

DECLASSIFIED

NATIONAL SECURITY COUNCIL

E.O. 12958, as amended, Sect 3.5

WASHINGTON, D.C. 20506

NSC/Source to Smith 9/6/2002

By WJC Date 7/9/07

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April 4, 1972

National Security Decision Memorandum 160

TO: The Secretary of State
The Secretary of Defense

SUBJECT: The Situation and Outlook in Bolivia

The President has reviewed the study on the situation and outlook in Bolivia dated February 14, 1972, and approved the general approach to our relations with Bolivia it describes.

Specifically, he has approved the use of \$20 million in AID funds for additional economic assistance to Bolivia, but directs that acceptance of an International Monetary Fund standby agreement by Bolivia not be made an essential precondition of additional assistance. We should, of course, attempt to persuade the Bolivian Government to take the necessary steps, including a standby agreement if feasible, in the direction of economic stability. In order to achieve this objective, our assistance should be granted in a series of increments keyed to positive steps on the part of the Bolivian Government in the direction of stability.

A program loan should not be excluded from consideration if it is likely to produce positive results, but we should avoid direct budgetary support.

With regard to military assistance, the President approves the 3-4 year Military Assistance Program described in the study, and directs that it be promptly and effectively carried out. He also directs that recommendations on the Bolivian request for modern military aircraft referred to in the study be submitted no later than April 7, 1972.

The President requests a progress report on the situation and outlook in Bolivia to be submitted by June 15, 1972.


Henry A. Kissinger

cc: The Secretary of the Treasury

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