



Washington, D. C. 20505

3 October 1986

Bolivia: The Impact of Operation Blast Furnace

Summary

Operation Blast Furnace, the Bolivian-US antinarcotics effort, has achieved considerable success in disrupting cocaine processing and trafficking operations in Bolivia since it began last July, but these gains have been accompanied by virtually no arrests or drug seizures and may be only temporary. US military participation is now scheduled to end on 15 November.

[REDACTED]

Under these conditions, the drug trade probably will rebound to previous levels, bringing with it an escalation of narcotics-related violence.

[REDACTED]

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

ALA M 86-200046

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Achievements of Blast Furnace

[REDACTED]

[REDACTED]

Sustaining the Effort

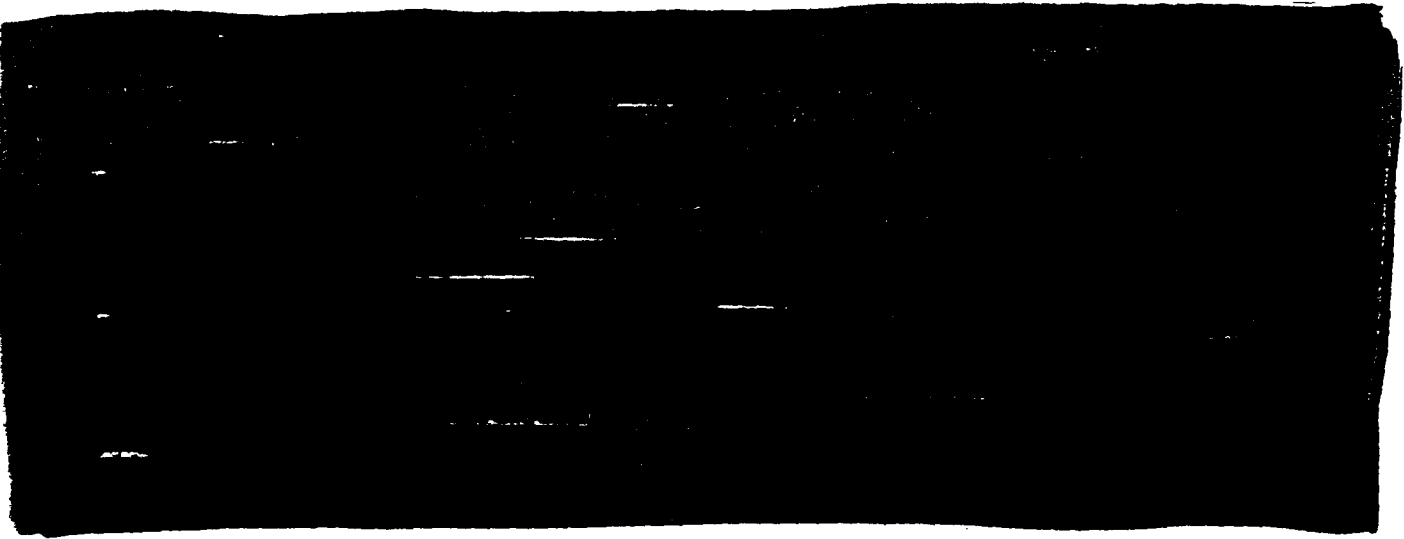
Although Operation Blast Furnace has had measurable short-term positive impact, we doubt that continued operations against drug producing facilities alone, with or without US cooperation, will have a lasting effect on the Bolivian drug trade. Traffickers can easily absorb financial losses and rebuild or relocate facilities, using a small portion of their drug smuggling profits. Moreover, the traffickers probably retain their full capability to export cocaine from Bolivia [REDACTED] reliable source, or increase production at unharmed laboratories--drug laboratories usually do not operate at full capacity--to compensate for production lags. [REDACTED]

While Bolivian antidrug authorities for the first time have put powerful cocaine traffickers on the defensive, [REDACTED] enforcement efforts must be intensified or the level of narcotics activity will rebound. Drug traffickers are likely to draw lessons from the current operations, strengthening their organizations in order to counter future government interdiction efforts. [REDACTED]

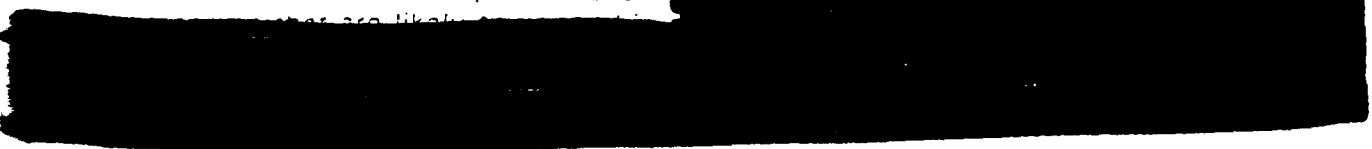
What is Needed

We believe that Bolivia's severe narcotics problem necessitates a three-step approach that continues interdiction efforts and includes strategies to eradicate excess coca cultivation and dismantle powerful trafficking networks. Such coordinated approaches are

likely to pose difficulties for La Paz, however, because of political repercussions and threats to the safety of government officials. [REDACTED] effective narcotics control programs, however risky, must address all three key elements of the drug trade to have a long-term effect on the flow of cocaine to Bolivia. [REDACTED]



Coca eradication programs are essential to reduce the abundant, and ever-expanding, supply of coca leaf destined for illegal markets. In South America, Bolivia is second only to Peru in coca leaf production, and we believe that the [REDACTED] hectares now under cultivation are likely to increase as new plantings become productive. Even though a major coca reduction plan was initiated last November*, only a few fields have been destroyed, and coca cultivation remains virtually unchecked. [REDACTED]



Disrupting or immobilizing the powerful trafficking networks by jailing major cocaine traffickers is probably the most effective measure to undercut drug production and smuggling. Powerful Bolivian organizations have suffered little from the crackdown and have clearly demonstrated their flexibility in countering conventional enforcement efforts. [REDACTED]



* See Appendix

Both Washington and La Paz have recommended that a joint task force consisting of US and Bolivian armed forces and police be formed to delineate military and police antinarcotic responsibilities, smooth police-military relations, and facilitate a joint civilian-military antinarcotics effort in Bolivia. [REDACTED]

Implications for the United States

Bolivia expects increased economic aid in return for its participation in Operation Blast furnace, having asked for a \$300-\$500 million antinarcotics assistance package in late August. If US aid is not provided, [REDACTED]

Bolivian popular support for joint interdiction efforts would be likely to diminish considerably. (S NF)

Looking Ahead

[REDACTED]

We also believe that the potential for trafficker-instigated violence against police units and government officials will increase significantly once US forces depart. The presence of US troops and sophisticated helicopters has been a major factor in inhibiting reprisals from powerful and well-armed cocaine traffickers. [REDACTED]

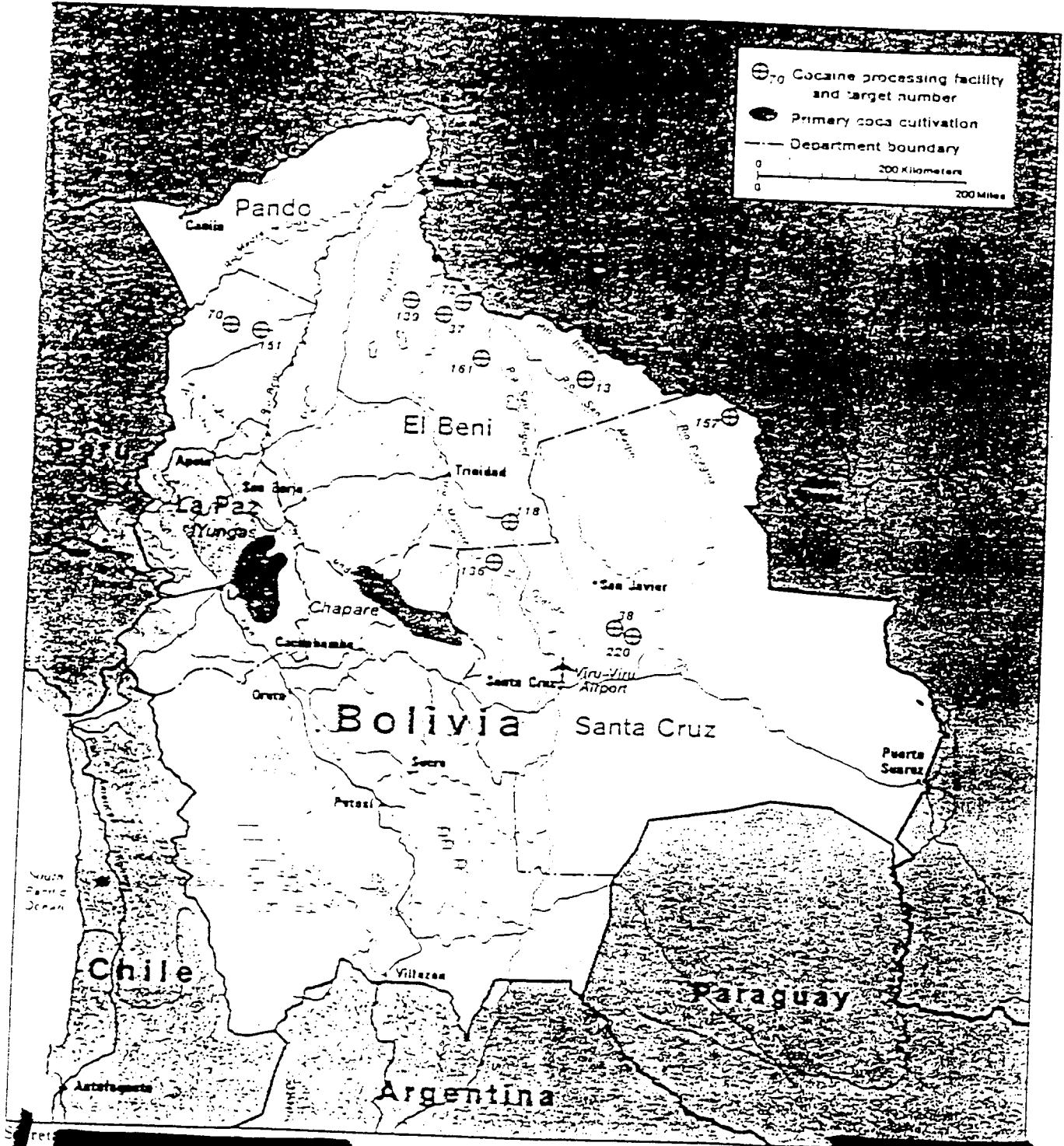
[REDACTED]

[REDACTED]

The recent extension of Operation Blast Furnace until 15 November gives Washington and La Paz time to prepare for the transition from a joint effort to a Bolivian-directed interdiction program. We expect the Bolivians to try to sustain the missions against trafficker facilities [REDACTED]. We judge that some two to three years of augmented support and training may be required by the Bolivians to continue disrupting the cocaine trade and to build an effective counternarcotics program. In the meantime, Bolivian traffickers are likely to bounce back from losses incurred during Blast Furnace with more sophisticated cocaine producing and smuggling methods. [REDACTED]

[REDACTED]

Operation Blast Furnace:
 Raided Cocaine Processing Facilities



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Appendix: The Bolivian Cocaine Industry

Legal coca cultivation and coca leaf use in Bolivia are deeprooted in tradition, a fact that complicates control of the more recent illegal drug business--the processing and export of cocaine--which permeates the country's modern society, economy, and political system. The entrenchment of drug trafficking networks and the enormous profits they generate have made La Paz's limited efforts at control more difficult. The current US-Bolivian joint operation is aimed primarily at the destruction of cocaine processing facilities in the remote northern and eastern sections of the country. [REDACTED]

Coca cultivation is legal in Bolivia, where coca leaves have been chewed or brewed into tea for centuries. Much of the estimated [REDACTED] tons of drug coca leaves being produced annually, however, is illegally processed into cocaine or cocaine derivatives, a significant portion of which flow into the US. [REDACTED]

The Geography of Cocaine

Cultivation is centered in the Yungas and Chapare regions on the eastern slopes of the Andes. The leaves are picked several times a year and processed into paste or base nearby. In the past, most semi-refined coca products were flown mainly to laboratories in Colombia for processing into cocaine, but in recent years increasing amounts have been transhipped to large cocaine laboratories in northern and eastern Bolivia, a remote, lightly populated expanse of jungle and savanna accessible only by aircraft or riverboat. [REDACTED]

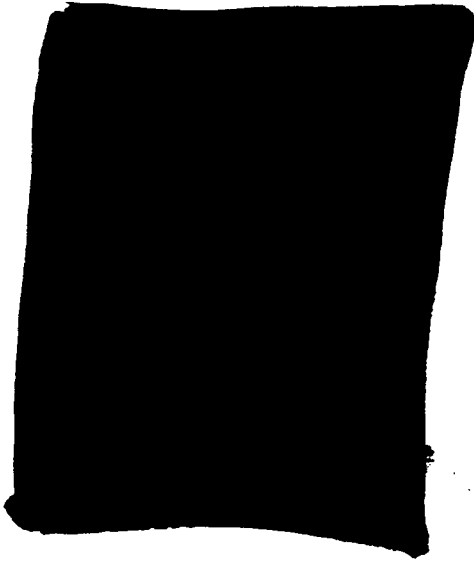
Difficulties in Enforcement

Past Bolivian efforts to reduce coca crops have failed to curb expanding cultivation, and interdiction efforts have been only minor irritants to powerful drug trafficking organizations. [REDACTED]

The emphasis of current antidrug efforts is on disrupting the narcotics trafficking infrastructure. The joint US-Bolivian operation is directed against cocaine laboratories in the Beni and Santa Cruz departments and the Bolivians are stepping up their own efforts against field processing facilities in the Chapare. [REDACTED]

*Coca cultivation is illegal when it is grown outside of legally established areas or exceeds the limit of two hectares per owner. [REDACTED]

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Dissemination:

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- 1 - Mr. Gene Williams, Office of the Vice President
- 1 - The Honorable Elliott Abrams, Inter-American Affairs,
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- 1 - Dr. Frank Romance, DIA
- 1 - Mr. Mike Ahola, DIA
- 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
- 1 - Col. Richard Childress, NSC
- 1 - Mr. Lucian Heichler, INR/C State Department
- 1 - Mr. Byron Jackson, Commerce Department