



U.S. Department of Justice
Drug Enforcement Administration



Special Report

May 1985

Worldwide Cocaine Trafficking Trends



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Special Report
Worldwide Cocaine Trafficking Trends

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Table of Contents

Summary 4

Coca Cultivation and Cocaine Production 5

Significant Developments 7

Law Enforcement's Impact on Cocaine Production
and Prices 7

Expansion of Cocaine Traffic 9

International Cooperation 11

Trafficking Patterns 13

Smuggling Conveyances 13

Cocaine Laboratories in the United States 15

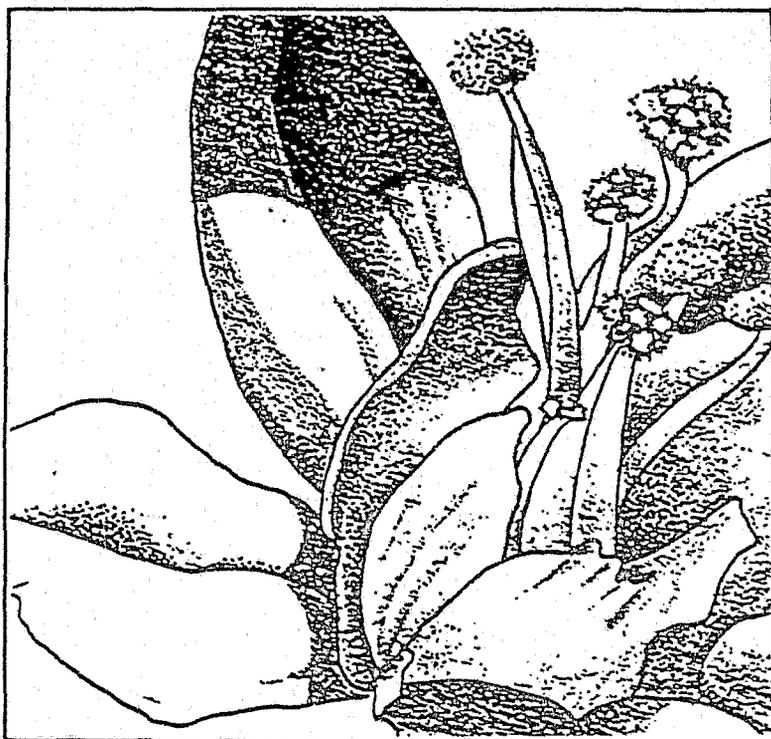
Cocaine Situation - Canada 16

Cocaine Situation - Western Europe 17

Cocaine Situation - Pacific Basin 18

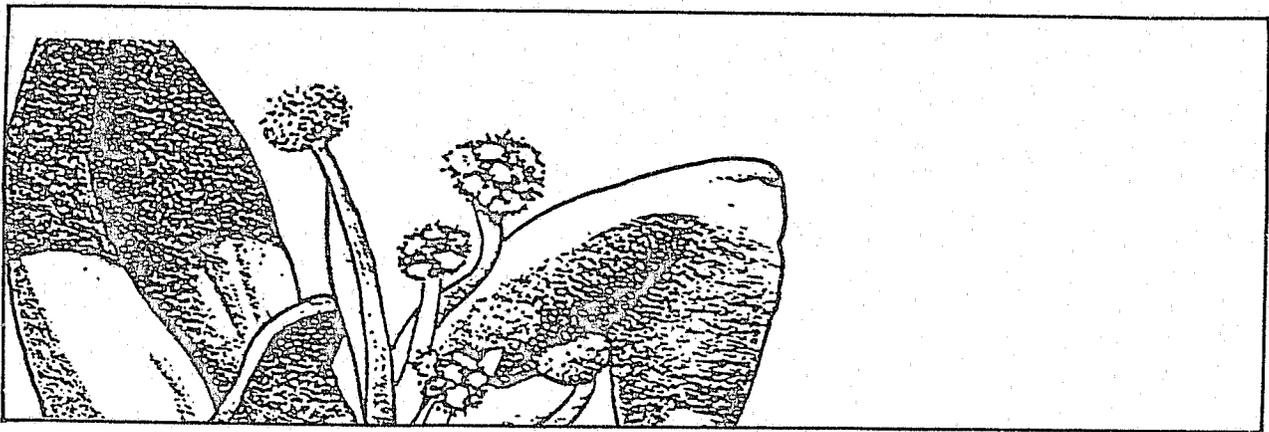
Cocaine Use and Availability in the United States 20

Outlook 23



SUMMARY

The use and availability of cocaine hydrochloride (HCl) in the United States remained widespread in 1984, and there were significant increases in cocaine-related hospital emergencies and deaths over 1983 levels as in the past. Increases were attributed primarily to increasingly dangerous forms of use, such as 'freebasing,' injection, and combining cocaine with other drugs. Some U.S. cities reported problems relating to coca paste and cocaine base smoking in regular tobacco and marijuana cigarettes. Increased drug law enforcement pressures in Colombia and continued adjustments to an oversupply of coca products were keys to the general expansion of the international cocaine traffic in 1984. Drug law enforcement pressures in both the United States and South American source countries caused the prices of coca products and essential chemicals to rise in Latin America during 1984, and caused a rise in the wholesale prices for cocaine HCl in a few key U.S. cities during the second half of 1984. Although the principal coca cultivation countries continued to be Peru, Bolivia, and Colombia, there were significant cultivations in Ecuador and Brazil. Some coca cultivations also have been reported in Panama and Venezuela. Cocaine conversion activity continued to spread outside of Colombia to Panama, Venezuela, Mexico, Canada, and the United States. There was both increased international and inter-regional cooperation in coca control during 1984. Large quantities of cocaine essential chemicals were seized and destroyed in the United States, Colombia, Panama, Venezuela, and Brazil. Cocaine trafficking in 1984 and early 1985 were characterized by continued diversification of smuggling methods and transportation modes, increased cocaine conversion laboratory activity in the United States, and continued expansion of cocaine distribution into Canada, Western Europe, and Asia.



COCA CULTIVATION & COCAINE PRODUCTION

The most significant factor impacting on the international cocaine traffic during 1984 was the expansion of all phases of the traffic including cultivation, processing, and distribution. Not only was coca cultivation expanding in the source countries of Peru, Bolivia, and Colombia, but it was spreading into other countries, such as Ecuador and Brazil. As coca cultivation increased, cocaine refineries and transshipment centers continued to emerge throughout the hemisphere. Overall expansion of coca cultivation and cocaine traffic was the result of both the continued adjustments to overproduction in the traditional source countries and the intensified law enforcement activity in Colombia in 1984.

Bolivia and Peru continued to be the principal source countries for the cultivation of coca, with Peru retaining the more dominant position with respect to area under cultivation. Colombia continued to be the site of the third largest coca cultivation. Although the overall size of Colombia's crop appears to have been static over the last two years, cultivation was reported more widely throughout the country in 1984. The overall quality of coca leaf, in terms of alkaloid content, is higher for Peru and Bolivia than for Colombia.

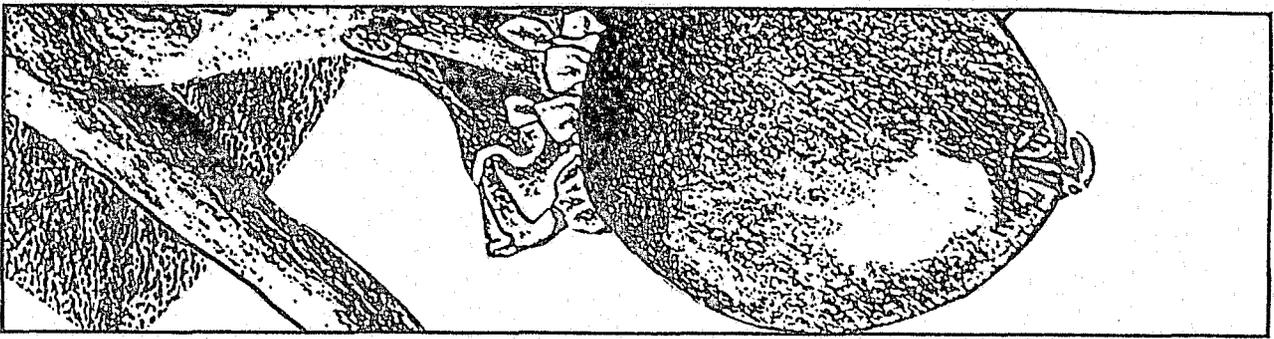
Cocaine Alkaloid Content in Coca Leaves*

	<u>Average Content</u>	<u>No. of Samples</u>
Bolivia	0.72%	27
Colombia	0.28%	16
Peru	0.53%	4

* Average alkaloid content is based on the limited number of samples submitted to the DEA Special Testing and Research Laboratory (STRL).

Two coca eradication efforts in Brazil during 1984 and increased cocaine HCl seizures there revealed that the cocaine trafficking community has become firmly established in all aspects of production from cultivation, through processing, to international distribution. Significant cultivation in Ecuador was confirmed for the first time in 1984, and approximately 100 hectares of coca were destroyed near the Ecuador/Colombia border. While the area under cultivation in Ecuador is not considered large-scale by Peruvian or Bolivian standards, eradication campaigns conducted in late 1984 revealed mature, well tended fields, some of which contained bushes the size of small trees. Some small coca plots were reported destroyed in Panama near the Panama/Colombia border, and coca cultivation in Venezuela was confirmed for the first time in early March 1985 with the eradication of approximately 12,000 coca bushes near the Venezuela/Colombia border. Most reporting suggest that Colombian traffickers are in one way or another sponsoring these newer efforts in neighboring countries, much as they have in the Amazon area of Brazil over the past three years.

While Colombia remained the principal cocaine HCl processing and distribution center for the United States in 1984, there was increasing evidence that Bolivian traffickers were becoming more self-sufficient. They have established processing facilities capable of producing 100-kilogram quantities of cocaine HCl in the Santa Cruz and Beni regions, importing essential chemicals from Brazil or other producing countries through Argentina and Paraguay. Similarly, there were reports of added processing facilities in northern Argentina and Brazil during 1984. Most of the cocaine HCl produced in these two countries, along with Bolivian-produced cocaine HCl, appeared destined for a rapidly growing European user population, as well as for the United States.



SIGNIFICANT DEVELOPMENTS

Law Enforcement's Impact on Cocaine Production and Prices

Colombian cocaine traffickers experienced a number of setbacks throughout 1984 which were a result of successful U.S. and Colombian drug law enforcement and diplomatic initiatives in the control of essential chemicals. As a direct result of U.S./Colombian cooperation, three major cocaine conversion sites were discovered and totally immobilized by Colombian authorities. The first occurred in mid-March 1984, at Tranquilandia, located in the southern Department of Caqueta, where approximately 10 metric tons of cocaine HCl and cocaine base, and 10,000 barrels of chemicals were seized. The second occurred in the eastern Department of Vichada in mid-May 1984, where 3.7 metric tons of cocaine products were seized. Colombian traffickers also experienced another major loss of a large-scale processing complex in the southeastern Department of Vaupes. Colombian authorities seized 16 metric tons of cocaine base and cocaine HCl in 1984, compared to 2.5 metric tons in 1983. More cocaine was seized in Colombia last year than during any previous year.

The successful immobilization of the Tranquilandia cocaine laboratory complex had far-reaching repercussions on the Colombian cocaine traffic. Drug-related violence and a growing use problem in the country have created a greater government awareness of the danger caused by drug trafficking and a generally unfavorable public attitude toward the drug traffickers. The intensified Colombian drug law enforcement pressure since early 1984 may have caused some cocaine traffickers to take refuge in neighboring countries, and to relocate their cocaine conversion operations. These attempts were frustrated with the discovery and subsequent immobilization of cocaine conversion laboratories in Panama in May and Venezuela in November. Large stockpiles involving thousands of barrels of essential chemicals were also seized and destroyed in both countries. The Colombian Government also extradited four Colombian nationals to the United States in early January 1985. The threat of extradition has likewise been disruptive, causing some Colombian traffickers to remain mobile and in hiding.

The Colombian Government has conducted manual eradication of coca plants for several years and decided to begin the herbicidal eradication of coca in 1984, but was constrained by the lack of a safe and effective herbicide. Tests conducted in

the spring of 1984 were inconclusive, since the chemicals used defoliated the plants without killing them. Expanded tests in the fall identified herbicides which killed the plants, but only after a four-to-six week period. The Colombian Government is strongly committed to a comprehensive eradication program because of its serious drug use problem, primarily the smoking of coca paste and cocaine base ('bazuco').

Coca Growing Areas and Major Cocaine Laboratory Complexes



During 1984 cocaine traffickers were continually frustrated in their attempts to locate safe havens for essential chemical shipments. Not only were they denied use of Panama and Venezuela, but they were checked while attempting to use Brazil and Bonaire, Netherlands Antilles. More recently, 456 drums of ether were seized in Costa Rica during an attempt to move this chemical from the Atlantic to Pacific coast for eventual shipment to Colombia.

Prices for coca products and essential chemicals began to rise in 1984, reversing the downward trend in recent years. Drug law enforcement efforts in Bolivia caused the kilogram prices of cocaine HCl to rise from U.S. \$2,500 for the first six months of 1984 to U.S. \$8,000 by year-end. Although price information for Peru is sketchy, some reports indicate that coca prices may have tripled during 1984. Intensive drug law enforcement activity may have been responsible for increased prices for coca products in Colombia last year. Cocaine HCl prices doubled from around U.S. \$4,000 to \$7,000 per kilogram at the beginning of the year to around U.S. \$8,000 to \$10,000 by year-end. Restrictions on the importation of essential chemicals also caused the price for a 55-gallon drum of ether to rise from U.S. \$4,200 at the beginning of the year to around U.S. \$7,000 at the end of 1984.

Not only were significant cocaine processing complexes seized in Colombia, Panama, and Venezuela during 1984, but also they were seized elsewhere in the hemisphere. Three lesser cocaine HCl laboratories were seized in Mexico, one was seized in Canada, and twenty-one were seized in the United States. The relocation of cocaine conversion laboratories was a result of a combination of low prices for coca raw materials in South America prior to 1984 and the high cost and scarcity of ether brought about by the Colombian Government's import restrictions. The serious cost squeeze on many Colombian traffickers encouraged some to move cocaine processing activity closer to sources of essential chemicals and to the points of sale.

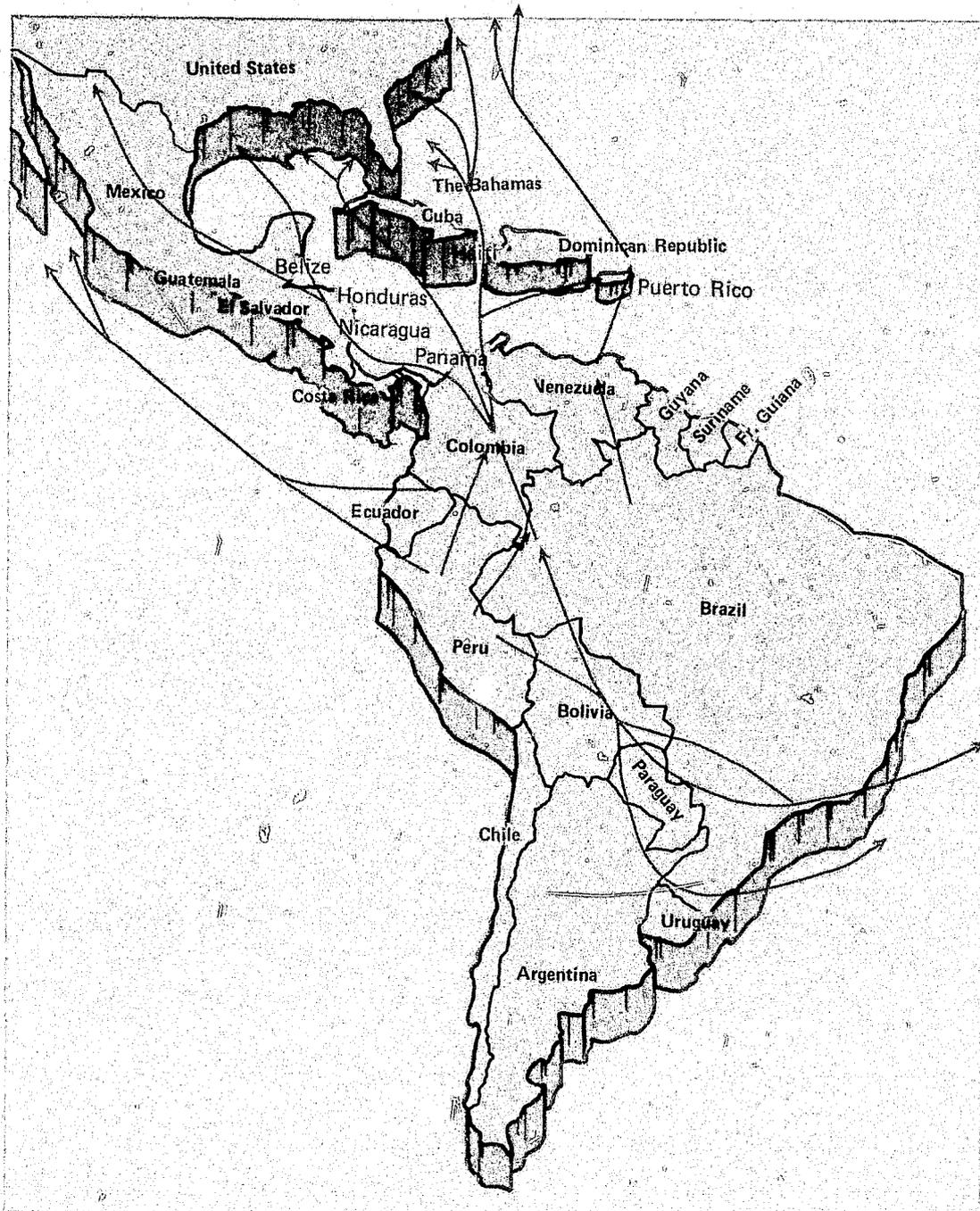
Expansion of Cocaine Traffic

During 1984 Paraguay emerged as a possible location for cocaine production as well as a transit point for cocaine HCl destined for Europe. There were two large shipments of ether and acetone to Paraguay which were considered excessive to that country's legitimate requirements. The first shipment was seized in Santos, Brazil before it reached Paraguay, and the second was seized as the shipment entered Paraguay. While significant quantities of cocaine HCl were not believed to have been produced in Paraguay, the country's location and trafficking infrastructure facilitate the transit and processing of cocaine.

Traffickers in Paraguay have easy access to processed cocaine as well as coca paste and cocaine base from Bolivia. These coca products are usually shipped from Bolivia to Paraguay either by truck or small aircraft. Clandestine airstrips have

been found throughout the country. Cocaine is transshipped through Paraguay via Brazil and Argentina to the United States and Western Europe. Concerted anti-narcotics law enforcement pressure in Bolivia, particularly the military occupation of the Chapare region in August 1984, may have caused some traffickers to relocate their operations in Paraguay.

Cocaine Trafficking Routes



In March 1985, approximately 667 kilograms of cocaine HCl were seized in Ecuador, near the Colombia/Ecuador border. This cocaine was processed in Colombia and was to be shipped from Ecuador to the United States. Subsequent investigation of this seizure established that at least three other large shipments of cocaine HCl recently were sent from Colombia through Ecuador to the United States.

The expansion of the cocaine traffic in the Western Hemisphere is exemplified by the number of seizure incidents involving 100 kilograms or more.

Major Cocaine HCl Seizures
(number of incidents 100 kilograms or more)

<u>Country/Area</u>	<u>1984</u>	<u>1985 (3 mos.)</u>
Bahamas	5	1
Bolivia	1	-
Brazil	4	-
Caribbean Windward Passage	-	1
Colombia	8	-
Costa Rica	1	-
Ecuador	-	1
Haiti	1	-
Honduras	1	-
Jamaica	1	-
Mexico	1	1
United States	32	10
Venezuela	1	-

International Cooperation

There was increased international cooperation in coca control during 1984. In addition to the curtailment of ether shipments to Central and South American countries by U.S. chemical manufacturers and distributors, DEA has been successful in gaining the cooperation of the principal foreign suppliers. Sweden, Denmark, France, the Federal Republic of Germany, Italy, Brazil, and Mexico have all agreed to cooperate in the control of sales of essential chemicals to Central and South America. Many other European and Latin American countries also are cooperating in this program, and the result has caused cocaine traffickers to have difficulty in finding sufficient quantities of ether for their laboratories.

A good example of international cooperation in the control of essential chemicals was in the case of Panama. The high level of ether imports to Panama during the first six months of 1984 increased the Panamanian Government's awareness of that country's potential role as a conduit for essential chemicals for cocaine conversion laboratories in Latin America. In June alone, the Panamanian Government seized quantities of ether and

acetone which could have been used to produce an estimated 106 metric tons of cocaine HCl. In addition, the Panamanian Government has been seizing shipments of ether and acetone at the Panama Canal, thereby discouraging use of this international commercial waterway.

Seizures of Cocaine Essential Chemicals
(55 gallon drums)*

<u>Country</u>	<u>Ether</u>	<u>Acetone</u>	<u>Hydrochloric Acid</u>
United States	2,059	5	-
Colombia	1,166	710	25
Panama	9,680	2,262	36
Paraguay	507	-	-
Brazil	1,014	76	312
Venezuela	1,083	3,669	236
Bonaire	160	100	-
Costa Rica	456	108	-
Total	16,125	6,930	609

* A 55-gallon drum weighs approximately 150 kilograms.

During the period between February 1984 and March 1985, law enforcement authorities seized 16,125 drums of ether worth \$6,450,000 on the wholesale export market, assuming a price of \$400 per drum in Europe. Since one drum can be used to produce 12 kilograms of finished product, there was sufficient ether in these shipments to produce 193.5 metric tons of cocaine HCl. Assuming wholesale cocaine prices in Miami were between \$30,000 and \$35,000 per kilogram in March 1985, and using the low end of the range, \$5.8 billion of cocaine HCl could have been produced.

Increased drug law enforcement pressure in Colombia since early 1984 was probably the catalyst for bringing about greater cooperation among Latin American countries. When many Colombian traffickers fled their country to avoid arrest, they sought refuge in Peru, Ecuador, Brazil, Panama, and Venezuela. In May 1984, Colombian officials delivered a list of Colombian drug traffickers to the Brazilian Government in an effort to prevent their movement through Brazil's ports of entry. Later in the summer, Colombian and Brazilian officials met to establish joint cooperation mechanisms to share intelligence, primarily in the Amazon area of northwest Brazil. Panama Defense Force and Colombian Army officials also met during the summer of 1984 to coordinate coca eradication operations in their border region. In August 1984, the governments of Bolivia, Colombia, Ecuador, Peru, Panama, Nicaragua, and Venezuela signed the Declaration of Quito against illegal drug trafficking. In November 1984, the General Assembly of the Organization of American States instructed the Permanent Executive Committee of the Inter-American Economic and Social Council to organize a specialized conference, primarily on cocaine trafficking, to give full consideration to all aspects of the problem. This conference is planned for early 1986.



TRAFFICKING PATTERNS

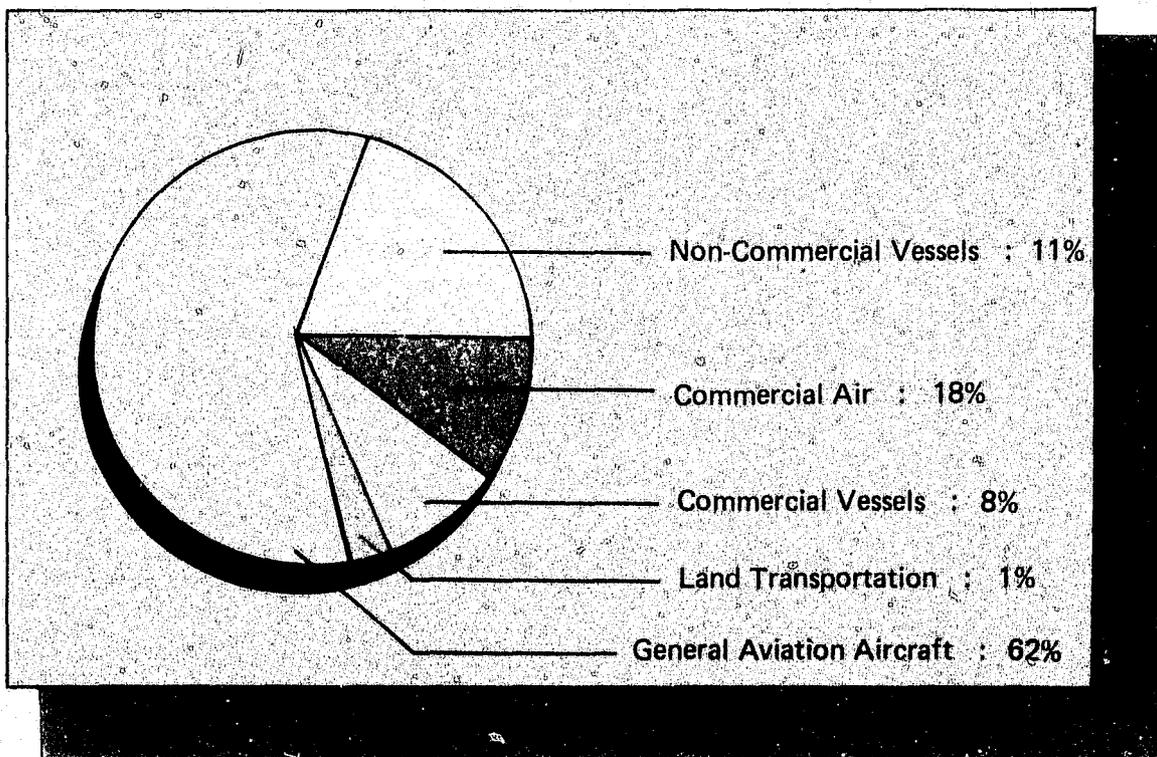
Cocaine trafficking patterns in 1984 showed no change in the type of conveyances used to transport cocaine to the United States, but were characterized by increased cocaine conversion laboratory activity, especially in south Florida. There was continued expansion of cocaine distribution in Canada, Western Europe, and Asia.

Smuggling Conveyances

Based on seizure data at U.S. ports of entry, along the U.S. border, and in international transit, approximately 62 percent of the total volume of cocaine reaching the United States from foreign sources in 1984 was shipped by general aviation aircraft, about the same as in 1983. As in the past, there was considerable diversification of transportation modes; commercial air accounted for 18 percent, non-commercial vessels for 11 percent, commercial vessels for 8 percent, and land transportation for the remaining 1 percent. Florida was

the principal point of entry for cocaine shipments from 94 percent of all conveyances according to information reported to the El Paso Intelligence Center. Other ports of entry were also noted during 1984. Although 60 percent of the cocaine seized from general aviation aircraft was in Florida, 17 percent was seized in Arizona, and 12 percent in Texas. Most of the cocaine smuggled via commercial air was seized at the Miami International Airport; however, some seizures were reported at airports in New York and Los Angeles. Likewise, most of the cocaine seized from commercial vessels was in Florida, but some was seized along the Texas gulf coast (Houston, Corpus Christi, and Galveston). The seizure of multi-hundred kilograms of cocaine from maritime vessels in Jamaican, Haitian, and Honduran waters clearly demonstrates that significant volumes were being smuggled by sea. Eighty-five percent of the cocaine entering the United States by land came through Texas. Although the Southeastern United States continues to be the primary area for cocaine trafficking activity, intelligence indicates that other areas, such as Houston, Texas, and Los Angeles, California, are becoming more active.

Cocaine Seizures from Various Conveyances 1984 (% of total volume)



Smugglers using general aviation aircraft to transport cocaine into the United States often alter their aircraft and vary their routes to reduce the risk of interception by law enforcement authorities. Aircraft are commonly fitted with extra fuel tanks and inflatable/collapsible bladder tanks. Such alterations enable aircraft to fly non-stop between Colombia and the southern part of the United States. When

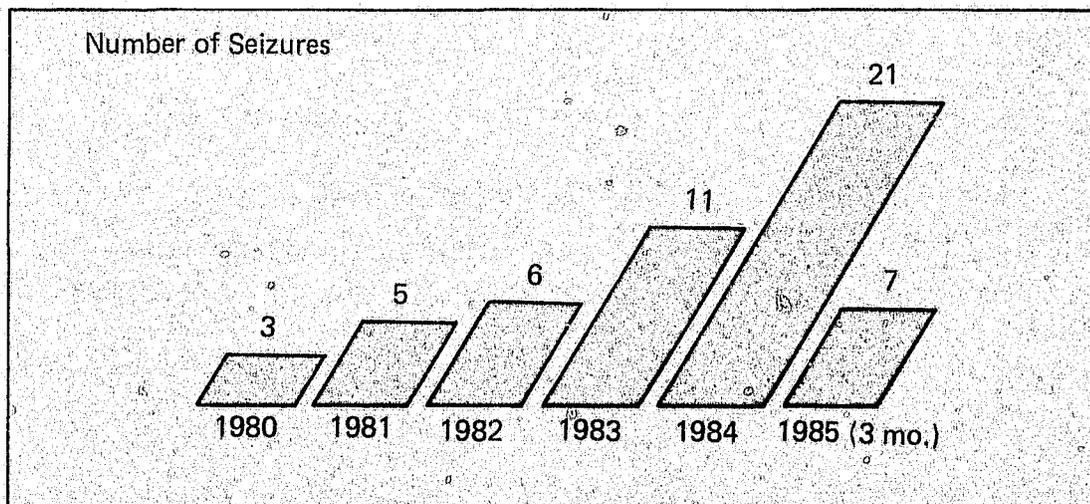
smugglers fly from the United States to Colombia, the fuel contained in the bladders is used. Upon arrival at their Colombian destination, the bladders are discarded and the cargo is taken on in the space previously occupied by the fuel bladders. The purpose of taking sufficient fuel for a complete round trip is that the fuel available to smugglers in Colombia often contains impurities and must be filtered prior to being used. This filtering procedure apparently takes more time than pilots are willing to allow. Most general aviation aircraft used in cocaine smuggling ventures continue to be land-based. There is some smuggling by amphibious aircraft, particularly in the Caribbean, but their use is limited because such aircraft are considered to be too suspicious for use at inland airstrips.

With the exception of those who are employed full-time by large trafficking organizations or who have a vested interest in the entire smuggling operation, pilots are generally mercenaries recruited by traffickers. They include ex-military pilots, aviators who have flown for commercial airlines, or those holding private licenses. They also may include individuals flying without licenses.

Cocaine Laboratories in the United States

In 1984, there was a continued increase in seizures of cocaine conversion laboratories in the United States. Although the number of such laboratories seized in this country has risen steadily since 1980, the number of cocaine laboratory seizures increased last year, from a total of 11 in 1983 to a total of 21 in 1984. Eighteen of the laboratories, moreover, were located in south Florida; the remaining three were located in New York (2) and Kentucky (1). A total of seven cocaine conversion laboratories have been seized in south Florida during the first three months of 1985, similar to 1984 patterns.

Cocaine Laboratory Seizures in the United States



It is not surprising to find a concentration of cocaine conversion laboratories in south Florida. Although the drug law enforcement activity in the Caribbean corridor has disrupted and displaced some cocaine trafficking, Miami continues to be the hub of cocaine smuggling, wholesale distribution, and financing in the United States. Many of the same advantages exist for smuggling cocaine base as for cocaine HCl.

- o Geographic proximity of south Florida to Colombia makes it attractive to traffickers smuggling both forms of the coca product.
- o The 1:1 conversion ratio of cocaine base to cocaine HCl makes the risks associated with smuggling both forms essentially the same.

Local law enforcement officials say that cocaine laboratories may be flourishing in south Florida because the chemicals used in the conversion process are more readily available there than in Colombia. By moving conversion operations to south Florida, Colombian traffickers avoid having to smuggle in two directions -- essential chemicals into Colombia and processed cocaine HCl out. Although some cocaine conversion laboratories are small-scale operations producing gram quantities of cocaine HCl, others are capable of producing in excess of 30 kilograms a month.

Within the framework of DEA's essential chemical control program, Operation CHEMCON, the Cocaine Investigations Section recently tasked the Miami Special Testing Laboratory to examine cocaine exhibits to determine what solvents are used in the cocaine conversion process. A recent analysis revealed that 13 percent used methyl ethyl ketone. Although an analysis of March's exhibits showed fewer instances of methyl ethyl ketone use, initiatives are presently underway to bring this chemical into the essential chemical enforcement effort. DEA laboratories will be tasked to identify other chemicals which should be controlled.

Cocaine Situation - Canada

During 1984, cocaine continued to attract new users from all socio-economic classes and younger age groups in Canada. The supply of cocaine throughout Canada ranges from limited availability in the smaller communities and remote areas to plentiful in the major metropolitan centers. Increasingly dangerous forms of use have been reported in Canada, similar to trends in the United States. Colombia remains the principal supplier of cocaine to Canada, but Bolivia's share of the total supply has dropped at the expense of Brazil, which has assumed a wider role in the international cocaine traffic. As in the United States, there have been instances of unprocessed cocaine being smuggled into Canada. There has been a significant shift in transportation modes for cocaine reaching Canada (i.e., the use of air transportation has declined and land transportation has increased), reflecting a greater use of the United States by

cocaine traffickers as both a point of purchase and as a transshipment area. Canadian cocaine prices tend to be higher than U.S. prices.

Cocaine Situation - Western Europe

Cocaine seizures in Western Europe continued at high levels in 1984, although they declined slightly from 1983 levels. Seizures totaled approximately 840 kilograms in 1984, compared to 900 kilograms seized the previous year. The most seizures, over 140 kilograms, were reported by the Federal Republic of Germany (FRG), which is experiencing a serious cocaine use problem. The amount of cocaine seized in the FRG during the first half of 1984, moreover, increased by 110 percent over the same period in 1983. A single seizure of 48 kilograms of cocaine from a Colombian ship at the Port of Hamburg contributed to this increase. Air traffic from South America to Frankfurt International Airport also plays an important role in the cocaine availability in the FRG. In addition to Colombian nationals, other South and Central American nationals have been apprehended while attempting to smuggle cocaine into the country.

Traffickers are using nearly all of the Western European countries to smuggle cocaine into the continent. In addition to the FRG, the following countries reported seizures totalling more than 50 kilograms during 1984: Spain, Belgium, France, Holland, and Sweden.

Although commercial air couriers were the most commonly used means of smuggling small amounts of cocaine to Western Europe, intelligence and seizure information pointed to the increased use of commercial air and vessel cargo as a means of transporting significant quantities of cocaine to the continent. Vessels of the Gran Colombiana Line called at many Western European ports in 1984. They have been heavily involved in cocaine trafficking to the United States for years.

The cocaine smuggled to Western Europe originates in South American source countries (Colombia, Bolivia, and Peru) and is frequently transported to various other South American cities before being smuggled to the continent. The cities reported as transit points are: Rio de Janeiro and Sao Paulo, Brazil; Buenos Aires, Argentina; Montevideo, Uruguay; and Asuncion, Paraguay. Santa Cruz, Bolivia, and Lima, Peru, are two cities frequently mentioned as points of embarkation for cocaine shipments to Western Europe. Seizures and intelligence indicate that Madrid, Spain; Amsterdam, Holland; Frankfurt, FRG; Lisbon, Portugal; and Copenhagen, Denmark, are common points of entry in Western Europe for cocaine shipments. From these cities, the cocaine is distributed to other European countries.

In 1984, arrests of Italians in both Italy and South America indicate that traditional Italian heroin traffickers were attempting to increase their involvement in cocaine trafficking. This traffic has been facilitated through the establishment of

import/export companies. In the past, Italians have had strong ties to traffickers in some South American countries, particularly Paraguay and Bolivia.

Dutch officials seized 32 kilograms of cocaine base in November 1984. The drugs were confiscated at the Port of Amsterdam from a freighter originating in Cartagena, Colombia. This seizure is significant because cocaine conversion laboratories in Western Europe are a relatively recent phenomena. In July 1983, two Dutch traffickers were reportedly operating a cocaine conversion laboratory near The Hague, Holland, and were making frequent trips to South America to obtain their coca paste or cocaine base.

During 1984, customs officials in Western Europe were advised that Latin American drug traffickers were concealing narcotics in shipments of animals. This warning followed the discovery of cocaine hidden in the carcasses of parrots and crocodiles which were smuggled into the continent. Crocodile skins were covered in white powder described as a preservative, but the powder was actually cocaine which was vacuumed off the skins at their European destination. Another tactic used by traffickers has been to kill a number of birds in a live consignment and then to stuff them with cocaine. Since a percentage of birds are normally expected to die while in transit, customs officials are not suspicious. Officials of a Swiss-based animal protection organization have noted a significant increase in illegal exports of birds and other animal products from Bolivia and Paraguay. They claim that much of this trade is financed by Latin American-based drug traffickers.

Cocaine Situation - Pacific Basin

Although illicit cocaine use and trafficking in the Pacific Basin is negligible in comparison to many other regions, there are indications that cocaine traffickers are looking to expand their distribution in this part of the world. Coca cultivation was reported in Indonesia in 1983 and in the Philippines in March 1985. Cultivations in both countries were on a relatively small scale in both instances, i.e., 226 suspected coca plants were seized in Indonesia, and 85 suspected coca plants, in the Philippines. A coca paste laboratory was also seized in the Philippines. Eight kilograms of cocaine HCl were seized in Australia in 1983 and 1984 which reflect a potential problem of cocaine trafficking and use in that country. Elsewhere, several grams of cocaine were seized in South Korea last year.

Cocaine traffic occurred in other regions of the world as indicated by the seizures in the following table.

Worldwide Cocaine Seizures* - 1984
(kilograms)

<u>Region</u>	<u>Quantity</u>
Africa	2.3
Americas	39,692.6
Europe	842.6
Near and Middle East	1.1
Far East	1.9
Oceania	22.4
Total	<u>40,562.9</u>

* Quantities include seizures of coca paste, cocaine base, and cocaine HCl.

Source: Interpol



COCAINE USE & AVAILABILITY IN THE U.S.

According to all indicators, cocaine use within the United States continued to be widespread in 1984. In its December 1984 report, the Community Epidemiology Work Group (CEWG), an organization sponsored by the National Institute on Drug Abuse, concluded that cocaine availability and use in the United States have not diminished even though many areas of the country reported increasing wholesale cocaine prices since June 1984. Record numbers of clients reported for treatment, and an

increased number of hospital emergencies and overdose deaths were attributed to cocaine use. With a few exceptions, kilogram prices of cocaine generally averaged between \$40,000 and \$50,000 during 1984. Increasing wholesale prices have not yet translated into higher retail prices or lower retail purities. The following trends were noted:

- o Foreign coca production continued at high levels. Law enforcement activity in the form of seizures and arrests, however, caused wholesale prices to rise somewhat from 1983 levels although they remained below levels reported from 1980 through 1982.
- o The use of heroin-cocaine mixtures, known as 'speedballs,' continued to increase.
- o The 'freebasing' of cocaine continued to expand, a pattern similar to 1983. This involves removing impurities and cutting agents by heating ether or a similar flammable solvent which leaves a nearly pure and smokeable substance.
- o There were increased reports of coca paste and cocaine base smoking in regular tobacco and marijuana cigarettes.

During 1984, there was a continued increase in cocaine-related hospital emergencies and deaths. DAWN* data show that cocaine-related hospital emergencies reached almost 10,600 for 1984, a 49 percent increase over the 7,117 reported during 1983. There was a large increase in cocaine use for most age groups; smaller increases occurred among persons in their early to middle thirties and age 45 and older. The largest percentage increase in cocaine-related hospital emergencies occurred among black males. In addition, the number of deaths reported through medical examiners nationwide rose from 348 in 1983 to 476 in 1984, an increase of approximately 37 percent. The increase in both cocaine-related hospital emergencies and deaths is attributed primarily to increasingly dangerous forms of use, i.e., 'freebasing' (smoking), injection, and combining cocaine with heroin in 'speedballs.' The number of cocaine/heroin combination hospital emergencies rose by 39 percent, from 1,812 in 1983 to 2,514 in 1984, accounting for approximately 24 percent of all cocaine-related hospital emergencies. In addition to 'speedballs,' cocaine in combination with alcohol and PCP have shown increases in frequency of use since 1982, and this trend continued in 1984. The cities reporting the most serious cocaine use problems in 1984 were New York, Los Angeles, Miami, Washington, D.C., San Francisco, and Detroit. In March

* Drug Abuse Warning Network

1985, there were reports of cocaine use with fentanyl compounds in San Francisco, which has contributed to rising overdose deaths in that area.

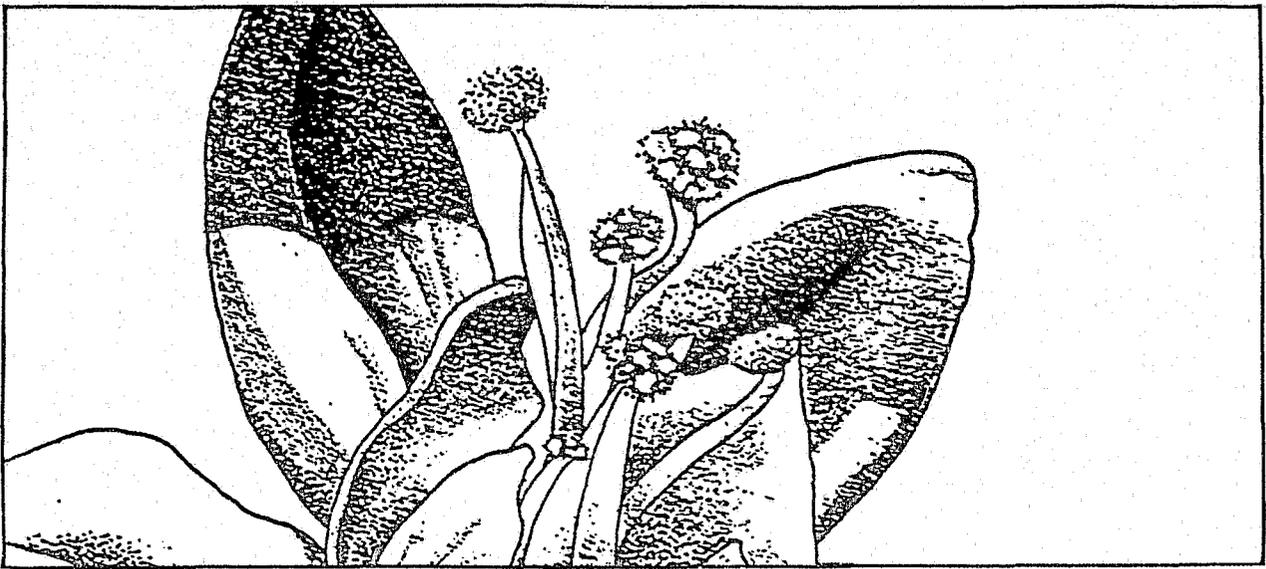
The longevity of cocaine use in the United States now permits the observation of phenomena not previously noted. Cocaine-related psychoses are surfacing among long-term users; patterns of violently reactive behavior have been described by treatment officers and medical personnel. New physiological tolerances, exceeding the previously estimated lethal dosage of 1.2 grams, also have been noted among long-term users. One clinical investigator, moreover, has estimated that daily cocaine users who snort or inject the drug consume approximately five grams per week; cocaine 'freebasers' were estimated to consume over nine grams per week.

The smoking of coca paste and cocaine base in regular tobacco and marijuana cigarettes was reported in Miami, New York, and Los Angeles during 1984. Users were attracted to this drug form because of its convenience, relative low cost and, most importantly, the elimination of the sophisticated refining process, including the use of ether, required for processing cocaine HCl.

Recently, 'rock cocaine' similar to that encountered in Los Angeles, has been identified in 'rock houses' both in Fort Lauderdale and Miami, primarily located in black, inner-city communities, particularly in the Overtown section of Miami. In 'rock houses,' cocaine is heated with bicarbonate of soda to produce smokable crystals. This activity has been the source of much law enforcement concern, due to the high level of violence and competition among 'rock cocaine' traffickers. Customers of 'rock houses' are rarely allowed to carry the product from the premises; rather, they are required to smoke it on site, with the necessary paraphernalia furnished by the house operator.

The effects of increased law enforcement pressure in the United States and South America contributed to wholesale cocaine HCl prices to rise in the United States during the second half of 1984. By early 1984, cocaine had saturated the U.S. drug supply, causing substantive wholesale price reductions in most U.S. cities. In Miami, wholesale cocaine prices had dropped to as low as \$16,000 per kilogram in the spring of 1984, and to \$30,000 in New York City. By the end of the year, however, kilogram prices had risen to between \$33,000 and \$38,000 in Miami and between \$40,000 and \$45,000 in New York City, but the national average of \$40,000 to \$50,000 was still below levels reported from 1980 through 1982. Purity levels for kilogram quantities continue at around 90 percent, the same as in 1984.

Unlike the fluctuation in wholesale cocaine prices, noted earlier, retail prices in most metropolitan areas have remained relatively unchanged during the last several years. Most cities continued to report gram quantities selling for \$100 or more, but a few cities, such as Miami and New York, reported gram quantities selling for less. Average retail purities are approximately 35 percent, unchanged from 1984. Because of the extensive, multi-stage pipeline which exists from cultivation to ultimate consumer, retail prices tend to react slightly to changes occurring at the beginning of the trafficking process.



OUTLOOK

No significant coca expansion in terms of total hectares under cultivation is anticipated in Bolivia, Colombia, and Peru because of the oversupply of coca in recent years and limited eradication efforts. Colombian traffickers, however, are likely to continue sponsoring coca cultivation in neighboring countries -- Brazil, Ecuador, Panama, and Venezuela. They could also reduce the field size or conceal cultivation in other ways to avoid detection. Meanwhile Colombian Government authorities are conducting tests to develop an effective but environmentally safe herbicide which can be used for coca eradication. Coca cultivation could also expand elsewhere in the world, such as in the Pacific Basin, e.g., Indonesia and the Philippines.

As in 1984, curtailment and monitoring of ether shipments to Central and South American countries by U.S. and foreign chemical manufacturers and distributors coupled with law enforcement pressure by Latin American governments will continue to frustrate efforts of cocaine traffickers to obtain their essential chemical shipments. In view of this, cocaine conversion activity will continue to spread outside Colombia, and particularly to the United States where the trafficking organizations will be more vulnerable to law enforcement. Since many Western European countries are principal suppliers of ether and other essential chemicals, expansion of cocaine processing is anticipated in that part of the world. There are already indications of cocaine laboratory activity in The Netherlands.

The expansion of cocaine distribution in other world markets is likely to continue in 1985. In addition to the United States, cocaine use poses serious health problems in Canada and Western Europe. Cocaine trafficking through South America's southern cone to Western Europe will probably increase in 1985, as it is still a relatively new market for cocaine compared to the United States. Cocaine trafficking could also expand in Australia as it has during the past two years.

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