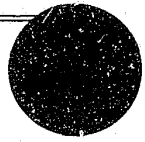


ASIAN HEROIN PRODUCTION AND TRAFFICKING



HEARING BEFORE THE SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL HOUSE OF REPRESENTATIVES

ONE HUNDRED FIRST CONGRESS

FIRST SESSION

AUGUST 1, 1989

Printed for the use of the
Select Committee on Narcotics Abuse and Control

SCNAC-101-1-10

128171



U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1990

25-645

For sale by the Superintendent of Documents, Congressional Sales Office
U.S. Government Printing Office, Washington, DC 20402

SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

(101st Congress)

CHARLES B. RANGEL, New York, *Chairman*

JACK BROOKS, Texas
FORTNEY H. (PETE) STARK, California
JAMES H. SCHEUER, New York
CARDISS COLLINS, Illinois
DANIEL K. AKAKA, Hawaii
FRANK J. GUARINI, New Jersey
DANTE B. FASCELL, Florida
WALTER E. FAUNTROY, District of
Columbia
WILLIAM J. HUGHES, New Jersey
MEL LEVINE, California
SOLOMON P. ORTIZ, Texas
LAWRENCE J. SMITH, Florida
EDOLPHUS "ED" TOWNS, New York
JAMES A. TRAFICANT, Jr., Ohio
KWEISI MFUME, Maryland
JOSEPH E. BRENNAN, Maine
NITA M. LOWEY, New York

LAWRENCE COUGHLIN, Pennsylvania
BENJAMIN A. GILMAN, New York
MICHAEL G. OXLEY, Ohio
STAN PARRIS, Virginia
F. JAMES SENSENBRENNER, Jr.,
Wisconsin
ROBERT K. DORNAN, California
TOM LEWIS, Florida
JAMES M. INHOFE, Oklahoma
WALLY HERGER, California
CHRISTOPHER SHAYS, Connecticut
BILL PAXON, New York
BILL GRANT, Florida

COMMITTEE STAFF

EDWARD H. JURITH, *Staff Director*
ELLIOTT A. BROWN, *Minority Staff Director*

(II)

128171

U.S. Department of Justice
National Institute of Justice

This document has been reproduced exactly as received from the person or organization originating it. Points of view or opinions stated in this document are those of the authors and do not necessarily represent the official position or policies of the National Institute of Justice.

Permission to reproduce this ~~copyrighted~~ material has been granted by
Public Domain

U.S. House of Representatives

to the National Criminal Justice Reference Service (NCJRS).

Further reproduction outside of the NCJRS system requires permission of the ~~copyright~~ owner.

CONTENTS

	Page
Opening statement of:	
Hon. Charles B. Rangel, U.S. Congress.....	1
Hon. Lawrence Coughlin, U.S. Congress	3
Testimony of Melvyn Levitsky, Assistant Secretary of State Bureau of International Narcotics Matters, Department of State	4
Testimony of David L. Westrate, Assistant Administrator for Operations, Drug Enforcement Administration.....	8
Testimony of Thomas H. Reese III, Deputy Assistant Administrator, Bureau for Asia and the Near East, Agency for International Development.....	11
Prepared statement of:	
Hon. Charles B. Rangel.....	39
Hon. Lawrence Coughlin	45
Melvyn Levitsky	47
David L. Westrate	64
Thomas H. Reese III	75
Submissions for the record: Additional material follows	85

ASIAN HEROIN PRODUCTION AND TRAFFICKING

TUESDAY, AUGUST 1, 1989

HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL,
Washington, DC.

The select committee met, pursuant to call, at 9:30 a.m., in room 340, Cannon House Office Building, Hon. Charles N. Rangel (chairman of the select committee) presiding.

Members present: Representatives Charles B. Rangel, Frank J. Guarini, William J. Hughes, Solomon P. Ortiz, James A. Traficant, Nita M. Lowey, Lawrence Coughlin, Benjamin Gilman, Michael Oxley, F. James Sensenbrenner, Tom Lewis, Christopher Shays, Bill Paxon and Bill Grant.

Staff present: Richard Baum, minority professional staff; Jennifer Ann Brophy, staff assistant; Elliott A. Brown, minority staff director; Rebecca L. Hedlund, professional staff; Edward H. Jurith, staff director; Michael J. Kelley, staff counsel; Christina T. Stavros, staff assistant; Robert S. Weiner, press officer; and Melanie T. Young, minority professional staff.

Chairman RANGEL. Good morning, ladies and gentlemen.

Today the Committee will come to order, and we want to welcome this distinguished panel to share with us their views on the production and trafficking of opium and its impact on the heroin available in the States.

We'll hear from DEA Deputy Administrator for Operations, David Westrate; A.I.D. Deputy Assistant Administrator for Asia and the Near East, Thomas Reese.

Of course, we'll welcome for the first time the new Assistant Secretary of State for International Narcotic Matters, and I think his appointment shatters the myth that international narcotic matters is a dumping ground for patronage, because they really went to the top of professionalism in getting someone with your qualifications and experience to take on this challenge. And, recognizing, at least, from some of our perspective, the tremendous amount of pessimism that's involved with this struggle, we want to thank you for risking your reputation in taking on this tremendous responsibility. I'm confident because of what I've heard about you and what you think about that reputation that we will be indebted as you lead this war in the same high standard that this great Nation has always been able to rise to whenever our national security was in jeopardy. I applaud President Bush for providing the leadership that allows people like you to believe that it's truly a war.

I also would like to read a letter that I recently received from the White House, dated July 31. It says: "Dear Congressman

Rangel . . .," it's written by David Q. Bates, Assistant to the President and Secretary to the Cabinet, do you know Mr. Bates?

Secretary LEVITSKY. Yes; I've met him.

Chairman RANGEL. I guess Larry knows Mr. Bates. Do you know Mr. Bates?

Mr. COUGHLIN. I know of him.

Chairman RANGEL. You know, good, all right.

Mr. Bates is Assistant to the President and Secretary to the Cabinet, on July 31st he sent me this note:

Dear Congressman Rangel: I have heard from several members of the Cabinet that you requested their views on federal drug policies and strategies, saying it was not Congress' intention "to hold up the war on drugs and simply wait for the drug coordinator to come up with a strategy." I understand your eagerness to hear the Cabinet's thoughts on these important issues, and I appreciate your longstanding commitment to solving the drug problem. I want to assure you that this Administration has not called a halt to the war on drugs pending completion of the comprehensive review mandated by the Anti-Drug Abuse Act of 1988. Virtually, every department of the federal government is currently involved in efforts to combat this national scourge. In addition, the entire Cabinet, in cooperation with Director Bennett, is engaged in the intense review of where we stand and where we are going. We all know that more has to be done, and on September the 5th you will have the President's view on the national drug control strategy. This strategy will be a comprehensive one, calling for the coordinated policies in all parts of the federal government. When our efforts are complete, in five short weeks, members of this Administration will work closely with you, your committee, and the entire Congress, on implementing this comprehensive national strategy. David Q. Bates.

Well, Mr. Secretary, all I can say is that the Cabinet officials that I've talked with have not felt comfortable in sharing their ongoing effort in this war with me, which is not that important from an individual point of view, nor, have I read in any newspaper accounts of the strategy that Mr. Bennett is going to coordinate. I have not met with—and, I say this not in criticism, but in respect for you assuming this responsibility, that you would clearly know what you are going to have to work with, not just me, and I have not had secret meetings with these secretaries, but I've had them with the ranking member there, so that, there would be no opportunity for anyone to say that we were making these inquiries for the press or for the cameras, they were just off-the-record type meetings.

I can tell you that we have not seen the plan on education and how this is going to get to our children from the Secretary of Education. There's nothing in writing. There are two pamphlets. There's a video brochure, and at some cost schools can get that video.

I've met several times with Secretary Sullivan, and we were informed that in September he will bring on someone to evaluate what treatment programs are out there, most all of which are funded by Federal dollars even though we have no Federal agents.

Secretary of State Baker made it clear to me that he was going to go into agreement with the Soviets on some program, but whatever plan he had for Peru, Bolivia, Columbia, Mexico, we don't know. As a matter of fact, he went on to tell me that even the idea of military assistance, trade agreements, debt restructuring, were in someone else's camp, that these things, of course, are handled by other Cabinet officials.

The military hasn't volunteered, indeed, we found the opposite to be true, how they would share their technology in support of our front line troops that are protecting our borders and our airways, and even Attorney General Thornburg got angry with me because he thought for some reason I was belittling the effort that had been made by the Drug Enforcement Administration, and I had to make it abundantly clear to him that I have been working with the Drug Enforcement Administration and the Federal Bureau of Narcotics and Dangerous Drugs since 1961, and I've yet to see a more dedicated front-line law enforcement group than the Drug Enforcement Agency. It's just that I believe that a national and international effort covering the United States, and countries all over the world, demands more than 2,800 of these dedicated people in a war.

Let me tell you that I will be awaiting Director Bennett, and no matter what the report is, I will be doing all I can to support it, but I just want you to know that it seems like everything starts in the fall, and we'll be here on your team awaiting your direction as to how we can be most effective.

I, for one, don't believe that the Congress should be directing any foreign policy, but it does get a little embarrassing when the President of the United States tells us how Mexico is cooperating in fighting drugs, and enthusiastically certifies them under the existing law.

Let me yield at this time to my friend, Larry Coughlin.

[The statement of Chairman Rangel appears on p. 39.]

Mr. COUGHLIN. Thank you very much, Mr. Chairman. I want to join in welcoming the witnesses today, and also, congratulate Mr. Levitsky on the very fine testimony which I've read that he gave before the House Foreign Affairs Narcotics Task Force. I thought that was outstanding testimony.

I know that the administration has been implementing the policy that was set by the previous administration and this Congress in the Anti-Drug Abuse Acts of 1986 and 1988. I think that serves as a plan and a basis from which you are operating, and I know that this committee or the Congress has not proposed any different master plan to the administration for implementation. The administration is developing its own plan which it will be presenting to us in due course, and I am looking forward to its release.

We have the responsibility here in the Congress as well to come forward with a plan, and to the extent that we have come forward with a plan, I know that you are implementing that and we congratulate you for that.

Certainly, the issue of heroin is, which you are testifying to today, is an increasingly important one. We've even heard of the recent use of heroin combined with crack. It's important as well because heroin is not only a threat to our nation because of the debilitating effects of the drug, but because of its role in spreading AIDS. We look forward today to your testimony on heroin use and congratulate you again for your service to our country.

[The statement of Mr. Coughlin appears on p. 45.]

Chairman RANGEL. Is anyone seeking recognition for the purpose of welcoming our new Assistant Secretary of State?

It's all yours, Mr. Secretary. Welcome on board. You can feel free to speak as you feel most comfortable. Your entire testimony, if there's no objection, will be entered into the record.

TESTIMONY OF MELVYN LEVITSKY, ASSISTANT SECRETARY OF STATE, BUREAU OF INTERNATIONAL NARCOTICS MATTERS, DEPARTMENT OF STATE

Secretary LEVITSKY. Yes, thank you.

Mr. Chairman, Mr. Coughlin, other members of the committee, thank you very much for your words of praise, for your warning about my career. I don't think in my own career, just on a personal basis, that I've ever shirked tough responsibilities. I've worked on Soviet Affairs, I've worked on U.N. Affairs, worked on human rights problems, I've been Ambassador to Bulgaria, all of those presented certain challenges. This one is, I would say, the most direct challenge of all, because it has to do with an issue which is at the heart of our own national purpose.

So, I am dedicated to this. I can assure you that Secretary Baker is dedicated to it as well. He made a very strong statement at my swearing in ceremony, which you witnessed, and with your permission I think it would be good to have that entered in the record as well, since it provides a basis for what I'm about to say.

Chairman RANGEL. Without objection, it was a tribute to you and also indicated the Secretary of State's deep commitment.

Secretary LEVITSKY. Let me also say that I'm looking forward to working with this committee, and I mean working not just in the sense of formal testimony, but in getting your ideas and basing what we do on the experience that all of you have had, which is far greater than my own.

It's an interesting process we have here. I've now been in my position for about 5 days, 6 days I guess, and this is my fourth congressional testimony. I have another one tomorrow. What I want to say about that is not that it's bothersome, but it is a tremendous learning process. You have to study for these things. You have to think about what you are doing. You have to think of what are new ways of approaching the issue, and you gain a lot of experience from the questions and the contact you have with Members of Congress. So, I see this not as a bothersome exercise, but as a real contribution to our overall efforts.

I do have formal testimony, and it's rather long, I don't want to read it. It, I think, is a very good summary of the situation with regard to heroin.

Let me just briefly summarize what we have, and what I thought I would do, perhaps, a little bit differently than sometimes we do in testimony, is step back a little bit from that formal testimony and give you some thoughts that I have about what we are doing and what we should be doing as I began to think about this issue. Keep in mind, I have not been to the area, the main area in Southwest Asia and Southeast Asia. I will do that as quickly as I can, but, in any case, I know something about it and have thought about this a lot in terms of what the possibilities are.

Just to summarize the situation, it's clear we have an explosion of opium growing in the area that we are dealing with in Asia.

Most of it is in areas that we don't have much access to, either we don't have diplomatic relations or we have not very good relations. Some say about 90 percent of the opium that is grown are in such areas, Iran, Afghanistan, Laos, and Burma.

We also have a recent report of NIDA, that indicates that we may be experiencing an upward trend in heroin usage. I have not studied this completely, but it's clear to me that we cannot ignore heroin while we are concentrating on the ravages that crack cocaine does to our society.

Mr. Coughlin mentioned this new trend of mixing heroin and crack together that's appearing in the streets of New York, apparently. We have to be very cognizant of this, so that 3 or 4 years up the line we are not saying, my Lord, why didn't we recognize the trend that was coming, as we had a trend in crack, we have to be careful of heroin as well.

There are also some other developments. It looks as if Southeast Asia has replaced Southwest Asia as a major source for U.S. heroin. That's something that seems to be recent, it's based on some sampling. The samples are not a broad sample, but it seems clear that there is a trend in that direction.

As far as our programs go, we seem to be generally having pretty good luck with Pakistan and Thailand, and in Malaysia and some other countries where we have a decent relationship. The real concern has to do with Burma, Laos, Afghanistan, Iran.

In countries like Laos, we have a real dilemma. There are professed desires to have some cooperation with us, at the same time, a great number of reports indicating real official corruption and involvement in the drug trafficking area.

So, we have to think about this and weigh and balance what our interests are, in terms of how best to approach this problem.

In all countries, I think, if I step back and look at it, there is a kind of mixed picture. Sometimes you have a government that cooperates fully, and, yet, it can't control certain areas of its country. Sometimes you have the same government which is cooperating at a high level, and, yet, down below you have officials who are involved very much in the trafficking itself. We, obviously, have to work on this.

Now, that's just a brief description of what we are dealing with, so, as I said, I thought about this a little bit and tried to summarize in my mind what it is we are doing, what we should be doing, and let me just give you a kind of framework of our objectives and a strategy that I think we ought to be working on.

I divided this into two areas. One has to do with those countries where we have a decent relationship, where we have some possibilities of cooperation and collaboration, and where the aims of those governments, at least at the top, seem to be the same as our's. It's clear that we need to look at each country and focus our attention on where the problem is, and where we can work against the problem, whether it's an eradication, whether it's an interdiction or wrapping up major organizations. We do have to work against cultivation at the source through crop eradication, preferably voluntary if this is possible, but I think involuntary programs, forced eradication has to be part of our approach as well.

We have some good luck in some of the areas in Thailand and in Pakistan, where we have combined our programs, provided some infrastructure development, both through our INM programs and through A.I.D., and where there has been an alternative for people who are growing the opium to move to other endeavors.

We ought to combine this where we can with development programs, whether they are A.I.D., INM programs or U.N. programs, for crop substitution, alternative incomes, education and training programs.

We have to also continue to strengthen institutions that work against illegal narcotics and their flow, and this is very important. If we think about what we've done in the past several years, we really have been involved in institution building all over the world. There are things and ways of approaching this problem that exist today that didn't exist several years ago. Organizations, some of them set up at our request or because of our desire, but they are developing into an institution within the country's concern that can deal with the problem. They all have to be strengthened, they all have to be more effective, they have to root out corruption, but there is something there, and I think that's a positive thing. It's there, we need to work on it to improve it.

We, obviously, have to assist local police very closely with training, equipment and coordination with our own law enforcement agencies to act against the laboratories. We have to focus, it seems to me as I look through this, very carefully and closely on the development of intelligence methods and capabilities. This is particularly important in countries like Thailand, Pakistan, India, Malaysia, and Singapore, where we have a chance, where there are some major centers or distribution points, we have a chance to work in the intelligence arena to help them. Then it comes to implementation, that is, they are working on the basis of intelligence to take action against these organizations.

So, we have to do the same kind of job not only with intelligence, but with the implementation itself, that is, with the police, with border and Customs services, to act against transit of raw and finished product in these transit countries.

We also, and it seems to me we have some experience in Pakistan which I hope is going to be quite positive, we want to see whether we can help develop some expert institutions, very focused, small, compartmentalized, which can concentrate on gathering intelligence and do detailed operational planning. We have the beginning of such a program in Pakistan, an elite antinarcotics force. We are going to work very hard on this. I believe the Pakistan Government is very intent on working on this as well, and I think this can provide a good model for some other countries as well.

We also need, obviously, to work on demand reduction. One of the things that stands out if you look at the figures is that much more so than even cocaine, heroin is not just an American problem, it's created addict populations of large, large numbers in many of the countries that formerly grew opium but didn't have a problem themselves. When you talk about up to a million addicts in countries like Pakistan, India, Iran, you begin to see the dimensions of the problem.

The point is that demand, even if it's not in our country, helps produce a market, helps produce the demand for a greater supply, helps those people who are growing illegal crops, so we need to help reduce demand in other countries as well, and we have some programs to do that. I think we have to make them much more effective than they are now. This is combined with public diplomacy efforts through USIA, through USAID, and through private institutions, it's very important to involve our own private institutions who have good experience in this regard with demand reduction, to try to involve them in this effort as well.

One of the important things I think we have to do is strengthen the coordination of multilateral efforts in antinarcotics work in all these countries, and this has to do both with the countries where we have some relationships and those countries where we don't, even more so in the latter category.

We want to make sure that these programs, whether they are bilateral or multilateral, are meshed and focused, and don't overlap, but are aimed and targeted well. We need to emphasize this continually in our dealings at the U.N., and in multilateral organizations.

We want to work much more intensively, and we're beginning to do this, and we have a good base in our own legislation, work intensively on precursor chemical source countries. We want to try to put as much emphasis as we can on their coming up with systems that have controls built into them. We are doing this in our country, we have some good experience in this, and we need to have a broad international campaign. We are beginning this, and we have some thoughts in this area as well.

So, that has to do with the countries where we have some influence and some general comments. Those countries where we have little influence, we have a much more difficult problem, Mr. Chairman.

One of the things we should do more intelligently and cleverly is to identify other countries around the world which do have access in these countries where we don't, and we want to try to have them use their influence to work with the other countries to apply pressure on the government's concern.

I have in mind, for example, the Japanese. They have some relationships in Southeast Asia, where their influence may be, in fact, beneficial and, perhaps, more than our own. We want to work with the Japanese.

There are some opportunities to work with the Soviets. We are going to have some meetings with them in areas where they can have influence, perhaps, in Laos, in another area of the world, and not necessarily involving heroin, but cocaine, and work on the Cubans as well.

We want to get our European allies to work, and we want to compare notes with them, try to coordinate in countries such as Burma, Laos, Iran, and Afghanistan.

We also want to keep the pressure up internationally through the U.N. General Assembly. Political statements mean something, Mr. Chairman. Sometimes when I worked in U.N. Affairs I got aggravated at the kind of language that came out of the U.N. On the other hand, if we work cleverly and very hard in the U.N. on an issue like this, where there is broad consensus, I think we can

mount pressure even more. We have to create a kind of international ethic that you don't—that you don't grow drugs, you don't transport drugs, you don't process drugs, you don't distribute drugs, and you don't use drugs. If we create this international ethic, this is going to bolster our efforts to work on specific programs. So, we need to do this multilaterally at every important international meeting that we have.

We want to seek to involve, speaking of the U.N., the U.N. Fund for Drug Abuse Control and other U.N. institutions more actively, and, I would add, more effectively, in these countries. We want to strengthen the effectiveness of U.N. programs, as well as the pace of their introduction. This is very important if you look at the way programs are introduced in the U.N. system and become reality. It's a very long timeframe, much longer, as far as I can tell, than our own ability to institute programs. So, we want to try to work on this.

If this can be done, Mr. Chairman, I think we should look to enhance the resources of the U.N. bodies through increased specific contributions from the United States and from other major donors. If they can do the job, and do it properly, and effectively and more quickly than they have, then I certainly would be in favor of increasing our contributions. But, we want to keep a very close tab on the effectiveness of these things.

Finally, I want to say that in those countries where we have access and those countries where we don't have access, we need to make it very clear to everybody concerned that the price for more extensive relations with the United States, the price of a good relationship with the United States, is much more official active policy against narcotics. We cannot tolerate official involvement in trafficking in any country, and countries, to put it simply, that want to be friends with us, had better work against narcotics. That's something that we need to work on in every country in which we have a relationship and where there's a problem. That is something I think that I can commit the Department of State and the government to do today with great confidence.

We need to work with like-minded countries to adopt this same approach.

That concludes my summary, and I'd be glad to answer any questions.

[The testimony of Assistant Secretary Levitsky appears on P. 47.]

Chairman RANGEL. It would be wrong for me to interpret your last remarks as a breakthrough, wouldn't it, so I won't do that to you.

Mr. Westrate.

TESTIMONY OF DAVID WESTRATE, ASSISTANT ADMINISTRATOR FOR OPERATIONS, DRUG ENFORCEMENT ADMINISTRATION

Mr. WESTRATE. Good morning, Mr. Chairman, and Members of the House Select Committee. I'm pleased to appear before you once again.

I would like to thank you for calling this hearing to focus on the issue of heroin. Heroin, of course, has had a major impact on the

illicit drug situation in our country in the past, but it is again becoming more important.

According to a report prepared by NIDA, from 1987 to 1988, emergency room admissions for incidents involving heroin increased substantially in a number of cities. For example, heroin related emergency room admissions are up 49 percent in Minneapolis, 129 percent in St. Louis, and 290 percent in New Orleans.

In 1988, it is estimated that nationwide a total of 46,000 hospital emergency room visits were due to heroin related medical problems.

During 1987, the year in which the most complete data is available, there were over 1,600 heroin related deaths in this country.

As of last month, of the approximately 100,000 AIDS cases diagnosed in the United States, overall, some 27,000 have been IV drug users, many, if not most, of whom have been heroin addicts. It has been predicted that America's cocaine users are likely to start switching to heroin. We are seeing this more and more, and I would point out, not only switching to heroin, but smoking heroin, which is an unusual phenomenon in this country.

Pure heroin is reaching American streets at no change in price, meaning that addicts can get a bigger kick for the same money that they are now spending for their heroin.

Three years ago, Southeast Asian heroin was being sold in New York City at a purity of about 12 percent. It is now available at about 45 percent on a regular basis. Also, black tar heroin on the west coast is being sold at comparative purity ranges.

Purer brands means that the heroin may now be smoked, rather than injected. I would point out that most of the world's heroin users smoke the drug and do not inject it.

One of the latest drugs of choice that we are starting to see in a limited number of cities is the highly addictive combination of crack and heroin that was spoken to this morning. The mixture is considered particularly dangerous, because it combines the intense high of crack with the physical addiction of heroin.

Our signature analysis, based on limited random samplings, shows that of the heroin available in the United States last year, 42 percent was from Southeast Asian sources, 26 percent from Southwest Asian, and 32 percent from Mexico.

The Department of Justice is currently conducting a survey of 25 cities that looks at the incidence of drug use among those arrested for felonies. During a 3 month period last year, for example, the study found that nearly one-fourth of the male arrestees in Chicago tested positive for the use of opiates. Unfortunately, a considerable amount of our energy and resources are currently being devoted to the cocaine problem. Without a doubt, heroin abuse and heroin related crime are serious problems in this country.

I would now like to summarize my statement very briefly that has been submitted for the record.

Over the last several years in Southeast Asia, political turmoil and excellent weather have provided favorable conditions for large increases in narcotics production and trafficking. In 1980, 11 kilograms of Southeast Asian heroin was seized in the United States. By comparison, in 1988, 367 kilograms of Southeast Asian heroin was seized in the United States.

In 1989, we've had one seizure alone of Southeast Asian heroin made by the FBI in New York, which equaled last year's total, in this case, 376 kilos.

You would be interested in the past few days to listen to what's happened around the world on heroin seizures as we know it. This past weekend, 50 kilos were seized by the Malaysian police in two separate seizures; 55 kilos seized at Lagos, Nigeria; 210 kilos seized in a cooperative investigation with the German authorities and the Turkish authorities; 22 kilos just seized yesterday in Madrid, Spain. We are now seeing for the first time some couriers carrying heroin from Colombia into Miami, not many, but a few. Two weeks ago in New York City, 16 kilos of Southeast Asian heroin were seized.

Heroin refining activity, at the Burma/Thailand border, is expected to increase due to the abundance of opium and the lack of enforcement operations, which had some significant success in previous years. Heroin trafficking activity has also increased at the Burma/India and Burma/China borders, as a result of increased heroin production combined with less enforcement operations in those areas.

Thailand continues to maintain crop eradication and a narcotics law enforcement program. Cooperation with the United States counterparts remains fairly satisfactory in Thailand.

Of concern are agreements between Burma and Thailand regarding transportation of timber products between the two countries that could provide an ideal means of moving narcotics across the Burma/Thai border.

Opium production in Laos has been steadily increasing since 1984, and indications are that this trend will continue. Intelligence and seizures indicate that large amount of Lao-refined heroin are reaching international consumers.

Again a new trend, in January 1988, DEA seized 35 kilos of suspected Lao refined heroin No. 4 in New York City. In March 1988 in San Diego, an estimated 56.3 kilos of Lao prepared opium was seized, concealed in parcels.

Opium cultivation in Pakistan has continued in more remote tribal areas of the North-West Frontier Province, where that central government exercises little control. This resulted in an estimated opium production of 205 metric tons last year.

Intelligence indicates that more than 100 clandestine heroin laboratories are active in the North-West Frontier Province. Most are situated in the Khyber Agency, which borders Afghanistan.

Last year, the government of Pakistan increased its seizures of heroin by 30 percent, from 800 kilos to 1,100 kilos. Also last year, Tariq Butt, a major heroin dealer, was arrested in Lahore and is currently in prison awaiting trial. Another major drug figure, Malik Saleem, was arrested by the government of Pakistan authorities in late 1988 under the request for extradition from the United States. He is currently awaiting trial in Miami, FL.

Officials of the government of India have expressed concern about India's role as a transit country for narcotics produced in neighboring countries, particularly, Pakistan and Afghanistan. Unofficial estimates are that 30 to 40 metric tons of heroin transit India from Pakistan each year. In addition, there has been an increase in the flow of Southeast Asian heroin from Burma into

northeastern India and Bangladesh. The government of India is aware of this situation, and recently added 500 narcotics enforcement officials along the India/Burma border. We are also concerned about the diversion of the illicit opium crop in India.

Afghanistan has been a denied area for DEA personnel since the 1979 Soviet invasion, and reliable information is, at best, difficult to obtain. We do know, however, that Afghanistan continues to be a major producer of opium and hashish, with the 1988 opium estimate ranging from 700 to 800 metric tons. DEA suspects that continual reduction in hostilities in Afghanistan will most probably result in an increase in opium production and heroin conversion activity.

Iran is also a denied area, and most of DEA's information is based on media reporting, which indicates that several initiatives targeting illicit drug activities have been taken. In January 1989, stringent antinarcotics legislation went into effect. Also, enforcement measures have been increased along Iran's borders. Record seizures and arrests have allegedly been made, and it has been reported that more than 400 drug traffickers have been executed this year in Iran.

Mr. Chairman, this is a very, very brief overview of the wide geographic areas under consideration this morning. I would be pleased to participate in any questions that you may have.

Thank you.

[The testimony of Mr. Westrate appears on p. 64.]

Chairman RANGEL. Mr. Reese, Deputy Assistant Administrator for the Bureau of Asia and the Near East, the A.I.D., and your entire testimony, without objection, will be in the record, and whatever light you can view on this heroin situation, we'd deeply appreciate it.

TESTIMONY OF THOMAS H. REESE III, DEPUTY ASSISTANT ADMINISTRATOR, BUREAU FOR ASIA AND THE NEAR EAST, AGENCY FOR INTERNATIONAL DEVELOPMENT

Mr. REESE. Thank you, Mr. Chairman. I do have a statement which is for the record, and a summary which I'd like to read.

I'm representing A.I.D., the Asia Near East Bureau, and we do have a three-point program, and I'll give you some examples. We have bilateral programs. Mr. Levitsky has noted the program in Pakistan, Thailand, and also we've had a pilot project in Afghanistan. We have a Regional Narcotics Education Project that the Bureau funds for workshops as well as bilateral training, technical assistance and direct program grants. We also take advantage of A.I.D. centrally funded activities for surveys and knowledge, attitude and practices studies on narcotics use and its impact on these societies.

A.I.D. is actively engaged in narcotics control programs in a number of Asian countries. These programs fall into two general categories: one, opium crop reduction replacement and area development; two, drug awareness. Activities are developed and carried out with extensive host country involvement and coordinated closely with other U.S. mission narcotics agencies and programs.

Pakistan and Thailand are the priority countries for A.I.D. narcotics assistance in Asia. However, the nature and extent of the narcotics problem in each has changed in recent years.

Moderately successful crop substitution area development efforts in each country are being offset by expanded opium and heroin output from Afghanistan, Burma and Laos, which are not under effective local government control. Much of this output transits Pakistan and Thailand. In Pakistan itself, opium production in 1989 is estimated at being down slightly from the 1988 level of 205 metric tons, considerably less than the 750 metric tons produced in 1979.

In Pakistan, spiraling heroin addiction, now estimated at 1 million persons, has become a critical problem, with the result that Pakistan is now a net importer of opium and heroin to meet its local demand.

Narcotics control is a top priority of the recently elected Bhutto government, and some positive measures have already been taken. A.I.D. is giving the Pakistan narcotics problem priority attention. Ongoing crop substitution area development programs in the Northwest Frontier and areas bordering Afghanistan are being extended and expanded to new sites.

Bilateral funds are also supporting establishment of a Drug Abuse Prevention Resource Center under Pakistan's Narcotics Control Board.

Likewise, Thailand has become a narcotics consuming nation, with internal demand exceeding local production, which is estimated in 1988 at 35 metric tons. Thailand's addict population numbers 500,000, and increasing cases of the AIDs virus, most notably among heroin I.V. users, is causing great concern among Thai health officials.

With the recent completion of the A.I.D. Mae Chaem Watershed Development Project, Thailand primarily will receive technical assistance and program support for narcotics education and awareness efforts under the centrally funded and administered Regional Narcotics Education Project. Two other A.I.D. centrally funded health programs are also active. One is carrying out a national survey to assess local attitudes and practices relating to the spread of AIDs, including IV drug use, the other is conducting street ethnographic studies and outreach training directed towards those involved in drug abuse.

Afghanistan, already a major opium producer, is of increasing concern as thousands of refugees presently in Pakistan and elsewhere prepare to return to their homeland. With few income-generating opportunities awaiting them in Afghanistan, it is anticipated that many refugees may resort to opium cultivation, thus raising that country's 700 to 800 metric ton annual output, and having serious implications for consuming countries.

To prevent a significant growth in Afghan opium production, A.I.D. funded a modest opium crop replacement activity in 1988. We are currently evaluating that activity and planning a follow-on project in fiscal year 1990.

Besides bilateral area development and awareness programs, as I noted, ANE is implementing a 3-year, \$3 million Regional Narcotics Education Program that is active in Pakistan, Thailand, Sri Lanka, and several other countries throughout South and South-

east Asia. This project is directed towards strengthening local programs and institutions working in drug prevention.

In conclusion, while some success has been attained in our Asian Narcotics Control Program, A.I.D. is prepared to support narcotics initiatives in close cooperation with affected host countries, other donors, and, of course, U.S. agencies.

Thank you, Mr. Chairman.

Chairman RANGEL. Thank you.

[The testimony of Mr. Reese appears on p. 75.]

Chairman RANGEL. Again, the members have come in since you've testified, Mr. Levitsky, but I might want to take this opportunity to introduce our team to you. Naturally, you know you come with the support of the House leadership, Republicans and Democrats, as well as the committees that have legislative jurisdiction. But, you should know that—you should feel very comfortable in calling upon this, your team, individually or collectively, if, indeed, there's matters before the standing committees that we are on, that we are very anxious to be of whatever assistance we can to you.

Mr. Sensenbrenner, he serves on the Judiciary Committee, as well as Science and Technology; Mr. Paxon, who serves on the Veteran's Committee, as well as Banking; Mr. Shays, who recently has enjoyed quite a bit of television exposure recently, obviously, serves on Governments Opts, and Science and Technology and I hope he never has to do to State what he has been to do effectively to HUD; Mr. Oxley, a senior member of this Committee, who served with the Federal Bureau of Investigation as a senior member on the Energy and Commerce Committee; Mr. Grant, who serves on Public Works and the Agriculture Committee, and has strong ties in both the Democratic and Republican Party; Tom Lewis, a senior member of this Committee from Florida, and certainly one that is very, very sensitive to the problem, he's from the Agriculture Committee and Science and Technology; Mr. Coughlin, really is a proud conservative member of the Appropriations Committee, but has shared with me a meeting that he and other members had with our Ambassador from Colombia, and I think he's prepared to recommend an expenditure of some money there, which is a breakthrough on this side; Frank Guarini, who not only serves on the Ways and Means Committee and is a senior member of this Committee, but is also on the Trade Committee; Mr. Traficant is a former Sheriff, I think he remains active, and he's on the Public Works Committee, as well as Science and Technology; Ms. Lowey, no one, I think, has worked harder to get on this Committee and was successful as a new member of Congress, serves on the Education Labor Committee, as well as Merchant Marines; Mr. Gilman is an institution by himself, he serves as the Ranking Minority on the Post Office Committee, and I think that's important, I think, but more importantly, he's an active member, former Ranking member here on the Foreign Affairs Committee, and very involved in the eradication programs, as well as all of the economic assistance programs; Mr. Ortiz, another former Sheriff, serves on the Armed Services Committee and Merchant Marines; and, of course, you know Bill Hughes, who is the Chairman of the Crime Committee, and his Chairman of Judiciary, Chairman Brooks, has allowed him

to assume all of the responsibility as it relates to justice and law enforcement.

Mr. SENSENBRENNER. Would the Chairman yield?

Chairman RANGEL. Yes.

Mr. SENSENBRENNER. After your picking on the poor gentleman from Florida and his ties with both the Democratic and Republican Party, looking through the Congressional Directory I've noticed that you've run with Republican designation a couple of times, and that your ties are just as strong.

Chairman RANGEL. May the record—

Mr. GUARINI. That's only as an insurance policy.

Chairman RANGEL [continuing]. I would like to set the record straight, that the Republican Party, as most all parties in my congressional district, have seen fit to endorse my candidacy since 1966, and it just shows that there are breakthroughs and political enlightenment, you know, in my area.

Secretary LEVITSKY. Well, it also shows how open minded we are, Mr. Chairman.

Chairman RANGEL. Well, I agree with that, at least in my case it proves to be true.

The reason I did this, Mr. Secretary, is to let you know that when the leadership set up this Committee, it was because the standing committees really had the jurisdiction, and they had hoped that we could be of some assistance in having one policy.

It is my hope that somewhere along the line, perhaps, after Mr. Bennett comes together, that we might get the feel that when we are dealing with a country that you deal with that country the same way this country has to deal with the problem. Unfortunately, when we've had the opportunity to visit countries, we've had meetings, hearings scheduled for Mexico, but in view of your statement that countries, friends and foes, have to know that this is a priority, we will await and see whether or not it would make sense for us to have these hearings in Mexico. We will talk with you before we move forward with it, but it is hoped that if we were dealing with immigration problems, and DEA problems, that we would not have to go and just talk with the Attorney General. If we were dealing with military problems, that we'd just have to wait for the Secretary of Defense debt restructuring, that we have to go to the Secretary of Treasury, or at least when you are talking with a country it would help us if we thought that all of these people were supporting our effort as you represent as the best interest of the United States in those countries.

We have not seen that, and it would be helpful. We don't know whether Mr. Bennett is going to be in the Cabinet or not, and I don't even know whether you consider it to be a part of our foreign policy. Let's just take Mexico as an example. If you were there to deal with trying to help the Mexican farmer in trying to get substitute crops, in trying to get eradication, do you believe, Mr. Secretary, that the questions of debt restructuring, and immigration, and trade, and economic assistance all would be on your agenda?

Secretary LEVITSKY. Well, let me put it this way. I consider the work that I and my Bureau do in the State Department to be kind of the conscience of the antidrug fight. That is, the way foreign policy operates is, you have a lot of different interests, and they

come together. And, just like this country, you don't get anything unless you work hard for it. You have to get things on the top of the agenda. I think we have good commitment there.

So, when I go to talk—as I'm going to, in fact, next week with Secretary Baker, to talk with the Mexican Government about the drug problem, I will carry, and the Secretary certainly will carry, as a strong agenda on drugs. All the other issues, debt restructuring, where there is some movement on at this point, immigration, all the other issues, provide, as far as I'm concerned, on the drug discussion, a background with drugs highlighted up front. Probably when we are talking about debt, the same thing is considered to be the case.

The point is that it's a priority. The Mexicans know that. We need to keep them aware of that, keep emphasizing it, we need to work specifically on the programs. We spend some money, about \$15 million just out of our budget alone in Mexico, we need to make sure it's effective.

I think there's good prospect, based on what I've seen, on the attitude within the Mexican Government to move forward even more effectively and more vigorously with them. For example, just one area, in looking through the Mexican program I've been somewhat concerned about our ability to verify what's done in their eradication program and other areas, and I think we are coming to—we'll be able to come to a good agreement with them to satisfy ourselves, and they ought to want to satisfy us in that sense.

There is no percentage in their keeping these things hidden.

Chairman RANGEL. I guess, Mr. Secretary—

Secretary LEVITSKY. We need to go forward—well, all I wanted to say is that, as far as drugs are concerned, there is no doubt when you talk about certain countries, Mexico being one example, that it is the priority. You can't avoid it. Nobody wants to avoid it, and you have to work on it, and you have to show some results.

Chairman RANGEL [continuing]. I guess what I'm asking, when we send an ambassador to these countries, they cannot avoid the questions of debt, the questions of trade, the questions of military assistance, economic, they can't avoid it, they are stuck there, and when that host country has a problem our ambassador is stuck with it.

I'm just asking, and I really don't know, because, one, you are a professional foreign service official, so it could very well be that as Assistant Secretary of State it may not just be your job, but I'm just wondering, when you talk with these people about eradication and A.I.D. projects, do you feel that it's on your agenda to talk with them about debt restructure, and if that's in the process? I mean, is it in your shop, as an Assistant Secretary of State, to talk about what is going on, assuming you know in trade, what is going on with immigration.

You know, when Eliot Abrams was in charge of whatever he was in charge of, he had an agenda that he could talk about anything, national defense, bombing, anything, drugs, overt, covert. I mean, he had a mandate to do whatever the President or Secretary of State told him to do in that area. Where his counterpart, your predecessor, had a very, very narrow agenda.

Now, I certainly would not want to see your's broadened to the extent that Eliot Abrams had, but I do wonder whether or not it is possible, in talking with these countries that are receiving different types of assistance that we're cooperating, that without threatening them, that you can make it clear, it's one country, with one policy, and just several different secretaries operating it, but that that was on your agenda. I don't know whether it's possible.

Secretary LEVITSKY. Well, this is a—let me approach it from a little bit different angle. One of the jobs that we have is to—we have assistant secretaries for regions, and they encompass a number of issues. One of the jobs we have in the State Department is to make sure that we work, as I do very closely with Bernie Aronson for example now, I just had a meeting with him yesterday about these problems, that it's on their agenda, because they have much more contact on a daily basis, as does our ambassador. The person who talks to the Mexican Government, or any government, most any official in government is our Ambassador there.

Now, the Ambassador is not the State Department representative. The Ambassador is the representative of the President of the United States. He can talk about anything. What we need to ensure is that in every instance that issue is on his agenda, and he has the broad purview.

Now, that doesn't mean I can't talk, when I go out, I would be a little reluctant to talk about debt since I can't seem to restructure my own sometimes, but technical subjects I would be somewhat reluctant to discuss. On the other hand, there isn't any reason, once it's set government policy, on, for example, the A.I.D. issue, where we have programs, or where we are talking about alternative incomes in South America, of course I'm going to talk about these things, and they are going to talk to me about it. What I don't want to have happen is for them, foreign officials, to say, but we can't do this because you have to come up with this program first, or this amount of aid. So, I have to talk about it.

On the other hand, I have to be pretty single minded, I think, on the drug issue, in terms of my responsibility. I don't want to go off and make promises that can't be kept and undermine a program. So, I'm going to focus on it, but I think as an overall government policy we have to make sure that these things take place.

Again, I say, primary responsibility is our Ambassador in that particular country.

Chairman RANGEL. Well, maybe then, Mr. Bennett would be able to carry the full agenda when he's dealing with these individual countries, and I appreciate the fact that the ambassador has broad latitude, but you should know that many of the members of this committee have had very disappointing experiences in trying to get drugs, which is an unpleasant subject to talk about, to get a priority on our Ambassador's agenda.

Secretary LEVITSKY. Well, I consider that to be specifically my job in the State Department. I see every Ambassador before they go out, I see them when they come back, and, you are right, it has to be emphasized, no doubt.

Chairman RANGEL. Okay. We'll work together.

Just one question, Mr. Westrate. How many countries do you have placed Drug Enforcement agents?

Mr. WESTRATE. We currently have personnel in 46 countries around the world, 10 percent of our work force.

Chairman RANGEL. What is the total number of your agents, men and women?

Mr. WESTRATE. The agent staff is about 300, total staff is, roughly, 600, or about 10 percent of our work force.

Chairman RANGEL. What's the total number of Drug Enforcement agents that you have, total number, in the United States and serving abroad?

Mr. WESTRATE. About 2,800, 2,900.

Chairman RANGEL. What percentage of the drug arrests would you—in the United States, would you say are Federal, and what percentage would you believe are local and State, roughly, an estimate?

Mr. WESTRATE. Last year, DEA arrested about 24,000 people, and I would say, I'm guessing, but it's probably 10 percent of the total. The State and local arrest figures are much more—much higher than that.

Chairman RANGEL. So, it's fair to say that it relates to law enforcement in the war against drugs, 90 percent of that is conducted by local and State law enforcement.

Mr. WESTRATE. Clearly, that's just reflected in raw arrest statistics, that's true.

Chairman RANGEL. You would agree with me that in the last 9 years, the Federal Government and the Attorney General has opposed any Federal assistance to local law enforcement officials, the prior administration, I should say.

Mr. WESTRATE. No. I wouldn't—I don't think the answer is that simple, Mr. Chairman. There's been some opposition to certain grant programs, but, on the other hand, we are operating presently 57 formal and provisional State and local task forces.

Chairman RANGEL. Now, let me try to make it as clear and as simple as possible. As relates to congressional authorization and appropriations of taxpayers' money to go to local and State law enforcement officials in the last administration, I said that they were violently opposed to one red cent going to the 90 percent of the law enforcement officials that are local and State in the war against drugs. Now, do you say that that is wrong, or an exaggeration?

Mr. WESTRATE. No. I'm saying that there was some opposition within the Department of Justice to—

Chairman RANGEL. I'm talking about the Attorney General Meese.

Mr. WESTRATE [continuing]. Yes, to grant programs, the giving away of money.

Chairman RANGEL. We call that authorization and appropriation, we don't call it "giving away," but I'll accept your language, you know.

Mr. WESTRATE. Well, as you know, some of that, of course, has been approved and is ongoing now, but I would like to point out, there are many other ways in which we support State and local—

Chairman RANGEL. I'm not arguing that, Mr. Westrate, but what you are saying in your way is that I'm 100 percent correct, right?

Mr. WESTRATE. As to that limited question, yes.

Chairman RANGEL. Thank you.

Mr. Lewis.

Mr. LEWIS. Thank you, Mr. Chairman.

Mr. Levitsky, I go through the summaries of all three statements, and it's very interesting, in line with what the chairman was asking, that it seems that all of these countries is business as usual. All of the statements from all three of you gentlemen are, essentially, the same.

If I read the statements from 2 years ago, they'd be the same, approximately, 2 years before that? I just wonder if the State Department really is looking, as the chairman points out, to trying in some way to make a determination with out activities with them in any programs that we have to, either they get out of the drug business, or we get out of there. Is there any way that the State Department looks at this, from your viewpoint, to come down hard on this issue, rather than continue to be milque toast about it?

Secretary LEVITSKY. Well, it depends what kind, if we're talking about countries where we have a relationship, obviously, where we have—

Mr. LEWIS. Well, obviously, we have relationships with these countries.

Secretary LEVITSKY. There is always the question of how hard you should be when you have a certain area where there is some cooperation going forward.

My feeling about this, and I believe this will be the approach, is that in a country where you have a good relationship overall, Thailand, let's say, but there's a significant amount of very bad activity going on, you ought to be very straightforward with the Thai and say, this bothers us, this concerns us, we want to work on it, here are some ideas, tell us your ideas, let's work together on this problem, but make it very clear that that's an important area of the relationship. Or Pakistan.

So, I don't think there's any need to mince words. If you are talking about breaking off a relationship at some point, I don't think there's a situation at this point where that should be considered.

We have the situation in Laos, Mr. Lewis, for example, where we have a very mixed picture. On the one hand, we know that there are officials of that government that are involved in drug trafficking. Maybe this is not official government policy, but we know, there are reports. At the same time, the Laotians are saying to us, we want to cooperate on drugs, we would like to do this, they've sent officials to certain meetings, they seem to be aware that, perhaps, even that their image is suffering.

So, the question is what you do. You have to draw the balance. I think their record overall is not a good one. They are saying things, maybe there is some opportunities. I suppose the way to look at it is, it's worth exploring to see if we can get our foot in and begin to have some more influence, as you said, and get them out of the drug business.

But, it's always a very sensitive, difficult kind of thing to do, and it isn't an either/or in most cases, is the point I'm making. But, I agree with you, we need to be straightforward and tough on this issue. It's very important those countries have no—that there is no

indecision on their part that we are going to be tough and strong, and I think that's the proper approach.

Mr. LEWIS. Well, as you use Thailand as an example, and you say the leaders of Thailand, that some of them are corrupt or what have you, they are a net importer, taking care of a half a million addicts, that's a statement from Mr. Reese, and Mr. Levitsky says that opium production in Thailand has increased, Thailand continues an eradication program, according to Mr. Westrate, and they have a lot of seizures there, but this just seems to continue. I don't know why we just don't take off the gloves when we are dealing with these countries.

Maybe I got the wrong idea, but I do have a message that you can take back to the Secretary of State that he can give to the President, there appears to be some willingness on the part of the Syrians to participate in international narcotics control, and I'm not sure that there's any crack down in our labs in the Bekkah Valley or what have you, but this would be an excellent target for the Coral Sea Planes, and we might help them eradicate some of that stuff over there, and you might give that to the President. That would give him an—if you have a war on drugs, this is an excellent time to use that.

That may sound a little cynical in a way, but that's—
Secretary LEVITSKY. No, no—

Mr. LEWIS [continuing]. Just the way I feel.

Secretary LEVITSKY [continuing]. No, I take it seriously.

Mr. LEWIS. I just don't think that we take strong enough steps that we have to, to make these people understand we are not going to mess around with it any more.

Secretary LEVITSKY. I agree with you, and when you mentioned Syria, this is the same kind of issue. The Syrians are saying they want to cooperate, they are sending people to meetings.

Mr. LEWIS. How the hell can you believe those people, Mr. Secretary?

Secretary LEVITSKY. Well, wait, I wanted to get to—but, my main point is this, the main issue with Syria is the idea, is the fact that they control the Bekkah Valley, they control all the roads. As far as I'm concerned, that's the main issue with them, actions not words. I agree with you completely on this. There is a lot of opium and other things grown in the Bekkah Valley. It's coming out of there, and I believe, and I believe our report says this, that the Syrians could control it. It's as simple as that.

So, these other things, the professions of willingness to cooperate are fine, it's nice to hear, we'd like to see some more action on their part, and that's our objective. I agree with you.

Mr. LEWIS. Okay.

I have one further question on Pakistan, and you mentioned that, we have an opportunity there, I would think, to work with Ms. Bhutto. We're in the process of working agreements with them on arms, and several other areas of economic aid. Has the drug problem been discussed with her—

Secretary LEVITSKY. Absolutely.

Mr. LEWIS [continuing]. As part of the deal?

Secretary LEVITSKY. Absolutely.

Mr. LEWIS. What kind of monitoring system are we going to have if they start slipping off, or they don't improve, that we cut off aid?

Secretary LEVITSKY. Well, we have to make sure that we have a very good monitoring system. We are very much involved. We have a Narcotics Assistance Unit there, A.I.D. is involved in this program as well.

Our Ambassador, I can tell you, and I've spoken with him, and, I might add, his wife, are very closely involved and closely interested in this issue.

When Ms. Bhutto was here, we set up a beginning program, one that I think has some great promise of helping them with some seed money for an elite narcotics unit. This is the kind of thing they need there to develop information on the big traffickers.

In all these countries, you have pretty good statistics on picking up some of the smaller fish. We need to get at the big traffickers, and I think the Pakistanis are very serious about this. We want to take advantage of any country in the world that is serious and where there is a big problem.

So, the issue is on the agenda, it's very high up on the agenda. It's discussed all the time, and I think it has some very—it has a very promising outlook to it. We are going to work hard on it.

Mr. LEWIS. Thank you, Mr. Secretary.

Mr. HUGHES. Will the gentleman yield to me for just a second?

Mr. LEWIS. Certainly.

Mr. HUGHES. I just don't want the time to pass, to just say that I think that we enjoy great cooperation with the Thais, and while there is some corruption in some of the border provinces, much of the problem in Thailand is because of the spillover from what's happened in Burma, and the Thai National Police, and, particularly, their narcotics police, have done an excellent job. They have a special cadre that probably provides as much cooperation with our country and our law enforcement people as any place around the world.

So, the Thais have done overall a very good job.

Secretary LEVITSKY. As I said before, we have a good straightforward conversation with them, because there are problems that exist, they exist in every country, even where we have very cooperative—

Mr. HUGHES. Including our own country.

Secretary LEVITSKY. Perhaps, Mr. Westrate would like to talk about the cooperation with the Thai.

Mr. LEWIS. Well, I agree with the gentleman to an extent, but I was using Thailand, it was first on the list, but if you go down these list of summaries, the gentleman from New Jersey will see they are essentially the same thing that you've been reading for years. So, I'm not satisfied.

Mr. HUGHES. If the gentleman will yield just further.

Mr. LEWIS. Well, my time is up, but I would yield to you.

Mr. HUGHES. We do a lot of things with the Thais that if we did in other countries, by way of law enforcement cooperation, and if we had as intricate a process in the ports of entry as we do in Thailand with other countries, and if other countries did as good a job in chemical free zones as the Thais did, we'd have less problems around the world.

But, that doesn't mean there's not room for improvement. There always is. There's room in our own country for improvement. We don't even have a chemical tracking program in our own country, and we ask other countries to provide that. We are now putting it in place.

But, the Thais have overall done a pretty good job.

Chairman RANGEL. Mr. Traficant.

Mr. TRAFICANT. Mr. Chairman, I want to commend you for having this hearing. I think we're seeing a cycle from the late 1960s, early 1970s, as starting to return, and the number one real threat is heroin. A lot of these cocaine users who begin a mode of administration of intravenous, usually graduate, and with the purity of heroin, America will experience a much dreaded return to a culture that is very un-American.

But, I'm a little befuddled as a former Sheriff, I wanted to first make the point that 90 percent of drug enforcement is at the State and local level, but nearly all of international drug smuggling, importing, trafficking, is at the Federal level, and I don't think we're doing enough, and I'm in a very small minority. The question is the constitutionality of the death penalty for major drug king pins who smuggle large amounts of—bulk amounts of heroin into our country, and that has, basically, been a moot point, I'll admit that.

But, as a former Sheriff, one of the problems of drug enforcement, there is no coordination and cooperation. Who is in charge of America's drug enforcement? Who is the boss? Who do people report to? Who sets the schedules, the agenda, sets priorities, sets strategy? Mr. Westrate, who?

Mr. WESTRATE. I have to say that as of this year the Drug Czar, Mr. Bennett, is the person who is supposed to do that, and, as you know, his office is structured with two halves, supply side and demand side, and, also, an important associate position for State and local liaison. So, I think the mechanism is in place to improve those areas that need improvement.

In the meantime, I think there is an awful lot of coordination ongoing out there in the law enforcement arena, and has been for many years. Speaking only for my own organization, I mentioned 57 task forces around the country. We are not in every city, but 57 is substantial. The Joint Task Force in New York, New York State Police, New York City Police and DEA, is 20 years old. The Joint Intelligence Unit in New York is 18 years old, and there's other examples.

Now, it's true that not every geographic area enjoys this, but, again, it's a resource question in many respects.

Chairman RANGEL. If the gentleman would yield just for one moment. Now, he asked who was in charge of national strategy, and I agree with you, it's Mr. Bennett, but prior to Mr. Bennett, who was in charge of this national strategy?

Mr. WESTRATE. Well, I think, clearly, before that it was the Policy Board chaired by the Attorney General, and—

Chairman RANGEL. Mr. Meese.

Mr. WESTRATE. Yes, that was in place for several years, and before that there had been a number of mechanisms over the years going back ten years, 15 years.

Chairman RANGEL. No, no. I think the answer is that prior to Mr. Bennett, Ed Meese was in charge of the national and international strategy.

Mr. WESTRATE. He was the Chairman of the Policy Board, yes.

Chairman RANGEL. Why do you find it so difficult to accept the language that I use?

Mr. WESTRATE. He was in charge, sir, absolutely.

Chairman RANGEL. All right.

Mr. TRAFICANT. Mr. Chairman, I have some issue to raise with this. Mr. Bennett is the Drug Czar, we've got that far politically. Now that we don't have a coordinator or supervisor, we have a czar. Are you inferring here that Mr. Bennett calls into DEA and the FBI and tells them what cases to purge and who to go after, what structure and law enforcement strategy?

Now, the chairman has asked you a question, and I'm not trying to put you on the spot, but I don't believe Mr. Bennett is in charge of our law enforcement drug program. I think his overall figurehead is helping to set policy, but I want to know what agency that works 24 hours a day in the field to eradicate drugs is in charge, what agency, who is the lead agency?

Mr. WESTRATE. The Drug Enforcement Administration is in charge of that, but there's many other agencies involved as well, but we are the lead agency.

Mr. TRAFICANT. Okay. Now, and the FBI, they follow your lead, is that what you are telling me?

Mr. WESTRATE. The FBI has their own strategy and their own piece of the action as to how they fit.

Mr. TRAFICANT. Okay.

Now how much do you involve yourself with the FBI, the Treasury Department, and state and local governments in preparing strategies along those law enforcement lines?

Mr. WESTRATE. As Chief of Operations, I do that daily. As Chief of Operations, I interact with my FBI counterparts on a daily basis. We have agent personnel that are exchanged in both headquarters. We have mechanisms to be sure that our information systems are together. We have a joint intelligence group in Miami, for example. There's a lot going on in that regard.

Operation Polar Cap, which was terminated about 2 months ago, is an example of how we're coordinating major money laundering investigations. DEA, FBI, IRS and Customs participated in the investigation of this billion dollar money laundering organization, we worked together on that for over a year. There's a lot of positive examples. There's also some areas that could be improved.

Mr. TRAFICANT. I'll just move on to one other question to Mr. Levitsky, and I'm very pleased to hear the testimony today, and, again, commend this chairman for handling a program and a hearing on heroin, and I think your record speaks very well for you, and I hope that you lend well to this great need.

But, I just have one question. How much Brown Mexican Heroin percentagewise would you say is on the streets of our country, compared to the Southeast and Southwest Asian, if you could?

Secretary LEVITSKY. I'd have to consult with Mr. Westrate on this too, because he may know the specific answer to that. My understanding is that, although the Mexican share of the overall

opium production is very small, I think it's only about 2 percent, it is the leading country in terms of imports into the United States, and it's somewhere—where is it, in the neighborhood of 32 percent, which is, of course, a very large share.

The estimate now, for example, in Southeast Asia heroin is 43 percent overall. But, Mexico being a small producer worldwide is still our major problem in terms of heroin.

Mr. TRAFICANT. Thank you.

Thank you, Mr. Chairman.

Chairman RANGEL. Ms. Lowey.

Ms. LOWEY. Thank you, Mr. Chairman, and, I, too, want to thank you for having these hearings, and thank you for our witnesses that are testifying today, although I must say, it's a bit depressing when you say, Mr. Westrate, we've had task forces in effect for 20 years and the problem keeps getting worse, and worse, and worse. I wonder if you can comment on any successes out there. For example, Mr. Levitsky said that there are some successes in demand reduction.

Perhaps, I'd like to hear from each of you, are there any successes that you can talk about, are there any models that we can follow, and what are we doing to replicate these?

Mr. WESTRATE. There's many success stories out there. For example, Methaqualone. We turned that completely around through diplomatic and law enforcement initiatives.

I think the statistics announced yesterday are reflective of the fact that we are, in fact, putting an attitude change in place. That's the most important thing.

The former head of NIDA several years ago said, as I recall, that if there wasn't law enforcement activity, instead of 6 million users there would be 60 million. I think that law enforcement and the supply reduction efforts have blunted the increase of these horrible drugs.

You know, we can point to around the world different kinds of successes in eradication programs. Mexico, at one point, virtually eliminated Mexican heroin from the market with the Herbicide Program. That's changed. So, we have had some successes along the way, but, collectively, we're not making progress. We are going in the other direction, and that's clearly a result of a huge demand, the fact that these new drugs like crack are so horribly addicting, and, secondly, the production is up everywhere. So, lots of little successes. I think the big picture is beginning to turn a little bit, but I think we're probably a year or two away before we see what direction that big trend line is actually going to go in.

Ms. LOWEY. Do you think it's a matter of resources, Mr. Westrate? Do you think if we were really serious, and we really had a war, and we were really focusing our energies, and if we really had a leader, and if the Drug Czar comes up with a real plan, do you think if we focused adequate resources that would be the answer to replicate the successes?

Mr. WESTRATE. Ms. Lowey, that is important, resources are important, but there's more to it. I mean, you give the police all the resources they need, and all the prisons, we could lock up people all the time and the jails would get more and more full. It's important, certainly, but I think more important is the fact that we have

to change attitudes, and look at some of the pluses. The military, for example, because of a get tough policy and drug testing, have reduced drug use in the military significantly. I think you are seeing the same trend occur in business, in major corporations in this country. I think you are seeing this develop at the community level also. There are some magnificent community action programs, one is in Maricopa County in Phoenix, Arizona, for example, that is really quite innovative and new, but it's working quite well.

And, the idea of user accountability, Portland, Oregon has a good program, Miami has a good program. There's a number of these examples.

Through the Attorney General's leadership, the IACP Narcotics Committee, that's the International Association of Chiefs of Police Narcotics Committee, and other forums, we are trying to share these examples around the country, so that people can pick up what's working and share that amongst them.

There's a lot of examples out there, but it does take leadership, and somebody at the Doctor Bennett level, to kind of bring these things together and set the big trend and draw the road map, so other people can jump in and work on these things that are working.

Ms. LOWEY. As you know, we are anxiously awaiting that plan.

Mr. Levitsky, I know you wanted to comment.

Secretary LEVITSKY. Well, no, I agree with what was said. I just want to say in a general sense, if we talk about successes on the international level, it is depressing, as you said, to look at what's happening with all the growth and everything.

But, we have, I believe we are in the midst of an historical change here. It may be the case, to be frank, that things had to get worse before they get better, that people had to be shocked into this.

I think what we are seeing, for example, in this NIDA study is, at least a large part of the American people coming to their senses about drugs. Maybe they had to be shocked into this.

In terms of successes, I think if you stand back and look at international attitudes, this is a historical thing. We don't have to go out and beg countries anymore to work on drugs, because they recognize the problem. They are all beginning to have problems of their own. Every country that has been a drug producer and used to say, "It's an American problem, don't bother with us," has developed its own problem in drugs, and their own social instability in this.

In terms of specific things, I think one thing that's very important internationally, which was a great success, and will lay the basis for some good work that we can do is the U.N. Convention that was signed at the end of last year, Anti-Drug Trafficking Convention, which is now up before the Senate for approval. In fact, we are going to testify on this tomorrow. I hope that will be ratified very quickly. It gives us a very good basis worldwide on things like working against chemical precursors, on money laundering, asset seizure, eradication, on all the parts of our program.

So, there are some indications that this is beginning to turn, but we need to work, when you see a historical trend, you need to work

to push it, and we need to exert leadership, not only internationally, but in every country specifically.

I think we have to be somewhat depressed by what's going on. On the other hand, we have to work at it in a positive way with the attitude that the problem can be licked, and I think that is our attitude.

Ms. LOWEY. Thank you very much. I see my time is over, and I hope we have a chance to talk again with you. Thank you, and good luck.

Chairman RANGEL. Mr. Oxley.

Mr. OXLEY. Thank you, Mr. Chairman.

Mr. Westrate, I can't see you, but I know you are there. I was, unfortunately, unable to go on the trip, but the Committee, in January of 1988, had a study mission headed by the Chairman and several members were able to go.

In the findings and recommendations under the Thailand part of the report, one of the recommendations was that the Mutual Legal Assistance Treaty be adopted by the Thai Parliament. Can you shed any light on whether, in fact, that has occurred in the last several months, or what the status of the M.L.A.T. is in Thailand at the present time?

Mr. WESTRATE. Mr. Oxley, I don't believe that's completed yet. It's still pending.

Mr. OXLEY. Still pending in the Thai Parliament? Do you know whether the Executive has sent down the necessary legislation to get that enacted?

Mr. WESTRATE. I don't believe so.

Secretary LEVITSKY. That's something that we—this is one of the areas where I said where we have a good relationship with Thailand, but we have to worker harder on, because there has been, I would say, a certain degree of slowness in getting that forward, and I think it will be a good spur to mutual efforts in this thing, in the whole area, and it's something we need to work on with them vigorously.

I don't think that they are saying they are against it, but there are some political factors that they currently have in consideration. We need to spur this along somewhat.

Mr. OXLEY. The Committee also recommended enactment of the conspiracy, money laundering and asset forfeiture statutes by the Thai Parliament, along with the adoption of M.L.A.T. Obviously, anything that you folks could do to spur that would be helpful.

Secretary LEVITSKY. They have not moved very quickly on that either, and, in fact, I would say what you've said is an important point. Across the board, and I think the D.E.A. would certainly agree with this, is we need to help other countries, sometimes based on our experience, and sometimes working with other countries that have similar legal systems, to use the—particularly, use conspiracy. Many of them don't. You have to be caught in the act, more or less, to be prosecuted in some of these countries, and so I think that is a very ripe area where we can help ourselves and help them.

Mr. OXLEY. Thank you.

Well, obviously, if the Committee can be of any help as well, we'd certainly be pleased to participate.

Let me ask you, Mr. Levitsky, you mentioned in your remarks Japan, and using some leverage by Japan in some of the areas out there that they have some influence. Has Japan witnessed any increase in drug abuse in their country, and are they starting to feel the pinch because of domestic problems that they may have?

Secretary LEVITSKY. No, I don't think so, not yet. There may be, and I don't have the statistics right here, apparently, they have some drug abuse based on synthetic drugs. There does not—and they have a bit of a heroin problem, but it's not nearly the kind of problem that you have in most other Western industrialized countries.

The point is, with Japan and with other countries, is that, if you look at trends it probably will come to them eventually, so it's in their interest to work in those countries where they have influence.

So, I think, I say, this is one area that we need to explore. They have large aid programs, they have influence throughout Asia and in other areas of the world, South America for example, and we need to, more or less, enlist them in the war against drugs as well. We are certainly going to make an effort.

Mr. OXLEY. Mr. Westrate.

Mr. WESTRATE. If I could just add to what Mr. Levitsky said about Japan, Japan has a historical track record of stimulant abuse, mostly amphetamine and some methamphetamine, and I personally think that Japan is at great risk for abuse of cocaine, and also for this problem we don't talk as much about as we should in this country, the abuse of "crank," as it's called, which is methamphetamine, and we're seeing some troubling early reports. Last week I heard of the practice of smoking methamphetamine.

In Europe, which is inundated with cocaine today, we have extreme concern on the part of those governments and policing officials about the cocaine flowing into Europe. Spain last year seized 3,700 kilos of cocaine.

I believe Australia and Japan are probably the next most likely targets for this flood of production in Latin America, because they have relatively open borders and they have relatively large amounts of expendable income. I think they are vulnerable to this type of stimulant abuse, such as cocaine and methamphetamine, and I think we can convince them of that.

Mr. OXLEY. Do either of you get the feeling that the Japanese leadership recognizes that they might be at risk, or what kind of a sense do you have of the Japanese government's perception of the problem, or, indeed, that they even have one?

Secretary LEVITSKY. I haven't had a chance yet, I've only been around for about a week and a half, so I haven't had a chance yet to consult with the Japanese, that's one thing I wanted to do.

My sense of reading the literature is that it's not something that has been high on their agenda of concern, but as Mr. Westrate said, they can't ignore what's going on. Look at a country, well, let's say Iran, that had, apparently, 100,000 reported addicts in 1979, now they are talking about 1 or 2 million, Pakistan, almost no addicts 10 years ago, now they, by their own figures, there are 700,000 or maybe a million addicts. India may have 700,000 addicts.

Thailand may have as many as 250,000. These are large percentages, larger than in our own country in terms of total population.

They're beginning to find some real problems in countries where you wouldn't have thought this would happen, Saudi Arabia, Sri Lanka, India, the Philippines. Spain, Italy, West Germany and the United Kingdom each have, according to statistics we have, over 100,000 addicts in each country.

And, the other day I was reading an article in the Soviet Press about drug abuse in their military. They have developed a tremendous problem out of Afghanistan with heroin and hashish and everything being brought in.

What I'm saying is that, as I said before, maybe things had to get worse before they get better. What we have is a very clear realization, it has to be there because the figures show this, on the part of these countries that they have a problem too, that it's in their interest to work against it.

So, I believe we have a ripe time to get an international consensus and a lot of international coordination working against that in every country in the world.

Mr. OXLEY. Thank you.

Thank you, Mr. Chairman.

Chairman RANGEL. Mr. Guarini.

Mr. GUARINI. Thank you, Mr. Chairman, and thank you, gentlemen.

Mr. Levitsky, you were very optimistic and very upbeat about the future, and I'd like to share that optimism with you. However, I have to note that we're still losing ground, and we're falling further behind each and every day in my estimation.

How do you account for the resurgence of heroism? For a while, we thought that we were worrying about cocaine and doing a little bit better in the heroin department. Why is there such a resurgence of heroin, in your opinion?

Secretary LEVITSKY. First, on what you said to begin with, and being positive, I don't want to be Pollyannish about this, because I certainly recognize the problem, as we all do. You can't help but recognize it when you look at what's happened. On the other hand, I think that we need to be positive and think that we can lick it.

Now, as far as heroin goes, I think I'd like Mr. Westrate to comment on this too, he has a lot more experience in this particular area than I do, but it seems to me you can grow—a lot of opium poppy is being grown, people say, "Where there's demand there will be supply," but the obverse often appears to be the case as well, that is, when you have a large supply outside that's growing every year those who are marketing, and some of these organizations are like big international marketing organizations, try to find new ways to push their products in.

This whole issue of smokable heroin, for example. You know, people are afraid of putting needles into their veins because of AIDS, so what do they do, they try to market another product, and I think this partially accounts for it.

I'm also told that, apparently, with the crack epidemic or the breakout, people looked around to have something to bring them off that instantaneous high, or at least keep it at a certain level,

and, apparently, that's one of the uses that heroin is being made of, to mix the two together. But, as I say, Mr. Westrate can——

Mr. GUARINI. I'm left with an unclear idea, although I understand what you said. Would you like to take a crack at that, Mr. Westrate?

Mr. WESTRATE. Yes, sir. The current situation in my view is driven strictly by production. The glut of production, because it seems in past years when this thing was sort of flat, we always had a drought somewhere, or we had a good program in Burma, or there was always something that kept one of the three areas destabilized.

Right now, all three growing areas are going full blast.

Mr. GUARINI. So, what you are saying is that we can recognize reverse market forces.

Mr. WESTRATE. You can, because here's what happens, and——

Mr. GUARINI. I don't believe it.

Mr. WESTRATE [continuing]. I've seen this happen a number of years ago when Southeast Asian heroin was dominant at a previous time, and, that is, couriers are showing up here with kilos and no customer, and they are looking for customers, and it's cheap.

And, what scares me about this is, not only are there a lot of couriers and a lot of drugs showing up here, by every indicator that's true, but at what purity will this be trafficked? You know, the old heroin addict, you are talking, you know, in a tight supply shooting 3-4-percent, in a good supply shooting 7-8-percent.

We surveyed the East Coast earlier this year and found that in four major East Coast cities, two of them had average retail purity of 48 percent, and two others at 51 or 52 percent. Now, this is where we go out on a street corner and buy retail level samples, not for prosecution, but just to find out what's available on the street.

If we start smoking or injecting heroin at purity—in fact, I don't think you can inject 50 percent, I don't think anybody is strong enough to take that, but if we start smoking this kind of purity and so on, we're going to see ourselves with an addiction problem like we've never seen before, and it's the combination of things. It's the combination of this high purity heroin and the crack.

Crack cocaine, don't forget, is one of the most unusual things we've seen in terms of its insidious addiction.

Mr. GUARINI. Well, are there better laboratory techniques that are coming out that makes it a more acceptable product on a marketplace?

Mr. WESTRATE. You mean, in terms of how it's used?

Mr. GUARINI. In terms of making it more pure, or——

Mr. WESTRATE. No, no.

Mr. GUARINI [continuing]. More acceptable?

Mr. WESTRATE. It's sort of the traditional old way, it just depends on how much you cut it.

Mr. GUARINI. Is there more smoking heroin on the marketplace that's made available to people, where the AIDS scare and the I.V. needle use turns them to the smoking mode?

Mr. WESTRATE. Not yet. Let me say that I want to make clear the preponderance of heroin use today is still by injection, but I think if you combine the notion of smoking at a high purity, and the

AIDS problem, you are going to see that ratio, I think, develop over the next several months.

Mr. GUARINI. Well, now, are we saying that our education demand side attack is failing very badly in our country then?

Mr. WESTRATE. No. I think, clearly, from these numbers yesterday, the education and the official pressure, the intolerance to drug abuse is beginning to pay off. But, the thing you've got to look at here is, where is it paying off? It's paying off in an educated group, it's paying off in places other than the inner cities.

If you notice the other side of that story, which was the increase in cocaine abuse, most of that is drawn down in the inner cities. We have a disaster of major proportions in the big cities of this country, and I think we have to keep focusing—I think that's where this heroin is going to show up, too, it's not going to show up in the suburbs.

Mr. GUARINI. How much input have you given Mr. Bennett in regard to the strategy he's going to come out with in September?

Mr. WESTRATE. Daily and considerable. We are currently reviewing the drafts with the other organizations.

Mr. GUARINI. Have you personally been in conference with him?

Mr. WESTRATE. I've been in conference with his staff. I've seen him at several presentations and so on, but—

Mr. GUARINI. You never confer with him directly?

Mr. WESTRATE. No. The Administrator certainly is.

Mr. GUARINI. And, Mr. Levitsky?

Secretary LEVITSKY. He's been away a lot, you know, making speeches, so I haven't seen him recently, but one of the first things that he did after—in fact, it was before I was officially announced as a candidate, he's asked me to come over to have breakfast with him at the White House, and we had—

Mr. GUARINI. But, you haven't had a chance to do that yet?

Secretary LEVITSKY. No, I've done it. I say, I've done it, but I say, recently, in the last several weeks, he's been away a lot. We do confer with his staff as well, and I've seen him on several occasions. He's talked with Secretary Baker several times.

Mr. GUARINI. Are you putting part of all the strategy together? Is it all coming together? Are all the pieces and all the input being made?

Secretary LEVITSKY. Well, no, I think they are not quite all—I think they are not all quite together, because there are a lot of different ideas and views. We are reviewing the drafts, and we have contributed—we contributed to the first draft, we did a lot of paperwork, and now we're looking at the drafts and adding some more suggestions, making some corrections in some cases, additions, deletions and additional comments.

Mr. GUARINI. But, you feel like you've had an opportunity.

Secretary LEVITSKY. We feel, I think all of us feel completely involved. It is not something that's going to be sprung that we don't know about, I'm not sure that in the case of every agency that there will be agreement on every part of the strategy, but, certainly, we've had the benefit of putting our views into the process. I have no complaint at all about that. I think that's the case with everybody.

Mr. GUARINI. Just, lastly, let me ask you, is there any strategy concerning Cuba in this program?

Secretary LEVITSKY. I'm sorry?

Mr. GUARINI. Any strategy concerning Cuba in this program that's being put together?

Secretary LEVITSKY. Well, Cuba certainly is a country that has to do with a drug problem, and we've just had a couple of days of hearings on it.

Mr. GUARINI. How do they feel?

Secretary LEVITSKY. Whether there will be a discreet section on Cuba in the strategy, I can't say. Certainly, its situation will be covered in there.

Mr. GUARINI. You are going to have a section concerning Central America, and South America, and Southeast—

Secretary LEVITSKY. That's what I mean, the Caribbean—

Mr. GUARINI [continuing]. Asia, and all those other areas.

Secretary LEVITSKY [continuing]. As well.

Mr. GUARINI. You are not going to leave Cuba out of your plans, are you?

Secretary LEVITSKY. Oh, absolutely not. As the Chairman knows, we've talked about Cuba quite a bit recently, trying to figure out the best approach, and it's an important part of that whole Caribbean complex that has to do with the trafficking.

Mr. GUARINI. We wait with great expectation when this is going to be delivered. Thank you very much.

Chairman RANGEL. Well, I've talked with them about Cuba, and what you see is not necessarily what you get. I can interpret it for you now that they have broken it out. You have to look for the key words, the State Department words. So, they are taking a fresh look at the Cuban situation, and I'll tell you what that means later.

Mr. Shays.

Mr. SHAYS. Thank you, Mr. Chairman.

I sought to be on this Committee because I feel there really is no issue more important than this issue, and I am, obviously, concerned about the plan that Mr. Bennett is planning to send to us, because if there's not some consensus, at least a basic consensus, it will be worse than if he never sent a plan.

So, I just want to be very clear. The comment that he's out giving speeches is somewhat derogatory. I want to know if you not just feel you've had some input, but whether you have seen these reports, these drafts, whether you feel that most of what you want in these drafts is there, or whether you feel a lot isn't being listened to. I'd like to go down the line.

Secretary LEVITSKY. Well, let me just correct an impression that you have that I was making a derogatory comment about Mr. Bennett, I certainly wasn't. I respect him very much.

What I was saying is that since I've been confirmed, which is only about a week and a half, he went—he did this Portland to Portland speaking tour, so I haven't had a chance to see him.

I feel that we've had as much input into the strategy as we could possibly have. We prepared long reports. We had a lot of ideas in it. Every agency that I'm aware of had the same opportunity. We have now gotten back a draft based on the variety of reports. We are looking at that now. We are commenting on it.

What I can't say is that, you know, in the final analysis somebody has to decide how to put the strategy, so that, you can't—you don't want to have a mushy thing that has every agency's views representative and no unifying force. So, I'm not saying that all of us will agree completely with every word in the strategy, but it will be a strategy based on the best judgment, I believe, of the agencies involved.

Mr. SHAYS. Will there be a regional drug strategy for Southeast Asia?

Secretary LEVITSKY. The strategy, I believe, will address every region of the world where there is a problem of production or trafficking, yes. It will cover all the areas.

Mr. SHAYS. Mr. Reese.

Mr. REESE. We're working with the Assistant Secretary in terms of programs A.I.D. has, and these are being incorporated into Mr. Bennett's plan. And, as I said before, we have bilateral programs that we're active in namely, in Pakistan and Thailand. We're also working with the Afghan Interim Government, so that narcotics is getting factored into our planning in terms of supply replacement programs. We are also working on the demand side in education, working with, for example, voluntary agencies in Thailand. We plan to continue this, and we plan to have our activities incorporated in the overall plan. So, yes, we are involved.

Mr. SHAYS. Mr. Westrate.

Mr. WESTRATE. Yes, sir. DEA is considerably involved in the strategy process. I was reading the latest draft last evening, as a matter of fact. I think that it would be a mistake to expect the strategy to have magic answers. I don't think there's any magic answers going to come from a strategy like that.

Mr. SHAYS. No. My concern is not they have magic answers, but it's a very honest assessment of where we are and we have to go, and, for instance, if we need to spend billions more in certain areas, that it says so, and doesn't make us think that somehow we can fight the drug war without making an effort.

Mr. WESTRATE. I would say at this point from what I've seen, it's quite comprehensive, and you'll, of course, make your own judgment when it's published, but they're making a good try at looking at what really is truly the answer here in my view, and, that is, a comprehensive approach that addresses all the areas.

Mr. SHAYS. I'll just conclude with this one area. I am getting the general census here that the producing countries are becoming significant consumers, and you all agree with that, and that, obviously, adds a whole new dimension to their concern about the problem.

Mr. WESTRATE. Absolutely.

Mr. SHAYS. Thank you.

Thank you, Mr. Chairman.

Chairman RANGEL. I want to thank Mr. Hughes for his patience and the great contribution his committee makes to the overall effort that we have in each and every omnibus bill.

Mr. Hughes, Chairman Hughes.

Mr. HUGHES. Thank you, Mr. Chairman, and, first, let me just congratulate you for the focus of this particular hearing on international heroin production. We often, I think, forget that we have

an increasingly serious heroin problem because of the problems with cocaine that overshadows, really, our other problems, not just heroin, but also the tremendous diversion problem in our own country, and the manufacture of synthetic narcotics, which is on the upswing in parts of our country.

I'm going to follow a line of questioning you began when you asked Mr. Westrate just exactly how many DEA personnel we have worldwide, and how many were committed to the Foreign Cooperative Investigative Program, by asking how many DEA agents did we have participating in the Foreign Cooperative Investigative Program in 1980?

Mr. WESTRATE. 1980?

Mr. HUGHES. Yes, approximately. I know you don't have the exact figures.

Mr. WESTRATE. I would say it was probably in the area of about 180 or so.

Mr. HUGHES. And——

Mr. WESTRATE. Today it is about 300, 280, 290.

Mr. HUGHES. It was about 180?

Mr. WESTRATE. That's my best guess, yes, sir, 9 years ago.

Mr. HUGHES. Okay.

So, we've added, roughly, 100 DEA agents in the last 8 years?

Mr. WESTRATE. Yes, and opened, probably, 15 offices or 20 offices.

Mr. HUGHES. We've opened up 15 more offices, and we've added 100 additional agents.

How many times would you say the problem has multiplied, compared to 1980? Do you think our problems today are twice as serious or three times as serious? Do we have four times or five times as much contraband on the streets today as we did in 1980?

Mr. WESTRATE. A loose guess, my personal guess, four times, five times.

Mr. HUGHES. I think that that points up one of our problems. I worry about some of the things Mr. Shays alluded to, that out of this so-called exercise with the Office of Drug Policy, which I strongly supported, that we will not provide the kind of resources that are needed to do the job.

Southeast Asia has always been a problem. It's a more serious problem today because of the situation in Burma, in particular, but not just Burma. The Golden Crescent has been out of control for years. We have very little intelligence in that part of the country, and we really don't have the ability to develop much intelligence, because, again, we're very thin in trying to debrief those that can provide us with good hard intelligence.

It concerns me that in the one area where we can really reduce the risk to this country and to the world, in source and transshipment countries we are not doing very much, really. I think when we talk about adding 100 agents between 1980, and that's about what it is, I believe, to the Foreign Cooperative Investigative Program, it's shameful. We've just capitulated because we need probably four times that in our whole Foreign Cooperative Investigative Program, because the more intelligence we generate the more we can identify patterns, the more we can disrupt. It's the one opportunity we have to get host governments more deeply involved in

intelligence gathering, both tactical and strategic, and, yet, we are not doing it.

In some countries, we have two agents that are trying to service three and four countries. I mean, that's absolutely disgraceful.

Why don't we make more of a commitment to this program, in source and transshipment countries. We all say it's the one area where we can do a lot more than we've done to get other countries involved who are getting more serious about their own problems. Today, most countries recognize that it's not just the United States that has a problem, that either they have a problem or will have a problem, particularly if there are any drugs being grown or transshipped in their country, they are going to have a problem, and they recognize that.

So, we have governments that want to cooperate. They often don't have the wherewithal or the equipment to do so. Why aren't we making more of a commitment?

Mr. WESTRATE. Well, Mr. Hughes, I think your comments are on point in terms of resources. We have gone through cycles where we have actually reduced, for budgetary reasons, the staff overseas, not only of DEA but of other agencies as well. We have, as an organization, always, committed more people overseas than we have in the budget.

As you know, in Latin America——

Mr. HUGHES. Well, let me just interrupt you. That is not so. We have, in fact, authorized more money than DEA has used in the Foreign Cooperative Investigative Program. I've had a running battle with your agency in the appropriations process. I find you keep reprogramming money that I thought was earmarked for the Foreign Cooperative Investigative Program. So, it's not as if we haven't attempted to work with you in developing more resources for the program, but you don't spend it. You don't spend it, and you don't make the kind of commitments that's needed to beef up our foreign operations.

Mr. WESTRATE. Well, as you know, sir, we have beefed up our Latin operations with a considerable number of people T.D.Y. We are often constrained by how many people we can actually deploy to certain places as well, and money is a problem. You know, it costs a lot of money to transfer a family with all the costs associated.

I would personally like to see a much enhanced international force for DEA I think that that's appropriate. As you know, that's one of our top priorities, our top program in the agency.

Mr. HUGHES. Let me just move on, if I might, because that's going to be an ongoing topic for us, about the Foreign Cooperative Investigative Program.

In Thailand, who, besides the ambassador, has been attempting to prod the Thais into passing our mutual aid assistance package, as well as developing some legislative initiatives in the area of money laundering, forfeiture and conspiracy?

Secretary LEVITSKY. Well, the structure is, it's not just the ambassador that's doing this. We have an anti-narcotics structure in Thailand, as we do in some of the countries where there are more important problems. There is a Narcotics Assistance Unit that works with Thai officials, basically assigned from my Bureau.

Mr. HUGHES. But, the problem is—

Secretary LEVITSKY. There is—the number two man in the Embassy is formally the Narcotics Coordinator. We've raised this with the Thai at a variety of meetings.

Mr. Hughes. But, the problem is that at that level, it doesn't reach the point where you are going to be able to move legislation through. I'm talking about ministers, at the ministers' level, and in the level at the Parliament, is there anybody that's been working at those levels attempting to get their attention, because the Thais, I think, are well intentioned, but they don't know how effective some of these tools are, because they've not had these tools. The whole idea of a conspiracy statute is something altogether different.

Secretary LEVITSKY. Right.

Mr. HUGHES. It's not something you can raise with the Thais and expect that they'll necessarily follow through with it. It's going to need working at it constantly, and is anybody doing that?

Secretary LEVITSKY. Well, we have—let me put it this way, we have raised—the Ambassador has raised this, and others have raised it, and we've had some exchanges via the Justice Department, but I think your point is well taken, we need to get more specific.

It may be you are right, that there may be other countries that we can enlist that have more relevant experience than we do in terms of the Thai system. I agree with you, it's not—we can't impose what we do in the United States in every country in the world, because the systems are different.

Mr. HUGHES. Such as Malaysia, just—

Secretary LEVITSKY. What I want to make sure of in each of these cases, not specifically Thailand, but every country where we have a problem like this, that the will and resolve of the government concerned is there. Then we can find a way of working with them, and I think that's the case in Thailand, and, perhaps, we ourselves have been a little bit derelict in not finding the right way of pushing it. It's something we want to work on. It's something we identify as a problem, and I believe we'll have good cooperation on this.

Mr. HUGHES. Just one more question. Do we have a presence at all in Burma today? Do we have anything going on there?

Secretary LEVITSKY. Well, we have an Embassy in Burma.

Mr. HUGHES. I know, but do we have a DEA presence there?

Secretary LEVITSKY. Yes.

Mr. HUGHES. Are agents still there?

Mr. WESTRATE. Yes, sir, we do.

Secretary LEVITSKY. But, you know, our entire, the relationships with the Burmese government since last year has been much reduced, our ability to have access.

Mr. HUGHES. Well, they have no operations at all, no eradication, and no interdiction, right?

Secretary LEVITSKY. There are some reports that they have done some interdiction, but the eradication program, essentially, is finished.

Mr. HUGHES. So, we need to be working very hard, it would seem to me.

Secretary LEVITSKY. I believe, because of the nature of the problem with the huge crop they have, that we have to look for ways to do it.

Unfortunately, at this point, their total concentration, as far as I can tell, and I'm not a Burma expert, but reading the reports on it, is based on knocking down their opposition and going after some of the insurgent groups. I hope they will turn away from that, and maybe we can have some effect.

Mr. HUGHES. Thank you.

Thank you, Mr. Chairman.

Chairman RANGEL. Thank you, Mr. Hughes.

Mr. Coughlin.

Mr. COUGHLIN. Thank you, Mr. Chairman. I just had one question on this subject, and one relating on another subject.

But, the first one was, indeed, a follow up to Mr. Hughes questions, and that is on the role of the ASEAN nations. I realize Burma is not a member of the ASEAN nations, but are they taking a leadership role and helping us to work with a neighboring ASEAN nation? Are they doing anything in that area?

Secretary LEVITSKY. No, there has not been much activity, and the thrust of your question is right, and as I was saying, sometimes there are other countries that have more of an ability than we do to work on a particular problem. I think this is obviously the case.

ASEAN as a group has been interested in the drug issue, and we've had some discussions and they have some programs, so I think there is nothing to preclude this. But, so far, this hasn't happened.

Burma, remember, for years has purposely kept itself isolated from a lot of the international community. There's been diplomatic representation there, but they have kind of tried to keep to themselves. So, you kind of wonder where the influence comes from. Japan has some, Germany has some, because they have some business connections there, and we need to find some ways of influencing the situation.

At present, it is not a good—it does not present a good picture.

Mr. COUGHLIN. Do you feel that the ASEAN nations have the drug question fairly high on their agenda, and do we encourage them to put it high on their agenda?

Secretary LEVITSKY. Yes, yes, and it could be—and, it should be higher on their agenda, as far as I'm concerned, and we need to do more in our own efforts to encourage that organization, which is not all that old, but has a real potential for being effective. We need to do more in that regard.

Mr. COUGHLIN. Is the organization doing it?

Secretary LEVITSKY. Pardon me?

Mr. COUGHLIN. Is the organization ASEAN, or the ASEAN nations individually doing it?

Secretary LEVITSKY. Yes, they have some programs, and it provides a way for them to get together and look at a problem like this, for example, in a joint way, what can we each do, and that's where I think we need to plug in even more.

Mr. COUGHLIN. Do you think that the Burmese government today is just simply not interested in trying to——

Secretary LEVITSKY. Well, that certainly appears to be the case. As I say, they are focused on breaking down their own opposition, more than anything else, and on their internal situation, and it's been a rather, as you know, very harsh campaign against the opposition.

But, again, this is a difficult, nasty situation, but we deal in them all over the world, so my view of this is, even with a government like that, we have to look for an opportunity to get back in there and do something.

Now, that's going to be hard to do, but at least as an objective, we can't ignore 1,600 or whatever it is metric tons of opium being grown in Burma. We have to work, try to find a way to do something there.

Mr. COUGHLIN. I have an other question, and I apologize that I had to be absent for a few minutes to testify before the Rules Committee, but additional military assistance has been requested for Colombia, I understand, fairly substantial additional military assistance, do you know what the status of that request is?

Secretary LEVITSKY. Well, our—I'm trying to switch my mind to Colombia now—

Mr. COUGHLIN. I realize that.

Secretary LEVITSKY [continuing]. As I recall, our military assistance to Colombia is relatively minimal at this point. There was recently—

Mr. COUGHLIN. About \$10 or \$12 million.

Secretary LEVITSKY. Yes.

Mr. COUGHLIN. And, I think the request was for \$40.

Secretary LEVITSKY. There was recently a development, perhaps, this is what you are referring to, there was recently a development which made it possible to guarantee an I.M.F. loan for the Colombians for the purchase of military equipment related to drugs, and I believe that—I believe that that is going forward. That was something new that we have not had at our command before.

So, in other words, the Colombians will be able to have a guaranteed loan that they can use to work to buy military equipment to work against drugs, and that would be a major benefit to them, I believe.

Mr. COUGHLIN. I think that's the Export/Import Bank operation.

Secretary LEVITSKY. Yeah, I'm sorry. I said I.M.F., I meant—

Mr. COUGHLIN. I'm talking about of a straight request for additional military assistance and I.M.F. assistance for Colombia.

As I understand it, at least, they can only conduct one operation against labs down there at a time, and this would try and enable them to—

Secretary LEVITSKY. Yeah, they need—I was just there—

Mr. COUGHLIN [continuing]. Conduct more than one operation, and conduct night operations as well. They need equipment to do that.

Secretary LEVITSKY [continuing]. I was just down there, not for very long, but I made a quick trip down there just to see our program, and, it's true, they need a lot of things, they need more help, they need more air lift capacity, they need more helicopters, they need to do a lot better maintenance on the helicopters. We are trying to help them on that.

So, there is a need down there, both in terms of the—remember, you have a joint operation, both the police and the military are involved in this battle. Whereas, in some countries, you have military fighting only the insurgents, and the police fighting only the drug traffickers. There, it's a joint struggle.

Mr. COUGHLIN. But, can you tell me anything about the operations—

Secretary LEVITSKY. I can't tell you—

Mr. COUGHLIN [continuing]. The request for additional funds?

Secretary LEVITSKY [continuing]. In fact, I have a meeting scheduled with Ambassador MacNamara, who is back, and we were going to discuss this, but I haven't had that yet. So, I don't know what the specific request is. All I'm saying is, having been down there, you can certainly identify certain needs that they have, and their statistics, even with the problems they had, are quite impressive in terms of what they've been doing lately.

Mr. COUGHLIN. I'm impressed with what they are doing with the resources they have, but I'd be very interested when you do talk with the Ambassador, to be informed of any—

Secretary LEVITSKY. Well, let me follow up on that, and then undertake to look into this and get back to you, Mr. Coughlin.

Mr. COUGHLIN. Thank you very much.

Secretary LEVITSKY. I'll certainly talk with you.

Chairman RANGEL. Well, I'm supporting Mr. Coughlin's suggestion on the Ambassador and the effort there, but I'm not impressed with what they are doing. They have demonstrated a lot of courage, and they are losing their lives, but they are not doing anything in law enforcement, they are not doing anything in extradition. They are not doing anything in eradication, and I'm not saying they are in a position that they can do anything, but I'm certainly not impressed.

I mean, they are dedicated, and they've lost a lot of good lives for those who have had the courage to speak out, but I think they need a lot of help in order for us to be impressed.

Secretary LEVITSKY. If I could just make one comment on this. My assessment of this is that, if there were one thing you could do in Colombia to improve the situation, would be to help them in their legal system.

The problem that you have in Colombia is that they are doing a lot of good work, but the problem the policeman confronts is that if he picks up a drug trafficker, the judiciary system is so terrorized and bought off in some cases that that drug trafficker is liable to walk out the door thumbing his nose at the policeman.

So, we have a program working with AID to help, we are talking with the Italians and with the Spanish, since their legal systems mesh more closely with the Colombians than ours, about helping them in this regard. I spoke about this with their leadership when I was there. We need to really move on that issue. That is the one thing, I think, where we could make a big improvement, in addition to these other assets.

Chairman RANGEL. Well, I'm impressed with their commitment and their dedication, but certainly not the results.

Mr. Secretary, congratulations. We are your team. Our staff is available to you to be supportive, and we look forward to a few victories.

Secretary LEVITSKY. I do, too.

Thank you very much, Mr. Chairman.

[Whereupon, at 11:45 a.m., the Select Committee adjourned.]

[Prepared statements and submissions for the record follow:]

PREPARED STATEMENTS

OPENING STATEMENT

THE HONORABLE CHARLES B. RANGEL

CHAIRMAN

SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

HEARING ON ASIAN HEROIN PRODUCTION AND TRAFFICKING

AUGUST 1, 1989

9:30 A.M.

ROOM 340 CANNON HOUSE OFFICE BUILDING

(39)

GOOD MORNING, LADIES AND GENTLEMEN,

TODAY THE SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL IS PLEASED TO WELCOME A DISTINGUISHED PANEL OF PUBLIC OFFICIALS TO DISCUSS U.S. PROGRAMS IN ASIA TO ADDRESS THE PRODUCTION AND TRAFFICKING OF OPIUM AND ITS DERIVATIVES, MOST NOTABLY HEROIN.

THIS MORNING WE WILL HEAR FROM DEA DEPUTY ADMINISTRATOR FOR OPERATIONS, DAVID WESTRATE; AND A.I.D. DEPUTY ASSISTANT ADMINISTRATOR FOR ASIA AND THE NEAR EAST, THOMAS REESE.

I WOULD LIKE TO WELCOME FOR THE FIRST TIME BEFORE THIS COMMITTEE THE NEW ASSISTANT SECRETARY OF STATE FOR INTERNATIONAL NARCOTICS MATTERS, MELVIN LEVITSKY. WE APPLAUD THE APPOINTMENT OF A RESPECTED FOREIGN SERVICE OFFICER TO BE AT THE HELM OF THE BUREAU OF INTERNATIONAL NARCOTICS MATTERS. I HOPE THAT THIS SIGNALS A NEW ADMINISTRATION COMMITMENT TO MAKING DRUG CONTROL A FOREIGN POLICY PRIORITY. UNFORTUNATELY, THIS HAS NOT BEEN THE CASE IN THE PAST.

THE STATE DEPARTMENT REPORTS THAT OPIUM PRODUCTION HAS ESCALATED DRAMATICALLY IN THE LAST SEVERAL YEARS. THE INCREASE IN THE SUPPLY OF OPIUM AND ITS DERIVATIVES HAS RESULTED IN A DRAMATIC INCREASE IN BOTH THE QUANTITY AND PURITY OF THE HEROIN ON THE STREETS OF OUR CITIES. FOR EXAMPLE:

- * ACCORDING TO THE NNICC (NATIONAL NARCOTICS INTELLIGENCE CONSUMERS COMMITTEE) REPORT, BEGINNING IN 1987 AND CONTINUING THROUGH 1988, A SUBSTANTIAL PORTION OF THE

STREET LEVEL HEROIN AVAILABLE IN THREE SAMPLE CITIES -- BOSTON, NEWARK AND PHILADELPHIA -- RANGED IN PURITY FROM 35 TO 70 PERCENT. THIS IS A MARKED INCREASE FROM THE MORE TRADITIONAL 5 PERCENT LEVEL IN THOSE CITIES.

- * ACCORDING TO DEA, HEROIN SEIZURES IN THE UNITED STATES HAVE INCREASED BY OVER 200 PERCENT BETWEEN 1981 AND 1988. FROM 1987 TO 1988, SEIZURES DOUBLED FROM 382.4 KILOGRAMS TO 793.9 KILOGRAMS.

- * THE DRUG ABUSE WARNING NETWORK (DAWN) REPORTS THAT EMERGENCY ROOM MENTIONS OF HEROIN HAVE STEADILY INCREASED SINCE 1980. IN 1985 THERE WERE 12,522 HEROIN EMERGENCY ROOM MENTIONS. THE PROJECTION FOR 1988 IS 15,733 MENTIONS.

OPIUM POPPIES ARE ILLICITLY PRODUCED PRIMARILY IN THE GOLDEN TRIANGLE COUNTRIES OF BURMA, THAILAND AND LAOS IN SOUTHEAST ASIA; THE GOLDEN CRESCENT COUNTRIES OF PAKISTAN, AFGHANISTAN AND IRAN IN SOUTHWEST ASIA; AND MEXICO.

WE WILL FOCUS PRIMARILY ON ASIA TODAY, LEAVING MEXICO WITH ITS ADDITIONAL BURDENS OF BEING A MAJOR MARIJUANA SUPPLIER AS WELL AS A MAJOR TRANSSHIPMENT COUNTY FOR COCAINE FOR A SEPARATE SELECT COMMITTEE HEARING IN THE FUTURE.

ON MARCH FIRST OF THIS YEAR, PRESIDENT BUSH DECERTIFIED THE FOUR LARGEST PRODUCERS OF OPIUM POPPY IN ASIA: BURMA,

AFGHANISTAN, IRAN AND LAOS. TOGETHER, THESE FOUR COUNTRIES PRODUCE BETWEEN 80 AND 90 PERCENT OF THE WORLD'S OPIUM.

UNTIL THE UPRISING IN BURMA A YEAR AGO, THE UNITED STATES HAD A MAJOR NARCOTICS ERADICATION PROGRAM WITH THE BURMESE GOVERNMENT. NOW THAT ALL ASSISTANCE TO BURMA HAS BEEN SUSPENDED, THE BURMESE GOVERNMENT HAS CEASED ITS ERADICATION PROGRAM AND INTERDICTION EFFORTS. THEY HAVE PROMISED FREE ELECTIONS BY NEXT MAY, HOWEVER, JUST LAST WEEK WE LEARNED THAT THE MAJOR OPPOSITION LEADER HAD BEEN PLACED UNDER HOUSE ARREST. WHAT SHOULD WE EXPECT FROM BURMA IN THE NEAR FUTURE?

THE RECENT STATE DEPARTMENT REPORT INDICATES NEW WILLINGNESS ON THE PART OF THE LAOTIAN GOVERNMENT TO CONTROL NARCOTICS PRODUCTION WITHIN THEIR BORDERS. YET, REPORTS OF OFFICIAL INVOLVEMENT IN DRUG TRAFFICKING CONTINUE. THE UNITED NATIONS FUND FOR DRUG ABUSE CONTROL (UNFDAC) IS BEGINNING A CROP SUBSTITUTION PROJECT THERE. WHAT IS OUR ROLE GOING TO BE IN NARCOTICS CONTROL EFFORTS IN LAOS?

THAILAND HAS MAINTAINED EXCELLENT EFFORTS IN CROP ERADICATION, SUBSTITUTION AND DRUG LAW ENFORCEMENT WITH THE ASSISTANCE OF THE THREE AGENCIES REPRESENTED HERE TODAY. LAST YEAR THE THAI AUTHORITIES MADE ONE OF THE LARGEST HEROIN SEIZURES EVER, NETTING 1,035 KILOGRAMS OF HEROIN. THAILAND REMAINS A MAJOR TRANSSHIPMENT COUNTRY FOR BURMESE AND LAOTIAN HEROIN.

- 4 -

WE ALSO PROVIDE ASSISTANCE TO PAKISTAN IN THE AREAS OF CROP ERADICATION AND SUBSTITUTION, AND DRUG LAW ENFORCEMENT. WE WOULD LIKE TO KNOW HOW THESE EFFORTS ARE PROGRESSING AND WHAT ARE THE PROSPECTS FOR MAKING INROADS INTO THE NORTHWEST FRONTIER PROVINCE, WHERE MOST OF THE POPPY CULTIVATION AND HEROIN REFINING TAKES PLACE.

WE UNDERSTAND THAT THE UNITED STATES DOES NOT HAVE DIPLOMATIC RELATIONS WITH IRAN AND AFGHANISTAN. HOWEVER, THE SOVIET UNION HAS RECENTLY NEGOTIATED AN AGREEMENT WITH IRAN, AND CONTINUES RELATIONS WITH THE KABUL GOVERNMENT IN AFGHANISTAN. GIVEN THE RECENT INTEREST ON THE PART OF THE SOVIET UNION IN NARCOTICS CONTROL, ARE THERE SOVIET PROGRAMS OR PRESSURES TO CONTROL THE PRODUCTION OF OPIATES?

INDIA IS THE WORLD'S LARGEST PRODUCER OF LICIT OPIUM FOR MEDICINAL PURPOSES AND PRESENTLY STOCKPILES 2,000 METRIC TONS OF OPIUM GUM. THE POTENTIAL HERE FOR DIVERSION INTO THE ILLICIT MARKET IS SIGNIFICANT. IN ADDITION, INDIA HAS BECOME A MAJOR HEROIN TRANSSHIPMENT COUNTRY FOR BOTH SOUTHWEST ASIAN AND SOUTHEAST ASIAN HEROIN.

HOW MUCH HEROIN FROM THESE COUNTRIES IS ACTUALLY ENTERING THE UNITED STATES? THE DEA PERIODICALLY CONDUCTS WHAT THEY CALL A "HEROIN SIGNATURE PROGRAM" WHICH CHEMICALLY ANALYZES SAMPLES OF SEIZED OR PURCHASED HEROIN TO DETERMINE ITS COUNTRY OF ORIGIN. ACCORDING TO A LIMITED SAMPLING OF HEROIN SEIZURES,

THERE WAS A SIGNIFICANT SHIFT IN THE PROPORTION OF HEROIN ENTERING THE U.S. FROM EACH REGION.

- * SOUTHEAST ASIAN HEROIN COMPRISED 14 PERCENT OF THE HEROIN IN THE U.S. MARKET IN 1985, BUT INCREASED TO 43 PERCENT IN 1988.
- * SOUTHWEST ASIAN HEROIN DROPPED FROM 47 PERCENT IN 1985 TO 27 PERCENT IN 1988.
- * MEXICAN HEROIN CONTINUES TO BE AROUND A THIRD OF THE MARKET, HAVING DECLINED SLIGHTLY FROM 39 PERCENT TO 37 PERCENT.

THE FIGURES FOR ASIA ARE PARTICULARLY INTERESTING IN THAT SOUTHEAST AND SOUTHWEST ASIAN PRODUCTION OF OPIATES HAS INCREASED DRAMATICALLY IN THE LAST FOUR YEARS. WHAT, THEN, ACCOUNTS FOR THAT SHIFT? WHAT IMPACT IS THERE ON THE TOTAL AVAILABILITY OF HEROIN IN THIS COUNTRY -- HAS THE PERCENTAGE JUST SHIFTED, OR HAS THERE BEEN A DRAMATIC INCREASE IN SOUTHEAST ASIAN HEROIN ENTERING THE U.S. WHILE THE AMOUNT OF HEROIN FROM OTHER SOURCES HAS REMAINED RELATIVELY CONSTANT?

OPENING STATEMENT OF CONGRESSMAN LAWRENCE COUGHLIN
VICE-CHAIRMAN OF THE HOUSE SELECT NARCOTICS COMMITTEE
HEARING ON INTERNATIONAL HEROIN PRODUCTION

AUGUST 1, 1989

THANK YOU, MR. CHAIRMAN. I AM PLEASED TO WELCOME OUR WITNESSES AND I LOOK FORWARD TO TODAY'S TESTIMONY.

SOMETIMES WE FORGET THAT THERE ARE OTHER DRUGS BESIDES COCAINE THAT THREATEN OUR CITIZENS. ONE OF THOSE DRUGS, HEROIN, IS EXPERIENCING A REVIVAL IN SOME OF OUR CITIES AND IS OF GROWING CONCERN. SADLY, WE HAVE EVEN HEARD RECENTLY OF THE USE OF HEROIN COMBINED WITH CRACK.

HEROIN IS NOT ONLY A THREAT TO OUR NATION BECAUSE OF THE DEBILITATING EFFECTS OF THE DRUG, BUT BECAUSE OF ITS ROLE IN SPREADING AIDS. MANY DRUG ADDICTS BECOME INFECTED WITH AIDS THROUGH SHARING A NEEDLE WITH AN AIDS CARRIER. IN MANY CASES THE DRUG ADDICT THEN PROCEEDS TO INFECT HIS SEX PARTNER, AND SOMETIMES, HIS UNBORN CHILD.

THE EFFECT OF HEROIN ABUSE AND AIDS ON OUR NATION HAS BEEN DEVASTATING, AND HAS BROUGHT DEATH AND DESPAIR TO MANY INDIVIDUALS, AND CRISIS AND SHARP ECONOMIC PROBLEMS TO MANY HOSPITALS AND LOCAL GOVERNMENTS.

AN IMPORTANT PART OF THE SOLUTION TO THIS NATION'S HEROIN PROBLEM CAN BE FOUND THROUGH A SUBSTANTIAL REDUCTION IN SUPPLY, AND THIS IS THE SUBJECT OF TODAY'S HEARING. I LOOK FORWARD TO HEARING FROM THE ADMINISTRATION WITNESSES WHAT IS BEING DONE TO COMBAT THIS THREAT. THANK YOU, MR. CHAIRMAN.

TESTIMONY

ASSISTANT SECRETARY OF STATE MELVYN LEVITSKY
BUREAU OF INTERNATIONAL NARCOTICS MATTERS
DEPARTMENT OF STATE

to
SELECT COMMITTEE ON NARCOTICS ABUSE & CONTROL
August 1, 1989

MR. CHAIRMAN:

The Committee has asked the Department to provide testimony on the current state of illicit opium production and trafficking in heroin from Asia through the Middle East. I will begin my testimony, however, by talking about a subject that is not on your agenda.

There is no greater challenge in the history of narcotics control than today's tasks of trying to reduce the production and availability of cocaine. We are all steeped in the lore of the Andean struggle -- the vast cultivations, the viciousness of the traffickers, the insurgent threats of the Sendero and the FARC. This challenge seems all the greater because our successes against cocaine have been so limited.

I mention cocaine at the outset of your inquiry into heroin production and trafficking because I fear that we have become so focused on cocaine that we may be losing sight of our longer-standing challenge -- to eliminate the production and distribution of heroin.

The situation, as you well know from your several fact-finding inquiries in the two Asias and Mexico, and your delegations to South America, requires us to fight this war on drugs on all major fronts: the opium war, the coca war, the marijuana war and the war for the minds and hearts of our young people.

In today's market, there is increasing evidence that the heroin and cocaine markets have become linked -- with users combining the two drugs or taking heroin to come down from their cocaine runs. Moreover, in a culture that has been heavily oriented to smoking narcotic drugs, we are now seeing the phenomenon that has dominated other opium cultures -- the smoking of heroin.

I am therefore sensitive to the need to marshal our maximum resources and energies to have any hope of overcoming these challenges, and profoundly aware of how thin our line of

resistance is in the face of these multiple challenges.

A message which you will hear often from me in the weeks and months to come is multilateralism. This is not just an American problem; it is a European problem, a Southwest Asian problem, a Southeast Asian problem, a Pacific Rim problem -- and no major consequences will be achieved until all of the players are into the game.

As you will soon read in our Mid-Year report, the challenge on the heroin front has become even more complex -- the more so because of our lack of political access to many of the key growing areas. The estimate is that as much as 90 percent of the opium which potentially affects our market is grown in areas of Afghanistan, Iran, Lebanon, Burma and Laos.

The National Narcotics Intelligence Consumers Committee now believes that Southeast Asia has replaced Southwest Asia as the major source region for heroin entering the U.S. market. Although the NNICC has not assigned percentages of market share to reflect the total trade, because of the small number of samples available for analysis, DEA officials have expressed confidence in the assumption about market dominance which is based upon DEA's monitor and signature programs. The signature program, a chemical analysis of heroin seized in the U.S., shows that 43 percent of the samples analyzed were of Southeast Asian origin. The monitor program, which is based upon analysis of street buys by agents, also shows this trend toward Southeast Asian heroin.

Southeast Asian opium production has increased during the past several months, resulting in higher availability of heroin in major U.S. cities. The U.S.- supported Burmese aerial opium eradication program was suspended after civil disturbances and our limited access to Laos further complicates opium control in that part of the world. There is some indication, however, that the Lao Peoples Democratic Republic is interested in limited cooperation on opium control projects; this development is worth pursuing, but cautiously in view of allegations of involvement by some Laotian officials in the drug trade. Production is reportedly also up in Thailand.

Opium control prospects have improved in Pakistan. During her trip to the United States, Pakistan's President Benazir Bhutto discussed narcotics cooperation with the President and Secretary of State. The U.S. committed to providing an additional \$1.5 million to Pakistan for the establishment of an elite unit of law enforcement officers dedicated to narcotics investigations and operations. There is evidence that fewer acres of opium were planted in Pakistan this year, possibly lowering heroin supplies. Fortunately, the weather has not been ideal for opium cultivation. The Government of Pakistan also

demonstrated its commitment to narcotics control by extraditing hashish kingpin Malik Saleem to the United States this spring.

In the Western Hemisphere, Mexico reports eradicating 1,450 hectares of opium poppy in the first six months of 1989. We are carefully monitoring opium production trends in Guatemala and will support another aerial eradication program there in the near future, if we can arrange for much needed protection for our spraying aircraft, which have been fired upon on several occasions, causing what we hope will only be a temporary halt in the program.

SOUTHEAST ASIA

BURMA

Since the military takeover last September, Burma's harsh military regime has primarily concentrated on repressing its opposition in central Burma and on a major offensive against Karen insurgents along the Burma/Thailand border. At present, the groups in Shan State which are responsible for most narcotic production and trafficking present little threat to the regime's control of Burma. The regime therefore has shown little inclination to continue its anti-narcotics program and has limited enforcement activities to arrests of small scale domestic traffickers. The military regime is unlikely to resume any significant anti-narcotics activity for the near future. Burmese officials have blamed the suspension of U.S. anti-narcotics assistance and the U.S. decertification of Burma for their retrenchment. However, the weight of evidence is that, due to internal unrest, the Burmese authorities decided to curtail much of their anti-narcotics effort independent of U.S. actions. Most observers agree that until some solution is found to the political situation in Burma, narcotics control will not have the priority it had in the past.

No eradication campaign was conducted during the 1988/89 growing season. Given good weather conditions and lack of control efforts, opium production in Burma will continue to increase. While data are still insufficient to provide a reliable crop estimate for 1988/89, reports received to date indicate that an increase of at least 25 percent can be anticipated. This would mean production of approximately 1,600 metric tons of opium, compared to 1300 tons in 1988. Production has increased in all areas of Burma.

Except for isolated incidents, interdiction efforts in Burma have also ground to a near halt. With relaxation of government check points and withdrawal of troops from many of the trafficking areas, narcotics have been moving more freely. There are continued reports in the local press, however, of small amounts of narcotics being seized by the People's Police Force (PPF).

THAILAND

Thailand continues to be a producer of opium and serves as the major trafficking route for opium and heroin produced in the "Golden Triangle." With the ending of eradication and enforcement in Burma, heroin production and refining in Thailand have increased. This increase in illicit production has not been matched by corresponding interdiction success by Thai authorities. Corruption and lack of a conspiracy law hinder effective enforcement.

Opium production this year has increased, due to higher yields which resulted from ideal growing conditions. According to the Narcotics Control Board, approximately 4816 hectares were planted with opium poppy during the September 1988 to February 1989 growing season. The major growing areas continue to be the three Northern Provinces of Chiang Mai, Chiang Rai and Mae Hong Son. Plantings are estimated to have increased by about four percent from last year. The yield factor, however, was much higher than last season. The result is an overall two-thirds increase in the production estimate from 30 to 50 metric tons of opium.

Farmers have adopted a number of concealment and evasion techniques which have limited the impact of the current crop destruction program. The eradication issue has been discussed with the Narcotics Control Board and the Royal Thai Third Army who have been urged to double the removal rate through better field location and more complete crop destruction. Thai statistics indicate that 1833 hectares were hit by eradication teams during this year's campaign, but, it is estimated that only about 20 percent of production is wholly eliminated.

Reliable data on the extent of cannabis cultivation does not exist since cultivation is scattered throughout the country with no defined growing season. The data that are available, however, suggest strongly that there has been a marked reduction of planting in Thailand during the past three years and a corollary increase in planting in Laos and Cambodia.

Narcotics arrests have increased steadily during the past several years but these have been primarily for possession and consumption. The number of charges involving the production, trafficking or export of narcotic drugs was slightly under eight percent of the 22,000 arrests in the first half year.

Seizures of heroin and other opiate drugs during 1988 exceeded 20 tons of opium-equivalent. 1988, however, was a record year for seizures which is not likely to be matched this year. Six heroin refineries have been destroyed so far in 1989.

Progress toward improved narcotics conspiracy and asset

seizure laws continues to be slow. Early in its tenure, the Chatchai Government approved in principle a revised narcotics law containing these provisions, but the legislation will not be submitted to Parliament until next year at the earliest.

The legislative changes are linked closely to Thai accession to and ratification of the new United Nations Convention Against Illicit Trafficking in Narcotic Drugs. The convention and the legal changes it may entail were the subject of a seminar organized jointly by USIS and ONCB in June. This meeting underscored the resistance felt by some Thai jurists and parliamentarians to measures such as asset seizure.

There has been no action by the Thais on the Mutual Legal Assistance Treaty signed in 1986, but now there seems to be an impetus within the Interior Ministry to refer the treaty to the parliament for ratification.

On all of these issues, we are in touch with the Thai government to urge greater attention and speedier progress.

LAOS

Reports continue of involvement of Lao officials in narcotics production and trafficking -- factors which will affect future certification decisions. The continuing concern raised by the United States and other governments over the involvement of military and civilian officials will remain part of the bilateral agenda.

The indications received since President Bush denied certification to Laos last March are that the Government of the Lao People's Democratic Republic (LPDR) may be taking narcotics cultivation, production and trafficking more seriously.

The U.S. dialogue with Laos on the narcotics question has been gradually developing for the last three years. Progress has continued in 1989, although the Lao halted the dialogue for a time while they assessed the impact of the President's denial of certification last March.

To a visiting senior U.S. delegation in early January, the Lao government stated for the first time that it would engage in bilateral narcotics control projects with the U.S. The LPDR rejoined the United Nations Commission on Drugs, attending the Commission's conference this February for the first time in 13 years. The government also approved the first Congressional delegation to Laos on the subject of narcotics. Codel Smith visited March 29 and held in-depth discussions of the drug problem with Lao officials. Lao representatives reiterated their willingness to cooperate with the U.S. on narcotics control matters in high-level meetings in Washington in April.

A June trip by the U.S. officials from Vientiane and Bangkok to Houaphanh province to examine sites for bilateral narcotics control development projects produced a draft project paper currently under review in Washington. If resources are available, a cooperative project could be underway in the near future. The reaction of provincial officials to the prospect of U.S. assistance was enthusiastic.

In response to our urgings the Lao government has sent participants to an seminar on drug abuse education in Bangkok. The Lao have also chosen two observers to attend a U.S. Customs sponsored seminar in Indonesia July 17-28 on selected enforcement and detection techniques. This is the first time that the Lao government has agreed to participate in training seminars on narcotics issues. The government is also working with the Swedish government to halt shifting cultivation techniques in northern Laos. Tribal groups have long been known for their slash and burn opium production practices. Finally, the Lao signed a \$5.8 million dollar integrated rural development and narcotics control project with UNFDAC in February. Work on the project has since begun, and Lao and foreign staff have been recruited.

Estimates for opium production in Laos this year are in the same range as those in the INCSR of March, 1989: 255 metric tons, the mid-point in a range from 210 to 300 mt. These figures are difficult to calculate and must be considered tentative. However, good weather conditions are expected to produce a large harvest throughout the Golden Triangle.

No known opium eradication efforts were conducted in Laos during the current growing season. It is stated Lao government policy that no forcible eradication will be done to eliminate this traditional only cash crop of the hilltribes until alternatives are available. No effort to reduce marijuana cultivation in the lowlands is apparent. We will continue to urge the Laotian government to change its policy.

Laos needs to increase its enforcement actions against heroin refineries operating in its territory, and to publicize the dangers of drug trafficking more effectively. The Lao government has not informed the U.S. of any interdiction efforts this year. There are informal reports that one or more heroin refineries have been raided and closed.

HONG KONG

Hong Kong continues to be the major financial center for the Southeast Asian heroin trade and a major transit point for heroin outbound to the United States and other consumer markets. Hong Kong has recently passed new drug trafficking legislation which should further enforcement efforts through

the tracing and seizure of assets derived from drug trafficking. New initiatives in the financial sector should also aid in the investigation of drug crimes. Hong Kong and United States cooperation on drug matters has continued to expand and produce results.

In recent months the Hong Kong government has made significant headway in establishing a legal and regulatory framework to counter drug money-laundering activities. The commissioner of banking issued guidelines on March 3 to local banking institutions underscoring the importance of ensuring accurate customer identification as a prerequisite for service; of adhering to laws, regulations and high ethical standards; and of cooperating fully with law enforcement agencies. On July 12, the Drug Trafficking (Recovery of Proceeds) bill passed into law. This important measure provides authorities with powers to trace, freeze, and confiscate proceeds from persons convicted of drug trafficking activities. Banks and individuals are now required to notify authorities in the event there are reasonable grounds to believe that laundering of drug money is taking place. Local associations of banks and deposit-taking companies have already devised a model code of conduct to ensure members's compliance with the new requirements.

Cooperation between Hong Kong and U.S. law enforcement agencies remained exemplary. Local authorities registered further gains in coordinated efforts to dismantle major international drug syndicates. Hong Kong agencies worked with counterparts in China, Canada, and the U.S. during Operation "Red Star" in May, resulting in arrests in New York and Hong Kong. An estimated \$44.2 million worth of Heroin no. 4 was seized in China as part of this operation.

SINGAPORE

Singapore continues to cooperate with the United States and neighboring countries in drug control. Noted for its severe drug offence penalties, Singapore is expanding the legal framework to enable further actions in targetting drug offenders and trafficking organizations. The government is currently studying what is involved -- and the implications for Singapore as a financial center -- in changing its bank secrecy laws to allow asset seizure and foreign law enforcement agency access to local bank records in narcotics cases. It is likely that the GOS will first seek cooperative efforts by financial institutions within the context of current Singapore laws. But, with the passage of an asset seizure law in corruption cases setting a precedent, and in response to international and domestic interest, the GOS is seriously contemplating passage of a new banking law in 1989. The GOS is likely to forego negotiation of a mutual legal assistance treaty (MLAT) with the

U.S., preferring instead to expand existing channels of cooperation.

The death penalty may be extended for cannabis, opium, and cocaine trafficking to bring the misuse of drugs act in line with Malaysian laws which currently provide the death penalty (for other than cocaine) and because of the perceived threat of cocaine use spreading to Singapore. Threshold levels are being developed and may approximate 250 grams cannabis, 30 grams cocaine.

In a continuation of Singapore's tough enforcement of drug trafficking laws, three Singaporeans, whose appeals had been exhausted, were executed in the first half of 1989, bringing the total to 25 traffickers who have suffered the death penalty since 1975.

CHINA

It is in the long-term interests of the United States and the People's Republic of China to continue cooperation against narcotics trafficking. In response to the events in Beijing in June and the subsequent crackdown, the President has suspended high-level exchanges between our two countries. Nonetheless, working contacts between our governments in areas of mutual interest continue. For example, the U.S. expects to continue to receive the cooperation of the Chinese in ongoing activities such as the prosecution of offenders in the United States involved in the "Goldfish" drug trial.

Prior to the May-June incidents in Beijing, U.S. and Hong Kong drug officials had good cooperative relations with Chinese enforcement officials. A U.S.-sponsored law enforcement training course was held in Kunming in April. This was the first time that such training has been held in a location in central China. The course brought together provincial and Beijing officials with their U.S. counterparts.

China continues to cooperate with international drug control officials and with neighboring countries such as Hong Kong.

MALAYSIA

Malaysia continues to be a significant site for the importation, processing and trafficking in Southeast Asian heroin. The key development in Malaysia's anti-narcotics program in 1989 has been the Government's concerted internal effort to seize the assets of drug traffickers.

Malaysia is also seeking bilateral and multi-lateral

agreements on asset seizure. Prime Minister Mahathir and Prime Minister Thatcher agreed in principle May 25 to conclude such an agreement. Both sides hope to sign the treaty prior to the Commonwealth heads of state meeting in Kuala Lumpur in October.

As another indication of its determination to root out drug abuse in Malaysia, the GOM announced in April that mandatory drug testing would be instituted for Malaysian civil servants in every ministry and agency. While the exact procedure for determining how civil servants will be chosen for testing has not been announced, it is clear that the testing will be conducted on a large scale and will include government employees at all levels. Malaysia has also instituted a comprehensive system of mandatory drug testing in schools.

SOUTHWEST ASIA

PAKISTAN

The government of Prime Minister Bhutto has highlighted narcotics as one of its principal policy initiatives. The Prime Minister has used her influence to push anti-narcotics measures and to ensure better implementation of drug programs. This attention from the top has resulted in improved performances in most anti-narcotics activities.

The GOP has launched some promising new programs. During Bhutto's June visit to Washington, the U.S. and the GOP signed a protocol calling for dollars 1.5 million in U.S. support for the creation of a new elite narcotics enforcement unit. The U.S. also is assisting in the reorganization of the Pakistan narcotics control board. This past month PNCB senior management was revamped. New directors of enforcement and planning took up their positions in Islamabad, and new regional directors were installed in Karachi, Lahore and Peshawar. Finally, the GOP has showed some progress in the arrest of major drug traffickers through the May 1989 extradition of hashish kingpin Malik Saleem to Florida and the arrest of Karachi druglord Anwar Khattak.

Pakistan eradicated a total of 734 acres of opium poppy in 1989, including 505 acres eradicated through aerial spraying. While eradication of poppy fields did not rise markedly in 1989, the GOP was much more active in preventive enforcement efforts than in recent years. Effective preventive enforcement resulted in dramatically less poppy cultivation, more "voluntary" eradication (using a combination of positive incentives stemming from rural development plus threat of aerial spray). It also limited the violent confrontations which have erupted between opium farmers and eradication forces in the past.

-10-

Final opium production figures for the 1988-89 season have not yet been calculated, but, most observers expect total production to decline sharply from the 205 metric tons of 1987-88 due to a big drop in acreage cultivated, even though yields per acre are up due to favorable weather. (Late rains at the beginning of the autumn planting season caused many farmers to decide not to plant and delayed the planting which did take place; but, adequate rain in January resulted in good yields from those areas which were cultivated.)

GOP enforcement agencies generally have maintained impressive arrest and seizure statistics, but, without noticeable effect on the flow of narcotics through the country. Highly publicized government campaigns against major traffickers during May and June, however, seem to have intimidated many drug dealers and produced an unusual hiatus in trafficking activity.

The principal challenge looming for the GOP in the months ahead will be to implement effectively laudable new narcotics policies. Bureaucratic infighting, inexperienced staff and political resistance to enforcement programs have slowed implementation thus far. We expect some confusion and mistakes to occur as the government's new anti-narcotics team moves ahead with its initiatives. but, GOP cooperation on narcotics should continue and new programs should be carried out effectively in due course.

AFGHANISTAN

Afghanistan is the world's second leading opium producer after Burma, and there remains great concern both in the U.S. and the international community that the eventual return of millions of refugees will push production above the current 800 metric tons per year level. The U.S. Government is pursuing a number of approaches to deal with this problem, including a program to provide aid to Mujahdin commanders to actively suppress narcotics production and trafficking in areas under their control. The recently named Special Envoy to the Afghanistan Resistance has discussed the issue with the Afghan Interim Government (AIG) and will work with the AIG on pursuing concrete steps to show their opposition to narcotics cultivation and trafficking. In addition, Embassy Islamabad maintains an interagency working group on narcotics which meets regularly to coordinate narcotics strategy for Afghanistan. Through their efforts with the AIG, President Mojadeddi issued a statement in March terming illicit narcotics "un-Islamic" and advising Afghans inside Afghanistan to halt cultivation of opium poppy and trafficking in illicit drugs. U.S. assistance to a future government in Afghanistan will be conditioned on firm efforts by that government to eliminate poppy cultivation and trafficking. The international community is being urged

-11-

(primarily through contacts between State/IO and Prince Sadruddin Aga Khan) to adopt a similar position both in terms of bilateral and multilateral efforts.

IRAN

The narcotics production and trafficking situation remains basically unchanged since March. The flow of narcotics into the country, especially from Afghanistan, supports a heroin addict population of up to 2,000,000. Several hundred people have been executed under the the new law mandating the death penalty for possession of more than one ounce of heroin, but serious addiction problems persist.

INDIA

India continues to be a major concern to U.S. officials on three fronts: the trafficking in opium and heroin from Pakistan and Burma through India is apparently increasing; diversion from licit production may equal from 10 to 30 percent of the level authorized for licit production (600 tons of opium); and demand for India's licit opium production continues to fall below production levels, increasing the pressure on farmers to divert part of their crops to traffickers. None of the corrective actions taken to date show much promise of reversing these trends. India is the only licit opium producing country in which diversion is a problem. We have raised our concerns with the Indian government.

India has increased by 500 the number of enforcement officials charged with narcotics interdiction along the Indo-Burmese border to try and stem the tide of opium and heroin coming out and the flow of precursors into Burma.

THE TRANSIT ROUTES

TURKEY

Turkey is a long-term success story in narcotics control. The ban on illicit poppy cultivation, instituted largely at U.S. urging, has been successful since 1971. In 1988, the authorized areas for licit cultivation were nearly doubled, to achieve Turkey's goal of utilizing the full capacity at its Bolvadin plant for processing concentrate of poppy straw. No further expansion has occurred in 1989. But, this situation could change, because 1989 production has been severely affected by drought. In any case we believe the Turkish Opiates Board will have difficulty achieving its goal of reaching capacity production for the Bolvadin plant.

Due to Turkey's geographic location between the producing countries of the Golden Crescent and the heroin markets of

-12-

Europe, the authorities are confronted with an increasingly serious trafficking problem. Trucks from the eastern border region traveling westward toward Istanbul have traditionally transported illicit goods. Commercial truck trafficking from Iran has diminished in recent months because Iranian authorities have cracked down on domestic drug users and several highly publicized executions have occurred. Most recently, the death of Khomeini brought truck traffic to a standstill. As a result, Turkish police are concentrating their interdiction efforts on the human and animal-laden trafficking which passes through Turkey's porous borders. It is very difficult for the police, lacking the close-knit family ties of the traffickers, to penetrate these networks.

We are concerned that the increased seizure statistics not only improved enforcement, but also reflect increased trafficking. There is speculation that the end to hostilities between Iran and Iraq will lead to increased illicit activity. The barrier posed by hostilities has been removed and it is feared that soldiers having difficulty in finding employment could turn to drugs. In any case, we expect drug trafficking to continue to be a major problem in 1989 and 1990. Equally worrisome, we also believe that Turkey serves as a processing center for illicit drugs, with several heroin lab complexes reported. These issues have been discussed with Turkish officials here and in Ankara.

CYPRUS

The year-old administration of President George Vassiliou has taken a strong public stance against illegal drug trafficking and openly favors close international cooperation to combat it. For example, UNFDAC advisors visiting in February, 1989, received an offer from Cyprus to host and to support an international center for narcotics information, conceived as an outgrowth of links already established among enforcement representatives of several countries already stationed in Cyprus.

By late May, flows of currency and bullion from Lebanon through Cyprus in direct transit to banks in Europe had virtually dried up because ferry service had been severely curtailed. There is still no indication that any banks in Cyprus are used for money laundering.

The government has prepared draft legislation increasing penalties for trafficking. Central bank authorities have assured U.S. officials they are ready to make available through Cypriot police or customs channels confidential records concerning offshore companies for investigations of serious crimes.

SYRIA

Syria has been denied certification for three consecutive years for failing to cooperate on narcotics control. Efforts to enlist Syrian cooperation in crop eradication in the Bija' Valley have not been successful. The Syrian position is that their forces are willing to participate in crop eradication efforts if asked to do so by Lebanese authorities, but, since there has been no universally recognized central authority in Lebanon since September 1988, there is no authority which could reasonably be approached and urged to make such a request of the Syrians. Further, the efforts of all concerned are centered on finding a resolution to Lebanon's political crisis. We continue to urge the Syrians to take action in an area where they have considerable influence.

As noted in the annual narcotics report, liaison between the US and Syria resumed in November of 1988 after a prolonged hiatus. The regional DEA officer stationed in Nicosia visits Syria on a quarterly basis. Information exchanges have become routine. A senior Syrian narcotics officer participated in a regional seminar sponsored by DEA in Dubai in March. There will be Syrian representation at the regional narcotics officers' luncheon held in Nicosia in July.

Efforts to publicize the dangers of drug addiction in the Syrian media increased. Syrian authorities claim that seizures of hashish and heroin are up in the first half of 1989. According to those reports, figures for the first four months are already well ahead of those for the first eight months of 1988 and hashish seizures in May and June may equal those for the first four months of the year.

Cooperation with Cyprus, UNFDAC and European countries was also initiated or increased during the first half of 1989. Increased cooperation between Syria and Jordan has resulted in several seizures of hashish. At least 1,500 kilos of hashish have reportedly been seized in 1989 as a result of this cooperation. In at least two instances shipments were traced from the time they entered Syria from Lebanon until they entered Jordan; arrests were then made by Jordanian officials. Information about the ultimate destination of these shipments and any role of Jordanian residents is being developed by their respective authorities. The Cypriot minister of interior visited Syria in February. One of the main subjects of his meetings with his Syrian counterpart was narcotics control, a fact given prominence in local press articles on the visit. We understand that conversations between UNFDAC and the Syrians continue. There are also indications that the Syrians are cooperating with several Western European states in the drug control effort. One hashish seizure was of a truck about to board a ferry at Tartous destined for the European market.

LEBANON

The situation in Lebanon remains basically unchanged since the March INCSR. With opium production in the Syrian-controlled Bekaa continuing to increase, and the political situation chaotic, the U.S. will attempt to continue to expand liaison contacts with Lebanese drug authorities to the maximum extent possible.

BULGARIA

The major development in 1989 has been the publicly reported linkage of Bulgarian officials to money laundering. Evidence of complicity of low-level officials of a Bulgarian trading firm in the conversion of narcotics-related currency to gold and other foreign exchange was uncovered during the investigation of the Magharian brothers' money laundering ring by a Swiss prosecutor. American and West European press reports also alleged official Bulgarian involvement in narcotics production and trafficking -- including involvement by officials of Bulgarian State Security (DS) in heroin smuggling and money laundering.

While Bulgaria has vehemently denied any governmental involvement in narcotics production, trafficking and money laundering, a leading law enforcement official has noted that Bulgarian customs law permits foreigners to freely import and export foreign currency and gold through Bulgaria, without facing inquiry into the origin or purpose of such funds or transfers. Because Bulgarian law does not permit inquiry into the source of currency or precious metals transiting the country, we believe the law is basically inadequate to prevent Bulgaria from being used as a transit country by money launderers. Bulgaria, however, has given no indication that it is planning any legal initiatives to address this problem.

On June 15, the Ministry of Interior for the first time established direct relations with U.S. law enforcement agencies for the purpose of anti-narcotics cooperation. Establishment of relations with the interior ministry is a step forward, as it gives DEA, US Customs and INM potential direct access to Bulgaria's chief investigatory organ.

Bulgarian Customs has reached an agreement with UNFDAC on a joint project to build a modern inspection facility at the Kapitan Andreevo border crossing with Turkey, and has increased cooperation with and received material assistance from West European customs services. Additionally, Bulgarian Customs has implemented measures designed to meet the recommendations made by a U.S. Customs survey report, including expanded and modernized inspection facilities, creating the customs training center, and reconsidering the use of narcotics detecting dogs.

-15-

It remains to be seen whether the intention of Bulgarian customs and the interior ministry to cooperate on narcotics will be translated into actions. In the first six months of 1989, Bulgarian customs has seized 75 percent of the total heroin seized in 1988, which was a record year.

In sum, we believe that Bulgaria's efforts should be encouraged. At the same time, our readiness to cooperate with Bulgaria should be tempered by progress.

NIGERIA

Although the promised creation of a Nigerian DEA-like enforcement unit has not materialized, seizure and arrest activity by customs are up sharply. Cooperation with the U.S. remains good, and there is evidence of growing public awareness of the drug problem, if not of effective prevention programs.

The first half of 1989 was characterized by a dramatic upsurge in drug arrests and seizures, mainly at Lagos' Murtala Mohammed International Airport. In the first six months customs made a total of 65 arrests and seized 51 plus kilos of heroin/cocaine. The comparable figures for all of 1988 were 88 arrests and 51 kilos seized.

OTHER AREAS

While the Committee advised in its letter of invitation that it would focus on Mexico and Central America in later hearings, a few comments should be made here to update the Committee on recent events.

MEXICO

The Government of Mexico has made a major turnaround in the antidrug war under President Salinas, who has declared narcotics trafficking a threat to Mexico's health and national security. We expect the Salinas government to continue an intensified antinarcotics campaign and to increase both bilateral and international cooperation. Mexico is studying a proposal to add a considerable number of helicopters and fixed-wing aircraft to its antinarcotics fleet. Limited resources will be a major constraint on the Mexican effort.

Mexico created a special deputy Attorney General's office for narcotics affairs. The PGR, as the enforcement unit is known, has arrested a number of important drug traffickers and seized significant quantities of drugs in 1989. In addition to increasing its bilateral narcotics activities, Mexico has mounted an extensive diplomacy campaign in national and international fora and media to promote antinarcotics efforts.

-16-

Improvements in the bilateral relationship take several forms. Joint eradication verification flights were reinitiated on an ad hoc basis with NAU personnel in March. A proposed agreement on aerial surveys has been presented. A project to construct a major maintenance facility in Guadalajara was begun. Under new direction, the aviation maintenance program was revitalized and availability rate of PGR aircraft has been raised to 75 percent, and confiscated aircraft have been added to the Mexican antinarcotics fleet. The aviation maintenance contract with Bell Helicopter has been extended to June 30, 1990.

Mexican law enforcement officials arrested several major drug traffickers during the first half of 1989: Miguel Angel Felix Gallardo, a suspect in the 1985 murder of DEA Agent Enrique Camarena; Raul Kelly Osuna, a principal trafficker in northern Mexico; Giuseppe Catania Ponsiglione, considered a member of the Colombia cartel in Mexico and the former French connection in Marseilles, France; and Jose Antonio Zorilla Perez, former federal national security director, who allegedly protected several drug traffickers, including Felix Gallardo and Rafael Caro Quintero. A Mexican judge found four defendants guilty of abuse of authority and injuries in connection with the 1986 detention/torture of Victor Cortez. Each was given a 5 year prison sentence.

The Attorney General reported eradicating 1,450 hectares of opium poppy and 606 hectares of marijuana from December 1, 1988, to June 28, 1989. In this same period, Mexico reported seizing 14,355 kgs cocaine, 195,000 kgs dried marijuana, 253 kgs opiates, 1,326 land vehicles, 30 airplanes, 2 boats, and 1,570 weapons. Mexican law enforcement officials arrested 5,203 individuals on drug-related charges, of whom 2,827 were detained. The Mexican secretary of defense claimed separately that military personnel manually eradicated 4,000 hectares opium poppy and 1,712 hectares of marijuana during same period.

Mexico began a major northern states antinarcotics interdiction operation April 1, which will run indefinitely. GOM also began interdiction operations along the southern border with Guatemala at end of June.

The PGR also initiated efforts to launch drug money laundering investigations.

GUATEMALA

The top eradication priority remains the opium poppy but aerial eradication was severely restricted in December 1988 due to incidents of small-arms fire directed at the Thrush spray craft. A June survey found 1200 hectares of opium poppy under cultivation with land cleared for another 300 - 400 hectares.

-17-

The recent arrival of two INM UH-1H helicopters may permit the resumption of spraying soon. The Embassy continues to cooperate with the Government of Guatemala (GOG) on interdiction of narcotics as well as precursor chemicals. The USG is working with the GOG and the private sector in the area of education/prevention.

The U.S. Embassy and the GOG are working to create a joint (Treasury Police and National Police) anti-drug task force and to revise Guatemala's antiquated drug laws in conformity with the Vienna Convention Against Illicit Traffick in Narcotics Drugs.

The opium poppy continues to be our top eradication priority. Aerial spraying was limited to only 20 hectares of opium poppy since January as the aircraft were hit by automatic small-arms fire during missions flown in November and December. In June, two INM UH-1H helicopters and crews arrived to support the aerial spray program. The helicopters will provide search and rescue support for the spray craft in Guatemala and support other aerial operations in Central America. In the past six months, despite scant resources, the Treasury Police manually eradicated 1300 hectares of opium poppy and 1.6 hectares of marijuana.

The U.S. Embassy maintains close liaison with GOG on interdiction of narcotics and precursor chemicals. The US Coast Guard conducted several law enforcement/interdiction courses for Guatemalan port personnel. The Embassy is also helping to create an anti-narcotics task force to concentrate on interdiction and disruption of drug trafficking organizations. The past six months have seen 1300 kgs of cocaine intercepted in Guatemala along with some 350 kgs. of opium poppy seed, and at least 300 kgs. of processed marijuana.

The U.S. is also supporting GOG efforts to rewrite antiquated drug laws. Members of Guatemala's congress are undertaking efforts in this area as well.

No reliable statistics exist on the extent of local drug abuse. GOG and local press have recently focussed attention on the subject of drug abuse in Guatemala. A Treasury Police officer participated in a program sponsored by DEA and USIS in the U.S. on drug abuse prevention. A U.S. drug education/prevention specialist participated in a week-long series of seminars, lectures, and media appearances in February. The program reached mass audiences through television appearances as well as meetings with secondary school teachers and students. An officer of the chambers of industries anti-drug program visited the U.S. under an International Visitors Program focussed on drug abuse.

0053A

Statement

of

DAVID L. WESTRATE
Assistant Administrator for Operations
Drug Enforcement Administration

before

the

Select Committee on Narcotics Abuse and Control
U.S. House of Representatives

concerning

Heroin Trafficking in Southeast Asia,
Southwest Asia and the Middle East

on

August 1, 1989

Chairman Rangel and Members of the House Select Committee on Narcotics Abuse and Control: I am pleased to appear before you today to discuss the heroin trafficking situation in Southeast Asia, Southwest Asia, and the Middle East, as well as the efforts of the Drug Enforcement Administration in this region of the world.

Southeast Asia

Over the last few years in Southeast Asia, political turmoil and excellent weather conditions have provided favorable conditions for a large increase in narcotics production and trafficking. In 1980, 11 kilograms of Southeast Asian (SEA) heroin were seized in the United States. By comparison, in 1988, 367 kilograms of SEA heroin were seized in this country.

While relative calm has returned to the urban centers of Burma, normal anti-narcotics activities have not been resumed. It can therefore be expected that opium poppy cultivation will increase, primarily as a result of little or no government suppression operations. Increased opium production is further anticipated owing to systematic, timely planting, the use of chemical fertilizers, and another year of near-perfect weather conditions for opium poppy cultivation.

Heroin refining activity, at the Burma/Thailand border, is expected to increase due to an abundance of opium and the lack of

enforcement operations which had some significant success in previous years. Heroin trafficking activity has also increased at the Burma/India and Burma/China borders as a result of increased heroin production combined with less enforcement operations in those areas.

The decertification of Burma in 1989 resulted in a complete cessation of aerial eradication. This program had previously been considered to be relatively successful.

Burma Army operations are now concentrated on the insurgent groups and public law and order. The Army is not expected to engage in any sustained enforcement operations, at least in the immediate future.

Thailand continues to maintain a crop eradication and narcotics law enforcement program. Cooperation with United States counterparts remains fairly satisfactory, and joint refinery interdiction operations and criminal investigations have produced significant results.

1988 was a good year for law enforcement efforts. According to Thai government officials, drug arrests exceeded 46,000, up from 42,550 the previous year. The amount of heroin seized almost doubled that confiscated in 1987 -- up from 1.3 tons in 1987 to 2.4 tons in 1988.

Last year's total includes one seizure by the Royal Thai Customs that netted 1,086 kilograms of No. 4 heroin. The heroin was concealed within 62 bales of rubber, which was to be shipped to a company in New York via Singapore. This investigation is continuing.

Refinery interdiction operations were undertaken regularly during 1988, with a total of 10 heroin refineries being immobilized by year's end. Several refineries have been neutralized so far this year.

First half statistics for 1989 have not yet been released by Thai authorities. However, there has been no reduction in U.S./Thai cooperative efforts.

Of concern are agreements between Burma and Thailand regarding the transportation of timber products between the two countries that could provide an ideal means of moving narcotics across the Burma/Thai border.

Opium production in Laos has been steadily increasing since 1984, and indications are that this trend will continue. This increase in cultivation can be attributed to economic motivations along with favorable weather conditions and the shift of Thai and Burmese traffickers into Laos. Intelligence and seizures indicate that large amounts of Lao-refined heroin are reaching international consumers.

In January 1988, DEA seized 35 kilograms of suspected Lao-refined heroin #4 in New York City. In March 1988 in San Diego, an estimated 56.3 kilograms of Lao-prepared opium were seized, concealed in parcels.

To assist enforcement efforts, Malaysian lawmakers have enacted legislation designed to deter and curtail the supply of illicit drugs entering their country. In March 1988, the government also passed asset seizure legislation. Malaysia has made possession of drugs a capital offense. From 1975 through September 1988, Malaysia has hanged 73 drug offenders and 136 more are on death row. (Possession of more than 15 grams of heroin carries a mandatory penalty of death by hanging.)

Hong Kong's reputation as a financial center of the drug trade continues. Hong Kong is the third leading financial center in the world and a leader in Asia. Because of bank secrecy laws and the lack of currency controls, Hong Kong is a safehaven for narcotics-generated funds. The Hong Kong Government recently enacted the Drug Trafficking Bill of 1989 (Confiscation of Proceeds). This legislation enables the courts to trace, freeze, and seize the proceeds of drug trafficking.

Southwest Asia and the Middle East

DEA is keenly aware of the ever-changing political situation in this area of the world and its resulting effects on both

narcotics trafficking and drug law enforcement.

Opium poppy cultivation in Pakistan has continued in the more remote tribal areas of the Northwest Frontier Province (NWFP) where the central government exercises little control. This resulted in an estimated opium production of 205 metric tons in 1988, approximately the same as in 1987. Opium produced in Pakistan is either domestically consumed or is converted into heroin in local clandestine laboratories.

Intelligence indicates there are more than 100 clandestine heroin laboratories in the NWFP. Most are situated in the Khyber Agency, which borders Afghanistan.

In Pakistan, the Pakistan Narcotics Control Board (PNCB) is the federal agency responsible for the coordination of all agencies involved in drug law enforcement activities. In FY 88, the PNCB reported the seizure of six heroin processing laboratories. The relative paucity of these seizures is of growing concern to DEA.

In September 1988, the Government of Pakistan (GOP) and the United States signed the Tribal Areas Agreement which provides for the gradual introduction in the area of the GOP's opium production ban. This five-year program is designed to eliminate all poppy production in the Mohmand and Bajaur Agencies of the NWFP. To be successful, this program requires the total support

of the GOP.

The new government of Prime Minister Bhutto has indicated strong support for aerial eradication. Detailed plans have been developed to use the Thrush aircraft during the spray season to extend eradication into areas where topography and lack of government control have limited access.

Last year, the GOP increased its seizures of heroin by 30 percent, from 800 kilograms in 1987 to 1,100 kilograms in 1988. Also last year, Tariq Butt, a major heroin dealer, was arrested in Lahore. He is currently in prison awaiting trial. Another major drug figure, Malik Saleem, was arrested by GOP authorities in late 1988 under a request for extradition from the United States. He is currently awaiting trial in Miami.

India is the world's largest traditional supplier of licit raw opium. It also illicitly cultivates opium poppies as well as diverts opium from licit production. Some of this illicit or diverted opium reportedly is smuggled out of India into Pakistan for conversion into heroin. The opium is also moved, though on a relatively small scale, into the Persian Gulf area.

Officials of the Government of India (GOI) have expressed concern about India's role as a transit country for narcotics produced in neighboring countries -- particularly Pakistan and Afghanistan. Unofficial estimates are that 30 to 40 metric tons

of heroin transit India from Pakistan each year. In addition, there has been an increase in the flow of Southeast Asian heroin from Burma into northeastern India and Bangladesh. The GOI, cognizant of this situation, recently added 500 narcotics enforcement officials along the India/Burma border.

DEA's offices in Karachi, New Delhi, Bombay, and Rome have provided information and coordinated the arrests of Nigerian nationals who have transited India from Pakistan after having swallowed large amounts of heroin contained in condoms. As difficult as it may be to believe, each courier, or in current jargon -- each "swallower" -- was found to have consumed, on the average, over one-half kilogram of heroin.

The GOI and DEA are encouraging increased cooperation and improved lines of communication between enforcement agencies of India and Pakistan. Furthermore, India has signed Memoranda of Understanding with Pakistan and Burma regarding narcotics matters. Recently, India and Pakistan concluded a third round of talks concerning such topics as the exchange of criminal information, joint border patrols, and narcotics enforcement training.

To reduce the potential of diversion of opium from licit production, the GOI has reduced its licit opium output from 1,166 metric tons in 1977-78 to an estimated 480 metric tons in 1988-89.

In 1988, Prime Minister Gandhi issued a 14-point directive aimed at intensifying anti-smuggling and anti-narcotics activities. A cabinet-level working group on narcotics, headed by the Home Minister, was also formed last year to set the agenda for, and oversee, the GOI's drug intervention and demand reduction policies.

Legislation in 1988 significantly improved the GOI's ability to combat illegal narcotics activities. Last year, authorities seized almost 6,000 kilograms of heroin and opium, and over 1,500 kilograms of methaqualone.

Afghanistan has been a denied area for DEA personnel since the 1979 Soviet invasion, and reliable information is at best difficult to obtain. We do know, however, that Afghanistan continues to be a major producer of opium and hashish, with 1988 opium estimates ranging from 700 to 800 metric tons. There is no ban on opium poppy cultivation in Afghanistan, and indications are that little was done by either Soviet or Kabul regime officials to address this matter. DEA suspects that the continual reduction of hostilities in Afghanistan will most probably result in an increase in opium production and heroin conversion activity.

Turkey continues to play a major role in the trafficking and transshipment of opiates from Southwest Asia. These opiates are smuggled westward through Bulgaria and Yugoslavia into Western

Europe and/or the United States.

In 1988, enforcement efforts in Turkey resulted in the seizure of approximately 1.5 metric tons of heroin. Cooperation between Turkey, European countries, and DEA has led to many multi-kilogram seizures in various European countries. Intelligence has revealed that some of this heroin was destined for the United States.

Iran is a denied area, and most of DEA's information is based on media reporting, which indicates that several initiatives targeting illicit drug activities have been taken. In January 1989, stringent anti-drug legislation went into effect. Also, enforcement measures have been increased along Iran's borders. Record seizures and arrests have allegedly been made, and it has been reported that more than four hundred drug traffickers have been executed this year.

DEA has, however, initiated several investigations which demonstrate that large amounts of Iranian heroin are still being exported into Western Europe, with some of that heroin destined for the United States. This past January, a cooperative case between DEA's Milan office and Italian authorities resulted in the seizure of approximately 115 kilograms of heroin which had been smuggled out of Iran into Turkey and then transported to Italy via "Transport International Routier" (TIR) truck. DEA has implemented a Special Enforcement Operation targeting the

smuggling of heroin from the Middle East to Europe via the Balkan Route.

Lebanon remains one of the major producers of hashish for distribution into the international market. Also during the last few years, farmers in Lebanon have increasingly turned to opium poppy cultivation. Recently, there has been some eradication of opium poppy in the Christian areas. The major portion of locally produced opium and its derivatives are smuggled to other Middle East countries, as well as Europe and the United States. Intelligence indicates there are also heroin conversion laboratories in Lebanon's Bekaa Valley. The limited degree of central government control in the producing areas is a major impediment to the country's narcotics control efforts.

Syria was denied certification in 1988 because it had failed to cooperate with the United States on narcotics control. Syria is not a significant producer of illicit drugs but is known to be a transit point for some of these substances. Since November 1988, representatives from Syria have been present at several regional anti-narcotics meetings.

Mr. Chairman, this concludes my statement. I appreciate this opportunity to relate the international narcotics control efforts of the Drug Enforcement Administration in Southeast Asia, Southwest Asia, and the Middle East. I will be pleased to answer any questions you may have.

PREPARED STATEMENT OF
THOMAS H. REESE III
DEPUTY ASSISTANT ADMINISTRATOR
BUREAU FOR ASIA AND THE NEAR EAST
AGENCY FOR INTERNATIONAL DEVELOPMENT
BEFORE THE
SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, D.C.
AUGUST 1, 1989

Expansion of the world's opium supply, particularly from Asia where the majority of the crop originates, threatens to increase heroin supplies in the U.S. and elsewhere. It is also having a deleterious effect on the people and economies of the Asia region as a result of illicit production, trafficking and expanded domestic usage.

A.I.D. is actively engaged in a variety of narcotics control programs in a number of Asian countries. Priority attention, however, is being given to Pakistan and Thailand due to continuing problems of illicit opium production, trafficking and domestic drug use. A.I.D. anti-narcotics programs in Asia fall into two general categories; opium crop replacement/area development and drug awareness. These activities are developed and carried out with extensive host country involvement and coordinated closely with other U.S. mission narcotics agencies and programs.

Pakistan continues to be a significant opium producer in the Asia region, although the country's estimated 200 metric ton (mts.) yield in CY 1988 was substantially lower than the CY 1979 high of 800 mts. Elsewhere, heroin addiction has increased dramatically in recent years, from a negligible number less than a decade ago to an estimated 1.0 million addicts currently. Domestic drug consumption, estimated at 270 mts. in 1988, has transformed Pakistan from a net exporter to a net importer of opium/heroin. Illicit narcotics transitting Pakistan from Afghanistan and other neighboring countries helps supply Pakistan's burgeoning addict population. So serious is the problem that the recently-elected Bhutto government has made reduction of opium cultivation and heroin trafficking a national priority. For its part, A.I.D. has also made narcotics control one of its development priorities under the current FY 1988-93 Country Development Strategy for Pakistan.

The recent reorganization and new leadership for Pakistan's lead narcotics control agency, the Pakistan Narcotics Control Board (PNCB), a large-scale raid on a drug stockpile center in Baluchistan in July (1989), and extradition to the U.S. of drug kingpin, Malik Saleem, earlier this year, are concrete measures backing up Prime Minister Bhutto's anti-drug pronouncements.

The largest A.I.D anti-drug program carried out in Pakistan to date is the Northwest Frontier Area Development Project (NWFADP). Since 1983, the NWFAP has promoted the development of alternatives to opium poppy cultivation in Pakistan's northwest region. The project, presently funded at \$63.0 million, supports the Government of Pakistan's Special Development and Enforcement Plan (SDEP) for the elimination of poppy cultivation in the northwest region. The project's initial focus was on the Gadoon-Amazai area (\$20.0 million) which once produced 50 percent of Pakistan's poppy crop. Phase I activities were completed in December 1988, and were successful in helping the Pakistan Government to eliminate most of the poppy cultivation in the Gadoon-Amazai area by providing roads, electricity, schools and alternative crops which prepared area farmers to accept the government's poppy ban. In 1987, the NWFADP also provided \$1.0 million to construct an industrial estate within the project area to expand off-farm employment opportunities.

In addition, the project has also provided a \$10.0 million grant to the United Nations Fund for Drug Abuse Control (UNFDAC) for implementation of a similar area development activity in Dir District, currently Pakistan's largest poppy growing area outside the tribal areas bordering Afghanistan. The UNFDAC activity has progressed more slowly but has recently gained momentum. Finally, the grant to UNFDAC also funds a Special Development Unit (SDU) under the Northwest Frontier

government, which is responsible for the design and implementation of development activities in poppy growing areas.

A \$32.0 million amendment (part of the overall \$63.0 million) was added in September 1988 to extend NWFADP development activities in Gadoon-Amazai for another 5 years to prevent any reoccurrence of poppy cultivation. These funds will also support initial agriculture and forestry activities in adjacent Kala Dhaka District, a potential new poppy growing area; provide technical assistance for design of a comprehensive, \$20.0 million Kala Dhaka II Project; and establish a Pakistan Drug Abuse Prevention Resource Center (\$3.1 million).

The Tribal Areas Development Project (TADP), is another A.I.D. activity designed to address the associated development problems of narcotics production. The project, currently authorized at \$45.0 million, began in 1982, with a focus on small scale road and water infrastructure activities in areas along the Pakistan-Afghanistan border where poppies had been grown. Design of a follow-on TADP II activity is expected to get underway soon.

A.I.D. is also engaged in strengthening Pakistan drug prevention efforts. As part of the NWFADP, USAID is providing \$3.1 million over a five-year period to help establish a Drug

Abuse Prevention Resource Center (DAPRC) under the Pakistan Narcotics Control Board (PNCB). The Center's main goal is to encourage and support local efforts to achieve a drug free society in Pakistan through reduction of domestic drug demand. A secondary goal is to serve as a clearing house on drug abuse prevention and information for the country.

Like Pakistan, Thailand is also a net importer of opium/heroin to meet the needs of an estimated 500,000 addicts countrywide. With opium production rising sharply throughout the "Golden Triangle" recently, much of it transitting Thailand, local needs are easily met. Over the last two decades, Thailand has made significant progress in reducing cultivation and production of opium, and in providing alternative income sources for opium producers. Thailand's achievements are partly offset by the continuation and expansion of opium/heroin trafficking from neighboring Burma and Laos, and widespread drug use in both urban and rural areas of Thailand itself. With the recent completion of the Mae Chaem Watershed Development Project Thailand will primarily receive technical assistance and program support for narcotics education and awareness efforts under the centrally-funded and administered Regional Narcotics Education Project. Two other centrally-funded programs are also active. AIDSCOM is carrying out a national survey to assess local attitudes and practices relating to the spread of AIDS, including through IV drug use.

AIDSTECH is conducting street ethnographic studies and outreach training in part directed towards prostitutes involved in drug abuse.

The UNFDAC no longer directly implements a crop substitution program in Thailand, but for the last few years has worked with the Royal Thai Government (RTG) in developing a more unified approach to overall highland development by integrating crop replacement-type activities into the national rural development system carried out by RTG line agencies. One such activity involves a PM 5.0 million (approximately \$2.5 million) offer from the Federal Republic of Germany being developed under UNFDAC auspices. The European Economic Committee (EEC) has also provided a planning grant to one of Thailand's Provinces bordering Burma to design development activities for EEC funding consideration.

With the withdrawal of Soviet forces from Afghanistan in 1988, Afghan refugees living in Pakistan and elsewhere are poised to return to their homeland. Given the country's long history of opium cultivation and with few other income-generating opportunities open to the returning refugees, it is anticipated that many may resort to poppy cultivation, thus raising Afghanistan's currently estimated annual 700-800 mts. of opium even higher. The prospect of continuing

-7-

large opium/heroin availabilities from Afghanistan (as well as from Burma and Laos) holds serious consequences for the U.S. and other developed countries as well as for countries throughout Asia itself. It is vital, therefore, for the U.S. to try and thwart any further increase in Afghanistan's illicit production. A.I.D. is prepared to assist in that effort.

In 1988, in response to a direct request for assistance from an Afghan commander/religious leader, A.I.D. provided \$200,000 in foodstuffs and agricultural implements on agreement from the Afghan leader that poppy production would be eliminated in the area under his jurisdiction. Entitled project Alpha, the impact of this modest effort is being assessed prior to developing an expanded opium elimination program to areas where other commanders are willing to participate. The expanded program will also seek to exploit local religious and cultural beliefs in an attempt to strengthen anti-narcotics attitudes among the Afghan population as they relate to opium production and use.

Besides bilateral crop substitution and area development programs, A.I.D. is implementing a Regional Narcotics Education (RNE) Project in Pakistan, Thailand, Sri Lanka, the Philippines, Bangladesh, Nepal and Indonesia. This three-year, \$3.0 million activity is directed towards increasing public (and official) awareness of the drug problem, as well as

strengthening indigenous institutions and programs aimed at reducing narcotics demand. In Pakistan, RNE will provide technical assistance to the recently-established Drug Abuse Prevention Resource Center in areas of overall planning, administration, and demand reduction. If successful, this program, over time, will hopefully impact on illicit production and other facets of the narcotics trade in these countries.

Since getting underway in early 1989, RNE has held two regional workshops; one on conducting epidemiological surveys to determine the nature and extent of narcotics use, the second on developing effective communications strategies for national drug abuse prevention. Representatives from Afghanistan, Malaysia, Brunei and Laos as well as Colombo Plan narcotics specialists have also participated in the workshops, which were closely coordinated with and supported by State/INM and NAU/Bangkok. As an example of effective public diplomacy in the narcotics area, the communications workshop held in Bangkok, in July, drew strong praise from the Permanent Secretary of the Thai Government who commented in closing remarks that it was "highly valuable as it provides an opportunity for the participants to share experiences and enhance their knowledge on necessary steps to plan, design, implement and evaluate [drug] prevention programs."

Additionally, RNE has provided direct support for drug prevalence/attitude surveys among high school and college youth in Thailand and the Philippines. In Sri Lanka, the program has helped finance the establishment of a PVO dedicated to drug abuse prevention, while in Pakistan, Thailand, the Philippines and Sri Lanka it has provided technical, commodity and administrative support to strengthen their respective national narcotics control agencies.

In conclusion, there are no miracle solutions on the horizon which will quickly overcome Asia's narcotics problem. The region's major opium growing areas are all but inaccessible to local government influence or control, making elimination of illicit production extremely difficult. Furthermore, reducing farmer dependency on opium crop income is not simply a matter of providing alternative crops but of developing the necessary agricultural skills among opium farmers, establishing marketing systems and providing other essential infrastructure and social services as well as improved security in these areas. Any lasting solution to the narcotics problem in Asia requires a comprehensive, coordinated and long-term approach involving the affected countries, U.S. Government agencies and other donors.

A.I.D. has been involved in various U.S. Government efforts to control narcotics in Asia for nearly two decades. Some

headway has been made. Many governments in the area have already or are rapidly becoming aware that the narcotics problem is an international one, affecting their own economies and populations as much as those in developed states. The realization that drugs are harming their own societies through rising domestic addiction, loss of manpower, increased health costs, crime and violence, etc., is causing many Asian leaders to take corrective action.

The U.S. Government should be responsive to this growing concern and support worthwhile host country initiatives aimed at reducing illicit narcotics production, trafficking and use. In this regard, A.I.D. appreciates the cooperation given by other agencies especially State/INM and USIA. We also welcome and look forward to maintaining close cooperation with the newly-established Office of National Drug Control Policy under Dr. William Bennett.

SUBMISSIONS FOR THE RECORD

QUESTIONS

- I. Assistant Secretary Mel Levitsky, INM
- II. Assistant Administrator David Westrate, DEA
- III. Deputy Assistant Secretary Thomas Reese, AID

Questions for Assistant Secretary Levitsky
Bureau of International Narcotics Matters

International Drug Policy

- * The Committee has been concerned in the past that narcotics control has not received the priority attention it deserves in the State Department. Your appointment as the Assistant Secretary is significant in that it is the first time that a career diplomat has been put in that position. Does this reflect a new priority on narcotics issues in the State Department? Please describe.
- * What are your new plans for the Bureau? Are your resources adequate?
- * Bennett told the Select Committee that he was relying on staff of the National Security Council to develop the international portion of his drug strategy. How much input will State have in the strategy? How do you see your role in interacting with the Drug Czar? How much contact have you had with that office?

Burma

- * We are told that Burma plans free elections next spring. Yet the main opposition leader has been put under house arrest. With U.S. assistance temporarily suspended to Burma, what are the prospects for resuming assistance and the narcotics eradication program?
- * Are we doing anything at present to encourage Burma to enforce its drug laws and or eradicate poppies?

Thailand

- * With the bumper crops of opium in Burma and the breakdown of narcotics control within that country, has there been an increase in narcotics interdiction activity in Thailand?
- * Thailand and Burma have a new trade agreement for teak products. Are Thai authorities planning any steps to ensure that the flow of legal goods from Burma to Thailand do not include concealed heroin?
- * Have the Thais made any progress in enacting asset forfeiture and conspiracy legislation?
- * What are the projections for this year's opium eradication program? Will Thailand continue the use of aerial herbicides?
- * Have the Thais developed a cannabis survey program as yet? Are there any estimates of total cannabis production?

Questions -- INM

Page 2

Laos

- * Although Laos was decertified in March 1989, the INCSR mentioned new drug control dialog with the government of Laos, including a possible bilateral narcotics control agreement. Has there been any progress on such an agreement?
- * Last year's Section 2013 report on official corruption indicated that there was extensive involvement of government and military officials in drug trafficking. Has this continued?
- * The INCSR mentioned that the United Nations Fund for Drug Abuse Control had scheduled a pilot crop substitution project to begin in March 1989. What is the status of the UNFDAC project?

Pakistan

- * Prime Minister Bhutto has voiced a strong commitment to narcotics control; have her actions thus far indicated a strong commitment?
- * Has the recent Pakistani asset seizure law been used yet?
- * How extensive do you expect this year's aerial eradication program to be?

Afghanistan

- * Is opium production expected to increase this year in Afghanistan?
- * Is the Kabul government showing any signs of conducting drug enforcement operations? Have the Soviets exerted any pressure to do so?
- * The Mujahidin and other rebels are active in some of the areas where much of the opium poppy is grown. Do our discussions with the rebels include narcotics issues?

Iran

- * Earlier this year, the Iranian government declared they were going to clean up their narcotics problem. A number of people have apparently been executed. Do we know if this is a political purge, or are they actively seeking to clean up the drug problem?
- * Will the new Administration change the tone of our relations?
- * Has the State Department discussed with the Soviets the new agreement between Iran and the Soviet Union, especially as relates to any type of efforts to control narcotics production?

Questions -- INM

Page 3

India

- * How much licit Indian opium is diverted to the illicit market for refining into heroin?
- * What is the Indian government doing to prevent this diversion?
- * The INCSR reported the discovery of 20 hectares of illicit opium cultivation, and reported the eradication of those fields. Do you have any indications that there are additional illicit opium fields in India?
- * Are there any cannabis eradication programs?
- * Have the Indian courts used the asset forfeiture provision in the 1985 Narcotic Drugs and Psychotropic Substance Act?

China

- * In December 1988 the Chinese delegation, to the United Nation's Conference in Vienna signed the Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. At the end of the Convention, the National People's Congress was scheduled to consider approval of the Convention in 1989. Has the recent crisis in China affected that timetable in any way?
- * China seems to have had a great deal of success in dealing with it's own considerable narcotics problem. Are there any lessons that the U.S. can learn from China's experience or are China's method's inconsistent with a free and democratic society such as our own?
- * Hong Kong returns to Chinese jurisdiction in 1997. What are the implications of this return for the narcotics situation in China?
- * According to the March 1989 State Department's International Narcotics Control Strategy Report, China has shown itself willing to cooperate with U.S. drug enforcement efforts. Has this cooperation been continued despite the tension between the two governments that has recently arisen?

Nepal

- * We have provided assistance to Nepal to establish a detector dog program at the main airport. However, while training has been going on, we understand that the facilities for the dogs at the airport have not yet been established. What is the status of these efforts?
- * What are the prospects for future cooperation in anti-narcotics efforts between the U.S. and Nepal?

Questions -- INM
Page 4

Turkey

- * Turkey has long had a reputation as an opium producing country, yet according to the State Department's March 1989 INCSR Report Turkey produces no significant amounts of illicit narcotics, although it does produce a significant amount of opium poppies for legitimate use. Is Turkey merely a terribly misunderstood country, or is the State Department's report overly optimistic?
- * The Iranian government has claimed a great deal of success in battling the illicit narcotics trade, while the Iranian press has indicated that such programs may not have been very successful. What is your assessment of the situation? How successful has the Iranian government been?

Iran

- * Iran is estimated to have over one million drug addicts. What steps have the Iranian government taken to remedy the situation?
- * The DEA claims that Iranian drug traffickers have been expanding their activities in the U.S., especially in California where there are large Iranian communities. What can we do to limit this expansion?
- * Drug traffickers use both Iran and Turkey as passageways to the West. What steps can the U.S. government take, unilaterally or with the cooperation of the regional government in those areas, to close off these passageways to the West?
- * The State Department believes that a great deal of narcotics passes through Turkey to the West in bonded "TIR" trucks. Thousands of these trucks cross the Turkish border on the way to the West daily and the contents of these trucks are not subject to inspection. Would it be feasible to open up these trucks to inspection, thereby closing up this easy route West?

Syria

- * The INCSR indicates some new willingness on the part of Syrians to participate in international narcotics control efforts. Has there been any concrete action in this area?
- * Are there any signs that the Syrians are cracking down on the labs in Syria and in Syrian controlled Bekaa Valley?

QUESTIONS FOR THE DRUG ENFORCEMENT ADMINISTRATION

- * How many DEA Agents are based in Southeast and Southwest Asia? Can the number of personnel handle their current workload, or is there a need for additional agents?
- * We know that every nation which produces, traffics, or consumes drugs finds some level of drug-related corruption in its society. What is the extent of high level drug-related corruption in Asia?
- * I understand that several nations in this region have implemented aerial eradication programs. Which nations have such a program? What herbicide is being used? How successful have these programs been? Have these herbicides been proven safe for people and the environment?
- * Before the recent student uprisings in China took place the DEA and the United Nations Narcotics Board were scheduled to conduct several seminars in China on the subject of narcotics abuse and control. Have the student uprisings in China affected this timetable?
- * Between the years 1981 and 1985 China apprehended only 43 drug traffickers. Is this relatively low number of arrests indicative of the ineffectiveness of the Chinese law enforcement system in dealing with narcotics trafficking or simply of a society that does not really suffer from a trafficking problem?
- * China seems to have had a great deal of success in dealing with it's own considerable narcotics problem. Are there any lessons that the U.S. can learn from China's experience or are China's method's inconsistent with a free and democratic society such as our own?
- * According to the March 1989 State Department's International Narcotics Control Strategy Report, China has shown itself willing to cooperate with U.S. drug enforcement efforts. Has this cooperation been continued despite the tension between the two governments that has recently arisen?
- * How extensive are the "brown sugar" refineries in Nepal?
- * What are the prospects for future cooperation in anti-narcotics efforts between the U.S. and Nepal?
- * China and Nepal and both increasingly gaining a reputation as transit nations through which drug smugglers move their goods on their way to West. What can be done to stem this flow of illicit narcotics through Nepal and China?
- * According to the State Dept., Turkish authorities believe that the illicit narcotic trade in Turkey is run by small mafia like organizations with strong links to the international arms trade and to terrorism. What is being done to break the influence of these organizations?

-2-

- * The Iranian government has claimed a great deal of success in battling the illicit narcotics trade, while the Iranian press has indicated that such programs may not have been very successful. What is your assessment of the situation? How successful has the Iranian government been?
- * Iran, as well as other nations in this region, have used the death penalty in cases of drug trafficking. How widespread is use of capital punishment and is it possible to evaluate its impact on drug trafficking?
- * The DEA claims that Iranian drug traffickers have been expanding their activities in the U.S., especially in California where there are large Iranian communities. What can we do to limit this expansion?
- * Drug traffickers use both Iran and Turkey as passageways to the West. What steps can the U.S. government take, unilaterally or with the cooperation of the regional government in those areas, to close off these passageways to the West?
- * The State Department believes that a great deal of narcotics passes through Turkey to the West in bonded "TIR" trucks. Thousands of these trucks cross the Turkish border on the way to the West daily and the contents of these trucks are not subject to inspection. Would it be feasible to open up these trucks to inspection, thereby closing up this easy route West?
- * Before the cessation of Burma's aerial eradication program, how much eradication was achieved? What was the role of U.S. officials in this effort? What are the possibilities for the resumption of this program?
- * Is their any aerial eradication done in Thailand?
- * How many people are involved in the production and refining of heroin in Laos?
- * Has Malaysia's asset seizure law passed in March 1988 been implemented? What has been the result?
- * Are other legal changes need in Malaysia or other nations in this region required for effective anti-drug law enforcement?
- * Only six heroin processing labs were seized by Pakistan in FY 1988. Have DEA analysts determined why the rate of seizure of heroin processing laboratories in Pakistan is in decline?

-3-

- * Have aerial eradication missions been planned in Pakistan. What is the extend of the program and what are the expected results.
- * What government agency in India is responsible for anti-narcotics law enforcement? Have they proven effective and committed?
- * Has Prime Minister Gandhi articulated a commitment to combat illicit narcotics and supported rigorous anti-drug programs? Does India have asset seizure laws?
- * What plans does DEA have for operations in Afghanistan if and when hostilities cease?
- * In your testimony, Mr. Westrate, you indicate that approximately 1.5 metric tons of heroin were seized in Turkey in 1988. What percentage of the total amount of heroin produced in Turkey do these seizures represent?

Questions for Deputy Asst. Secretary Thomas Reese of A.I.D.

- * Recently, Turkish officials opened up a 360 bed drug and alcohol rehabilitation center in Istanbul. Has the Turkish government expressed any interest in expanding such services in the future?
- * Pakistan is now estimated to have between 670,000 to 1,000,000 drug addicts and the number has been on the rise for the last several years. Has A.I.D. assisted the Pakistani government in remedying this problem and if so, please describe what type of assistance A.I.D. has provided.
- * In September 1988, Pakistan and the U.S. signed the Tribal Areas Agreement which provides for U.S. assistance in the Bajaur and Mohmand agencies. How has this program been working so far and what do you believe the future holds for this program? What are the prospects for the institution of others like it?
- * Two projects in Pakistan backed by USAID in have apparently had differing levels of success. The project in the Gadoon Amazai Area Region has been very successful while the Dir Development Project has received a great deal of criticism. What occurred differently in the Dir as opposed to Gadoon that caused Dir to fail where Gadoon succeeded?
- * How successful has the extensive drug education/treatment program in Thailand been? More specifically, what aspects of these programs have had the most success, the self-help, the religious, or the mass public education programs?
- * What impact has the increased level of development in Thailand had on the drug trade there? How significant has American aid been in encouraging this development and in limiting the drug trade?

COUNTRIES OF THE GOLDEN TRIANGLE
BURMA, THAILAND, LAOS

OPIMUM PRODUCTION TOTALS FOR SOUTHEAST ASIA
(METRIC TONS)

	<u>1983</u>	<u>1987</u>	<u>1986</u>	<u>1985</u>
BURMA	1,465-1,570	925-1,230	771-1,100	490-490
LAOS	213-333	150-300	103-290	100-100
THAILAND	23-33	23-45	20-25	35-35
SUBTOTAL	1,298-1,833	1,095-1,575	824-1,415	525-525
TOTAL WORLDWIDE	2,433,3,308	1,930-3,350	1,595-2,525	1,290-1,640

July 1989

BURMA
(new name is Myanmar)

- * Burma was not certified by President Bush on March 1, 1989, because the narcotics eradication program had ceased following the military takeover in September 1988.

Political Situation

- * Following considerable political unrest and turbulence, the military took over the government on September 18, 1988. The U.S. responded by suspending all assistance.
- * The new military leader Saw Maung, was prominent in the Ne Win government and many of the new government leaders are of the Ne Win era. However, many of the leaders in the People's Police Force have retired or resigned following the brutal suppression of student demonstrations in the summer of 1988.
- * In July 1989, the military arrested the leading opposition leader.

Narcotics Situation

- * Since the military pullback from the north, narcotics have moved unrestricted on major roadways in the north.
- * Also with the suspension of assistance, there is limited contact with the current military government making information on the situation very scarce.
- * Cultivation of opium poppy increased in 1988 while eradication decreased.

	<u>1988</u>	<u>1987</u>
Opium cultivated	116,700 ha	92,300 ha
Opium eradicated	12,500 ha	16,279 ha
Opium gum produced	1,400 mt	1,015 mt

- * The weather has been good, and without any aerial eradication efforts in the last ten months, we should expect record crops of opium poppy. Without the drug law enforcement operations of previous years, we expect to see also an increase in heroin refining activity. This may result in an increase in Southeast Asian heroin on the streets of the U.S.

Eradication and Enforcement Efforts

- * Opium poppies are eradicated both manually and by aerial application of 2-4.D.
- * While Burma had maintained an extremely isolationist stance, the Ne Win government had been very cooperative with the U.S. in narcotics control matters. The Burmese government had virtually eliminated opium poppy cultivation in areas under its control. The areas along the border with China, Laos and Thailand are controlled by insurgents, many of whom have formed alliances with the drug traffickers.

BURMA
 July 1989
 Page Two

- * The Ne Win government had emphasized action in 5 areas to suppress narcotics: limiting and reducing opium production; preventing the movement of narcotics from producing areas to processing center and foreign markets; striking at processing centers and trafficking organizations; substituting other forms of income for the raising of poppies; and reducing Burma's domestic demand for narcotics.
- * During the first half of 1988, the Burma Army was diligent in its narcotics control efforts. For the first time, a spray plane was damaged by hostile fire during operations. A major operation against the combined forces of the narcotics traffickers and insurgencies resulted in the loss of 39 officers and 350 wounded troops, but destroyed 3 refineries and seized large quantities of processing chemicals and equipment.
- * There were allegations that the Burma Army utilized aircraft provided by the U.S. for narcotics control against peasants in the insurgent areas who were not involved with narcotics. GAO is conducting a study of possible human rights violations in Burma, but the report is not finalized yet.
- * UNFDAC is operating its 3rd 5-year program which is funded at \$10.5 million. Burma's commitment to the program is \$13.5 million.
- * All addicts are required by law to register. At present there are 48,000 registered addicts (33,000 opium, 10,000 heroin, and 5,000 other drug addicts). However, estimates are as high as 412,000 addicts (400,000 opium addicts and 12,000 heroin addicts).

Prominent insurgent groups, believed to be involved in drug smuggling

- * Burma Communist Party (BCP) -- their primary goal is to overthrow the government. They use drugs to finance their insurgency. They have centralized their control of most poppy growing regions and increased poppy production,
- * Shan United Army (SUA) (recently renamed the Mong Tai Army or MTA) -- headed by the notorious opium warlord Khun Sa, maintains control of the Thai/Burma border where many refining operations are located. A large portion of illicit narcotics flow across this border and through Thailand.
- * Kachin Independence Army (KIA) and the Shan State Army North (SSA-N) -- move narcotics via China, India and to the south.
- * Karen National Union (KNU) -- while not directly involved in narcotics trafficking, the KNA's activities facilitate trafficking. They are generally involved in black market goods and money laundering.

July 1989

LAOSNarcotics Situation

- * President Bush decertified Laos on March 1, 1989. The previous year, President Reagan certified Laos on the basis of national interest, to preserve POW/MIA cooperation.
- * In the 1988 official corruption report, President Reagan found that "the extensive involvement of Lao People's Democratic Republic military and government officials in the narcotics trade suggested that such activity is a matter of de facto government policy".
- * Convictions of government officials occur periodically.
- * Laos is a major producer and trafficker of illicit opium and marijuana. Opium is pervasive throughout the underdeveloped mountainous regions of the country and Burmese heroin and opium cross Laos en route to China.
- * Laos' provinces are autonomous, lacking centralized anti-narcotics policies, and attract drug traffickers.
- * Despite prevalent addiction of mountain peoples Laos has no major domestic drug problem.

Eradication/Enforcement

- * Laos is taking steps to eliminate drug-trafficking, most demonstrated by recent arrest and conviction of 48 drug agents, including members of the Central Committee of the Lao People's Revolutionary Party, but rumors circulate that many receive mitigated sentences. However, the government does not view drug-eradication as a national priority.

Legislative/International Agreements

- * There are no bilateral or multilateral treaties with the U.S. and Laos does not comply with the Chiles Amendment.
- * However, Laos recently requested assistance to combat opium and heroin and opened up the country to diplomatic scrutiny. An agreement with UNFDAC authorized \$5.8 million in a crop substitution project.
- * In 1988 Laos declared its adherence to the Single Convention on Narcotic Drugs (1961) and to the 1972 Convention on Psychotic Substances. Laos is expected to sign the recent U.N. Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances.

July 1989

THAILAND

Narcotics Situation

- * Thailand is a narcotics producer as well as a transshipment country for drugs produced in neighboring countries.
- * There is no licit cultivation of opium in Thailand.
- * Opium poppies are grown almost exclusively in the northern areas.
- * The country's excellent highway system makes systematic interdiction extremely difficult.
- * Production in 1988 was between 23 and 33 metric tons of opium, compared to between 20 and 45 metric tons in 1987.
- * While the Royal Thai government is said to have stabilized control over its borders, having pushed out Khun Sa's Shan United Army, Thailand remains the route of choice for narcotics from the Golden Triangle to international markets. This role is facilitated by Thailand's excellent communication and transportation infrastructure.
- * Corruption remains a problem, particularly in the remote areas.

Eradication/Enforcement

- * Drug arrests exceeded 46,000 in 1988, up from 42,550 in 1987.
- * Heroin seizures almost doubled from 1987 to 1988, with 2.4 metric tons seized in 1988 over 1.3 metric tons in 1987.
- * Approximately 1,700-1,800 hectares (about 35-45 percent of the total planted) of opium were eradicated in each of the last three growing seasons.
- * The Royal Thai Government launched a vigorous marijuana eradication campaign in the past few years. Eradication in 1987 and 1988 fell below 1986 levels due to a substantial displacement of marijuana production from Thailand to neighboring countries as a result of Thai efforts. There is still no data available on marijuana cultivation.
- * Ten heroin refineries were destroyed in 1988.
- * Over 62 metric tons of cannabis were seized in 1988.

Thailand
July 1989
Page Two

- * The success of the steady reduction in opium cultivation has been attributed to the integration of the highlands into the lowland economy. The pace at which highland development takes place is directly affected by foreign assistance.
- * Opium eradication is pre-conditioned on the provision of development assistance so that hilltribe opium producers will not experience extreme hardship from the loss of the traditional cash crop.
- * Thai opium survey activities are well established. However, systematic marijuana survey efforts are only beginning.
- * Effective conspiracy legislation and asset seizure laws are needed. Recently high government officials have shown interest in allowing the government to seize narcotics assets. An assets seizure law has been drafted and approved in principle by the cabinet, but is being redrafted for submission to the parliament.
- * A Mutual Legal Assistance Treaty, signed in 1986, awaits ratification in both the Thailand and the U.S. legislatures.
- * U.S. provided helicopters are utilized by the Thai Police Air Division primarily in the northern opium growing regions.

Drug Abuse

- * Heroin addiction is conservatively estimated between 100,000 and 150,000 addicts; opium, between 5,000 and 10,000 addicts. There is no data on the abuse of other drugs.
- * There are approved treatment/rehabilitation programs. They have a 80-90% recidivism rate.

COUNTRIES OF THE GOLDEN CRESCENT

AFGHANISTAN, IRAN, PAKISTAN

OPIUM PRODUCTION TOTALS FOR SOUTHWEST ASIA
(METRIC TONS)

	<u>1988</u>	<u>1987</u>	<u>1986</u>	<u>1985</u>
AFGHANISTAN	700-800	400-800	400-500	400-500
IRAN	200-400	200-400	200-400	200-400
PAKISTAN	190-220	190-220	140-160	40-70
SUBTOTAL	1,090-1,420	790-1,420	740-1,060	640-970
TOTAL WORLDWIDE	2,433,3,308	1,930-3,050	1,595-2,525	1,290-1,640

July 1989

AFGHANISTAN

*The United States has no relations with the government in Kabul. We have been working with groups in Peshawar who are trying to form an interim government. This includes the Mujahidin rebels.

Narcotics Situation

- Illicit Afghan opium production dominated the Southeast Asian drug market in 1988 and prospects for change are bleak.
- The Afghan regime announces seizures of narcotics--often in attempts to implicate Pakistani and Mujahidin circles into the drug trade. Afghan seizure statistics are considered unreliable.
- * In addition to opium cultivation, Afghanistan is also a refiner of heroin base and heroin hydrochloride, and a producer of hashish. A significant amount of Afghan opium is refined in Pakistan.
- Much of the Afghan drugs flow through Pakistan and Iran.
- In 1987 Afghanistan produced between 400 and 800 metric tons of opium; in 1988 the estimate increased to between 700 and 800 metric tons .
- The withdrawal of Soviet troops and the resulting collapse of order in various parts of the country may act as a stimulus for opium production and lead to increasing marketing efforts abroad.
- Opium poppy production is expected to increase due to several variables:
 - Weather conditions are favorable and conducive to high yields.
 - There exists no government control in border areas where significant opium trade is conducted.
 - Adoption of the opium trade among many destitute Afghan refugees remains the most lucrative means for survival.

Eradication/Enforcement

- The government of Afghanistan has no effective narcotics control programs and none have been proposed.
- UNFDAC, which had conducted some programs in Afghanistan, closed its office in 1986.

Afghanistan
July 1989
Page 2

Legislative/International Agreements

- Afghanistan is a signatory to the 1961 Single Convention on Narcotic Drugs.
- Internal circumstances, namely Soviet occupation and withdrawal, have precluded cooperation between the United States and Afghanistan. Thus, no extradition treaty or bilateral or multilateral narcotics control agreements exist. The Chiles Amendment, therefore, has gone unheeded.

Economic Situation

- Opium, a traditional Afghan crop used medically, has become an economic asset for many farmers in the region.
- The two provinces, Nagarhar in Northeast and Helmond in the Southwest, serve as main growing areas for the opium poppy.
- As a result of the Soviet withdrawal, the economic base of Afghanistan built up by the U.S.S.R. after 1979 will continue to be depleted, thereby causing a potential rise in opium trade.

Narcotics Situation:

- * Reliable data on narcotics cultivation, consumption and trafficking have been limited since the fall of the Shah. Little additional information has become available in the last year. The government of Iran insists that the cultivation of opium has been completely eradicated, however, opium poppy production levels are estimated to remain at 1987 levels, approximately in the 200-400 metric ton range. This figure is significantly lower than the 400-600 metric ton estimate for 1979.
- * Iran's opium and heroin production is insufficient to meet the demand of its own (as estimated in the international press) one million addicts. Most of the balance is supplied by neighboring Afghanistan and Pakistan. A great deal of the opiates produced or smuggled into Iran, however, are shipped to the West, most probably because of the higher prices available there.
- * Iran serves as a significant passageway to the West for opiates produced in Afghanistan and Pakistan. Drugs enter Iran from the east and exit through its western border, for the most part into Turkey.
- * Laboratories for morphine base and heroin conversion are reportedly operating in Kurdish controlled sections of northwest and the Baluchi sectors of the southeast.
- * The DEA claims that Iranian drug traffickers have been expanding their activities in the U.S. and centering in California where there are large Iranian Communities.

Enforcement/Eradication:

- * Iran banned opium poppy cultivation in 1980, but it continues to exist in regions where the central government's control is weak.
- * Project Val-'Adiat, implemented in June, was designed to stem the flow of drugs from Afghanistan and involved coordination between various Iranian law enforcement agencies. The Iran government claims to have confiscated vast quantities of opiates and arrested almost 13,000 traffickers. The Iranian press, however, claims that the program has been ineffective.
- * Hundreds of drug peddlers have been executed under a new Iranian law calling for the execution of anyone who buys sells or distributes more than five kilograms of hashish or opium or of anyone who peddles over thirty grams of heroin, morphine or methadone. First time heroin offenders face life imprisonment and the confiscation of their property. Under the dictates of the 1985 Smugglers Act, 30% of these funds will be used to pay rewards to informers and police.
- * The U.S. has no bilateral narcotics treaty with Iran. Iran is party to the Single Convention on Narcotic Drugs of 1961, though not to the 1972 protocol.

July 1989

PAKISTAN

Narcotics Situation

- * In 1988, net production of illicit opium was 190-220 metric tons, the same as in 1987, and an increase over 1986 (140-160 metric tons).
- * Prime Minister Bhutto has voiced a strong commitment to narcotics control, including aerial eradication of poppies.
- * Pakistan undertook a major program of crop eradication in 1987, including some spraying, but efforts were limited to areas under government control. Most opium is now grown in the Northwest Frontier Province.
- * Estimates for heroin addicts are in excess of 650,000, making Pakistan probably a net importer of opium.
- * The Pakistani ban on opium cultivation is only enforced in areas which are receiving concurrent development assistance.
- * Pakistan is the dominant refiner of Southwest Asian opium gum into heroin. There are reports of more than 100 illegal heroin labs in the Khyber Agency which borders Afghanistan.
- * Much of the opium originating in Afghanistan is transported to Peshawar via the tribal areas along the Afghan border. Opium output in Afghanistan is estimated at 700-800 metric tons.
- * Pakistani hashish is transported to the U.S. mainly by cargo vessel.

Enforcement/Eradication

- | <u>Seizures</u> | <u>1986</u> | <u>1987</u> | <u>1988</u> |
|-----------------|-------------|-------------|-------------|
| Opium | 3.0 | 3.0 | 2.7 |
| Heroin | 2.6 | 5.0 | 4.5 |
| Hashish | 80.0 | 90.0 | 80.0 |
- * The PNCB and Pakistani Customs have assisted DEA initiated investigations which have resulted in arrests in the U.S. of several major Pakistani traffickers.
 - * Law enforcement personnel in Pakistan are poorly paid and are susceptible to bribes from traffickers.

Pakistan
July 1989
Page Two

- * In September 1988, the U.S. and Pakistan signed the Tribal Areas Agreement which provides development assistance for the Bajaur and Mohmand Agencies where most of the opium cultivation occurs. The agreement provides for a gradual elimination of poppy cultivation over a 5-year period.
- * In June 1987, the Pakistan National Assembly amended the Dangerous Drug Act of 1930 to include a provision for asset seizure. This has not yet been tested in the courts. In addition, Pakistani law permits the use of wiretaps.
- * A Pakistani court ruled that a Pakistan national who conspired to commit a narcotic offense in the U.S. may be extradited to the U.S. on request, even if he was not in the U.S. when the offense took place. This has not yet been tested.
- * An A.I.D. project in Gadoon is being amended to continue development assistance due to successful poppy eradication.
- * An UNFDAC project in the Dir district with some A.I.D. funding has failed to have a significant impact on poppy cultivation.

Drug Abuse

- * There are about 670,000 heroin addicts in Pakistan, up from an estimated 660,000 in 1987 and 500,000 in 1986.
- * In addition, there are an estimated 260,000 opium addicts in Pakistan.
- * Pakistan has an estimated 580,000 hashish users.
- * There are 26 treatment centers in Pakistan with both inpatient and outpatient facilities. In all, some 300 beds are available countrywide for inpatient treatment.
- * A Drug Abuse Prevention Resource Center is being established with 5-year funding from U.S.A.I.D.

OTHER IMPORTANT ASIAN AND MID-EASTERN COUNTRIES

- INDIA -- Producer of licit heroin, some of which is diverted to the illegal market. Major transshipment country for both Southeast and Southwest Asian heroin.
- CHINA -- Transit country for heroin from the Golden Triangle
- TURKEY -- Former producer of illicit opium poppy, currently major transshipment country of Southwest Asian heroin
- NEPAL -- Transit point for Southeast Asian heroin, some processing of raw opium into heroin
- SYRIA -- Transit point for Southwest Asian heroin, some processing of morphine base into heroin

July 1989

INDIA

Narcotics Situation

- * India is the largest producer of licit opium in the world. Due to its large stockpile of 2,000 metric tons of opium gum, India has been decreasing its licit opium production from 66,000 hectares in 1978 to roughly 15,000 hectares in 1988, with an all time low expected this year.
- * The government admits that some licit opium gum is diverted to the illicit market for refining into heroin. Unofficial estimates vary from 5 to 20 percent diversion of the 600 tons of opium gum produced in 1988.
- * India has become a major transshipment country for heroin. An estimated 30 to 40 metric tons of heroin penetrate India from neighboring Pakistan. Increasing amounts of Burmese heroin are also transiting India.
- * Cannabis flows into India from Nepal, in addition to "No. 3 Heroin" (smokable) transported from Bangkok into Nepal en route to India and points west.
- * Most narcotics flow through Bombay and Delhi, although Madras has played a role in trafficking through Sri Lanka. Narcotics trafficking is conducted both by air and on sea.
- * Cannabis grows wildly throughout India. Its use is accepted as religious ceremony, and is not viewed by the government to be a threat.

Eradication/Enforcement

- * In 1987, the UN Fund for Drug Abuse Control (UNFDAC) reached agreement on a five-year \$20 million anti-narcotics assistance program for India.
- * In 1988 an estimated 6,000 kilos of heroin and opium and over 1.5 metric tons of methaqualone were confiscated. Twenty hectares of poppy were eradicated.
- * Three heroin refining facilities were seized in 1988. There are unconfirmed reports of as many as fifty illicit labs.
- * In 1988, Prime Minister Gandhi created a narcotics board headed by the Home Minister to supervise drug interdiction and demand reduction policies.

India
July 1989
Page Two

Legislation and International Agreements

- * Indian law permits the seizure of assets since enactment of its 1985 Narcotic Drugs and Psychotropic Substances Act.
- * India encourages its officials to seize illicit drugs by a reward system in which the purer the heroin seized the more the reward. However, this system is flagging because rewards are still less than bribes.
- * The Narcotics Control Bureau (NCB) has improved the efficacy of interdiction efforts, with increases in both staff and revenue. A main goal of UNFDAC has been to strengthen the NCB.
- * The government has recently passed a law which provides the death penalty for those convicted of a second trafficking offense. Government officials convicted of drug crimes are subject to a minimum of 10 years in prison. Detention for two years without trial is permitted for suspected offenders. However, enforcement of narcotics laws remains weak.
- * Due to a bilateral agreement with the United States, India is now in compliance with the Chiles Amendment.
- * India is a signatory to the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances.

Economic Situation

- * The havala system of money laundering has been in existence for centuries, serving as a well-organized, informal banking network through which members transfer millions of dollars from India to other countries by word of mouth. The havala is part of the Indian underground economy which, in addition to narcotics, includes consumer goods, gold and foreign currencies.

July 1989

CHINA

(Please Note: All the information contained in this report was compiled before the recent upheavals in China.)

Narcotics Situation:

- * China had a history of extensive opium production and a widespread abuse problem dating long before the founding in 1949 of the People's Republic of China. Today as a result of a crackdown on drugs by the Chinese government in the 1950's, China neither produces a significant amount of narcotics nor suffers from a serious narcotics abuse problem, according to the Department of State.
- * Since 1979, when China began to implement its new "open door" policy of increasing contacts with the outside world, international traffickers have increasingly begun to use southern China, especially the provinces of Guangdong and Fujian, as a gateway to Hong Kong and the West.
- * Chemicals produced in China such as acetic anhydride have been diverted for use in processing illegal narcotics, outside of China, principally in the Golden Triangle area.
- * In 1988 the Beijing Anding Hospital opened up Beijing's first drug dependency research and treatment center. Also in 1988 Yunnan province established two drug addiction treatment and rehabilitation centers, one in Ruili county and one in Longchuan county.

Enforcement/Eradication:

- * Until recent years, China did not admit that any narcotics problem existed inside its borders. China's police and customs officials did not have specialized narcotics units and the legal framework for combatting drug abuse and trafficking was weak. This has changed. In the recent "goldfish" heroin smuggling case, China demonstrated itself willing to work with the U.S. and Hong Kong law enforcement agencies. Narcotics abusers and traffickers now face the possibility of execution under a 1982 amendment to article 171 of the Criminal Law, and under Article 47, passed in 1987, of the Customs Law.
- * High ranking officials at the Ministries of Public Health, Public Security, Foreign Affairs, and of the Customs General Administration have voiced their support for China's drug control effort.

China
July 1989
Page Two

- * Vice Minister of Public Health Gu Yingqi led a ten person delegation to the November 1988 U.N. Conference in Vienna to negotiate the Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. The Chinese delegation signed the Convention and the National People's Congress is scheduled to consider approval of the Convention in 1989.
- * In 1988, the United Nations Narcotics Board sponsored several seminars in China in which many high ranking Chinese officials participated. Many more of these seminars as well as several conducted by officials of the DEA were originally scheduled for 1989, but whether or not they will actually take place in light of the current situation in China is uncertain.
- * In January of 1989 the Chinese implemented new national regulations controlling precursor chemicals used in processing drugs. The emphasis of these regulations are upon local control.
- * Of the 43 traffickers reportedly apprehended between 1981 and 1985 only four were at large again by the summer of 1985.

July 1989

TURKEY

Narcotics Situation:

- * While Turkey has traditionally been a major narcotics producer, according to the Department of State, Turkey no longer produces a significant amount of illicit narcotics. However, its geographic position as a natural land bridge between Western Europe and the major narcotic producing countries of Iran, Afghanistan and Pakistan have made Turkey a major trafficking route.
- * Drugs are shipped to Europe from Turkey via the Balkans route, which is largely controlled by Turkish and Iranian nationals working closely with European organizations in the Netherlands, West Germany, Spain and Belgium. Traffickers make extensive use of the thousands of sealed trucks, not subject to inspection, which cross Turkey's Eastern border en route to Europe daily.
- * There are indications that traffickers in Turkey have been refining more morphine into heroin than previously suspected. There are no reliable estimates as to the extent of the narcotics refining that occurs in Turkey, however, Turkish authorities report that they have recently been discovering refineries more sophisticated than in the past.
- * Turkish authorities believe that illicit narcotics trafficking is strongly linked to arms smuggling and international terrorism. While Turkish authorities know of no single, well organized smuggling organization, it is believed that Mafia-like groups based on familial relationships run these smuggling operations. Most of these groups are run by ethnic minorities, such as the Iranians, the Kurds and the Laz.
- * Although it acknowledges that a few very affluent Turks in big cities use cocaine, the Turkish government asserts that drug addiction has never been a serious domestic problem in Turkey. The government claims that their culture has been spared the curse of drug abuse because of Turkish values, customs, traditions and the close supervision of an individual by his or her family. The heroin addicts, found in some of Turkey's larger cities, are said to be Iranian immigrants.
- * Turkish authorities have, however, expressed concern over modern trends towards drug addiction. As a result, Turkish officials have established drug education programs for the nation's youth and maintains a 360 bed drug and alcohol rehabilitation center in Istanbul.

Turkey
July 1989
Page Two

Enforcement/Eradication:

- * The Turkish organizations responsible for narcotics enforcement are the Turkish National Police (TNP), the Jandarma, the Customs Office, and the Turkish Soil Products Office (TMO).
- * The TNP is the principal narcotics agency with specialized narcotics units in all 67 provinces. The narcotics division has been working intensely throughout the 1980's, building upon its experience as a counter-terrorist organization in the 1970's, to improve its counter-narcotics forces. The TNP has recently completed the training of 2,000 new narcotics officers and is installing a computer network in its regional headquarters to expedite legal procedures and to facilitate international cooperation with international police organizations such as Interpol.
- * The Customs Office sets customs policy and the Jandarma, a paramilitary organization, enforces the Custom Office's directives and serves as a border patrol of sorts.
- * The TMO, created in 1974, controls the licit production of poppy straw derivatives such as morphine.
- * In 1985 the Turkish government adopted new and stricter measures prohibiting the misuse of prescription drugs and offering large rewards for those who provide information leading to the arrest and prosecution of smugglers. In 1971 the government put a ban on poppy cultivation.
- * In December, Turkey became one of the first 44 signatories of the U.N. Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. Turkey was already party to the 1961 Single Convention on Narcotic Drugs and the 1971 Convention on Psychotropic Substances, but not to the 1972 Protocol. In 1979 the U.S. and Turkey entered into a bilateral agreement on extradition and mutual assistance.

July 1989

NEPAL

Narcotics Situation:

- * Nepal is increasingly becoming a transit point for heroin smuggling. Heroin reportedly moves overland from Burma to Nepal via India through the Indo-Nepal land border. Such transfers have been facilitated by the recent Burmese withdrawal of troops from the long and open India-Burma border. Heroin also comes to Nepal from Pakistan.
- * The expansion of air service to the West through the newly expanded Kathmandu airport has made Nepal an even more attractive transit point for narcotics traffickers. Throughout most of the year Nepal has seen a wide mix of Western tourists, making it fairly easy for foreign drug traffickers to blend into their surroundings.
- * While there is no evidence that any significant amount of opium is cultivated in Nepal, reports indicate that there are heroin processing labs in Nepal that process raw opium into "brown sugar" heroin.
- * Significant quantities of cannabis are harvested in Nepal and processed in Nepal and India. This has resulted in a greater hashish export to India, a great part of which is then re-exported to Europe.
- * Nepal suffers from a lack of adequate rehabilitation centers and inadequate funding for those that do exist. The Drug Abuse Prevention Association, a private institution founded in 1987, however, attempts to address many of the problems raised by the narcotics situation. While somewhat successful, the Association's resources are wholly insufficient to satisfy much of Nepal's needs.
- * The major domestic narcotics problem in Nepal is the abuse of heroin, smoked in the form of heroin base (a.k.a. "brown sugar") by the urban youth of the upper and middle classes.

Enforcement/Eradication:

- * With the tough new anti-narcotics legislation enacted in 1987, including provisions for asset seizure and a separate anti-corruption act, Nepal has adequate anti-narcotics legislation on its books. In practice these laws have not been strictly enforced, however, they have not been in place long enough to determine whether or not they will eventually become effective.

Nepal
July 1989
Page Two

- * Enforcement of these laws is hampered by two major problems: the lack of central government control over the vast remote regions of the country, and the lack of any one central agency with direct control over the narcotics problem. While Home Affairs is the lead ministry on enforcement and interdiction, there is still no senior official or body with the authority to cut across bureaucratic lines to implement a government wide, cohesive drug policy.
- * Nepal's only extradition treaty is with India, however, authorities have shown a willingness to cooperate with the U.S. and other nations. Nepal has acted on information supplied by Interpol and has been an eager supporter and member of the South Asian Association for Regional Cooperation's (SAARC) technical committee on drug trafficking and Narcotics abuse.
- * Nepal has also received U.S. assistance in modernizing its airports to make them less permeable to drug traffickers and in the training of some of its anti-narcotics personnel.
- * SAARC just recently designated 1989 as the "Year Against Drug Abuse."

July 1989

SYRIANarcotics Situation

- * President Bush denied certification to Syria on March 1, 1989.
- * Syria is a transit point for heroin and hashish en route to Europe via Turkey, and for cocaine and pharmaceutical drugs en route to the Persian Gulf. Southwest Asian morphine base enters Syria destined for the heroin refining labs both in Syria and in the Syrian controlled Bekaa Valley in Lebanon.
- * Although Syria does not view drug abuse as a national problem, it does report that there is some use of marijuana and hashish among the young and among troops returning from Lebanon, and that some members of the middle class use cocaine.

Legislative/International Agreements

- * Diplomatic meetings with the United States have resumed with Syria, but Syria has rejected a recent DEA invitation to work together.
- * We have no bilateral narcotics control agreement or extradition treaty with Syria, but the government is a party to the Single Convention on Narcotic Drugs of 1961, and to the 1972 Protocol.

Eradication/Enforcement

- * Official Islamic doctrine, which is largely the government's doctrine, opposes production, distribution, and use of all narcotics.
- * Islamic law provides severe punishment for drug offenders and in some cases drug criminals have been put to death.
- * Syrian officials have become increasingly concerned with corruption charges involving the Syrian military. The government has been accused of engaging in illicit narcotics activity.
- * Syria is cognizant that domestic drug abuse can escalate and has therefore created an inter-ministerial committee to discuss ways of combating the problem. So far, two treatment centers have been proposed.

Economic Situation

- * Nationalized banking requires legitimate business receipts for each transaction and is, therefore, not conducive to money laundering.

ASIA REGIONAL NARCOTICS EDUCATION PROGRAM

Overview of the Annual Workplan
Project Year One 1989

The Asia Regional Narcotics Education Program in its first year of activities will lay the foundation for meeting the purpose of the project: to strengthen the capabilities of Asian public and private institutions to carry out effective drug prevention programs. Working initially in four countries, Pakistan, Thailand, Sri Lanka, and the Philippines, the program will seek to generate the following specific outcomes:

1. Development of Drug Abuse Prevention Resource Centers

- RNE will establish in each country a drug abuse prevention documentation center to serve as a resource base which will increase understanding of the drug problem and strengthen the capabilities of national drug coordinating agencies to provide activities in both the public and private sector.

To accomplish this aim, the RNE program will provide: computers and computer software for management of documentation centers, bibliographies for the basic literature on drug abuse prevention, books, journal offprints and other materials, and training and technical assistance to documentation center staff.

2. Development of Epidemiological Research Capabilities

- RNE will develop the institutional base and provide the necessary training to conduct research into the nature and extent of drug use and abuse in the countries included in the program.

To accomplish this aim, the RNE program will hold a regional workshop on the epidemiology of drug abuse for key researchers in all seven project countries (including Nepal, Indonesia and Bangladesh), provide grants for pilot research studies in various of the countries and provide training and technical assistance within those countries.

3. Promotion of Private Sector Involvement

- RNE will establish, promote and support private sector drug abuse prevention activities in the countries included in the project.

To accomplish this aim, the RNE program will provide program support for a PVO in Sri Lanka, training in developing NGO activities in Pakistan and training and technical assistance for PVOs financed by RNE in Thailand.

4. Development of Drug Abuse Prevention in the Workplace Program

- To further stimulate private sector interest and support for drug abuse prevention in the private sector, RNE will develop a program that focuses attention on the problem of drug abuse in the workplace.

To accomplish this aim, the RNE program will develop pilot research studies in Thailand and the Philippines and use those studies as springboards to develop action plans in each country.

5. Development of Asian Expertise in Drug Abuse Prevention Communications

- RNE will develop the capacity of both public and private agencies to carry out effective drug abuse prevention communications programs.

To accomplish this aim, the RNE program will hold a regional workshop on communications strategy and provide related in-country training and technical assistance to both public and private agencies engaged in drug abuse prevention activities.

6. Strengthening of School-based Drug Abuse Prevention Programs

- Develop an understanding of the approaches that have been and need to be taken in dealing with the drug abuse problem through the formal educational system.

To accomplish that aim, the RNE will sponsor a regional workshop on Schools and Drug Abuse and provide in-country follow up TA during FY2. In addition the RNE program will develop the capabilities of the ASEAN Regional Drug Prevention Education Training Center to conduct training. This will include strengthening the center's library and contracting the center to conduct the regional workshop on Schools and Drug Abuse, using that contract as a vehicle to provide technical assistance and on the job training to ASEAN center personnel.

7. Development of Support Materials

- RNE will develop and disseminate support material for drug abuse prevention. Specifically the project will produce a basic bibliography on drug abuse prevention and a manual on the epidemiology of drug abuse.

In the course of the first year, the program will also establish contact with agencies in the three other countries within the scope of the program (Nepal, Indonesia and Bangladesh) to prepare the way to include these countries at the earliest possible moment in the full range of program activities.

This document describes in greater detail the nature of these proposed activities, the relationship of these activities to RNE program aims, their cost and scheduling. First, country centered activities are discussed and then regional activities.

0699y

Worldwide Production Totals						
Country	1988			1987		
	Metric Tons	Hectares Cultivated	Hectares Eradicated	Metric Tons	Hectares Cultivated	Hectares Eradicated
Opium						
Afghanistan	700-800	23,000	0	400-600	18,500	0
Iran	200-400	na	0	200-400	na	0
Pakistan	190-220	13,298	1,708	190-220	11,270	1,300
Total SW Asia	1,090-1,420	36,298	1,708	790-1,420	29,770	1,300
Burma	1,045-1,500	118,700	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	98,974	18,019
Mexico	45-55	7,738	2,737	45-55	7,360	2,200
Total Opium	2,433-3,308	322,038	34,675	1,930-3,050	260,848	40,838
Coca						
Bolivia	57,445-78,355	49,976	1,478	46,000-67,000	40,300	1,042
Colombia	19,003-24,200	27,230	230	18,000-23,000	25,000	460
Peru	97,000-124,000	115,830	5,130	90,000-121,000	109,500	355
Ecuador	300-500	300	60	400	410	110
Total Coca	173,745-227,055	193,136	6,898	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	3,012	3,435-7,760	13,005	8,000
Jamaica	340-470	1,257	650	325-535	1,530	650
Belize	120	680	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	10,630-17,625	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

Country	1985 (Metric Tons)	1986 (Metric Tons)	1987 (Metric Tons)	1988 (Metric Tons)	1989 (Metric Tons)
Opium					
Alghanistan	700-800	700-800	400-600	400-600	400-500
Iran	200-400	200-400	200-400	200-400	200-400
Pakistan	105-175	190-220	190-220	140-180	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	100-200	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	48,000-67,000	44,000-52,920	42,000-63,200
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	175-200	300-800	400	1,000	1,900
Others					
Total Coca	178,007-229,900	173,745-227,055	162,400-211,400	152,000-187,520	151,500-162,700
Marijuana					
Mexico	4,750	5,855	5,870-7,130	4,000-8,000	3,000-4,000
Colombia	2,090-3,395	5,027-9,625	3,435-7,760	2,630-3,630	2,000-4,000
Jamaica	340-470	340-470	325-535	1,485-2,025	625-1,290
Bahra	73	120	200	560	645
Others	3,000-4,000	3,000-4,000	1,000-2,000	800-1,000	800-1,000
Total Marijuana	10,253-12,698	15,042-19,870	10,930-17,625	9,385-18,285	7,070-10,925
Hashish					
Libanon	700	700	800	720	720
Pakistan	200	200	200	200	200
Alghanistan	200-400	200-400	200-400	200-400	200-400
Morocco	85	85	60	30-60	
Total Hashish	1,185-1,365	1,185-1,385	1,090-1,260	1,150-1,380	1,150-1,380

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 1/	\$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> 2/	<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

**FY 1989 U.S. ECONOMIC AND MILITARY ASSISTANCE
ESTIMATED OBLIGATIONS**

COUNTRY	DA	ESF	— PL 480 —		HARC'S*	PEACE CORPS	OTHER ECON	IMET	MAP	— FIS —		OTHER MILITARY	TOTAL
			TITLE I	TITLE II						(CONC)	(GRANT)		
ASIA/NEAR EAST													
Algeria	22,500	22,500		32,835									77,835
Algeria								100					100
Austria								30					30
Bangladesh	81,254		80,000	20,334				300					182,887
Burma				251									251
Burma					3,000			280					2,280
Cambodian Resistance		5,000											5,000
China						477							477
Cyprus	20,000												20,000
Egypt	930,000	170,000	1,295					1,500		1,300,000			2,462,795
FR							1,342	50					1,392
Ireland								35					35
Ireland				142									142
Gaza													142
Greece								700	30,000	320,000			350,700
Iceland								25					25
India	24,000			87,835				200					111,835
Indonesia	42,000		15,000	4,458				1,800	1,000				64,258
Ireland		10,000						30					10,030
Israel		1,200,000								1,800,000			3,000,000
Jordan		15,000						1,750		10,000			26,750
Jordan							440						440
Korea								1,500					1,500
Laos													0
Laos	2,496	300		14,112				400					17,308
Luxembourg													0
Malaysia								850					850
Maldives								30					30
Malta								50					50
Micronesia						1,984							1,984
Morocco	12,500	20,000	44,000	14,846		2,807		1,000		51,000			147,293
Nicar	12,000			1,384		2,434		100					15,918
Oman		15,000						100					15,100
Pakistan	50,000	215,000	50,000		5,300	291		815		230,000			511,506
Papua New Guinea						1,782		50					1,832
Philippines	40,000	284,000		13,441		8,024		2,800	125,000				481,265
Poland	3,225	3,000											6,225
Portugal		50,000						2,550		100,000			152,550
Singapore								50					50
Solomon Islands						1,322		30					1,352
Spain								2,100					2,100
Sri Lanka	28,800		18,000			822		180					47,792
Thailand	15,588	5,000			3,800	3,834		2,200	22,000				50,222
Tonga						741		50					791
Turkey		11,250	10,000			1,520		1,400		30,000			54,150
Turkey		80,000			350			3,400	89,250	90,000	340,750		593,750
Tuvalu								14					14
Vanuatu													0
West Bank				325									325
Western Samoa						1,184							1,184
Yemen	21,000		10,000			1,343		1,000	500				23,800
Yugoslavia								100					100
Asia/Near East Regional	22,516	22,354			450	801							48,121
South Pacific	4,000	10,000											14,000
Total	237,244	2,912,405	425,000	170,918	13,000	29,854		17,815	247,750	410,000	3,462,750		4,458,384

Page two of three for FY 1989 Estimates

**FY 1990 U.S. ECONOMIC AND MILITARY ASSISTANCE
REQUEST**

COUNTRY	DA	ESF	— PL 480 —		KARCS	PEACE CORPS	OTHER ECON	MET	MAP	— FMS —		OTHER MILITARY	TOTAL
			TITLE I	TITLE II						(CONC)	(GRANT)		
Asia/Near East													
Algeria	35,000	35,000		35,544									105,544
Algeria								150					150
Algeria								30					30
Bangladesh	53,000		60,000	18,961				300					134,261
Bhutan													0
Burma					7,500			250					7,750
Cambodian Assistance		7,000											7,000
China						893							893
Cyprus		7,000											7,000
Egypt		315,000	160,000				1,700			1,300,000			2,278,700
El Salvador		1,000				1,563		100		300			2,963
Ireland								35					35
Gaza													0
Greece								700		350,000			350,700
Iceland								25					25
India	25,000			85,000				400					110,400
Indonesia	43,000		10,000	4,914				2,000		5,000			64,914
Iran								30					30
Israel		1,200,000								1,800,000			3,000,000
Jordan		35,000						2,200		48,000			85,200
Jibuti						454							454
Korea								1,850					1,850
Laos													0
Laos	2,000			12,744				550					15,294
Luxembourg								25					25
Malaysia								1,000					1,000
Maldives								50					50
Malta								50					50
Micronesia						2,210							2,210
Morocco	12,500	15,000	35,000	15,869		2,843		1,400		40,000			123,444
Nicaragua	12,000					2,449		125		500			15,074
Oman		20,000						100					20,100
Pakistan	50,000	250,000	80,000		5,700	500		1,000		240,000			627,200
Pacific New Guinea						1,989		75					2,064
Philippines	55,000	180,000	15,000	18,471		8,099	200,000	2,800		200,000			655,470
Poland		1,000											1,000
Portugal		50,000						2,600		128,000			177,600
Singapore								50					50
Solomon Islands						1,507		75					1,642
Spain								2,100					2,100
Sri Lanka	18,000		18,000	589			757	200					35,546
Thailand	14,500	5,000			3,500	4,833		2,400		45,000			75,033
Tonga						754		75					833
Tunisia	12,500	15,000				1,724		1,500		30,000			60,724
Turkey		80,000				350		3,500		550,000			612,850
Turkey								34					34
Vanuatu								30					30
West Bank													0
Western Samoa							1,239						1,239
Yemen	21,150		5,000			1,424		1,100		2,000			32,674
Yugoslavia								100					100
Asia/Near East Regional	21,422	17,500				450	824						40,197
South Pacific	8,500	11,200											17,700
Total	379,573	2,702,200	266,000	189,551	17,500	31,846	200,000	30,573		4,738,800			6,187,817

Page two of three for FY 1990 Request