICES FOR CERTAIN AGRICULTURAL INPUTS.

U.S. RESPONSE

AN EIGHTEEN MILLION DOLLAR DEVELOPMENT LOAN/GRANT PROJECT
IS CONTEMPLATED FOR THE DEVELOPMENT PROGRAM. THE COMPONENTS
ARE TENTATIVELY CONTEMPLATED AS FOLLOWS (\$000): LOAN:
AGRICULTURAL CREDIT \$3,000.-; MARKETING AND PROCESSING
FACILITIES \$2,000.-; RURAL ELECTRIFICATION \$2,500.-;
RURAL ROADS \$1,500.-; REGIONAL DEVELOPMENT AUTHORITY
OPERATING COSTS \$5,000.-; GRANT: TECHNICAL ASSISTANCE
\$4,000.-; TOTAL \$18,000.-

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3) ASSURING THE SUPPLY OF LEGAL COCA

AS GOB EFFORTS TO IMPROVE ENFORCEMENT OF NARCOTICS LAWS AND TO
REDUCE PRODUCTION OF COCA BECOME MORE EFFECTIVE, THE PRICE OF COCA
ILLEGALLY CONVERTED TO COCAINE WILL INCREASE. THIS HIGHER
PRICE WILL DIVERT SOME COCA FROM LEGAL USES TO THE ILLEGAL
MARKET. DIVERSION TO THE ILLEGAL MARKET PLUS REDUCED PRODUCTION
WILL BOTH DECREASE SUPPLIES OF COCA TO LEGAL USERS AND
RESULT IN HIGHER PRICES. HOWEVER, EXCESSIVE PRICES OF SHORTAGES
IN THE LEGAL MARKET WILL NOT OCCUR UNTIL THE
NEW STRATEGY OF IMPROVED ENFORCEMENT AND REDUCED PRODUCTION
IS EFFECTIVELY IMPLEMENTED. THIS MAY OCCUR APPROXIMATELY 18 MONTHS
TO THREE YEARS AFTER INITIATION OF THE NEW STRATEGY.

WHEN EFFECTIVE IMPLEMENTATION OCCURS, THE GOB WILL HAVE TO TAKE MEASURES ASSURING ADEQUATE SUPPLIES OF COCA AT REASONABLE PRICES TO LEGAL USERS. OTHERWISE LEGAL USERS WILL EXERT POLITICAL PRESSURE ON THE GOB TO PERMIT MORE COCA PRODUCTION AND TO ABANDON OR WEAKEN SUBSTANTIALLY ITS COCA CONTROL PROGRAM. THERE ARE TWO ALTERNATIVES UNDER CONSIDERATION FOR ASSURING ADEQUATE SUPPLIES AT REASONABLE PRICES.

THE FIRST IS ESTABLISHMENT OF A GOB MARKETING BOARD (ESTANCO) TO LIMITED OFFICIAL USE

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PURCHASE AND SELL COCA PRODUCTION NEEDED FOR DOMESTIC USE TO LEGAL DISTRIBUTORS AND CONSUMERS. THE ESTANCO WOULD ASSIST ENFORCEMENT EFFORTS BECAUSE ALL COCA SOLD OUTSIDE ITS CHANNELS WOULD BE BY DEFINITION ILLEGAL AND SUBJECT TO SEIZURE AND DESTRUCTION.

THE ESTANCO WOULD TAKE ADVANTAGE OF AND USE EXISTING MARKETING CHANNELS TO

THE MAXIMUM EXTENT POSSIBLE. IN THIS WAY, THE ESTANCO WOULD DISRUPT PRESENT EMPLOYMENT AND INVESTMENT IN THE LAWFUL MARKETING OF COCA ONLY TO THE EXTENT NECESSARY. NONETHELESS, THE ESTANCO WOULD NEED SUFFICIENT MANAGEMENT, STAFF, EQUIPMENT, FACILITIES AND OPERATING CAPITAL TO SUPERVISE THE FLOW OF COCA FROM FARM TO CONSUMER AND TO BUY AND RESELL TO SUPPLY THE LEGAL MARKET.

THE FEASIBILITY AND AND COST OF OPERATING AN ESTANCO ARE CURRENTLY UNDER STUDY AND A DEFINITE ANSWER AS TO WHETHER THIS IS THE MOST EFFICIENT WAY OF ASSURING AN ADEQUATE SUPPLY OF COCA FOR THE LEGAL MARKET CANNOT BE GIVEN AT THIS TIME.

THE SECOND ALTERNATIVE FOR ASSURING ADEQUATE LAWFUL SUPPLIES AT REASONABLE PRICES IS A MARKETING CONTROL SYSTEM COMBINED WITH PRICES FIXED BY THE GOB. IN ESSENCE, THE MARKETING CONTROL SYSTEM WOULD BE SIMILAR TO THE ESTANCO EXCEPT THAT THE GOB WOULD NOT ACTUALLY PURCHASE, STORE AND RESELL COCA. THE MARKETING CONTROL AGENCY WOULD INSTEAD MONITOR AND SUPERVISE THE FLOW OF COCA FROM FARM TO LEGAL CONSUMER. TO ACHIEVE EFFECTIVE MONITORING AND SUPERVISION, THE AGENCY WOULD NEED CONSIDERABLE MANAGEMENT, STAFF, EQUIPMENT AND FACILITIES IN THE PRODUCING AREAS, AT CHECKPOINTS BETWEEN FARMS AND MARKETS, AND IN AREAS OF DISTRIBUTION AND CONSUMPTION. UNLIKE THE ESTANCO, THE AGENCY WOULD NOT NEED TRANSPORTATION, LIMITED OFFICIAL USE

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STORAGE AND HANDLING FACILITIES, NOR OPERATING CAPITAL WITH WHICH TO BUY COCA. THE AGENCY WOULD LEAVE IN TACT THE PRIVATE MARKETING STRUCTURE. THROUGH ITS AUTHORITY TO FIX AND CONTROL MARKET PRICES, THE AGENCY WOULD INSULATE LEGAL USERS FROM THE HIGH PRICES FOR ILLEGAL COCA. NEITHER THE EMBASSY NOR THE STATE DEPARTMENT CONSULTING TEAM HAS COMPLETED AN ANALYSIS OF THE PROBABLY COSTS OF THE MARKETING CONTROL SYSTEM. THE EMBASSY'S BEST ESTIMATE IS ONE TO TWO MILLION DOLLARS A YEAR.

FURTHER STUDIES OF THE TWO ABOVE ALTERNATIVES WILL HAVE TO BE MADE WHICH THE US SHOULD BE PREPARED TO FINANCE. WE WOULD ALSO PROBABLY HAVE TO UNDERWRITE THE COSTS OF EITHER ALTERNATIVE IN THE FIRST YEARS OF OPERATION, THOUGH WE WOULD CONDITION FURTHER FUNDING ON AN ASSESSMENT OF THE EFFECTIVENESS OF THE GOB'S OVERALL COCA CONTROL EFFORTS. TO COVER THESE EXPENSES, AN INCREASE IN INM'S APPROPRIATION FOR ABOUT TWO YEARS' RUNNING WOULD HAVE TO BE INCREASED AN AMOUNT RANGING FROM \$1.5 TO \$3.5 MILLION.

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4) JUDICIARY AND PENAL REFORM

THE EXISTING NARCOTICS LAW SHOULD SERVE AS A STRONG DETERRENT TO DRUG-RELATED CRIMES, BUT ITS EFFECTS ARE VITIATED BY DEFECTS IN THE JUDICIAL AND PENAL SYSTEMS.

INSUFFICIENT JUDICIAL PERSONNEL, INADEQUATE PHYSICAL SPACE AND EQUIPMENT, PALTRY JUDICIAL SALARIES, AND ANTIQUATED COURT PROCEDURES MAKE DELAY ENDEMIC IN THE SYSTEM, A TENDENCY THAT CAN BE EASILY EXPLOITED IN ORDER TO FRUSTRATE THE ENDS OF JUSTICE.

CORRUPTION IN THE JUDICIAL SYSTEM SEEMS TO BE RAMPANT AT ALL LEVELS.

ALTHOUGH DENIED BAIL BY THE LAW, WEALTHY AND INFLUENTIAL DRUG TRAFFICKERS GENERALLY HAVE LITTLE TROUBLE CONTINUING THEIR ACTIVITIES FROM JAIL, IF INDEED THEY REMAIN THERE. A COMMON AND FLAGRANT OCCURRENCE IS FOR PRISONERS TO BE SENT UNSUPERVISED TO CLINICS, WITH A JUDGE'S CONSENT, ON THE BASIS OF FLIMSY OR FABRICATED MEDICAL EVIDENCE, AND THEN SIMPLY TO LEAVE AND RESUME NORMAL ACTIVITIES.

THE PENAL SYSTEM IS EQUALLY OPEN TO ABUSE FOR SOME OF THE SAME REASONS DESCRIBED ABOVE, INCLUDING LOW SALARIES, OVERCROWDING IN THE JAILS, AND LACK OF COMPETENT PERSONNEL. DISCIPLINE IS LAX TO THE POINT OF ANARCHY. ANYTHING IS AVAILABLE TO THE INMATES, LIMITED OFFICIAL USE

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INCLUDING GUNS, DRUGS AND ALCOHOL, AND SOME TRAFFICKING RINGS ARE BELIEVED TO OPERATE FROM PRISON WALLS. THE CORRUPTION WHICH PERVADES THE SYSTEM ALLOWS CONVICTED OR ACCUSED TRAFFICKERS TO SECURE UNSUPERVISED EXIT PERMITS DIRECTLY FROM PRISON OFFICIALS, WITHOUT REFERENCE TO JUDGE OR PROSECUTOR.

THE EMBASSY CAN DO LITTLE TO COMBAT CORRUPTION EXCEPT TO CONTINUE TO BRING SPECIFIC INSTANCES TO THE ATTENTION OF THE APPROPRIATE MINISTRIES, AND TO TRY TO INFLUENCE THE APPOINTMENT OF HONEST MEN.

THE PROBLEM OF INEFFICIENCY WOULD BE EASIER TO DEAL WITH IF FUNDING WERE AVAILABLE FOR PROGRAMS DIRECTED TOWARD PENAL AND JUDICIAL SYSTEMS IN GENERAL. ALTHOUGH LITTLE FUNDING HAS BEEN AVAILABLE, SOME COUNTERPART FUNDS WERE RECENTLY USED TO BUY A CERTAIN NUMBER OF NEW TYPEWRITERS FOR THE CRIMINAL COURTS. THE EMBASSY IS ALSO CONTINUING TO UTILIZE ITS CULTURAL PROGRAMS, SUCH AS INTERNATIONAL VISITORS GRANTS, TO EXPOSE JURISTS AND PRISON OFFICIALS TO U.S. METHODS AND PROCEDURES. IN THE PENAL AREA, THE EMBASSY WILL CONTINUE TO ENCOURAGE SUCH MEASURES AS A PROPOSED NEW, MODERN PRISON, AND THE CONCEPT OF A SPECIAL DETENTION FACILITY FOR NARCOTICS OFFENDERS.

GIVEN A HIGHER LEVEL OF GOB INTEREST IN JUDICIAL AND PENAL REFORMS THAN PRESENTLY EXISTS, THE EMBASSY MIGHT RESPOND BY ATTEMPTING TO ARRANGE FOR THE SERVICES OF EXPERT CONSULTANTS, SUCH AS EMINENT JURISTS OR MANAGEMENT CONSULTING FIRMS, AND BY INCREASING THE SHARE OF IV AND OTHER CULTURAL PROGRAMS FOR BOLIVIAN JURISTS AND PENOLOGISTS.

A KEY INDICATOR OF BOLIVIAN COMMITMENT TO JUDICIAL AND PENAL REFORMS COULD BE REGARDED AS A DETERMINED ENFORCEMENT EFFORT TO APPREHEND AND PROSECUTE DELINQUENT COURT AND PRISON OFFICIALS. THE U.S. RESPONSE TO GENERAL GOB ENFORCEMENT EFFORTS, IN TERMS OF EQUIPMENT AND TRAINING FOR THE POLICE, SHOULD BE MADE DEPENDENT IN PART ON RESULTS IN THIS AREA.

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2. THE GENERAL SUBSTANCE OF THIS MESSAGE WAS REVIEWED
BY AMBASSADOR BOEKER.
BEAL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NARCOTICS, DEMARCHE, PRESIDENT
Control Number: n/a
Copy: SINGLE
Draft Date: 21 jul 1979
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
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From: LA PAZ
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Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Page Count: 12
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Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
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Status: NATIVE
Subject: US/GOB NARCOTICS PROGRAM: PROPOSED DEMARCHE BY PRESIDENT CARTER'S REPRESENTATIVE TO BOLIVIAN INAUGURAL
TAGS: SNAR, OVIP, PDIP, BL
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/2c314f7e-c288-dd11-92da-001cc4696bcc
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