

Central Intelligence Agency



Washington, D.C. 20505

**Bolivia: The Aftermath of Operation Blast Furnace**

**23 December 1986**

**Summary**

We believe Operation Blast Furnace--the four-month joint US-Bolivian antinarcotics campaign--has had a net positive effect both for President Paz Estenssoro's domestic position and for bilateral relations. Paz's stature as a nationalist left him virtually immune to criticism that Bolivia's sovereignty was violated. The exercise sensitized the Bolivian public to the gravity of the narcotics trafficking problem to the extent that any future joint operation would be, in our view, a politically neutral event. As expected, however, traffickers have been able to resume their activity since the departure of US troops. [redacted] Moreover, narcotics-related violence appears to be on an upswing. [redacted]

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**Fallout for the Bolivian Government**

Initial hostile reactions to Operation Blast Furnace within Bolivia quickly subsided and rarely focused directly on President Paz. Early outcries from small opposition parties that national sovereignty had been violated by the intervention of US troops failed to gain public acceptance. [redacted]

[redacted] During the four month exercise, the single event that attracted the most popular criticism was the murder of a prominent Bolivian scientist by drug traffickers--the Huanchaca affair. However, public outrage against this act was channeled away from Paz Estenssoro, [redacted]

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This memorandum was prepared by [redacted] South America Division, Office of African and Latin American Analysis. It was coordinated with the Office of Global Issues and the Directorate of Operations. Information as of December 1986 was used in the preparation of this paper. Questions and comments may be directed to the Chief, South America Division, ALA [redacted]

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focusing largely on local US DEA agents, who were blamed for failing to warn of danger in the area. [redacted]

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The political costs of Blast Furnace for Paz that we had expected failed to materialize for several reasons. Paz--a grand old man of the Bolivian Revolution--was uniquely prepared to ride out charges of "sell-out" to the US. Further, he had the strong support of major opposition leader Hugo Banzer and Armed Forces Commander General Lopez Leyton. Although influential coca growers' unions initially protested the operation, Bolivia's labor confederation was distracted by continuing troubles in the mining sector and eventually lost interest in Blast Furnace. Paz was also helped by the fact that political attention during and after the operation has been diverted by a succession of episodes, such as the march on La Paz by militant miners, the customary year-end Cabinet shuffle, and the rumored retirement of General Lopez. In many ways, the shallowness of the political impact of Blast Furnace is typical: La Paz is so isolated from the rest of Bolivia and so crisis prone that reactions to most major events are diffuse and shortlived. [redacted]

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Although some neighboring governments saw the US intervention as a dangerous precedent and publicly emphasized that Bolivia was a special case, Bolivian spokesmen apparently did not feel compelled to defend their actions nor did they seek to deflect criticism to Washington. On balance, relations between Bolivia and the US during this period appear to have been strengthened rather than weakened, while relations with neighboring countries did not deteriorate in any measurable way. [redacted]

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### Outlook and Implications

In retrospect, we believe Operation Blast Furnace was a political success but a mixture of successes and failures at the operational level. Reports of an upsurge in trafficking began even before US troops left the country.<sup>2</sup> Nevertheless, from the US perspective, most of the longer term consequences of Operation Blast Furnace now appear positive. The joint effort has highlighted narcotics trafficking in Bolivia in such a way that continuing Bolivian media and political attention to this issue seems assured. [redacted]

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We consider it likely that the present Bolivian government would be willing to participate in another such joint operation, particularly as it becomes apparent that Bolivian security forces cannot sustain effective antinarcotics efforts on their own; the recent increase in violence attributable to narcotics traffickers--which may mark a new trend--is likely to facilitate cooperation. For example, the murder of a Bolivian congressman who was an outspoken member of the Huanchaca investigating committee and the recent downing of a Bolivian Air Force helicopter--apparently by traffickers--have demonstrated the continuing seriousness of the narcotics issue. [redacted]

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As a result of the groundswell of antinarcotics sentiment, the Bolivian government may be under increasing pressure to respond to charges by the media that some senior officials are engaged in illegal narcotics activities.

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The Bolivian government claims that more US financial support will be necessary to sustain effective narcotics interdiction and eradication efforts. Diplomatic lobbying efforts are already underway to solicit a major commitment of US funds--\$360 million has been quoted as the amount needed to enact draft legislation to eliminate coca cultivation in several growing areas of Bolivia. Although the Bolivian government can be expected to continue to cite the Operation Blast Furnace as a precedent and rationale for more US assistance, the emphasis on antinarcotics efforts also reflect a greater commitment on the part of the Paz administration to eradication than existed before.

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- 1 - Dr. Carlton Turner, SA to the President
- 1 - Mr. Gene Williams, Office of the Vice President
- 1 - The Honorable Elliott Abrams, Inter-American Affairs, State Department
- 1 - Mr. Paul Taylor, State Department
- 1 - Mr. Robert Gelbard, Inter-American Affairs, State Department
- 1 - Ms. Vicki Huddleston, ARA, State Department
- 1 - Mr. Dwight Ink, AID, State Department
- 1 - Mr. Larry Dash, AID, State Department
- 1 - Ms. Penelope Farley, AID, State Department

- 1 - Mr. Dave Westrate, DEA
- 1 - Mr. Douglas P. Mulholland, Treasury Department
- 1 - Mr. Ciro DeFalco, Treasury Department
- 1 - Mr. Greg Christopoulos, Treasury Department
- 1 - Mr. William von Raab, US Customs Service
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- 1 - Mr. Bryon Jackson, Commerce Department

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