

Message Text

LIMITED OFFICIAL USE

PAGE 01 LA PAZ 01649 182206Z

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

----- 003564

R 182134Z MAR 74

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC 2564

LIMITED OFFICIAL USE LA PAZ 1649

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
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LA PAZ 01649 182206Z

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

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: 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:
Document Number: 1974LAPAZ01649
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: LA PAZ
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740336/aaaabhii.tel
Line Count: 73
Locator: TEXT ON-LINE
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
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 boyleja>; APPROVED <10-Sep-2002 by MorefiRH>
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: FARMABOL CASE
TAGS: EIND, BDIS, EFIN, BL, US, FARMABAL, FANAQUINA, (SANCHEZ, AGUSTO)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005