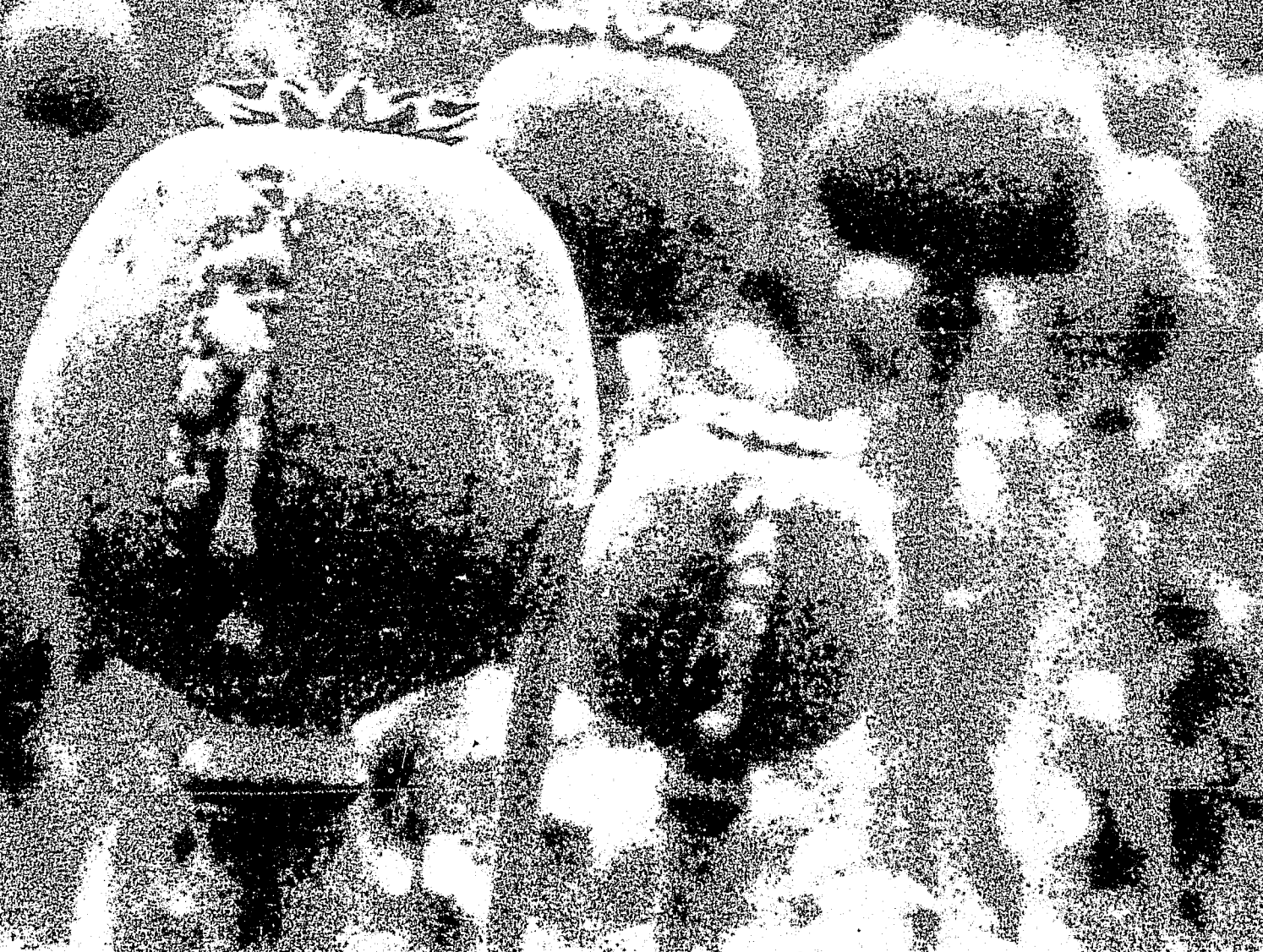


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International Narcotics Control Strategy Report

March 1989



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Executive Summary

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U.S. Department of Justice
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Executive Summary

March 1, 1989

The Department of State's International Narcotics Control Strategy Report (INCSR) has been prepared in accordance with the provisions of Section 481 of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2291).

The 1989 INCSR is the third annual report prepared pursuant to Section 2005 of P.L. 99-570, the Anti-Drug Abuse Act of 1986. This legislation requires that certain kinds of assistance be withheld at the start of each fiscal year from major illicit drug producing and major drug transit countries, pending certification by the President the following March 1. The law requires the President to certify every major illicit drug producing country or major drug-transit country that cooperated fully with the United States in the previous year, or took adequate steps on its own, with respect to illicit drug production, trafficking and money laundering. Alternatively, the President may certify countries that would not qualify under these terms on grounds that the national interests of the United States require the contingency provision of foreign aid to such countries. Or, the President may deny certification, causing statutory sanctions to be imposed.

This year's INCSR, provides the factual basis for the President's 1989 certifications under the revised law, as well as other information required by the Congress in Public Laws 99-570 and 100-690, the Anti-Drug Abuse Acts of 1986 and 1988.

Statement on Certification

Section 481(h)(2)(A) requires that the President certify whether major drug producing and drug transit countries have "cooperated fully" with the United States, or taken adequate steps on their own, with regard to

preventing drug production, drug trafficking, and drug-related money laundering.

The statute provides, alternatively, that the President may certify, on grounds of vital national interest, countries which would not otherwise qualify for certification on grounds of such narcotics cooperation.

In weighing recommendations on certification to the President, the Department has looked to the law, before and after amendment by the 1986 and 1988 Acts, for guidance in determining the bounds for "cooperated fully." Particular adherence was given to the requirements of the so-called Chile amendments which require bilateral or multilateral cooperation agreements as an absolute condition of certification.

The requirement in Sec. 481(h)(3) is that the President, in making certifications of cooperation, shall give foremost consideration to whether the actions of the government have resulted in the maximum reductions in illicit drug production which were determined to be achievable.

The President must also consider whether the government has taken the legal and law enforcement measures to (A) enforce, to the maximum extent possible, the elimination of illicit cultivation and the suppression of illicit manufacture and trafficking -- as evidenced by seizures, and arrest and prosecution of violators, and (B) eliminate to the maximum extent possible the laundering in that country of drug-related profits or drug-related monies -- as evidenced by enactment of money laundering laws, willingness to enter into MLATs, and other cooperation on money laundering.

In considering country performances in

1988, the President is also directed by statute to consider programs and actions planned for 1989 and beyond. This two-year appraisal is especially important when remedial actions are necessary.

Use of terms such as "maximum achievable" introduce a concept of variability. Moreover, there is precedence for determining that full cooperation can be a variable term. The precedence lies in the earlier amendments to Section 481, which since 1971 has made reference to "adequate" cooperation. Section 481(f) requires consultation with the Congress on country determinations and specifies that such consultation shall *inter alia* include consideration of (1) the nature of the illicit drug production problem, and (2) the climatic, geographic, political, economic and social factors that affect illicit drug production. Thus, 481(f) introduced in 1983 the concept of "cooperation" and "maximum achievable reductions" being variable, a function of numerous factors including relative capability to achieve narcotics objectives.

In determining the recommendations to the President under P.L. 99-570, the Department of State has, therefore, considered each country's relative capability to achieve maximum reductions in production, as a foremost priority, and also to develop and enact the legal and law enforcement measures which this statute contemplates. This relative capability was viewed as functions of their differing political, economic, social, geographic, climatic and resource situations. In this context, full cooperation in crop control and other enforcement can have quite different outcomes.

There are, then, many shadings to the recommendations on certifications. Some countries found that their programs could not keep pace with traffickers' efforts to expand cultivation, but adopted new programs or strategies, with new resources, to increase their potential reductions. Other countries, including several with well-established programs, could and should have done more in one or the other criterion category. A number of countries must do more to curb narcotics related corruption before it countermands their control efforts. Virtually every country can and must do more to arrest and prosecute major traffickers and destabilize networks. Extradition is a significant international tool to counter the trafficking networks.

For the second year, the Department of State has asked Congress for further guidance on what constitutes a "major" drug trafficking country or "major" money laundering country. Production-related identification is quantitative, using the numerical standards of the statute, but there are no similar numerical bases in law for the other two categories. What weight should be given, for example, to whether a country is a direct or indirect transit source, or to whether the bulk of the contraband is intended for markets other than the United States? This issue was considered at length by State, in consultation with the law enforcement community, and agreement could not be reached, within the time limits set by P.L. 100-690, on a definition that employed uniformly reliable criteria.

Ramifications of Certification

The statute makes it clear that there is a definite relationship between provision of foreign assistance and positive performance on narcotics control. The law requires that half of certain kinds of economic and military assistance be withheld, at the start of each fiscal year, pending certification by the President. If the President fails to certify a major producing or drug transit country, or if Congress disapproves the certification, the law mandates the suspension of the other half of economic and military assistance, as well as most other kinds of assistance. Moreover, the United States would oppose new or extended loans to such countries by the multilateral development banks, and, at Presidential discretion, could impose a variety of trade sanctions.

The Department has submitted to the President a Presidential Decision Memorandum which contains certifications (or refusals to certify) for major drug producing and drug trafficking countries. The President's certifications are subject to Congressional disapproval, by vote of both houses, within 45 legislative days.

This report has been prepared by the Department's Bureau of International Narcotics Matters (INM), in consultation with other bureaus in the Department, U.S. Embassies, the Drug Enforcement Administration, the Federal Bureau of Investigation, and the Central Intelligence Agency, as well as other offices and agencies of the U.S. Government. As required by law, the Department of State and the Departments of Justice, Defense, Treasury, and Health and Human Services, as well as the

Agency for International Development, have made comments and recommendations on this report and are prepared to meet with members of the Committee on Foreign Relations and the Committee on Foreign Affairs to review worldwide illicit drug production and the policy, programs and role of the United States Government in preventing the entry of illicit narcotic and psychotropic drugs and other controlled substances into this country. In accordance with the Senate amendment to the Department's 1988 authorization, this report contains specific comments and recommendations by the Drug Enforcement Administra-

tion, U.S. Customs Service and other enforcement agencies. In accord with P.L. 100-690, the report also contains data on U.S. assistance to international narcotics control, including special reports on assistance given and received by DEA, Customs, and Coast Guard.

INM's FY 1990 Congressional Budget Presentation, which provides detail on regional and country strategies, budgets and programs, has been transmitted separately to the Congress.

Policy And Program Developments in 1988

During 1988, several critical milestones in narcotics control were met. In just four months, Peru eradicated over 5,130 hectares of coca, possibly offsetting for the first time any expansion of Peru's coca crop which has been increasing by an estimated ten percent a year. Bolivia exceeded its coca eradication targets ahead of schedule and passed landmark legislation which outlaws coca cultivation in most of that country. The Government of Colombia seized 23 metric tons of cocaine. In marijuana eradication, Jamaica and Belize continued to make real progress toward eliminating its crop. And Thailand's opium eradication program further reduced supplies.

Individual country gains were complemented by progress in the area of international cooperation during 1988, culminating with the finalization of the important United Nations Convention Against Illicit Trafficking in Narcotics. Multinational cooperation was manifested not only in diplomatic efforts but also in law enforcement operations; thirty nations cooperated in an unprecedented month-long cocaine control operation, launched under the auspices of the Latin American International Drug Enforcement Conference (IDEC) this summer. 1988 also saw high level anti-drug discussions within the Economic Summit of Industrialized Nations context, as well as the signing of a U.S.-U.S.S.R. anti-narcotics agreement which could lead to greater cooperation in limiting drug trafficking.

If the past year's progress can be summarized, we have seen a new willingness on the part of nations to work together, even if it means taking modest actions against the global drug trade. It is as if nations recognize that they cannot confront the problem alone, for one nation's progress has generally signified a shift in production and traffic to more vulnerable, less vigilant nations.

U.S. Government narcotics control policy makers were confronted once again in 1988 by world events that can and do have a devastating impact on efforts to reduce the global supply of drugs. Burma's civil unrest, the current instability in Afghanistan, the death of Pakistan's President Zia and Peru's declining economy have all signalled possible setbacks in narcotics control. Political and economic instability in drug-producing areas around the world have resulted in the subordination of our

drug control agenda to other pressing concerns. However frustrating this lesson has been during 1988, it not only drives home the point that narcotics production and trafficking often go hand in hand with enormous social and political problems but underscores the urgency with which governments must address their narcotics problem if stability is to be realized.

1988 did present some opportunities for progress: the election of new governments in Mexico and Pakistan, evidence of greater international willingness to assist nations facing problems with drug production and trafficking, and the growing awareness among developing nations now faced with drug abuse epidemics that inaction can no longer be tolerated.

1988, however, was not without disappointments; the continuing expansion of the Andes coca crop, particularly in Bolivia, and the slow progress of Andean governments in agreeing upon a course of action which includes wide scale herbicidal eradication complicate coca control efforts. Central to a viable cocaine control strategy is destruction of a good percentage of South America's coca crop, a strategy which has not, and cannot be realized through manual eradication. In 1988, farmers in Peru, Bolivia, Colombia and Ecuador cultivated 193,136 hectares of coca; manual eradication destroyed 6,896 hectares or nearly 4 percent of the Andes' coca acreage.

Expansion of the world's opium crop, particularly in inaccessible areas in Burma, Laos, Iran and Afghanistan threatens to increase U.S. heroin supplies. There is concern among some domestic drug abuse experts that in the near future heroin popularity will rise partly as a result of the highly publicized negative consequences of crack and of increased production both in Southeast and Southwest Asia. Increases in heroin imports need to be closely monitored, particularly in light of the high priority that has been placed on cocaine control over the past few years.

On the positive side, marijuana production continues to decline in traditional growing areas in Colombia, Jamaica and Belize. Indeed, marijuana eradication efforts have been successful due mostly to the fact that repeated aerial spray campaigns have resulted in signif-

icant crop reductions and farmers' unwillingness to replant. Ironically, reduction in international marijuana supplies puts the U.S. in the indefensible position of being a major supplier to the domestic and international market.

During 1988, the issue of drug-related corruption continued to command attention with the indictment of Panama's General Manuel Noriega; the late Colonel Jean-Claude Paul of Haiti was indicted in a Miami court for drug trafficking. In the State Department Report on Official Corruption (also known as the "2013 Report") the extensive involvement of Lao Peoples' Democratic Republic (LPDR) military and civilian government officials in the narcotics trade suggests that such activity is a matter of de facto government policy.

As reported last year, the U.S. Government's International Narcotics Control Strategy consists of six goals to be carried out by U.S. Government agencies in conjunction with foreign governments. This interagency-approved strategy was prepared for and adopted by the National Drug Policy Board in 1987.

In brief, its goals are to:

(1-3) Reduce the amount of cocaine, heroin and marijuana exported to the United States through an integrated program of narcotics control.

(4) Eliminate major trafficking networks and cartels through increased seizures and arrests, prosecutions and forfeiture of funds;

(5) Decrease tolerance for illicit drugs and stimulate support for effective narcotics control worldwide through public diplomacy efforts; and

(6) Increase international cooperation in worldwide narcotics control matters through diplomatic and program initiatives.

The following is a goal-by-goal assessment of progress and obstacles we faced in carrying out the international strategy in 1988.

Goal One: Cocaine

The U.S. Government has dedicated over 60 percent of the INM overseas narcotics control budget to cocaine control in an effort to reduce cocaine imports by 50 percent by 1993. This year's brightest news comes from Peru, where against tremendous odds, four months of concentrated manual eradication resulted in the destruction of upwards of 5,130 hectares,

eliminating a potential 10 metric tons of cocaine from the international market, and possibly stabilizing for the first time coca expansion in Peru. However, the expansion of the Andean coca crop in Bolivia and Colombia and modest gains in eradication make 1988 a year of mixed results in narcotics control. Despite some encouraging efforts on the part of the Bolivian Government, coca cultivation in that country expanded during this past year, from an estimate of 39,300 hectares in 1987 to 48,500 hectares after eradication; this represents an increase in hectareage of more than 20 percent in one year. Coca cultivation also increased slightly in Colombia from 25,000 hectares to approximately 27,230 hectares.

The success of our cocaine control strategy overseas depends on several U.S. Government agencies working together. The strategy incorporates eradication, enforcement, training, public diplomacy and development assistance; all elements are critical. The INM Airwing, mandated by Congress through the 1986 Anti-Drug Abuse Control Act, is fully operational in Latin America supporting coca, opium, and marijuana control operations. During FY 89, the airwing inventory will have 54 aircraft, including a mix of helicopters, utility aircraft, fixed wing spray planes and three C-123 transports. In conjunction with host country officials, INM and DEA utilize the aircraft for aerial eradication of drug crops, transporting eradication workers and U.S. and host country law enforcement personnel; training foreign pilots in spray techniques and transporting equipment. As required under the law, the Department of State maintains title to these aircraft; they may not be turned over to host countries, although a number of host country pilots participate jointly with U.S. pilots in Air Wing operations.

During 1988, a major government contract was awarded for the maintenance and operation of the growing airwing resources. The contract provides for the operation and maintenance of INM Airwing fixed and rotary wing aircraft. At present the Airwing includes 26 UH1H Helicopters, provided by the Department of Defense, 7 Bell 212 helicopters, 2 light helicopters, 13 Turbo Thrush spray aircraft, 3 C-123 transport, 2 Cessna Caravan utility aircraft and a training aircraft.

The Drug Enforcement Administration works with law enforcement officials in South and Central America in an advisory capacity; "Operation Snowcap", a multi-country, multi-

faceted cocaine control operation is central to our cocaine strategy. Snowcap addresses several aspects of the cocaine processing and trafficking cycle including chemical control, lab and airstrip destruction. Most Snowcap activity is currently taking place in Bolivia and Peru. Since its inception in 1987, this cooperative operation has resulted in the destruction of 194 cocaine HCL labs, 15,500 arrests and the seizure of over 43,000 kilograms of cocaine.

Other U.S. Government agencies have also taken an active role in training and advising Andean law enforcement organizations in support of cocaine control operations. The Border Patrol has trained UMOPAR units in Bolivia; the Department of Defense has trained law enforcement personnel in Bolivia, Ecuador and Colombia, and has provided operational support to drug enforcement agency personnel engaged in cocaine control programs.

While there are indications that certain segments of the U.S. market for cocaine may have stabilized, our major cities are faced with a crack epidemic which has bred violence, murder and despair. Latin American cities are also facing unprecedented levels of drug addiction with the introduction of basuco, a highly addictive by-product of cocaine which has characteristics similar to crack.

U.S. seizures of cocaine were up during 1988; federal law enforcement agencies report that in the first ten months of 1988, about 76,000 kilograms of cocaine were seized. This represents an increase of 13.5 metric tons in seizures for the entire previous year.

Prospects for Success

Latin American governments have been unable to significantly reduce the Andean coca crop or to eliminate cocaine trafficking. The enormous profits generated by the cocaine trade have enabled the traffickers to intimidate representatives of government institutions and to purchase arms and influence. Terrorist threats in Peru and Colombia have further complicated government action against coca production and trafficking. Some evidence exists to indicate that Shining Path guerrillas in Peru actively attempt to sabotage coca eradication efforts in the Upper Huallaga Valley. There is a proven relationship between narcotics traffickers and the FARC guerrilla movement in Colombia.

Violence, drug-related corruption and intimidation impede Andean governments' ef-

forts to mount effective anti-narcotics campaigns. Only one major cocaine trafficker, Bolivia's Roberto Suarez, was arrested in 1988, and the continuing campaign of violence and intimidation by Colombian traffickers has virtually paralyzed that nation's efforts to bring traffickers to justice. It was encouraging, however, that Carlos Lehder, one of the leading Colombian cocaine traffickers, handed over to the United States in 1987, was convicted and sentenced to life imprisonment in the U.S. Cooperation between the United States and the Government of Honduras also led to the capture of drug fugitive Ramon Matta Ballesteros, whose arrest prompted widespread anti-U.S. demonstrations. Matta is currently serving time for escaping from prison and is awaiting trial in a U.S. court on drug-related charges.

Peru, Bolivia and Colombia each made some gains against cocaine during 1988. Bolivia adopted a sweeping anti-narcotics legislation and exceeded its coca eradication targets; Peru destroyed 5,130 hectares of coca and Colombia intensified its military's actions against cocaine laboratories. But for all this country-by-country progress, no real progress was made in a regional approach to cocaine control. When we look at the cocaine "big picture", it still remains discouraging and suggests that the current direction of Latin American cocaine control efforts may need to be re-assessed.

Peru

There is some indication that eradication efforts begun only in September of 1988, may have stabilized coca production in Peru, which has increased by an estimated 10 percent per year in past years. Despite high levels of violence directed against eradication workers, the Government of Peru successfully cut down 5,130 hectares of coca in the Upper Huallaga Valley by manual means. In addition, 184,000 square meters of coca seed beds were destroyed. In 1987, only 355 hectares of coca and 8,000 square meters of seed beds were eradicated. Fifteen times as many hectares of coca and 23 times as many seed beds were destroyed in 1988 than in 1987.

In Peru's Upper Huallaga Valley, CORAH workers used gasoline-powered mechanical cutters to reduce drastically the amount of time needed to eradicate a hectare of coca. There were several incidents during 1988 in which eradication workers and helicopters

were fired upon while cutting down coca plants. The Government of Peru is committed to continuing its herbicide testing program which could lead to a wide scale aerial spray campaign, minimizing the dangers to workers in the field.

Complementing gains in eradication Peru's law enforcement agencies, working with U.S. counterparts, made some enforcement progress. Seventy eight labs, with a potential for processing over 54 tons of cocaine per year were destroyed in 1988; 150 maceration pits were also permanently shut down and nine metric tons of coca paste were seized. The capabilities of the Guardia Civil have improved in the area of anti-narcotics operations.

Bolivia

While the Government of Bolivia reached its 1,800 hectare coca eradication reduction goal two months ahead of schedule and began the involuntary eradication phase of its coca control program, such gains were offset by the fact that coca cultivation in Bolivia expanded by more than 20 percent during 1988.

Coca eradication is taking place in all three cultivation areas of Bolivia and 1988 eradication totals increased by 42 percent over the previous year. Since September, 1987, over 2,500 hectares of coca were destroyed; compare this to the total of 200 hectares of coca eliminated in 1986 and it is apparent that Bolivia has begun to make progress.

In July, the Bolivian Government adopted a long-awaited narcotics control law which for the first time makes coca cultivation illegal in many parts of Bolivia. It addresses many aspects of the cocaine trade including cultivation, trafficking and corruption. The law limits the amount of coca that can be cultivated legally (12,000 hectares) and states that legal coca can only be grown in portions of the La Paz Department and a small section of Cochabamba. The Chapare region is designated as a transitional coca cultivation area, and coca cultivation becomes illegal in remaining areas of the country. New cultivation is deemed illegal in all areas. However, it is troubling that herbicidal eradication is prohibited. Other important provisions in the law include the formation of a national drug council which reports to the President. Implementing regulations were signed into effect in late December.

Bolivian interdiction operations resulted in significant increases in lab destruction and

seizures over last year's totals. U.S. - supplied aircraft are being fully utilized by the Bolivian enforcement agencies in their interdiction activities.

Colombia

The Colombian National Police made impressive gains against large processing laboratories, seizing over 14 metric tons of cocaine HCL and base. Combined Colombian efforts in 1988 resulted in the capture of almost 23 metric tons of cocaine and the destruction of 29 major capacity labs, representing the highest seizure totals since 1984. Colombian interdiction efforts also resulted in the destruction of over 800 labs and 600,000 gallons of precursor chemicals. However, coca eradication in Colombia was limited to 230 hectares out of an estimated total of 27,230 hectares under cultivation.

Major cocaine trafficker, Pablo Escobar, barely escaped a raid on his Antioquia Ranch in March 1988. The suspension of Colombia's extradition treaty with the United States diminishes any immediate hope of bringing major traffickers to justice in the U.S.

The Herbicide Issue

While enforcement operations have resulted in significant seizures, coca eradication in the field holds the most promise for reducing worldwide cocaine supplies. 1988's enforcement operations have not yet resulted in a reduction of cocaine supplies on U.S. streets, the ultimate measure of effectiveness.

The most hotly debated and most misunderstood issue in 1988 drug control efforts was the possible use of herbicides against the Andean coca crop. Debate on the environmental effects of herbicides was often superficial, taking no account of the already devastating environmental consequences of clear cutting forests and mountain areas, or the damage caused by narcotics refining and processing chemicals.

The Government of Peru has repeatedly stated its commitment to testing safe, effective herbicides for use against coca, and during 1988, completed the first phase of its herbicide testing program, applying six herbicides manually to several plots of coca totalling under three acres. The Government of Peru intends to further test these herbicides by applying them aerially, monitoring their effects on groundwater and vegetation; regular analyses of the manual tests are still ongoing. Eli

Lilly, the manufacturer of one of the promising herbicides, has made a public announcement that they would not sell their widely used herbicide tebuthiuron for use against coca. This announcement was made last May, before testing had been completed and before the a decision was reached on which herbicide to select. Eli Lilly has refused to explain its decision not to make this herbicide available.

Herbicide testing is carried out by the U.S. Government and host countries overseas, using the same strict criteria which are mandated domestically, but not internationally. Herbicides are applied carefully to ensure that unintended destruction of other crops does not occur. Where pellets can be used to minimize the possibility of drift, (as planned in the Peru tests), they are. The U.S. Government works closely with foreign governments to destroy only illegal drug crops.

Critics of herbicide testing for use against coca fail to note several important issues which may help put the Government of Peru's coca eradication program into perspective.

First, in the Upper Huallaga Valley, coca cultivation is illegal. A large percentage of the peasants cultivating that crop are not traditional coca farmers; they have recently occupied the land for the sole purpose of growing coca for the illegal market. Eighty percent of the farmers grow nothing but coca; the remaining 20 percent cultivate some food crops to supplement supplies transported from other regions. The Upper Huallaga Valley has never been a traditional agricultural area, nor will it revert to one after coca is eliminated.

Second, coca farmers and cocaine traffickers have devastated the Valley with irresponsible use of chemicals and with the careless destruction of the forest. Peruvian environmentalists are deeply concerned about the silence of the world environmental community about the continuing destruction of natural resources due to coca cultivation, and see the use of herbicides to destroy that illegal crop as an acceptable trade-off.

Third, the increasing presence of the Sendero Luminoso in coca-producing areas poses a grave threat to the stability of the Lima Government.

Herbicide destruction of the Andean coca crop is not the answer to all coca-related problems. A number of important questions still need answers including development, alternative sources of income for peasants and

the economic future of Andean countries. However, the use of herbicides can provide these governments with an effective tool to eliminate part of the coca crop, encourage farmers to seek legal livelihoods and demonstrate government commitment to narcotics control.

The IDEC Initiative

During the summer of 1988, 30 nations, including several European nations, participated in a month-long cocaine enforcement operation under the auspices of the International Drug Enforcement Conference (IDEC). At IDEC's April meeting in Guatemala City, members agreed to participate in a cooperative, coordinated, multi-national law enforcement operation during August to enhance their abilities to seize cocaine and cash, track fugitives and crack down on money laundering. The United States participated in the IDEC operation, committing National Guard units in four states to work side by side with the U.S. Customs Service, inspecting cargo.

Goal Two: Heroin

During 1988, there was no reduction in worldwide supplies of opium and heroin. In every opium-producing nation except Thailand, opium production appears to have remained at 1987 levels or increased. Heroin conversion and trafficking remain serious problems in Southeast and Southwest Asia and Mexico; increased heroin supplies have also alarmed U.S. drug experts who believe that the United States may be poised on the brink of another heroin epidemic. Compounding U.S. Government frustration at increasing worldwide opium supplies is the fact that 90 percent of the world's opium production takes place in areas to which the U.S. has limited or no access, such as Iran, Afghanistan, Lebanon, Laos and Burma. Federal law enforcement officials report that 1988 heroin seizures are up over last year's totals.

Southeast Asia

The civil turmoil in Burma has resulted in the suspension of the Socialist Republic of the Union of Burma's (SRUB) annual aerial opium eradication program. Between January and March, 1988, the SRUB reported eliminating over 16,000 hectares of opium. At year's end, it is estimated that Burmese production of opium is up in absolute terms, and there is no immediate prospect that the aerial eradication

campaign will be resumed in time to be effective against the 1989 crop. Indeed, the disturbances will most likely result in unchecked opium production in Burma.

There has also been no reduction in opium production in Laos and there continues to be information that the extensive involvement of LPDR military and civilian government officials in the narcotics trade suggests this is a matter of de facto government policy.

Our continuous dialogue on this subject with the Lao, certification steps and pressures from others in the international community underlie Lao decisions to address the narcotics situation. In the summer of 1988, the Lao Government raided two refineries in Oudomsai Province and later tried 48 traffickers netted in the raid; among those convicted was the governor of the Province, a central committee member. A high-level delegation of U.S. Government officials travelled to Vientiane in early 1989 to discuss a number of issues, including narcotics control. LPDR officials assured the U.S. representatives that they had begun to address their opium problem, as evidenced by their agreement with the United Nations Fund for Drug Abuse Control (UNFDAC) to sponsor a \$5.8 million rural integrated pilot program in an opium growing region in northern Vientiane Province. This project is scheduled to get underway before July. For the first time, Lao officials accepted, in principle, previous offers of bilateral U.S. narcotics control assistance.

Thailand was successful in ensuring that opium production did not increase during 1988. It is possible that no further reductions will be made in coming years in the estimated 28 metric tons of opium produced in Thailand, given the demand for opium among the indigenous Hill Tribe addict population.

Heroin trafficking remains a serious problem in Southeast Asia, particularly in Thailand where an excellent system of roads provides traffickers good access to international markets. There is evidence that heroin is trafficked through Vietnam, notably through the port of Da Nang. During 1988, heroin seizures in Thailand doubled over the previous year's totals, and ten heroin refineries were immobilized.

Southwest Asia

Opium production and heroin trafficking are deeply entrenched in the Southwest Asian

nations of Iran, Afghanistan and Pakistan. There is no indication that the Southwest Asian opium situation will improve in the foreseeable future. Political turmoil and limited U.S. access in both Iran and Afghanistan will complicate any future opium control efforts, while the unstable Afghan political outlook will undoubtedly contribute further to Southwest Asia's opium and heroin problem. Pakistan's new government has publicly stated its commitment to opium control and has agreed to make use of aerial spraying to reduce the 1989 poppy crop.

There is little reliable information emerging from Afghanistan on the amount of opium poppy cultivated or the amount of heroin trafficked; it is widely believed, however, that both activities increased during 1988. There are no signs that either the Soviets or the Kabul regime have been able to make any progress in curbing production and trafficking. Estimates put the amount of opium production during 1988 at between 700-800 metric tons.

There is also sketchy information out of Iran concerning the amount of opium poppy cultivation taking place; it is believed, however, that Iran does not produce enough opium to supply its estimated one million addicts and must turn to Afghanistan and Pakistan for heroin. Opium production is estimated at between 200-400 metric tons per year, similar to 1987 levels. Heroin trafficking through Iran to Turkey is a trend that concerns U.S. and Turkish Government drug enforcement officials; Turkish enforcement efforts have resulted in the relocation of some Kurdish heroin refining activities from eastern Turkey to Iran. There is some indication that the Government of Iran is troubled by drug trafficking and addiction; enforcement operations and the execution of drug traffickers are two manifestations of Iran's desire to curb drug trafficking.

Last year's estimate of Pakistan's opium crop (reported at between 135 and 160 metric tons) was further revised to a range of 190-220 metric tons based on a new appreciation of yields. Opium cultivation in 1988 did not increase appreciably, but the Government of Pakistan has not been able to bring production down to 1985 lows. The newly elected Bhutto government has stated its commitment to reducing opium cultivation and heroin trafficking, and the President has urged the creation of a new cabinet level drug control entity under her direct auspices. Alarmed by the estimates of one million Pakistani drug addicts, the Gov-

ernment has pledged to redouble its eradication and enforcement efforts and has indicated to the U.S. its willingness to eradicate opium poppy by aerial means during the 1989 season.

In late 1988, the Government of Pakistan signed the Tribal Areas Development Agreement which will result in a major U.S.-sponsored development project in the Bajaur and Mohmand tribal areas. The agreement specifies that an opium ban will be gradually implemented in these remote areas over the next five years, increasing the possibility that opium cultivation can be reduced through concerted government actions. The Government of Pakistan did arrest a major heroin trafficker this year but trafficking organizations have not felt real pressure to cease smuggling.

Mexico

Mexico expanded the scope of opium and marijuana eradication programs, while taking steps to improve operational efficiency. Cocaine seizures rose sharply. Still, Mexico remained the largest single country source for heroin, the second largest source for marijuana and a leading transit point for cocaine. Newly elected President Carlos Salinas de Gortari has made anti-narcotics programs a national priority for his new government, and the Attorney General's budget for 1989 will exceed \$26 million, up from \$19.5 million in 1987. A strong, positive tone for bilateral relations was set in an early meeting between then President-elect Bush and Mr. Salinas, and the U.S. government, anticipating continued improvements in the program, is prepared to cooperate with Salinas on these enhancements. However, U.S. officials are concerned about the inhibiting effects of corruption throughout the program.

Other Opium Producers and Heroin Traffickers

During the past few years, opium production has increased in countries such as Guatemala and Lebanon which are not traditional cultivators of opium. Heroin production and trafficking in the Middle East flourish in chaotic wartime conditions, and there is much evidence that heroin profits are being used to purchase arms. Until order is restored in Lebanon gains in opium control are highly unlikely.

Goal Three: Marijuana

The worldwide marijuana picture in 1988 was mixed, with some nations making significant gains against marijuana cultivation and others unable to reduce their supplies. In countries where repeated aerial marijuana eradication campaigns have been launched, such as Belize, cultivation and replanting have been significantly reduced.

Jamaica was able to hold the line on marijuana production; during 1988 between 340-470 metric tons were produced after reducing supplies last year to a range of 325-535 metric tons of marijuana. Belize continued to reduce its total cultivation; 1988 estimates indicate that 120 metric tons of marijuana were produced by Belize, compared to 200 the previous year.

The marijuana situation in both Mexico and Colombia are of continuing concern. Mexico is estimated to produce an estimated over 5,600 metric tons of marijuana, a great deal of which is exported to the United States. Colombia has been successful in eradicating marijuana cultivated in traditional areas through a series of aerial eradication campaigns. However, marijuana farmers have begun cultivation in non-traditional areas of Colombia including the Cauca and San Lucas Mountains; an estimated range of between 5,900 and 9,600 metric tons were produced by Colombia in 1988.

Asian cannabis cultivation is still worrisome to U.S. policy makers. There is no definitive estimate on the amount of marijuana produced by Thailand, Laos, the Philippines and Cambodia, although there is evidence that much of this production is generated for the U.S. market, particularly from Thailand and Laos.

The United States remains the third largest marijuana producer for the U.S. market. Eradication continued in the U.S. during 1988, as law enforcement personnel located and destroyed 38,531 small, difficult to locate plantations and seized 1240 indoor greenhouses which account for the majority of U.S. marijuana sources. Net U.S. production is estimated at 3,000-3,500 metric tons for 1988.

Goal Four: Trafficking Networks

Major international drug traffickers continued to wield power in Latin America and Asia, demonstrating their ability to run large

organizations with untold wealth, a ready supply of arms and growing access to the world's media. While many of the world's most powerful drug traffickers remain at large, three notorious cocaine traffickers are behind bars today. Carlos Lehder was convicted and sentenced to life in prison after being extradited from Colombia. Ramon Matta Ballesteros, captured in Honduras is serving time on a separate offense and is awaiting trial on drug trafficking charges, and Bolivia's drug kingpin, Roberto Suarez, was arrested by Bolivian authorities and is presently in prison.

Drug traffickers Rafael Caro Quintero and Ernesto Fonseca Carillo, among others, were convicted in September, 1988 on drug trafficking charges involving marijuana cultivation at "El Bufalo" Ranch, Chihuahua. Caro Quintero received a 34-year sentence and Fonseca Carillo, 11 years. The Mexican Government's criminal proceedings in a separate trial against Caro Quintero, Fonseca Carillo and others, for the kidnapping and murder of DEA Special Agent Enrique Camarena and Mexican pilot Alfredo Zavala are coming to a close. Upon formal conclusion of the present stage of the trial, the prosecution and defense attorneys will present their final conclusions and render a verdict. To date, the case file contains twenty-nine volumes of evidence, encompassing over 15,000 pages, and includes the cross-examinations of over 600 witnesses and suspects. Including defendants charged with lesser crimes, the trial involves the prosecution of 46 defendants.

Intelligence gathering and the use of tactical intelligence are critical to U.S. Government efforts to dismantle international drug trafficking networks. Through the Intelligence Subcommittee of the National Drug Policy Board, relevant U.S. agencies set priorities during 1988 and established requirements for the coming year. One of the most promising initiatives emerged in the Dominican Republic with the operation of the Joint Intelligence Collection Center (JICC); based on the same principle as the El Paso Intelligence Center, the JICC collects and stores information on suspected traffickers. The Governments of Haiti and Aruba established JICCs which have been operational during the past year. JICC serves as a model of what can be accomplished by countries with emerging trafficking problems, and it is anticipated that other Caribbean nations, may establish similar systems in the coming months.

During December, 43 countries became signatories to the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, an historic agreement which will assist governments in dealing with the "extranational" problems associated with drug trafficking.

The Convention, which was signed after four years of work, establishes or strengthens international law enforcement measures that will substantially enhance nations' ability to identify, arrest, prosecute and convict drug traffickers across international borders. By establishing multilateral law enforcement commitments previously achieved only through bilateral agreements, the treaty sends a clear message to governments and drug traffickers that there is a collective, global commitment to eliminating international drug trafficking.

The U.S. Government supports this highly specific treaty which represents a new era of multilateral cooperation on specific law enforcement measures. Included in the treaty are provisions to:

- Facilitate the exchange of evidence among judicial and law enforcement agencies and minimize the possibilities that international drug traffickers can escape arrest, prosecution and conviction by making such evidence, often gathered in several states, widely available to international law enforcement agencies around the globe;
- Strengthen nations' ability to identify, trace, seize and confiscate traffickers' financial profits, real estate, possessions and other assets by overcoming bank secrecy and by requiring countries to adopt laws to permit seizure of criminally-gained assets;
- Require that all signatories make money laundering a crime;
- Assure that drug trafficking and money laundering are made crimes for which criminals will be extradited and prosecuted;
- Obligate owners of commercial carriers to prevent drug traffickers from using their facilities, and urges governments to enlist private port authorities in the fight against drug trafficking;

- Exert controls on the shipment of chemicals used in the manufacture of illicit drugs;
- Recognize the priority on bilateral and multilateral law enforcement cooperation;
- Enhance international cooperation among states in the area of ship boarding, search and seizure of vessels participating in drug trafficking on the high seas;
- Extend to free trade zones and free ports law enforcement measures, previously used only domestically, to suppress illicit traffic such as surveillance and search systems;
- Provide effective measures and a legislative framework in which signatories can suppress the use of mails for drug trafficking;
- Restate international commitment to crop eradication and demand reduction as ways to reduce drug trafficking; and
- Encourage countries to allow the use of controlled delivery across international borders as an investigative tool.

The U.S. Senate is expected to give its advice and consent to ratification of this convention in the near future. The U.S. Senate still must approve the Mutual Legal Assistance Treaties signed by the Governments of Mexico and the Bahamas which were referred to the Senate for action last year; four other MLATs are also pending: Thailand, Canada, Cayman Islands and Belgium.

1988 was a banner year for initiating what is hoped to be several classic investigations of the financial networks and wealth management systems of drug traffickers. The value of targeting the financial flows of drug traffickers has achieved a new prominence in U.S. enforcement operations and has become central to U.S. drug control policy. The pursuit of proceeds is enhanced by marked increases in international sensitivity to this issue, spurred in part by the attention given to money laundering issues at the United Nations and the Economic Summit of Industrialized Nations as well as our enforcement initiatives. International action to stop money laundering is also unquestionably driven by awareness of the crippling effects of narcotics trafficking and corruption, and a desire to avoid the stigma borne by countries which have become money laundering centers.

A number of international investigations led to major arrests and the seizure of millions of dollars in drug-related assets. One of the most successful money laundering investigations, called "C-Chase" by U.S. Customs and other enforcement agencies, led British, French and U.S. authorities to shut down an international network operating on three continents; the Bank of Credit and Commerce International (BCCI) was indicted.

Goal Five: Public Diplomacy

International public opinion is one of the most crucial elements of a successful narcotics control program; the U.S. Government, understanding this, is working with a number of foreign governments to raise public awareness about the global drug problem and enlist support for concerted, international action against all facets of the illicit drug trade. Public diplomacy is a term loosely used to describe collaborative U.S./foreign government efforts to engage segments of society and the foreign media in such public awareness programs. Central to a successful public diplomacy campaign must be the free flow of information between the U.S. and other nations about what the United States Government and private sector are doing to address our problems of drug production, trafficking and abuse.

The U.S. Information Agency (USIA), the Department of State and the Agency for International Development (AID) contributed to the U.S. Government's public awareness activities during 1988. In addition to the sharing of information, the U.S. Government also provided technical assistance to a number of countries in the area of drug education and demand reduction.

As nations recognize their growing problem of drug addiction, more governments are approaching the U.S. to obtain expertise in prevention, education and treatment. This year the Department of State provided training, expertise and information to over twenty countries seeking assistance in the areas of drug abuse prevention and education. INM began publishing a bimonthly bulletin for worldwide distribution containing information on international developments in demand reduction.

USIA has become increasingly active in supporting U.S. Government anti-narcotics programs. Last year, 66 overseas posts requested 69 speakers, 90 international visitor

grants, 43 WORLDNET interactives, and 16 Satellite speaker conferences on a variety of narcotics-related topics. The number of requests has increased significantly during the past two years as public awareness among foreign audiences grows. USIA has targeted 12 countries for major anti-narcotics programming and the agency receives support from its Wireless File, International Visitor Program office, and its television service.

USIA produced special drug publications in major languages. During 1988, a pamphlet titled "Cocaine, Opium, Marijuana: Global Problem, Global Response" was published in eight languages and distributed widely. The agency also translated, printed and distributed the highly acclaimed Department of Education publication, "Schools Without Drugs".

One of the most valuable initiatives carried out by USIA (Voice of America) last year was the Journalist Training Workshop for foreign journalists. Journalists from over forty countries heard speakers such as the First Lady, the Secretary of State, the Attorney General, INM's Assistant Secretary, the White House Drug Advisor, and the DEA Administrator discuss the international ramifications of drug production, trafficking and abuse. A number of excellent news articles were filed during these workshops, and many of these returning journalists continue to write anti-narcotics stories in the foreign press.

The Agency for International Development (AID) has also become increasingly involved in narcotics awareness programs and anticipates that ten countries may receive assistance in this area next year. AID obligated almost \$5 million for drug awareness programs in 1988 to fund training, technical assistance, information dissemination, and use of the media. A high profile for drug education efforts was given during a conference held in Ciudad Juarez, Mexico in November at which time U.S. government representatives were shown first-hand the results of an ongoing AID Mexico initiative.

Goal Six: International Cooperation

Developed nations are becoming increasingly involved in the international narcotics issue as the threats of drug trafficking and abuse take their toll on most societies. Through diplomatic and program initiatives, the United States is working with other gov-

ernments to ensure that narcotics is elevated on the international agenda.

The annual March 1 certification process mandated by PL 99-570 is the centerpiece of U.S. diplomatic efforts to encourage international cooperation in narcotics control. In March 1988, the President denied certification to Panama, Iran, Afghanistan and Syria on the grounds that none of those countries cooperated fully with the U.S. or took adequate narcotics control steps on their own. Laos, Lebanon and Paraguay were granted 'national interest' certifications. Over a billion dollars in U.S. foreign assistance is at stake in the certification process which requires that 50 percent of a nation's U.S.-granted foreign assistance must be denied upon decertification.

The U.S. Congress stipulated further criteria which must now be taken into account when certification decisions are made. The Chiles Amendment, which became law in 1988, requires that no country can be certified as cooperating in narcotics control unless it has a specific bilateral agreement with the United States. These agreements must cover, where applicable, drug eradication, interdiction, demand reduction, chemical control and cooperation with U.S. drug enforcement agencies.

The finalization of the United Nations Trafficking Convention was one of several positive developments in the area of international cooperation. In meetings of the Economic Summit of Industrialized Nations member nations (the U.S., Canada, France, the Federal Republic of Germany, Italy, Japan and the United Kingdom), cooperation on controlling international narcotics production, trafficking and abuse were discussed in detail. At the June meetings in Toronto, the governments agreed to convene an experts group later in the year; the U.S. hosted this experts meeting in September at which representatives from six nations (France declined to attend) made recommendations on how to achieve enhanced cooperation in controlling financial flows, strengthening law enforcement initiatives, reducing the demand for drugs and supporting development projects.

The U.S. and U.S.S.R. signed a bilateral agreement in January, 1989 which will lead to closer cooperation between our two nations in narcotics investigations. The agreement, signed by Secretary Shultz and Foreign Minister Shevardnadze provides a mechanism for

exchange of information on drug traffickers, shipments and the source of seized narcotics.

The personal diplomacy of U.S. Government officials such as the Secretary of State and the Attorney General who both travelled to Latin America during 1988 re-enforced the priority that the Administration places on the narcotics issue as a major foreign policy concern. Culminating her eight-year involvement in anti-drug activities, First Lady Nancy Reagan spoke at the United Nations during the General Assembly last fall. Mrs. Reagan's remarks emphasized the need for international cooperation in fighting drugs and held American users accountable for the worldwide consequences of their drug use.

International organizations such as the United Nations, the Organization of American States (OAS), the Andean Parliament, the Association of Southeast Asian Nations (ASEAN) and the Colombo Plan were active on the drug front during the year.

U.S. support for United Nations anti-drug efforts includes work with the United Nations Fund for Drug Abuse Control (UNFDAC), the International Narcotics Control Board (INCB), the World Health Organization (WHO), and the Division of Narcotic Drugs (DND). Since 1971, UNFDAC has been a vehicle for multilateral implementation of narcotics control and demand reduction programs. The U.S. contributed \$3 million to

UNFDAC in 1988; \$1 million of this was earmarked for the DND (Division on Narcotic Drugs) to support programs in law enforcement, herbicide use, and an international drug abuse assessment system.

The United States also contributed to the Colombo Plan to carry out international visitor programs, public awareness activities, work with non-governmental organizations and an epidemiology study. ASEAN hosted a U.S.-supported seminar on asset forfeiture and seizure which provided Asian governments with technical information on this law enforcement tool.

1988 was the second year of operations of the OAS's Inter American Drug Abuse Control Commission. The CICAD's membership expanded from 11 members to 20, demonstrating the growing interest among OAS members in the drug issue. During the last year, the Commission launched regional projects using school systems for prevention and strengthening law enforcement mechanisms in the fight against drug abuse and trafficking. CICAD also undertook to develop stricter regional controls on precursor chemicals. Plans for 1989 include a meeting of ministers from the thirty one OAS member states to reassess priorities for action.

Worldwide Production Totals						
1988				1987		
Country	Metric Tons	Hectares Cultivated	Hectares Eradicated	Metric Tons	Hectares Cultivated	Hectares Eradicated
Opium						
Afghanistan	700-800	23,000	0	400-800	18,500	0
Iran	200-400	na	0	200-400	na	0
Pakistan	190-220	13,296	1,708	190-220	11,270	1,300
Total SW Asia	1,090-1,420	36,296	1,708	790-1,420	29,770	1,300
Burma	1,065-1,500	116,700	12,500	925-1,230	92,300	16,279
Laos	210-300	na	0	150-300	na	0
Thailand	23-33	4,604	1,761	20-45	4,674	1,740
Total SE Asia	1,298-1,833	121,304	14,261	1,095-1,575	96,974	18,019
Mexico	45-55	7,738	2,737	45-55	7,360	2,200
Total Opium	2,433-3,308	322,938	34,675	1,930-3,050	260,848	40,838
Coca						
Bolivia	57,445-78,355	49,976	1,476	46,000-67,000	40,300	1,042
Colombia	19,000-24,200	27,230	230	18,000-23,000	25,000	460
Peru	97,000-124,000	115,630	5,130	98,000-121,000	109,500	355
Ecuador	300-500	300	60	400	410	110
Total Coca	173,745-227,055	193,136	6,896	162,400-211,400	175,210	1,967
Marijuana						
Mexico	5,655	9,000	3,997	5,970-7,130	9,000	3,750
Colombia	5,927-9,625	9,200	5,012	3,435-7,760	13,005	8,000
Jamaica	340-470	1,257	650	325-535	1,330	650
Belize	120	660	528	200	1,088	870
Others	3,000-4,000	na	na	1,000-2,000	na	na
Total Marijuana	15,042-19,870	20,117	10,187	10,930-17,625	24,423	13,270
Hashish						
Lebanon	700	na	na	600	na	na
Pakistan	200	na	na	200	na	na
Afghanistan	200-400	na	na	200-400	na	na
Morocco	85	na	na	60	na	na
Total Hashish	1,185-1,385	na	na	1,060-1,260	na	na

Worldwide Production: 1985 - 1989

Worldwide Production: 1985 - 1989					
Country	1989 (Metric Tons)	1988 (Metric Tons)	1987 (Metric Tons)	1986 (Metric Tons)	1985 (Metric Tons)
Opium					
Afghanistan	700-800	700-800	400-800	400-500	400-500
Iran	200-400	200-400	200-400	200-400	200-400
Pakistan	105-175	190-220	190-220	140-160	40-70
Total SW Asia	1,005-1,375	1,090-1,420	790-1,420	740-1,060	640-970
Burma	1,100-1,535	1,065-1,500	925-1,230	770-1,100	490-490
Laos	210-300	210-300	150-300	100-290	100-100
Thailand	23-33	23-33	20-45	20-25	35-35
Total SE Asia	1,333-1,868	1,298-1,833	1,095-1,575	820-1,415	625-625
Mexico	40-50	45-55	45-55	35-50	25-45
Total Opium	2,378-3,293	2,433-3,308	1,930-3,050	1,595-2,525	1,290-1,640
Coca					
Bolivia	58,382-79,640	57,445-78,355	46,000-67,000	44,000-52,920	42,000-53,200
Colombia	19,000-24,200	19,000-24,200	18,000-23,000	12,000-13,600	12,400-12,400
Peru	98,450-125,860	97,000-124,000	98,000-121,000	95,000-120,000	95,200-95,200
Ecuador	175-290	300-500	400	1,000	1,900
Others					
Total Coca	176,007-229,990	173,745-227,055	162,400-211,400	152,000-187,520	151,500-162,700
Marijuana					
Mexico	4,750	5,655	5,970-7,130	4,000-6,000	3,000-4,000
Colombia	2,090-3,395	5,927-9,625	3,435-7,760	2,530-3,630	2,000-4,000
Jamaica	340-470	340-470	325-535	1,485-2,025	625-1,280
Belize	73	120	200	550	645
Others	3,000-4,000	3,000-4,000	1,000-2,000	800-1,000	800-1,000
Total Marijuana	10,253-12,688	15,042-19,870	10,930-17,625	9,365-13,205	7,070-10,925
Hashish					
Lebanon	700	700	600	720	720
Pakistan	200	200	200	200	200
Afghanistan	200-400	200-400	200-400	200-400	200-400
Morocco	85	85	60	30-60	30-60
Total Hashish	1,185-1,385	1,185-1,385	1,060-1,260	1,150-1,380	1,150-1,380

General Footnotes

The INCSR production estimates, stated metric tons, show net production or net yield, after eradication, for a five year period. Other reports usually estimate total cultivation in hectares or acres, multiply by a yield factor in kilograms, and then report gross potential or theoretical production. INCSR estimates are stated post eradication but the totals have not been discounted for loss, domestic consumption or seizures; those deductions are shown in country chapters. Invariably, the net amount available for processing into narcotics for exports will be lower, significantly lower in some countries, than the net yield figures shown in these tables.

The data in these tables should be considered estimates, rather than empirical findings. Some data are based upon joint surveys, but other numbers are only preliminary estimates, heavily dependent on variables which are still being tested, and some are assumptions made on experience. Rigid mathematical extrapolation is not encouraged.

Some estimates for 1985, 1986 and 1987 have been changed since the INCSRs were issued for those years, reflecting receipt of additional data on cultivation and yield.

Year-to-year differences in these tables may indicate production trends, but could also reflect changes in methodology, or in the scope and quality of information. Country chapters should be consulted before conclusions are made about the nature of numerical differences.

In previous years, the INCSR has attempted to provide data on the year just completed (1988), the current year (1989), and the year to come. While some country chapters provide estimates for 1990, the bulk of tables and this master summary do not. Projections two years in advance are problematic on many counts, not the least of which is that coca crops may be harvested four to six times a year from bushes that have a life span of 15-25 years, while cannabis and opium poppy are usually harvested just once, but may be planted several times a year. Farmers may decide for any number of reasons, including trafficker pressure and incentives, to plant more than enough to offset the effects of eradication, or simply to increase their plantings greatly from one season to the next because of price differences

with traditional agriculture. There is reason to believe that not all crops reflected in estimates are actually harvested. Thus cultivation numbers can rise in non-linear fashion, and may not indicate a worsening situation in terms of increased exports to the United States.

Production Footnotes

- Heroin. The National Narcotics Intelligence Consumers Committee has not reported a heroin import estimate for 1988.
- Other Opium. Opium poppy cultivation in Lebanon was reported at 27 metric tons in 1987. There is also some illicit opium poppy cultivation in Guatemala, Syria and India, as reflected in the country data tables. The concentration in this table is on opium source countries which are major factors in the U.S. heroin market.
- Cocaine. The NNICC does not have an import estimate for 1988.
- Coca Production. Intelligence analysts have assumed that Andean coca production was increasing 5-10 percent per year since 1980. Recent surveys indicate real variation in the rates of expansion for various countries. Note also that figures show are for coca cultivated in each country; the table does not reflect the amount of coca processed in Colombia from other sources. In addition to the four Andean countries, coca or epadu is known to be cultivated in western Brazil. Nearly 800 tons of leaf was destroyed in 1988, but no gross estimate is available.
- Marijuana. U.S. officials estimate that marijuana production in the United States in 1988 was in a range of 3,000 to 3,500 metric tons, compared to a 3,000 metric ton estimate for 1987. Several thousand tons of cannabis are grown in such countries as Guatemala, Brazil, Paraguay, Venezuela, Pakistan, Thailand, Laos, Cambodia, the Philippines, and numerous African countries. Data on this cultivation is shown in country chapters. The NNICC committee estimates that actual import potential from all of these sources in 1988 was in a range of 3,000 to 4,000 metric tons, the same estimate as in 1987. The

NNICC will report an estimate for marijuana imports later this year.

Country Data Footnotes

- Pakistan. The 1988 INCSR carried a data table footnote expressing the belief of U.S. officials that the 1987 yield, reported at 135-160 metric tons, may have used too low a yield factor and may have given too much emphasis to the effects of poor weather during the harvesting season, and could be an under-estimate. Opium yield studies conducted during 1988 revealed that yields may be 25-30 percent higher than reported, and may have been so for some period of time. The 1987 estimate

has been revised to estimate net production at 190-220 metric tons and this same figure is used for 1988, reflecting a belief by U.S. officials that net yield did not increase to any significant degree from 1987 to 1988. Approximately 205 metric tons were available in each year.

- Colombia. While net cultivation of cannabis increased, the country chapter notes that crops in the traditional northern growing areas have been virtually eliminated, and that the eradication strategy is shifting to these areas where new production is occurring.

Country And Regional Summaries: 1988

Afghanistan, denied certification last year, produced 700-800 metric tons of opium in this past year and remains a principal but politically inaccessible source of opium/heroin for European and U.S. drug markets. Given the current instability in the wake of the Soviet withdrawal, there are no forecasts as to the time and circumstances under which a government in Kabul will attempt to suppress cultivation and refining. The situation is complicated by the resettlement of Afghan refugees who may turn to opium as a cash crop, increasing the likelihood that production may increase.

Argentina is of increasing concern as a refining and transit center for cocaine destined for U.S. and European drug markets, and as a source of precursor chemicals. U.S. officials are encouraged by a much improved enforcement effort in 1988 (seizures and arrests doubled), but worry about the increasing importation of Bolivian paste and the expansion of a network of domestic cocaine laboratories. The country has a high potential for money laundering.

The Bahamas continues to be a major transit country for cocaine and marijuana entering the United States, and is an important money laundering center. Cooperation with U.S. enforcement agencies in 1988 is considered good, with numerous joint undercover as well as regular operations including OPBAT underway. U.S. assisted operations resulted in the seizure of more than 10 metric tons of cocaine and more than 13 metric tons of marijuana. Following the arrest of several important traffickers, the GCOB imposed new and more stringent sentencing; it is also more actively investigating corruption, which continues to be a factor affecting operational effectiveness. The Bahamas signed an agreement in accordance with the Chiles Amendment on February 17, 1989.

Belize is no longer a major source country for cannabis, now producing only 120 metric tons a year thanks to a successful US-assisted aerial eradication program. However, it is becoming an increasingly important transit country for cocaine from South America and marijuana from Guatemala. Law enforcement resources are limited but enforcement capabilities are improving. Money laundering is not a factor.

Bolivia conducted its first significant eradication campaign in 1987-88, exceeding the initial target of 1,800 hectares, but a surge in cultivation spurred by higher leaf prices dwarfed the impact of the voluntary eradication program. Bolivia passed a much-strengthened narcotics law and adopted implementing regulations, and its now-experienced crop control organization has set a target of 5,000 hectares for this year's program, which includes involuntary destruction of seed beds. The enforcement picture brightened: major trafficker Roberto Suarez was jailed; the INM airwing supported a DEA-assisted interdiction effort that sharply increased seizures of cocaine and paste, and the number of base and cocaine labs destroyed. Bolivia is not a major factor in international money laundering.

Brazil is vital in the cocaine trade as a transit country for Andean traffickers, as a producer of precursor chemicals, and as an emerging coca cultivator. Police conducted two major eradication campaigns in 1988, and demolished eight cocaine labs and seized more than a ton of cocaine. Police also destroyed 5,240 metric tons of cannabis. These high levels of enforcement activity, maintained despite budget constraints, will be enhanced by \$5 million in equipment from UNFDAC. Brazil is not a major factor in international money laundering.

Bulgaria is a vital transit country for the illicit drugs smuggled along the Balkan route from Southwest Asia and the Middle East. Traffickers no longer operate openly in Sofia; money laundering is not a factor.

Burma's political turmoil has grounded its large-scale aerial eradication program until an effective government is seated in Rangoon. Traffickers capitalized on diminished enforcement efforts to smuggle large quantities of opium and heroin with little interference. The prospect for 1989 is grim: with highly favorable climatic conditions and the suspension of programs to destroy crops or seize shipments of drugs or precursor chemicals from China, Thailand and India, traffickers may harvest and move as much as 1,400 metric tons of opium to heroin refiners in Southeast Asia. Money laundering is not a factor.

The People's Republic of China does not produce significant amounts of illicit narcotics

but U.S. officials are increasingly concerned about the transshipment of Golden Triangle heroin through southern China to Hong Kong and traffic in precursor chemicals into the Triangle. The Chinese government is responsive to these developments, ironically resulting from its own "openness policy" and is particularly concerned about indications of re-established Triad influence in southern China. A new law controlling precursor chemicals was enacted in December, 1988, as part of a reinvigorated enforcement effort. China sent police officials to the U.S. to give evidence in the "Goldfish" heroin case.

Costa Rica is increasingly important as a cocaine transit country, with estimates that 6-12 metric tons of cocaine are being transported through its territory by air and sea. Authorities remain vigilant to the possibility of labs being established; but no new labs were found in the last two years. Cannabis cultivation appears to be less extensive than previously estimated and the export trade is a minor enterprise. Costa Rica is not a major money laundering center although a highly publicized money laundering trial has focussed attention on the issue.

Colombia deployed its military more extensively in an intensified effort to suppress cocaine refining, and the results were impressive: over 23 metric tons of cocaine seized, more than 800 labs destroyed including 29 major complexes, and about 600,000 gallons of precursor chemicals seized. Colombia has destroyed more than 90 percent of cannabis growing in traditional northern areas, but traffickers have planted extensively in the San Lucas mountains and south in Cauca. Marijuana tonnage increased in 1988 despite an aggressive eradication campaign. Coca cultivation increased above the 1987 level; eradication of 230 hectares was conducted manually. Despite police efforts to harass the Medellin cartel and other trafficking groups, large amounts of cocaine continued to flow to the United States; almost 20 metric tons were seized by U.S. Customs. Overall enforcement remains hampered by a judicial system that has been intimidated by violence. Drug profits flow into and out of Colombia, but money laundering per se is not a major activity.

Cote d'Ivoire continues to suppress marijuana cultivation, which is not a factor on the international market, while trying to cope with a continued flow of heroin, cocaine and mari-

juana transiting Abidjan enroute to Europe and sometimes the United States.

Cuba sits amidst some of the primary drug routes into the United States and aircraft and seacraft are reportedly eluding U.S. agents by entering Cuban territorial waters or airspace. In the past, U.S. officials have accused Cuban officials of involvement, and indictments were returned against four ranking officials in 1982. Cuban authorities have publicly expressed an interest in anti-drug cooperation with the United States, but have not elaborated on what kind of cooperation they envision.

Cyprus is central to the drug trade in the Middle East and especially from Lebanon. Traffickers use Cyprus as a site for brokering deals, and also for exchanges of cash and narcotics. The banking system is not involved in the money exchanges. Cooperation with U.S. agencies is considered good.

The Dominican Republic has become an ideal staging area and refueling stop for traffickers smuggling cocaine into the United States. Some marijuana is also transhipped by traffickers, who are attracted by the island's 63 airstrips. The government ranks the drug problem as a major priority, and in 1988 passed tough new anti-drug legislation which imposes mandatory sentences. The very effective Joint Information Coordination Center, vital to the monitoring of drug traffic through that part of the Caribbean can serve as a model for other countries. Money laundering is not a problem.

Ecuador has fallen below the statutory standard as a coca producing source country, but is a transit point for an estimated 30-50 metric tons of cocaine enroute to the U.S., and also a transit country for large quantities of precursor chemicals. Coca leaf production has dropped to 400 metric tons a year, thanks to a vigorous eradication program. New laws are being proposed to curb trafficking in precursor chemicals; police confiscated 1,600 drums of chemicals which could have been used in the production of 16 metric tons of cocaine. While cooperation with U.S. enforcement authorities remains good, judicial corruption and inefficiency are considered program impediments. Some money laundering occurs but is considered minor.

Egypt is an important consumer of opium, heroin and hashish, supporting production in Asia and the Middle East, and is increasingly important as a transit point for drugs intended for European and U.S. markets. Heroin moves

from both Southwest and Southeast Asia, as well as Lebanon and Syria which are also the principal suppliers of hashish. Egyptian police seized four metric tons of opium and 300 kilograms of heroin in a Suez Canal operation in 1988, among the largest seizures ever made outside of an opium source country. Some money laundering occurs but most profits flow abroad.

Greece is an important transit point due to its location at the commercial crossroads between Europe and the Middle East, its long coastline and sparsely populated islands and extensive merchant marine facilities contribute to its role in the international drug trade. Heroin transits Greece enroute Europe and the United States. Police increased their effectiveness in 1988, particularly in interdicting drugs at the Athens airport.

Guatemala increased in importance to the U.S. drug situation as larger amounts of opium and marijuana were produced during the past year. U.S. officials estimate that as much as 150 kilograms of heroin are smuggled into the United States, probably under control of Mexican traffickers. Guatemala is also important to the cocaine trade, serving as a transit point for narcotics headed for Florida, Louisiana and Texas and for precursor chemicals destined for South America. Guatemala has conducted effective eradication efforts, and cooperates with U.S. officials on a chemical tracking program and interdiction efforts. Money laundering is not a major factor.

Haiti improved its drug interdiction efforts in 1988, despite two coups and four governments. The Avril government improved the climate for cooperation. Seizures increased substantially in 1988, thanks in part to a new Center for Information and Coordination at Port au Prince airport, but the volume of trafficking remains beyond the capability of the narcotics police. U.S. enforcement agencies are concerned that the uncertain situation in Haiti and lack of strong control by the central government has led to the increasing use of Haitian waters and Haitian-registered vessels for the transshipment of cocaine. Although corruption remains a problem, the Avril government did remove from service a number of military officers suspected of involvement. There is little information on money laundering activity.

Honduras is a transshipment point for Colombian cocaine. The key event of 1988 was

the arrest and expulsion of Matta Ballesteros, a major Honduran trafficker with Colombian connections; he is now imprisoned in the U.S. Honduras signed a bilateral anti-narcotics agreement with the United States last November, accenting the cooperation evident in the opening of a permanent DEA office last May and in cooperation on seizures and investigations. While there have not been the dramatic seizures that occurred in 1987, U.S. and Honduran authorities collaborated on a seizure of 453 kilograms last August. There was also cooperation on operations at sea with the U.S. Coast Guard.

Hong Kong is both the financial and money laundering center of the Far East narcotics trade and an important transit center for Golden Triangle heroin destined for Australia, Canada, the U.S. and Europe. Hong Kong police, who made record heroin seizures and arrested a number of key traffickers in 1988, believe that as much as half the heroin seized came overland through China. A high degree of cooperation exists with U.S. officials. Hong Kong is moving forward with legislation enabling the courts to trace, freeze and seize proceeds of drug trafficking, and is considering a U.S. proposed Mutual Legal Assistance Agreement.

India, the world's major producer of licit opium for processing into pharmaceutical, is of increasing concern to U.S. officials as a transit route for Pakistani and Burmese heroin and for precursor chemicals used in manufacturing heroin. In the last two years, concern has grown over diversion from licit production. India continues to reduce licit production in response to a declining market for opium gum. Diversion is estimated at 30 to 60 metric tons, primarily for domestic consumption. India has long had a sophisticated money laundering system which is but one element in a thriving underground economy. To counter narcotics money laundering, the GOI has adopted new asset forfeiture legislation.

Indonesia is a transit site for heroin, opium, hashish and precursor chemicals. Heroin is exported to Australia, New Zealand and Western Europe; the amounts reaching U.S. markets are not considered significant. New interest focuses on Bali; Western Europeans are heavily involved in the increasing traffic from this major resort area, which is augmented by the high number of international flights. Money laundering is not a factor.

Iran was denied certification last year on grounds of non-cooperation. U.S. officials estimate opium production at 200-400 metric tons. While this amount would not satisfy Iran's domestic addict population, opium and heroin are flowing across Iran from Pakistan and Afghanistan, and exported through Turkey and other routes to Western markets.

Jamaica has reduced marijuana production dramatically, from a high of 1,755 metric tons in 1986 to 405 metric tons in 1988. The island is also a transit point for cocaine; traffickers are now paying for services in kind, increasing the amount of cocaine available for Jamaican consumption. Money laundering does not appear to be a major problem, with most drug proceeds being laundered elsewhere. Cooperation with U.S. authorities remains quite good on the vigorous eradication campaign as well as interdiction and investigations. Seizures dropped below 1987 levels, but a number of improvements, including new procedures and expanded training, are in place for 1989 to enhance the enforcement effort. Heavy fines have been levied by U.S. Customs on airlines and shipping firms whose vessels have been used to smuggle narcotics out of Jamaica.

Kenya is of increasing importance as a transit point for Southwest Asian heroin enroute to West Africa, Europe and the United States. Local consumption of heroin is increasing. Small amounts of marijuana are cultivated and consumed locally. New anti-drug legislation should be adopted in 1989. U.S. officials concentrate on raising awareness of these problems with Kenyan officials, and have provided some commodity support, as well as training and technical assistance.

Laos is the only country to date for which the extensive involvement of military and civilian government officials led to accusations that the government is facilitating narcotics trafficking during the corruption review required by Section 2013, P.L. 99-570. The Lao Government has made repeated efforts in the past year to convince U.S. officials of its intention to curb illicit narcotics production and trafficking. However, U.S. officials believe that opium production continues to expand, and could be approaching the 300 metric ton mark, and that heroin refining continues. Laos is exporting heroin and marijuana through Thailand, Vietnam and China. The government has welcomed U.S. consultations

on narcotics and a United Nations narcotics related crop substitution program.

Lebanon, which was given a national interest certification in 1988, continues to be a major narcotics producing and trafficking country, supplying heroin to Europe and the United States, as well as hashish to the Middle East and Western countries. The assessment of Lebanon takes into account the limited control of the central government: Syria controls an estimated 65 percent of the country, including the strategic Bekaa Valley where crops are cultivated and processed and trafficking originates.

Malaysia is an important heroin conversion and transit center, exporting primarily to Europe and Australia. Plagued by drug abuse among its own population and concerned by the dominance of criminal elements in the trade, Malaysia considers drug trafficking a national security problem and has the death penalty for traffickers. A strong domestic enforcement program which drove heroin seizures up by 700 percent seems to have reduced drug availability in 1988, and a new property forfeiture act provides a vital new weapon, but the expected bounty of opium coming from the Golden Triangle in 1989 will put the country's forces to a test.

Mexico expanded the scope of opium and marijuana eradication programs, while taking steps to improve operational efficiency. Cocaine seizures rose sharply. Still, Mexico remained the largest single country source for heroin, the second largest source for marijuana and a leading transit point for cocaine. Newly elected President Carlos Salinas de Gortari has made anti-narcotics programs a national priority for his new government, and the Attorney General's budget for 1989 will exceed \$26 million, up from \$19.5 million in 1987. A strong, positive tone for bilateral relations was set in an early meeting between then President-elect Bush and Mr. Salinas, and the U.S. government, anticipating continued improvements in the program, is prepared to cooperate with Salinas on these enhancements. However, U.S. officials are concerned about the inhibiting effects of corruption throughout the program. U.S. enforcement agencies continue to monitor instances of drug-related corruption within Mexico.

Morocco is a source of cannabis and hashish, primarily for European and African markets, and also a transit point for heroin and

cocaine. Cannabis cultivation is increasing as is domestic consumption. The effect on the U.S. market is considered insignificant. A United Nations funded crop substitution project should begin in 1989.

Nepal is an increasingly used transit point for heroin produced in Pakistan and the Golden Triangle, some of it routed through India and conveyed onward by India traffickers. There is concern that traffic could increase in 1989 with the opening of a new international terminal at the Kathmandu airport. While there is no conclusive evidence of money laundering, there is a thriving market in gold, part of which is believed related to narcotics smuggling.

Nicaragua continues to be mentioned by informants and traffickers as a cocaine transit point. In 1986 there were accusations that top government officials engaged in trafficking. Nicaragua is now cooperating with Costa Rica on drug matters, but not with U.S. enforcement agencies.

Nigeria is a major heroin transit country, a principal link between Southwest Asian producers and consumer markets in Europe and the United States. Cocaine from South America is also smuggled through Nigeria en route to Europe. Improved enforcement at Lagos airport has caused some diversion of heroin to other West African cities, then back to Nigeria through land routes. U.S. officials provide training and technical assistance.

Pakistan opium production remained high in 1988 (205 metric tons), reflecting political instability in growing areas and the continued expansion of the country's domestic addict population. Spurred by awareness of this problem, which may now include a million heroin addicts, Prime Minister Bhutto has publicly committed her government to a strong anti-narcotics program, including strict enforcement of the poppy ban in all areas. Law enforcement agencies maintained high seizure and arrest rates, but have not pursued major traffickers. One major dealer is awaiting trial in Lahore and another may be extradited to the United States. Money laundering is not a major factor.

Panama was denied certification in 1988, following the indictments of General Noriega by two U.S. grand juries on charges of narcotics trafficking. Despite being fired by the lawful President of Panama in 1988, Noriega illegally remains in control of the Panamanian Defense

Forces. Panama continues to be a principal money laundering center for the South American cocaine trade, and a transit site for cocaine and precursor chemical shipments. Noriega's defiance of President Delvalle and continued control of Panama's police forces prevent President Delvalle from effectively implementing his policy of full cooperation with the U.S. While some minimal cooperation continues between the Noriega regime and DEA on a limited number of enforcement matters, cooperation on money laundering has bogged down since Noriega's indictment. President Delvalle's Government continues to allow boarding of Panamanian flag vessels by U.S. narcotics officials. U.S. prohibitions on aid to the Noriega-Solis regime continue.

Paraguay U.S. officials are waiting to see what measures General Rodriguez, the military leader who in February 1989 overthrew former President Stroessner, takes against drugs. Rodriguez in the past has been the subject of numerous allegations of illegal activity, including drug trafficking, which he strongly denies. After years of indifference to narcotics control, Paraguay in 1988 took several significant steps to improve its performance: it signed two narcotics agreements with the United States, including one providing for aerial spraying of marijuana, it adopted tough new legislation on narcotics, and it permitted DEA to open an office in Paraguay. While the GOP authorities made several significant seizures of drugs in 1988, an important measure of the new government's commitment will be its performance in anti-narcotics matters.

Peru conducted a vigorous manual eradication program in 1988 which destroyed more than 5,130 hectares of coca in four months and, for the first time in any Andean country, eliminated more coca than was planted. Peru also continued to test herbicides which could be used aerially against coca. Peru remains the largest cultivator of coca, at more than 115,630 hectares, but is primarily a supplier of paste for Colombian cocaine refiners. Enforcement in the Upper Huallaga Valley, the major growing zone, remains quite hazardous. The United States increased its support for interdiction and enforcement efforts, expanding the INM airwing contingent in Peru to nine helicopters, while also expanding the force of DEA agents who assist the enforcement effort.

The Philippines exports locally grown and Thai marijuana and is also a transit point for

Golden Triangle heroin and South American cocaine smuggled into Guam, Australia, Europe and the United States. Foreigners are still principals in the trade but Filipino groups have also emerged. Filipino police conducted more than 1,000 narcotics raids in 1988, and made important seizures and arrests, but the enforcement effort, which the U.S. assists, is hampered by budget and structural restraints.

Senegal is primarily concerned with an expanding domestic drug problem, but some trafficking in narcotics is occurring, which has prompted increased police action.

Singapore, which is a transshipment point for Southeast Asian heroin, and has high potential for money laundering, cooperates with U.S. officials in monitoring and intercepting international drug traffic. Singapore officials are especially worried about domestic drug use.

Syria is a transit point for illicit narcotics, as well as a heroin refining center. Its military exerts significant influence over Lebanon's Bekaa Valley, allegedly profiting from widespread drug production and trafficking in that area. For these reasons, the U.S. twice denied certification to Syria. However, after a break of more than two years, limited discussions have begun on possible narcotics cooperation, and assistance to Syria on demand reduction/prevention.

Thailand has reduced opium cultivation to about 28 metric tons, but remains significant

as a refiner of heroin and conduit for opium/heroin from other sources in the Golden Triangle. High quality Thai marijuana is exported to the U.S. and other markets and there is also an active trade in precursor chemicals. The Royal Thai Government counters these efforts with a vigorous enforcement program that doubled heroin seizures in 1988, while also seizing increased amounts of opium, morphine and marijuana. Thailand is also an important money flow country.

Turkey Traffickers take advantage of this land bridge between Asian producers and European/US consumers to smuggle heroin and hashish. Some heroin is also refined in Turkey. There are reports of increased heroin/morphine smuggling across the Iranian frontier into Turkey. Authorities dramatically increased seizures in 1988, and successfully targeted several smuggling operations. Turkey produces concentrate of poppy straw, and continues to be very effective in preventing diversion from its licit program.

Venezuela is an important point for the transit of precursor chemicals and cocaine. Marijuana is cultivated along the border with Colombia, apparently by Colombian traffickers; as much as 3,000 metric tons of cannabis may be grown in Venezuela and exported via Colombia.

The Road Ahead: The 1989/90 Agenda

Many lessons about the overall effectiveness of our international narcotics control programs were learned during 1988. More than ever we understand that persistence and flexibility are crucial to the long-term success of eradication and interdiction programs. Eradication success will not be measured in a single growing season or even two; the true measure of effectiveness in eradication is the unwillingness of farmers to replant once their crops have been destroyed. Interdiction success may also be less a function of the number of seizures reported, or laboratories hit than building institutional capabilities within host countries to attack all links in the drug chain.

One of the most important tasks ahead is to gain control of the cocaine situation through an integrated program of demand reduction at home, eradication and interdiction. We are at a crossroads in our cocaine strategy: while waiting for Andean Governments to launch wide scale coca eradication programs, the United States has had the opportunity to participate in enforcement operations which require paramilitary expertise, not traditionally resident in drug enforcement organizations. Should the U.S. continue to commit resources and personnel to operations in the Andean jungles? Are the right agencies being tasked to carry out these missions?

Whatever decisions are made within the next year, one fact remains clear: we will have only limited success in battling cocaine until we forge a comprehensive, multifaceted strategy which recognizes that cocaine is not simply a law enforcement issue but is also a complex foreign policy and economic matter, requiring a long-term approach.

Our international strategy, reported in detail in last year's report, calls for us to explore the possibility of creating a "Superfund" to provide economic incentives to nations cooperating with the United States in narcotics control. We stated that such a fund could contain as much as \$300 million dollars to be granted to cooperative governments in an effort to bolster their legitimate economies and thus compete against the influence of billions of narcodollars. While such a fund may be considered expensive at a time of limited resources, it is a small amount compared to the huge profits generated by the international drug trade. We also need to explore ways to use the

issue of third world debt as a lever in gaining cooperation on drug control issues.

The Omnibus Drug legislation of 1988 suggests several actions in the area of international narcotics control including exploration of a multilateral 'strike force', convening a Western hemispheric summit on drugs and the creation of an international cocaine strategy. The Department of State will review these suggestions during the coming year.

Our focus will not be exclusively on cocaine; INM will continue to support Asian and Mexican opium eradication programs to capitalize on opportunities for containing expansion. We understand that our efforts to reduce the world's supply of opium will be frustrated by a lack of access to some major opium producers. Marijuana eradication will also remain a priority during 1989, and we will continue to urge countries not currently employing herbicides in their campaigns to do so.

During the next year INM intends to support program goals around the world in the following ways:

Latin America and the Caribbean

Mexico must expand and intensify its poppy and cannabis eradication programs, using aerial surveys to compare pre- and post-eradication totals to verify the destruction of crops. An improved Operation Vanguard should be resumed next year. We will continue working with the Government of Mexico on the issue of corruption. Mexico is capable of improving its eradication campaign and could achieve the same successful results as they did in the 1970's; improvements must be made by increasing aircraft utilization rates and alleviating current pilot shortages. Cocaine interdiction efforts could also be improved. Increased funding is requested in the FY 90 budget to cover costs of maintenance support for the Mexican eradication fleet aerial survey efforts.

Bolivia must gain control of coca expansion by ensuring that the recently passed anti-narcotics law is upheld and the involuntary eradication program is vigorously administered. The Government of Bolivia must also intensify interdiction activities to further disrupt cocaine processing and encourage farmers to seek other livelihoods as a result of

shrinking coca markets. Funding in FY 90 will be used for both interdiction and eradication; special emphasis will be placed on infrastructure support to host-government field units.

Peru needs to expand eradication through use of herbicides where appropriate in its anti-coca campaign. By working closely with the international environmental community, Peru can gain significant support for actions which will ameliorate trafficker damage to the environment. Peruvian enforcement operations should also be intensified to interrupt cocaine processing in the field. FY 90 funds will support eradication and interdiction; security for field workers will remain a high priority, necessitating greater protection from all components of the Peruvian Government.

Colombia's judicial system has suffered significant violence at the hands of major trafficking organizations; that nation must address problems in its system and take necessary steps which will enable them to bring traffickers to justice. The continuing expansion of Colombia's coca crop is troubling, and needs to be checked, preferably with an aerial eradication campaign. New marijuana plantations must be destroyed, again through aerial means. In FY 90, program funds will be used to support anti-narcotics police enforcement efforts throughout the country to destroy cocaine processing laboratories, to interdict cocaine and build upon the existing aerial campaign to eliminate cannabis entirely. Funds will also be used to support aerial eradication of coca, should that occur.

Jamaica has kept down marijuana production and should continue to do so through repeated eradication campaigns. The U.S. Government looks forward to working with the government of newly elected Prime Minister Michael Manley, building on recent progress in eradication and enforcement. Trafficking networks must be dismantled and traffickers brought to justice. Jamaica also needs to launch a comprehensive drug prevention program aimed at preventing an increase in cocaine abuse. Aerial eradication is a priority for FY 90, and funds will be used to provide aircraft support for eradication and interdiction, maximizing the efficiency of Jamaica's programs.

The Bahamas should seek ways to undertake more independent interdiction activities, and complement current U.S.-supported operations. OPBAT is working well and the Baha-

mian experience can be valuable to other Caribbean countries plagued by drug trafficking. Drug-related corruption continues to be a major concern. FY 90 funds will continue in support of enforcement operations.

INM's Latin American regional funding will be dedicated to the containment of cocaine and marijuana production and trafficking in the region. By supporting eradication campaigns in Belize and other marijuana production countries, worldwide cannabis supplies will be reduced. FY 90 funds will be used to support eradication and interdiction in Venezuela. Brazil's continuing efforts to eliminate coca and marijuana production and cocaine trafficking will be supported. We will also look carefully at opium production in Guatemala during the next year and will support eradication there. In countries such as Paraguay, Uruguay, Argentina, Chile, Haiti, Honduras, and the Dominican Republic INM will seek ways to support enforcement operations, upgrade the enforcement capabilities of police, and support regional enforcement activities.

Asia and Africa

INM will continue to work with Asian Governments, where possible, to check opium expansion and drug abuse. Central to our program is the use of herbicides to destroy narcotic crops, and Asian governments will be urged to employ them in eradication campaigns.

Continued discussions with Laos, most recently in January, 1989, have identified areas of potential bilateral cooperation. Bilateral programs in training and narcotics crop control are currently in the planning stages.

Further reductions in Thailand's opium crop will be supported, as well as eradication of their marijuana supplies, with FY 90 funding; funds will also be used for interdiction programs to eliminate heroin trafficking.

Funds have temporarily been suspended to Burma; we will continue to watch that political situation closely, waiting for an opportunity to revitalize the opium eradication campaign. If and when assistance flows, FY 90 funds will be provided to continue operations aimed against opium producers and heroin traffickers, supporting ongoing programs to maintain and repair rotary and fixed-wing aircraft previously supplied to the Burma Air Force.

Pakistan's opium crop must be reduced significantly, and we are urging that Government to make use of aerial application of herbicides to do so. Pakistan's new leaders must enforce the opium ban and must redouble efforts to dismantle heroin trafficking networks, destroy laboratories and arrest, try and convict major traffickers. FY 90 funding will support the extension of Pakistan's ban on opium poppy cultivation to the Bajaur and Mohmand regions by introducing improved agricultural crops and by providing alternative sources of income through an integrated rural development plan which includes roads, schools, wells and rural electrification. Funds have also been included in the FY 90 budget for Afghanistan in the event that by late 1990 the political situation might permit negotiation of bilateral crop control efforts.

We will continue to support small-scale enforcement programs in Turkey and in African countries in an effort to reduce heroin supplies coming to the United States.

Global Support

Interregional Aviation Support. During 1989, interregional aviation support will become increasingly important as Latin American governments intensify eradication and enforcement operations. Airwing assets will be used in Colombia and other countries to eradicate marijuana, and in Guatemala for opium and marijuana eradication. In Peru aircraft will continue to transport eradication workers and equipment and will be used in enforcement operations. In Bolivia assets will continue to be used in interdiction activities. In FY 1990, the program will support the overall maintenance, hangaring, and operational costs for 54 Department-owned aircraft used in aerial and manual eradication, interdiction operations, and survey and logistical support activities. The principal focus will continue to be in the source countries of Peru, Bolivia and Colombia, as well as smaller efforts in Jamaica, Guatemala and Belize, in accordance with INM's airwing strategy.

Interregional Training/Demand Reduction. During 1989, INM funds will be used to train foreign officials in a variety of law enforcement techniques. Two foreign journalist workshops, sponsored by Voice of America, are scheduled, and INM money is being used to fund the start up of USIA's International Narcotics Information Network (ININ) which will

provide U.S. Embassies with direct information links to Washington to facilitate the sharing of public information on drug abuse, trends, policies and U.S. and international anti-drug efforts. Public awareness training courses are also scheduled for host country prevention experts. During FY 90, the Department will provide expanded U.S. Drug Enforcement Administration and U.S. Customs Service training for approximately 2,200 foreign officials from 55-60 countries. Increased emphasis will be placed on other Department of State sponsored programs, e.g., maritime interdiction training and narcotic detector dog training.

The Department's centrally-managed public diplomacy and demand reduction program contributes to international narcotics control by mobilizing support for narcotics control policies and programs in key producing and transiting countries. These projects encourage greater political and public awareness of the link between domestic drug abuse, international trends in production and trafficking, and the steps which societies and governments can take to control the drugs. The program also provides technical assistance in the areas of drug abuse prevention, treatment and related research to help countries such as Pakistan, Ecuador and Bolivia deal with their domestic drug abuse problems.

International Organizations. In 1989, the Department of State will support ongoing activities of the United Nations Fund for Drug Abuse Control (UNFDAC), the OAS, ASEAN and the Colombo Plan. The FY 1990 budget will provide expanded funding for the United Nations drug control agencies, including the United Nations Fund for Drug Abuse Control (UNFDAC), the Colombo Plan's efforts for regional narcotics control activities, and other drug programs undertaken under the auspices of other international organizations such as the Organization of American States (OAS) and the Pan American Health Organization (PAHO).

Program Development and Support. Finally the FY 1989-90 budget provides funds for technical and administrative support for the overall international narcotics program which is not otherwise tied to bilateral projects or specific inter-regional activities. This budget provides funding for Washington-based personnel costs, program development and evaluation, special studies and administrative costs of the bureau.

FY 1990
International Narcotics Control Program

Fiscal Summary
(\$ in thousands)

<u>COUNTRY PROGRAM</u>	<u>FY 1988</u> <u>Enacted</u>	<u>FY 1989</u> <u>Estimate</u>	<u>FY 1990</u> <u>Request</u>
<u>LATIN AMERICA</u>			
Bolivia	\$15,000 <u>1/</u>	\$10,000	9,200
Brazil	2,340	200	1,900
Colombia	9,767	10,000	10,000
Ecuador	1,000	1,000	1,400
Jamaica	1,900	1,000	1,900
Mexico	14,500	15,000	15,000
Peru	7,500	10,000	10,000
Venezuela	--	700	1,000
Latin America Regional	<u>7,000</u>	<u>7,000</u> <u>2/</u>	<u>7,000</u>
subtotal	59,007	54,900	57,400
<u>EAST ASIA</u>			
Burma	5,000	3,000	7,500
Thailand	<u>3,935</u>	<u>3,900</u>	<u>3,500</u>
subtotal	8,935	6,900	11,000
<u>SOUTHWEST ASIA</u>			
Pakistan	5,075	5,300	5,700
Turkey	350	350	350
Asia/Africa Regional	<u>369</u>	<u>450</u>	<u>450</u>
subtotal	5,794	6,100	6,500
<u>INTERREGIONAL AVIATION SUPPORT</u>	13,414	22,700	28,000
TOTAL COUNTRY PROGRAMS	87,150	90,600	102,900
<u>INTERNATIONAL ORGANIZATIONS</u>	3,100	1,100	3,100
<u>INTERREGIONAL TRAINING</u> <u>and DEMAND REDUCTION</u>	5,200	6,000	5,500
<u>PROGRAM DEVELOPMENT</u> <u>AND SUPPORT</u>	3,300	3,300	3,500
<u>TOTAL INM PROGRAM</u>	\$98,750	\$101,000	\$115,000

1/ The \$15 million program budget for Bolivia was earmarked by Congress in its FY 1988 Continuing Resolution.

2/ The FY 1989 Foreign Assistance Act earmarked \$7 million program budget for Latin America Regional.

INTERNATIONAL NARCOTICS CONTROL PROGRAM
BY FUNCTIONAL ACTIVITY
(\$000)

	<u>Enacted</u> <u>FY 1988</u>	<u>% of</u> <u>Total</u>	<u>Estimate</u> <u>FY 1989</u>	<u>% of</u> <u>Total</u>	<u>Request</u> <u>FY 1990</u>	<u>% of</u> <u>Total</u>
<u>CROP CONTROL/ERADICATION</u>	\$35,864	36	\$41,763	41	\$47,633	41
<u>ENFORCEMENT ASSISTANCE</u> <u>AND INTERDICTION</u>	41,364	42	37,082	37	42,412	37
<u>INCOME REPLACEMENT/</u> <u>DEVELOPMENT ASSISTANCE</u>	3,000	3	3,000	3	3,300	3
<u>INTERNATIONAL ORGANIZATIONS</u>	3,100	3	1,100	1	3,100	3
<u>INTERNATIONAL DRUG DEMAND</u> <u>REDUCTION</u>	1,525	2	2,925	3	2,825	2
<u>TRAINING</u>	4,550	5	4,500	5	4,500	4
<u>PROGRAM DEVELOPMENT AND</u> <u>SUPPORT</u>	<u>9,347</u>	<u>9</u>	<u>10,630</u>	<u>10</u>	<u>11,230</u>	<u>10</u>
TOTAL PROGRAM	\$98,750	100	\$101,000	100	\$115,000	100