

## Message Text

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ACTION XMB-07

INFO OCT-01 ARA-16 ISO-00 AID-20 EB-11 TRSE-00 CIAE-00

INR-11 NSAE-00 RSC-01 CIEP-03 CEA-02 SS-20 FRB-03

OMB-01 DRC-01 COME-00 SP-03 L-03 /103 W

----- 025870

R 092030Z AUG 74

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC 3860

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E.O. 11652: N/A

TAGS: EFIN, BL

SUBJ: DEBT SERVICE ON EXIMBANK AND PL-480 CREDITS

REF: MEMCON OF AUGUST 2, 1974

1. FOLLOWING SUGGESTION OF EXJAMIN OF FINANCE QUIROGA, ADCM RAISED WITH NEW MINFIN CASTILLO POSSIBILITY OF EMBASSY PARTICIPATING IN REMINDING MINISTRY OFFICIALS

OF NEED TO BEGIN PAPER WORK FOR MAKING DEBT SERVICE PAYMENTS ON TIME. CASTILLO AGREED TO DO WHATEVER NECESSARY TO PLACE BOLIVIA IN GOOD CREDIT STANDING WITH REGARD TO THESE DEBTS. IT WAS AGREED THAT ADCM SHOULD MEET WITH EXECUTIVE DIRECTOR OF INSTITUTO NACIONAL DE FINANCIAMIENTO (INDEF) HECTOR ORMACHEA AT LATER TIME TO WORK OUT MECHANISM.

2. IN MEETING WITH ORMACHEA ON AUG 8, DEBT SERVICE SCHEDULE WORKED UP BY EMBASSY PRIMARILY FROM MINFIN SOURCES WAS TENTATIVELY ACCEPTED SUBJECT TO REVIEW BY BOTH USG AND GOB. ORMACHEA ALSO INVITED ADCM TO PROVIDE NOTIFICATION TO MINFIN THROUGH ORMACHEA 15 WORKING DAYS IN ADVANCE OF PAYMENT DATE. ORMACHEA AGAIN NOTED THAT ALL PAYMENTS TO EXIMBANK HAD BEEN MADE PUNCTUALLY IN 1974.

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3. EX-MIN QUIROGA BELIEVED THIS SORT OF MECHANISM  
WOULD BE MEANINGFUL HELP DUE TO TURNOVER AND NEGLIGENCE  
OF MINISTRY OFFICIALS INVOLVED IN DEBT SERVICE PAPER  
WORK. ADCM SUGGESTED TO MINFIN CASTILLO AND ORMACHEA  
THAT THEY SHOULD CONSIDER A MORE PERMANENT AND  
RELIABLE SOLUTION TO PROBLEM PERHAPS BY AUTHORIZING  
CENTRAL BANK TO MAKE DEBT SERVICE PAYMENTS AUTOMATICALLY  
ON GOB DEBT EVEN IF TREASUREY TRANSFER NOT RECEIVED IN  
TIME. CENTRAL BANK WOULD THEN SIMPLY DEBIT TREASURY  
ACCOUNT. ORMACHEA FAVORABLY DISPOSED TO SUGGESTION,  
BUT AGREED THAT EMBASSY REMINDER MECHANISM USEFUL  
TEMPORARY MEASURE.

4. TENTATIVELY AGREED DEBT SERVICE SECHEDULE BEING  
POUCHED UNDER AIRGRAM FOR WASHINGTON REVIEW.  
STEDMAN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DEBT AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 09 AUG 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** cunninfx  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974LAPAZ05089  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740219-0477  
**From:** LA PAZ  
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**Office:** ACTION XMB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** MEMCON OF AUGUST 2, 1974  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** cunninfx  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 09 SEP 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <09 SEP 2002 by kellew0>; APPROVED <20 FEB 2003 by cunninfx>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** DEBT SERVICE ON EXIMBANK AND PL-480 CREDITS  
**TAGS:** EFIN, BL, US, XMB  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005