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THE WHITE HOUSE  
WASHINGTON

August 13, 1976

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

JAMES T. LYNN  
BRENT SCOWCROFT

FROM:

JAMES E. CONNOR *JEB*

SUBJECT:

Multiyear Budget Commitment for  
Narcotics Control Assistance to Bolivia

The President reviewed your memorandum of July 27 on the above subject and approved the following option:

Option 1 -

Authorize commitment to Banzer of "substantial" AID funds, if justified by the results of the pilot project, and up to \$8 million of enforcement assistance. Authorize our Ambassador to indicate to Banzer that up to \$45 million could be made available over a five-year period.

Please follow-up with appropriate action.

cc: Dick Cheney

THE WHITE HOUSE  
WASHINGTON

August 13, 1976

MR PRESIDENT:

Multiyear Budget Commitment for  
Narcotics Control Assistance to  
Bolivia

Staffing of the attached memorandum from Brent Scowcroft and Jim Lynn resulted in the following recommendations:

Option 1 -

Recommended by Messrs. Cannon, Buchen (Schmults), and Friedersdorf. Jim Cannon offers some extensive comments see TAB A. Ed Schmults comments as follows:

"Counsel's Office supports the Domestic Council in its recommendation that this issue should not turn on the necessity of expending new funds. Support Option 1 if the \$53 million would be made available to Bolivia for other purposes notwithstanding the President's decision on this proposal; otherwise, support Option 2.

Option 2 -

Recommended by Jack Marsh.

Dave Gergen had no recommendation to make.

Jim Connor

ITEM WITHDRAWAL SHEET  
WITHDRAWAL ID 00887

Collection/Series/Folder ID No. .... : 004700213  
Reason for Withdrawal ..... : NS,National security restriction  
Type of Material ..... : MEM,Memo(s)  
Creator's Name ..... : James T. Lynn and Brent Scowcroft  
Receiver's Name ..... : President  
Description ..... : multiyear budget commitment for n  
arcotics control assistance  
Creation Date ..... : 07/27/1976  
Volume (pages) ..... : 3  
Date Withdrawn ..... : 05/23/1988



## THE WHITE HOUSE

INFORMATION

WASHINGTON

August 12, 1976

MEMORANDUM FOR: JIM CONNOR  
FROM: JIM CANNON  
SUBJECT: Lynn Scowcroft Memorandum on  
Commitment for Narcotics Control  
Assistance to Bolivia

I believe the President should approve the program recommended by the Department of State and NSC calling for up to \$53 million in narcotics control assistance to Bolivia over seven years (FY 1977 to FY 1983), for the following reasons:

1. Peru and Bolivia produce virtually all of the world's coca (90 per cent plus), from which cocaine is manufactured. The United States would be a principal beneficiary of reduced coca cultivation by either or both of these countries. Bolivia is ready to cooperate with us now, and Peru isn't far behind. In order to secure their cooperation, however, they must be assured of our financial assistance not just next year but in the years to follow. They want to know we are committed to completion of the job, not just in getting it under way. That's why we must make a multi-year commitment.
2. The package is for up to \$53 million over seven years. If the Bolivians fail to keep their end of the bargain or if the total cost of the program is less than \$53 million, we are not committed to further expenditures.
3. We are not necessarily talking about "new" money. I am advised that AID annually expends between \$15 million and \$30 million in Bolivia on programs designed to assist that country. I would argue, and the State Department argues, that some (if not most) of the \$45 million in AID money to be used for crop substitution would be chargeable against the normal AID to Bolivia. In effect, we would be killing two birds with one stone: providing economic assistance to Bolivia and reducing the flow of narcotics into this country.

4. While it is true that cocaine is not as high a priority drug as heroin, this country still has a very significant interest in reducing the use of this illicit narcotic. As you know, many in law enforcement believe that excessive cocaine use leads to extremely violent behavior. Moreover, there is no question but that the profits made in cocaine trafficking are being used by organized crime to finance other criminal endeavors. The \$53 million contemplated by this program is not being diverted from other narcotics control assistance programs. Nor would this money be available for other anti-narcotics programs. Therefore, the question of priority is really a red herring.

RECOMMENDATION

Approve multi-year commitment. as recommended by the Department of State.

STAFFING



August 13, 1976

MR PRESIDENT:

**Multiyear Budget Commitment for  
Narcotics Control Assistance to  
Bolivia**

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Staffing of the attached memorandum from Brent Scowcroft and Jim Lynn resulted in the following recommendations:

**Option 1 -**

Recommended by Messrs. Cannon, Buchen (Schmults), and Friedersdorf. Jim Cannon offers some extensive comments see TAB A. Ed Schmults comments as follows:

"Counsel's Office supports the Domestic Council in its recommendation that this issue should ~~not~~ return on the necessity of expending new funds. Support Option 1 if the \$53 million would be made available to Bolivia for other purposes notwithstanding the President's decision on this proposal; otherwise, support Option 2.

**Option 2 -**

Recommended by Jack Marsh.

Dave Gergen had no recommendation to make.

Jim Connor

ITEM WITHDRAWAL SHEET  
WITHDRAWAL ID 00888

Collection/Series/Folder ID No. .... : 004700213  
Reason for Withdrawal ..... : NS,National security restriction  
Type of Material ..... : MEM,Memo(s)  
Creator's Name ..... : James Lynn and Brent Scowcroft  
Receiver's Name ..... : President  
Description ..... : re multiyear budget commitment fo  
r narcotics control assistance  
Creation Date ..... : 07/27/1976  
Volume (pages) ..... : 3  
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## THE WHITE HOUSE

INFORMATION

WASHINGTON

August 12, 1976

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FROM: JIM CANNON  
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4. While it is true that cocaine is not as high a priority drug as heroin, this country still has a very significant interest in reducing the use of this illicit narcotic. As you know, many in law enforcement believe that excessive cocaine use leads to extremely violent behavior. Moreover, there is no question but that the profits made in cocaine trafficking are being used by organized crime to finance other criminal endeavors. The \$53 million contemplated by this program is not being diverted from other narcotics control assistance programs. Nor would this money be available for other anti-narcotics programs. Therefore, the question of priority is really a red herring.

#### RECOMMENDATION

Approve multi-year commitment, as recommended by the Department of State.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: August 9, 1976

Time:

FOR ACTION:

- Phil Buchen
- Jim Cannon
- Max Friedersdorf

- Jack Marsh
- Dave Gergen

cc (for information):

FROM THE STAFF SECRETARY

DUE: Date:

Wednesday, August 11

Time:

10 A.M.

SUBJECT:

Lynn and Scowcroft memo re: Multiyear Budget Commitment for Narcotics Control Assistance to Bolivia

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

*Gergen - OK*  
*Friedersdorf - option #1.*  
*Marsh - option #2.*  
*Buchen - see comments*  
*Cannon - option 1 plus comments x*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Jim Connor  
For the President

THE WHITE HOUSE  
WASHINGTON

TO: BOB LINDER  
FROM: TRUDY FRY

The attached is sent to you for review before it is forwarded to the President.

I plan to staff after your review

*TRF*

MEMORANDUM  
OF CALL

TO:

YOU WERE CALLED BY—  YOU WERE VISITED BY—

OF (Organization)

*Trudy Fry*

PLEASE CALL → PHONE NO. CODE/EXT. \_\_\_\_\_

WILL CALL AGAIN  IS WAITING TO SEE YOU

RETURNED YOUR CALL  WISHES AN APPOINTMENT

MESSAGE

*hymn/seamist memo  
multi-year budget  
narcotics  
OK. Berger*

RECEIVED BY

DATE

TIME

Date: August 9, 1976

Time:

FOR ACTION:

Phil Buchen

Jack Marsh

Jim Cannon

Dave Gergen

Max Friedersdorf

cc (for information):

FROM THE STAFF SECRETARY

DUE: Date: Wednesday, August 11

Time: 10 A.M.

SUBJECT:

Lynn and Scowcroft memo re: Multiyear Budget Commitment for Narcotics Control Assistance to Bolivia

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

*Recommendation Option #1 - May 7.*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Jim Connor  
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: August 9, 1976

Time:

FOR ACTION:

Phil Buchen  
Jim Cannon  
Max Friedersdorf

Jack Marsh  
Dave Gergen

cc (for information):

FROM THE STAFF SECRETARY

DUE: Date: Wednesday, August 11 Time: 10 A.M.

SUBJECT:

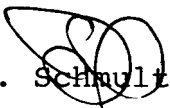
Lynn and Scowcroft memo re: Multiyear Budget  
Commitment for Narcotics Control Assistance to  
Bolivia

ACTION REQUESTED:

- For Necessary Action
- For Your Recommendations
- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

Counsel's Office supports the Domestic Council in its recommendation that this issue should turn on the necessity of expending new funds. Support Option 1 if the \$53 million would be made available to Bolivia for other purposes notwithstanding the President's decision on this proposal; otherwise, support Option 2.

Edward C. Schmults  8/11/76

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Jim Connor  
For the President