

Message Text

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ACTION ARA-15

INFO OCT-01 ADS-00 SSO-00 NSCE-00 INRE-00 PM-05 SP-02
SS-15 L-03 CIAE-00 INR-10 NSAE-00 DODE-00 MC-02
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INFO CINCSO J2 QUARRY HEIGHTS CZ
USAFSO HOWARD AFB CZ/LA

C O N F I D E N T I A L SECTION 1 OF 2 LA PAZ 6049

E.O. 12065: GDS 7/2/85 (BOEKER, PAUL H.) OR-M
TAGS: MASS, BL
SUBJECT: MODERN FIGHTER AIRCRAFT FOR BOLIVIA

REF: (A) STATE 207984 310241Z AUG 77
(B) STATE 252478 DTD 211400Z OCT 77
(C) STATE 47743 DTD 240237Z FEB 78
(D) LA PAZ 5726

1. CONFIDFNTIAL ENTIRE TEXT.

2. THE BOLIVIA AIR FORCE (BAF) HAS REQUESTED A LETTER OF OFFER AND
ACCEPTANCE FOR THE FOLLOWING AIR DEFENSE WEAPONS SYSTEM AND
RELATED SUPPORT ITEMS:

- 10 F-5E AIRCRAFT
- 2 F-5B'S
- SPARE PARTS FOR 2 YEARS
- RELATED GROUND SUPPORT EQUIPMENT
- RELATED PILOT AND CIRCRAFT MECHANIC TRAINING IN THE USA
- RELATED TECHNICAL ASSISTANCE IN BOLIVIA
- RELATED APPROPRIATE AIR DEFENSE MUNITIONS

3. THE FOLLOWING RESPONSES ARE KEYED TO PARA 5E, REFERENCE A.
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A. THE BAF HAS NO VIABLE AIR DEFENSE CAPABILITY. THE BAF DEFENSIVE AIR ORDER OF BATTLE INCLUDES EIGHT VERY OLD AND MARGINALLY ARMED AND MAINTAINED F-86 AIRCRAFT OF WHICH POSSIBLE 4 COULD BE LAUNCHED SIMULTANEOUSLY AND THIRTEEN EVEN OLDER T-33 AND TF-33 AIRCRAFT, OF WHICH 6 OR 7 COULD BE LAUNCHED SIMULTANEOULSY. IT IS ESTIMATED THAT ONLY 50 PERCENT

OF THESE AIRCRAFT COULD BE TURNED TO A SECOND SORTIE. THE BAF CL-
EARLY AND SERIOUSLY RECOGNIZES ITS PRIMARY MISSION TO DEFEND, IN
CONJUNCTION WITH THE OTHER BOLIVIAN ARMED
FORCES, THE TERRITORIAL SOVEREIGNTY OF BOLIVIA. AT THE SAME TIME,
THE BAF, AND ALL OF BOLIVIA'S NEIGHBORS (EXCEPT PERHAPS PARAGUAY).
REALIZE THAT THE BAF DOES NOT POSSESS A DETERRENT DEFENSIVE CAP-
ABILITY. THE REGIONAL AND SUB-REGIONAL TENSIONS STEMMING FROM HIS-
TORICAL AND CONTEMPORARY TERRITORIAL
DISPUTES PROVIDE THE BAF A BONS FIDE REQUIREMENT TO PURCHASE
A LIMITED NUMBER OF MODERN FIGHTER AIRCRAFT. THE BAF (AND ALSO THE
OTHER ARMED FORCES) BELIEVE THAT THE POSSIBILITY OF CONFLICT
WITHIN THE REGION IS REAL. THIS
VIEW IS HELD NOT ONLY BY THE HIGH COMMAND, BUT ALSO THE COMPANY
AND FIELD GRADE OFFICERS. THE GOB HAS NOT EXPENDED
FUNDS TO MODERNIZE THE BAF FIGHTER FLEET SINCE THE
MODEST ACQUISITION OF THE KOREAN WAR VINTAGE F-86 AIRCRAFT FROM
VENEZUELA IN THE EARLY 1970'S.
FURTHER, THE IMPENDING WITHDRAWAL OF THE ARMED FORCES FROM DIRECT
INVOLVEMENT IN THE GOVERNMENT, WITH THE AVOWED PURPOSE OF
RETURNING TO THE BARRACKS, HAS
PLACED VERY HEAVY INTERNAL PRESSURES ON THE BAF LEADERS TO INITIATE
A TOKEN (ALBIET COSTLY) MODERNIZATION PROGRAM. BOLIVIAN LEADERS CANNOT
IGNORE OR DISCOUNT SUCH PRESSURES IN LIGHT OF THE
IMMINENT RETURN TO NON-MILITARY GOVERNMENT, NOR SHOULD WE. IN
ADDITION TO THE F-5, BAF ACQUISITION STUDIES
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ARE KNOWN TO INCLUDE CONSIDERATION OF MIRAGE AND JAGUAR AIRCRAFT.

(B) ACQUISITION OF THE F-5 AIRCRAFT WOULD PERMIT THE BAF TO
ORGANIZE AND TRAIN A MODEST AIR DEFENSE FORCE. WHILE THE EFFECTIVE-
NESS OF SUCH A FORCE IS DEBATABLE IN LIGHT OF THE OVERWHELMING
MATERIEL SUPERIORITY OF BOLIVIA'S
NEIGHBORS (EXCEPTING PARAGUAY), IT WOULD PROVIDE BOLIVIA
WITH A MARGINAL AIR DEFENSE CAPABILITY. THE PROVISION OF F-5
AIRCRAFT TO BOLIVIA WOULD NOT EXACERBATE THE ARMS IMBALANCE
OF THE REGION. IN FACT, IT WOULD
SERVE TO REDUCE THE PRESENT IMBALANCE. NEITHER WOULD SUCH AN
ACQUISITION SERVE TO INTRODUCE FOR THE FIRST TIME THIS WEAPONSYSTEM
TO SOUTH AMERICA.

(C) THE BAF, WITH APPROPRIATE TRAINING, SHOULD BE ABLE TO
EMPLOY AND MAINTAIN THE F-5 SYSTEM. WE ESTIMATE THAT TWO OR THREE
CIVILIAN TECHNICAL REPRESENTATIVES WOULD BE REQUIRED FOR THE FIRST 2
YEARS AFTER ACQUISITION. THIS WOULD ENABLE THE BAF TO INITIALLY
MAINTAIN AND SUBSEQUENTLY DEVELOP A SATISFACTORY
MAINTENANCE CAPABILITY. THE BAF HAS PILOTS WHO, WITH NORMAL
FAMILIARIZATION TRAINING IN CONUS, WOULD BE FULLY QUALIFIED
TO PILOT THE F-5.

(D) GOB HAS REQUESTED USG FINANCING OR SALE APPROVAL WITH SUBSEQUENT COMMERCIAL FINANCING. THE BAF DESIRES THE MOST REASONABLE INTEREST RATES POSSIBLE WITH A 2 YEAR GRACE PERIOD FOLLOWED BY AN EXTENDED REPAYMENT SCHEDULE (15 TO 20 YEARS TOTAL. THE BAF COMMAND EXPRESSED VERBALLY, IN CONVERSATATIONS WITH US AMBASSADOR BOEKER AND MEMBERS OF THIS MILGP, THAT THE REPAYMENT OF SUCH LOANS WOULD COME FROM THE NORMAL BAF YEARLY BUDGET, SUPPLEMENTED IF AND AS NECESSARY BY INCOME DERIVED FROM COMMERCIAL UTILIZATIN OF THE BAF FLEET OF C-130S AND F-27S.

(E) WE BELIVE BOLIVIA WILL ATTEMPT TO FINANCE SUCH A PURCHASE THROUGH SOME MEDIUM TERM BORROWING ARRANGEMENT FROM
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COMMERCIAL SOURCES REPAYMENTS, NOT TO BEGIN BEFORE 1981, WHICH, IF THE CASE, WOULD POSTPONE ANY IMMEDIATE IMPACT UPON THE BOLIVIANECONOMY. AMORTIZATION WOULD DERIVE FROM THE REGULAR AIRFORCE BUDGET WHICH BAF SOURCES INDICATE WILL NOT REQUIRE ANY APPRECIABLE INCREASE BECAUSE OF INTER ALIA INCREASED REVENUES FROM THEIR AIR CARGO SERVICE. MOREOVER, IF BOLIVIA IS DETERMINED TO GO THROUGH WITH THIS AIRFORCE UPGRADING, PURCHASE OF THE F-5'S WOULD CONSTITUTE A BURDEN OF CONSIDERABLY LESS DIMENSION THAN WOULD PURCHASE OF KNOWN ALTERNATIVE AIRCRAFT (I.E., A PURCHASE OF \$75-100 AS OPPOSED TO APPROXIMATELY \$200 MILLION).

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(F) THIS PROPOSED SALE IS CONSISTENT WITH THE PRESIDENT'S POLICY IN THAT IT (A) PROMOTES THE SECURITY OF A NATION TRADITIONALLY FRIENDLY TO THE USG, (B) WILL NOT INTRODUCE ADVANCED WEAPONS SYSTEMS WHICH WOULD CREATE A NEW OR SIGNIFICANTLY HIGHER COMBAT CAPABILITY AND (D) PROVIDES TANGIBLE SUPPORT FOR THE EFFORTS OF THE ARMED FORCES TO ESTABLISH ELECTED CIVILIAN GOVERNMENT, WITH THE PROFESSIONAL MILITARY RETURNING TO CONVENTIONAL FUNCTIONS.

(G) BOLIVIA HAS JUST HELD ITS FIRST ELECTIONS IN SOME TWELVE YEARS, AND PROBABLY THE CLEANEST IN ITS HISTORY. A RETURN TO CONSTITUTIONAL GOVERNMENT IS EXPECTED ON AUGUST 6, 1979. MOREOVER, ITS HUMAN RIGHTS RECORD OVER THE PAST YEAR HAS BEEN EXEMPLARY AND ONE OF THE BEST IN LATIN AMERICA, AND AUGURS EXTREMELY WELL FOR THE FUTURE. THERE ARE NO KNOWN POLITICAL PRISONERS, AND BASIC FREEDOMS HAVE BEEN SCRUPULOUSLY OBSERVED FOR MANY MONTHS NOW. HUMAN RIGHTS POSE NO PROBLEM IN THE SALE OF THESE AIRCRAFT.

(H) THE CURRENT BAF FIGHTER AIRCRAFT ARE OLD AND OBSOLETE. THEY ARE NOT CAPABLE OF MEETING THE LEGITIMATE DEFENSE REQUIREMENTS OF BOLIVIA. THE BAF HAS CLEARLY RECOGNIZED THIS SITUATION AND IS DETERMINED TO

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AQUIRE LIMITED NUMBERS OF MODERN FIGHTER AIRCRAFT. THEIR STUDIES HAVE CENTERED IN THE US F-5, THE FRENCH MIRAGE AND THE BRITISH JAGUAR. THE FACT THAT THE BAF IS CONSIDERING OTHER CANDIDATE AIRCRAFT SHOULD NOT BE CONSTURED AS A PLOY ON THEIR PART TO PRESSURE US INTO APPROVING THIS SALE. THE MERITS OF THIS CASE SHOULD BE JUDGED ON THE BASIS OF A CLIENT NATION WITH A VALID NATIONAL DEFENSE REQUIREMENT APPROACHING ITS TRADITIONAL AND PREFERRED SOURCE OF MILITARY EQUIPMENT (THE US). THE FACT THAT THE BAF WITH CURRENT GOB BACKING, HAS MADE A BASIC DECISION TO BUY SOME TYPE OF MODERN FIGHTER AIRCRAFT IS IMPORTANT. OF THE THREE CANDIDATE AIRCRAFT, ONLY THE F-5 IS A DEFENSE ORIENTED FIGHTER AIRCRAFT. THE OTHER TWO CANDIDATES ARE DUAL CAPABLE FIGHTER BOMBERS. THE F-5 ALSO PRESENTS THE LOWEST COST OPTION. WHEN VIEWED IN THE CONTEXT OF ITS DEFENSIVE ORIENTATION, THE EXTREME WEAKNESS OF THE BAF, AND FACT THAT ALL OF BOLIVIA'S NEIGHBORS EXCEPT PARAGUA POSSESS MORE POWERFUL AIR ARMS, THE ACQUISITION BY BOLIVIA OF A SMALL NUMBER OF F-5'S IS NOT LIKELY TO RAISE MORE THAN THE PASSING CONCERN OF NEIGHBOR NATIONS. IT WILL NOT EXACERBATE THE ARMS IMBALANCE IN THE REGION. THE SALE WOULD DEFINITELY INCREASE OUR INFLUENCE

WITH THE BOLIVIAN ARMED FORCES AND WOULD PROVIDE AN IMPORTANT
AND LONG TERM IMPETUS TO THE ATTAINMENT OF US GOALS AND
OBJECTIVES HERE.

4. IN VIEW OF THE ABOVE, I BELIEVE THAT IT WOULD BE IN THE
BEST INTEREST OF THE USG TO APPROVE THE SALE OF TWELVE
F-5 AIRCRAFT TO BOLIVIA. FURTHER, DUE TO THE URGENCY WHICH
THE GOB ATTACHES TO THE ACQUISITION OF MODERN FIGHTER AIRCRAFT,
I BELIEVE IT WOULD BE TO OUR ADVANTAGE TO PROVIDE AN EARLY
AND AFFIRMATIVE RESPONSE (IN CONCEPT) TO THIS REQUEST.
THE BOLIVIAN BAF COMMANDER AND THE BAF CHIEF OF STAFF HAVE
ALL EMPHASIZED THAT THEY DESIRE A PROMPT RESPONSE. THEY
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SEEK A COMMITMENT OF SOME TYPE PRIOR TO THE INAUGURATION
OF THE NEW CIVILIAN GOVERNMENT (6 AUGUST).

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