

## Message Text

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71

ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

DOTE-00 INR-10 NSAE-00 RSC-01 FAA-00 XMB-07 L-03

TRSE-00 DRC-01 /059 W  
----- 097280

P R 092124Z MAY 74

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC PRIORITY 3046

INFO AMEMBASSY LIMA

AMEMBASSY PANAMA

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E.O. 11652: N/A

TAGS: EFIN, BL

SUBJECT: LAB BUYS JET

1. BOLIVIAN NATIONAL AIRLINE, LLOYD AEREA BOLIVIANA (LAB), FINALLY SIGNED SALES CONTRACT MAY 7 FOR PURCHASE 727-100 C FROM TIA. LAB HAS ANNOUNCED THAT NEW AIRCRAFT WILL ARRIVE BOLIVIA MAY 17 AND THAT AIRLINE'S SOLE OTHER JET WILL BE REMOVED FROM SERVICE FOR OVERHAUL BY AVIANCA IN MID-JUNE.

2. CONTRACT SIGNING COMES AFTER OVER SIX MONTHS OF NEGOTIATIONS THAT WERE SLOWED BY INEXPERIENCED NEGOTIATORS AND BICKERING AMONG BOLIVIANS. LAB PAID \$3.7 MILLION FOR AIRCRAFT AND \$.4 MILLION FOR SPARES. TIA RECEIVED CERTIFIED CHECK FOR \$1.1 MILLION AND 90-DAY IRREVOCABLE LETTER OF CREDIT FOR \$3 MILLION.

3. GOB HAS SEVERAL COMMERCIAL LOAN OFFERS FOR FUNDS TO COVER LETTER OF CREDIT IN NEXT 90 DAYS. CONSIDERATION WAS GIVEN TO APPLYING FOR CAF FINANCING WITH SOME PARTICIPATION BY U.S. EXIM. BOLIVIAN OFFICIALS NOW APPARENTLY BELIEVE THAT SUCH SOFTER FINANCING WOULD NOW BE DIFFICULT TO OBTAIN BECAUSE AIRCRAFT IS USED AND ALREADY PURCHASED." MOREOVER, CAF BELIEVED

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STILL TO BE INSISTING ON LEASE ARRANGEMENT.

4. FINANCE MINISTER TOLD EMBASSY THAT ONCE TWO JETS IN SERVICE (PROBABLY IN AUGUST), LAB WILL SEEK TRANSIT RIGHTS IN PANAMA SO THAT IT CAN MAKE USE OF RIGHTS TO CONNECT WITH MIAMI. HE ALSO STATED THAT INSTEAD OF PURCHASING THIRD 727 FROM BOEING IN 1975, LAB MAY PURCHASE FOUR MORE F-27S FOR IN-COUNTRY ROUTES. OTHER BOLIVIANS FAMILIAR WITH LAB STATE THAT AIRLINE HAS NOT YET FORMULATED FIRM PLANS FOR FUTURE INVESTMENT, ALTHOUGH IN GENERAL AIRLINE HOPES TO EXTEND AND INCREASE FREQUENCY ON ROUTES AND EXTEND SERVICE TO OTHER CITIES, E.G. RIO AND BOGOTA.

STEDMAN

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NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CIVIL AVIATION, AIRLINES, AIRCRAFT SALES, CREDIT AGREEMENTS, BANK LOANS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 09 MAY 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GarlanWA  
**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:** 1974LAPAZ03005  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740113-0798  
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**Office:** ACTION EB  
**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:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GarlanWA  
**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 cunninfx>; APPROVED <06 FEB 2003 by GarlanWA>  
**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:** LAB BUYS JET  
**TAGS:** EFIN, BL, US, LLOYD AEREO BOLIVIANO  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005