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DEPARTMENT OF STATE

ACTION MEMORANDUM

S/S

SECRET

EXDIS

May 3, 1977

TO: The Secretary

FROM: ARA - Terence A. Todman
S/NM - Mathea Falco

Colombian Cocaine Traffic

Issue for Decision

Recent intelligence indicates that corruption in the Colombian Government is a very serious obstacle to the narcotics interdiction effort in Colombia. Your approval of an action plan outlined below, which includes raising the issue with Colombian President Lopez, is requested.

Background/Analysis

Colombia is the major source of illicit cocaine entering the US; an estimated 40 tons per year flow here from that country. We have worked with the Colombian Government for five years to try to stem the drug traffic. (Marijuana is also smuggled from Colombia in great volumes.) We have stationed Drug Enforcement Agency personnel in Colombia and have provided grant narcotics assistance totalling eight million dollars through FY 1977 in training, advice, and equipment.

During his State Visit here in September 1975 President Lopez asked President Ford and Secretary Kissinger for more anti-narcotics assistance, specifically in the form of helicopters. The Colombians later asked for a much larger program than we could support, but, following protracted negotiations, we agreed with them in September 1976 on a program of expanded assistance, including three helicopters for a new Colombian Narcotics Air Wing. Funds were obligated and the helicopters were purchased, but

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delivery to the Colombians has been held up for several months because of differences between the Colombians and us over who should pay liability insurance on the helicopters. We have decided that we will pay the insurance, so that is no longer the issue preventing delivery of the helicopters.

Recent intelligence reports from Bogota indicate that corruption within the Colombian Government is a major impediment to a successful narcotics interdiction program. The reports implicate the current Minister of Defense, possibly the Minister of Justice, and several lower-ranking officials, as well as the leading candidate for the Colombian presidency in next year's elections. The reports confirm longstanding impressions about corruption in Colombia's independent judiciary.

President Lopez has spoken publicly about the debilitating effects of narcotics trafficking and attendant corruption on his country. He has acknowledged that the proceeds from narcotics trafficking (estimated by our Embassy to amount to as much as $500 million a year) are contributing harmfully to inflation, his major domestic problem. He is probably aware that some of the officials of his government protect narcotics traffickers, but as a somewhat struggling "lame duck" he seems unable to take decisive action. A sensitive nationalist, he resents criticism or perceived pressure from the US about narcotics, since he believes that we as the major consuming nation create the market which is at the root of the problem.

We have decided to withhold delivery of the helicopters pending our discussions with President Lopez on the corruption issue. We have not informed Embassy Bogota or the Colombians of this decision.

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Both ARA and S/NM agree that Ambassador Todman and Ms. Falco should make separate visits to Bogota during which the narcotics issue will be raised with the Colombian President. We recommend the three phased approach outlined below:

Course of Action

1. Ambassador Todman will meet with President Lopez on May 9. During his conversation with the President, Ambassador Todman will raise the narcotics issue and indicate the high priority which both you and the President attach to this problem. On your behalf, the Ambassador will request that President Lopez receive Ms. Falco, your Senior Adviser on Narcotics Matters, on her forthcoming visit to Latin America in order to discuss this problem and the narcotics control program in depth. Should the helicopters be raised, Ambassador Todman will state that delivery is now being delayed pending Ms. Falco's review of the overall effectiveness of our program.

* 2. Ms. Falco will visit Bogota on or about May 19 and meet with President Lopez to present our concerns, stress the importance of this issue to the new Administration and the Congress, and explore what action can be initiated to improve the effectiveness of the program.

3. Our new Ambassador, due to arrive in June, will assess the response of the Colombian government to our expressions of concern and will follow the situation closely.

Recommendation

That you approve the course of action outlined above for dealing with the cocaine issue in Colombia.

Approve ✓ Disapprove _____

(signed by CV at 8:30 a.m. 4/7/77 : WC)

after Todman returns WC 5/3/77

Drafted: ARA/AND/C:DWCox:mms
5/3/77 ext. 23023

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