

## Message Text

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67

ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 DRC-01 AID-20 COME-00 EB-11 FRB-02 TRSE-00

XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01 /158 W

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R 182134Z MAR 74

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC 2564

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E.O. 11652: N/A

TAGS: EIND, BDIS, EFIN, BL

SUBJ: FARMABOL CASE

1. CAPTAIN AUGUSTO SANCHEZ, MANAGER OF FANAQUINA AND GOB'S NEGOTIATOR ON FARMABOL CASE, CALLED ON EMBOFF MARCH 15. HE URGED THAT FARMABOL REP HATHORN RESPOND TO SANCHEZ'S LAST LETTER OF DECEMBER 20, 1973 AND IF POSSIBLE COME TO LA PAZ TO PURSUE NEGOTIATIONS.

2. SANCHEZ CLAIMS TO BE UNDER CONSIDERABLE PRESSURE FROM HIS SUPERIORS TO SETTLE FARMABOL MATTER IN BOLIVIAN COURTS. HE SAID FANAQUINA'S LAWYER ADVISES THAT WITH EVIDENCE AVAILABLE, ESPECIALLY INVENTORY COMPARISONS, LEGAL ACTION WOULD ALMOST CERTAINLY RESULT IN DEPOSIT BY FANAQUINA OF APPROXIMATELY US\$ 5,000 WITH COURT AS SETTLEMENT. OWNERS OF FARMABOL WOULD THEN HAVE TO SEEK FUNDS FROM COURT IN SEPARATE ACTION SINCE SANCHEZ CLAIMS FARMABOL NEVER ESTABLISHED LEGAL STATUS IN BOLIVIA. EMBOFF OBSERVED THAT LAWYER'S SUGGESTION WOULD UNNECESSARILY COMPLICATE CASE AT THIS POINT AND ADVISED DELAY UNTIL NEGOTIATIONS WITH HATHORN COULD BE RESUMED. SANCHEZ AGREED.

3. SANCHEZ ADMITTED THAT HE HAS NOT YET WRITTEN DIRECTLY TO

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HATHORN INVITING HIM TO RETURN TO LA PAZ BUT PROMISED TO DO SO

IMMEDIATELY. AS DEPARTMENT AWARE HATHORN'S FIDUCIARY DEPOSIT SCHEME WAS TURNED DOWN BY GOB FINANCIAL ADVISORS BUT SANCHEZ BELIEVES HATHORN CAN EITHER CONVINCE GOB OF VALUE OF SCHEME OR OFFER SOME OTHER PROPOSAL. SANCHEZ HIMSELF SEEMS TO PREFER AMICABLE NEGOTIATED SETTLEMENT RATHER THAN LEGAL ACTION IN PART BECAUSE HE SEES POSSIBILITY OF FURTHER CAPITALIZATIONS FANAQUINA AND OTHER COFADENA PROJECTS.

4. ACTION REQUESTED: DEPARTMENT MAY WISH TO INFORM HATHORN OF SANCHEZ' EXPRESSED DESIRE FOR CONTINUED NEGOTIATIONS, POSSIBILITY OF COURT ACTION AND SANCHEZ' INVITATION.

STEDMAN

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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INDUSTRY, MONEY, NEGOTIATIONS, COURTS, FINANCIAL AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 18 MAR 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**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:**  
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**Document Unique ID:** 00  
**Drafter:** n/a  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** FARMABOL CASE  
**TAGS:** EIND, BDIS, EFIN, BL, US, FARMABAL, FANAQUINA, (SANCHEZ, AGUSTO)  
**To:** STATE  
**Type:** TE  
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