

**BULGARIAN-TURKISH NARCOTICS CONNECTION.
UNITED STATES-BULGARIAN RELATIONS AND
INTERNATIONAL DRUG TRAFFICKING**

**HEARINGS AND MARKUP
BEFORE THE
COMMITTEE ON FOREIGN AFFAIRS
AND ITS
SUBCOMMITTEE ON EUROPE AND THE MIDDLE EAST
HOUSE OF REPRESENTATIVES
NINETY-EIGHTH CONGRESS
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BULGARIAN-TURKISH NARCOTICS CONNECTION: UNITED STATES-BULGARIAN RELATIONS AND INTERNATIONAL DRUG TRAFFICKING

THURSDAY, JUNE 7, 1984

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The committee's Task Force on International Narcotics Control met at 10:10 a.m., in room 2255, Rayburn House Office Building, Hon. Edward F. Feighan (chairman of the task force) presiding.

Mr. FEIGHAN. The task force will please come to order. Let me welcome our witnesses this morning. And we are going to begin even though members of the task force are not here yet. There is simultaneously a proceeding, a terrorism hearing, in a joint subcommittee session this morning. And two of our task force members are in that hearing. And we expect that they will be joining us sometime later this morning during this hearing.

The task force is meeting today to examine the Bulgarian-Turkish narcotics connection. Persistent reports over the last decade have alleged that Bulgaria through its official trading company Kintex is facilitating guns for drug schemes from the Middle East and Turkey to Western Europe.

The purpose of the hearing today is to examine the available evidence on that subject. What is the extent of the Government of Bulgaria's involvement in drug trafficking? Who are the primary groups with whom Bulgaria facilitates drug movements, the so-called Turkish Mafia, the Gray Wolves, the PLO, or others?

What is the role of the TIR trucking system in Europe in moving contraband? What has the United States done diplomatically vis-a-vis Bulgaria, Turkey, and the European countries to stop the flow of drugs? Do bilateral or multilateral agreements need to be amended or reviewed?

We have with us today three witnesses to help us answer some of these questions. Mr. John Lawn is the Acting Deputy Administrator for the Drug Enforcement Administration. Mr. Mark Palmer is the Deputy Assistant Secretary for European Affairs, the Department of State. And finally, we have Mr. Paul Henze, a distinguished former U.S. Government official who served in Radio Free Europe, the Defense Department, several U.S. Embassies, and the National Security Council. He is now a resident consultant with the Rand Corp., and has recently published a book entitled "The Plot To Kill the Pope."

If you like, you can give your prepared statements. I have reviewed each of them. If you prefer, you can simply summarize those statements, and we will proceed with questions. And I think that it might expedite our hearing this morning if we heard a brief summary or presentation from each witness, and then engaged in a more informal question and answer session where each panelist might feel comfortable in responding to the questions or comments of other members of the panel.

If we can, Mr. Lawn, let us begin with you.

STATEMENT OF JOHN C. LAWN, ACTING ADMINISTRATOR, DRUG ENFORCEMENT ADMINISTRATION

Mr. LAWN. Thank you very much, Mr. Chairman. I am pleased to appear before this committee of the U.S. Congress to give testimony on the Bulgarian Government involvement in drug trafficking. It is a subject deserving of both national and international attention.

As you suggested, Mr. Chairman, I will summarize my lengthy comments, and address only what we believe to be the most cogent points.

Information accumulated by the Drug Enforcement Administration and its predecessor agencies over the past 14 years indicates that the Government of Bulgaria has established a policy of encouraging and facilitating the trafficking of narcotics through the corporate veil of Kintex. Kintex is the official import-export agency of Bulgaria, overseeing the international trade of such legitimate commodities as arms, textiles, appliances, and cigarettes.

Since 1970 and continuing to date, the Drug Enforcement Administration has received statements from different sources delineating Bulgaria's involvement in illicit trafficking activities. The reliability of this information coupled with disappointing responses from the Government of Bulgaria when confronted with these allegations led the United States, in the fall of 1981, to suspend working relations with the Government of Bulgaria in the area of law enforcement.

Public exposure of Bulgaria's involvement in illicit activities began through press coverage in the early 1970's. In 1973, the Long Island newspaper, Newsday, published an indepth investigative report citing Bulgaria's use of Kintex to smuggle arms and drugs.

Recently articles have appeared in Time magazine and Reader's Digest in which the authors make clear their belief in the existence of a complex and well-calculated Warsaw Pact conspiracy which is planned and directed to undermine Western societies.

In Nathan Adam's article "Drugs for Guns: The Bulgarian Connection" appearing in the Reader's Digest last fall, an ex-Bulgarian state security officer divulged a strategy purportedly formulated in Moscow and Sofia between 1967 and 1970 in which Kintex was allegedly chosen as the vehicle to "destabilize" Western society through, among other things, the narcotics trade.

Although the Drug Enforcement Administration has no information by which to corroborate the existence of Warsaw Pact meetings with destabilization directives being issued, one of our sources corroborates the fact that the formation of Kintex occurred during

this time. Interestingly, at this same time the amount of available intelligence about the Bulgarian involvement in drug trafficking began to increase.

Our information indicates that Kintex was formed in 1968 brought about by the merging of three commercial import-export firms. The directors of Kintex were top ranking members of the Bulgarian Intelligence Service.

As a source of income, the Bulgarians through Kintex became active in assisting the flow of illicit arms and ammunition throughout Europe to the Middle East. In 1970, they began to sell heroin and morphine base to European traffickers which had been seized by Bulgarian authorities.

From 1971 through 1981, the Government of Bulgaria expressed a willingness to cooperate only in the area of border enforcement. Any proposal for expanded cooperation in the area of internal narcotics control was strongly resisted.

The Government of Bulgaria continuously voiced a desire for mutual exchange of information, and publicly lamented the fact that there was not a greater exchange of intelligence. Yet when the Drug Enforcement Administration passed information to the Bulgarians for followup action over this 10-year period, the results were not responsive.

While an ultimate goal of using drugs as a political weapon to destabilize Western societies may be inferred, a more immediate motivation for Bulgaria's encouragement and support of both narcotics and arms smuggling activities can be identified as follows:

No. 1, an attempt by the Bulgarian Government to obtain hard Western currency which is in short supply in Bulgaria. No. 2, an attempt to supply and support several dissident groups in the Middle East with Western arms and ammunition in support of Communist revolutionary aims. Payment for arms at times are made by these revolutionary groups with narcotics, which then are smuggled to Western democracies and sold at a considerable profit.

No. 3, intelligence gathering requirements which the Bulgarians are able to levy on the various traffickers in both the Middle East and Western Europe by allowing and controlling such traffic.

In virtually every report available to the Drug Enforcement Administration since 1970 about narcotics trafficking in and through Bulgaria, the state trading organization of Kintex is mentioned as a facilitator of transactions. In turn, knowledgeable sources consistently tell us that the top ranking members of the Bulgarian Security Service or ex-Bulgarian ministers comprise the directorate of Kintex.

In effect, Bulgarian officials through Kintex designate "representatives" to operate as brokers, who establish exclusive arrangements with smugglers for bartered contraband for a fee. These representatives and smugglers are non-Bulgarians primarily composed of Turkish nationals of Kurdish background, a majority of whom are known as the Turkish Mafia. However, selected smugglers also include Syrian, Iranian, Jordanian, Lebanese, and European nationals. Kintex in the past has denied any knowledge of or association with these representatives. Bulgarian officials in defense of trafficking allegations claim the presence of foreign nationals on their soil constitutes no crime. They further emphasize the fact

that no Bulgarian nationals have been implicated in large-scale drug smuggling activities either inside or outside Bulgarian territory.

Incidental to drug related investigations overseas, a limited amount of terrorist activity has been made known to the Drug Enforcement Administration. In its quest for hard currency, Kintex assists the flow of illicit arms and ammunition primarily to left-wing insurgency groups in Turkey and Lebanon. Although Kintex has been known to deal with terrorist groups regardless of political affiliation, no direct association between Kintex and the PLO or Gray Wolves has been established according to our information.

On June 30, 1983, a DEA representative, the country attaché in Austria, met with a high-level Bulgarian customs official in Sofia. This official responded to a question on Bulgarian arms smuggling by stating that the United States was also a major supplier of arms. By inference, we recognize that this was an admission that Bulgaria deals in arms.

While contraband transiting Bulgaria at times is transported via vessel to customers in Western Europe or the Middle East, most of it is carried over land by truck. As early as 1972, information available to the Drug Enforcement Administration disclosed the use of Iranian, Turkish, and Bulgarian TIR trucks to smuggle illicit goods through Bulgaria.

A number of Turkish patrons of Kintex are known owners of the TIR trucks, and the complicity of Bulgarian customs officials in selective border enforcement has been alleged.

The Customs Convention on the International Transport of Goods under the auspices of the United Nations serves as a cover for the TIR, which was formed in 1959. This instrument provides for a customs transit system to facilitate the international transportation of goods by eliminating, to the extent possible, the necessity for customs examination.

The United States, all major European countries, including Bulgaria, and the Southwest Asian countries of Afghanistan, Iran, and Turkey are participants in this international agreement. It is estimated that at least 50,000 trucks per year transit Bulgaria and Yugoslavia either to or from the Middle East and Europe. Approximately half of these trucks are TIR vehicles.

Although the reporting of Bulgarian involvement in narcotics trafficking continues, the amount of heroin or morphine base transiting Bulgaria is not as great as in the past. You will remember that during the French connection era, several traffickers operating from Bulgaria were identified as the key suppliers of morphine base for laboratories in France and Italy.

Bulgarian traffickers and trafficking has been overshadowed in the past few years by the enormous availability of processed heroin trafficked directly from Southwest Asia. Efforts are underway to enlist the cooperation and support of other concerned nations in the area of law enforcement and narcotics control through future demarches to the Government of Bulgaria.

Thank you very much for the opportunity to appear before this committee. I will be happy to address any questions.

[Mr. Lawn's prepared statement follows:]

PREPARED STATEMENT OF JOHN C. LAWN, ACTING DEPUTY ADMINISTRATOR OF THE
DRUG ENFORCEMENT ADMINISTRATION

Mr. Chairman, Members of the Task Force, I am pleased to appear before a committee of the United States Congress to give testimony on the Bulgarian Government involvement in drug trafficking. It is a subject deserving of both national and international attention.

Information accumulated by the Drug Enforcement Administration and its predecessor agencies over the past 14 years indicates that the Government of Bulgaria has established a policy of encouraging and facilitating the trafficking of narcotics through the corporate veil of Kintex. Kintex is the official import/export agency of Bulgaria, overseeing the international trade of such legitimate commodities as arms, textiles, appliances and cigarettes.

Since 1970, and continuing to date, the DEA has received statements from several different sources delineating Bulgaria's involvement in illicit trafficking activities. Information about the involvement of government officials, government agencies, and the descriptions of selected arms and narcotics traffickers, have remained consistent over the years.

The reliability of this information coupled with disappointing responses from the Government of Bulgaria when confronted with these allegations led the United States, in the fall of 1981, to

suspend working relations with the Government of Bulgaria in the area of law enforcement.

Public exposure of Bulgaria's involvement in illicit activities began through press coverage in the early 1970's. In 1973, the Long Island newspaper, Newsday, published an in-depth investigative report citing Bulgaria's use of Kintex to smuggle arms and drugs. The article disclosed that arrangements were made by Kintex with selected Turkish traffickers, which allowed morphine base to move unmolested through Bulgaria in exchange for the transportation and delivery of guns and ammunition to left-wing terrorist groups in Turkey.

Recently, articles have appeared in Time magazine and Reader's Digest in which the authors make clear their belief in the existence of a complex and well-calculated Warsaw Pact conspiracy which is planned and directed to undermine Western societies.

In Nathan Adam's article "Drugs for Guns: the Bulgarian Connection" appearing in the Reader's Digest last fall, an ex-Bulgarian State Security Officer divulged a strategy purportedly formulated in Moscow and Sofia between 1967 to 1970 in which Kintex was allegedly chosen as the vehicle to 'destabilize' Western society, through, among other things, the narcotic trade.

Although the DEA has no information by which to corroborate the existence of Warsaw Pact Meetings with destabilization directives

being issued, one of our sources corroborates the fact that the formation of Kintex occurred during this time. Interestingly, at this same time the amount of available intelligence about the Bulgarian involvement in drug trafficking began to increase. Our information indicates that Kintex was formed in 1968 brought about by the merging of three commercial import/export firms. Some of the directors of Kintex were top ranking members of the Bulgarian Intelligence Service. As a source of income, the Bulgarians, through Kintex, became active in assisting the flow of illicit arms and ammunitions throughout Europe to the Middle East. In 1970 they began to sell heroin and morphine base to European traffickers which had been seized by Bulgarian authorities.

Intelligence sources further indicated a plan by some of the directors of Kintex during this time to licitly import large amounts of opium into Bulgaria for conversion into morphine base and heroin through selected Turkish traffickers in Sofia.

It is noteworthy that, in December 1969, West German authorities seized 200 kilograms of morphine base at Frankfurt. Chemical analysis performed by German chemists reportedly disclosed that the morphine base was produced in Sofia, Bulgaria. This location was identified because of the presence of chemicals found in the base which were only used in the Sofia area. A Turkish national and two Syrians were arrested at the time of the seizure and

subsequent investigation confirmed the source of supply to be a Turkish national based in Sofia.

From 1971 through 1981, the Government of Bulgaria expressed a willingness to cooperate only in the area of border enforcement. Any proposal for the expanded cooperation in the area of internal narcotics control was strongly resisted. The Government of Bulgaria continually voiced a desire for a mutual exchange of information and publically lamented the fact that there was not a greater exchange of intelligence. Yet, when the DEA passed information to the Bulgarians for follow-up action over this 10-year period, the results were not responsive. On at least 5 separate occasions, information was provided on scores of Turkish, Syrian and Jordanian traffickers based in Sofia. The Bulgarian side promised a full and prompt investigation. In these cases the Bulgarians either did not respond or only provided the DEA with a list of recent narcotics seizures made by their Customs Service. While an ultimate goal of using drugs as a political weapon to destabilize Western societies may be inferred, a more immediate motivation for Bulgaria's encouragement and support of both narcotics and arms smuggling activities can be identified as follows:

1. An attempt by the Bulgarian Government to obtain hard Western currency which is in short supply in Bulgaria;

2. An attempt to supply and support several dissident groups in the Middle East with Western arms and ammunition, in support of communist revolutionary aims. Payment for arms at times are made by these revolutionary groups with narcotics, which then are smuggled to Western democracies and sold at a considerable profit; and

3. Intelligence gathering requirements which the Bulgarians are able to levy on the various traffickers in both the Middle East and in Western Europe by allowing and controlling such traffic.

In virtually every report available to the DEA since 1970 about narcotics trafficking in and through Bulgaria, the state trading organization of Kintex is mentioned as a facilitator of transactions. In turn, knowledgeable sources consistently tell us that top-ranking members of the Bulgarian Security Service or ex-Bulgarian Ministers comprise the directorate of Kintex.

Certain smugglers are permitted to conduct their activities within and through Bulgaria. In effect, Bulgarian officials, through Kintex, designate 'representatives' to operate as brokers who establish exclusive arrangements with smugglers for bartered contraband for a fee. These representatives and smugglers are non-Bulgarians, primarily composed of Turkish Nationals of Kurdish background, a majority of which are known as the 'Turkish Mafia'. However, selected smugglers also include Syrian,

Iranian, Jordanian, Lebanese and European Nationals. Kintex has in the past denied any knowledge of or association with these representatives. Bulgarian officials, in defense of trafficking allegations, claim the presence of foreign nationals on their soil constitutes no crime. They further emphasize the fact that no Bulgarian Nationals have been implicated in large-scale drug smuggling activities either inside or outside Bulgarian Territory.

Incidental to drug-related investigations overseas, a limited amount of terrorist-related activity has been known to the DEA. In its quest for hard currency, Kintex assists the flow of illicit arms and ammunition primarily to left-wing insurgency groups in Turkey and Lebanon. Although Kintex has been known to deal with terrorist groups regardless of political affiliation, no direct association between Kintex and the PLO or 'Gray Wolves' has been established, according to our information.

On June 30, 1983, a DEA representative for Austria met with a high-level Bulgarian Customs official in Sofia. This official responded to a question on Bulgarian arms smuggling by stating that the United States was 'also' a major supplier of arms. By inference, we recognize this was an admission that Bulgaria deals in arms.

While contraband transiting Bulgaria at times is transported via vessel to customers in Western Europe or the Middle East, most of

it is carried overland by truck. As early as 1972, information available to the DEA disclosed the use of Iranian, Turkish and Bulgarian TIR trucks to smuggle illicit goods through Bulgaria. A number of Turkish patrons of Kintex are known owners of TIR trucks and the complicity of Bulgarian Customs officials in selective border enforcement has been alleged.

The Customs Convention on the International Transport of Goods under the auspices of the United Nations serves as a cover for the TIR (Transport International Routier). This instrument provides for a customs transit system to facilitate the international transportation of goods by eliminating, to the extent possible, the necessity for customs examination of road vehicles and containers after the customs formalities at the beginning of the journey have been satisfied -- thus shipments are exempt from customs inspections until the end of the journey.

The United States, all major European countries including Bulgaria, and the Southwest Asian countries of Afghanistan, Iran, and Turkey are participants in this international agreement. It is estimated that at least 50,000 trucks per year transit Bulgaria and Yugoslavia either to or from the Middle East and Europe. Approximately half of these trucks are TIR trucks.

Although the reporting of Bulgarian involvement in narcotics trafficking continues, the amount of heroin and morphine base transiting Bulgaria is not as great as in the past. You will

remember that during the 'French Connection' era, several traffickers operating from Bulgaria were identified as the key suppliers of morphine base for laboratories in France and Italy. Bulgarian trafficking has been overshadowed in the past few years by the enormous availability of processed heroin trafficked directly from Southwest Asian countries to consumer markets in Western Europe and the United States.

Our DEA office in Vienna, Austria, continues to have responsibility for the reporting and dissemination of information about narcotics-related activities in Bulgaria. The office also handles limited liaison duties with Bulgarian officials through the American Embassy in Sofia.

Efforts are underway to enlist the cooperation and support of other concerned nations in the area of law enforcement and narcotic control through paralleled demarches to the Government of Bulgaria.

Thank you for the opportunity to appear before this committee. I would be glad to address any questions.

Mr. FEIGHAN. Thank you very much, Mr. Lawn.
Mr. Mark Palmer from the Department of State.

**STATEMENT OF R.M. PALMER, DEPUTY ASSISTANT SECRETARY
OF STATE FOR EUROPEAN AND CANADIAN AFFAIRS**

Mr. PALMER. Mr. Chairman, I also will summarize my statement. I appreciate the opportunity to appear before the task force to voice State Department concern over the serious allegations of Bulgarian involvement in and toleration of international narcotics smuggling operations.

At the outset, let me say that while many of the known illegal drug dealers operating in Bulgaria are Turkish nationals, we do not in any way accuse the Government of Turkey of participation in these operations. We are working closely with Turkish authorities to support their efforts to halt this traffic, and have provided substantial technical and material assistance to the Turkish narcotics enforcement agencies.

Now let me turn to Bulgaria. The Bulgarians publicly profess their interest in eliminating the traffic in narcotics, but the interest appears to extend only to border interception, as Mr. Lawn has noted, and not to eliminating illicit operations run from inside the country.

This lack of diligence and meaningful cooperation led the State Department to conclude that further official U.S. Government cooperation with Bulgarian enforcement agencies was not warranted.

Instead of cooperating to eliminate illicit drug operations run from within Bulgaria, the Bulgarians appear more interested in utilizing United States-Bulgarian narcotics cooperation for propaganda advantage, making it appear that the form conveyed substance.

Therefore, in 1981 the United States and Bulgaria were discussing an agreement that would have provided for the training of Bulgarian customs officials in the United States, but these talks were suspended in the fall of that year because of our growing concern over the Bulgarian inaction on drug enforcement.

Again, in October of last year the U.S. Customs Service declined to attend a Customs Cooperation Conference in Varna, Bulgaria, to underline Bulgaria's lack of cooperation. Since 1981, we have repeatedly made our concerns known to the Bulgarians at a number of high-level meetings.

Their response, while not totally negative, has been disappointing, but we continue to hope to convince them that the elimination of known narcotics smugglers operating on Bulgarian territory is in everyone's best interests.

One of the Bulgarians' key counterarguments in permitting these drug smugglers to operate on their territory has been that the smugglers have not broken any Bulgarian laws. However, the Bulgarians are signatory to the 1961 Single Convention on Narcotic Drugs, and it is our convention, and we have so informed the Bulgarians, that this Convention obligates them to act vigorously to eliminate the drug traffickers if they can be shown to be engaged in illegal drug trade, even though the operations take place outside of or through Bulgaria.

Both the language of the convention and the commentary show the clear intent of the drafters to oblige signatory countries to prosecute offenders in either country where the crime was committed, or where the offenders could be located.

To the degree that these known narcotics traffickers continue to operate freely with official toleration if not sanction, we can only conclude that the Bulgarians are not living up to their obligations under the Single Convention.

The Department of State has been and will continue to be concerned about the activities of drug dealers in Bulgaria, and will continue to raise the matter with the Bulgarians.

However, other far more serious allegations have also come to light. These allegations include charges that the Bulgarians, primarily through an official government trading firm, Kintex, have an officially sanctioned program for selling illegal drugs to Western Europe, and using the proceeds from these drugs to finance illegal arms transactions and to bankroll terrorist groups.

Some of these allegations have been around for several years. Others are new. Some have recently resurfaced, coming from a different source. Many of these reports come from confidential sources, and have understandably proved difficult to substantiate.

Please be assured, however, that the Department of State views these charges very seriously, because drug smuggling, illegal arms shipments and terrorism obviously are profoundly serious matters.

We will do all we can to cooperate with the investigating agencies to substantiate the charges, and where the reports prove correct, make our concern clear in terms of the United States-Bulgarian relationship.

Thank you, Mr. Chairman.

[Mr. Palmer's prepared statement follows:]

PREPARED STATEMENT OF R.M. PALMER, DEPUTY ASSISTANT SECRETARY OF STATE FOR
EUROPEAN AND CANADIAN AFFAIRS

Mr. Chairman, Members of the Task Force, I appreciate the opportunity to appear before the Task Force to voice State Department concern over the serious allegations of Bulgarian involvement in and toleration of international narcotics smuggling operations.

My statement will be directed only toward the U. S. government's diplomatic efforts to halt such involvement. Other Government witnesses will discuss the evidence of Bulgarian involvement in the international drug network.

At the outset, let me say that while many of the known illegal drug dealers operating in Bulgaria are Turkish nationals, we do not in any way accuse the Government of Turkey of participation in these operations. Since the 1970's, the Government of Turkey has applied rigorous and successful measure to control opium cultivation and to preclude leakage into illicit channels. In recent years, Turkey has been used for the transshipment of illegal narcotics from Southwest Asia to Europe and the United States. The Government of Turkey is aware of the importance that we attach to narcotics control in our overall relationship and has demonstrated its commitment to controlling the drug trade by undertaking an extensive program to upgrade enforcement. The Turkish National Police has an excellent record. It has recently expanded its narcotics units to all 67 provinces of Turkey, and plans to continue increasing the number of its narcotics personnel to over 1300 by the end of 1986. Turkey cooperates fully with Interpol to exchange

intelligence with the international narcotics law enforcement community. We are working closely with Turkish authorities to support their efforts to halt this traffic, and have provided substantial technical and material assistance to the Turkish narcotics enforcement agencies.

In one way, Bulgaria's involvement in the international narcotics trade, like Turkey's, is a factor of geography. Together with Turkey, these two countries constitute a land bridge over which most overland freight traffic must pass between Asia and Western Europe. The best established route for getting Asian narcotics into Europe takes the drugs along the main highway from Istanbul across European Turkey, entering Bulgaria at the Kapitan Andreevo border crossing. From there, the route makes its way 175 miles through Plovdiv to Sofia, and onward into Western Europe.

Although the distance is not great, the road is slow, and truck drivers often spend the night along the way. The need for rest was not the only reason: an overnight stop often allowed the courier drivers to meet with drug dealers, many of them Turkish nationals, operating out of semi-permanent bases in Bulgaria. It was the activities of the some of the more flagrant of these drug dealers in Bulgaria that first brought the Bulgarian connection to the public view in the late 1970s. These international drug dealers resided openly in Sofia for long periods of time, maintaining openly flamboyant and free-spending lifestyles. Their operations were not aimed at

importing drugs into Bulgaria for use by Bulgarians. Instead, they used Bulgaria as a safe base for running their operations elsewhere.

At a minimum, the Bulgarian authorities appeared to tolerate, if not shield, these drug dealers. Their presence was so obvious and their dealings so flagrant that it was impossible not to conclude that they were enjoying official protection. More than once, U.S. government agencies provided Bulgaria with the names of known narcotics traffickers operating inside that country, and each time, the results were disappointing. Half-hearted crackdowns took place and some of the known narcotics traffickers left the country. But the big dealers remain untouched, only somewhat less conspicuous, and the Bulgarians refused requests by the Government of Turkey to extradite them.

The Bulgarians publicly profess their interest in eliminating the traffic in narcotics, but the interest appears to extend only to border interception, and not to eliminating illicit operations run from inside the country. This lack of diligence and meaningful cooperation led the Department to conclude that further official U.S. Government cooperation with Bulgarian enforcement agencies was not warranted. Instead of cooperating to eliminate illicit drug operations run from within Bulgaria, the Bulgarians appeared more interested in utilizing U.S.-Bulgarian narcotics cooperation for propaganda advantage, making it appear that the form conveyed substance.

In 1981, the U.S. and Bulgaria were discussing an agreement that would have provided for the training of Bulgarian customs officials in the United States. These talks were suspended in the fall of that year because of our growing concern over the Bulgarian inaction on drug enforcement. Again in October of last year, the U.S. Customs Service declined to attend a Customs Cooperation Conference in Varna, Bulgaria, to underline Bulgaria's lack of cooperation. Since 1981, we have repeatedly made our concerns known to the Bulgarians at a number of high-level meetings. Their response, while not totally negative, has been disappointing. But we continue to hope to convince them that the elimination of known narcotics smugglers operating on Bulgarian territory is in everyone's best interest.

One of the Bulgarians' key counterarguments in permitting these drug smugglers to operate on their territory has been that the smugglers have not broken any Bulgarian laws. However, the Bulgarians are signatory to the 1961 Single Convention on Narcotic Drugs, and it is our contention -- and we have so informed the Bulgarians -- that this convention obligates them to act vigorously to eliminate the drug traffickers if they can be shown to be engaged in illegal drug trade, even though the operations take place outside of or through Bulgaria. Both the language of the Convention and the Commentary show the clear intent of the drafters to oblige signatory countries to prosecute offenders in either the

country where the crime was committed or where the offenders could be located. To the degree that these known narcotics traffickers continue to operate freely with official toleration if not sanction, we can only conclude that the Bulgarians are not living up to their obligations under the Single Convention.

Bulgaria is also a signatory to the Convention on Psychotropic Substances, and their performance in regard to their obligations under this agreement is somewhat better. This past year for example, in cooperation with the International Narcotics Control Board, the Bulgarians agreed to stop exporting aspirin containing amphetamines.

The Department of State has been and will continue to be concerned about the activities of the drug dealers in Bulgaria, and will continue to raise the matter with the Bulgarians. However, other far more serious allegations have also come to light. These allegations include charges that the Bulgarians, primarily through an official government trading firm, Kintex, have an officially sanctioned program for selling illegal drugs to Western Europe and using the proceeds from those drugs to finance illegal arms transactions and to bankroll terrorist groups. Some of these allegations have been around for several years; others are new. Some have recently resurfaced, coming from a different source. Many of these reports come from confidential sources and have understandably proved difficult to substantiate. Please be assured, however,

that the Department of State views these charges very seriously, because drug smuggling, illegal arms shipments and terrorism obviously are profoundly serious matters. We will do all we can to cooperate with the investigating agencies to substantiate the charges, and where the reports prove correct, to make our concern clear in terms of U.S.-Bulgarian relations. The problem of Bulgarian involvement in international narcotics smuggling directly affects Western European nations. Early in 1984, we discussed this issue with key Western European governments, urging them to approach the Bulgarians directly on this subject. We will continue to work to enlist the support of other governments, understanding, however, that the primary responsibility for liaison on the investigation of narcotics matters lies with other Government agencies. And we will continue to try to convince the Bulgarians that genuine cooperation in the elimination of drug trafficking is in the interests of all countries.

Mr. FEIGHAN. Thank you very much, Mr. Palmer.
Now we will hear from Mr. Paul Henze. Mr. Henze?

STATEMENT OF PAUL B. HENZE, SPECIALIST ON INTERNATIONAL TERRORISM

Mr. HENZE. Thank you, Mr. Chairman.

It's a pleasure to be here, and I find it fascinating that your hearings are coinciding with hearings on terrorism, because actually narcotics and terrorism are two sides of the same coin.

It's impossible to separate them. The Bulgarians and the Soviets behind them often like to pretend that these things are very separate. They like to put things in separate slots. They like to take advantage of the compartmentalization of our own Government and our own authorities, and that is true of practically all governments.

This sometimes deprives us of the opportunity to see these things in a larger context, and I think it's very important in the case of studying Bulgaria and narcotics to see the larger context.

I will not read my statement. I'll read only a few portions of it and then comment on a few other points. In terms of the larger context, it's, I think, particularly important in this case to stress that Bulgaria's support for narcotics operations cannot be separated from all the other forms of international illegality in which Bulgaria has long been involved.

They form a continuous interlocking web. Nothing Bulgaria does can be regarded separately from the larger framework of pernicious and destructive Soviet operations directed against the free world. They range from propaganda and disinformation to support of terrorism and assassination.

These are also part of an interlocking web for which basic responsibility lies in Moscow. Bulgaria occupies a special place in this elaborate Soviet network. This is because, like Cuba, it has leaders who take pride in serving Soviet purposes in whatever field they're instructed or encouraged to operate.

This has been going on over a long period of time. They've become very sophisticated and very skilled, and they're particularly sophisticated and skilled in taking advantage of the weaknesses of our own societies and sometimes the confusion and hesitancy of our own governments.

And I'm speaking here in terms of the entire Western alliance and Western World. Bulgarian aiding and abetting of narcotics trafficking can be traced back at least to the early 1960's. The import-export firm Kintex was set up, according to my information, in 1965 to coordinate drug, arms and other kinds of smuggling operations, and incidentally to engage in legitimate trade as well as cover for its higher priorities.

Headquartered at 66 Anton Ivanov Boulevard in Sofia, it has been remarkably successful. No commodity that can be smuggled has been neglected by Kintex, but its prime growth lines have been weapons and narcotics.

No one has ever examined Kintex' books, but what we now know about this extraordinary Communist state enterprise justifies the guess that it may make a fairly steady profit, and thus lessen the

cost to Sofia and Moscow of the subversion that has expanded steadily for the past 20 years.

This is a very important point to underscore, I think, and it's fascinating if you compare Bulgaria and Cuba, because Cuba doesn't really make a profit for the Soviets, as we know well. Not only does it not make a profit, it requires an enormous subsidy.

Bulgaria may require a subsidy when it comes to shipping something like 800,000 weapons and millions of rounds of ammunition to Turkey, and large quantities of ammunition and weapons to countries such as Italy.

But Kintex' operations help underwrite and offset these expenses, and from that point of view the sheer economic momentum drives Bulgaria forward. But I think it's other things that are really much more fundamental.

Bulgaria started early to offer protection for Turkish drug smugglers. With Bulgarian help, what came to be called the Turkish Mafia set up elaborate networks lodged in part among Turkish workers in Europe for moving opium products westward.

At first these Turkish operators drew their supplies from Turkey itself, but the Turkish Government banned poppy growing in 1971, and when it permitted resumption of it in 1975, instituted tight controls which have been largely successful in preventing diversion of Turkish-grown products into illegal channels.

I've just last week traveled through the Turkish poppy-growing area. I'm satisfied that their controls are extremely efficient, and we don't have to worry about Turkish ability to control what is produced in its own country for medical purposes.

But what we do have to worry about, and what the Turks worry about a great deal, is the elaborate operations that are designed to circumvent their controls, and to use Turkey as a channel for moving narcotic substances westward.

Turkish Mafia leaders, after the period when Turkey itself banned poppy growing, had already established a lot of connections with other parts of the Middle East. They were encouraged by the Bulgarians to continue making profits, to continue to expand their operations, and as a result, they consolidated their relationships with Arabs of many kinds, with Armenians, Cypriots, Iranians, Pakistanis.

This whole vast international chain, the interlocking web, is a part of the very basic problem today. It's an international problem. It involves Bulgaria as a country that especially facilitates these operations, but they're facilitated in other ways by some of the Eastern countries, and inadvertently by some of our own friends and allies.

Moscow encouraged the flow of drugs into Europe and America to undermine Western society. It also supported the traffic for the more mundane and direct purpose of getting money to support political subversion, destabilization, and terrorist operations in countries such as Turkey and Italy.

Bulgaria funneled weapons to both leftists and rightists in both Turkey and Italy. This, I think, is very important to underscore, and is often ignored. This is not just a leftist operation. Ideology doesn't really play much of a role here.

It's power interests of the Soviet Communist system: I've covered a number of details in my statement, but I won't repeat those, but I'd like to read and underscore some aspects of my conclusions.

What we know justifies the conclusion that Bulgaria has deliberately encouraged and facilitated narcotics traffic and arms and other forms of smuggling for subversive purposes as a matter of state policy, and that such actions cannot conceivably be undertaken by Bulgarian officials without the authorization of the highest level of the Bulgarian Government.

Furthermore, everything we know of the manner in which Bulgaria is kept under control by the Soviet Union and examination of 40 years of history of Soviet/Bulgarian relations permits no conclusion other than that Bulgaria has been acting with the full endorsement and approval and in effect at the urging of the leadership of the Soviet Union.

What is to be done? The United States broke relations with Bulgaria in 1950, and didn't restore them until 1959, on grounds that seem to me to have been much less serious, but which were entirely justified, than Bulgarian behavior in recent years.

Shouldn't such action again be considered? The Bulgarians have neither acknowledged nor apologized for any of their actions which have been exposed since 1981. The testimony of my colleagues demonstrates what prevarication and circumlocution and sophistry they continually engage in.

The Bulgarians, instead of acknowledging this problem, which the West in general is joining together to work on, have heaped vilification both on the United States as a nation, on our allies, upon Americans and other Western nations as people, and on individual Americans who have examined and exposed their activities.

These hearings today will probably be declared to be a hostile action, inimical to the interests of the Bulgarian people, and so on. The Bulgarian Embassy in Washington utilizes the U.S. mails to distribute scurrilous propaganda and fabrications.

It is true, of course, that we do not want to punish the Bulgarian people en masse for the criminal behavior of their leadership, for the leadership has been forced upon them. There has been no freedom of political choice in Bulgaria for 40 years.

But we need to ask ourselves more often, and more rigorously, and more systematically, whether we are really serving the interests of the Bulgarian people by conducting relations with a regime which in their name sustains a continuing pattern of subversion against free countries and corruption of Western societies.

If I may be permitted another moment or two, Mr. Chairman, I'd like just to comment on a couple of the questions in the list that your committee staff circulated. On the measures taken by the Government of Turkey, I think the Government of Turkey's measures have been particularly impressive, especially since the military took control of Turkey in September 1980, to bring terrorism to an end.

Terrorism in Turkey, destabilization in Turkey, which involved sending massive quantities of arms to both the right and the left, was in the first instance a Bulgarian-supported operation.

Many people were involved in it as well, Syrians, Palestinians, Soviets sometimes directly, but Bulgaria played a major role. Send-

ing of weapons into Turkey, the weapons traffic, was simply one facet of the same operations that involved using Turkey in various ways to facilitate narcotics traffic.

The Bulgarians have operated with a wide range of Turkish groups, but their prime instrument has been the Turkish Mafia, and it should be pointed out that some very interesting trials have been underway in Turkey for a long time, and a particularly interesting trial is underway at the present time which began about 3 months ago.

The key figure in this trial was Abuzer Ugurlu, called the grandfather of the—or the godfather of the Turkish Mafia. He was apprehended in Germany in March of 1981 and extradited to Turkey at that time, at the request of the Turkish Government.

The current—he's actually involved in three trials concurrently for an elaborate array of smuggling activities and illegalities of all kinds, but the current trial also involves a direct connection between Abuzer Ugurlu and the web of plotting that led to the attempt to kill Pope John Paul II in May of 1981.

This trial is going to produce a great deal of very interesting additional information, and it is not only trials and investigations that are going on in Turkey that are going to shed a great deal of light, but the activities that continue in Italy.

The Bulgarian connection in Italy, which has been exposed since 1981, is enormous. It involves narcotics and it involves other forms of subversion, and this as well we should be prepared to exploit for additional information and appropriate action.

Thank you.

[Mr. Henze's prepared statement follows:]

PREPARED STATEMENT OF PAUL B. HENZE, SPECIALIST ON INTERNATIONAL TERRORISM
PRESENTLY SERVING AS RESIDENT CONSULTANT WITH THE RAND CORP.

BULGARIA AND NARCOTICS—AN INTERLOCKING WEB OF SUBVERSION

Bulgaria's support for narcotics operations cannot be separated from all the other forms of international illegality in which Bulgaria has long been involved. They form a continuous, interlocking web. And nothing Bulgaria does can be regarded separately from the larger framework of pernicious and destructive Soviet operations directed against the Free World. They range from propaganda and disinformation to support of terrorism and assassination. These are also part of an interlocking web for which basic responsibility lies in Moscow.*

Bulgaria occupies a special place in this elaborate Soviet network. This is because, like Cuba, it has leaders who take pride in serving Soviet purposes in whatever field they are instructed or encouraged to operate. There is no aspect of Soviet-sponsored subversion in which the communist government of Bulgaria has not taken part--and continues to take part. The process began early, with Bulgarian support for the brutal, communist-directed Greek civil war in the late 1940s. Bulgaria sent arms to Algeria in the 1950s, to Vietnam in the 1960s and to many parts of Africa and the Middle East in the 1960s and 1970s. It has been playing the role of junior partner to Cuba in sending arms and advisors to Central America in recent years.

The relationship which the Soviet Union has with Bulgaria resembles that between Moscow and a constituent republic of the USSR. The history of one of the key personalities in this relationship, Nikita Pavlovich Tolubeev, dramatizes these interlocking connections. Tolubeev left Sofia in June 1983 where he had served as Soviet ambassador for four years. He had come to Sofia in 1979 from Havana, where he had been Soviet ambassador since 1970. We know what a productive period the 1970s were in Soviet-Cuban relations.

We still do not know whether Tolubeev may have departed from Sofia last year in some form of mild disgrace--for the Bulgarian connection

*I characterized this relationship in a letter to the Wall Street Journal, "Soviets are the Mafia of Terrorism", 1 June 1983.

to the plot to kill Pope John Paul II had been exposed only a few months before, at the end of 1982. Earlier the same year extensive Bulgarian connections with the Italian Red Brigades (including the kidnapping of U.S. General James Dozier) and with arms and narcotics smuggling in Italy as well as penetration of the Italian labor movement through Luigi Scricciolo, had been exposed. These cases are still being investigated and evidence of Bulgarian entanglements is expanding steadily.* Chances are that Tolubeev was simply extricated from a situation that had grown uncomfortable and that he is now working at new subversive tasks. Moscow's "old boys" look out for each other. Tolubeev came up through the same communist party/KGB channels as present KGB head, Viktor Chebrikov, recently promoted to Marshall of the Soviet Union, and was made a Central Committee member at the same time as Chebrikov and Geidar Aliev, Andropov's Azerbaijani deputy, in 1971.

Bulgarian aiding and abetting of narcotics trafficking can be traced back to the early 1960s. The import-export firm KINTEX, was set up in 1965 to co-ordinate drug, arms and other kinds of smuggling operations, and, incidentally, to engage in legitimate trade as well, as cover for its higher priorities. Headquartered at 66 Anton Ivanov Boulevard in Sofia, it has been remarkably successful. No commodity that can be smuggled has been neglected by KINTEX, but its prime growth lines have been weapons and narcotics. No one has ever examined KINTEX's books, but what we now know about this extraordinary communist state enterprise justifies the guess that it may make a fairly steady profit--and thus lessen the cost to Sofia and Moscow of the subversion that has expanded steadily for the past 20 years.

Destabilization of Turkey became a major Soviet objective in the late 1960s. This--and several other similar programs, such as support of the PLO and expansion of terrorist operations in many other areas--coincided with the advent of Yuri Andropov as head of the KGB in 1967. Italy was another major target for destabilization. But while Bulgaria played a key role in respect to Turkey from the beginning, Italy seems

*All of these topics are dealt with at some length in my recently published book, The Plot to Kill the Pope, New York (Scribners), 1983 and in a parallel study by Claire Sterling, The Time of the Assassins, New York (Hold, Rinehard, Winston), 1984.

to have been initially left to other East European countries, such as Czechoslovakia and Hungary. These apparently proved less proficient than Bulgaria, for it moved into the front line in Italy at the end of the 1970s. For a long time what Bulgaria was doing in Italy went largely undetected, or ignored, even by the Italian security services. The whole series of Bulgarian connections began to unravel only in 1981, after the assassination attempt on the Polish Pope.

Bulgaria started early to offer protection to Turkish drug smugglers. With Bulgarian help, what came to be called the "Turkish mafia" set up elaborate networks, lodged in part among Turkish workers in Europe, for moving opium products westward. At first these Turkish operators drew their supplies from Turkey itself, but the Turkish government banned poppy growing in 1971 and, when it permitted resumption of it in 1975, instituted tight controls which have been largely successful in preventing diversion of Turkish-grown products into illegal channels. Turkish mafia leaders had meanwhile steadily expanded their operations, were permitted to make high profits by the Bulgarians, and had connections with smuggling interests in the countries to the south and east: Arabs of many kinds, Armenians, Cypriots, Iranians, Pakistanis. The Bulgarians took this whole shady underworld under their protection, offered transit facilities, warehouses, support for forming dummy commercial enterprises with legal seats in Germany, Belgium and many other countries. Narcotics supplies were drawn from as far away as the "Golden Triangle". Fugitives from justice in their own country, these Turkish mafia figures were permitted to buy villas in Bulgaria and were given passports and eased through Bulgarian border and customs controls. Their sea-going vessels enjoyed Bulgarian naval escorts.

Moscow encouraged the flow of drugs into Europe and America to undermine Western society. It also supported the traffic for the more mundane and direct purpose of getting the money to support political subversion, destabilization and terrorist operations in countries such as Turkey and Italy. Bulgaria funneled weapons to both leftists and rightists in both countries. Sometimes the KGB was directly involved, as in the case of Maurizio Folini in Italy; usually it was behind the scenes, as in the mounting of the plot against the Pope. What we know about all these

activities would already fill books, and we are learning more all the time. As an example of smuggling techniques let us consider the case of the Cypriot-flag vessel Vassoula. It left the Bulgarian port of Burgaz in June 1977 allegedly bound for Cyprus with a KINTEX shipment billed as "spare parts". Turkish officials got a tip that the vessel was actually going to transship her cargo in Turkish waters to small coastal vessels, so they stopped the Vassoula and opened its hold. The "spare parts" turned out to consist of 55 crates containing 495 portable rocket launchers, 21 crates with 55 rockets, 1667 crates of ammunition and 60 gas bombs. In the ensuing legal tangle, the Bulgarian government disclaimed knowledge of the shipment and the Ethiopian government eventually alleged it owned the cargo. It was confiscated by Turkey.

After the military leadership of Turkey took control on 12 September 1980 to keep the country from falling into total anarchy, more than 800,000 weapons were collected, along with millions of rounds of ammunition, mines, bombs and other kinds of destructive devices and communications gear. A major portion of this material came to Turkey as a result of Bulgarian and Syrian smuggling operations. An important channel, in addition to sea shipments, was the enormous fleet of international transport trucks with which Bulgaria carries out a shipping business from Europe to the countries of the Middle East and South Asia. In addition to transporting legitimate goods profitably, these trucks have been used for arms, terrorists, narcotics and narcotics traffickers. Frequent inspections and tightened Turkish security procedures since 1980 have dented these Bulgarian operations severely, but they have not stopped. Narcotics which used to move by truck now goes by sea from the eastern Mediterranean through Cyprus and Greece to Italy and elsewhere in Europe.*

Bulgaria has long, and correctly, been regarded as Moscow's most loyal satellite. Does this mean that Bulgarians are all simply more Russian than the Russians and 150% communists? Hardly. Bulgaria never had a chance to be otherwise. Soviet control was clamped down on it in September 1944. Though Bulgaria never declared war on the USSR during WWII, it got rougher treatment than any other East European country.

*A recent Reader's Digest report sums up striking evidence of Bulgaria's operations, "Drugs for Guns" by Nathan Adams, January 1984.

Nothing remotely resembling free elections was ever permitted in Bulgaria in spite of Soviet promises to the Western Allies. Thousands of Bulgarian democrats were executed or herded into concentration camps. The human rights situation in Bulgaria has consistently remained one of the most deplorable in the entire communist bloc. Nevertheless the Kremlin's control of Bulgaria was not consolidated to its satisfaction until 1954, when Todor Zhivkov came to power. In 1962, he declared:

...our political watch-dial is exact to the second with the watch of the Soviet Union... Our watch is working on Moscow time.

Zhivkov has kept Bulgaria strictly on Moscow time ever since. When Bulgarians have protested his subservience, they have been imprisoned and often shot. Opponents of the regime who have escaped abroad have been kidnapped, sought out for harassment and some have been liquidated by ingenious technical means such as the poison-pellet umbrella used against defectors Kostov and Markov in 1977. Markov was even warned quite specifically of the fate that awaited him, according to revelations in a recent book by his wife:

...a Bulgarian delivered the warnings who professed to be a friend... The decision to kill had been taken by the Bulgarian Politburo, he said; and the means by which the murder would be effected had already been transported to the West. Georgi would be poisoned with a rare substance which would be undetectable (and had, by the way, been tested in Moscow), and he would develop a high fever before his death, which would be put down to natural causes. Everything the Bulgarian said...led Georgi to believe that his enemies would attempt to administer the poison orally, and this may have been intentional.*

Careful research by Scotland Yard identified the poison, contained in a miniscule pellet shot from an umbrella tip, as ricin, a castor-oil plant derivative on which, among other places, research is still known to be continuing in Hungary.** In this connection—and perhaps in others not yet detected—we see another facet of the narcotics

*Annabel Markov in the Prologue to The Truth that Killed, by Georgi Markov, London (Weidenfeld & Nicolson), 1983, p. xii.

**Kyril Panoff, "Murder on Waterloo Bridge", Encounter, November 1979.

business exploited for subversive and destructive political purposes by Bulgaria--and behind it, the Soviet Union.

Stefan Sverdlev, a colonel in the Bulgarian State Security Service (KDS) at the time of his defection to Greece in 1971, traced the Bulgarian regime's current narcotics operations back to a KDS directive issued on 16 July 1970, No. M-120/00-0500, which he said represented the final stage of implementation of decisions taken in Moscow in 1967.* Many of Sverdlev's revelations were taken lightly at the time he originally made them, even by many intelligence professionals. In light of what we have learned since, it is clear that they should have been given greater weight. He has provided eloquent testimony of the extent to which the Bulgarian security services have been subordinated to Soviet purposes. For all practical purposes they have to be regarded as mere sub-sections of the KGB.

The Bulgarian authorities have been tireless in pleading their innocence and lack of knowledge of what goes on in their country. How could they, they maintain, keep track of the activities of a million Turks who cross their country every year traveling to and from Western Europe? They have tried to use the same kind of argumentation to claim that they were not involved with Mehmet Ali Agca, would-be assassin of Pope John Paul II. The most elementary examination of how Bulgaria actually works gives the lie to this facile sophistry. Another Bulgarian security defector, who has been living in Switzerland for many years, describes Bulgarian internal security procedures:

Bulgaria is situated at a crossroads...so agents can pass through unnoticed. I mean to the eyes of Western intelligence services. For on Bulgarian territory itself, nothing, absolutely nothing, can escape the notice of the state security organization. There is an enormous surveillance apparatus in place which checks on people who transit in only a few hours. Two foreigners cannot have a meeting in a hotel in the capital or even in the street without the special services being informed.**

*cited from Adams, "Drugs for Guns", p. 137.

**cited in Le Quotidien (Paris), 24 January 1983.

What we know justifies the conclusion that Bulgaria has deliberately encouraged and facilitated narcotics traffic and arms and other forms of smuggling for subversive purposes as a matter of state policy and that such actions could not conceivably be undertaken by Bulgarian officials without the authorization of the highest levels of the Bulgarian government. Furthermore, everything we know of the manner in which Bulgaria is kept under control by the Soviet Union, and examination of 40 years of history of the Soviet-Bulgarian relationship, permits no conclusion other than that Bulgaria has been acting with the full endorsement and approval--and in effect at the urging--of the leadership of the Soviet Union.

We are inevitably going to learn a good deal more--so everything we already know, or can deduce, will be further substantiated. The following are some of the activities in process:

*In Italy, continuing investigation of the massive arms and smuggling ring centered in Trento, in which not only at least a dozen Bulgarian agents have been implicated, but several dozen others, Italians, Middle Easterners, other Europeans. The operations of this group extended into Iran, the whole Arab World and Africa, as well as the Balkans and Turkey.

*In Italy, the investigation of the Scricciolo case, which has implications for the plot to kill the Pope, Red Brigades relationships and Bulgarian/Soviet subversion directed at Poland--specifically Lech Walesa and Solidarity.

*The investigation of the plot to kill the Pope, in which the Bulgarian connection is already well established--which, centered in Italy, has already revealed links to Germany, Austria, Switzerland and Spain, as well as Turkey.

*In Turkey, continuing investigation of terrorist groups who received arms and funds through Bulgarian channels.

*In Turkey, from the currently ongoing trial of Abuzer Ugurlu, a leading mafia figure extradited from Germany in March 1981, who stands charged of massive smuggling operations, including narcotics, as well as serving as a channel for organizing the first phase of the activities of Mehmet Ali Agca.

What is to be done? The United States broke relations with Bulgaria in 1950 on grounds that were serious--but for Bulgarian actions that were much less damaging to the basic interests of this country and its

allies than those which have been exposed in the past several years. Shouldn't such action again be considered? The Bulgarians have neither acknowledged nor apologized for any of their actions which have been exposed since 1981. Instead they have heaped vilification both on the United States as a nation, Americans as a people and on individual Americans who have examined and exposed their activities. Their embassy in Washington utilizes the U.S. mails to distribute scurrilous propaganda and fabrications.

I can recall from my own government service that Bulgaria and its activities--foremost among them its support of narcotics trafficking--were seldom seriously studied by intelligence agencies--certainly not on a sustained and continuing basis or with any depth or intensity--and almost no attention was given by our diplomatic officials to planning ways by which pressures might be generated on the Bulgarian communist regime that would force it to pay a price for its atrocious behavior and utter subservience to Kremlin purposes.

It is true of course that we do not want to punish the Bulgarian people en masse for the criminal behavior of "their" leadership, for the leadership has been forced upon them. There has been no freedom of political choice in Bulgaria for 40 years. But we need to ask ourselves more often, and more rigorously, whether we are really serving the interests of the Bulgarian people by conducting relations with a regime which, in their name, has sustained a continuing pattern of subversion against free countries and corruption of Western societies.

Mr. FEIGHAN. Thank you very much, Mr. Henze.

IS BULGARIAN INVOLVEMENT IN DRUG TRAFFICKING INCREASING OR
DECREASING

You've done, obviously, extensive research into these issues, particularly intensive research in the period of 1981-82, and I would conclude from your testimony this morning that you've at least followed events since that time.

You come to the conclusion that the Bulgarian Government is very directly involved, not just acquiescing but in fact directing the movement of both drugs and guns.

Would you say that that activity has increased or decreased? Has the freedom of movement of the Turkish mafia been restricted or expanded? Can you comment on what you would say the status is today in 1984 compared to the period of your most intensive research, which I assume was in 1982?

Mr. HENZE. Thank you, Mr. Chairman.

I will be delighted to comment. And I hope at not too much length.

I have continued my research because once one gets into the subject like this, it is very difficult to escape from it.

And furthermore, it is a fascinating and, I think, very important subject. I think I would be reluctant to say that the scale of Bulgarian activity has expanded in the last year or two, but I have seen very little evidence that it has contracted either. I think that it has become much more sophisticated.

The Bulgarians, of course, have been the object of very embarrassing disclosures ranging from direct involvement in the attempt to kill the Pope to very specific evidence, which has come to light in Italy and Turkey on their involvement in arms smuggling, narcotics trafficking, supporting of figures who have been very prominent in these fields, the true international entrepreneurs.

The Bulgarians have been consistently uncooperative with the Government of Turkey, for example, in attempting to get to the bottom of any of these cases. They have never offered any genuine cooperation. And they, in the case of the man I've just mentioned, Abuzer Ugurlu who is on trial in Turkey, involve no cooperation from the Bulgarians whatsoever. It was a result of a German effort that the Turks were able to get their hands on him and have been able to get information from him.

Since, the Bulgarians have provided no cooperation in respect to any of the actions of which their nationals stand accused. Their policy has consistently been to put their Government behind anybody that is caught in anything embarrassing.

This is illustrated, I think, most strikingly in the case of Bekir Celenk.

This man is another of the major Turkish arms smuggling and narcotics smuggling mafia figures who had been living in Bulgaria for a long period of time, operating an international network with ramifications all over Europe.

He fled back to Bulgaria in late 1982, when the Bulgarian connection with the plot to kill the Pope was revealed. He has stayed in Bulgaria ever since, and the Bulgarians have engaged in every

form of chicanery pretending that they are investigating him and holding him in custody. He is actually living quite luxuriously and repeated Turkish efforts to get their hands on him and repeated Italian efforts to get at him have been frustrated by the Bulgarian Government.

Mr. FEIGHAN. Are there indictments or the equivalent thereof against him from both the Italian and Turkish Governments?

Mr. HENZE. He certainly has an indictment from the Turkish Government. From the point of view of the Italian Government, he is an important source of information for further investigation in the plot against the Pope.

I am not aware of any specific Italian indictment against him; but he is a figure of obviously major interest, because he is one of the channels through which the massive offer of money, of 3 million deutsche marks, to Mehmet Ali Agca to kill the Pope was allegedly made.

And there is quite good evidence substantiating that offer. The Bulgarians, I think, have become much more careful, obviously. Anybody would become more careful in the face of all of this information and in the face of much tighter controls in Turkey and much greater alertness on the part of West European security services.

So obviously, the Bulgarians are taking greater care. I see no evidence that the Bulgarians have genuinely changed their tactics, and I suspect, in fact, that they have probably applied many of the lessons learned—they had become careless. They had become extraordinarily careless in Italy and they had become extraordinarily careless in Turkey during the period of terrorism and political deterioration in Turkey. They had been bribing people right and left and they have been operating very freely.

An aspect of their activities, which undoubtedly continues, but again, with much greater care, and there is no question that it continues, is their massive international truck transport operations.

I think that the figure of 50,000 that my colleague gave is probably quite conservative because these operations have expanded. One cannot drive for an hour on any major Turkish highway without seeing Bulgarian transport trucks, which operate, I understand, probably the most efficient business in Europe for transporting goods to the Middle East, as far as Pakistan, and to all the gulf countries.

If you have something that you want transported, and say you are in Belgium, the best thing that you can do is to call the Bulgarians and ask them to get it there for you, and they will. It is a highly profitable, capitalist type of enterprise, but at the same time, it serves all of these additional purposes.

It hauls narcotics smugglers themselves, as well as narcotics, back and forth. It hauls subversive propaganda, weapons, and other materials. Now the Turks are checking all of these things to the extent that the law permits, and international agreements permit, much more carefully.

So here the Bulgarians are more cautious. But a whole new channel, a whole new series of channels for movement of narcotics has developed, which bypasses Turkey. Turkey is still the most convenient land route but the channels now involve sea shipments

from eastern Mediterranean countries via Cyprus through places such as Lebanon and Egypt to European locations such as Greece and Italy. There are reports that some North African countries are implicated as well.

So I see no evidence whatsoever, that the Bulgarians have genuinely changed their ways and I suspect that we will continue to see quite striking evidence that they have not.

Mr. FEIGHAN. Mr. Lawn, I wonder if you could follow up on some of the comments that Mr. Henze has just made?

Particularly with respect to recent efforts or recent activities that we may have observed or have evidence about that the Bulgarians have been involved in.

Most of your testimony dealt with evidence that we had of activity prior to approximately 1981, and since that time, there has been, very recently, there has been the seizure by the Government of Cyprus, of a Bulgarian vessel, I understand that was moving drugs.

What information can you give us on that particular incident or similar incidents or evidence that has developed since 1981?

Mr. LAWN. Well, sir, I can, like my colleague, not indicate that there has been increased activity but there has been sustained activity since 1981. As recently as within the past day, I have been briefed on information recently received about the continuing activities of Kintex in narcotics trafficking.

And to give an example, in the article written by Mr. Adams, in the Reader's Digest on the Bulgarian connection, reference was made to a representative of Kintex, actively involved in narcotics trafficking. He is Gaetano Batalamenti. Recently the Drug Enforcement Administration, with the FBI, concluded what has been termed the largest evidence of organized crime activity in heroin trafficking in the United States with the arrest of a number of individuals in the United States and in Europe, one of whom was Gaetano Batalamenti, who was arrested in Spain.

Mr. Batalamenti was one of the most wanted fugitives from Italy and as recently as the article of last year, was mentioned as one of the representatives of Kintex, facilitating drug trafficking through Bulgaria.

Mr. FEIGHAN. Has the department gathered any further evidence, or are there any specific incidents you can speak to?

I know, for example, about a report, on Danish television, about some smuggling activity. Can you speak to some of those very recent activities?

Mr. LAWN. Specifically the reference was made to some recent seizure. I am not so familiar with these cases that I could go into specific detail.

I will be happy to furnish those for the record.

[The following was subsequently submitted for the record:]

DEA is in possession of newspaper articles from Athens, Greece, describing a 20-ton weapons seizure on May 2, 1984, at the Port of Khalkis, Greece, from the freighter Athanasios. The vessel was sailing under the Cypriot flag. The weapons (revolvers and automatic rifles) were concealed in hidden compartments in three empty tank trucks which were loaded in Burgas, Bulgaria, and destined for the Yemen Arab Republic. Unevaluated DEA informant information indicates that part of the weapons shipment was purchased from Kintex through a Syrian "representative" previously known to DEA as operating from Bulgaria, dealing in both drugs and arms shipments.

Mr. FEIGHAN. Are you familiar with that Danish television report?

Mr. LAWN. Yes, sir.

I read the background on that report, sir, several days ago.

Mr. FEIGHAN. Do you have any evidence that you could share with us, any information about the validity of that and the nature of the transaction that was allegedly a transaction involving Kintex and the trade of drugs for some Western technology?

Mr. LAWN. No, sir, I am not in the position to confirm that.

Mr. FEIGHAN. We have heard the suggestion that while we may not have seen an increase in smuggling it certainly has not been any more restrained. And there has been the suggestion made that shipment routes have shifted to the sea.

Is that something that your department would bear out? Is that in fact, the case?

Mr. LAWN. Yes, sir.

As my colleague mentioned, with the sustained and indeed increased activity in Turkey by the antinarcotics unit, the expansion of those antinarcotics units from 6 to 67 regions of Turkey, the implementation of their antinarcotics forces, this has all facilitated for the traffickers the need to find alternate routes in lieu of routes through Turkey and our intelligence indicates and substantiates that this is happening.

Mr. FEIGHAN. What are we doing, Mr. Lawn, to respond to that increased sea traffic?

Mr. LAWN. In the main, I guess, cooperation or enhanced cooperation with some of the other countries. Of course, we have no law enforcement relationship with Bulgaria, but we are working very closely with Turkish authorities, and we have six agents and one intelligence analyst assigned in Turkey. This information gathered by our personnel in Turkey is disseminated where possible to other countries with whom we work.

And this is done on a regular and a sustained basis.

Mr. FEIGHAN. Have we had any seizures that we have been involved in with the Turkish Government, for example?

Mr. LAWN. At this point, I am not familiar with any of recent date.

I can furnish those for the record, Mr. Chairman.

[The following was subsequently submitted:]

Recent seizures as a result of Turkish Government and DEA cooperation include:
June 1984—55 kilograms of heroin seized in Milan, Italy, from a TIR truck from Turkey.

May 1984—10 kilograms of morphine base seized in Istanbul from a Turkish truck.

May 1984—6 kilograms of heroin seized in Dogubayazit (on the Iranian border) in buy-arrest operation.

April 1984—5 kilograms of heroin seized in Istanbul in a buy-arrest operation.

February 1984—67 kilograms of heroin seized with a heroin laboratory in Lice, Diyarbakir province (Eastern Turkey).

Mr. FEIGHAN. OK.

UNITED STATES-BULGARIAN MARITIME TRANSPORT AGREEMENT

Mr. Palmer, could you explain to me what the purpose of the United States-Bulgarian bilateral agreement on maritime transport is?

And whose advantage does it serve? Does it serve ours, does it serve Bulgaria's, given Bulgaria's role in narcotics trafficking, including the transporting of contraband drugs and guns by ship? Why have we extended the maritime agreement with Bulgaria?

Mr. PALMER. It is the kind of agreement that we have with many Governments to facilitate maritime traffic and to protect on a reciprocal basis the rights of our merchant seamen.

There is one American company that has vessels that go into Bulgaria. I do not want to give you, unless you are interested, all the specifics of what that agreement does but there are a number of protections and rights that it provides.

Knowing that this was a question that you had in mind, Mr. Chairman, I thought about it myself, and tried to think whether, if we put the agreement in jeopardy, would it in some way enhance our effort at drug enforcement? I guess that my own conclusion, but subject to further consideration, is that it would be difficult to see precisely what advantage that it would have, other than as a kind of signal of displeasure to the Bulgarian Government.

Our relations with the Bulgarians are at rock bottom. We have both publicly and through diplomatic channels attacked them consistently now for a period of years on a variety of subjects, the ones that we are discussing here today and others.

There is not very much punitive that we can do further in my judgment that would really be very telling, and I do not myself think that this would hurt them very much.

STATE DEPARTMENT VIEWS TOWARD BULGARIAN INVOLVEMENT

Mr. FEIGHAN. Well with all due respect to the Department, I do not think that any Bulgarians would walk away from this hearing today, feeling that our relationship, at least through the State Department is at rock bottom.

I think that your testimony this morning, I hope that you would respond to this, stands in very sharp contrast to the testimony that we have had from two other witnesses, particularly with your treatment of Kintex.

In fact, your testimony is surprisingly entitled, Allegations of Bulgarian Involvement in International Narcotic Trafficking. And it is not until the last page or two of your testimony that you talk about Kintex, which, if I am to believe the testimony from DEA, is unequivocally involved in the shipment of illegal narcotics. There is no question about it. We are not dealing with allegations; we are dealing with hard evidence. We know what they are doing. And yet, the State Department's testimony continues to talk in terms of "these allegations include charges that the Bulgarians, primarily through Kintex, have officially sanctioned," and so forth, "the State Department is going to do all that we can to cooperate with the investigating agencies to substantiate these charges, and where the reports prove correct * * *."

Well in what instance have those charges been substantiated? And what instances, where have those reports proven correct, and what has the State Department done in response to those, to that hard evidence?

And not just these allegations?

Mr. PALMER. We understood, this morning, that our colleagues from DEA were going to present the detailed testimony on the evidence, and they have. We worked together in preparing our testimony so that the reason that there is not more detail in mine, is simply a division of labor.

On the question of whether Kintex is involved or is not, we do believe that it is involved. We have told the Bulgarian Government that we believe that it is involved and if my testimony is not crystal clear on that, I regret it.

This statement was not to try to demonstrate to the world that, in fact, we were not concerned. Of course, we are deeply concerned. They knew that we were deeply concerned, and we finally decided that the trade off between, on the one hand, giving them greater capability to take care of the narcotics problem, as opposed to their propaganda advantage, had shifted so much to our disadvantage that it was better to cut off the cooperation.

I might point out, Mr. Chairman, that the Germans, who have in some ways, an even greater, more direct interest in this problem than we do—because they're the first ones to end up with this problem among their young people—the Germans have chosen a different route.

They are continuing a very major program of narcotics cooperation with the Bulgarians. Their decision, by their Foreign Ministry and their narcotics people, was that it was better to try to work from the inside. We have chosen another route.

Mr. FEIGHAN. What does that German relationship translate into? How do they work with the Bulgarians in that respect?

Mr. PALMER. Mr. Lawn may have more detail of precisely what the German program is, but I know they do training. I think they do some sharing of information. And, beyond that, I'm not sure exactly what all the details are.

Mr. FEIGHAN. Joint personnel training with German and Bulgarian law enforcement officers, drug enforcement officers.

MOTIVES FOR BULGARIAN ACTIVITIES

I'm trying to get a sense of the purposes of the Bulgarian Government in taking a direct involvement in narcotics trafficking. We have heard testimony suggesting multiple reasons: Hard currency is one; destabilization of Western societies is another; the ability to move illicit weapons to some terrorist organizations, particularly in the Middle East, is another.

From the State Department perspective, how would you prioritize the Bulgarian Government's purposes for being involved in this kind of trafficking?

Mr. PALMER. It's difficult to know what is in their minds. Obviously we find profoundly repugnant what they're doing for whatever reasons. It is clear, as we've all discussed, that they get some substantial amount of money out of this, so that is a factor.

It's also clear that this serves their and Soviet political, strategic political, objectives. So that is another factor.

It may be, in addition, that there are some individual figures in Bulgaria who—putting aside for the moment the question of government policy—also act as individuals. It is just simple, straight out corruption—personal gain. You have that element there as well.

So there are clearly a variety of factors. What is dominant? It is just very difficult for us to say. But I think that this hearing, and other efforts that we've been making, have had an effect on the Bulgarians. They are, as Paul mentioned, more cautious now. The problem hasn't gone away, and we're acutely conscious of that. And we've talked to them in just the last few weeks about it.

But they are, at least, now operating somewhat more carefully than they used to. And we're still going to have to keep pushing on them.

Mr. FEIGHAN. I think it's fair to assume that one of their major reasons for the involvement is access to hard currency. How much—what would we estimate would be a reasonable amount of money that the Bulgarians could make?

Mr. PALMER. I don't know whether any of us can give you a—

Mr. FEIGHAN. Mr. Henze, can you hazard a guess?

Mr. HENZE. I think it would be enormous. We know—and I can only project back from what we know about weapons traffic in the countries such as Italy and Turkey during the height of the period of terrorism. The Turkish authorities, after the military took control in September 1980, confiscated over 800,000 weapons that had been in the hands of terrorists and terrorist groups. They're still doing this today. This figure is probably nearer 900,000 now. They still find hidden weapons.

Now, this doesn't take into account weapons that were used, lost, thrown away, captured earlier. It doesn't take into account the vast amount of ammunition, bombs, explosives, and so forth, that were expended.

All this had to come from somewhere. Somebody had to pay for it. The sources of it have never been found in Turkey. It was not paid for by bank robberies, or anything of the sort. The Turks have very comprehensive statistics on all of this.

The total number of bank robberies during the period of terrorism in Turkey would account for only about 2 percent of what it cost the terrorists to operate there. So, obviously that money came from somewhere. And if it didn't come out of Kintex profits, it came ultimately from the Soviet subsidy of Bulgaria.

I think probably some of it did come out of Kintex profits, and I think the scale of operation is probably enormous. I think—I would say at least in the range of—where Kintex operations must involve a total turnover of several billion dollars a year.

Mr. FEIGHAN. That would include their illicit—

Mr. HENZE. Their illicit activity is very difficult, of course, to separate from the rest. You find Kintex is exporting all sorts of things from jam and tomato juice, to cigarettes, to electrical appliances, and Kalashnikovs—anything you want you can get.

And, so, in many instances—I'm sure probably the great majority of Kintex activity is not narcotics and weapons. But narcotics

and weapons are the real growth areas, and the real priority areas from the point of view of the ultimate sponsors.

POSSIBLE SANCTIONS AGAINST BULGARIA

Mr. FEIGHAN. Mr. Henze, you had offered the opinion, without directing it to any particular department, but that the United States has been dealing with kid gloves with Bulgaria on many of these issues, if I could characterize it in that fashion.

Short of breaking diplomatic relations, what recommendations would you have to us in kinds of relationships that we should have with Bulgaria, the kinds of actions that we should be taking, in order to have a much more direct impact?

Mr. HENZE. My view that we're operating—we have been operating with kid gloves is based on considerable experience and depth. And I wouldn't except myself from some failings in this respect, as well.

I served in the American Embassy in Turkey from 1974 to 1977, and I served in the National Security Council staff from 1977 to the end of 1980. I must say during that time Bulgaria was only of incidental interest to us most of the time.

I personally traveled through Bulgaria in 1976. I was interested in observing what I could see there, but some of the things that are of great concern to me now were not of enormous concern then, though Bulgaria's involvement in weapons and narcotics activity at that time was reasonably well known, but certainly the scope of it was not.

And I think it came as a shock to the Turks to realize toward the end of the 1970's, and particularly after the military took over in 1980, the extent to which the Bulgarians had penetrated their society. Bulgarian embassies, and consulates in Turkey, Italy, and elsewhere, were engaging in major corruption operations; paying people off; penetrating the police and security forces; paying off customs people.

There's an enormous amount of information in all of this which, of course, neither government in Turkey or Italy has seen fit to release entirely in public, and probably will not.

The investigations that have taken place in Italy from 1981 on have revealed a degree of Bulgarian involvement which I think is truly shocking to the Italians. Under these circumstances, if the countries immediately involved weren't aware of what the Bulgarians were doing to them, I suppose there's some excuse for the U.S. Government not being as alert to the problem as it might be.

My feeling at the present time would be that the subject should be much more comprehensively dealt with in the U.S. Government than it has been, and I welcome this opportunity to talk to your committee particularly, Mr. Chairman, because I think this is evidence that it is being looked at, and I think it needs to be looked at very carefully.

And when I say that the Bulgarians are now more careful, and I think they are—it just stands to reason they would be—that doesn't mean I think that we can take very much comfort in that because that may simply mean that they're going to be more effective and more sophisticated in the future.

So we've got to look harder. And we know we didn't look hard enough in the past. We've got to study everything that's going on. We've got to study all these trials, and get all the information from the investigations.

I'm not satisfied that the U.S. Government as a whole is giving the priority to this question that it should, but it doesn't pay to only focus on Bulgaria. One has to focus on the larger picture.

A lot that Bulgaria is now aiding and abetting probably never touches Bulgarian territory at all. And I don't question that the Bulgarians are entirely sincere when they say that they're very concerned about a drug problem. They don't want young Bulgarians using drugs. And they don't want Bulgarian citizens involved in the smuggling.

I think the Germans are perhaps a bit naive because a very large part of the structure that supports all of this is based in Germany with Turks and other people primarily from the Mediterranean—

Mr. FEIGHAN. From a financing perspective.

Mr. HENZE [continuing]. And financing the movement of money, the movement of goods. The Bulgarians are extraordinarily skillful in taking advantage of all the opportunities a free society and open economy offer. They've proved to be, in a certain curious and perverted sense, good capitalists. They're probably the best capitalists in Eastern Europe.

Kintex operates more effectively than any other East European import/export operations. It certainly operates more effectively than the Soviet ones do.

And the Bulgarian trucking operation is a fascinating thing to study. I think it would probably—if the Wharton Business School could get at the records and look at it, they'd probably pronounce it a pretty well-run operation all the way around, because not only does it sustain its basic operations, but it produces all these dividends which, of course, most other enterprises don't have to concern themselves about.

RECIPIENTS OF BULGARIAN ARMS AND DRUGS

Mr. FEIGHAN. It's comforting there are export technologies, I guess, meeting those results.

Let me ask you, as you suggest that we look at the broader picture, and see where both of these products, both the drugs and the guns, end up.

If you could comment in any evidence you have, or understanding that you might have for the end users of both of those products. Are the Bulgarians particularly discriminatory in who they will provide the illicit weapons to? And, conversely on the issue of drugs, most of those drugs obviously are moving through ports of Western Europe; does the vast majority of it stay in Europe? What percentage would you estimate makes its way to American shores? And I assume that we're dealing with morphine base, and heroin as two major drugs.

Mr. HENZE. Well, you've asked at least two very interesting questions, Mr. Chairman.

On the first I gave your staff yesterday a long article that recently appeared in the London Observer, which is extraordinarily interesting because it recounts how the Bulgarians have been a major channel for the supply of sophisticated weapons to South Africa.

Now, this, I think, shows there's very little morality involved, and very little political consideration. That story I have no reason to doubt.

I was in England recently and was assured by friends there that it's based on very solid information. The London Observer has a very good reputation for being a responsible paper.

So I think as far as weapons are concerned, weapons will be sold almost anywhere. They'll obviously not be sold to anybody that might use them directly against Soviet interests. So I'm sure the Bulgarians are not supplying any weapons that would be used by the Afghan resistance, for example. Nor would they supply any weapons that might go to any groups in Eastern Europe.

Mr. FEIGHAN. So they do have a set of standards?

Mr. HENZE. I think they have a set of standards, but I think it's a very broad set, because they'll supply South Africa. They'll probably supply—they'll supply almost anybody in the Middle East and the Far East.

I suppose under some circumstances they might even supply people like the Chinese if they needed to get them from them, but I haven't seen any evidence of that.

Bulgarian traffic is mostly oriented toward Africa and the Middle East, but we have seen Bulgaria turning up in Central America. So, there is a Bulgarian involvement as far as the Americans are concerned.

And I think, there again, obviously their priorities are to supply weapons to people that will use them for anti-Western, anti-American, anti-NATO, anti-free world interests.

But the South African case, which I think is really quite well documented—I have not had an opportunity to ask anyone in the United States, or other Western governments, how accurate they think it is, but I think the information should be taken very seriously.

As far as the supply of drugs is concerned, there, again, the same standards prevail. I suppose if you could sell drugs to South Africa in quantity, which I don't think you can, the Bulgarians will be delighted to do it. They certainly are not selling drugs to Eastern Europe.

And, there again, some of the narcotics that come out through their channels, I suppose, might find their way there, but I think it would be by diversion from the West.

The prime interest, I'm sure, as far as drug use is concerned, is Western Europe and the United States. And I don't—I doubt, but my DEA friends would be in a much better position to comment on this, I'm sure—I have not had any occasion to look into it myself—I doubt that the Bulgarians would attempt to control the ultimate destination. Their interest is to facilitate the traffic up to the point where it goes further and is in somebody else's hands.

And I don't see any evidence here that the Bulgarians are attempting to pinpoint in a finely targeted way the ultimate users of the drugs.

Mr. FEIGHAN. Mr. Lawn, can you comment on the amount of the drug traffic that Bulgarians may be involved in that ends up in the United States? What percent of it is directed and stays exclusively in Western European nations? And confirm for me, if you will, that we would be talking about heroin, morphine base, and to what extent we might be talking about the shipment of cocaine?

Mr. LAWN. OK. In regard to the facilitation of drugs into the United States, the article to which we referred earlier, the article in Reader's Digest, gave a general estimate about 50 percent of the morphine, heroin that transits through Bulgaria finds its way to the United States.

We cannot confirm that particular estimate. We can confirm about 25 percent of the heroin which arrives in the United States for use by our heroin addicts transits at some point through Bulgaria.

As far as the morphine, or the base, or the heroin, the morphine base probably would transit through Bulgaria to Sicily, or to Italy. In the past probably even through France. This, of course, is much less of a concern now than it was years ago. But predominantly through Italy and through Sicily.

Mr. FEIGHAN. Is there any evidence of an increase to cocaine traffic?

Mr. LAWN. No, sir, we have no evidence of increased cocaine traffic through Bulgaria.

COOPERATION WITH EAST EUROPEAN COUNTRIES ON NARCOTICS CONTROL

Mr. FEIGHAN. Let me ask you, Mr. Lawn, or maybe Mr. Palmer would care to respond to this. I think you had mentioned in your testimony that the Bulgarians are only helpful in dealing with U.S. agencies in border enforcement.

To what extent do we have more extended cooperation in drug enforcement efforts with other Eastern European nations, if at all?

Mr. LAWN. I'm sorry. I'm not in a position to respond to that.

Mr. PALMER. We'll probably have to give you a written answer there. Some of the other countries in Eastern Europe are cooperating with Interpol, for example. The Hungarians, I know, do that. I think the Romanians do. But to give you a better sense, we'd have to give you a written answer on that.

Let me just say, Mr. Chairman, that it is my impression we don't have anything like this kind of problem with any other country in Eastern Europe. The Romanians, who are the next ones up the line, et cetera.

That's partly a geographic question, of course.

Mr. FEIGHAN. Yes, if you could respond to that in writing, both DEA and State, I would appreciate it.

[The information follows:]

COOPERATION WITH EASTERN EUROPEAN COUNTRIES ON NARCOTICS CONTROL MATTERS

There is limited cooperation with Eastern European countries on narcotics control matters. The cooperation that does occur is mostly in the area of training. However, DEA maintains an excellent dialogue with narcotics control authorities in Hungary and has received outstanding cooperation and assistance from these authorities in the effort to stem international drug traffic.

Customs recently conducted an in-country school in Hungary. A similar school was held in FY 1982 and involved 35 participants. In addition, three Hungarian officials participated in a recent Mid-Management Seminar conducted by Customs in Washington. Dr. Gyorgy Balogh, Deputy Director General of Hungarian Customs, is scheduled to participate in a State Department (INM)-funded, U.S. Customs-administered Executive Observation Program in September of this year. Dr. Kraoly Garamvolgyi, Commissioner of Hungarian Customs, was also invited to participate in this Executive Observation Program (EOP), but has asked to defer his trip until next year.

DEA has interacted with the Hungarian narcotics enforcement officials primarily through its office in Vienna. DEA officers have participated in the in-country training conducted by U.S. Customs, addressing subject areas in which they have special expertise. DEA has also administered four State Department (INM)-funded EOPs for Hungarian officials.

Assistant Secretary of State for International Narcotics Matters, Dominick L. DiCarlo, will visit Budapest in mid-June 1984, to meet with Hungarian officials to discuss both bilateral and multilateral drug control matters.

Romania has had no in-country narcotics enforcement training, but did send 16 participants to Customs' Mid-Management Seminars between 1974 and 1977. Three Romanian officials also visited the United States as Customs EOP participants.

U.S. Customs was active in Bulgaria prior to 1981. Five in-country schools were conducted between 1973 and 1978 and involved over 240 participants. Two European Regional Conferences were organized by U.S. Customs in Bulgaria as well. The first took place in 1978 with 24 countries attending. The second was held in 1980 and involved 31 countries. There have been 3 Customs EOPs for Bulgarian Customs officials. In 1981, U.S.-Bulgarian discussions about a Customs Training Agreement were suspended because of our growing concern over the Bulgarian inaction on drug enforcement. In 1983, the U.S. Customs Service declined to attend a Customs Cooperation Conference in Varna, Bulgaria to underline Bulgaria's lack of cooperation.

While not part of the Warsaw Pact, our cooperation with Yugoslavia has also been extensive. U.S. Customs ran in-country schools in 1973, 1975, and 1982. These schools involved more than 130 participants. Six Yugoslavian officials have participated in Customs' Mid-Management Seminars since 1974, and there have been three Customs EOPs for seven Yugoslavian participants. A total of 260 participants have received DEA training through in-country schools since 1969. In 1983, DEA organized an EOP for two Yugoslav officials.

Mr. FEIGHAN. As you can hear, there's a vote in progress, so I'm going to terminate the hearing today and thank each one of the panelists for their very enlightening testimony. Mr. Henze, Mr. Lawn, particularly Mr. Palmer, we're very grateful for your presence here today. And that will conclude today's hearing. Thank you.

[Whereupon, at 11:13 a.m., the hearing was adjourned.]

BULGARIAN-TURKISH NARCOTICS CONNECTION: UNITED STATES-BULGARIAN RELATIONS AND INTERNATIONAL DRUG TRAFFICKING

TUESDAY, JULY 24, 1984

HOUSE OF REPRESENTATIVES, COMMITTEE ON FOREIGN AFFAIRS,
SUBCOMMITTEE ON EUROPE AND THE MIDDLE EAST AND TASK FORCE ON INTERNATIONAL NARCOTICS CONTROL,

Washington, DC.

The subcommittee and task force met at 10 a.m., in room 2200, Rayburn House Office Building, Hon. Lee H. Hamilton (chairman of the Subcommittee on Europe and the Middle East) presiding.

Mr. FEIGHAN (presiding). The hearing of the task force and the subcommittee will come to order.

We are awaiting the attendance Mr. Hamilton, chairman of the Subcommittee on Europe and the Middle East, as well as several other committee members. But we will proceed while we are awaiting them.

I am delighted that we have this joint hearing this morning of the Subcommittee on Europe and the Middle East and the Task Force on International Narcotics Control on the subject of United States-Bulgarian relations and Bulgaria's role in narcotics trafficking.

Last month the Task Force on International Narcotics Control, a task force of the House Foreign Affairs Committee, held a hearing on Bulgarian involvement in narcotics trafficking. During that hearing it was reported that the Government of Bulgaria has established a policy of encouraging and facilitating the trafficking of narcotics through Kintex, its state trading company.

Also, we heard testimony that the Bulgarians used the TIR trucking system in Europe to facilitate narcotics shipments, and that 25 percent of the heroin entering the United States transits Bulgaria.

In light of these activities, Congressman Ben Gilman and I have introduced House Concurrent Resolution 337 concerning Bulgaria's abuses of the Customs Convention governing the TIR system and H.R. 5980 directing the President to conduct a comprehensive review of United States policy toward Bulgaria.

The purpose of our hearing today is to update our information on Bulgarian involvements in drug trafficking and arms smuggling and to hear the executive branch views on the two bills I have just mentioned.

We have a very distinguished list of witnesses here today. We will first hear from the Honorable Alfonse D'Amato, U.S. Senator from New York. He will be followed by a panel consisting of the Honorable Jack Perry, retired Foreign Service officer and former U.S. Ambassador to Bulgaria; Mr. Nathan Adams, senior editor, Reader's Digest; and finally, we will hear from a panel of executive branch witnesses headed by the Honorable Richard Burt, Assistant Secretary of State, Bureau of European and Canadian Affairs; Mr. William von Raab, Commissioner, U.S. Customs Service; and Mr. John C. Lawn, Deputy Director, Drug Enforcement Administration.

Due to the number of witnesses, we would appreciate it if each of you could summarize as best as possible your testimony. Your full statements will be placed in the record.

Senator D'Amato, we would like very much to welcome you to the hearing this morning. You have been very active on this issue and a very articulate spokesman.

We would ask you to begin your testimony.

**STATEMENT OF HON. ALFONSE M. D'AMATO, A U.S. SENATOR
FROM THE STATE OF NEW YORK**

Senator D'AMATO. Mr. Chairman, thank you for giving me the opportunity to testify before this distinguished panel today. And let me commend you and the panel for undertaking this important work.

Henry David Thoreau said that it takes two to speak the truth—one to speak and the other to hear. And today you make it possible to speak the truth.

The truth is that the Eastern bloc, Soviet-dominated nation of Bulgaria is deeply involved in international drug trafficking, in gun-running, and in international terrorism. On June 28, the Senate recognized this fact by passing an amendment to the fiscal year 1985 Commerce, Justice, State and Judiciary Appropriations Act. This amendment proclaims the sense of Congress that Bulgaria should be declared to be engaged in state-sponsored terrorism. I might note that this amendment passed overwhelmingly. The Senate has clearly condemned Bulgaria's nefarious acts. In addition, the amendment prohibits any expenditure of funds by the Departments of State or Commerce to promote trade with Bulgaria.

In October 1981, I visited Italy and met with high-level Vatican officials who told me of their conclusions that there had been a plot to assassinate Pope John Paul II and that Mehmet Ali Agca had not acted alone. Upon my return, I reported these facts to the CIA. In September 1982, I spoke before the Helsinki Commission on Bulgarian and Soviet complicity in the plot to murder the Pope. And in February 1983, I returned to Italy to look into the U.S. role in the investigation of the papal assassination plot.

To all of those who then accused me of seeing a Communist conspiracy where none existed, I can now say that recent discoveries are beginning to prove that the KGB through the Bulgarians was the moving force behind the attempt to assassinate Pope John Paul II.

While we may never know the complete story of this heinous plot, we pieced together enough evidence to lead us to the origin of

the murder attempt. The pieces of this complex puzzle are coming together thanks to a superb investigative job by the Italians.

I applaud the courage of Judge Ilario Martella and Prosecutor Antonio Albano, who, in the face of terrorist threats and Superpower intimidation, pursued the truth. Prosecutor Albano's report, which was filed on May 8, 1984, requested the indictment and trial of three Bulgarians and six Turks for conspiring to assassinate the Pope. Mr. Albano's report concluded that the Bulgarian secret services recruited Mehmet Ali Agca to shoot the Pope in a plot to weaken the Polish Solidarity Union movement.

Those of us who are seeking the truth also owe a great deal to two authors: Clair Sterling and Paul Henze, who followed the story as it developed overseas. Mr. Henze did an outstanding job of documenting state-sponsored terrorism in Turkey and Ms. Sterling outlined the Turkish Mafia connection with Kintex, the Bulgarian Government's official export-import agency.

Here in the United States, Marvin Kalb and NBC covered this neglected story. Also, Nathan Adams specifically addressed Bulgaria's role in a November 1983 Reader's Digest article entitled "Drugs for Guns, the Bulgarian Connection."

Kintex is a guns for drugs network. The management of Kintex is top heavy with senior officers of the DS, Bulgaria's sister organization to the Soviet Union's KGB. These agents of the DS use Kintex as a commercial cover for anti-West espionage activities conducted on behalf of Moscow. Kintex has shipped narcotics from the Middle East to North America and Europe. In return, weapons are sent to Turkey, Syria, and Iraq.

The underground smuggling railroad operated by Kintex was the vehicle used by Mehmet Agca as he traveled in Europe. Now we are beginning to see independent confirmation of Agca's activities.

Later today I will put an article from the July 17 edition of the Wall Street Journal into the Congressional Record. This article describes a Turkish prosecutor's report relating to the 1979 Agca assassination of Abdi Ipekci, a Turkish journalist and newspaper editor who was about to publish an exposé of Turkish-Bulgarian involvement in drug trafficking.

The Turkish prosecutor concludes that Agca acted as part of a conspiracy headed by Abuzer Ugurlu, the leader of the Turkish Mafia. These Turkish findings corroborate the Italian investigation and the findings of Sterling and Henze. I request that a copy of this article be placed in the record of this hearing at this point.

Mr. FEIGHAN. Without objection, it will be.

[The information follows:]

TURKS CLOSER TO LINKING POPE'S ASSAILANT WITH BULGARIA ¹

(By David Ignatius)

WASHINGTON.—A Turkish prosecutor's report provides additional evidence linking Mehmet Ali Agca, the man who shot the pope, with a Bulgarian-based ring of Turkish smugglers.

The Turkish report focuses on Mr. Agca's first known major crime, the 1979 murder of a Turkish journalist, Abdi Ipekci, rather than his 1981 attempt to kill

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Pope John Paul II. But it corroborates important details of an Italian investigation into Mr. Agca's "Bulgarian connection."

The Turkish prosecutor concludes that Mr. Agca acted in the 1979 killing of Mr. Ipekci as part of a conspiracy headed by a Turkish underworld boss, Abuzer Ugurlu, who operated largely out of Bulgaria. The Turkish report also alleges that Mr. Ugurlu gave "financial assistance to Mr. Agca when he was in Bulgaria."

The report's significance lies mainly in that it adds the official stamp of the Turkish military prosecutor to one element of the complex case prepared by Italians investigating the attempt on the pope's life—the link between Mr. Agca and the Turkish mafia boss, Mr. Ugurlu. The Turkish findings about Mr. Agca's early activities parallel those of the Italian investigation and those of independent researchers such as Claire Sterling and Paul Henze.

BULGARIANS NOT DISCUSSED

The Turkish report is a public legal document but it has received little attention outside Turkey. The report, translated by The Wall Street Journal, provides the clearest picture yet of Mr. Agca's beginnings as a paid assassin. It draws a picture of him as a tough, cynical man without fanatical political views who became an operative in an underworld ring drawn largely from his home area of Malatya in central Turkey.

The Agca of the Turkish report cheated on his university entrance exams, took sole responsibility for the 1979 killing and confidently stonewalled Turkish officials about the role of others in that murder when he was in prison in 1979, and received money from unknown sources in a network of bank accounts opened in his name.

The Turkish report doesn't discuss Mr. Agca's alleged links with the Bulgarian secret service or the relationship, if any, of the Kremlin to the alleged conspiracy to kill the pope. A report by Italian prosecutor Antonio Albano that is expected to be issued formally this month, charges that three Bulgarian intelligence operatives in Rome met with Mr. Agca and plotted a Bulgarian-sponsored attack on the pope.

The Turkish prosecutor's report was filed in Istanbul Jan. 16 by Col. Hanefi Ongul, a senior judge of the Martial Law Prosecutor's office, and his assistant, Tefvik Tunc Onat. The Turkish authorities in December 1982 had asked Col. Ongul to reinvestigate the 1979 Ipekci case, following Mr. Agca's confessions to Italian investigators about his links to Mr. Ugurlu and the Bulgarians.

The Turkish case against Mr. Ugurlu and other members of the alleged conspiracy to kill journalist Ipekci went to trial in March. Some of the report's allegations have been disclosed in testimony; the trial is continuing. According to the Turkish Embassy in Washington, Mr. Ugurlu is being held in a Turkish prison and is also a defendant in several other criminal cases besides the Ipekci murder.

Mr. Ugurlu has denied knowing Mr. Agca or participating in a conspiracy to kill Mr. Ipekci. But he has admitted to Turkish prosecutors that he gave money in 1980 to a man named Metin in Bulgaria; the prosecutor charges that "Metin" was Mr. Agca.

Mr. Ugurlu's role in the Agca case is important because of his links to the Bulgarians, who allegedly aided his drug and weapons-smuggling operations.

RELATIONSHIP SUMMARIZED

A summary of this relationship is provided by Paul Henze, who closely followed Turkish affairs as an official of the high-level National Security Council during the Carter administration. Mr. Henze told a House of Representatives panel this year: "Bulgaria started early to offer protection to Turkish drug smugglers. With Bulgarian help, what came to be called the Turkish mafia set up elaborate networks, lodged in part among Turkish workers in Europe, for moving opium products westward. . . . Fugitives from justice in their own country, these Turkish mafia figures were permitted to buy villas in Bulgaria and were given passports and eased through Bulgarian border and customs controls."

Mr. Henze adds in an interview: "Ugurlu has been known to be involved with the Bulgarians since the 1960s. It is inconceivable that a widely known criminal operative such as Ugurlu could have lived and worked in Bulgaria without the approval of the Bulgarian intelligence service and the rest of the Bulgarian Communist Party hierarchy."

The Turkish prosecutor's report suggests that Mr. Agca was drawn into Mr. Ugurlu's network in Istanbul and was involved in petty smuggling operations. In early 1979, the report says, Mr. Ugurlu "proposed the idea of killing Abdi Ipekci," apparently to prevent the publication of stories about Mr. Ugurlu's smuggling activities.

The report quotes Turkish witnesses who say that at the time he was killed Mr. Ipekci was planning to publish an investigation of smuggling in the newspaper he edited, *Milliyet*.

ESCAPE FROM PRISON

The Turkish report also alleges that Mr. Ugurlu helped Mr. Agca escape from prison in Istanbul in November 1979, after Mr. Agca was arrested and charged with killing Mr. Ipekci, "by providing the money that was given as a bribe to the prison officials."

According to the report, Mr. Ugurlu also provided Mr. Agca with money when the prison fugitive arrived in Bulgaria in July 1980; the money was delivered by Omer Mersan, the report says. Mr. Mersan is believed to have been an associate of Mr. Ugurlu involved in European drug smuggling.

The Turkish report also outlines Mr. Agca's close involvement with Oral Celik, a Turk from Mr. Agca's home town of Malatya, who Italian investigators allege helped plan the attempted assassination of the pope and was present in St. Peter's Square on May 13, 1981, when Mr. Agca fired his gun.

Evidence gathered by the Turkish prosecutors indicates that Mr. Celik helped Mr. Agca plan the February 1979 killing of Mr. Ipekci, visited him in prison in Istanbul after he was arrested in June 1979, helped plan his escape in November 1979, took him by car to Ankara, the Turkish capital, after the escape, sent him to Nevsehir in central Turkey to obtain a false passport, and traveled with him in early 1980 to Erzurum, near the Iranian border in eastern Turkey, and helped him escape into Iran.

One of the Turkish report's interesting aspects is that it undercuts the picture of Mr. Agca, formed by investigators shortly after the attack on the pope, as an ideologically motivated member of the right-wing Turkish Gray Wolves organization. He did have extensive contact with members of the group, such as Mr. Celik. But the earlier view that he killed Mr. Ipekci in a right-wing plot against a liberal newspaper editor now appears to be wrong.

A HIRED GUN

Instead, Mr. Agca emerges in the Turkish report as a petty criminal who evolved into a hired gun. The report claims that he forged a pass to the Istanbul University entrance exams in 1978 and had someone else take the exam for him; that he was involved in petty smuggling in Istanbul; that he robbed a jewelry store in March 1979 and a warehouse the next month; and that in February 1980 he helped murder a Turk who he believed had informed Turkish police of his role in the Ipekci killing.

Adding to this picture of Mr. Agca as a paid assassin is evidence gathered by the Turkish prosecutors about his bank accounts. The Turkish report claims that prior to the killing of Mr. Ipekci, a total of 180,000 Turkish lira, at that time about \$10,000, was deposited in his name in four Istanbul bank accounts. Mr. Agca claimed to Turkish investigators that he obtained the money through smuggling.

The Italian investigation of Mr. Agca continues the story from the point the Turkish report leaves off, after Mr. Agca's flight to Bulgaria. The two reports, taken together, suggest that after becoming a paid gunman for the Bulgarian-based Turkish mafia, and after threatening on his own to kill the pope in November 1979, Mr. Agca was taken up by operatives of the Bulgarian intelligence service.

Neither report sheds light on speculation that the Soviet Union may have cooperated with Bulgarian intelligence services in the papal shooting. Given the difficulty of obtaining evidence about Soviet intelligence operations, that question may never be settled. But the investigations of Mr. Agca have sharply altered the early picture of him as simply a deranged, right-wing assassin acting on his own.

SOVIET INVOLVEMENT

Senator D'AMATO. For some reason, many Americans seem eager to dismiss any thoughts of Soviet and Bulgarian complicity in the papal assassination plot. My belief in the fact of Soviet involvement in this conspiracy is stronger than ever. I have no doubt that the Soviet Union, at the very least, had advance knowledge of the assassination attempt because it has been very careful to ensure that Soviet advisers are well placed in all sections of the DS.

The fact of the matter is that my belief goes far beyond that, and my staff tempered these remarks. I do believe that Soviets and Bulgarians were the moving force behind the papal assassination attempt. It is incredible to believe that the Bulgarians would have undertaken this action on their own and not at the behest of the Soviet Union.

It is time that people wake up to the truth and realize what has really been going on. We must pay attention as the links between international drug trafficking, arms dealing, and state-sponsored terrorism are revealed. I am prepared to continue my efforts to pursue these links and will visit Italy again this fall.

The Drug Enforcement Agency has recently testified that 25 percent of all heroin reaching the United States comes through Bulgaria at some point in its travels. The DEA also states that Kintex continues to engage in international narcotics and weapons trafficking. Bulgaria does certainly not engage in these endeavors without the direction and approval of its Soviet masters.

Let us remember Churchill's description of Russia as a riddle wrapped in a mystery inside an enigma. As the evidence emerges, let us ask ourselves whether the Russian Government is as well-intentioned and trustworthy as it would have us believe. Or is the Russian Government manipulating drug trafficking and international terrorism in a continuing effort to bury the West? We must see things as they are, not as we would like them to be. We cannot meet the Soviet challenge unless we first recognize it.

Mr. Chairman, I commend you for holding these most important hearings to bring to the surface the kinds of activities that have taken place, and that are continuing today. These activities not only raise vast sums of money for Bulgaria, but also destabilize the United States and its allies.

No one can underestimate the adverse impacts that drug trafficking has on this Nation. We are talking about an \$80 to \$90 billion a year industry. We are talking about 60 percent of the violent crime that takes place in our Nation being committed by drug addicts. The latest findings indicate that a heroin addict becomes a walking crime machine to support his habit.

I applaud the legislative efforts that this committee has put forth to deal with the drug problem. And I would suggest that those who are afraid that Bulgaria's actions are too controversial to put before the American public, do the American public a great disservice. The American public has a right to know. And, in the final analysis, truth is the greatest and strongest weapon that this Nation has.

THE IMPACT OF THE "HELMS AMENDMENT"

Mr. FEIGHAN. Thank you very much, Senator.

I wonder if you could tell us what you think the impact of the Helms amendment is, assuming that that language is adopted by the House and the conference committee. What is the practical impact of designating a country as a state sponsor of terrorism under the Export Administration Act?

And beyond that, what are the broader implications of that kind of action by the Congress?

Senator D'AMATO. The broader aspects are that we are not going to tolerate those governments who sponsor these kinds of activities, whether it is state-sponsored terrorism, the attempted assassination of the Pope, or the use of illicit drugs to create havoc in our Nation. Passage of the Helms amendment shows that the Congress does have the courage to face these facts and to address them, even if the administration does not. It seems that administration after administration becomes more concerned with the niceties of diplomacy as opposed to the reality of actions. Our American Ambassadors almost become champions of foreign governments, forgetting that they represent the United States. I think that the amendment is a clear signal that we are losing patience with doing business as usual.

It will serve to mobilize public opinion. When the public becomes aware, and the public becomes outraged, Congress will take action.

There is no doubt that drug trafficking is being facilitated by some of the governments of Central America and South America, as well as the Bulgarians, and some high officials in other governments in off-shore countries. The public wants us to deal with this. Because, as I have said before, the Nation's greatest problem today is the drug epidemic.

Half of America's 500,000 heroin addicts are located in New York. When we look at the statistics, whether it is the Temple University studies, or some of the more recent studies, we find over an 11-year period of time, 243 heroin addicts committed something in excess of 500,000 crimes. That means each heroin addict committed more than 190 crimes a year apiece. They are walking crime machines. So we talk about destabilizing communities and wonder why people live in fear, afraid to leave home, or use public transportation after dark. It is obvious that we are a nation who has lost domestic tranquility.

Mr. FEIGHAN. Senator, one of the criticisms that has emerged in the aftermath of the Senate's adoption of the Helms amendment is that what we are doing now is imposing economic sanctions against Bulgaria, which in the first instance may not be very significant, because our level of trade is not that high.

I think it has been submitted that 80 percent of Bulgaria's exports are directed toward the Soviet Union and Soviet bloc nations. So we couldn't have a significant impact on the Bulgarian economy.

In fact, the minimal amount of trade that exists with the United States is primarily agricultural. If we were to impose those sanctions we wouldn't be hurting the Bulgarians as much as we would the American farmer.

It is very much the argument that followed the sanctions that were imposed with respect to the pipeline construction and the grain-sale embargo in 1979. I wonder if you could comment on the validity of that criticism.

Senator D'AMATO. Certainly. I think that we must send a powerful message to all the governments of the world.

If we lose a few dollars' worth of trade, whether it be in agricultural products or industrial products, it is well worth the loss. If we are not willing to take a small loss, we shall miss an incredible op-

portunity to deal with a problem that will indeed bury us, if we continue to let it grow.

We simply cannot allow our Nation to be inundated by drugs. And that is what is taking place. We must interdict the flood of drugs at the source countries. Far better to deal with drugs at the source, to deal with them abroad than to have them come into this Nation where they become almost impossible to control.

The price that we pay in lost trade is minimal, it is miniscule, in comparison with the damage that is being wrought by drugs in the communities of our Nation.

It used to be if you left the inner city you could go to your lovely suburb to escape from crime. That is no longer the case. Those who seek drugs invade the neighboring communities and commit crimes.

I live in a little community of 5,000 people located about 20 miles outside of New York City. My first boss ran a delicatessen in this town. One ordinary day he closed his business, got into his van, and there was someone waiting for him. That person killed my boss for the day's receipts.

Now, this is the kind of thing that people face on a daily basis. It is wrong. I think we have lost our sense of priorities. This amendment is one step in building a total program to deal with illicit drug use.

No. 1, we must interdict drugs at source countries. No. 2, we must educate the public.

No. 3, we must have a criminal justice system that deals with drug problems.

And then, of course, we must rehabilitate addicts. Legislation, in and of itself, will not solve the problem; it is one part of a total process.

It is important that we start.

BULGARIAN KNOWLEDGE OF TURKISH MAFIA ACTIVITIES

Mr. FEIGHAN. Senator, let me ask you one final question. You make reference in your testimony to the Turkish prosecutor's report that concluded Agca acted as part of a conspiracy headed by Abuzer Ugurlu, the leader of the Turkish Mafia.

There were three Turkish nationals mentioned in the Italian prosecutor's report, including Ugurlu. Those same three individuals had been named in DEA intelligence reports and identified as drug smugglers who lived and worked in Bulgaria.

In your judgment, is it at all conceivable that those three individuals in Bulgaria could have operated without the approval, or at a minimum, the acquiescence of the Bulgarian intelligence service and, in fact, the rest of the Bulgarian Communist Party?

Senator D'AMATO. Mr. Chairman, totally impossible. There is no way in the Communist-run country—by the way, one which is so well-disciplined and controlled, such a small area. We are not talking about Afghanistan and the mountains, et cetera.

We are talking about relatively a small population in a well-controlled area—9 million people. The fact of the matter is that every single person that comes in and out of that country is well-known, well-identified. And so it is incomprehensible to believe that in the

running—and, of course, it is a state-run corporation that really does most of this—they are so closely interwoven. They use these Turks and others—by the way, they operate at their sufferance, so they are able to extort from them and take from them a percentage of the trade they deal in, and the hard currencies they deal in.

They use them for other plots that they would not want to directly be involved in, in terms of eliminating people, et cetera. So it is an ongoing system.

And to answer your question succinctly, it would be impossible for this operation to continue without the total cooperation and acquiescence of the Bulgarian Government and the Bulgarian Secret Police.

It would have been, if I might, as an aside, say to those people who still say, oh, it is impossible, the Soviets wouldn't have allowed the attempted assassination of Pope John to take place, and we may never be able to prove beyond a reasonable doubt, we will never be able to show the smoking gun.

But when you add up all of the facts, et cetera, I believe it would be very difficult for reasonable people to believe that they indeed were not the moving force behind this. It is incredible to think that Agca, the most wanted terrorist in all of Europe, from Turkey crosses over the border, indeed, I think six times back and forth, and—when you go to a country in Europe they ask you first for your passport.

We are talking about a tightly controlled communication of only 9 million people. Agca travels back and forth, stays in the finest hotel in Sofia. Then with specificity he identifies Bulgarian agents, identifies where they were, where their homes are, where they worked.

Obviously some dates and times were incorrect and inconsistent, and he may never be able to bring up another witness to identify this, although there are some—that he could have undertaken this without their full knowledge and support, the attempted assassination.

So the drug trafficking, the use of terrorists to achieve their gains and their ends, all of this really is state-sponsored terrorism, much of which is directed against the United States. I cannot think of a more cynical, diabolical plot than the exportation of drugs into another country—the devastating consequences.

And we live with it day in and day out, and we tolerate it day in and day out, and administration after administration has really failed to use the strength and leadership that is necessary to reverse this incredible decay that we face.

And that is why these hearings are particularly crucial and important.

Mr. FEIGHAN. Thank you, Senator. I would like to recognize the chairman of the Subcommittee on Europe and the Middle East, Mr. Hamilton.

SHOULD CONSIDERATION OF THE RESOLUTIONS BE DELAYED

Mr. HAMILTON. Thank you very much, Mr. Chairman.

Senator, we are very pleased to have you with us today. We appreciate your testimony and your leadership in this important area of narcotics.

We are going to hear in a few minutes from the Assistant Secretary on the pending resolutions before this subcommittee, or these subcommittees. And I think he is going to say that although he shares the concern that is expressed in these resolutions, he thinks it is unwise to proceed with the resolutions at the present time, largely I think because of the possibility that proceeding with those resolutions would give the appearance that we are prejudging the Italian investigation.

So he asks us to delay. What is your response to the Secretary's testimony?

Senator D'AMATO. I think that a delay would be misinterpreted entirely, that the Communist propaganda machine would love that. A delay would be interpreted as a congressional rejection of Soviet and Bulgarian complicity in the papal assassination plot.

It is incredible, the way you will find highly placed people in the U.S. intelligence service and the press who say that Agca was a madman, and therefore discredit his testimony.

I have met with Judge Martella and his superiors on a number of occasions. He would say to me, Senator, don't you think that our nation, having dealt with terrorists more than any other nation, through a criminal justice system that did not break down, don't you think we know the difference between someone who is sane and insane? Why do we see such a barrage of articles in the American press, in papers like the Los Angeles Times and the New York Times, attempting to discredit the investigation?

So I am afraid that one of the fallouts of a delay would be that the Soviets and their propaganda machine, correctly or incorrectly, would interpret this delay as a rebuke of the very thoughtful, careful investigation that has been conducted by the Italians.

Mr. HAMILTON. You would not see it as prejudging the Italian investigation?

Senator D'AMATO. No, not at all.

Mr. HAMILTON. One other question on the Bulgarian involvement in the drug traffic. Is that involvement in your judgment officially sanctioned? Do we have clear evidence that it is state-sanctioned, or is it just some Bulgarians who are engaged in the drug traffic?

Senator D'AMATO. That is a good question, Mr. Chairman. One has to then look to the society itself, and to recognize the incredibly tight control that is maintained over it. The Bulgarian Secret Service has entry into the homes and lives of just about all of the people.

And then look at the operation of Kintex, which is a state-run corporation. We are not talking about the corruption of several officials. We are not talking about the corruption of several border guards. The use of Kintex in drug trafficking and arms dealing is total, it is pervasive, and it is well-controlled by the Bulgarian Secret Police.

Mr. HAMILTON. Thank you, Senator.

Thank you, Mr. Chairman.

Mr. FEIGHAN. Mr. Winn.

BULGARIAN AND EAST EUROPEAN INVOLVEMENT IN DRUG TRAFFICKING

Mr. WINN. Thank you, Mr. Chairman.

Senator, we do appreciate your appearing before this joint committee meeting. I just wondered, do you believe that Bulgaria is worse than any of the other East European countries in its trafficking of drugs and arms?

Senator D'AMATO. There is no doubt that it is. Bulgaria has been carefully groomed for its role because of its strategic geographic location, as well as its highly disciplined secret service which is under the total domination of the KGB.

Various intelligence reports have given indications that the KGB controls most of the operating sections of the DS, which is the Bulgarian Secret Service.

The Soviets have used the Bulgarians as surrogates. They have been utilized in the past 20 years in carrying out assassination plots and acts of espionage. The Bulgarians have become so well disciplined in this area that they have replaced the other Eastern bloc nations which had previously served the Soviets in this capacity.

A number of factors indicate that the Bulgarians probably are much more involved in this area than any other East bloc country. You do not find any other East bloc state-operated corporation involved in similar activities.

I just returned from a recent trip to Italy where I discovered that a very important investigation in this area of drug trafficking, the Bulgarians and Kintex is now pending. I believe you will see a trial being undertaken sometime in September or October. I cannot go further than that. I am very much encouraged, I might say, by the attitude of the Italians.

I think that these resolutions you are considering today will encourage a strengthened response by those governments, like the Italian Government, to deal with these problems.

But if we pull back from this action, it may be difficult to sustain the momentum we have. In the case of Italy, we are talking about prosecutions of some of the highest level of drug dealers. Dealers on the scare of Gaetano Badalente, who is accused of being, the Italians say, involved in the execution of more than 700 people. Badalente set up the Pizza Connection, which distributed billions of dollars' worth of heroin through various pizza shops throughout the United States.

The Italians are really making an effort to prosecute, not only Badalente, but maybe 30 other associates. We are talking about reaching the upper level of drug dealers. And I think we have got to indicate to those countries who are cooperating with us that those who don't cooperate will suffer a penalty.

The Italians are undertaking these prosecutions at great risks. Jurists and their families become targets. We have to understand that people are putting their lives on the line. If we cannot go forward with a simple resolution which most of us understand is correct, it is a sad day for us.

Mr. WINN. You think there is any way that we can possibly force the Bulgarians out of the drug- or the arms-trafficking business?

Senator D'AMATO. Yes.

Mr. WINN. The chairman mentioned this might be just sending a signal. I think most of us on the committee want to do more than send a signal. But how can we—this sounds like a well-organized effort, obviously, down through 25 years.

How are we going to force them out of the business?

Senator D'AMATO. Mr. Congressman, I think the greatest weapon we have is that of truth, that of shining that beacon of light on the Bulgarians so world opinion comes down on them. Expose their terrorist activity and its roots and you will begin to make them really ineffective.

Put the spotlight on it. That is how you get other governments to respond, to take action against Bulgaria's violations of customs conventions. But if the United States of America doesn't do its part, what can we expect of these other countries in Western Europe or in Central America or South America?

And I am tired of having the State Department excuse foreign governments for their actions in the area of trade which put our producers, manufacturers, and farmers out of business, because they are a wonderful ally. But now in this area of drugs, which are sapping the vitality of this Nation, and making us prisoners in our own homes, I think it is about time we send a clear message.

PROOF OF KINTEX USE OF THE TIR SYSTEM TO SMUGGLE DRUGS

Mr. WINN. Let's talk about the message or spotlight. Do we have any proof that Kintex has used the TIR system to run the drugs?

Senator D'AMATO. Certainly.

Mr. WINN. We have the proof?

Senator D'AMATO. Yes. DEA can testify to that. They have had informants, but maybe they cannot give you complete details.

Mr. WINN. They have to protect their sources.

Senator D'AMATO. Sure. We understand that. But our own investigation has indicated that these people are well known and DEA can testify without revealing sources, that indeed Bulgaria's involvement is not a figment of someone's journalistic endeavors or some politician's efforts to gain publicity.

We know that Bulgaria's actions have continued for a long time without coming to public attention. The public is now aware because of the attempted assassination of Pope John Paul II.

There were those who said it was the drug merchants that wanted to get rid of the Pope and hired Agca to shoot him. Why would the drug dealers want to draw worldwide attention to their operation by undertaking that action? It simply is not the case. We forget Pope John Paul II represented a greater threat to the Soviets than all of the land forces of NATO.

And we forget that 4 years ago, in December 1980, the question was when would the Soviets invade Poland, would they do it in the winter or wait until the spring? And the Soviets had a real fear that the Pope could rally, not only the Polish people, but also the Polish Army.

But those were the intelligence reports that we received. So I make mention of that, because many times, Mr. Congressman, there are those who say they wouldn't do that. Well, the orders were great.

So, I believe that the Soviets took action against the Pope and neutralized the effect of His Holiness for a period of time.

Mr. WINN. Thank you.

Thank you, Mr. Chairman. I do want to thank the Senator for the work he has done in making—putting this issue forward and the work that you have done and the work that Mr. Gilman has done. Thank you, Mr. Chairman.

Mr. FEIGHAN. Mr. Gilman.

Mr. GILMAN. Thank you, Mr. Chairman.

I certainly want to welcome our junior Senator from New York before our committee, and commend him for his extensive efforts in helping us in our war against narcotics. Particularly in the northeast and in our great State of New York he has done an outstanding job of focusing attention on the need to do more in many directions.

Senator, we welcome your thoughts about the Bulgarian problems and the Bulgarian connection. It is time that we did focus attention on Bulgaria and Kintex and the arms and narcotics connection.

It is time that we took a good hard look at our relationship with Bulgaria as a result of what they have been doing to foster terrorism and to promote narcotic trafficking.

I note, too, that some of our State Department people, as our good distinguished chairman of the subcommittee indicated, have some reservations about the resolution that we have before us.

SHOULD MORE SEVERE RESTRICTIONS BE IMPOSED ON BULGARIA

Do you favor imposing even more severe restrictions on Bulgaria than we are suggesting in our resolution?

For example, cutting off our economic—any economic trade with Bulgaria?

Senator D'AMATO. Mr. Chairman, I am. That is why I have said initially that I think these resolutions are rather mild, but they serve to focus attention on the problem. Once we gather the attention of the Congress and the American people, I think then we have a very real opportunity to stop these actions, not only in Bulgaria, but in other nations.

Adoption of these resolutions will give support to some of our allies who find a very real problem in acting against drug trafficking. The Italians are making a super effort to do something there. So we have got to demonstrate our willingness to act against those countries which cooperate with drug smugglers.

And I think these are rather mild measures. I applaud them. The American public is demanding, particularly where there are countries that are clearly identified as dealing in drugs, that we cut off all aid, that we cut off all help, that we declare them outlaws, that we focus the spotlight on those countries.

Again, this is easier said than done. How do you deal with an area such as Afghanistan? But we simply cannot say because we cannot control drug production in one area of the world that we are going to turn our backs on it elsewhere in the world, especially when we have a government involved in it.

Mr. GILMAN. I note that one of our witnesses who will be appearing a little later on today is Nathan Adams, one of the senior editors of the Reader's Digest, who has done an extensive study of the Bulgarian connection, and Kintex' involvement in terrorism and narcotics and the trade for arms. Mr. Adams suggests that we bring together some of our allies in a concerted action against Bulgaria.

What are your thoughts about that, Senator?

Senator D'AMATO. I think we have a wonderful opportunity to get international cooperation because unfortunately, many of our allies who have previously expressed an indifference to the drug problem, are now having a drug problem of their own.

Italy has about 200,000 heroin addicts in a rather small country of 58 million people, compare this to the United States with over 200 million people and an addict population of about 500,000, Italy certainly has a bigger problem. We find that some of our other Western allies are also more interested in the drug problem now.

I don't want to limit it simply to heroin, because we find that our allies are also experiencing increases in cocaine usage. This increase in cocaine use was confirmed on my last trip to Italy in July when I accompanied the U.S. attorney from the southern district of New York to discussions with Western ambassadors and Italian Government officials.

So I think there is a better opportunity to deal with Bulgaria in a unified way.

Mr. GILMAN. Unfortunately, we have very little leverage economically with Bulgaria. But we do have some trade relationships. I would assume you favor then cutting off all trade relationships until such time as Bulgaria reforms its approach to these problems?

Senator D'AMATO. Absolutely.

Mr. GILMAN. Again, I want to thank you for your continuing effort to wage the war with us in this very critical area. Thank you, Senator.

Mr. FEIGHAN. Mr. Levine.

EAST EUROPEAN INVOLVEMENT IN DRUG TRAFFICKING

Mr. LEVINE. Thank you, Mr. Chairman.

Senator, in response to Mr. Gilman you indicated this was an opportunity to be dealing not only with Bulgaria, but with other countries involved in drug trafficking to this country. Are you familiar with other countries that the Soviet Union is using in any fashion as a vehicle for drug trafficking into this country, or is Bulgaria, to your knowledge, the only one about which evidence has been developed?

Senator D'AMATO. Bulgaria is the only country which has been documented in an official manner, in a way that cannot be disclaimed.

Now, we have had indications that the Cubans and the Nicaraguans are involved in drug trafficking. I participated at a drug hearing in New York about 18 months ago, where there was testimony that 400 Cuban agents came over with the Marielitos. Witnesses stated that a drug network was set up by these Cuban

agents. There was testimony by a former Cuban agent who described the network, how it was established, and how it was financed. It was very clear and convincing testimony. There is Cuban involvement, but the network has not been proven quite as clearly. We suspect Nicaraguan involvement in drug trafficking but are not sure of the extent of their participation.

There are also some corrupt officials in high levels of some smaller governments. I don't want to go into it too much, because there are pending investigations.

Mr. LEVINE. When you talk about clear and convincing evidence with regard to the Cubans, are you talking about clear and convincing evidence linking that to the Soviets, as well?

Senator D'AMATO. I cannot say to you that the Soviets were the guiding force behind that system. I certainly don't think, given their performance in Bulgaria, that they would have discouraged it. But there was no evidence or no testimony given to us that indicated the relationship between the Soviets and the Cubans. So I cannot make that tie.

Mr. LEVINE. Is there any evidence that you are aware of that links the Soviets with this type of activity using any other Eastern European country as a vehicle? Has your information uncovered when this activity appears to have begun, via the Bulgarians?

Senator D'AMATO. I don't have that now. But that information is readily available. It has been undertaken for at least 12 years.

Mr. LEVINE. I want to join my colleagues in thanking you very much. This has been very helpful testimony. Thank you.

Senator D'AMATO. Thank you. We shall be happy to provide the record of that hearing held in New York on the Marielitos and their drug connection.

I think you might find that testimony valuable.

Mr. FEIGHAN. I would appreciate it if you would provide that.

[The information referred to follows:]¹

Mr. FEIGHAN. Thank you very much for your testimony today. We are very grateful, also for the thoroughness of your testimony. I am also particularly grateful for your supportive statements regarding the resolutions we have pending.

Senator D'AMATO. I wish you good luck. You are going to encounter a lot of opposition. The State Department does what it has to do. I don't want to be critical of the Department, but there is a broader picture. And that broader picture concerns the survival of this nation and domestic tranquility.

Mr. FEIGHAN. Thank you very much.

We will now invite our second panel, the Honorable Jack Perry, and Mr. Nathan Adams.

Mr. Ambassador, and Mr. Adams, we would like to receive your testimony, each in a period of about 5 minutes, if you could. Your entire statements will be included in the record.

The third panel will immediately follow you. After that panel has presented its testimony, we can question all of you together.

We will proceed with Mr. Perry, Ambassador Perry.

¹ Information was too lengthy and is retained in committee files.

STATEMENT OF HON. JACK R. PERRY, RETIRED FOREIGN SERVICE OFFICER AND FORMER U.S. AMBASSADOR TO BULGARIA

Mr. PERRY. Thank you, sir. I am Jack Perry. I am the John West professor of government and international studies at The Citadel in Charleston, SC. I am deeply honored to be invited to be here today.

I would like to speak to the background of the proposed legislation, Mr. Chairman, on the basis of a lifetime that I have spent in Soviet and Eastern European affairs, including three tours of duty in Eastern Europe, one in Moscow, one in Prague, and the last as Ambassador in Bulgaria.

I must say that having lived in those countries for 6 years, I have a strong conviction that all the peoples of Eastern Europe are desirous of having more independence from the Soviet Union. And I see our policy in Eastern Europe, I see our interests in Eastern Europe, as supporting that hope and doing what we can to foster their moves toward independence. The principal point I would like to make today is how dangerous it is to do things to push the peoples of Eastern Europe back into the arms of the Soviet Union.

I would like to suggest, Mr. Chairman, that it is erroneous to see the countries of Eastern Europe as monoliths and as a monolithic bloc with the Soviet Union. Even Communist rulers in Eastern Europe need some national independence if they are going to satisfy their populations' desire for national pride, for an economy that works.

The Bulgarian people do not fit the stereotype that we often hear in the West of being totally and slavishly devoted to the Russians. We have all heard this quotation, that Bulgaria is "the 16th Soviet Republic." All of the Bulgarians that I met, from Communist officials at the top on down to the bottom, resented this allegation highly. There is a residual appreciation in Bulgaria for the Russian role in liberating them from the Ottoman Empire in 1877. But that appreciation is largely diminished these days, and the people are tired of hearing the big brother propoganda.

For example, I found it difficult to speak Russian in Bulgaria, although, frankly, my Russian was better than my Bulgarian. I found it difficult to speak Russian because Bulgarians simply do not like to speak Russian, even though the languages are very close. They are very patriotic and proud people.

Aside from the people, what about the Communist rulers of the country? They do boast of their closeness to Moscow. Their policies are tightly aligned. I would like to suggest two reasons for this besides the fact that the Soviet Communists keep them in power. One is that the strategic position of Bulgaria is extremely important to the Soviet Union. It is the only Warsaw Pact country that does not have a contiguous land frontier with the Soviet Union. That means if the Russians want to get to Bulgaria, they have got to go either across Romania, which is a pretty feisty republic itself, or else through the Black Sea. The second reason is that Bulgaria has gotten a great deal from the Soviets economically. They have probably benefited more from Soviet economic support than any other of the East European countries.

But, Mr. Chairman, I would like to suggest that even the Communist rulers of Bulgaria still have a need for independence and

they do have strains in their relationships with the Russians. It is a mistake to think that Bulgaria and Russia are always 100 percent in agreement on every point, and that the Bulgarians are nothing but puppets of the Russians. We could see some of these strains in Sofia under the surface. For example, in economic matters, the Soviets did not always want to do what the Bulgarians wanted to do with the Bulgarian economy. I remember when a group of Congressmen came to Sofia while I was Ambassador and met with the President, Todor Zhivkov—he jokingly said to them, in arguing for more trade with the United States, “If you give us a better deal than the Russians we will switch alliances.” Well, we all knew, of course, that was hogwash, and he knew we knew it. But I think it is interesting that the Bulgarians talk about economic matters as being distinct from political ones.

I might also mention that in 1981, my last year as Ambassador, the Bulgarians celebrated their 1,300th anniversary of statehood. They made a very big, patriotic, fervent, gala event out of this, and it was quite evident to those of us in Bulgaria at the time that the Soviets did not like this kind of what you might call an un-Communist celebration. There was a considerable amount of strain and particularly it was interesting that the daughter of Todor Zhivkov, the leader of the country, was the spearhead of these plans.

Let me say something about Balkan communism, if I may. Bulgaria is not always like other Communist countries. Having served in Prague and in Moscow before, frankly, Mr. Chairman, I felt that Bulgaria was more Balkan sometimes than it was Communist. There are a lot of family ties in Bulgaria, a lot of protection of individuals. There is a good deal of free wheeling by highly placed people. Bulgaria resembles at times what many of us Americans think of as a Mafia operation on a terribly large scale. There is a great deal of corruption in Bulgaria that pervades the Communist party and the Government at many levels.

I, therefore, would say that it is wrong to assume that all acts of the Bulgarians are the Government's or the party's responsibility. There is some free wheeling in Bulgaria, in my opinion.

Finally, if I may offer my comment on the proposed legislation, that we are here to discuss today. In my own opinion, the legislation tends to assume that Bulgaria is a monolithic state, and that it is a total puppet of Moscow. And I do not agree with either of those assumptions.

I see our interests in Bulgaria as fostering as much as we can their eventual independence from the Soviets. In my opinion, the aim of this legislation, to brand Bulgaria as an international pariah, would drive them into the arms of the Soviets and, frankly, it seems to me that this would make the people in Moscow happier than it would make anybody else. I believe that our interest is not in doing that, but in trying to coax them away.

Therefore, I see three problems with the proposed legislation. First, with all due respect, it seems to me as a former diplomat that it is hasty. I do not think enough evidence is in on all of these accusations to make the far-reaching conclusion that we should break relations.

Second, it would put us out in front of our allies. I believe that this kind of unilateral action could cause considerable strain with

our NATO allies about how to treat a country that is, after all, on their continent and not on ours. I would suggest to you that the resolution about the TIR trucks is about a system that, after all, is a lifeblood of European commerce and in which we Americans are involved in a relatively small way. It is somewhat as if the Europeans were to tell us how to manage our traffic with Canada and Mexico. Once again, I speak as a former diplomat, and perhaps I am being too cautious, but I would say we should not get out in front of our allies, either on "the plot to kill the Pope" or on such things as the drug traffickin'; and so forth. I am not sure our allies are as sure as we are that the Bulgarians are guilty.

Finally, I would simply say that I think the proposed legislation is declarative. It says what we believe. But it does not really serve any lasting American interest. It puts us in a hole with the Bulgarians from which eventually it would be hard to get out. And I do not see that it would accomplish what we hope to accomplish.

I believe in putting as much pressure as we can on the Bulgarians to get them to cease any practices that we do not like. But I do not think that this legislation is the way to do it.

Thank you very much.

Mr. FEIGHAN. Thank you very much, Mr. Ambassador.

[Mr. Perry's prepared statement follows:]

PREPARED STATEMENT OF HON. JACK R. PERRY, RETIRED FOREIGN SERVICE OFFICER
AND FORMER U.S. AMBASSADOR TO BULGARIA

Mr. Chairman, distinguished members of the subcommittee, I am honored to be invited to testify before what I learned to regard, during my twenty-four years as a career Foreign Service Officer, as a body of great significance to the international position of our country.

The question before us is the American relationship with Bulgaria.

I base my remarks on the following: First, a lifetime of studying the Soviet Union and Eastern Europe, beginning with the Russian language at Army Language School in 1951, continuing with a doctorate in Soviet studies at Columbia University; second, a diplomatic career which I retired last September and which was occupied almost entirely with Soviet and East European affairs, including service for a total of six years in Moscow, Prague, and Sofia—the last as Ambassador from 1979 to 1981; and third, a longtime preoccupation with American opinion and what I believe is the shared outlook of most Americans towards our proper relationship with Moscow and its reluctant allies in Eastern Europe.

My personal view of East-West relations can be briefly stated. I abhor the Soviet system, and its subjugation of the peoples of Eastern Europe; but I know that we and our Allies must find a way to live without war with our adversaries, and as a former diplomat I believe heartily that negotiation is essential for our security. Underneath all that I say is the conviction that we Americans cannot unilaterally change the geopolitical situation in Eastern Europe; that close cooperation with our European Allies is essential to the balance of power in that continent; and that our interest in Eastern Europe is to support the independence of those countries, to hold out the hope of growth away from Soviet domination, and not to force them into the Soviet grasp by our own actions.

As an American who knows by first-hand experience the faith in our support burning among the peoples of Eastern Europe, I am here to argue against hasty, unilateral actions. In the supercharged atmosphere of an American election year, against a background of sensational stories about real and putative Bulgarian misdeeds, it is a very easy thing for legislators to propose acts of declarative foreign policy which may look good for the moment but may work against long-term American interests. I am here to plead for patience, for calm, for a careful consideration of the views of our Allies, for a willingness to wait until the facts are in, for loyalty to a non-partisan, non-ideological foreign policy that is in the enduring American national interest.

In my personal opinion, the proposed legislation being considered today would not meet those standards.

The aim of this legislation, clearly, is to downgrade, and perhaps cut off entirely, our relations with Bulgaria. Basing itself not on recommendations of the President and his foreign policy advisors, but on isolated testimony, statements of defectors, partial documentation from an ongoing Italian judicial process, and a number of books and articles in the press, this legislation would jump out ahead of our Allies, would leap to the conclusion that Bulgaria is guilty on all counts, and would pressure the President towards hasty actions that might harm relations with our Allies and might well injure our long-term interests in Bulgaria and in Eastern Europe as a whole. I do not believe that the foreign policy of a great nation should be constructed on such a flimsy foundation.

The charges against Bulgaria are of drug and arms sales, involvement with terrorism, and involvement in the attempt on the life of the Pope. My personal knowledge of the specific information available to the U.S. Government is limited. Although the attempted assassination took place while I was serving as Ambassador, nearly all of the leaked documents and the public charges came to the surface after my departure from Sofia in September 1981. While Ambassador, I was aware of information about arms sales by the state trading organ Kintex, and I heard some intelligence about Bulgarian cooperation with terrorist groups, although what I heard was very far from branding Bulgaria as a government sponsor of international terrorism. While Ambassador, I knew about Bulgarian seizures of drugs, but it was only after my return to Washington that I heard intelligence reports about sales of illicit drugs by certain Bulgarians.

Since my knowledge about recent intelligence is limited, my contribution to these proceedings should be to put the charges in the context of Bulgarian life and politics, and above all to ask how the proposed United States actions might help or harm our broader interests in the region.

First, many of the actions charged to Bulgaria are being done by other communist or radical countries. Arms sales of all kinds, licit and illicit, are a communist tradition, as are certain kinds of cooperation with groups which we would label "terrorist" and they might call "national liberation groups." As for intimate cooperation by police organs of the East European states with the KGB, that is common to all, and I am not aware that the Bulgarian DS has done things that have not also been done at Soviet behest by the other East European police organs. As regards the charge of Bulgarian and Soviet planning of the attempt on the life of the Pope, that matter is still sub judice in the courts of our friend and ally, Italy, and must still be considered "not proven."

Let me speak plainly: nothing in their code of behavior would prevent the Bulgarians, or the Soviets, from participating in assassination plans, even against the Pope, or in all kinds of arms shipments, or in cooperation with some groups we would call terrorist, or even in drug trafficking. We are not talking about morality, for to a diplomat, or to a political scientist, morality cannot be the only consideration in foreign policy. If we broke relations with every country of whose morals we disapprove, we would hardly need a Foreign Service, and there would be precious little Ambassadorial patronage available for our Presidents. But we are talking about the cold calculation of national interest, which the communist countries do as much as we do. From this point of view—assuming that the Politburo in Sofia asked itself what was in the Bulgarian national interest—some skepticism is warranted about total Bulgarian guilt in such things as assassination plots, terrorism, and drug smuggling. I, and many of my colleagues with whom I have discussed the charges, still have many questions to ask based on lifetime study of usual communist methods and goals. I do not say Bulgaria may not be guilty of many of the charges. I do say that the evidence is still coming in, and it would be unwise to take far-reaching diplomatic actions until we know more—and until we know what our Allies propose to do.

Having served in NATO, and knowing from experience how critical our Allies are to America's global security, I am especially worried about proposed legislation harming our always sensitive relationships with our European Allies. The proposed Concurrent Resolution on the TIR trucks (H. Con. Res. 337) is a case in point. While the United States has a voice in the TIR system, and ships goods through it, the TIR system is at bottom a European setup. Anyone who has lived in Europe knows that truck traffic through TIR is a lifeline of continental trade, east and west. Europeans may have reservations about Bulgarian policies, but they like Bulgarian peaches and tomatoes—and I must confess so did I. By trying to read Bulgaria out of the TIR system, we are, in effect, playing Big Daddy to the West Europeans, telling them how to run their own affairs. We may simply ask how we would feel if European parliamentary committees started giving us advice about our trade by truck with Canada and Mexico.

As for the bill directing the President to review relations with Bulgaria, of course the first thing a former Ambassador would say is, "What are we paying the Embassy and the State Department for if not to keep policy under *constant* review?" No, what this draft legislation (H.R. 5980) is really telling the President to do is to find Bulgaria guilty and to downgrade relations with it, or suspend them completely. From the perspective of the North Atlantic Alliance, this is a harmful approach. With the Italian judicial process still underway, we Americans would be finding Bulgaria guilty as charged, and—without concerting our actions with our Allies, who after all are sharing the continent with Bulgaria, and who are far more affected than we are—going ahead with harsh acts that would be difficult to reverse. Actions like this do harm our relationships with our Allies, as we know from bitter lessons of the past.

Turning to the Bulgaria that I learned to know by living there two years, let me caution first of all against the assumption that all actions by Bulgarians are carried out by the Communist Party and the government and their organs as official policy. No country is a monolith, and Bulgaria is very far indeed from monolithic. Communism as practiced in Bulgaria has considerable differences from communism in the USSR or Czechoslovakia, where I also served—in fact while living in Sofia I often said that Bulgaria was as much Balkan as it was communist, if not more so. Balkan traditions of family loyalty and of operating outside the law are long-standing; corruption is widespread; men with good connections can get away with a lot. In fact the impression was inescapable to those living in Sofia that Bulgaria was like a Mafia operation on a grand scale. My friend the Turkish Ambassador used to tell me stories about the Turkish outlaws living in the Hotel Vitosha, about their Bulgarian connections, about the smuggling of arms across the border. Many Bulgarian misdeeds were carried out by individuals—often with friends and relatives in the highest places—who were out to make money. The mass of the Bulgarian people, whom I learned to like and respect, have nothing to do with this Mafia-like system of corruption—although it is they who would suffer most from any actions our government took against Bulgaria.

In fact, the people of Bulgaria are friendly towards the United States, are open to Western influences, are intensely patriotic and proud of their nation's history—including five hundred years spent under what they call "the Ottoman yoke"—and are much less attached to the Russians than many outsiders think. Despite the closeness of the two languages, Bulgarians do not like to learn Russian, and shy away from speaking it. Surfeited with propaganda about Soviet-Bulgaria friendship, most Bulgarians are drawn to Western ideas and culture.

The popular image of Bulgarian is of a country totally under Soviet control, whose people are slavishly devoted to the Soviet Union, a country labeled "the sixteenth Soviet republic." This image is in good part false. It is true that the Bulgarian Communist Party boasts of the identity of its policies with those of Moscow—"when it rains in Moscow, in Sofia they put up their umbrellas," the old saw went. This identity of policy is especially true in ideology and in foreign affairs—but then that is largely true of all Warsaw Pact governments except Rumania. There are inevitable strains between Sofia and Moscow, however, particularly in economic matters. Moscow has supported Bulgaria's drive for modernization handsomely, but Bulgarian aspirations to be an ultra-modern technological industry—some talk about being "the Japan of the Balkans"—naturally cause differences with the Soviets. Despite a long history of friendship with Russia, these economic incentives, as well as cultural traditions and desires for more independence, pull Bulgaria away from a total Soviet embrace. Yes, the rulers of communist Bulgaria are extremely loyal allies of the Soviet Union. But even Bulgarian communists are not immune from the strain of nationalism which drives all East Europeans to keep alive their self-esteem in the face of Soviet hegemony. It is in the American interest not to thwart those impulses towards greater independence by driving the Bulgarians back towards Moscow.

An interesting example of Bulgarian patriotism causing strains with Moscow was the year-long celebration, in 1981, of the "thirteen hundredth anniversary of Bulgarian statehood," based on a treaty the Bulgars signed with Byzantium in 681 A.D. This celebration was conspicuously directed towards Bulgarian pride in its history and its independence—and it was obvious to all diplomats in Sofia that the Soviets and the other East Europeans were opposing this patriotic gala. It was especially interesting that plans for the celebration were spearheaded, until her untimely death in the summer of 1981, by Lyudmila Zhivkova, the daughter of the country's leader, Todor Zhivkov, and an outspoken advocate of cultural ties with the West. Many Westerners in Sofia felt that in this glorification of Bulgarian history, the

communist regime fell out of step with the desires of the Soviet Union. One wonders what other strains lie hidden from our view.

Let me conclude by asking what American interests are in Bulgaria.

First, let us remind ourselves by looking at our mental maps that Bulgaria is not unimportant in the geopolitical sense. It might be called the linchpin of the Soviet position on NATO's southeastern flank. Bulgaria is the only Warsaw Pact country without a land border with the USSR. Soviet access to Bulgaria is only via the Black Sea, or else across a very touchy Rumania. Bulgaria borders two NATO Allies, Turkey and Greece, one independent socialist country, Yugoslavia, and only one other Warsaw Pact country, maverick Rumania. Bulgaria's absolute loyalty is therefore of major importance to the Soviets, and Bulgaria's geography also makes it of importance to the West.

Second, we should underline the American policy of standing for the independence of all the East European countries, including Bulgaria. As one who has spent so many years dealing with the area, I am persuaded that history is on our side, and on the side of the peoples of Eastern Europe who desire to be their own masters. In a famous passage, a Czech historian said during the Hapsburg Empire, "We were here before the Austrians, and we will be here after them." The East Europeans—Bulgarians, Czechoslovaks, Poles, all the others—were there before the Russians, and will be there after them. Our country does not design to undermine the stability of Eastern Europe, or to undermine Soviet security. But we want to do all we can to hold out the hope of more independence to the East Europeans, and to help them move in that direction. In Bulgaria, this is difficult, but not impossible. The economic sphere holds out the most promise, for greater Bulgarian integration into the European trade picture may eventually mean greater Bulgarian cooperation with the West and less identification with the Soviet sphere. In this perspective, a modicum of American money spent to promote Bulgarian trade with the West is money well spent, in my opinion. Cutting off trade, as we have found from experience, only drives the East Europeans back upon the Soviet Union, and in the long run damages the cause we stand for.

Any thoughtful consideration of American interests in Eastern Europe must conclude that it is critically important not to drive the east Europeans into the arms of the Soviets, to give them nowhere to turn but Moscow. The West Europeans know this very well. Unfortunately, in our country we often drive the East Europeans towards Moscow as the result of hasty, declaratory policy actions advocated by those who do not distinguish one communist from another, who do not perceive the continuing importance of nationalism in Eastern Europe.

I am sorry to say that the thrust of this proposed legislation under consideration today, and similar legislation in the Senate—to make Bulgaria an international pariah—would do nothing more effective than to thrust Bulgaria more tightly into the Soviet grasp. Who would be happier to see it happen than the men in the Kremlin? It is the kind of policy which drives statesmen and diplomats to despair, for it puts us into a corner from which there is no gainful exit. After you have broken relations with Bulgaria, what do you gain, and what do you do next? How would it serve true American national interests? This is not to impugn the motives of the those proposing the legislation; I respect their motives profoundly, and I share their indignation about the accusations. But if we want to help prevent acts of the kind we deplore, we must maintain relations, we must maintain some leverage. To try to read Bulgaria out of the international community is premature, will probably not work, will cause inevitable strains with our Allies, and in the long term will not serve America's interests.

Mr. FEIGHAN. Mr. Nathan Adams.

STATEMENT OF NATHAN ADAMS, SENIOR EDITOR, READER'S DIGEST

Mr. ADAMS. Mr. Chairman, members of the task force and subcommittee, beginning in early January last year, Reader's Digest embarked on a 6-month investigation of the so-called Bulgarian connection. As a senior editor of the magazine who has specialized in the area of international terrorism and narcotics trafficking, I directed the investigation.

The results were published in Reader's Digest in November of 1983 under the title of "Drugs for Guns, the Bulgarian Connec-

tion." Now, to depart from the statement which has already been put into the record, there is a very good reason for what is going on today in Bulgaria, and in a moment I will get to even more recent developments.

The formula of bartering drugs for guns makes a great deal of economic sense.

Second, there is no question that it was hatched in the Soviet Union. We have this on very, very good authority of a person who was present at the time.

Third, it serves the needs of not only the Soviet Union and the Bulgarians, but also the sellers of the narcotics, in addition to dissident groups, insurgent operations that require arms.

And, finally, to the organizers and owners of the laboratories operating in Europe and finally those who are bringing the narcotics into the United States. To our understanding and to my experience, there can be no doubt that the Soviets conceived the entire plan.

Evidence has shown this. Some of this has been in the press before. Much of it has not, which is in the possession of our intelligence agencies and the Drug Enforcement Administration.

But for anyone to think that the Bulgarians are not state involved and that the Soviets do not support them in this, and had not conceived of the idea, even though I do agree with the fact there is corruption in Bulgaria, is simply just not realistic.

Either you have no concept of history, or you have no concept of facts.

But it can be no other way. To go on with recent developments. First to feel the impact of Bulgaria's drugs-for-guns formula was Turkey—a prime target for Kremlin destabilization and perhaps the most strategically located of all NATO members.

Hundreds of thousands of weapons were smuggled into Turkey, to leftist insurgents, via the auspices of Bulgaria and Kintex. Turkish sources have estimated that as much as 60 percent of them were paid for with drugs—both heroin and morphine base. By 1980, as many as 50 victims a week were the targets of these arms.

In September of 1980, Turkey's military leadership, recognizing that the nation was in imminent danger of collapse, took charge. Order has since been restored, and many—but not all—of the arms smuggling channels closed.

Incredibly, and despite mounting evidence of what was taking place, much of it supplied by the Drug Enforcement Administration, the United States failed to take note. Indeed, when Bulgaria cynically hosted a series of annual customs seminars at the Black Sea spa and Port of Varna, the State Department eagerly footed the bill, including the transportation, room, and board of delegates attending from nations as far away as Pakistan.

Not only this, but U.S. representatives who attended the first of these seminars—September 1978—lavished praise on their hosts for their fight against the international traffic in narcotics.

Said U.S. Ambassador Raymond Garthoff: "Our host country's record in apprehending drug traffickers and in tightening its borders to the transit of dangerous substances is an excellent one."

It is interesting to note that at the time of this conference—it was called "Varna I"—approximately 25 percent of heroin reach-

ing the United States either moved through Bulgaria or was in some way abetted by Kintex.

Lazar Bonev, Director of Bulgarian Customs, was particularly singled out for praise by gullible U.S. representatives. Later, during a visit to the United States, he was wine and dined by customs officials.

Still, it was not until the fallout of the attempted assassination of the Pope—and the breakup of a massive Sofia-based drugs-for-guns ring in northern Italy in November of 1982—that the message got through. And even then, an undismayed U.S. Department of Commerce—as mentioned in previous hearings—proceeded with plans to promote trade with Bulgaria.

If these hearings indicate to some that something may at least be done, you have not convinced Bulgaria. Despite the hearings, despite the Agca disclosures, despite the evidence unearthed from the Henri Arsan drugs-for-guns ring investigation in Italy, it is business as usual in Sofia. Let me share some recent footnotes.

In mid-October 1983, Bulgaria played host to a different kind of seminar. It also was held in Varna.

The delegates included representatives of some of the most vicious terrorist gangs in the world. From Syria came members of the George Habbash organization; from Lebanon, purportedly, members of Hossein Mousavi's "Islamic Jihad"; from Libya, emissaries of Mu'ammar Qaddafi.

Also in attendance: Syria, Soviet, East German and Bulgarian intelligence. The order of business: How to better coordinate terrorist attacks, develop multiuse bases in Lebanon, target identification and selection procedures; the exchange of intelligence.

I have just returned from 3 months in Europe and the Middle East on assignment to investigate the scope of Iranian-sponsored terrorism. And once again Bulgaria emerged as a factor.

Reliable sources informed me that between late October and early November of last year, 15,000 Kalashnikov assault rifles plus antitank mines and RPG rockets were shipped from Bulgaria to Hodeida, North Yemen.

Packed in barrels of grease, they were then smuggled in trucks across the Saudi Arabian border where they are reportedly cached awaiting use. Saudi Arabia, not coincidentally, is a prime target for both Soviet and Iranian destabilization schemes.

Approximately 5 weeks ago, in June—on the eve of your hearings—yet another similar shipment was being loaded on a freighter in Burgas, Bulgaria. The destination was the same: Saudi Arabia, via the arms bazaars of North Yemen. And, according to our sources, payment for these weapons was in the form of narcotics. But the price has gone up somewhat: Bulgaria and Kintex today charge \$5,000 a kilo to transship and secure narcotics shipments.

Recently our sources have indicated that Bulgaria and Kintex have diversified their merchandise. For select traffickers whose bona fides include a longstanding relationship with Kintex, cocaine can also be purchased.

Cocaine—derived from the coca bush of the South American Andes—is unique to this hemisphere. Bulgaria, however, has little difficulty in acquiring it from Cuba which herself has long-established ties to leading cocaine traffickers.

Gentlemen, as far as Bulgaria is concerned, you are simply not a credible deterrent. Nor is this Nation. Misconception or not, is there nothing that can be done?

I have read with interest H.R. 5980. If fully implemented, it is a step in the right direction. But it does not go far enough and does not, in itself, promise action.

For example, it is my belief that enough evidence is on hand—or can be accumulated—to indict leading figures in the Bulgarian Government for conspiracy to import narcotics.

In the case of Cuba—the formula is not limited to Bulgaria alone—such a step has already been taken. More recently, evidence has come to light that the Sandinista government in Nicaragua is similarly involved.

The machinery to consider such an action should be set in motion immediately. This will require a concerted and coordinated effort by agencies like the DEA, the CIA and Customs to cooperate further in the collection and development of such evidence. Whether these individuals stand trial or not is beside the point—the public impact of such indictments in the West and in the Kremlin could be significant.

What about economic steps? Obviously, we should not encourage American businessmen to undertake trade arrangements with Bulgaria. But meanwhile, there is little leverage we can use.

Our trade with Bulgaria is minimal. Western European trade, though greater, is still insignificant. Nearly 80 percent of Bulgaria's foreign trade is with the Soviet Union, hardly unpredictable. There is, however, one area.

With an estimated 5,000 trucks, Bulgaria's state-run international trucking enterprise, SOMAT, is an important foreign exchange earner for Sofia. SOMAT, in turn, owns several major trucking companies in the West, notably in West Germany.

Congress should demand that the State Department—a reluctant activist at best—undertake a campaign to convince our Western European "partners" to take action against these Bulgarian interests and breadwinners. Another symbolic step: Temporarily suspend flights to affected Western nations by Bulgaria's national airline, Balkan Air.

In the case of Austria—and Kintex' "gold seam," if you will—it is difficult to see how drug-plagued European societies, including Austria's, I might add—can tolerate the use and abuse of these feeder accounts.

Austria, a military neutral, is already a funnel for the flow of Western technology to the Eastern bloc and the Soviet Union. She is nonetheless a supposed subscriber to international law as accepted and practiced in the West. In the case of the Kintex accounts, however, there appears to be a great official reluctance to take action. The U.S. Government, for one, might ask for the reason why.

Of course, it remains to be seen if this Nation's loss of credibility already extends from Bulgaria to our allies and other pro-Eastern nations.

Either way, it would seem that the American people deserve an answer.

Thank you.

[Mr. Adams' prepared statement follows:]

PREPARED STATEMENT OF NATHAN M. ADAMS, SENIOR EDITOR, READER'S DIGEST

Mr. Chairman, members of the Task Force and Subcommittee, I am pleased to appear before this joint hearing of the United States Congress to give testimony on the involvement of the Bulgarian government in the illegal traffic of arms and narcotics. Inasmuch as this is a carefully planned and orchestrated conspiracy to disrupt and destabilize nations in the Middle East critical to this nation's security, it is a subject of deep concern to both you and your constituents.

Beginning in early January, last year, Reader's Digest embarked on an exhaustive six-month investigation of the so-called "Bulgarian Connection." As a senior editor of the magazine who has specialized in the area of international terrorism and narcotics trafficking, I directed the investigation. The results were published in Reader's Digest in November of 1983 under the title "Drugs for Guns -- the Bulgarian Connection."

During the course of the investigation, we interviewed sources in no fewer than eight nations in Europe and the Middle East. They included representatives of international law enforcement and intelligence agencies as well as key figures in the illegal weapons and narcotics trafficking community based both in Europe and in the Middle

East. The veracity of these sources was checked and then doublechecked. And so was the material they provided.

What emerged was a sharply focused image of a conspiracy conceived in Moscow by KGB planners to utilize the rapidly growing barter trade of military weapons and narcotics as a vehicle to destabilize critical Middle East nations and to equip Kremlin-supported insurgent groups operating within them. The formula was both simple and highly cost-effective: as it was explained to me, an economic ratio of three given factors.

First, consider the insurgent group: it wants to acquire weapons but is shy on cash (nothing comes free -- even in the Kremlin). What many groups can offer as payment, however, is narcotics -- for example, left-wing Kurds operating out of eastern Turkey.

The next element in our equation is the Soviet Union who, along with certain Eastern Bloc surrogates, wants very badly to supply the weapons but, predictably, wants to be paid for them, political considerations aside.

The final factor in the equation is the international narcotics trafficking community and their brokers who want to acquire drugs and are prepared to pay a high price.

All that then remains to be done is to bring all interested parties together in a working relationship of benefit to each. For example, a Soviet surrogate -- never the Kremlin itself -- will provide the weapons in return for narcotics which can then be sold to drug brokers or representatives of heroin conversion laboratories in the West. In the case of morphine base -- later to be transformed into heroin -- it can be sold to brokers for a 300 percent markup over what the insurgent group would normally sell it for if they were being paid

cash instead of weapons.

There are, of course, a myriad of variations of this formula. One can, for example, substitute a weapons broker for the Kremlin's surrogate. In this case, the surrogate will provide security for the deal, transport for the weapons and the drugs. In return, the broker will use the profits of the narcotics he has resold to purchase the hardware from the surrogate.

In any case, the results are the same: the weapons reach the insurgents, the morphine base reaches the laboratory for conversion to heroin, and Moscow has achieved its goals -- and frequently at a hefty profit for the surrogate. Yet another important benefit of the equation: a more secure and smoother flow of drugs to Western societies, thus increasing social ills in nations like West Germany, France, Great Britain and the United States. So simple, so effective this formula that its conceivers must have slapped their foreheads at their stupidity in not recognizing it earlier than they did.

But they lost no time in selecting a surrogate -- the most trusted member of the Warsaw Pact, Bulgaria. The choice was central to the conspiracy. Despite its appointed role as "cut out" for Moscow, no nation in COMECON is more closely linked to the Soviet Union. Not only do the two nations share a common Cyrillic alphabet -- the only two such members of the Eastern Bloc that do -- but their histories are also tied. It was Czarist Russia, for example, that freed Bulgaria from Ottoman rule. And Bulgaria was the only Nazi puppet in World War II which refused to declare war on the Soviet Union.

Thus, not without reason has Bulgaria been labeled the "16th Republic of the Soviet Union." Perhaps more to the point, Bulgaria's

intelligence and security service, the Darzavna Sigurnost, or the DS, is in reality a sister service to the KGB, and fully 90 percent of its activities are conducted on behalf of the Kremlin, often as a result of direct orders.

What's more, Bulgaria has a unique geographical location boasting two major Black Sea ports -- Varna and Burgas -- a common border with NATO ally Turkey, and it sits astride the major land transport routes from Western Europe to the Middle East. Finally, Bulgaria had been a smuggling conduit since the end of the war. By the late 1960s its clients included a Who's Who of Middle East contraband. Formerly smugglers of scarce luxuries like cigarettes and liquor, by the late 1960s they controlled the booming traffic in heroin and morphine base. Therefore, the logistics were already in place; it was simply a matter of co-opting them.

These elements came together in 1968 following a meeting of Warsaw Pact security leaders the year before in Moscow when the plan was first discussed. The vehicle was to be an official Bulgarian import-export enterprise known as KINTEX. It was formed from the merger of two existing state enterprises under the direction of Col. Gen. Grigor Shopoff -- then, and still, believed to be head of Bulgaria's intelligence apparatus, the DS.

KINTEX advertised itself as an importer and exporter of "sporting goods" as well as explosives for mining and construction uses. And indeed it was -- on the surface. But its real purpose was facilitating the barter trade in weapons and narcotics. And this phase of its operations was under the strict control of DS officers up to the rank of general. It must have been a sought-after assignment. For intelligence officers posted to KINTEX not only kept their DS salaries -- but they were also permitted to pocket their wages from KINTEX.

For support of its operations, KINTEX was given virtual command of other state agencies like the Bulgarian Customs Service and state-owned transportation enterprises like Balkan Air and SOMAT -- the nation's international trucking firm. Meanwhile, weapons and narcotics brokers flocked to Sofia where they were provided free housing, false papers and guaranteed transshipment of narcotics under the protection of KINTEX and the Bulgarian Customs Service.

Other amenities included storage facilities for narcotics awaiting transshipment and permission to purchase morphine base and heroin directly from stocks maintained by KINTEX. Reportedly, some of these stocks were replenished periodically by Farmacin, the state-owned pharmaceutical manufacturer. Other stocks were received directly from insurgent brokers as payment for a wide variety of weapons which could range from Kalashnikovs to anti-aircraft guns, even tanks.

To facilitate purchase of KINTEX weaponry with drug profits, traffickers were actually provided with accounts they could tap simply by identifying themselves telephonically by an assigned code from anywhere in Europe. Orders for weapons were then placed, monies deducted, transport and logistics arranged accordingly. Frequently, payments were routed through KINTEX accounts maintained in Vienna at two of Austria's largest banks. Reportedly, Austria is well aware of these arrangements but did -- and has done -- nothing.

Meanwhile, to tighten contact and liaison with arms and drug merchants, KINTEX representatives were assigned to every major Bulgarian embassy in Europe. Many, of course, were also DS officers operating under diplomatic cover as "commercial attaches." And, according to latest reports, they are still in place.

Between 1970 and 1980 billions upon billions of dollars' worth of narcotics and arms were moved or exchanged through Bulgaria by KINTEX, whose clandestine activities were -- and are -- under the direct control of the First Directorate of the DS where they can be coordinated and supervised by, among others, a cadre of more than 100 Soviet KGB advisers. Further evidence of Soviet complicity is frequent travel to and from the Soviet Union itself by leading KINTEX arms and drug clients who often pre-inspect weapons purchases at Soviet factories and warehouses.

To exert its own control, the DS actually recruited into its own ranks several of these key arms and drugs suppliers. One was Abuzzer Ugurlu -- a Pope co-conspirator -- who at the time of his arrest by Turkish authorities had been a DS agent for nearly ten years.

First to feel the impact of Bulgaria's drugs-for-guns formula was Turkey -- a prime target for Kremlin destabilization and perhaps the most strategically located of all NATO members. Hundreds of thousands of weapons were smuggled into Turkey, to leftist insurgents, via the auspices of Bulgaria and KINTEX. Turkish sources have estimated that as much as 60 percent of them were paid for with drugs -- both heroin and morphine base. By 1980, as many as 50 victims a week were the targets of these arms. In September of 1980 Turkey's military leadership, recognizing that the nation was in imminent danger of collapse, took charge. (Order has since been restored, and many -- but not all -- of the arms smuggling channels closed.)

Incredibly -- and despite mounting evidence of what was taking place, much of it supplied by the Drug Enforcement Administration (DEA) -- the United States failed to take note. Indeed, when Bulgaria cynically hosted a series of annual customs seminars at the Black Sea spa and

port of Varna, the State Department eagerly footed the bill, including the transportation, room and board of delegates attending from nations as far away as ^{Dalou ten} Japan. Not only this, but U.S. representatives who attended the first of these seminars -- September 1978 -- lavished praise on their hosts for their fight against the international traffic in narcotics.

Said U.S. Ambassador Raymond Garthoff: "Our host country's record in apprehending drug traffickers and in tightening its borders to the transit of dangerous substances is an excellent one."

It is interesting to note that at the time of this conference -- it was called "Varna I" -- approximately 25 percent of heroin reaching the United States either moved through Bulgaria or was in some way abetted by KINTEX.

Lazar Bonev, director of Bulgarian Customs, was particularly singled out for praise by gullible U.S. Representatives. Later, during a visit to the United States, he was wined and dined by Customs officials.

No one, apparently, had taken note of the fact that on at least two previous occasions Bonev was directly linked to narcotics shipments which he monitored on behalf of KINTEX. Had anyone cared to ask, this information was available from the DEA which, together with the Central Intelligence Agency, finally brought the facts to the attention of Customs and the State Department.

Still, it was not until the fallout of the attempted assassination of the Pope -- and the breakup of a massive Sofia-based drugs-for-guns ring in northern Italy in November of 1982 -- that the message

got through. And even then, an undismayed U.S. Department of Commerce -- as mentioned in previous hearings -- proceeded with plans to promote trade with Bulgaria.

If these hearings indicate to some that something may at last be done, you have not convinced Bulgaria. Despite the hearings, despite the Agca disclosures, despite the evidence unearthed from the Henri Arsan drugs-for-guns ring investigation in Italy, it is business as usual in Sofia. Let me share some recent footnotes.

* In mid-October 1983 Bulgaria played host to a different kind of seminar. It also was held in Varna. The delegates included representatives of some of the most vicious terrorist gangs in the world. From Syria came members of the George Habbash organization; from Lebanon, purportedly, members of Hossein Mousavi's "Islamic Jihad"; from Libya emissaries of Muammar Qadaffi. Also in attendance: Syria, Soviet, East German and Bulgarian intelligence. The order of business: how to better coordinate terrorist attacks, develop multi-use bases in Lebanon, target identification and selection procedures; the exchange of intelligence.

* I have just returned from three months in Europe and the Middle East on assignment to investigate the scope of Iranian-sponsored terrorism. And once again Bulgaria emerged as a factor. Reliable sources informed me that between late October and early November of last year, 15,000 Kalashnikov assault rifles plus anti-tank mines and R2G rockets were shipped from Bulgaria to Hodeida, North Yemen. Packed in barrels of grease, they were then smuggled in trucks across the Saudi Arabian border where they are reportedly cached awaiting use. Saudi Arabia, not coincidentally, is a prime target for both Soviet and Iranian destabilization schemes.

* Approximately five weeks ago, in June -- on the eve of your hearings -- yet another similar shipment was being loaded on a freighter in Burgas, Bulgaria. The destination was the same: Saudi Arabia, via the arms bazaars of North Yemen. And, according to our sources, payment for these weapons was in the form of narcotics. But the price has gone up somewhat: Bulgaria and KINTEX today charge \$5000 a kilo to transship and secure narcotics shipments.

* Recently our sources have indicated that Bulgaria and KINTEX have diversified their merchandise. For select traffickers whose bona fides include a long-standing relationship with KINTEX, cocaine can also be purchased. Cocaine -- derived from the coca bush of the South American Andes -- is unique to this hemisphere. Bulgaria, however, has little difficulty in acquiring it from Cuba which herself has long-established ties to leading cocaine traffickers.

Gentlemen, as far as Bulgaria is concerned, you are simply not a credible deterrent. Nor is this nation. Misconception or not, is there nothing that can be done?

I have read with interest H.R. 5980. If fully implemented, it is a step in the right direction. But it does not go far enough and does not, in itself, promise action. For example, it is my belief that enough evidence is on hand -- or can be accumulated -- to indict leading figures in the Bulgarian government for conspiracy to import narcotics. In the case of Cuba -- the formula is not limited to Bulgaria alone -- such a step has already been taken. More recently, evidence has come to light that the Sandinista government in Nicaragua is similarly involved.

The machinery to consider such an action should be set in motion immediately. This will require a concerted and coordinated effort by

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agencies like the DEA, the CIA and Customs to further collect^{ion} and development of such ~~strengthen~~ evidence. Whether these individuals stand trial or not is beside the point -- the public impact of such indictments in the West and in the Kremlin could be significant.

Former KGB Major Stanislav Levchenko has testified before this Congress on the aims and modus operandi of highly effective Soviet "active measures" campaigns against the West. Basically, they are propaganda based on falsehoods or half truths circulated through the suborning or co-opting of journalists and other "agents of influence." With the evidence at our disposal, we have the opportunity to do the same, not through suborning or co-opting but through the truth and evidence as weighed by a grand jury. Such exposure is often effective. For example, when Reader's Digest identified General Terziev as Bulgaria's most senior intelligence officer in charge of KINTEX's arms and drugs operations, he was quietly removed -- ostensibly for "corruption."

What about economic steps? Obviously, we should not encourage American businessmen to undertake trade arrangements with Bulgaria. But meanwhile, there is little leverage we can use. Our trade with Bulgaria is minimal. Western European trade, though greater, is still insignificant. Nearly 80 percent of Bulgaria's foreign trade is with the Soviet Union, hardly unpredictable. There is, however, one area.

With an estimated 5000 trucks, Bulgaria's state-run international trucking enterprise, SOMAT, is an important foreign exchange earner for Sofia. SOMAT, in turn, owns several major trucking companies in the West, notably in West Germany. Congress should demand that the State Department -- a reluctant activist at best -- undertake a campaign to convince our Western European "partners" to take action

against these Bulgarian interests and breadwinners. Another symbolic step: temporarily suspend flights to affected western nations by Bulgaria's national airline, Balkan Air.

In the case of Austria -- and KINTEX's "gold seam", if you will -- it is difficult to see how drug-plagued European countries (including Austria's, I might add) can tolerate the use and abuse of these feeder accounts. Austria, a military neutral, is already a funnel for the flow of western technology to the Eastern Bloc and the Soviet Union. She is nonetheless a supposed subscriber to international law as accepted and practised in the west. In the case of the KINTEX accounts, however, there appears to be a great official reluctance to take action. The U.S. government, for one, might ask for the reason why.

Of course, it remains to be seen if this Nation's loss of credibility already extends from Bulgaria to our allies and other pro-western nations.

Either way, it would seem that the American people deserve an answer.

Mr. FEIGHAN. Thank you, Mr. Ambassador, and Mr. Adams. We will now receive testimony from our third panel. I will ask both of you gentlemen to join us again after that testimony.

We now welcome our third panel.

Mr. FEIGHAN. Mr. Burt, if you would proceed.

STATEMENT OF HON. RICHARD R. BURT, ASSISTANT SECRETARY OF STATE FOR EUROPEAN AND CANADIAN AFFAIRS

Mr. BURT. Thank you, Mr. Chairman. I have a brief statement.

While I normally would summarize, it is brief. So, if you will bear with me, I would like to quickly read it.

Mr. Chairman, members of the subcommittees, I thank you for the opportunity to appear before you to discuss our policy toward Bulgaria. Mr. Lawn and Commissioner von Raab will discuss the particular questions involving international narcotics network and possible abuse of the TIR system.

As the most loyal member of the Warsaw Pact, Bulgaria evidences the least amount of differentiation from the Soviet Union in its political, ideological, and economic policies.

For years the Bulgarian leadership evoked an almost symbiotic relationship with the Soviet Union. They seemed to fall over themselves to defer to the Soviets, to echo their propaganda, and to support them in every single issue of international importance. Bulgarian devotion to the Moscow line seemed to go far beyond their obligations under existing political realities, surpassing that of their partners in the Warsaw Pact.

One looked hard for even small signs of diversity. Under those conditions, there were few grounds for dialog. In fact, during the decade of the 1950's, we did not even maintain diplomatic relations.

Relations were reestablished in 1960, but little has happened. Our relations with Bulgaria remain at a low level. Unlike some of

the other countries in Eastern Europe with whom our relations began to expand in keeping with our policy of differentiation, we have not exchanged high-level political visits nor do we have official bilateral commissions on economic and trade development.

As Bulgaria has not fulfilled the requirements of the Trade Act of 1974, we do not extend most-favored-nation tariff treatment to Bulgaria. Nor is Bulgaria eligible for U.S. Government trade credits or guarantees.

By the end of the 1970's, Bulgaria began paying greater attention to developing its economic and commercial ties to Western Europe and the United States. In order to do so, its leaders accepted a broadened political and cultural dialog with us on matters of importance to us.

In this dialog, we pressed for improved Bulgarian adherence to the CSCE principles—greater contacts, reunification of divided families, and human rights generally.

We pressed the Bulgarians to stop jamming our Bulgarian-language VOA broadcasts. We pressed them on persistent allegations and reports of official Bulgarian involvement in the illegal drug trade and in illegal arms sales to terrorist groups in the Third World and the Middle East.

The results of our efforts have been, on balance, disappointing. In the area of the Helsinki principles and human rights, they have resolved nearly all of the longstanding family reunification cases for which we had been seeking solutions, in some cases as much as 15 years.

They have also taken steps to facilitate the operation of our Embassy in Sofia and improve their access to Bulgarian officials. Last fall they received at the very highest level, President Zhivkov, an important delegation from this House led by Congressman Gibbons.

But on the very serious issues of Bulgarian involvement in the illegal narcotics and illicit arms trade, our representations have produced few results. Our drug enforcement cooperation efforts with Bulgaria have been turned into propaganda exercises to demonstrate apparent rather than real cooperation in eliminating drug trafficking from Bulgaria.

Repeated requests by Turkey for extradition of known Turkish narcotics smugglers have been refused. Information passed by our Drug Enforcement Agency people about known narcotics smugglers in Bulgaria have been largely ignored, and instead we have been given statistics about the number of seizures at the border. Little has been done to crack down on those within the country that were moving drugs and illicit arms in international trade.

After several years of frustrating cooperation that produced few real improvements in drug enforcement, we suspended customs cooperation with Bulgaria in 1981. We reluctantly came to the conclusion that the relationship was largely fruitless and was being misused for propaganda purposes.

Last February I visited Bulgaria, along with two other countries in Eastern Europe, to provide that close ally of the Soviet Union our position on security and arms control and, in particular, INF, in the context of Soviet counterdeployments in Eastern Europe.

I also used that opportunity to make unmistakably clear our continuing interest and concern over Bulgaria's official dealings in or

toleration of the international narcotics trade, their involvement in the illicit arms trade, and over allegations of support for terrorist groups.

I stressed that there could be no marked improvement in our relations until these concerns could be satisfied.

In addition to my trip, I note that representatives of DEA also have been in Sofia recently to press the Bulgarians and will be continuing such contacts.

I understand that there are recent reports of improved Bulgarian enforcement action along their borders, and significant drug seizures have been announced. I hope these reports are correct.

However, there has been insufficient movement on elimination of the drug rings that operate out of Bulgaria, moving drugs and guns between the Middle East and Europe. Those are the operators that we have to get at. Those are the connections that must be broken.

We must and will continue to press the Bulgarians on these concerns. We have also discussed our concerns with key West European governments, urging them to approach the Bulgarians directly on the subject. We will continue to work to enlist the support of other governments.

Mr. Chairman, with regard to the two resolutions concerning Bulgaria that are currently before your subcommittee, let me say that there should be no mistake as to the gravity with which we view the attempt on the life of Pope John Paul II. We regard the cowardly attack on the Pope as one of the most terrible and despicable of all possible crimes.

As you know, the crime occurred on Vatican soil, and it is the Italian judicial system which has the jurisdiction to investigate the charges. All along, we have been extremely impressed with the thorough and dispassionate manner in which the Italian authorities have pursued their investigation. Their courageous, painstaking, exhaustive and impartial approach has been most laudatory. We continue to have complete faith in the integrity of the Italian investigation, and we have offered the fullest possible assistance to the Italian investigation and we will continue to do so.

Since the Italian judicial process has not yet been completed, we must maintain both the appearance and the reality of nonintervention in this case.

I might add here that senior Italian political authorities in recent days have asked us to maintain this appearance and reality of nonintervention in this case.

This is the position that the Secretary of State stressed in his testimony on June 13 before the full Foreign Affairs Committee.

Mr. Chairman, in considering these pieces of legislation, H.R. 5980, and House Concurrent Resolution 337, let me assure you that we share the concerns of members of this subcommittee about the very grave charges of Bulgarian complicity in the attempted assassination of the Pope.

We support the conduct of a comprehensive review of U.S. policy toward Bulgaria to examine all facets of our relationship.

I would strongly recommend, however, that the study be delayed until such time as the Italians have completed their investigation and the outcome of an eventual trial is known. By awaiting those results, we will not have interfered in the Italian judicial process.

We will also avoid playing into Soviet and Bulgarian hands by introducing the appearance of external pressure that could discredit the impartiality of the investigation and an eventual trial.

In conclusion, let me assure you once again of the seriousness with which the Department of State regards the charges and evidence of Bulgarian involvement and toleration of illicit narcotics and arms trafficking and support to terrorist groups. We will continue to devote close attention to the concerns raised by you and members of your committees.

Thank you.

Mr. FEIGHAN. Thank you, Mr. Burt.

Mr. Von Raab.

STATEMENT OF WILLIAM VON RAAB, COMMISSIONER, U.S. CUSTOMS SERVICE

Mr. VON RAAB. Mr. Chairman, members of the subcommittee and task force, thank you for inviting me to testify before you.

As you are aware, the Customs Service is one of the lead agencies in narcotic smuggling enforcement and also participates with other agencies in detecting and thwarting terrorism including supportive acts.

In endeavoring to carry out these functions, we maintain continual liaison and information sharing not only with other U.S. Government agencies, but also with the customs agencies of most other nations. For the most part, our activities with these foreign enforcement services have been extremely meaningful and profitable. Unfortunately at this time I cannot say this for the Government of Bulgaria's enforcement agencies.

There have been strong indications made public that the Government of Bulgaria is not cooperating in narcotic and terrorist controls but may, in fact, be actively engaged in these illegal activities through the use of cover firms thinly disguised as Government-owned import/export companies. They have also used agent provocateurs who are financed and trained by Bulgarian intelligence services. Previous testimony offered in these hearings tends to support this contention.

The U.S. Customs Service, until recently, has had a long history of contacts with Bulgarian Customs.

One problem, however, that continually occurred during our liaison with Bulgarian Customs was the difficulty in obtaining any meaningful information on narcotics trafficking and seizures in their country. When pressed, Bulgaria was recalcitrant and repeatedly cited a lack of a formal legal exchange instrument. As a result of this, work on a possible bilateral mutual assistance agreement concerning customs matters was begun.

As you are aware, over the past several years there have been numerous and serious charges that Bulgaria was clandestinely involved in illicit narcotic and terrorist activity and that Bulgarian custom officials, including its management, were engaged in these activities.

These charges were never resolved by Bulgaria and remain unanswered today.

As these allegations have never been satisfactorily answered by the Bulgarian Government and, in fact, have intensified, the United States broke off contacts with the Bulgarian customs at approximately the same time as Bulgaria was implicated in the attempted assassination of the Pope.

Our first action was the cessation of work on any bilateral agreement.

In June of 1983, another International Customs Conference, this time on narcotic interdiction, was held in Rome and was cohosted by United States and Italian customs. Although Bulgarian customs was initially invited to attend, U.S. customs presented a written document protesting Bulgarian participation. Consequently, the invitation to Bulgaria was rescinded.

In late summer of 1983, the Bulgarian customs, in conjunction with the Customs Cooperation Council, hosted a seminar in Bulgaria on commercial fraud as it pertains to customs matters. Because the Bulgarian Government never satisfactorily addressed the numerous charges concerning its involvement in illicit narcotic trafficking, plus the fact that more and more evidence surfaced indicating that the Bulgarian Government is actively engaged in supporting terrorist activity in many areas of the world, the U.S. Customs Service did not attend nor did it support the conference.

The U.S. customs' present position in regard to interchange with the Government of Bulgaria or any of its agencies is that, until Bulgaria satisfactorily addresses the numerous charges levied against it, we will not participate in any exchange or liaison and will actively solicit our foreign sister customs services to do the same.

Turning to the proposed legislation, I would like to make the following comments:

Concerning House Concurrent Resolution 337, I endorse such action. I believe that under the auspices of the U.N. Secretary General, a complete review of the allegations of Bulgaria's abuses of the TIR provisions should be made. By conducting such a review, it would put out into the open in a worldwide forum exactly what has transpired concerning Bulgaria's alleged narcotic trafficking and terrorist activities. It would also give the Government of Bulgaria an opportunity to refute the allegations, if possible, and offer an explanation for what has been perceived as inexcusable and nefarious conduct by Bulgaria in the eyes of the world.

It has become increasingly clear recently, in fact obvious to those of us in the law enforcement community, there is an ever strengthening and menacing link between international terrorism and international drug trafficking.

The tacit, if not obvious, involvement of Cuba in international drug trafficking is well known to all; and recent events and articles which have been published have brought to light the involvement of senior Nicaraguan officials in this same business.

Drugs have become the natural ally of those that would choose to destroy democratic societies in our hemisphere.

Drugs serve not only to weaken, undermine, and destroy legitimate institutions and the very fabric of society, but importantly at this point in time they provide terrorists with access to hard currency which is critical to their needs as they attempt the violent

and destructive means to impose their will on the innocent peoples of this world.

During a recent trip to South America, I was ever more reminded and more firmly convinced of the strong link between the terrorists that would destabilize, infiltrate, and destroy democratic governments in South America and the international trafficking of drugs.

Today the U.S. dollar may be the currency of legitimate trade in commerce in the free world, but narcotics have become the currency of international arms trafficking and terrorism.

We all think romantically about the pirates of the 18th and 19th century who dealt in pieces of eight. Well, there is no romance whatsoever about international terrorists. They don't deal in pieces of eight; they deal in kilos of cocaine.

Thank you very much.

[Mr. von Raab's prepared statement follows:]

PREPARED STATEMENT OF WILLIAM VON RAAB, COMMISSIONER, U.S. CUSTOMS SERVICE

Mr. Chairman, members of the subcommittee and the task force—I would like to thank you for letting me testify today on the government of Bulgaria's involvement in narcotics smuggling and other illicit activities including supporting terrorism.

As you are aware, the Customs Service is one of the lead agencies in narcotic smuggling enforcement and also participates with other agencies in detecting and thwarting terrorism including supportive acts. In endeavoring to carry out these functions, we maintain continual liaison and information sharing not only with other U.S. Government agencies, but also with the police and the Customs agencies of most other nations. For the most part, our activities with these foreign enforcement services have been extremely meaningful and profitable. Unfortunately, at this time, I cannot say this for the government of Bulgaria's enforcement agencies.

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The U.S. Customs Service, until recently, has had a long history of contacts with Bulgarian customs. These contacts were generally in the realm of narcotics enforcement. Customs, beginning in 1972, conducted narcotic interdiction technique training with most of the training done in Bulgaria. In addition, two international conferences on narcotic interdiction were held in Bulgaria in 1978 and 1980. These conferences were co-hosted by the U.S. and Bulgarian customs service and were attended by heads of customs services from both Western and Soviet bloc countries.

One problem, however, that continually occurred during our liaison with Bulgarian customs was the difficulty in obtaining any meaningful information on narcotics trafficking and seizures in their country. When pressed, Bulgaria was recalcitrant and repeatedly cited a lack of a formal legal exchange instrument. As a result of this, work on a possible bilateral mutual assistance agreement concerning customs matters was begun.

If I may digress for a moment, U.S. Customs already has such agreements with several countries including Germany and Austria. Negotiations are also underway with other countries to install such an agreement. In essence, the agreement states that, upon the request of one of the party's Customs Service, the other Customs Service will conduct enforcement action including seizures and investigations, if the former country's customs laws may have been violated.

As you are aware, over the past several years there has been numerous and serious charges that Bulgaria was clandestinely involved in illicit narcotic and terrorist activity and that Bulgarian custom officials, including its management, were engaged in these activities. These charges were never resolved by Bulgaria and remain unanswered today. As these allegations have never been satisfactorily answered by the Bulgarian government and, in fact, have intensified, the United States broke off contacts with the Bulgarian customs at approximately the same time as Bulgaria was implicated in the attempted assassination of the Pope.

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In late summer of 1983, the Bulgarian customs, in conjunction with the Customs Cooperation Council, hosted a seminar in Bulgaria on commercial fraud as it pertains to customs matters. Because the Bulgarian Government never satisfactorily addressed the numerous charges concerning its involvement in illicit narcotic trafficking, plus the fact that more and more evidence surfaced indicating that the Bulgarian Government is actively engaged in supporting terrorist activity in many areas of the world, the U.S. Customs Service did not attend nor did it support the conference.

The U.S. customs' present position in regard to interchange with the Government of Bulgaria or any of its agencies is that, until Bulgaria satisfactorily addresses the numerous charges levied against it, we will not participate in any exchange or liaison and will actively solicit our foreign sister customs services to do the same.

Turning to the proposed legislation, I would like to make the following comments:

Concerning House Concurrent Resolution 337, I endorse such action. I believe that under the auspices of the U.N. Secretary General, a complete review of the allegations of Bulgaria's abuses of the TIR provisions should be made. By conducting such a review, it would put out into the open in a worldwide forum exactly what has transpired concerning Bulgaria's alleged narcotic trafficking and terrorist activities. It would also give the Government of Bulgaria an opportunity to refute the allegations, if possible, and offer an explanation for what has been perceived as inexcusable and nefarious conduct by Bulgaria in the eyes of the world.

It has become increasingly clear recently, in fact obvious to those of us in the law enforcement community, there is an ever strengthening and menacing link between international terrorism and international drug trafficking.

The tacit, if not obvious, involvement of Cuba in international drug trafficking is well known to all; and recent events and articles which have been published have brought to light the involvement of senior Nicaraguan officials in this same business.

Drugs have become the natural ally of those that would choose to destroy democratic societies in our hemisphere.

Drugs serve not only to weaken, undermine, and destroy legitimate institutions and the very fabric of society, but importantly at this point in time they provide terrorists with access to hard currency which is critical to their needs as they attempt the violent

Our first action was the cessation of work on any bilateral agreement. Also, in May of 1983, a special session of the Policy Committee of the Customs Cooperation Council was held in Washington. (The Customs Cooperation Council is an international organization consisting of representatives from customs organizations of 95 countries. The Council's main function is to try to harmonize customs procedures and regulations and to exchange enforcement information among the member countries) Bulgaria, as a member of the Policy Commission, attended the session although the State Department initially considered denying them entry.

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Turning to the proposed legislation, House Concurrent Resolution 337 and H.R. 5980, I would like to make the following comments.

Concerning the resolution (HCR 337), I endorse such action. I believe that under the auspices of the United Nations Secretary-General, a complete review of the allegations of Bulgaria's abuses of the T.I.R. provisions should be made. By conducting such a review it would put out into the open in a worldwide forum exactly what has transpired concerning Bulgaria's alleged narcotic trafficking and terrorist activities. It would also give the government of Bulgaria an opportunity to refute the allegations, if possible, and offer an explanation for what has been perceived as inexcusable and nefarious conduct by Bulgaria in the eyes of the world.

Of course, if any of the proposed legislation is passed into law, you can be assured that the Customs Service will vigorously and willingly assist in whatever activities that need to be conducted by the service.

In conclusion, I would like to say that the Customs Service places the highest priority on stopping illicit narcotic trafficking and terrorism including its supportive activities. In order to meet these priorities, we must have cooperation from the international community. When such cooperation is not forthcoming, those nations who do not cooperate should be sanctioned to the highest degree possible.

Thank you.

Mr. FEIGHAN. Thank you.

Mr. Lawn, from the Drug Enforcement Administration.

STATEMENT OF JOHN C. LAWN, ACTING DEPUTY ADMINISTRATOR, DRUG ENFORCEMENT ADMINISTRATION

Mr. LAWN. Thank you, Mr. Chairman. It is a pleasure to appear before the joint hearing of the Subcommittee on Europe and the Middle East and the Task Force on International Narcotics Control.

I testified on June 7, 1984, before the task force on the subject of the Bulgarian Government's involvement in narcotics smuggling. In summary, information accumulated by the Drug Enforcement Administration and its predecessor agencies over the past 14 years indicates that the Government of Bulgaria appears to have established a policy of encouraging and facilitating the trafficking of narcotics under the corporate veil of Kintex. Kintex is the official import/export agency of the Government of Bulgaria overseeing the international trade of such legitimate commodities as arms, textiles, appliances, and cigarettes.

Since 1970 and continuing to the present, DEA has received statements from several different sources delineating Bulgaria's involvement in illicit trafficking activities. Descriptions of Bulgaria's motives and methods of operations, the involvement of Government officials, Government agencies, and selected arms and narcotics traffickers, have remained consistent over those years.

The reliability of this information, coupled with the disappointing responses from the Government of Bulgaria when confronted with these allegations led the United States in the fall of 1981 to suspend working relationships with the Government of Bulgaria in the area of law enforcement.

Thank you very much.

INTERVENTION IN THE ITALIAN JUDICIAL PROCESS

Mr. FEIGHAN. Thank you very much, Mr. Lawn.

Mr. Burt, I was very impressed with the early portions of your testimony in outlining the relationships that we have had with Bulgaria in recent years and some of the problems that your department has faced in dealing with the Bulgarian Government on a wide range of issues, from narcotics trafficking, to family reunification to trade. Yet I have to confess that I was a little bit concerned that the conclusion of your testimony deals exclusively with the issue of the attempted assassination on the life of the Pope.

The two resolutions that are before us consist of approximately 10 pages. There are two sentences in all of those 10 pages that deal with what is an important but tangential issue, the assassination attempt on the Pope. These two resolutions focus primarily on the Bulgarian Government's alleged direct involvement in the trafficking of illegal narcotics, and the related trafficking of illicit arms.

Assuming we were to strike those two sentences that deal with the attempted assassination on the life of the Pope—and in the one resolution the statement reads simply:

Whereas, an Italian Government state prosecutor has concluded that the government of Bulgaria used a truck which was carrying goods undercover of a TIR Carnet to assist the escape of an accomplice in the attempted assassination of Pope John Paul II.

Would you say that your department would then be ready to support these two resolutions as they relate then exclusively to the alleged involvement of the Bulgarian Government in narcotics trafficking?

Mr. BURT. Mr. Chairman, you perhaps did not understand the point I made early on in my testimony. I said that Mr. Lawn, Commissioner von Raab, would discuss the particular questions involving international narcotics network, as well as the possible abuse of the TIR system.

Now, in Commissioner von Raab's statements concerning the TIR system, I fully support them, but I don't know quite frankly if I am in a position bureaucratically to speak for the State Department. I think that the Under Secretary of Management may have a role here. I have not consulted with him, but I can say that I am comfortable with supporting what Commissioner von Raab said in calling for a thorough investigation of the TIR system.

I also said in my testimony that the proposal calling for this comprehensive review of the United States-Bulgarian relationship should certainly go forward.

I think, however, it should go forward at the completion of the Italian investigation and the completion of any trial that takes place. I think whether or not the resolution says anything about the papal assassination, the point is that it will be viewed and has been viewed, quite frankly, quite candidly, by senior Italian political officials and leaders, as intervention. I think we have to look that straight in the face. And they have been very courageous. They are undertaking, I think, a magnificent investigation and we should support them, not undercut them, in this effort.

Mr. FEIGHAN. I might ask, Mr. Burt, what do you think is the impact of the State Department's recent action on restricting non-essential travel to Bulgaria? Isn't that as provocative as these resolutions might be in infuriating or aggravating the Bulgarians at a time—

Mr. BURT. Who cares about that? I am not opposed to infuriating or aggravating the Bulgarians.

Mr. FEIGHAN. Interfering then, with the Italian investigation.

Mr. BURT. Well, I would be happy, Mr. Chairman, to brief you in closed session on the reasons that we took that step. It involves sensitive intelligence.

Mr. FEIGHAN. Regardless of the reasons, it is public knowledge that the step has been taken.

Mr. BURT. It was more important, and I would be happy in closed session to tell you why. I am sure, once you learn the reason why, you will realize the advantages of taking that step outweighed any possible intervention in the Italian investigation.

Mr. FEIGHAN. Let me ask then Mr. Burt—since that is a pretty difficult roadblock to jump over—how long you think it would take before the investigation of the Italian investigation would take, and how long it would take before there could be any trials completed on that attempted assassination?

Mr. BURT. It would be the sheerest speculation on my part because, again, as a U.S. Government official, I have no responsibility for either the Italian Government or the Italian judiciary.

My understanding is that the prosecutor's report will be made public sometime this month. There is the possibility that if there is a decision to go to trial, it could take place later on this year.

I have seen reports—and here I am not referring to any official communications we have had, either with the Italian Government or the Italian judiciary—but I have seen reports that conceivably, if there is a trial, it could be completed by the end of the year.

Mr. FEIGHAN. Well, I would certainly disagree with that timetable. But it is speculative on both our parts.

Mr. BURT. That is right.

Mr. FEIGHAN. It is surprising to me that you would suggest that we should wait before taking any action or review of our policy toward Bulgaria when your own department, your own department says "The results of our efforts have been on balance disappointing."

You say further:

But on the very serious issues of Bulgarian involvement in the illegal narcotics and illicit arms trade, our representations have produced few results. Our drug enforcement cooperation efforts with Bulgaria have been turned into propaganda exercises to demonstrate apparent rather than real cooperation, eliminating drug trafficking from Bulgaria.

The Drug Enforcement Administration at our meeting on June 7 testified that as much as or perhaps more than 25 percent of the heroin that reaches American shores is trafficked through Bulgaria. Senator D'Amato testified this morning in response to a question from Congressman Levine that the Bulgarians have been directly involved in narcotics trafficking for a period of at least 12 years.

I would also cite the actions of your own department. In March of this year the State Department dispatched a demarche to the Government of Bulgaria which cited Bulgaria's continued toleration and facilitation of the activities of known drugs and arms smugglers.

Then, as I mentioned earlier, on July 5 State Department spokesman John Hughes seemed to undercut those previous actions by saying that it was premature for the State Department to take a position on the matter of whether Bulgaria is a sponsor of terrorism.

I think that we need a very clear unequivocal statement from the Department—is it or is it not the Department's view that Bulgaria is aiding and abetting the traffic of illegal narcotics and arms.

Mr. BURT. Well, let me first of all try to clarify something which needs to be clarified based on what you have just said.

The idea that somehow the Department or the Government as a whole is somehow unconcerned about the problem of drug trafficking and terrorism aided and abetted by the Bulgarians is completely false.

We are very concerned and in my statement I think I mentioned it several times. I have talked face to face with senior Bulgarian officials and addressed this with them, so I am not going to live with the allegation that somehow we are not doing enough on this case. We have made this a major issue with the Bulgarians. I am not going to accept the notion that we are unprepared to do anything about it. The Bulgarians know that they cannot have any kind of relationship even approaching normality with the United States as long as these kinds of activities continue—period.

BULGARIAN SUPPORT FOR TERRORISTS

Mr. FEIGHAN. Let me just conclude with one question that I think hopefully will go to the heart of this. At the Jonathan Institute Conference on terrorism held just a few weeks ago, Secretary of State George Shultz made the following statement:

When the Soviet Union and its clients provide financial logistical and training support for terrorists worldwide, they hope to shake the West's self-confidence and sap its will to resist aggression and intimidation.

The response will have to fit the precise character and circumstances of the specific threats, but we must be within the rule of law lest we become unwitting accomplices in the terrorist scheme to undermine civilized society.

Would you agree or can we fairly interpret that statement to suggest then that Bulgaria is in fact supporting terrorists worldwide?

Mr. BURT. As far as I am concerned, they are. We know, for instance, that the Bulgarian ships go to Nicaragua with military aid for the Sandinistas. I have no problem with that.

Mr. FEIGHAN. That being the case then, Mr. Secretary, what would you suggest specifically that we do with respect to Bulgaria?

Mr. BURT. I would be quite happy to go through my testimony again. I think we have to recognize at the outset we are talking about a very close client, the closest ally of the Soviet Union. The Bulgarians are not going to pay very much attention to what we tell them. Nevertheless, we cannot give up. I think we have to work with countries that have more access with Bulgaria than we do. We have to recognize our limited leverage. That means we have to work through our allies.

Commissioner von Raab mentioned the importance on the customs front of working with other customs officials in Western Europe. I am sure Mr. Lawn will tell you about the important cooperation we need from narcotics and drug officials in Western Europe. We have made very clear to the Bulgarians that it is impossible that there can be any improvement in the United States-Bulgarian relationship, particularly in the economic area, which the Bulgarians would very much like to see, unless we settle these issues, and that will continue to be our position.

Mr. FEIGHAN. Thank you.

Mr. Hamilton.

Mr. HAMILTON. Thank you very much, Mr. Chairman.

First of all I would like, Mr. Chairman, to ask permission to submit some questions in writing to the administration witnesses.

Second, I think I would also like to request that the specific administration position on both of these resolutions, both 337 and 5980, be presented.

Now as I understand it, your testimony, Mr. Burt, is that you would not favor 5980 at this time, and Mr. von Raab, you said you favored 337.

Is that an accurate description of the administration's view of these two bills?

Mr. BURT. Well, Mr. Chairman, I don't know if any of the three of us are able to express the overall administration's position.

The State Department, on the issue of TIR, defers to customs.

Mr. HAMILTON. I think it would be best then if we just request an overall administration position on the two bills and have you furnish that.

[The following information was subsequently submitted:]

United States Department of State

Washington, D.C. 20520

SEP 12 1984

Dear Mr. Chairman:

At the conclusion of the hearings on H.Con.Res. 337 and H.R. 5980 on July 24, you asked Assistant Secretary Burt to coordinate and provide an agreed administration position on these pieces of legislation. Since the hearings, the Department of State has consulted with other affected U.S. government agencies, including Customs, the Drug Enforcement Administration, and the Departments of Transportation and Commerce.

During his testimony, Mr. Burt stressed that our relations with Bulgaria remain at a very low level due to that country's minimal differentiation from Soviet political, ideological and economic policies. He and other Administration witnesses have made clear our grave concern over persistent reports of Bulgarian involvement and toleration of the drug trade, illegal arms sales, and support for terrorist groups. After several years of frustrating efforts at meaningful cooperation in drug enforcement, the Administration officials have continued to press the Bulgarians, however, on these concerns, making it clear that until they were satisfied, there can be no marked improvement in our relations. We have also discussed our concerns with key West European governments, urging them to approach the Bulgarians directly on the subject. We will continue to work to enlist the support of other governments.

As Mr. Burt stated in his testimony, the Department supports a comprehensive study of U.S.-Bulgarian relations as called for in H.R. 5980. This is also the administration's position. However, any legislation declaring or implying a U.S. belief in Bulgarian wrongdoing should await the outcome of the Italian judicial proceedings concerning the attempted assassination of the Pope. There should be no mistake as to the gravity with which the Administration views the attempt on the life of Pope John Paul II. That attack, cowardly and despicable as it was, occurred on Vatican soil, and the Italian judicial system has the jurisdiction to investigate the charges of Bulgarian complicity. We have been extremely impressed with the painstakingly thorough and dispassionate manner in which the Italian authorities have pursued their investigation. The U.S. Government has strictly maintained both the appearance and reality of non-intervention in the case, other than to proffer

The Honorable

Lee Hamilton, Chairman,

Subcommittee on Europe and the Middle East,

Committee on Foreign Affairs,

House of Representatives.

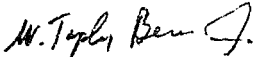
any assistance the Italians might request. The Administration regards it essential that this posture be maintained until a final verdict is reached. No to do so would introduce an element of intervention in the Italian judicial process that could discredit the impartiality of the proceedings. Senior Italian officials have urged us to maintain this position of strict non-intervention.

Similarly, while there is no objection in principle to the proposal (as called for in H.Con.Res. 337) that the U.S. Government take the lead in bringing allegations of Bulgarian abuse of the TIR Carnet before the international community, once again we urge that to do so at this time would also appear as unwarranted U.S. Government intervention. Therefore, we feel that any action on this proposed resolution should be put off as well, pending the outcome of the Italian judicial process.

The Office of Management and Budget advises that from the standpoint of the Administrations's program, there is no objection to the submission of this report.

I hope this information will be useful to you in your deliberations.

Sincerely,



W. Tapley Bennett, Jr.
Assistant Secretary
Legislative and Intergovernmental Affairs

Mr. HAMILTON. Obviously because of time pressures here it would be helpful to us if we had that reasonably soon, and I would say perhaps within 2 weeks' time.

ITALIAN VIEW OF THE RESOLUTIONS

Now, I picked up your comment, Mr. Burt, which I think was not in your prepared statement, that senior Italian officials had asked us to maintain an appearance of nonintervention in the assassination case, and I gather from that that the Italians themselves would not approve our moving forward on H.R. 5980.

Is that a fair inference on my part?

Mr. BURT. Well, I would not want to misrepresent the Italian view. As relayed to us, the official Italian view concerns congressional legislation. They have not identified specifics.

I am not even sure whether, for example, they have a high level view on specific pieces of legislation. I do know they are concerned though that various pieces of legislation that might be passed would be viewed as undercutting their efforts to conduct an objective evaluation of the situation.

Mr. HAMILTON. You indicated in your comments that these resolutions with or without sentences which Chairman Feighan was suggesting might be stricken—would or might give the appearance of interference.

Mr. BURT. I think it is possible. That is why in my testimony I said that this proposal for this comprehensive review I think would be viewed by the Italians and viewed by us as possibly posing those kinds of problems.

U.S. GOVERNMENT VIEW OF BULGARIAN INVOLVEMENT IN DRUG TRAFFICKING

Mr. HAMILTON. Now, is it our view that the official Bulgarian Government policy is to be involved in the narcotics trade?

Mr. BURT. I would like to defer to Mr. Lawn to answer that question. He is the expert on narcotics.

Mr. HAMILTON. Very well.

Mr. LAWN. In answer to the question, sir, it is our position that the Government of Bulgaria does cooperate with and facilitate organized drug trafficking through Bulgaria.

Mr. HAMILTON. So it is their official policy to enhance, to facilitate that narcotics trade?

Mr. LAWN. Based upon the information that we have gathered over 14 years, we believe that to be the case, yes, sir.

Mr. HAMILTON. And it is not a case of a few stray corrupt officials acting outside the scope of their authority?

Mr. LAWN. No, sir. We don't believe that to be the case because of the involvement of Kintex, the import/export agency of the Government of Bulgaria.

Mr. HAMILTON. Now Mr. Adams said in his testimony, if I heard him correctly, that in his judgment, after careful study of this matter, the U.S.S.R. had, I think you used the word "conceived" the entire plan.

Do you agree with that view?

Mr. LAWN. Any comment on that view, sir, would be a personal opinion. Based upon the information that we have at hand, we cannot draw that bridge between the involvement of the Government of Bulgaria and the involvement of the Union of the Soviet Socialist Republics.

Mr. HAMILTON. The testimony of the DEA is that they can confirm about 25 percent of the heroin which arrives in the U.S. transits through Bulgaria. Now, does that mean that 25 percent of all illegal drugs coming to the United States or Western Europe pass through Bulgaria today?

Is that a fair statement?

Mr. LAWN. No, sir. Our recent report, which was published a month ago, indicates that in the past year we have determined that 48 percent of the heroin that arrives in the United States comes from Southwest Asia, 19 percent from Southeast Asia, and 33 percent from Mexico.

Mr. HAMILTON. Now, what part of that then transits through Bulgaria?

Mr. LAWN. Perhaps 10 percent.

Mr. HAMILTON. The 25 percent figure is not correct then at the present time to the best of your knowledge?

Mr. LAWN. That is right. The 25 percent is not correct at the present time. In my colleague, Mr. Adams' article, Mr. Adams gave reference to the fact that 25 percent transited through Bulgaria through the facilitation of TIR trucks, and that would have been proximate to the time of the first Varna Conference in 1978.

We could certainly support the 25 percent at that time, but with the increased involvement of Pakistanis and Lebanese in heroin trafficking, we can no longer do so.

Mr. HAMILTON. Does all of the heroin which transits Bulgaria today go through this Kintex operation to your knowledge?

Mr. LAWN. No, sir, we could not say that.

Mr. HAMILTON. But some of it does?

Mr. LAWN. Some of it does, yes, sir.

Mr. HAMILTON. Mr. Adams calls in his statement for the indictment of leading figures in the Bulgarian Government for conspiracy to import narcotics. Is that a feasible suggestion? Is there evidence to support, to go forward with an indictment?

Mr. LAWN. As a professional law enforcement officer, sir, I don't believe we have enough indictable information.

Mr. HAMILTON. For specific Bulgarian officials.

Mr. LAWN. Yes, sir.

SUPPORT OF U.S. ALLIES FOR SANCTIONS AGAINST BULGARIA

Mr. HAMILTON. What is the position of our allies in all of this effort against the Bulgarians? How do they feel about it? Do they agree with us that the Bulgarians officially sanction the narcotics trade? If they agree with us, are they prepared to act with us in some way, perhaps in the way that Mr. Adams suggests, in dealing with SCMAT?

I would like to get a feel of how our allies view this matter.

Mr. LAWN. I would say, from a drug enforcement standpoint, the Government of Turkey, for example, would be very supportive of

our position about the involvement of the Government of Bulgaria. The Government of Turkey has done an outstanding job in drug law enforcement and has suffered with the problem of the exchange of guns for narcotics over the years.

Again, without speaking directly to officials of the Government of Turkey, I would assume they would be supportive.

Mr. HAMILTON. How about other allies?

Mr. VON RAAB. Let me comment, if I can, for the customs service.

When the United States refused to attend a number of the conferences to which I referred, there was no doubt that this raised some eyebrows within the heads of the other customs services, and I think what we did successfully there was to draw their attention to the seriousness with which the U.S. Government viewed these allegations.

We received some support in terms of nonattendance at these conferences, which is very significant, because these conferences, apart from being social occasions, are important symbolically to the relations among these countries.

I think that the concern of our allies, particularly in Europe, has been raised by efforts of the United States and also by the prospect of increased narcotic efforts around the world as well as in their countries.

Mr. HAMILTON. Would they agree with our assessment that it is official Bulgarian policy to facilitate—

Mr. VON RAAB. I have never asked them that question, but they are certainly much more aware of the problem now; and I can assure you that it may not be their official posture, but their practical posture is that they are keeping a very close eye on the traffic that is coming out of Bulgaria, which is why I thought that a review of some of these TIR practices might even cause them to look even more carefully into that.

So there is a progression taking place. They are much more concerned about narcotics generally, and through the attention we have brought to it, they are now concerned about the Bulgarian connection.

Mr. HAMILTON. Thank you very much, Mr. Chairman.

Mr. FEIGHAN. Mr. Winn.

Mr. WINN. Thank you, Mr. Chairman.

THE U.N. ROLE IN INVESTIGATIONS OF TIR

I think Mr. Burt can probably best answer this, but any of you, if you see fit, because of the different committees involved, but is there a part for the United Nations to play in any of these studies or investigations of TIR or anything along that line?

Mr. BURT. Well, Congressman Winn, I am probably not the right person to answer that question.

Mr. VON RAAB. We have suggested that the study be conducted under the Secretary General of the United Nations.

Mr. WINN. Have you talked to anybody at the United Nations?

Mr. VON RAAB. I have not. Certainly the United Nations' major concern here would be the aspect of narcotics trafficking, and there is a sub-U.N. group which is extremely concerned about narcotics proliferation around the world.

But, to answer your question, no, I have not spoken to anyone at the United Nations. They are not an enforcement organization. I only speak to other customs services and police organizations.

Mr. WINN. But as Senator D'Amato said, we have got to highlight this or spotlight it and put the pressure on Bulgaria, and that would be one of many ways that would be a possibility of putting Bulgaria on the spot, to maybe answer some of the questions that you either don't ask them directly and let them try to answer some of the public accusations that might come through the United Nations.

It is a possibility and I just wondered how far you had gone with your suggestion.

Along that same line, I think it is going to be pretty obvious that maybe this committee doesn't want to or won't interfere with the structure of Italian justice and the Bulgarian connection and investigation over there.

OTHER POSSIBLE ACTIONS AGAINST BULGARIA

At the same time, I think members of this committee would like to proceed in some direction and I just wondered if possibly the DEA might want to look at the information and the sources that you have and share those, not only with our allies, but some of the members of the press, like Reader's Digest, and particularly some European publications that might be able to put some public pressure on the Bulgarians.

Is that a possibility?

Mr. LAWN. Yes, sir, that certainly is a possibility. We have and will continue to do that.

This morning we circulated a document, a public source document, which will, in chronological order, list the areas of concern that we have seen over the past 14 years, and hopefully our brothers in the fourth estate will use that to publicize our concerns.

Mr. ADAMS. I would like to make one comment, if I might.

Mr. WINN. Sure.

Mr. ADAMS. I think this certainly is a help. In the past, of course, DEA, as well as other agencies, have always been very open compared to European nations.

When I stated, talking about indictment, I meant that an effort should be made by the intelligence agencies in this country and by DEA to ascertain (a) whether or not enough evidence presently exists or whether enough evidence can be collected—this would include witnesses, because I have talked with our sources in Turkey who are definitely eyewitnesses in hand-to-hand relationship with General Terziev, who until very recently was the director of Kintex' black operations.

I think this would definitely be a step in the right direction. We have already done this with Cuba and certainly you cannot put them in jail, but what you do do is restrict their movements outside of Bulgaria to a great degree, and you put really a shining light on Bulgaria, much more so than any kind of a hearing or discussion even in the press.

When you actually indict somebody, this is a serious offense here, and it is bound to carry an awful lot of weight in the press in Europe as well as here.

Thank you.

Mr. WINN. Following that up, do you think it is possible, since you have made such an in-depth study of this for your stories—do you think it is possible to shut down the Bulgarian drug trafficking?

Mr. ADAMS. I certainly feel it is possible to cut it back significantly, but they are not going to be swayed by what we say here.

Mr. WINN. I realize that.

Mr. ADAMS. Their zeal for perhaps an improved trade situation with the United States may be important, but it is certainly not an overbearing concern.

Mr. WINN. As I understand it, and correct me if I am wrong, but we talked about 25 percent of the drug trafficking going through Bulgaria. Now, that was prior to 1978 as I understand it.

Mr. ADAMS. Yes, sir.

Mr. WINN. And now it is down to around 10 percent.

Mr. ADAMS. Yes, sir.

Mr. WINN. Is the lower percentage due to an overall increase in the drug traffic that is coming into the United States as opposed to an absolute decline in drug traffic going through Bulgaria?

Mr. ADAMS. I think Mr. Lawn probably addressed himself to that when he said there are more sources now, but certainly there is a significant amount that continues to transit Bulgaria. I think they are probably a bit more selective now that this has appeared in the press. I do know that General Terziev is no longer in his position; that he was removed ostensibly on charges of corruption.

I would make one comment about your bill and the Italian investigation. You are talking here about drugs for guns basically. You are not talking about the assassination of the Pope. I fail to see what impact the passage of legislation that directs itself to the smuggling of weapons and the smuggling of narcotics, how that could possibly impact upon the investigation of the Pope—as long as that legislation directed itself to Bulgarian violations of weapons and drug laws.

Mr. WINN. Well, I think you make a good point there, but I think the other side of the coin is that, as I understand it, the Secretary of State, when he talked to the full Foreign Affairs Committee, was just afraid that any action that we took in the United States might show U.S. interference in some way, however it could be construed or misconstrued.

Mr. ADAMS. Narcotics are reaching this country—I think we are very much involved in it and we have a right to be involved in it. I take Mr. Burt's statement quite seriously.

You do not want to affect the investigation of the Pope's assassination, that is true, but you are talking about something else here.

You may be talking about the same people, but you are talking about a different act.

Mr. WINN. Let me ask you one more question and maybe Mr. Burt might have some ideas on this too.

Do you think, since you got a lot of your information from a Turkish source, do you think that the Government of Turkey could

do more to help, particularly if it had greater financial resources to devote specifically to this effort?

Mr. ADAMS. Yes, I do.

Turkey is in a delicate situation. They buy some electric power from Bulgaria. If Bulgaria decided to shut it down, it would be somewhat inconvenient for them, but I think provided with the resources and provided with the creditable backing—this is our problem abroad. We just are not taken seriously any more. In fact, in the Middle East we are a laughingstock, or very close to it, and if a country will believe in your credibility to stand by them when you make the opening gambit, yes, no question about it that Turkey would very much like and be very active in joining us.

Mr. WINN. Mr. Chairman, I want to thank you for the time, but I would like to tell Ambassador Perry, we have not overlooked your input into this hearing just because we don't have any direct questions of you. But we appreciate your appearance and your ideas on this.

Thank you, Mr. Chairman.

Mr. FEIGHAN. Thank you.

Mr. Gilman.

Mr. GILMAN. Thank you, Mr. Chairman. I know our time is running. We are probably going to be called to the floor very quickly.

AMENDMENT OF THE RESOLUTIONS

Mr. Burt, if we were to delete from our proposed legislation any reference to the attempted assassination of Pope John Paul II, do you think that that might change the position of the State Department regarding this legislation?

Mr. BURT. I would. Mr. Congressman, I would be happy to take that suggestion back downtown and get back to you. I want to be helpful and I want to make it very clear that I share the views of others on this panel that we have got to come to grips with this problem of Bulgarian narcotics trafficking. We certainly don't want to stand in the way of coming to grips with it, so let's see whether we could possibly work something out.

Mr. GILMAN. Pursuing the question raised by Chairman Hamilton, asking for your comments, for the State Department's formal comments on both pieces of legislation, H.R. 5980 and House Concurrent Resolution 337, I would ask you to make a further comment that if we were to delete that portion referring to the State prosecutor having concluded that the Government was involved in the attempted assassination of the Pope, how that might change our State Department's position with regard to this legislation—if the Department could comment on that.¹

Mr. BURT. We would be happy to. I just want to underline the importance here of, it is not so much whether we—you, we in the executive branch—think this has any relationship with the papal assassination issue.

It is the impact this is going to have on the Italians and the perceptions of the Italians. They are the people that are bearing the burden on this process. They are undertaking a very important in-

¹ No answer submitted at time of printing.

vestigation, one that could have very profound consequences, and I think that we have to understand their sensitivities and take them into account—they are very close, important allies of ours. They are standing up to many problems, not only to this problem, but to problems earlier on in Lebanon, problems in Sinai, problems of a successful deployment of cruise missiles. So we must take their views carefully into account.

WHY TREAD LIGHTLY WITH BULGARIAN INVOLVEMENT IN DRUG
TRAFFICKING

Mr. GILMAN. Ambassador, you mention our not pushing them against the wall and trying to leave the door open. Yet with all of this evidentiary material and the allegations that have been made regarding the Bulgarian Government's involvement, how do we tread lightly with this kind of a substantive involvement by the Bulgarian Government?

Mr. Adams' intensive investigation that shows how their security people are deeply involved in drugs for guns, in the exportation of terrorism. Now, the Italian Government's allegations. How do we sit back and just say, gee, we are sorry about that, but we would like to have friendly relations with you.

Mr. PERRY. Mr. Gilman, let me just say that I left as Ambassador in September 1981, so a good deal, especially of the DEA intelligence, I am not familiar with. I will say that some of the arguments that have been advanced about the Bulgarian Government having to know everything because Kintex is involved—as someone who has been acquainted with Communist affairs for a long time, I would cast some doubt on that. Because everything in a Communist country is controlled in a sense by the Communist party, by the Politburo, and everything is a state organ—you don't have any private organs. Therefore, of course, Kintex is a state organ. That doesn't always mean that everything that every official does is acting to carry out official policy, but to answer your question more directly—

Mr. GILMAN. Ambassador Perry, if I might interrupt—it is not a matter of a single incident by one official in an administrative agency. We are talking now about a document that Mr. Adams referred to, KDS top secret directive, M-120, to destabilize Western society.

You are talking about a whole strategy that has been outlined by a governmental agency.

Mr. PERRY. I read about that in the Reader's Digest, but I was never aware of it when I was on active duty, and I have never seen that intelligence. So it is very hard for me to comment on it.

Mr. GILMAN. Mr. Adams, wasn't there some press report about this when it was revealed? I note in the Justice Department statement here that there was a press report with regard to that revelation.

Mr. ADAMS. I was out of the country perhaps and I did not—I might not have seen it. I do know that it was a directive that is now in the hands of the Greek Government. Your probability of getting it from the Greeks at the present time is nil. It was one of

the 300 documents that Colonel Sverdlov brought across the frontier with him when he came over.

Mr. GILMAN. I was referring to the Justice Department special report on the involvement of the Peoples Republic of Bulgaria. It said—let me get the proper citation here—“In June 1970, a press release, per ex-Bulgarian state security officer, a KDS directive was issued”—that goes back to June 30, 1970—“on the destabilization of Western society through the narcotics trade.”

Ambassador Perry, were you aware of that at all?

Mr. PERRY. No.

Mr. GILMAN. Can I ask Mr. Lawn, what is the basis for that release? That is in the appendix of the DEA report, in chronology, June 1970, the fourth paragraph.

Mr. LAWN. Mr. Congressman, I will have to furnish that answer for the record.

[The information follows:]

In fact, Mr. Adams is correct. This disclosure was obtained from his article which was published in 1983. The reference to June 1970 alludes to the timeframe of the incident, not the date that the article was released.

DEA's report uses the convention of "Press Release" to indicate that the information was obtained from an open media source; it does not mean that the presented information was released as a DEA and/or U.S. Government press release.

Mr. ADAMS. I was not aware, Mr. Congressman, that this was a matter of a press release in 1970. It might have been—Colonel Sverdlov informed me, we were the first to come across this information—it might have been an event that took place in 1970 covered by a press release later—in other words, following our story.

Mr. GILMAN. Mr. Lawn, if you could furnish to our committee the quotation from those press releases, I would welcome it—since you are making some serious allegations here in the document, I think our committee would welcome having the basis of all of that.

Mr. LAWN. Yes, sir, I will certainly do that. [Previously stated above.]

Mr. GILMAN. Again, Ambassador Perry, assume some of these are accurate, and that there is some governmental involvement, do we just sit back and say, hey, we want to be friendly to you?

Mr. PERRY. No. I think we should put pressure on them. I was impressed by what Mr. Burt said about his trip to Bulgaria. I think face-to-face encounters are sometimes more effective than anything else with the Bulgarians. I do think the question of allied relationships is important, Mr. Representative. I have a feeling—I speak as a private citizen now, and not one in the diplomatic business—that if we went to most of the European capitals, except perhaps for Turkey, and asked them, do you want us to do this at this time, they would say “no.”

I think we are getting out in front, and I do believe you cannot sever this action from the trial that will take place we assume in Italy. They simply are connected in the public mind.

Mr. GILMAN. Knowing that region, do you think some of the other governments might have some concern about the narcotics involvement and the trade for weapons?

Mr. PERRY. You know, Mr. Gilman, from my experience with them, sure, they are concerned, but I do not believe that they consider Bulgaria a very large threat compared to all the other arms

smuggling and dope smuggling that is going on. Bulgaria's part is relatively small in the overall picture, I would say.

Mr. GILMAN. The testimony we are hearing here today indicates about 50 percent of the heroin trade is coming through Bulgaria and the European Continent. Isn't that what you are saying, Mr. Adams?

Mr. ADAMS. At that time, yes, sir. That timeframe would have been approximately the late 1970's, early 1980's.

Mr. GILMAN. Mr. Lawn, what do you say about that? At the present time how much of the narcotics trade is going through Bulgaria?

Mr. LAWN. We are estimating less than 10 percent.

Mr. GILMAN. Less than 10 percent today.

Mr. FEIGHAN. Would the gentleman yield on that?

Mr. Lawn, is there reason for us to believe that that traffic has escalated recently or is likely to escalate in the near future?

Mr. LAWN. That certainly would be conjecture, but with the increase in trafficking of the Pakistanis and the Lebanese, perhaps it will indeed escalate.

Mr. GILMAN. How do you account, Mr. Lawn, for the reduction from this 50 percent down to 10 percent? What has accounted for this development?

Mr. LAWN. The 50-percent figure you are quoting was a figure quoted in Mr. Adams' publication, in which I think he indicated that 50 percent of the heroin that arrived in Europe and a portion of the heroin that arrived in the United States trafficked through Bulgaria. There was no position that 50 percent of the heroin that trafficked through Bulgaria came to the United States. Our position, in our testimony in June, was that our estimate based upon the timeframe of the Varna conference, was that perhaps 25 percent of the heroin that trafficked through Bulgaria reached the United States. But again, that was in 1978.

Mr. GILMAN. Is there some concern, as you state in this Justice Department memo, that the trafficking through Bulgaria may escalate because of the increased reporting of heroin lab activities in eastern Turkey?

Mr. LAWN. Yes, sir, that is indeed a problem.

Mr. GILMAN. And you have not found that to be so up to now?

Mr. LAWN. No, sir, we have not.

Mr. PERRY. Mr. Gilman, would I make one point?

I would like to suggest that the committee would probably find it useful always to distinguish between the amount of drugs that is flowing through Bulgaria and those that are actually dealt with by the Kintex or by the Bulgarian Government. These are two separate things.

When we were living in Bulgaria, we were very much aware that the highway that goes from Yugoslavia down through Bulgaria into Turkey is a major European artery into the Middle East, and there are literally millions of particularly Turks, but Middle Easterners of all kinds, that go across there. Therefore, some of the drug smuggling obviously is going across the border, and perhaps some of it could be stopped, while perhaps not all of it could be—but that is not the same thing as Kintex involvement in all drug shipments.

KINTEX INVOLVEMENT IN NARCOTICS TRAFFICKING

Mr. GILMAN. Do you find any involvement by Kintex at the present time in narcotics trade in Bulgaria?

Either Bulgaria or other nations?

Mr. LAWN. Certainly there would be some involvement, but, as the Ambassador indicated, in a recent seizure in Trieste, a seizure of 55 kilos of heroin, the heroin traversed Bulgaria from Turkey to Trieste. There is no indication that the transport through Bulgaria was facilitated by Kintex. It was a TIR truck and therefore it could traverse under the agreement, but, as to the involvement of Kintex in protecting that shipment, we have no information.

Mr. GILMAN. Have you any recent information of narcotics for arms involving Kintex?

Mr. LAWN. Yes, sir, we do. There was a freighter, the *Athenasios*, seized by Turkish customs, which had been loaded in Bulgaria. On that ship were 20 tons of arms which were, I believe, in tanker trucks.

Mr. GILMAN. Destined for what port?

Mr. LAWN. We believe a port in Cyprus. That was in June of this year.

Mr. GILMAN. What was the narcotics involvement in that shipment?

Mr. LAWN. We have no information, sir, of narcotics involvement in that shipment.

Mr. GILMAN. That was a Kintex arms shipment you are talking about.

Mr. LAWN. Yes, sir.

Mr. FEIGHAN. Excuse me. I know Mr. von Raab and several other panelists are late for appointments already.

Mr. Von Raab, we appreciate your presence here.

Mr. Gilman, if you have further questions—

BULGARIAN ARMS SHIPMENTS TO CENTRAL AMERICA

Mr. GILMAN. Just one other question. There was some comment Mr. Burt made about Bulgaria's being involved in arms shipments to Central America.

Mr. BURT. No, I didn't say Kintex. I am talking about the Government of Bulgaria.

Mr. GILMAN. When was the last information we had on that?

Mr. BURT. I will be happy to submit it for the record.

[The information follows:]

Question. What is the latest information we have on arms shipments to Central America?

Answer. Unclassified information about arms shipments from East Europe is scarce, out of date, and not broken down by different states. We would be glad to provide more detailed information in a closed hearing.

Bulgaria, like other East European states, pursues its relations with Third World countries for diverse reasons ranging from support of Soviet objectives to its own economic interests. In Central America, Bulgaria deals primarily with the Government of Nicaragua, with whom it has both economic and military aid and sales relationships. We know there are Bulgarian freighters delivering economic and military equipment, including Soviet military equipment, to the Government of Nicaragua.

The following table shows military agreements signed and actual deliveries made world wide to non-communist less-developed countries by all Eastern European countries (excluding the Soviet Union).

[In million U.S. dollars]

Year	Agreements	Deliveries
1978.....	565	550
1979.....	675	635
1980.....	710	525
1981.....	2,030	775

There is every reason to believe the rate of such deliveries is increasing, not decreasing, especially in the last couple of years.

Mr. BURT. I think it clearly happened this year. There are Bulgarian freighters that are supplying military equipment, including Soviet military equipment, to the Government of Nicaragua. It is well known and during my visit to Sofia I raised that with the Bulgarians. I must say some of my meeting with the Bulgarians have been the roughest diplomatic encounters in my personal experience.

Mr. FEIGHAN. Worse than committee meetings?

Mr. BURT. Much worse.

Mr. GILMAN. What was the response when you raised the issue?

Mr. BURT. A typical response: first of all, that it was none of my business and then that it was the Bulgarians' right to provide military support to any country it chose.

KINTEX RESALE OF SEIZED CONTRABAND

Mr. GILMAN. Mr. Lawn, there was some comment made in Mr. Adams' article about the fact that Kintex warehouses narcotics it seizes and then utilizes that for resale. Is that correct, Mr. Adams? Is that a correct recitation?

Mr. ADAMS. Yes. Not routinely, but it does happen.

Mr. GILMAN. Do you have some indication to substantiate that?

Mr. LAWN. Yes, sir. We have received like information from persons cooperating with the Drug Enforcement Administration.

Mr. GILMAN. Information as to what?

Mr. LAWN. That Kintex, in seizing contraband, will then renegotiate for the trade of contraband for another commodity.

Mr. GILMAN. And contraband includes narcotics?

Mr. LAWN. Yes, it does.

Mr. FEIGHAN. I know there are several panelists overdue for other appointments. I have some questions myself and I would ask all of the panelists to indicate their willingness to submit responses to those questions in writing.

I would also like to restate the request made by Chairman Hamilton. He is requesting that we receive a coordinated executive branch response on both pieces of legislation discussed this morning.

Mr. GILMAN. Mr. Chairman, may I reserve the right to submit some further questions I may have for the panelists and to include that material in the record?

Mr. Chairman, just one more question.

Mr. Burt or Mr. Lawn, do we have any information of any Bulgarian involvement in Central America, any Bulgarian operatives

in Central America, involved in drug trafficking or involved in arms trafficking?

While Mr. Burt is conferring, Mr. Lawn, do you have any information?

Mr. LAWN. The Drug Enforcement Administration has no such information that I can recall.

Mr. BURT. We also do not have any information concerning drugs, but they are politically and militarily involved in the region. You might recall there were Bulgarian technicians on Grenada, along with all the other characters that were rounded up, and in Nicaragua they had diplomatic relations, and they have technical and diplomatic presence there.

We assume that for the most part they are there to assist the Soviet Union carry out its efforts in Central America.

Mr. GILMAN. Thank you.

Thank you, Mr. Chairman.

Mr. FEIGHAN. Thank you.

I would like to thank all the panelists for very worthwhile testimony today.

This concludes today's hearing. Thank you.

[Whereupon, at 12:25 p.m., the hearing was adjourned.]

BULGARIAN-TURKISH NARCOTICS CONNECTION: UNITED STATES-BULGARIAN RELATIONS AND INTERNATIONAL DRUG TRAFFICKING

Bulgaria's Abuse of the Customs Convention

WEDNESDAY, SEPTEMBER 26, 1984

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The committee met in open markup session, at 12:08 p.m., in room 2172, Rayburn House Office Building, Hon. Dan Mica presiding.

Mr. MICA. Will Members take their seats, please.

The full committee will come to order.

We meet this morning to hear the executive branch testimony regarding its request for emergency supplemental authorization for security of U.S. embassies. Following that, we will hear from the General Accounting Office and then proceed to markup with this request and the antiterrorism legislative package.

[Whereupon, the committee proceeded in consideration of other matters:]

Mr. MICA. The committee has before it one additional piece of legislation, House Concurrent Resolution 337. I recognize its author, Mr. Feighan.

Mr. FEIGHAN. Thank you, Mr. Chairman.

This resolution, House Concurrent Resolution 337, addresses the Government of Bulgaria's support for terrorism. Earlier this summer, the Task Force on International Narcotics Control held two hearings on this subject, and we heard testimony from several witnesses. Nearly all of them came to the same conclusion: That Bulgaria—as a matter of official government policy—is aiding, abetting and, in some cases, directing drug traffickers, gun smugglers, and international terrorists.

According to the U.S. Drug Enforcement Administration, Kintex—an official Bulgarian Import-Export Agency—has been trading in guns and drugs for at least 14 years. Typically, Kintex buys arms from sanctioned European dealers. These weapons are then traded to Middle East terrorist and trafficking groups in exchange for heroin. The heroin, in turn, is sold by Kintex to European narcotics smugglers.

DEA officials estimate that at least 10 percent of the heroin that enters the United States each year comes from Bulgaria, and they added that narcotics sales are a key source of hard Western curren-

cy for the Bulgarians. Bulgaria also uses the drugs-for-guns network to gather intelligence and arm terrorist groups throughout Europe and the Middle East.

The task force also found that most of the contraband brokered by Bulgaria is carried by truck. An international agreement known as the Customs Convention on the International Transport of Goods allows trucks traveling through Europe to be exempt from Customs inspections until the end of a journey. At least 25,000 trucks pass through Bulgaria each year under this procedure, and it is increasingly clear that the Government of Bulgaria has abused this convention in order to facilitate transportation of illicit narcotics, arms, and terrorists. That is the traffic this resolution is trying to curtail.

Specifically, House Concurrent Resolution 337 calls on the Secretary of State to request a reconvening of the Customs Convention. The conference would discuss steps that might be taken to prevent further abuses of the treaty, including provisions for stricter inspections and spot checks when irregularities are suspected. The convention must be called if one quarter of the signatory nations concur in the U.S. request.

Let me add that both the State Department and the Customs Service have endorsed this legislation. The State Department had been concerned that passage of this bill might create the impression that the U.S. Government was interfering in Italy's judicial proceedings concerning the attempted assassination of the Pope. But I have agreed to delete from the bill any reference to the Italian investigation, and I will offer an amendment to do so at the appropriate time.

Mr. Chairman, I would like to thank the distinguished gentleman from New York, Mr. Gilman, for introducing this legislation with me and for all the fine work that he has done as a member of this committee's task force. I would also like to thank the gentleman from Indiana, Mr. Hamilton, for holding hearings on the resolution before the Subcommittee on Europe and the Middle East. I urge my colleagues to adopt the resolution.

Mr. MICA. Mr. Gilman.

Mr. GILMAN. Thank you, Mr. Chairman.

I am pleased to associate myself with the remarks of the chairman of our task force and commend him for a number of issues that he has helped us address with regard to the issue of international narcotics trafficking. The resolution before us, I think, will send an important signal that our Nation will not idly stand by while a nation circumvents legitimate channels of trade to foster and promote narcotics trafficking. It is my understanding that the administration has no objection to this measure as amended.

Indeed, during our hearings, the Drug Enforcement Agency and other administrative officials outlined Bulgaria's drug trafficking activities. Accordingly, I am pleased to support this measure and I urge my colleagues to support adoption of this resolution.

Mr. MICA. If there is no further discussion, the clerk will read the bill.

Mr. FINLEY. House concurrent resolution concerning Bulgaria's abuses of the Customs Convention—

Mr. FASCELL. Mr. Chairman, I ask unanimous consent that the reading of the bill be dispensed with and that it be printed in the record and open for amendments.

Mr. MICA. Without objection, so ordered.

Is there an amendment?

Mr. FEIGHAN. Mr. Chairman, I have an amendment at the desk. This amendment, which is very brief, and reads "strike the fourth paragraph of the preamble" would strike from the resolution any reference in the existing language to the Italian prosecutors' investigation into the attempted assassination of the Pope. As I mentioned, elimination of this language is in respect to the request from the State Department and their concerns.

Mr. MICA. Is there any discussion of the amendment?

The question is on the amendment. All those in favor, signify by saying "aye." Those opposed, "nay."

The "ayes" have it and the amendment is approved. The clerk will read the bill as amended.

The question is on the bill. All those in favor, signify by saying "aye." Opposed, "no."

House Concurrent Resolution 337 is reported out favorably by the Foreign Affairs Committee as amended.

[Whereupon the committee proceeded in consideration of other business.]

APPENDIX 1

QUESTIONS SUBMITTED IN WRITING TO THE DEPARTMENT OF STATE BY THE TASK FORCE ON INTERNATIONAL NARCOTICS CONTROL, AND RESPONSES THERETO

1. Mr. Burt, do you believe that the United States should have a policy of promoting trade with Bulgaria at this time?

2. Nathan Adams has suggested that the United States temporarily suspend flights by Balkan Air to this country, in light of Bulgaria's activities. Would you support such a decision?

3. Mr. Burt, if you do not support the proposed legislation, what sanctions do you believe would be appropriate against Bulgaria? Or do you believe it should be business as usual?

4. Who is the lead agency on making decisions regarding the Customs Convention governing the TIR trucking system--the Department of State, or the Customs Service?

5. Mr. Burt, the DEA has stated that in March of this year, the U.S. formally voiced its concerns to Bulgaria regarding Bulgaria's toleration and facilitation of drug and arms smugglers through KINTEX. What was the substance of this demarche, and what efforts are underway to obtain the support of other affected nations in narcotics control efforts?

6. I am somewhat confused by the State Department's recent policy towards Bulgaria. In March of this year, the State Department dispatched a demarche to the Government of Bulgaria which cited Bulgaria's continued toleration and facilitation of the activities of known drugs and arms smugglers. Then on July 5, State Department spokesman John Hughes, said that it was "premature for the State Department to take a position" on the matter of whether Bulgaria is a sponsor of terrorism. That same week we heard that the State Department was imposing a ban on all "non-essential government travel to Bulgaria", reportedly in response to Bulgaria's illegal activities.

(a) Is it, or is it not, the State Department's view that Bulgaria is aiding and abetting the traffic in illegal narcotics and arms?

(b) Does the State Department agree with the DEA's conclusion that KINTEX supplies arms to insurgency groups in the Middle East and Europe?

(c) Does this not constitute support for terrorism?

(d) If the State Department believes that we must wait for the Italian trial's conclusion before signaling our displeasure with Bulgaria, why--just a few days after the Senate adopted the Helms amendment--did State announce new travel restrictions to Bulgaria?

(e) Could you please explain what "non-essential government travel" is? How much of that sort of travel has been taking place to Bulgaria?

- What are the specific criteria for approving or disapproving travel?
- How many trips do you think will be denied?
- Will travel by U.S. personnel to the upcoming trade fair in Plovdiv be affected?
- In what ways is the Department of State lending financial support to the trade fair?
- Will KINTEX be attending the trade fair? Why weren't they excluded?

7. At least one U.S. Government official has been quoted in the press as having expressed concern that Bulgaria has made its first move into the Caribbean by signing a trade agreement with Guyana. Do you share this concern, either in regard to possible implications for drug trafficking, or in regard to U.S. interests in the Caribbean generally?

8. Gentlemen, Mr. Adams has charged that Austrian authorities have tolerated KINTEX's use of bank accounts at two of Austria's largest banks to pay for purchases of arms with money generated through drug profits. Do you have any knowledge of such transactions? If correct, what should we do to convince the Austrians to crack down on these activities?

9. Who made the decision that the U.S. would no longer cooperate with the Bulgarians on drug trafficking issues---State, DEA, or Customs? When was this decision made?

10. Both State and Customs have testified about "allegations" of Bulgarian involvement in drug trafficking, while the DEA has cited decades of reports of such complicity. How do you explain such discrepancies, and who is responsible for ultimately reconciling such differences of opinion?

ANSWERS TO QUESTIONS FOR DEPARTMENT OF STATE

1. Our very small commercial program in Bulgaria is designed to serve the needs of the US business community and increase US exports of nonstrategic trade. There are already many restrictions on our bilateral trade relationship. We do not extend most-favored-nation tariff treatment to Bulgaria, nor is the country eligible to receive US Government trade credits and guarantees. Besides restricting our ability to protect US commercial interests in Bulgaria, any decision at this time to cut off our modest trade promotion program would be viewed in the context of the Italian judicial proceedings on the Papal assassination attempt. Heinous and despicable as was that crime, it is essential that the outcome of the Italian investigation and eventual trial be regarded by the international community as impartial--a concern specifically expressed to us by senior Italian officials. We must therefore avoid any actions or statements that could convey the appearance of external interference in the Italian judicial proceedings or play into Soviet and Bulgarian hands by calling into question the impartiality of their judicial process.
2. Balkan Air does not serve the United States, nor does the US have a civil air agreement with Bulgaria. In addition, Balkan Air does not possess aircraft capable of commercial transatlantic service.
3. See reply to question 1, above. As stated in Department of State testimony on July 24, any sanctions against Bulgaria at this time, before the Italian judicial process is completed, would be seen as unjustified outside interference in that investigation.
4. Customs is the lead agency in dealing with the TIR Convention. Of course, Customs would seek Department of State concurrence in any actions affecting foreign policy.
5. Any reference to a narcotics/drug trafficking demarche in March is in error. We would prefer not to go into the specifics of diplomatic demarches, but I can confirm that we expressed our concerns over espionage activities and support for international terrorism to a number of countries, including Bulgaria.

6. a) The Department of State believes that the Government of Bulgaria at least tolerates, and probably abets and aids, traffic in illegal arms and drugs.
 - b) Information available to the Department of State indicates that KINTEX supplies arms to a number of governments and insurgency groups worldwide.
 - c) Many of the arms supplied or shipped by Bulgarian inevitably end up in the hands of terrorists.
 - d) The Department has offered to brief the Committee in closed session on our recent internal memorandum concerning travel to Bulgaria.
 - e) See 6d on the questions regarding travel. As to the Plovdiv Trade Fair, the Department lends no financial support for this Bulgarian-sponsored international trade fair. If KINTEX is represented, it is a matter for the Bulgarian government to decide.
7. We are monitoring Bulgarian activities in the Caribbean very closely. Guyanese President Forbes Burnham visited Eastern Europe in June. While in Bulgaria, he signed an umbrella trade and economic protocol which called for cooperation in the fields of agriculture, forestry, mines, fisheries and hydroelectric generation. Details, however, are sketchy, and it remains to be seen whether and how the agreement will be implemented. There is no indication that any agreement on military cooperation was signed. Besides Cuba, the main focus of Bulgaria's activity in the Caribbean continues to be Nicaragua.
8. These questions should be addressed to the appropriate US law enforcement agencies.
9. The decision was a joint one, proposed by State and supported by the other concerned agencies.
10. The reports referred to by DEA are understandably difficult to verify, both because of the subject matter, the sensitivity of the sources, and the personalities who provide much of the information. We view these reports very seriously and have raised our concerns many times with the Bulgarians and with our allies.

APPENDIX 2

QUESTIONS SUBMITTED IN WRITING TO THE DRUG ENFORCEMENT ADMINISTRATION BY TASK FORCE ON INTERNATIONAL NARCOTICS CONTROL, AND RESPONSES THERETO ¹

1. At least one U.S. Government official has been quoted in the press as having expressed concern that Bulgaria has made its first move into the Caribbean by signing a trade agreement with Guyana. Do you share this concern, either in regard to possible implications for drug trafficking, or in regard to U.S. interests in the Caribbean generally?

DEA is not in a position to comment on foreign trade agreements nor their implications relevant to U.S. interests in the Caribbean.

2. Gentlemen, Mr. Adams has charged that Austrian authorities have tolerated Kintex's use of bank accounts at two of Austria's largest banks to pay for purchases of arms with money generated through drug profits. Do you have any knowledge of such transactions? If correct, what should we do to convince the Austrians to crack down on these activities?

DEA has received unsubstantiated information that traffickers operating from Bulgaria, in some instances, use Austrian banks. We have no knowledge of specific transactions. Until evidence is uncovered to support these allegations, the Austrian government should not be approached on this matter.

3. Who made the decision that the U.S. would no longer cooperate with the Bulgarians on drug trafficking issues—State, DEA, or Customs? When was this decision made?

In 1981, this decision was made by the Department of State in consultation with other U.S. Government organizations.

4. Both State and Customs have testified about "allegations" of Bulgarian involvement in drug trafficking, while the DEA has cited decades of reports of such complicity. How do you explain such discrepancies, and who is responsible for ultimately reconciling such differences of opinion?

The statements made by State, DEA, and Customs represent a difference in volume and presentation of information rather than discrepancies or differences of opinion. The mission of each agency differs. DEA has had access to and the ability to accumulate more information because of working techniques and methods unique to our agency.

5. At our June 7 hearings, you stated that there was no evidence of increased cocaine trafficking through Bulgaria. Would you please comment on Mr. Adams' assertion that Kintex is now moving into the cocaine trade?

Within the last few years, there has been a notable increase in the availability, consumption, and trafficking of cocaine in Europe. Although DEA has no evidence of increased cocaine trafficking through Bulgaria, Bulgarian involvement in cocaine trafficking through commodity trading would not be surprising.

6. You estimate that 50,000 trucks pass through Bulgaria and Yugoslavia each year, and that 25,000 of these are TIR trucks. Do you feel that a significant amount of narcotics and arms are smuggled with these trucks? If Bulgarian TIR Carnets were not honored, would the flow of illegal drugs and guns be curtailed?

On the issue of narcotics smuggling, seizures made from TIR trucks and information gleaned from several sources throughout Europe on smuggling methods indicate that large amounts of hashish, morphine base, and heroin are smuggled in this manner. It should be noted, however, that in most cases drugs are not concealed within legitimate commodities. TIR trucks involved in drug smuggling moving through Bulgaria are not necessarily under Bulgarian carnet. Therefore, disruption in this movement would probably be minor.

7. Your testimony refers to a C.B.C. television report from April 27, which said they had evidence that Kintex had agreed to trade heroin for restricted Western

¹ The Drug Enforcement Administration (DEA) re-emphasizes two points relevant to Bulgarian involvement in narcotics trafficking:

1. The amount of drugs reaching Western Europe and the United States with the complicity of Bulgarian officials is not of primary concern to DEA. Intolerable is the fact that a government, i.e., the Bulgarian Government, encourages and facilitates illicit narcotics trafficking activities.

2. DEA's position of official Bulgarian complicity in the drug trade is based on fourteen years' worth of reliable and consistent information supplied by several cooperating individuals. DEA has no substantive evidence to support these allegations.

technology ordered from a West German dealer living in the U.S. Could you please comment on this report? Do you have evidence to corroborate these allegations?

Prior to the airing of the C.B.S. report, DEA had no information on the alleged incident nor the individuals implicated. No new information has been developed since. In this report, C.B.S. News disclosed the existence of what they said were copies of signed correspondence between Peter Mulack and Kintex denoting a barter of embargoed electronic goods for heroin or morphine base. DEA subsequently has learned that these letters are probably not genuine; written documentation of illicit activities is not typical of the modus operandi of Kintex. Although DEA has no corroborating evidence, the report of this alleged incident should not be discounted.

8. At our June 7 hearing, you mentioned that Bulgaria was increasingly turning to the sea as an alternative to land-smuggling routes. Now Mr. Adams has testified that Bulgarian freighters have shipped huge numbers of Soviet-made weapons to North Yemen and Saudi Arabia in return for narcotics.

(a) Are you familiar with the cases that Mr. Adams is referring to—the shipments that he says occurred in November and June?

(b) Radio Free Europe reported on June 8 that SOMAT, the Bulgarian transport trust, recently opened up to a ferry line connecting Barcelona, Marseilles and Burgas. This is apparently a major expansion of the Bulgarian shipping line, and it supplements that Bulgaria-Syria route.

Have you picked up any evidence of narcotics trafficking along this line? Marseilles is still a significant drug transport point, is it not?

Information collected by DEA on weapons trafficking is only incidental to that developed on narcotics trafficking. Neither North Yemen nor Saudi Arabia are narcotics producing countries, but consumer countries, primarily of hashish. A trade per se of narcotics for weapons is therefore unlikely.

a. DEA is not familiar with the November shipment to which Mr. Adams refers. We believe the second shipment refers to the seizure of the freighter Athanasios S, sailing under Cypriot flag, in which twenty tons of weapons were discovered on May 2, 1984, at Khalkis, Greece. According to newspaper articles, the weapons consisted of machine guns and two different types of revolvers which were of Belgian, Spanish and Soviet make. The arms were concealed in the Liquid Fuel compartments of three tank trucks which were loaded on the ship at Burgas, Bulgaria, and destined for North Yemen.

b. DEA has not developed any evidence of narcotics trafficking along the new Burgas-Marseille-Barcelona ferry line. The Marseille area is still an area of concern to DEA, but not to the same extent as in the past.

9. Mr. Adams has stated that he believes enough evidence is available to indict leading figures in the Bulgarian Government for conspiracy to import narcotics. Do you agree with this assessment?

As experts in law enforcement, DEA feels there is not enough evidence to indicate any Bulgarian official at this time.

APPENDIX 3

QUESTIONS SUBMITTED IN WRITING TO U.S. CUSTOMS SERVICE BY
TASK FORCE ON INTERNATIONAL NARCOTICS CONTROL, AND RE-
SPONSES THERETO

Each response directly follows the question to which it pertains.

1. At least one U.S. Government official has been quoted in the press as having expressed concern that Bulgaria has made its first move into the Caribbean by signing a trade agreement with Guyana. Do you share this concern, either in regard to possible implications for drug trafficking, or in regard to U.S. interests in the Caribbean generally?

Bulgaria's signing a trade agreement with Guyana concerns U.S. Customs due to possible implications for drug trafficking and overall U.S. interests in the Caribbean. However, U.S. Customs has no knowledge at this time that the signing of the agreement will adversely affect U.S. relations with Guyana or our Caribbean interests. This is a situation we will watch closely.

2. Gentlemen, Mr. Adams has charged that Austrian authorities have tolerated Kintex's use of bank accounts at two of Austria's largest banks to pay for purchases of arms with money generated through drug profits. Do you have any knowledge of such transactions? If correct, what should we do to convince the Austrians to crack down on these activities?

The U.S. Customs Service has no specific knowledge that Kintex uses Austrian bank accounts to pay for arms purchases with drug profits. We also do not have any knowledge that the Austrian authorities have permitted this situation to occur if, in fact, it is true. If Mr. Adams' charges are true, we believe that it would be the Department of State's responsibility to contact the appropriate Austrian Government authorities and to take whatever action deemed necessary.

3. Who made the decision that the U.S. would no longer cooperate with the Bulgarians on drug trafficking issues—State, DEA, or Customs? When was this decision made?

The amount of contact between Bulgarian and U.S. Customs had been diminishing over time. The final directive to break off all "Customs" contacts with Bulgaria was issued by the Department of State in view of the number of allegations which had been made by various sources. This took place in early 1983.

4. Both State and Customs have testified about "allegations" of Bulgarian involvement in drug trafficking, while the DEA has cited decades of reports of such complicity. How do you explain such discrepancies, and who is responsible for ultimately reconciling such differences of opinion?

U.S. Customs has no hard evidence that the Government of Bulgaria has conducted illicit narcotics trafficking. During a July 18 interagency meeting at the Department of State, the DEA representative noted that evidence in DEA's possession would be considered hearsay in an English court of law and that credible evidence would be difficult to obtain. Thus, it is doubtful that any concrete, tangible evidence of Bulgarian violations exists at this time, only allegations exist. For this reason, U.S. Customs is unaware of a discrepancy or difference of opinion among DEA, State and Customs officials.

5. Commissioner von Raab, in your testimony you indicate that until recently, the U.S. Customs Service continued to cooperate with and train Bulgarian Customs officials in narcotics interdiction. When exactly did Customs break off working relations with Bulgaria? Why did Customs decide to break off this relationship?

(See number 3 above). That last formal training program for Bulgarian Customs officials was held in June 1978 under Department of State funding. The second international Customs Conference on narcotics was held in Bulgaria in October 1980. These were the last formal programs. There were some further contacts in the form of correspondence but these were also discontinued by 1983 as stated previously.

6. You refer to "allegations" of Bulgaria's abuses of the TIR provisions and other illicit trafficking activities. Do you not have any knowledge of such activities from your own agency? Do they tend to confirm or deny other agencies reports on this subject?

Allegations of Bulgarian complicity in drug and munitions trafficking have been around for years and have often been repeated by a variety of sources. U.S. Customs, however, as previously indicated, does not have any documented, factual basis to support such a conclusion.

APPENDIX 4

QUESTIONS SUBMITTED IN WRITING TO NATHAN ADAMS, SENIOR EDITOR, READER'S DIGEST, BY TASK FORCE ON INTERNATIONAL NARCOTICS CONTROL, AND RESPONSES THERETO

1. Mr. Adams, how do you account for the general reluctance of U.S. Government officials to comment on Bulgarian involvement in narcotics trafficking, arms smuggling, or the plot to kill the Pope?

1. The general reluctance of U.S. Government officials to comment on Bulgaria's involvement is, I believe, due to three principal reasons.

A. A general breakdown in the CIA's intelligence collecting abilities, particularly in the area of Eastern Bloc human assets. This resulted in uncertainty and inability to actually confirm allegations.

B. A fear that once having committed itself in backing these allegations, Italian courts might actually clear Antonov, the Bulgarian co-conspirator in the Pope assassination case. Also bear in mind that there was scant CIA input on which to firmly base an accusation or comment.

C. The fact that then Soviet Premier Yuri Andropov was head of the KGB when the plot against the Pope took place. Any comment or accusation would thus immediately implicate him for the assassination attempt could not have been organized without his knowledge or actual instigation. The inference would place our relationships with the Soviet Union on a poor footing at a time when Andropov was consolidating his control.

The inability, or unwillingness, of the U.S. intelligence community to pin down Bulgaria's involvement seems to be a classic, flinch reaction to a series of events and criticisms that have so weakened U.S. intelligence efforts since Watergate. Moreover, the "Halloween Massacre" led by the Carter administration and then-CIA Director Adm. Stansfield Turner, resulted in the termination by early retirement or resignation

of exactly those clandestine operations experts who might have been able to unearth the details of the conspiracy.

Insecure, considering itself still under fire by Congress, the CIA -- for one -- refused to commit itself despite mounting evidence collected by Italian investigators. Thus, as far as its ability to collect such HUMINT -- intelligence gathered by human sources -- the United States, while acting out of supposed "moral" indignation, had effectively thrown the baby out with the bath water. And the results have been disastrous.

2. While the Task Force has heard testimony regarding Cuban involvement in drug trafficking, and Bulgarian involvement in drug trafficking, it has not until your testimony heard anything to suggest that Bulgaria and Cuba's activities are linked. Could you comment further on a linkage between Bulgaria and Cuba in the drug trafficking business?

2. Both Bulgaria and Cuba have long used the narcotics traffic and smuggling infrastructure to fulfill both economic and political goals. Operatives of the Bulgarian state security apparatus, the Darzavna Sigurnost, have key representatives and advisers not only in Havana, but throughout Central America and the Caribbean Basin. It would be naive to assume that a degree of coordination does not exist. Indeed, our sources confirm that cocaine -- an increasingly popular recreational drug in Europe and the Middle East -- is made available to KINTEX by Cuba which has acquired it through her ongoing relationships with Colombian traffickers.

For its own part, KINTEX will sell cocaine to traffickers in the same manner as it does pure heroin or morphine base. Until recently, Gen. Tersiev's deputy -- a Col. "Ivan" -- was the Bulgarian-KINTEX contact for purchasing cocaine.

3. Mr. Adams, you indicate in your testimony that within the last month Bulgaria facilitated a shipment of arms to the Middle East which was paid for through narcotics profits. Could you provide further details on this arrangement?

3. In the past year, Bulgaria and KINTEX have, to our knowledge, shipped two boat loads of assault rifles, RPG rocket-grenades, and anti-tank mines to North Yemen's port of Hodeida. These weapons were then smuggled across the Saudi border to caches. Last fall, 15,000 Kalashnikovs were delivered, presumably for future use by Islamic fundamentalists in Saudi Arabia. The organizers of one of the shipments were a Syrian family well documented as major heroin and morphine base smugglers. The source of the arms was KINTEX; the port of origination was Burgas.

Recently, Turkish authorities seized another boat load of arms intended for the same destination. This is not to imply that the government of North Yemen is in any way involved. But the nation is perhaps the largest weapons "bazaar" in the Gulf, and a gateway used by smugglers to transship weapons elsewhere.

4. You refer in your testimony to the investigation of the Bulgarian-based drugs-for-guns ring in Italy during the recent past. Would you give us more details on this ring that the Italians have discovered?

4. In November of 1982, Italian authorities launched a series of arrests and indictments which ultimately totaled more than 200 figures in a massive arms-for-drugs conspiracy. The leader of the ring was a now-deceased Syrian with a long record of narcotics and arms dealings by the name of Henri Arsan. At one point, in the early 1970s, Arsan was a representative for KINTEX and had been provided a free villa in Sofia. In 1981, according to examining magistrate Carlo Palermo, the Arsan

operation trafficked nearly four tons of morphine base from Middle East sources, via Bulgaria, to Mafia-operated conversion laboratories in Sicily. Refined, this represents an equal four tons of pure heroin.

The profits from drug sales were then invested in the purchase of military weapons which ran the gamut from assault rifles to tanks and anti-aircraft guns. Many, but not all, were purchased and shipped through Bulgaria and KINTEX. Customers for these weapons included armed factions in Lebanon, both Christian and Muslim, Turkish insurgents operating in the eastern section of that country, PLO units in Beirut and the Bekaa Valley. Nations, however, also became customers. Syria, strapped for cash, is one example; North Yemen another. And Turkey, itself, purchased tanks through the organization.

While KINTEX supplied over 50 percent of the hardware, other purveyors included military arms dealers in Spain, Italy, Belgium and France. Significantly, two co-conspirators in the plot against the Pope were associated with the scheme -- Bekir Celenk and Abuzzer Ugurlu. So, also, was notorious Sofia-based drug trafficker Sallah WaKkas and the Armenian Terrorist supplier Noubar Soufoyon.

5. On page 2 of your testimony, you state that Bulgaria uses "the rapidly growing barter trade of military weapons and narcotics as a vehicle to destabilize critical Middle East nations and to equip Kremlin-supported insurgency groups operating within them."

(a) Which Middle East nations are you referring to?

(b) Which insurgency groups?

Among the nations targeted by Bulgaria and the Soviet Union for destabilization through the medium of drugs for guns are: Saudi Arabia, Turkey, Kuwait, Bahrain, Morocco, Nigeria, North Yemen, the United Arab Emirates and South Africa. Client groups include:

1. Polasario insurgents (fighting against Morocco)

2. Kurdish extremists (eastern Turkey)
3. Dev Sol and Dev Yol, (Turkish left wing and Marxist factions)
4. Both Armenian terror groups, ASALA and the Justice Commandos
5. Islamic fundamentalists in Saudi Arabia, and other Gulf nations
6. George Habbash-led PFLP Palestinian units (Lebanon)
7. The Abu Nidal terrorist faction (Europe, Lebanon, Syria)
8. The Christian extremists led by the Frangia family in Lebanon (pro-Syrian)
9. Marxist guerillas operating against South Africa from Mozambique
10. Moslem Brotherhood groups in Egypt, and Jordan (Islamic fundamentalists).

6. It is my understanding that there are approximately thirty different trade associations and export/import firms in Bulgaria. Are any of these, besides KINTEX, involved in narcotics and arms smuggling?

6. All Bulgarian state-owned import/export enterprises serve KINTEX by assisting in the logistics of Sofia-approved drugs and arms traffic. This includes Bulgaria's national airline Balkan Air and the State-owned foreign exchange stores CORECOM.

7. On page 7 of your testimony, you recount certain events regarding trade fairs in Varna and a visit to the U.S. by the Director of Bulgarian Customs, Lazar Bonev--who was linked to the illegal drug trade by DEA intelligence reports.

(a) How long was the lag-time between DEA gathering of the evidence against Bonev and its transfer to Customs and State?

7. At least a half-dozen Bulgarian officials had been linked to KINTEX arms and drugs deals by DEA as early as 1975, and some as early as 1971. Unlike an overly cautious CIA, the DEA had managed to penetrate several Sofia-based significant drugs and arms organizations. Moreover, DEA analysts had the names of dozens of alleged KINTEX customers. It is my understanding that this information was,

indeed, brought to the attention of U.S. Customs and the State Department well in advance of the Varna I and Varna II world customs conferences. Only after Varna II was the evidence acted upon and U.S. participation cancelled for the forthcoming Varna III meeting.

I do not know the actual date of the transfer of this evidence to U.S. Customs and the State Department. I do know that a senior DEA official briefed Customs and the State Department after the Varna II conference. From the facts that I am aware of, I do not believe that there was any attempt to embarrass either State or Customs by DEA officials by withholding the information. Rather, as one official put it:

"We'd warned them before. But I guess they just didn't listen."

There is, of course, a lack of communication and coordination among intelligence, diplomatic, and law enforcement agencies in the federal government, particularly among those who view themselves as competitors or whose interests are seen to conflict. Such is the nature of the bureaucratic beast. For example, embarrassed when it could not provide meaningful intelligence in response to President Reagan's order to probe the attempted assassination of the Pope, the CIA actually paraphrased DEA intelligence reports and submitted them as their own. But these are the results of the campaign to "modernize" and "moralize" the CIA, forcing it to close ranks for self-protection and resort to such coverups of its failings.

The United States has only itself to blame.

APPENDIX 5

QUESTIONS SUBMITTED IN WRITING TO THE DEPARTMENT OF STATE
BY THE SUBCOMMITTEE ON EUROPE AND THE MIDDLE EAST AND
RESPONSES THERETO

1. What, in the final analysis, will determine the course of U.S.-Bulgarian ties over the next few years?

-- Will the Italian response to the attempted Papal assassination determine our own response?

2. What would be the implications of the passage of either H.Con.Res. 337 or H.R. 5980 on U.S.-Bulgarian ties?

-- Given the low level of relations and many unhelpful actions by Bulgaria, what difference would it really make?

-- How can you argue that if we do not take up these resolutions, U.S.-Bulgarian ties can improve and our ability to influence Bulgarian policy will be enhanced?

-- How does U.S. policy try to improve Bulgaria's performance?

-- Can you name any instances in the recent past when U.S. policy representations have influenced Bulgarian foreign policy?

3. How does Bulgaria compare to other East European countries such as East Germany and Czechoslovakia in terms of its support for illicit drug and arms trafficking and for terrorism?

4. To what degree is U.S. policy toward Bulgaria coordinated with our allies in Europe?

-- Do we and our allies today in any way coordinate our approach to Bulgaria?

-- Do you think success in dealing with Bulgaria will depend on working out a common strategy with our allies?

-- Do you see reduced chances for a coordinated approach with our allies if we follow the approach outlined in these resolutions?

5. What are the implications of cancelling our maritime transportation agreement with Bulgaria?

- Would this have any effect on trade in drugs or arms?
- Why doesn't Bulgarian behavior warrant punitive measures against the Bulgarian government, such as export restrictions or breaking or downgrading diplomatic relations?
- What do you see as possible drawbacks to the legislation?

6. What makes arms traffic "illicit" and how is this traffic distinguished from "licit"?

- Most recent reports allege that the Bulgarians sell arms to both left- and right-wing terrorist groups? Is this correct?
- Does this record imply ideological or economic motive?
- Do such sales constitute support for terrorist organizations?

7. This past March the State Department issued a warning to six East European countries that relations with the United States could not improve unless they ended their support for terrorism.

- What do these several countries do, and what does Bulgaria do that is different from the others?
- Should Bulgaria be singled out for particular criticism in this respect?
- Over the years, has the Government of Bulgaria at any time been at all helpful in apprehending and extraditing terrorists?

8. The Helms amendment relating to Bulgaria would bar U.S. government funding to promote trade with that country.

- What costs does the U.S. incur because of trade promotion in Bulgaria?

- Did the U.S. pay for any of the costs of the 50 or so companies that attended a recent series of meetings in Bulgaria?
- What is the current balance of trade between the U.S. and Bulgaria?
- What are the prospects for increased U.S. trade with Bulgaria?
- What are our major exports to Bulgaria?
- What countries would stand to benefit if we restricted or cut off our trade with Bulgaria?
- The Helms amendment, designed to stop trade promotion, would presumably affect U.S. exports of goods to Bulgaria but not U.S. imports of Bulgarian goods.
 - Is that in our interest?

ANSWERS TO ADDITIONAL QUESTIONS

1. Major elements in determining the course of US-Bulgarian relations over the next few years will include, but not be limited to, the outcome of the Italian investigation, Bulgarian responsiveness to our concerns over international narcotics trafficking and support for terrorists, Bulgarian relations with the Soviet Union and her Warsaw Pact allies, and Bulgaria's ties to the West

Any reaction to a conviction in the Papal assassination plot would necessarily involve close coordination with all our allies, including the Italians, but the final decision on the US reaction would ultimately be ours.

2. United States relations with Bulgaria are already at a low level. As we have repeatedly made clear to the Bulgarian Government, there can be no marked improvement in our relations until our serious concerns regarding Bulgarian involvement in narcotics and arms trafficking are satisfied. We will also have to assess the implications of an eventual outcome of the current Italian judicial proceedings on possible Bulgarian involvement in the attempted assassination of the Pope.

The implications of both resolutions on the ongoing Italian investigation, however, are great. The passage of either piece of legislation would inevitably be seen, both by the Italians and the world community in general, as US prejudice and interference in the Italian judicial process. As we have publicly stated on many occasions, we do not wish to do anything that would discredit the impartiality of the very exhaustive and painstaking Italian investigation or an eventual trial.

In our relations with Bulgaria, we have advanced an agenda of US objectives in a variety of areas. While not all of our concerns have been satisfied, our persistent efforts over the past year have produced gains in a number of significant areas: A large number of divided family cases were favorably resolved. Jamming of VOA Bulgarian language broadcasts has stopped. We were able to hold a major USIA cultural exhibit ("American Theatre Today") in downtown Sofia. Working conditions and access for our Embassy staff in Sofia have been improved. There have been some improvements in Bulgarian narcotics enforcement at their borders. Recently, the Bulgarians responded for the

first time to our repeated requests for information on foreign smugglers operating in and through Bulgaria. While it is premature to evaluate this first effort at authentic cooperation in the drug field, it was not insignificant that the Bulgarian Government has formally acknowledged the legitimacy of our representations on illegal narcotics activity.

3. The Drug Enforcement Administration would be in a better position to respond to this question. We have made representations to both the Czech and East German Governments on our concerns regarding their involvement in these areas.
4. We undertake a regular exchange of information and views on developments in Bulgaria and policy approaches toward that country with our NATO Allies. On specific problems such as narcotics trafficking, we have sought the cooperation and a coordinated approach of key Allies. While our Allies generally share our concerns, no consensus has been reached on a common course of action. Our ability to achieve an Allied approach would be undercut should these resolutions be adopted before the Italian judicial authorities have completed their investigation into the attempt on the Pope's life and the conclusion of an eventual trial. Italian authorities have made clear to us the importance of maintaining the integrity of their judicial process.
5. The US-Bulgarian Maritime Transport Agreement provides a framework for discussing maritime matters between the two parties. It is very limited in substance and scope, and covers primarily facilitation of maritime traffic, port entry, carriage of cargo, and vessels in distress. Warships, fishing vessels, fishing research vessels, and fishing support vessels are excluded from the purview of the agreement. The agreement reserves our right to act for national security reasons and to maintain our existing Port Security Program.

As there is no evidence that Bulgaria introduces drugs into the United States through its merchant fleet, cancellation of the agreement would have no effect on Bulgarian drug trafficking. Similarly, since the agreement only concerns US-Bulgarian maritime traffic, its cancellation would have no effect on Bulgarian traffic in arms, be it to Middle Eastern or Caribbean destinations. Cancellation would only harm US shipping and US seamen who would be denied the agreement's facilitative and protection provisions in Bulgarian ports.

In general, punitive measures might be considered for their symbolic effect. As previously stated, however, the Department believes that punitive measures should be deferred until the Italian judicial proceedings on the attempted assassination of the Pope are completed. This would preserve the impartiality of that process.

6. There are recent reports indicating that Bulgaria does in fact sell arms not only to foreign governments but to insurgent groups of all political persuasions, right and left, worldwide. Such a broad clientele would indicate an economic rather than a political motive. Many of the arms do inevitably fall into the hands of known terrorists.
7. The demarches made last spring to six Eastern European countries dealt with espionage activities in the United States, including attempts to circumvent US technology export controls, as well as support for international terrorism. The demarches did not single out any of the Eastern European countries in particular since it was felt that the points raised were valid in varying degrees to all six countries in Eastern Europe.

The Bulgarians were helpful in the late '70s in extraditing members of the Baader-Meinhoff gang to West Germany.

8. Detailed replies on the costs of US trade promotion efforts with Bulgaria would best be referred to the Department of Commerce. However, it is our understanding that last year Commerce's program, which consisted almost entirely in staging a US commercial exhibit at the 1983 Plovdiv Fair, amounted to some \$20,000. This year, the direct costs of running the exhibit at this Bulgarian-sponsored fair will be met entirely through exhibitors' fees.

None of the expenses of any of the business participants to the Bulgarian-sponsored Business Roundtable was paid by the US Government.

The current balance of trade is about \$32.6 million (1983) in the U.S.'s favor. In previous years, the favorable balance was even higher: \$81.5 in 1982 and \$234.4 in 1981. Our major exports to Bulgaria are agricultural, mainly corn and tobacco (about \$14 million each per year) and soybeans.

The prospects for significantly increased trade, particularly in agricultural and low-technology consumer goods, are good. This is an assessment supported by the findings of a study mission to Eastern Europe, including Bulgaria, in 1983 by the House Ways and Means Committee's Trade Subcommittee. If US trade were restricted, we could expect the Western European and other Eastern European countries, as well as the Soviet Union, to make up most of the difference. US trade is but a small portion of the total Bulgarian trade, so a complete cutoff would not seriously affect the Bulgarian economy.

We would expect that any legislation to restrict trade with Bulgaria would provoke a Bulgarian decision to reduce or restrict purchases from the U.S. We could expect a reduction in Bulgarian imports from the U.S. which consist largely of tobacco, corn, soybeans, and superphosphate.

APPENDIX 6

QUESTIONS SUBMITTED IN WRITING TO THE DRUG ENFORCEMENT ADMINISTRATION BY THE SUBCOMMITTEE ON EUROPE AND THE MIDDLE EAST AND RESPONSES THERETO

1. Is it correct that the U.S. Customs Office and DEA stopped their program to train Bulgarian narcotics agents in 1981?
 - Why was this?
 - Do we take a different approach from our allies in this regard?
 - Has the cessation of this training program hindered U.S. efforts to monitor the flow of drugs in and out of Bulgaria?
 - How does the DEA program with Bulgaria now work and how does it benefit the U.S.?

In 1981, the U.S. Department of State in consultation with other government agencies halted cooperation with the Government of Bulgaria in the area of law enforcement. Prior cooperation with Bulgaria in this area included the U.S. training of Bulgarian Customs officials and a formal agreement on the exchange of narcotics-related information. Since U.S. Embassy officials in Sofia and DEA officials in Vienna had received no significant responses to requests for information from Bulgarian officials over a seven-year period, the cessation of law enforcement "cooperation" has had no effect on the monitoring of drugs in and out of Bulgaria.

Our DEA office in Vienna, Austria continues to have responsibility for the reporting and dissemination of narcotics-related activities in Bulgaria as well as limited liaison duties with Bulgarian officials through the American Embassy in Sofia. Embassy/DEA liaison contact primarily consists of meetings with the head of Bulgarian Customs at which time written requests for information on alleged trafficking activities within and through Bulgaria are submitted.

2. I would like your comments on the system of sealed trucks which cross international borders, TIR carnets.
- Are they of benefit to European commerce and U.S. commerce in Europe?
 - Is it accurate that Bulgarian trucking firms play a major role in European-Middle East land transport?
 - How many land transport vehicles pass through Bulgaria each year?
 - How many of those are TIR trucks?
 - Do customs officials in every country have the authority under the TIR system to open sealed trucks if they suspect that contraband is present and papers are not in order?
 - If all TIR trucks were routed around Bulgaria, and if no Bulgarian TIR carnets were honored, how would this affect the flow of illegal drugs into Europe?
 - How would it affect the flow of legal merchandise?
 - Do other countries in Europe feel that the TIR system is being abused in Bulgaria?
 - Would they support the idea of a review conference to review Bulgaria's participation in this system?
 - Does DEA or any other U.S. agency have evidence that Bulgaria has violated the TIR system to run drugs?

The land route through Bulgaria and Yugoslavia is the shortest route from Middle Eastern countries to Western Europe. It is estimated that 50,000 trucks, approximately half of which are TIR, travel this route each year. The TIR customs transit system was instituted to streamline the payment of duties and taxes and to eliminate, to the extent possible, the necessity for customs examination in each country. It is not unusual for a vehicle, not under TIR carnet, to spend at least six hours waiting for customs inspection at some ports of entry. While the TIR transit system streamlined commercial land transport, it also lends itself to the smuggling of contraband.

Those TIR trucks involved in drug smuggling are not necessarily under Bulgarian carnet. Therefore, sanctions against Bulgarian carnets and/or routing around Bulgaria would have little effect on drug trafficking and would greatly disrupt commercial traffic.

Other than source information, DEA has no substantive evidence that Bulgaria has violated the TIR system to run drugs.

Customs officials in each participating country have the authority to search TIR vehicles if they suspect contraband is present or papers are not in order.

DEA is not in a position to present the views of European countries on TIR system abuse or their support of a conference reviewing Bulgaria's participation in the TIR system.

APPENDIX 7

QUESTIONS SUBMITTED IN WRITING TO U.S. CUSTOMS SERVICE BY THE
SUBCOMMITTEE ON EUROPE AND THE MIDDLE EAST AND RESPONSES
THERETO

Each response directly follows the question to which it pertains.

1. Is it correct that the U.S. Customs Office and DEA stopped their program to train Bulgarian narcotics agents in 1981?

-- Why was this?

-- Do we take a different approach from our allies in this regard?

-- Has the cessation of this training program hindered U.S. efforts to monitor the flow of drugs in and out of Bulgaria?

-- How does the DEA program with Bulgaria now work and how does it benefit the U.S.?

The U.S. Customs Service has not participated in a program to train Bulgarian narcotics agents. However, U.S. Customs has offered training assistance to Bulgarian Customs in narcotics interdiction techniques beginning in 1972. The last formal training program was held in June 1978 under Department of State funding. In addition, two international conferences on narcotics interdiction were held in Bulgaria in 1978 and 1980. The conferences were co-hosted by the U.S. and Bulgaria and were attended by heads of customs services from both Western and Soviet Bloc countries.

Since the directive to break off all "Customs" contacts with Bulgaria was issued by the Department of State in early 1983, U.S. Customs has declined participation in seminars and meetings held in Bulgaria and has not invited Bulgaria to U.S. sponsored conferences. The cessation of customs contact between U.S. and Bulgarian Customs is a position which is not enthusiastically supported by customs administrations of U.S. allies.

U.S. Customs has no knowledge of the current DEA programs with Bulgaria.

2. I would like your comments on the system of sealed trucks which cross international borders, TIR carnets.

-- Are they of benefit to European commerce and U.S. commerce in Europe?

Yes, insofar as the TIR system permits goods to travel across national frontiers without interference by Customs administrations. By easing traditional impediments and transit delays to the international movement of goods, transport economies are achieved. The system has four basic aspects. They are:

- (1) Goods travel secure in vehicles and containers.
- (2) There is an internationally recognized guarantee covering the applicable duties and taxes during the journey of the goods.
- (3) There is an internationally accepted customs transportation document (the carnet) in which the merchandise is listed, responsible parties noted, etc. This document serves as a control document from the point of origin to the point of destination.
- (4) Customs control measures taken in the country of departure should be accepted in transit countries and in the destination country.

Prior to the advent of the TIR system, merchandise was subject to national controls and procedures. Each country whose frontier was crossed applied its own requirements, i.e. entry, bond, etc., to cover the potential duty and taxes while the goods were in transit through the territory of each country. These measures, applied in every country, led to considerable expense, delay and interference with traffic. The TIR system was devised to overcome these difficulties while maintaining customs controls.

U.S. shipping interests, which own a majority of the world's containers, find the TIR system very beneficial. The movement of the containers, approved in accordance with the technical provisions of the TIR Convention, is facilitated. Such containers are recognized as providing a high degree of cargo security and are recognized for transport under all Customs regimes. If the U.S. should denounce the TIR Convention, U.S. shipping interests would probably seek to have their containers approved by other contracting parties to the TIR Convention in order to maintain the current container facilitation benefits.

-- Is it accurate that Bulgarian trucking firms play a major role in European-Middle East land transport?

We do not have any figures on which to base a conclusion as to the nature of the role of Bulgarian trucking firms in European-Middle East land transport. We note, however, that the Bulgarian carnet issuing association issued an average of 53,900 TIR carnets a year

during the 1978-1982 period. This was the 5th highest of all national issuing associations.

-- How many land transport vehicles pass through Bulgaria each year?

-- How many of those are TIR trucks?

We do not have any statistics on this point. Since, however, the main road from the Middle East to Europe passes through Bulgaria, we believe it is reasonable to presume that most of the TIR and other land transport vehicles from the Middle East to Europe pass through Bulgaria. An annual average of 110,000 TIR carnets were issued in Middle East countries during the 1978-1982 period, 97% of such average were issued in Greece and Turkey. This amount, which only considers westbound movements, accounts for 23% of the total carnets issued during the noted period. Since TIR trucks may be used to carry merchandise under other international and national customs transit regimes in addition to the TIR system, we are unable to quantify.

-- Do customs officials in every country have the authority under the TIR system to open sealed trucks if they suspect that contraband is present and papers are not in order?

Goods carried under the TIR procedures are not, as a general rule, to be subjected to examination during their journey. However, under paragraph 2 of Article 5 of the Convention, "Customs authorities may in exceptional cases, and particularly when irregularity is suspected, carry out examination of goods at such offices." (Customs offices en route).

-- If all TIR trucks were routed around Bulgaria, and if no Bulgarian TIR carnets were honored, how would this affect the flow of illegal drugs into Europe?

Since there is no concrete data available on the degree to which TIR is currently used for transport of drugs, it is difficult to say what effect cessation of the transit through Bulgaria would have. However, recent trend assessments by DEA indicate that overland transportation of drugs has decreased considerably over the last decade, presumably in favor of other modes of transport. If this is accurate, rerouting may either exacerbate the further shift in the mode of transport or have no effect.

-- How would it affect the flow of legal merchandise?

We believe it could significantly impact the flow of legal merchandise to and from the Near East. It would force westbound traffic leaving Turkey, at the main exit port of Edirne, which normally goes in a northwesterly direction through Bulgaria on the main international highway, to turn south into Greece. Traffic would have to continue due south for a considerable distance to the area of the Aegean Sea. From there it would go in a generally westward direction before proceeding northward into Yugoslavia, probably at the port of Bitola. It would then go on a generally northbound but zig-zag route to Belgrade where it would connect with the main international highway previously noted. Eastbound traffic would have to take the same routing in reverse.

A routing through Greece would add considerably to the time and cost of transporting merchandise. It is not clear whether the roads through Greece and southern Yugoslavia could handle the traffic volume and weight. Such traffic may also be beyond the capabilities of the ports along the Yugoslav-Greek frontier. Such routing could make the utilization of the TIR system onerous and unprofitable. It may accomplish nothing more than encouraging utilization of other regional or international transit systems which permit the movement of road transport through Bulgaria. It appears, as claimed by the primary Bulgarian trucking firm, that Bulgaria is the "Bridge between Europe/Asia/Africa".

-- Do other countries in Europe feel that the TIR system is being abused in Bulgaria?

We conducted an informal inquiry at the July 1984 meeting of the technical experts that handle Customs questions affecting transport, including TIR matters. There were mixed feelings on this subject among delegates of the TIR contracting parties. Some delegates indicated that they were not aware of any illegal activity by the Bulgarians. Others indicated that they were aware of such illegal activity but were quick to point out that this information, although it has circulated for years, was without a documentable factual basis.

-- Would they support the idea of a review conference to review Bulgaria's participation in this system?

We believe that it is unlikely that the European countries would support a call for a review conference without considerable diplomatic initiatives and the development of better documentation prior to the submittal of a review conference request. We further believe that it would be necessary to establish some linkage between a defect in the Convention and its utilization for illegal purposes. The existence of an enforcement problem, without

such linkage, would probably be insufficient to encourage approval of a review conference.

-- Does DEA or any other U.S. agency have evidence that Bulgaria has violated the TIR system to run drugs?

U.S. Customs does not have a documented factual basis to conclude that Bulgaria has violated the TIR system and we are not aware of any other agency having such information.

APPENDIX 8

QUESTIONS SUBMITTED IN WRITING TO THE DEPARTMENT OF STATE BY
THE HONORABLE LARRY WINN, JR., AND RESPONSES THERETO

1. What are the specific procedures for requesting a review conference in accordance with the Customs Convention on the International Transport of Goods under cover of TIR Carnets?

- Does the convening of the conference require one-fourth of the membership of the convention to agree?
- Has a review conference under this convention ever occurred?
- Would the U.S. approach the UN Secretary General informally or formally through the UN Security Council or the UN General Assembly?

2. Would it be possible to obtain the cooperation of friends and allies in limiting the movement of certain Bulgarian officials with known drug ties?

- Have we tried this approach?

1. Questions regarding specific procedures for requesting a review conference should be addressed to Customs. That agency would take the lead in any international review commission, subject to consultations on foreign policy aspects with the Department of State.
2. Specific questions about enforcement actions should be addressed to DEA. We have consulted with our Allies on several occasions about means to halt the movement of drugs and drug traffickers, and such consultations will continue.

APPENDIX 9

QUESTIONS SUBMITTED IN WRITING TO THE DRUG ENFORCEMENT ADMINISTRATION BY THE HONORABLE LARRY WINN, JR., AND RESPONSES THERETO

1. What is the nature and extent of U.S. DEA and Customs cooperation with Turkey, Greece, and Yugoslavia nations which border Bulgaria?

-- Do we provide assistance to each of these nations?

-- Would each of these nations be able to do more to limit Bulgarian drug-trafficking with additional financial assistance from the United States?

-- What programs or efforts could each nation increase?

DEA maintains offices in Ankara and Istanbul, Turkey, and Athens, Greece. DEA Vienna, Austria maintains liaison duties with law enforcement officials in Yugoslavia. Cooperation between DEA and the law enforcement agencies in each of the three countries is excellent.

DEA respectfully defers questions on financial assistance and programs relative to narcotics enforcement to the Department of State/INM.

APPENDIX 10

QUESTIONS SUBMITTED IN WRITING TO U.S. CUSTOMS SERVICE BY THE
HONORABLE LARRY WINN, JR., AND RESPONSES THERETO

Each response directly follows the question to which it pertains.

1. What are the specific procedures for requesting a review conference in accordance with the Customs Convention on the International Transport of Goods under cover of TIR Carnets?

Article 62 of the 1975 TIR Convention provides that, when a contracting party requests a review conference, the Secretary-General shall notify all contracting parties and member states of the U.N. of such request and ask whether they concur.

-- Does the convening of the conference require one-fourth of the membership of the convention to agree?

If at least one-fourth of the contracting parties indicate their concurrence with a review conference request, the Secretary-General is obliged to call a review conference. The Secretary-General is also obliged to call a review conference if requested to do so by the Administrative Committee of the TIR Convention.

The Secretary-General must give contracting parties 3 months to submit any proposals they wish to be considered prior to calling a review conference. The Secretary-General must submit such proposals and the provisional agenda to the contracting parties at least 3 months before the starting date of the conference.

-- Has a review conference under this convention ever occurred?

A review conference has never been called under the 1975 TIR Convention. It should, however, be noted that this Convention grew out of a review conference called pursuant to the 1959 TIR Convention which remains applicable to states which have not joined the 1975 Convention, i.e., Albania, Iran, Japan, Jordan and Turkey, as well as other contracting parties.

-- Would the U.S. approach the UN Secretary General informally or formally through the UN Security Council or the UN General Assembly?

If the U.S. concluded that a review conference was appropriate, it would directly notify the UN Secretary-General of its desire for such a conference in

accordance with Article 62 of the Convention. There would not be any need to proceed through the Security Council or the General Assembly.

2. What is the nature and extent of U.S. DEA and Customs cooperation with Turkey, Greece, and Yugoslavia, nations which border Bulgaria?

- Do we provide assistance to each of these nations?
- Would each of these nations be able to do more to limit Bulgarian drug-trafficking with additional financial assistance from the United States?
- What programs or efforts could each nation increase?

The U.S. Customs Service has been offering assistance programs to Yugoslavia, Greece and Turkey under the auspices of the Department of State, Bureau for International Narcotics Matters for a number of years. These programs have ranged from observation programs for high level customs executives in the United States to training conducted by U.S. Customs mobile training teams in the foreign country for working level officers of their customs administrations who perform examination of persons, baggage and carriers arriving and exiting. These countries are still listed as priority countries for receiving narcotics assistance programs.

Yugoslavia

Yugoslavia has had one of the best enforcement records in narcotics seizure in the region. They have also been one of the leading countries in the region to recognize the problem of dealing with TIR traffic from an enforcement standpoint without violating the spirit of the convention. For the last several years they have been attempting to obtain funds from the Division of Narcotic Drugs of the United Nations to assist them in constructing two new border facilities which would be exclusively for the processing of TIR vehicles. After some difficulties, they have obtained necessary funding and will begin working on the facilities. These types of efforts should be encouraged in this region given the fact that TIR is and will continue to be an enforcement problem for all countries.

Greece

During the past two years Greece has made several large narcotics seizures (some of which were morphine base

destined for processing in Italy). U.S. Customs has conducted several training programs in Greece for working level officers. The most recent program was a training course in special narcotics team operations.

Turkey

On a national policy level Turkey has been very cooperative in the narcotics control area. The controls placed on domestic production in Turkey in 1972 were reasonably effective in stopping the export of domestically grown opiates on the illegal market. Subsequent to that time, they have experienced an increase in the use of their country as a transit point from the Middle East and Asia. Therefore, Turkish Customs has remained a priority for training assistance programs. U.S Customs periodically offers training assistance in narcotics interdiction techniques in Turkey and recently a number of their customs officials have attended a U.S. Customs workshop for training instructors to teach narcotics interdiction in an effort to assist them in institutionalizing such a training function within their own organization. This type of assistance should be continued insofar as possible.

APPENDIX 11

IV

98TH CONGRESS
2D SESSION**H. CON. RES. 337**

Concerning Bulgaria's abuses of the Customs Convention on the International Transport of Goods under Cover of TIR Carnets in facilitating the transportation of illicit narcotics, smuggled arms, and terrorists.

IN THE HOUSE OF REPRESENTATIVES

JUNE 29, 1984

Mr. FEIGHAN (for himself and Mr. GILMAN) submitted the following concurrent resolution; which was referred to the Committee on Foreign Affairs

CONCURRENT RESOLUTION

Concerning Bulgaria's abuses of the Customs Convention on the International Transport of Goods under Cover of TIR Carnets in facilitating the transportation of illicit narcotics, smuggled arms, and terrorists.

Whereas the 1975 Customs Convention on the International Transport of Goods under Cover of TIR Carnets is designed to facilitate the international transport of goods by exempting sealed vehicles from customs inspections;

Whereas United States Government officials have testified before the Congress that the Government of Bulgaria has established a policy of encouraging and facilitating trafficking in illicit narcotics through its official import-export agency, KINTEX, and the Government of Bulgaria has used the TIR Convention in carrying out this policy;

Whereas those officials also testified that KINTEX has assisted the illicit flow of arms and ammunition to insurgent groups;

Whereas an Italian Government state prosecutor has concluded that the Government of Bulgaria used a truck, which was carrying goods under cover of a TIR carnet, to assist the escape of an accomplice in the attempted assassination of Pope John Paul II;

Whereas it is clear that the Government of Bulgaria has repeatedly abused the TIR Convention in order to facilitate the transportation of illicit narcotics, arms, and terrorists;

Whereas the TIR Convention provides that any contracting party may, by notification to the Secretary General of the United Nations, request that a conference be convened for the purpose of reviewing the Convention, and further provides that a review conference shall be convened by the Secretary General if not less than one-fourth of the contracting parties notify him of their concurrence with the request;

Whereas the TIR Convention also allows countries to take certain steps in order to prevent abuses, including examination of vehicles by customs officials when irregularity is suspected and in other exceptional cases; and

Whereas the United States, and other contracting parties to the TIR Convention, should not allow the Convention to be used to facilitate the transportation of illicit narcotics, arms, and terrorists: Now, therefore, be it

1 *Resolved by the House of Representatives (the Senate*
2 *concurring), That it is the sense of the Congress that—*

3 (1) the United States should request, in accord-
4 ance with the Customs Convention on the Internation-

1 al Transport of Goods under Cover of TIR Carnets,
2 that the Secretary General of the United Nations con-
3 vene a review conference to determine what steps
4 should be taken to end Bulgaria's abuses of that Con-
5 vention in facilitating the transportation of illicit nar-
6 cotics, arms, and terrorists; and

7 (2) the President should encourage other contract-
8 ing parties to the TIR Convention to concur in this re-
9 quest and to otherwise use the procedures provided in
10 the Convention to end Bulgaria's abuses of the Con-
11 vention.

APPENDIX 12

98TH CONGRESS
2D SESSION**H. R. 5980**

Directing the President to conduct a comprehensive review of United States policy toward Bulgaria.

IN THE HOUSE OF REPRESENTATIVES

JUNE 29, 1984

Mr. FEIGHAN (for himself and Mr. GILMAN) introduced the following bill; which was referred to the Committee on Foreign Affairs

A BILL

Directing the President to conduct a comprehensive review of United States policy toward Bulgaria.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That (a) the Congress finds that—

4 (1) United States Government officials have testi-
5 fied before the Congress that the Government of Bul-
6 garia has established a policy of encouraging and facili-
7 tating trafficking in illicit narcotics through its official
8 import-export agency, KINTEX;

1 (2) those officials also testified that KINTEX has
2 assisted the illicit flow of arms and ammunition to in-
3 surgent groups; and

4 (3) an Italian Government state prosecutor has
5 concluded that the Government of Bulgaria was in-
6 volved in the attempted assassination of Pope John
7 Paul II.

8 (b) Therefore, the President shall conduct a comprehen-
9 sive review of United States policies with respect to the Gov-
10 ernment of Bulgaria in light of that Government's participa-
11 tion in and support for narcotics trafficking, arms smuggling,
12 and terrorism. This review, to be conducted utilizing the staff
13 of the National Security Council, shall include, but not be
14 limited to, an assessment of the feasibility and advisability of
15 the following options:

16 (1) Suspending United States diplomatic relations
17 with the Government of Bulgaria.

18 (2) Terminating United States bilateral agree-
19 ments with the Government of Bulgaria, including the
20 maritime transport agreement.

21 (3) Imposing stricter controls on United States ex-
22 ports to Bulgaria.

23 (4) Encouraging other countries to review their
24 policies with respect to Bulgaria in light of the Bulgar-

1 ian Government's involvement in narcotics trafficking,
2 arms smuggling, and terrorism.

3 (5) Requesting that the United Nations Security
4 Council place on its agenda the question of Bulgaria's
5 involvement in arms trafficking, drug smuggling, and
6 terrorist acts.

7 (6) Submitting a request to the Secretary General
8 of the United Nations that a review conference be con-
9 vened, in accordance with the 1975 Customs Conven-
10 tion on the International Transport of Goods under
11 Cover of TIR Carnets, in order to determine what
12 steps should be taken to end Bulgaria's abuses of that
13 Convention in facilitating the transportation of illicit
14 narcotics, arms, and terrorists.

15 (c) As part of this review, the President shall consider
16 whether the appropriate agencies of the United States Gov-
17 ernment have made adequate efforts to investigate the in-
18 volvement of the Government of Bulgaria in the attempted
19 assassination of Pope John Paul II.

20 (d) Not later than 3 months after the enactment of this
21 Act, the President shall report to the Congress on the results
22 of the review conducted pursuant to this Act. Such report
23 shall discuss the options that were considered, the reasons
24 why each option was approved or disapproved, and the ac-
1 tions the United States Government is going to take as a
2 result of the review.