



Unclassified

Embargoed for Release
6 p.m. February 21, 1986

INTERNATIONAL NARCOTICS CONTROL STRATEGY REPORT
Volume I
1986

to

COMMITTEE ON FOREIGN RELATIONS
COMMITTEE ON FOREIGN AFFAIRS

Prepared by

BUREAU OF INTERNATIONAL NARCOTICS MATTERS
DEPARTMENT OF STATE

February 1, 1986
Unclassified Edition

NCJRS

JUL 24 1987

ACQUISITIONS

106094

106094

**U.S. Department of Justice
National Institute of Justice**

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

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

Public Domain/Bureau of International
Narcotics Matters/US Dept. of State

to the National Criminal Justice Reference Service (NCJRS).

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

106094

INDEX

Section	Page
I. Introduction	3
II. 1985 Summary Assessment	4
A. 1985 Program Developments	4
Western Hemisphere	6
Southeast Asia	8
Southwest Asia	8
Internationalization	9
B. 1985 Production Estimates	12
III. Review of International Program	17
IV. 1985-86 Program Strategy	24
V. Country Reports: Discussion	34
Latin America	40
Argentina	40
Belize	47
Bolivia	53
Brazil	68
Colombia	76
Costa Rica	96
Cuba	102
Ecuador	105
Mexico	112
Nicaragua	122
Panama	126
Peru	134
Venezuela	148
The Caribbean	152
The Bahamas	152
Jamaica	159
Southeast Asia	169
Burma	169
Hong Kong	180
Indonesia	187
Laos	194
Malaysia	197
Philippines	205
Thailand	211
Other Pacific	229
Southern Europe/Southwest Asia	232
Afghanistan	232
India	235
Lebanon	244
Pakistan	246
Syria	260
Turkey	217
Africa	270
Egypt	270
Morocco	278
Other Countries in Africa	284
Europe	287
Bulgaria	287
APPENDIX: International Narcotics Training	291
Multilateral Assistance	293
US Economic and Military Asstce.	294

INTERNATIONAL NARCOTICS CONTROL STRATEGY REPORT

I. INTRODUCTION

The Department of State's International Narcotics Control Strategy Report has been prepared in accordance with the provisions of Sec. 481, Foreign Assistance Act, as amended by P.L. 98-164 and 99-83. As required by law, the Department of State and the Departments of Justice, Defense, Treasury, and Health and Human Services, as well as the Agency for International Development, are prepared to meet with members of the Committee on Foreign Relations and the Committee on Foreign Affairs to review worldwide illicit drug production and the policy, programs and role of the United States Government in preventing the entry of illicit narcotic and psychotropic drugs and other controlled substances into this country. This report has been prepared by the Department's Bureau of International Narcotics Matters, in consultation with other bureaus in the Department, U.S. Embassies, and the Drug Enforcement Administration as well as other offices and agencies of the U.S. Government.

This report consists of the following sections:

- I. Introduction
- II. Summary Assessment
 - A. 1985 Program Developments
 - B. 1985 Production Estimates
- III. Review of the International Program
- IV. 1985-86 Program Strategy & Budget
- V. Country Reports

The FY 1986 Congressional Presentation of the Bureau of International Narcotics Matters (INM), which provides detail on regional and country strategies, budgets and programs has been separately submitted; thus, only a summary is provided here.

The following abbreviations are used in this report:

INM	Bureau of International Narcotics Matters
DEA	Drug Enforcement Administration
UNFDAC	United Nations Fund for Drug Abuse Control
NNBIS	National Narcotics Border Interdiction System
NNICC	National Narcotics Intelligence Consumers Committee
kg	Kilogram
mt	Metric Ton
ha	Hectare

A. POLICY AND PROGRAM DEVELOPMENTS IN 1985

1985 in Summary

In the 1985 International Narcotic Control Strategy Report, we set forth an aggressive agenda for 1985 in which we stated that our primary objectives for this twelve-month period were to expand our program base, with a priority on increasing the number of countries eradicating narcotic crops and expanding the scope of these operations wherever possible, and, to internationalize the response to the problem by encouraging greater participation by other countries and international organizations in multilateral programs.

We believe in most cases we not only met but exceeded those objectives. As we indicated in February 1985, the campaign against narcotics production and trafficking must be long-term, and we must continue to build and expand the program base to make success more likely. The record shows that 1985 was a very productive year for program expansion and internationalization, with the United States taking the offensive in an increasing number of areas. We will do even more in 1986. We cannot promise we will reduce availability in 1986, but we can show increased cooperation and progress toward that objective.

However, as this report will show, some of our programs are just beginning to take hold, and illicit narcotics cultivation today continues to exceed demand. Thus, while we met our overall program objectives for 1985, and we believe 1986 will be another year of expanded program activity and international cooperation, the drug situation in the world remains severe. Drug abuse is spreading in many producing and trafficking countries and narcotics trafficking organizations have become so powerful in some areas that they pose a security threat to certain governments. Narcotics-related violence is on the increase and 1985 saw many lives lost to the struggle, including that of DEA Special Agent Enrique Camarena. However, we have also seen more countries become actively involved in anti-narcotics efforts than ever before.

Key among the operational goals set forth at the start of 1985 were: enhancement of eradication campaigns in major source countries; enlarging the number of countries conducting eradication programs, especially aerial spraying campaigns; promoting greater bilateral and multilateral efforts by donor countries; increasing the scope, level and quality of the international community's response to the narcotics production and drug abuse problems; and, upgrading the political priority for narcotics control as a foreign policy issue.

Crop control is the highest priority of the international program. In 1981, only two of the source countries exporting illicit narcotics to the United States were eradicating. The United States is supporting eradication in 14 countries during the 1985-86 crop-cycles. These programs have had a measurable impact on marijuana production in Colombia and Jamaica, and poppy production in Burma and Thailand. In other countries, 1985 saw the establishment and/or refinement of control programs that will cut into cultivation and production in 1986. However, there was continuing disappointment with the results in Mexico and Bolivia. Production remained unacceptably high in some quarters, especially coca. At year's end, however, there was agreement with Mexico on a number of remedial actions that hold good promise for 1986, while Bolivia had at last begun a demonstration coca eradication program.

The programmatic task is ever-expanding, first to put effective control programs in place in current, major source countries, and second to counter trafficker moves to new source areas by establishing containment programs in adjacent countries. We sustain these programs, and parallel efforts at interdiction, other enforcement activities, public awareness campaigns to assure broad public support, and, where appropriate, development assistance, in close collaboration with DEA, AID, and USIA.

It is important to note that this strong expansion of the program base has occurred with the active collaboration of an increasingly larger segment of the international community. The major industrial nations of Europe intensified their participation in opium poppy control programs in Asia, and, through the United Nations, have begun participating in coca control programs in South America.

On balance, the record of 1985 is that the United States government made significant progress in its long-term advance toward the day when there will be effective programs in enough key countries to reduce availability of illicit drugs in the United States. We are not yet there: production remains high, but progress is being made. The 1985 reductions portend well for the future, and we are working in a new international atmosphere that is much more conducive to achieving our long-term goals.

This change in the international climate for narcotics control is a critical factor. The changes have been conceptual and political as well as programmatic. Drug abuse is no longer seen as exclusively an American problem. Producer and transit nations have also become consumer nations, along with the major industrial nations, and nations have begun to work in their own

self-interest. This need to act in concert was underscored with welcome emphasis in 1985 by Secretary General Perez de Cuellar at the United Nations, by President Reagan and the leaders of the seven Economic Summit nations, and by Mrs. Reagan in her highly successful First Ladies Conferences. These steps have raised the political and foreign policy priorities assigned the narcotics and drug abuse issues. We cannot over-emphasize the importance of this emergence of a single community of interest.

In 1986, our program priorities include solidifying the considerable gains in Colombia, sustaining the increasingly effective expansion of programs in Thailand, Burma, Jamaica, Peru, Brazil, Ecuador, Panama, Belize and Pakistan, and intensifying our efforts to upgrade the programs in Mexico and Bolivia. The diplomatic priority will be on continuing the rapid internationalization of the global program, drawing heavily on such United Nations activities as the deliberations on a new trafficking convention and planning for the 1987 World Conference on drugs to heighten awareness and participation by donor and source nations alike.

In terms of strategy, 1984 and 1985 can be seen as the key years for expanding program base, and 1986 and 1987 as years for internationalization of that base.

Western Hemisphere

Colombia used INM-supplied aircraft to eradicate much of the marijuana cultivated in 1985. Aerial surveys confirm that the 1985 crop in the traditional northern growing areas was as much as 85 percent less than the 1983 crop. This vital eradication effort is being expanded to match traffickers' efforts to develop new sources of supply in other areas. The precedent-setting Colombia program was the capstone of efforts in several Latin American and Caribbean countries to destroy marijuana crops. Like Colombia, Panama and Belize conducted first-time aerial eradication programs, using herbicides. Jamaica initiated a long-needed manual eradication campaign to destroy both spring and fall marijuana crops. Brazil, Costa Rica and other governments also destroyed marijuana plantations.

The governments of Colombia and Peru sustained their highly labor-intensive programs to eradicate coca manually, at long last joined by Bolivia which began a manual eradication effort at year's end. The marginal gains of the manual eradication campaigns could be a thing of the past; Colombia succeeded in 1985 in identifying a chemical which appears to meet the criteria of being environmentally safe while effectively destroying the hardy coca bush. Expanded testing is proceeding

with both backpack and aerial applications. The prospect is for a method that affords large-scale elimination of illicit coca cultivation. Assuming full utilization of aerial spraying capability, the maximum projection is that coca eradication could expand from 2,000 hectares in 1985 to 10,000 hectares in 1986. If successful in Colombia, there is potential application in other coca cultivation areas.

Of considerable importance to the long-term prospects in Latin America is the willingness of governments to participate in regional activities. Colombia, whose Special Anti-Narcotics Unit of the National Police serves as the model for narcotics police forces in the Hemisphere, collaborated with Ecuador on a first-time cross-border coca eradication project, and provided the tactical and logistics support for the first stage of a combined coca interdiction campaign with Peru (Operation Condor).

Critical concern was focused on Mexico in 1985, a concern intensified by evidence that this once-effective opium poppy and marijuana eradication program has become less effective, and that production levels were rising for both narcotics. The indication at year's end was that Mexico was perhaps once again the leading exporter of marijuana to the United States, and the single largest source of heroin. The diminishing of program effectiveness was in part a result of concerted efforts by traffickers to re-establish cultivation sources in Mexico, and in part because of an apparent spread of drug-related corruption which was affecting every facet of the enforcement program. Severe problems and deficiencies in the Mexican enforcement program were highlighted by evidence which surfaced in the investigation into the murder of DEA Agent Enrique Camarena. As 1986 began, Mexico was cooperating closely with the United States on a combined aerial survey and reconnaissance program, which included verification of eradication missions, and more comprehensive planning of eradication strategies.

The twin problems of corruption and inefficiency were being addressed through prosecutions and reorganizations in Mexico, as well as in Peru, Bolivia and Jamaica.

New leaders in Bolivia and Peru began their administrations in 1985 by declaring their intentions of attacking the drug production problem. Bolivia adopted new laws in May setting the necessary legal basis for a coca control program, and at year's end asserted its political will by a demonstration eradication project. Despite terrorist-type attacks on field workers in anti-narcotics programs and organized resistance by traffickers, Peru pushed forward with its coca eradication

program, destroying nearly 5,000 hectares, a near-attainment of the 1985 eradication goal which earlier in the year seemed impossible. At year's end, Peruvian officials were working on a plan for coca eradication throughout its territory. Both Bolivia and Peru have many political and economic problems to overcome while simultaneously attempting to curb coca production, but Peru has evidenced its determination, and recent statements and actions give the strongest hope in recent years that Bolivia is finally moving toward a sustained eradication program.

Jamaica's expanded eradication effort was at year's end having the desired effect of reducing the annual marijuana production level by one-third, and also interrupting distribution patterns. The positive effect of the new program has been confirmed by aerial surveys.

Efforts at containment of the problem receive a continuing high priority. Ecuador collaborated with Colombia on a joint coca eradication effort along their common border, and is intensifying both its eradication and interdiction efforts for 1986. Brazil, with U.S. assistance, initiated operations to destroy both coca and marijuana, as well as important seizure campaigns, while also expanding its efforts to interdict shipments of precursor chemicals used in cocaine refining. The United States assisted Panama in eradicating 210 hectares out of a crop of as much as 400-500 hectares last Fall, and assisted in a follow-on effort in January 1986. Aerial herbicidal spraying was resumed in Belize in October and again in February 1986.

Southeast Asia

Poppy production in Burma was held down in 1985 by the combined effects of the government's eradication program and adverse weather. The anticipation is that a downward trend can be sustained in the years ahead by a Burmese aerial eradication program which, starting in 1986, gives that government an ability to destroy poppy cultivation even in areas tactically controlled by insurgent armies. Thailand continues to promote development alternatives in poppy growing areas, but, in 1985, the government demonstrated its political will to bring illicit opium production under control by initiating eradication programs directed by the Royal Thai Army.

Southwest Asia

Pakistan continued the extension of its ban on poppy cultivation into the tribal areas of the Northwest Frontier Province, while attempting to secure effective suppression of

poppy production in its merged and settled areas. An increase in estimated hectareage under cultivation in 1985 was offset by adverse weather which reduced yields. Improved data permitted a refinement of production estimates from the 40-50 MT estimate of 1984 to a new estimate of 40-70 MT for 1985, with net heroin production remaining at the 6 metric ton level. There is concern that rising prices may stimulate increased cultivation. However, the Pakistani Narcotics Control Board, which reports increased seizures, lab surrenders, and lab destructions for 1985, projects that it can reduce opium production in 1986 and 1987 through enforcement.

India is of increasing importance as a conduit for opium products from both Southwest and Southeast Asia, as well as for the shipment of precursor chemicals into the Golden Triangle.

Turkey continues to sustain one of the most successful efforts at preventing production of illicit opium poppy. Long a natural attraction for smugglers of every stripe, because it serves as the landbridge from Asia to Europe, Turkey continues to be a principal trafficking route for heroin from Southwest Asia, some of it refined in Turkish labs.

Internationalization

The United States has developed an expanded program base, but long term success depends on the outcome of efforts to internationalize the global response, an objective carefully pursued over the last two years on a step-by-step basis, and one which has our highest diplomatic priority for 1986 and 1987. We see opportunities for critical advancement in both years.

Increasingly, there is evidence that governments recognize the threats to them from narcotics production and trafficking. As INM said in its annual presentation to the Third Committee of the United Nations General Assembly, "When traffickers rule segments of countries and dominate local economies, when the rule of terror holds sway over the rule of law, when children of every continent are at risk, there can be no passive nations. We must all be active players."

The increased opportunity and potential for success at the multilateral level are functions of (a) widespread acceptance that narcotics trafficking and drug abuse adversely affect the social well-being, political and economic stability and even national security of many nations, and (b) the leadership provided by the Secretary General of the United Nations, the impetus given at the Bonn Economic Summit, the Latin American initiatives to develop regional approaches, and the willingness

of more donor nations to underwrite narcotics control programs on a direct basis in which assistance is linked to narcotics performance. On the prevention side, the catalysts have included Mrs. Reagan's international program, including the First Ladies Conferences, and the public awareness and technical assistance programs of INM, USAID, and USIA.

A strong foundation from which to push forward with the internationalization agenda was laid in 1985, including an unprecedented level of diplomatic activity.

In February, the Commission on Narcotic Drugs established the framework for developing a new international convention on narcotics trafficking, an initiative sought by Venezuela and other South American governments and strongly encouraged by the United States. The convention will address such vital issues as asset forfeiture and seizure, extradition, mutual legal assistance, and money laundering. The United Nations General Assembly also set into motion the process for planning the United Nations world conference on narcotics and drug abuse, called for by the Secretary General, which will be held in June, 1987, in Vienna.

In May in Bonn, President Reagan and the other heads of state and government from the seven Economic Summit nations (Canada, Federal Republic of Germany, France, Italy, Japan, United Kingdom and United States) agreed on the need for a higher priority for narcotics control measures. This call for concerted action was followed by a meeting of narcotics experts from the seven nations, whose report was approved in September by the Summit Seven foreign ministers. This report is seen as having advanced the collective thinking of the seven governments on such pivotal issues as increasing the foreign policy priority for narcotics control, and on the linkage between economic assistance and narcotics control.

In April, and again in October, Mrs. Nancy Reagan hosted a First Ladies Conference on Drug Abuse, meetings which were designed as mother-to-mother discussions about the dimensions of the drug abuse problem in their several nations, and what prevention approaches could be taken. These conferences received praising publicity throughout the world and are widely seen as having raised public awareness of the issue in the international community.

The 1985 agenda also included the United Nations Congress on the Prevention of Crime and the Treatment of Offenders, held in Milan in August. In the previous meeting five years ago, scant attention was given to the narcotics issue. This year, the need for concerted action on narcotics control was a

dominant agenda theme, and the Congress unanimously adopted a resolution which endorses the measures being undertaken by the United Nations toward the drafting of a new convention.

Finally, United States officials are keenly aware that success in the international area is dependent in part on domestic efforts to reduce demand and eliminate cultivation of domestic marijuana. Many governments under pressure to curb production and cope with their own demand reduction problems look to the United States for reassurance that we too are taking all necessary steps to solve the equation. The successful effort to mobilize national attention on our domestic drug problem has been well noted overseas; similarly, good news about domestic marijuana eradication sends a welcome message to marijuana producing countries.

B. 1985 PRODUCTION ESTIMATES

The National Narcotics Intelligence Consumers Committee has developed, through its Subcommittee on Production, preliminary estimates on illicit narcotics production in calendar year 1985 (see below). As further information is received from Embassies, host governments and the intelligence community, these data will be revised and published in the 1985 NNICC Narcotics Intelligence Estimate. Readers are cautioned that certain year-to-year changes in estimates are the function of changes in methodology and improvements in data, and may not indicate increased or decreased production. (See footnotes.)

The 1983 and 1984 data, preliminary estimates for 1985, and projections for 1986, all stated post-eradication, are:

<u>OPIUM</u>	<u>1986</u> M.Tons	<u>1985</u> M.Tons	<u>1984</u> M.Tons	<u>1983</u> M.Tons
<u>Southwest Asia</u>				
Afghanistan	320-420	300-400	140-180	400- 575
Iran	200-400	200-400	400-600	400- 600
Pakistan	35- 65	40- 70	40- 50	45- 60
Total:	<u>555-885</u>	<u>540-870</u>	<u>580-830</u>	<u>845-1235</u>

<u>Southeast Asia</u>				
Burma	532	424	534	500-600
Laos	50-100	100	30	35
Thailand	16- 36	36	41	35
Total:	<u>598-668</u>	<u>560</u>	<u>605</u>	<u>570-670</u>

<u>Mexico</u>	<u>21- 45</u>	<u>21-45</u>	<u>21</u>	<u>17</u>
---------------	---------------	--------------	-----------	-----------

<u>Opium Total:</u>	<u>1174-1598</u>	<u>1121-1475</u>	<u>1206-1456</u>	<u>1432-1922</u>
---------------------	------------------	------------------	------------------	------------------

<u>COCA LEAF</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>	<u>1983</u>
Bolivia	32,000	32,000	49,200	25,000-40,000
Peru	90,831	95,177	100,000	100,000
Ecuador	1,422	2,422	895	No Estimate
Colombia	3,200	10,800	11,080	11,215
Total:	<u>127,453</u>	<u>140,399</u>	<u>161,175</u>	<u>136,215-151,215</u>

<u>MARIJUANA</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>	<u>1983</u>
Colombia	1,250	2,500- 3,000	4,100- 7,500	11,200-13,500
Mexico	2,500-3,000	2,500- 3,000	2,500- 3,000	4,975
Jamaica	550-1,205	625- 1,280	1,565	2,460
Belize	175	645	1,100	590
Other	500	500	500	500
Total	<u>4,975-6,130</u>	<u>6,770- 8,425</u>	<u>9,765-13,665</u>	<u>19,725-22,025</u>

<u>HASHISH</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>	<u>1983</u>
Afghanistan		200-400	200-400	250
Lebanon		720	350-400	700
Morocco		30- 60	60-225	60
Pakistan		<u>200</u>	<u>200</u>	<u>220</u>
Total	No Estimate	1150-1380	810-1225	1230

Note: INCSR tables attempt to show actual production or net yield, subtracting for eradication. By contrast, most other reports estimate total cultivation and, applying a yield figure, calculate gross potential production, a figure that represents maximum theoretical production.

Note: Much of the production data in this report should be considered preliminary, some even speculative, and most should be considered as data for which attempts are being made at improvement and refinement.

Footnotes:

(1) Production estimates are stated post-eradication, but have not been discounted for loss, domestic consumption, or seizures. When these deductions are made, the net amount available for processing into narcotics for export will be lower in all countries. Several of the data reported for 1984 in the previous INCSR have been changed to reflect changes in methodology and/or the scope and quality of information.

(2) Afghanistan opium production is believed to be rebounding from the drought year of 1984. DEA believes production could have exceeded the 400 mt level in 1985.

(3) Based on improved information, U.S. analysts believe that an estimate of 200-400 mt annual opium production for Iran is more accurate than earlier figures.

(4) Refined cultivation assessments, including information on remote areas not included in previous reports, permit a refinement of opium production estimates for Pakistan from a 40-50 mt range to a 40-70 mt range for 1985. However, the projection is that heroin production stayed at the 6 mt level. The Government of Pakistan projects that production will decline at least 5 mt in 1986.

(5) Opium production in Burma in 1985 was affected by drought which reduced potential output to an estimated 490 mt, which was further reduced by eradication to 424 mt. Estimates for 1986 anticipate that, while gross cultivation may stay at the 71,000 ha level, and yields may rebound from a drought level of

6.9 kg/ha to the traditional level of 9.5 kg/ha, the combined aerial and manual eradication programs will hold net opium production at 532 mt. This downward estimate assumes an expansion of the eradication program from 9,551 ha in 1985 to 15,000 ha in 1986, but also assumes no increase in cultivation. Analysts speculate that in 1987, when the aerial eradication campaign should be more effective, net production could decline to 437 mt, assuming a further expansion of crop eradication to 25,000 ha, but also assuming no increase in cultivation or improvement in yield per hectare. The 1986 projection may be too optimistic: production could increase, given the good weather in the 1986 season, and actual eradication could be below these estimates, for any number of logistical reasons. Sustained reductions in Burma are made more difficult by the lack of government control over key growing areas, but officials in Rangoon are optimistic about achieving significant long-term effects through the aerial spraying program.

(6) Information on opium production inside Laos has been sparse for several years and U.S. analysts held the estimate for several years at 30-35 mt, down from 50 mt following the drought in the Golden Triangle, for lack of a post-drought estimate. But, with new data on additional areas believed to be under cultivation, analysts believe that earlier assessments understated Laotian production. The new estimate of 50-100 mt reflects both a correction of earlier under-estimates and a belief that production has increased to its former levels and has perhaps gone higher.

(7) Weather conditions favor an opium crop in Thailand in 1986 at least as large as 1985, but, the Royal Thai Government has initiated a determined eradication campaign, and projects that it could reduce production to as little as 16 mt tons. U.S. analysts believe that the net figure for 1986 will be somewhere within that range of 16 to 36 mt.

(8) There are no reliable estimates for Mexican opium production for 1985 or 1986. A U.S. assisted survey began February 14, 1986; at present, U.S. analysts estimate that opium production was at least as high as 1984 (21 net metric tons) and could have been as high as 45 mt. The 1985 estimate is carried over into 1986, only to indicate that U.S. and Mexican officials have no estimate for 1986.

(9) There is broad agreement among analysts that earlier estimates overstated Bolivian coca cultivation. Earlier estimates of 30,000-45,000 hectares under cultivation have been revised to 30,000-38,000 hectares, with a mid-range estimate of 34,250 hectares. The estimate is that 1985 coca production was 32,000 mt. The data are not intended to suggest a reduction in

Bolivian yield. The 1984 estimate of 49,200 mt was based on a higher assumption of hectarage and a yield of 1.4 mt per hectare, which analysts now believe is high. No estimate is made for 1986, pending further assessment of Bolivia's eradication program, and thus the table carries over the 1985 figure.

(10) The data reflect a revised assessment that indicates Peruvian coca leaf production has been under-estimated in recent years. There is some disagreement within the narcotics intelligence community on estimates for Peru. While U.S. analysts agree that gross production of leaf and the net amount available for conversion to paste/cocaine did not increase appreciably in 1985, there are different estimates of that gross. The low estimate among U.S. analysts is that gross production of leaf in 1985 remained level, at about 50-70,000 mt on an equivalent number of hectares (the figure published in the 1984 NNICC report). Estimates range from 70,000 mt of leaf to 130,000 mt (and even one estimate as high as 180,000 mt). These estimates are only partially based on aerial and ground surveys; imagery from a 1985 partial survey is now being analyzed. Pending completion of a national survey, the revised estimate for 1985 is a gross cultivation level of approximately 100,000 hectares with a post-eradication net of 95,177 hectares in 1985. The assumption is that each hectare yields about one metric ton of leaf (dry measure). It should be noted that the complete analysis, shown in the country reports, indicates that net coca leaf available for conversion to cocaine in 1985 was 36,318 mt, which compares to an estimated 35,098 mt in 1984, under the old hectarage estimate of 60,000 published in the 1984 INCSR. The revised estimate for 1985 counts more hectares but also shows higher domestic consumption.

(11) The estimate is that Ecuador's proposed campaign could reduce coca cultivation from 1000-2422 mt to 1422 mt.

(12) The estimate is that Colombian coca cultivation was at 15,500 hectares in 1985, only slightly varied from the NNICC estimate of 15,000-17,000 hectares in 1984. At a yield of 0.8 mt/ha, this planting produced 10,800 mt of leaf after eradication. The 1986 estimate assumes an effective, broad-scale use of aerial herbicidal spraying.

(13) No estimate is made for coca production in other countries.

(14) The highly successful Colombian marijuana eradication campaign is estimated to have reduced net production as low as 2,500-3,000 mt. Photographic surveys have confirmed the extent of eradication in the key northern growing areas, but there is concern about new areas under cultivation, and some analysts

believe the 1985 level may have been 3,000-4,000 mt. Analysts agree that the extended eradication campaign in 1986 should reduce the 1985 level by at least half, to 1,250 mt.

(15) Analysts do not have a reliable estimate for Mexican marijuana cultivation in 1985, but assume that the level was at least as high and perhaps higher than in 1984, the figure that is repeated here. No projection is made for 1986 pending return of data from the modified verification program, thus the table carries over the 1985 figure.

(16) The estimate is that Jamaica's marijuana eradication campaigns in 1985 reduced net production to a range of 625-1,280 mt, down significantly from the revised figure of 1,565 mt for 1984. The revised estimates are based on aerial surveys cooperatively conducted by the US and GOJ.

(17) The estimate offered for Belize factors for the resumption of spraying in February 1986.

(18) The estimate is that marijuana imports from other sources are relatively constant at 500 mt annually.

(19) The figures reported preliminarily in the 1984 INCSR for marijuana production have been revised downward from the range of 16,030-18,880 mt. The 1984 National Narcotics Intelligence Consumers report estimated pre-eradication production at 11,400 to 16,050 mt. The 1985 INCSR estimates gross production at 9,765 to 13,665 mt, exclusive of U.S. domestic production (which was included in the NNICC estimate at 1,700 mt).

(20) The figures for hashish production are not based upon empirical assessment; estimates for Lebanon have been revised upward to 720 MT, but downward to 30-60 mt for Morocco.

III. REVIEW OF THE INTERNATIONAL PROGRAM

Department of State: Role & Responsibilities

Role: The responsibility for international narcotics control, conferred upon the President by Section 481 of the Foreign Assistance Act and upon the Secretary of State by Executive Order, has been delegated to the Assistant Secretary of State for International Narcotics Matters (Authority No. 145, February 4, 1980). This function was assigned to the State Department because the United States believes that narcotics control is a matter of government responsibility under international treaties that should be dealt with as a matter of international obligation and concern.

The international narcotics control program is one of five parts of the Administration's program to reduce the drug abuse problem in the United States. The program also includes: education and prevention; treatment and rehabilitation; law enforcement; and research. The overall program, which features the personal leadership of the President, Vice President Bush, Secretary Shultz and Attorney General Meese, is coordinated in part at the policy level through the National Drug Enforcement Policy Board, and in part at the program level through a variety of working groups. Government-wide objectives were set forth in the 1984 National Strategy for Prevention of Drug Abuse and Drug Trafficking, prepared under the direction of the Drug Abuse Policy Office in the White House. Through Secretary Shultz and INM Assistant Secretary Thomas, the Department of State participates actively in the National Drug Enforcement Policy Board, which the Attorney General chairs.

INM Programs: The responsibilities and programs of the Bureau for International Narcotics Matters (INM) include: policy development and program management; diplomatic initiatives; bilateral and multilateral assistance for crop control, interdiction and related enforcement activities in producer and transit nations; narcotics-related development assistance; technical assistance for demand reduction; training for foreign personnel in narcotics enforcement and related procedures; and coordination of international efforts with domestic drug abuse strategies. INM is responsible for negotiating, implementing, monitoring and terminating narcotics control agreements with other governments.

Goals and Objectives: The Department's primary narcotics goal is to reduce the flow of illicit drugs from their sources to the United States. All of the heroin and cocaine, and most of the marijuana and other illicit drugs consumed in the United States, are of foreign origin. The worldwide supply of heroin,

cocaine, marijuana and other drugs is so great and trafficking channels to the United States so diverse that interdiction and crop eradication, when achieved in only one or two producing areas, have caused only temporary declines in availability. The Bureau's program strategy is predicated on the ultimate objective of simultaneously controlling cultivation and production in all key geographic sectors of illicit drugs exported to the United States, so that significant and lasting reductions in availability are achieved. The Bureau places its highest priority on crop control in source countries and its second priority on interdiction of drugs as they move from producing areas through transit countries to the United States.

Strategy: The major drug producing countries are parties to international conventions which obligate them to control the production and distribution of illicit drugs. The Bureau's international strategy is based on encouraging and, where necessary, assisting these countries to meet their responsibilities for reducing cultivation, production, and trafficking in illicit narcotics within their borders. The strategy includes the following activities:

- diplomatic initiatives which: clarify the importance of narcotics control as a bilateral foreign policy issue; seek agreements on controlling narcotics; underline the threat posed by illicit drugs to other countries as well as the United States; seek an upgrading of the foreign policy priority assigned to narcotics control; secure the participation by other governments in funding and otherwise supporting international narcotics control projects; and improve the international environment for operations by United States agencies engaged in international narcotics control;
- bilateral assistance to selected governments whose expertise or resources are insufficient to enable them to take effective measures to meet their treaty obligations to control illicit drugs;
- multilateral assistance through the United Nations Fund for Drug Abuse Control and other regional and international agencies and organizations;
- participation in international organizations: to supplement bilateral diplomatic initiatives with producer and transit nations; to demonstrate the global nature of illicit drug trafficking; and to enlist other governments in diplomatic and financial support of international narcotics control projects, both bilaterally and multilaterally;

-in cooperation with the Drug Enforcement Administration, Customs Service, and Coast Guard, provision of training to foreign narcotics control personnel designed to improve and expand foreign enforcement efforts, and achieve self-sufficiency in interdiction; and

-demand reduction technical assistance programs which: alert other governments and community leaders to the societal threat posed by illicit drug abuse; seek to decrease demand in producing countries which serves as a local incentive to illicit cultivation; and enhance U.S. efforts to obtain narcotics control agreements by demonstrating concern for deleterious effects in other countries.

Coordination and Cooperation: The Department of State and specifically INM cooperate with various U.S. agencies, especially with the Drug Enforcement Administration, as well as the Agency for International Development, U.S. Customs, U.S. Coast Guard, the National Institute on Drug Abuse, and other units within the Departments of Agriculture, Justice, Treasury, Commerce, Defense and Transportation to halt the flow of narcotics into the United States. In addition to cooperation on country programs, this cooperation and coordination takes many forms, including joint participation in: the National Drug Enforcement Policy Board; the National Narcotics Border Interdiction System; the Oversight Working Group meetings of the White House Drug Abuse Policy Office; intelligence meetings; and coordination meetings with DEA, Customs and other agencies.

INM works closely with DEA throughout the world, with emphasis on collaboration in Latin America, Southwest and Southeast Asia. In addition to their direct responsibilities for technical assistance, casemaking and other investigatory activities, DEA agents work with INM narcotics coordinators in assessing the nature and degree of the drug problem, and in working with host government law enforcement agencies on planning and implementing action strategies.

The Agency for International Development is funding a rural development project in Peru's Upper Huallaga Valley, a development project for Pakistan's Gadoon-Amazai area, and development projects in Bolivia. INM has been involved in the planning of these projects, just as AID assisted in the design of INM's Malakand project in Pakistan. In 1984/85 AID began the development of public awareness programs and launched projects in Peru, Belize, Bolivia, Ecuador, and Jamaica, with the objective of mobilizing opinion-makers and local leadership

against narcotics production, trafficking and abuse. Public awareness programs received expanded emphasis in 1985 by INM, USIA, and AID.

The United States Information Agency significantly expanded its involvement in the international anti-drug effort in 1985, utilizing a full range of assets that included Voice of America broadcasts, a multitude of news features through its wireless file (used by foreign press), telepress conferences involving key White House, State and Justice officials, and public information and awareness programs developed and/or conducted at posts. In coordination with INM, USIA seeks to inform the peoples of the three major growing regions, with special current emphasis on Latin America, about the major efforts underway to reduce drug abuse and to curtail domestic cultivation of marijuana in the United States. USIA programs also inform people of these countries about the ill effects they and their countrymen are suffering because of the narcotics production and trafficking in their midst.

Training: Crop control must be supported by a strong enforcement effort, and the Department cooperates with governments on the development of local police and customs capabilities to enforce domestic laws against trafficking. INM funds international narcotics training provided by DEA and Customs. In FY 1985, more than 1200 persons from 80 countries participated in the INM-funded training program. Approximately 27,000 foreign officials have participated in courses designed to increase operational skills and build institutions, since the program was begun in 1971. (See Appendix.)

Intelligence: The Department of State is both an important collector of narcotics intelligence information and the primary consumer of finished narcotics intelligence on policy-level international narcotics developments. The Department has been a long-time advocate of closer coordination between intelligence collection agencies and U.S. law enforcement organizations which collect foreign narcotics information in the performance of their narcotics duties. The Department has particularly sought enhanced coordination of these activities under the guidance of the Director of Central Intelligence.

INM has sought to improve both host country reports and intelligence on production. A Subcommittee on Production was created under the auspices of the National Narcotics Intelligence Consumers Committee (NNICC) to facilitate analysis underlying the estimates in the 1984 INCSR and 1984 NNICC report, and continues in operation. INM, DEA and CIA are members of the subcommittee which has worked with Embassies to

produce the estimates and data for the 1984, 1985 and 1986 INCSR reports, as well as the mid-year report (which incorporates NNICC estimates and is submitted by INM each August). Data are reviewed at least twice yearly -- in the late summer and fall for the INCSR, and again in the spring and early summer for the NNICC.

In mid-1984, INM embarked on a new program to assist source country governments in data generation and analysis. INM provides equipment, technical assistance and support funding for aerial photography, usually through contracts with host country cartographic institutes and/or military air survey organizations. The imagery is used (1) to make crop estimates, (2) to provide tactical maps that can guide eradication activities and monitor eradication progress; and (3) to provide guidance to development assistance efforts. In 1985, surveys were conducted in Colombia, Bolivia, Peru, Jamaica, Pakistan, and Thailand. A new survey was begun in Mexico in February 1986.

Diplomatic Initiatives: Drug abuse affects all nations from the poorest to the wealthiest, countries which produce and traffic in drugs, and those which are primarily consumers of drugs. Historically, the U.S. Government has borne much of the costs of international control programs. The United States funds bilateral narcotics control projects in Mexico, Peru, Bolivia, Colombia, Brazil, Ecuador, Jamaica, Panama, Belize, Thailand, Burma, Pakistan and Turkey, as well as projects in key transit nations in the Caribbean such as the Bahamas and Haiti, among others. The U.S. narcotics control strategy includes diplomatic initiatives to achieve greater participation by and program coordination with other governments; the United States is urging these nations to assist through narcotics control programs and through direct economic assistance to producer countries.

The United States seeks a higher foreign policy priority for narcotics control, and is simultaneously encouraging larger contributions as well as an increase in the number of donors to the United Nations Fund for Drug Abuse Control (UNFDAC), while continuing to encourage more bilateral actions. For example, INM, with explicit support from Secretary Shultz, has held discussions with Governments in Canada, the South Pacific, Europe, the Middle East and Japan, to seek greater narcotic control program financial assistance and political support from them, both bilaterally and through international organizations.

International Organizations: The United States addresses the international narcotics problem in the United Nations General Assembly, the Economic and Social Council, the

Commission on Narcotic Drugs (which is the U.N. policymaking body on drug matters), and other U.N. organs. United Nations agencies monitor and apply controls on the flow and use of narcotic and psychotropic substances, and coordinate multilateral efforts to control production, trafficking and abuse.

Since its founding in 1971 with United States sponsorship, UNFDAC has been a vehicle for multilateral implementation of narcotics control and demand reduction programs.

In addition to UNFDAC, these U.N. agencies include the International Narcotics Control Board (INCB), the World Health Organization (WHO), and the Division of Narcotic Drugs (DND). In 1982, the Commission on Narcotic Drugs adopted a long-term global strategy and an interim action plan, which calls for enhanced, expanded efforts by UNFDAC, DND and the INCB.

A key element in worldwide advances in narcotics control has been the expanding role of the United Nations Fund for Drug Abuse Control under the effective leadership of Dr. Giuseppe DiGennaro. The Fund is now implementing projects in support of coca control in South America, marking a long-needed involvement by the United Nations and indirectly by European donors in a problem which affects Europe as well as the United States. This United Nations activity in South America was largely made possible by a pledge of \$40 million over five years by the Government of Italy. The Fund has also received pledges of more than \$15 million from Italy, the United States, Canada, Saudi Arabia, and the United Kingdom, with other pledges in the offing, for the Special Development and Enforcement Program in Pakistan. The Fund also provides narcotics control assistance in Africa (where U.S. assistance has been limited to Egypt and Morocco, with training programs for Kenya, Nigeria, Senegal and the Ivory Coast). Key donors to source country programs include the Federal Republic of Germany, Saudia Arabia, Sweden and Norway among others. The major donors support the Fund's policy that all United Nations drug development projects will contain drug enforcement provisions, and agree that economic assistance should be linked to commitments by recipient governments to eliminate illicit narcotic crops by specified dates.

Recent U.S. emphasis has been on encouraging European involvement in coca control programs in South America and on the special development and enforcement project in Pakistan.

Several countries earmark portions of their UNFDAC contributions for specific projects, including the Federal Republic of Germany (Pakistan); Norway (Burma); Sweden

(Afghanistan, Pakistan and Laos); and, Australia (Burma and Thailand).

Other Actions: Other units within State, Treasury and Justice also have drug-related concerns, including off-shore haven banking. DEA, the FBI and Customs have conducted successful, long-term investigative actions against illegal cash flows. The State and Justice Departments, in consultation with other U.S. law enforcement agencies, are actively exploring with various Caribbean countries the possibility of concluding agreements such as mutual legal assistance and extradition treaties to strengthen bilateral cooperation on law enforcement matters, including the sharing of financial information. One such agreement on banking controls was successfully negotiated in 1984 with the government of the Cayman Islands, and renewed in 1985. An agreement was announced with authorities in Hong Kong concerning disclosure of financial information needed for prosecution of cases. Discussions continue with the Government of Panama on methods of stopping the flow of narcotics profits. U.S. efforts to obtain financial information from the Netherlands Antilles were enhanced by the 1983 Treaty on Mutual Assistance in Criminal Matters, concluded between the United States and the Netherlands.

IV. 1985-86 PROGRAM STRATEGY

A. Assessment

There are downward trends in production in some key source countries, and reductions in others which we hope to see sustained. The fact remains that worldwide production of illicit opium, coca leaf and cannabis in 1985 was still many times the amount currently consumed by drug abusers. While individual country situations have changed, many for the better, certain obstacles remained in 1985. Some governments still do not have control of the narcotics growing regions, and prospects in several countries are dampened by corruption, even government involvement in the narcotics trade. Markets, refining areas and trafficking routes continue to shift, and new production sources emerged even as success was being achieved in eradicating crops in traditional areas. Thus, in 1985, considerable attention was focused, not just on the primary source countries, but also on secondary source areas.

The increase in drug related violence continues to be a matter of grave concern to the United States, and is seen as part of a trend toward international lawlessness which Secretary Shultz has noted in frequent remarks.

In 1985, we predicted that the increasing awareness by source country governments of the adverse effects of narcotics trafficking and drug abuse would improve prospects for narcotics control. In 1985, considerable emphasis was given to forging the kind of international alliance that we had projected as needed for success across the board. Believing that the world interest requires narcotics control programs in all the significant producer countries, supported by increased assistance from the international community, we have set a goal of having more nations become involved in the solution. We have declared in numerous international fora that the international community must capitalize on today's opportunities to expand and improve narcotics control.

We believe that there has been a good response to such messages, exemplified at one level by the statements of the heads of government of the seven leading economic nations, at another level by the increased participation in and expansion of control programs, and at still another level by the strong interest in a new international convention on trafficking and in convening a world body to discuss the global ramifications of these problems. The prospect for improvement in 1986 is brighter because there are greater incentives on the part of drug exporting countries to act and to move swiftly. The source and transit countries increasingly suffer the problems

of economic dislocations, institutional instability and crime related to narcotics trafficking. Several continue to be besieged by political problems, including armed insurgencies supported by profits from the drug trade. Source countries increasingly understand that they are primary beneficiaries of successful narcotics control programs.

At the start of 1985, we said that one of the more encouraging signs in the battle against narcotics is the increased attention governments are placing on the need for regional as well as bilateral cooperation in anti-narcotics activities.

The meetings of Latin American chiefs of state with Vice President Bush in Quito in August 1984 were but the first of a series of inter-regional discussions and actions that are serving to meld a Western Hemisphere response. The kind of bilateral and multilateral associations which we said at the start of the year were needed are occurring in a variety of forms. Colombia took the lead in working with its neighbors (Venezuela, Brazil, Peru and Ecuador) on a variety of actions ranging from extradition treaties to cross-border eradication and enforcement campaigns. The need for concerted action in South America by South Americans was a recurring theme at the 1985 conference of the Organization of American States; a similar message was heard at the annual meeting of the Association of South East Asian Nations (ASEAN).

The United States continues to believe that strong regional cooperative efforts are the key to lasting progress against narcotics abuse and trafficking in Latin America, throughout the Western Hemisphere, and in the world at large.

The United States welcomes the personal leadership taken by heads of state and ministers from every sector of the globe at the United Nations General Assembly meetings this past October, and supports their strengthened commitment against narcotics trafficking and production.

Through various fora, including the report of the seven summit nations, the United States in 1985 urged source and transit nation governments to strengthen existing international institutions and encouraged these governments to improve national legal and social frameworks to deal more effectively with drug trafficking. The United States continues to believe that the international community should look to existing institutions, like the United Nations Fund for Drug Abuse Control to achieve an immediate impact in meeting the narcotics challenge.

The United States stands ready to help the governments and peoples of Latin America, Southwest Asia and Southeast Asia to work together for the common good. The United States believes that national and bilateral efforts must be complemented by strengthened regional cooperation in all global sectors. We are providing appropriate financial and technical support to improve regional narcotics enforcement information exchanges in Latin America and other sectors, and we are supporting development of regional programs to create heightened public awareness of the personal dangers of drug consumption and the social and economic costs of the illicit drug trade. For several years the U.S. has supported the drug abuse initiatives of the Colombo Plan and ASEAN, and encourages the work of the Council of Europe's anti-drug abuse and trafficking organization, the Pompidou Group, and others who approach this problem on a multinational basis.

The Administration is proud of its efforts these past five years to reduce drug demand here in the United States, where a very effective national awareness program led by Mrs. Reagan continues to spur community responsiveness. We note with special pride that the parents movement, so vital in this country, has spread to other societies.

B. The 1986 Agenda

Obviously, much more remains to be done.

The increased production of heroin in Mexico, which was on a downward trend for several years, and expanded cultivation of marijuana, which had been effectively curbed for many years through an aggressive, effective aerial eradication program, were the principal disappointments in a year in which other programs, despite greater burdens, met or even exceeded our expectations. Mexico has been and continues to be seen as a trusted partner in the anti-narcotics control effort, and, in meetings involving Presidents Reagan and de la Madrid, Secretaries of State Shultz and Sepulveda, and Attorneys General Meese and Garcia, both governments have pledged their unrestricted cooperation and assistance in rejuvenating this program.

Bolivia must complete the planning for both the voluntary and involuntary phases of its eradication campaign, and bring a substantial portion of its illicit coca acreage under control, enforced by eradication where necessary, enhanced by alternative development opportunities where appropriate. Bolivia met the criteria for receiving part of its 1986 economic and military assistance from the United States by adopting the necessary laws to establish a licit/illicit coca

control program. The government well recognizes that continued assistance is dependent in part on achieving eradication targets in its agreement with the United States. Bolivia dispatched troops and police to the Chapare region in February to restore law and order, and both UMOPAR and PRE forces reported increased seizures of coca products and raids on processing centers. The voluntary phase of the eradication program began in December with key government officials joining campesinos in eradicating about 30 hectares, in what was seen as a demonstration of the government's political will to combat narcotics production.

Peru resumed narcotics interdiction activity in the Upper Huallaga Valley in February 1985, after an unfortunate pause which the Government felt was necessary to permit the military to concentrate on repelling the activities of political terrorists (Sendero Luminoso) in that growing region. The killings in the Upper Huallaga Valley and the lawlessness which permeates Tingo Maria continued in 1985, again proving that narcotics control and the battle against terrorism must both share a high priority with the Government of Peru. Peru's economic and military assistance from the United States is dependent in part on the development and implementation of a comprehensive strategy for coca control. The task in 1986 is to extend the coca eradication campaign into additional growing areas of the Upper Huallaga Valley, and begin a coca control program in the southern areas.

Starting in January 1985, Jamaica progressed from its previous reliance on an interdiction strategy to an aggressive campaign to destroy marijuana (ganja) cultivation. Manual eradication activities were conducted in both the spring and fall, with 952 hectares eradicated. This campaign, obviously prompted by Jamaican concerns for its economic and civil health as well as its need to curb an escalating domestic drug abuse problem, has the necessary support to be sustained in 1986, when it is estimated that 1,065 hectares will be eradicated. Likewise, Belize, which resumed in 1985 the highly effective aerial eradication of marijuana it employed in 1983, has continued that effort in 1986 to discourage traffickers from further attempts to secure a new base for cultivation. Panama's spraying program has also been sustained in 1986.

Burma now has the opportunity, with production down in 1985 and a major eradication program underway for the Spring 1986 harvest, to achieve a reduction in the world's largest production of illicit opium. The recently initiated government eradication in Thailand is being expanded. Both of these governments must continue to enhance their individual and collective efforts to seize control of the border from

traffickers, to destroy heroin laboratories, and to interdict shipments of both precursor chemicals and finished opium products. Pakistan continues its laudable suppression of opium cultivation, but certain strengthening of the program is needed to ensure that continued good weather and/or rising prices do not negate the achievements of the last five years. Pakistan and neighboring nations must find ways of curbing the flow of opium products out of Afghanistan and suppressing the numerous heroin labs which operate along the Afghan-Pakistan border. Viable approaches have still not been found to Iran or to Laos, and the reports of increased opium production in the latter are of renewed concern, particularly given the harbingers of success elsewhere in the Golden Triangle.

The general task remains the same as in earlier years: the grower-to-user narcotics chain which stretches across five continents must be broken through a comprehensive program of international control. Pressure must be applied at all points in the chain -- through crop control; through increased seizures of both drug products and financial assets; through intensified investigation and prosecution of traffickers; and through effective treatment and prevention of drug abuse.

International strategies must give top priority to crop control supported by enforcement programs operating as close to the source as possible. The people and governments of illicit drug producing countries must become more aware of the problems they export to other countries -- and the domestic problems they are creating within their own societies. There is a need for other governments to raise the foreign policy priority assigned to narcotics control.

Assistance should be provided by donor countries with clearly defined crop control objectives. Governments of producing nations must demonstrate the political will to undertake effective crop control and interdiction programs. Part of that demonstration of will must be the commitment of social and political as well as material resources, and promulgation and adoption of laws which facilitate control objectives. The corruption that has undermined control efforts in many source countries must be stamped out by strong and determined governments.

There is a need for treatment and prevention programs, which should be developed and sustained by each nation, according to their own needs and in keeping with their resource capabilities. There is a need to continue efforts to enhance and expand intelligence collection.

Above all, the international community must make common cause in a more vigorous, more widespread, and more united effort to control international narcotics production and trafficking.

C. The FY 1986 and 1987 Budgets

The FY 1986 budget approved by Congress is \$60 million (adjusted downward for Gramm-Rudman-Hollings). The FY 1987 request is for \$65.4 million, an 8.9 percent increase, with virtually the whole of the increase being allocated to in-country programs.

In FY 1986, the \$50.8 million available for country programs includes \$5 million which will be used for special emphasis interdiction efforts in Latin America. The country program budget includes \$37 million for Latin America (72.8 percent of the program budget), \$9.1 million for East Asia (18 percent), and \$4.7 million for Southwest Asia (9.2 percent).

In 1987, the \$55.2 million available for country programs includes \$37.9 million for Latin America (68.7 percent), \$13.1 million for East Asia (23.7 percent), and \$4.2 million for Southwest Asia (7.5 percent). (Note: the 1987 budget does not assume a renewal of the special appropriation of \$5 million for Latin American enforcement programs.)

Both budgets continue the expansion of crop eradication programs, and reflect the program initiatives of 1984 and 1985.

The 1986 Budget

Latin America: This budget increases funds for Latin America to \$37 million, the largest budget element.

Particular attention continues to be focused upon Colombia which, in 1985, eradicated the majority of the marijuana crop in the traditional growing areas on the north coast. The 1986 budget will continue that historic eradication program, pushing into new areas targetted by traffickers for cultivation (traffickers are reportedly cultivating marijuana in Venezuela and Brazil, to escape the Colombian eradication program). The prospect is that, in 1986, Colombia may no longer be the major foreign supplier of marijuana to the United States, an unenviable position it has occupied for several years. There is also the very real prospect of reducing availability from Colombia's coca harvest. Colombia is testing herbicides to be used against coca in an aerial spraying program, which would permit large-scale eradication.

The 1986 budget for Peru includes funds for creation of a second UMOPAR unit to be deployed in a second coca-producing region, while increasing eradication efforts in the Upper Huallaga Valley. As in 1985, the United States expects to see Peru proceed actively on two enforcement fronts, against terrorists and against narcotics traffickers.

The United States continues to rely heavily on the strong leadership of President de la Madrid, who has faced the needs for both a reinvigorated crop control program and a campaign to stamp out narcotics corruption in Mexico. New sweep campaigns were increasingly effective at destroying narcotics crops in 1985, but need to be augmented by more precise reconnaissance and eradication planning, which will be possible through the aerial survey and verification programs agreed to at year's end. The 1986 budget continues to support the MAGO eradication fleet, including operational and ground support for fixed-wing aerial eradication aircraft being introduced into the fleet. Additional funds are sought for 1987, in anticipation of the resolution of current problems.

Spending on coca control projects in Bolivia was at lower than requested levels for several years, due to delays in project implementation, but, with the startup of both the eradication project and a strong start for the interdiction effort in 1985, the budget levels rise in both 1986 and 1987.

Similarly, the budgets for 1986 and 1987 anticipate continued expansion of the coca control efforts in Peru, subject to discussions of the anticipated Peruvian plan.

The budget supports projects to counter the efforts of South American traffickers seeking new safehavens in countries like Brazil, Ecuador and Venezuela. A major increase is included for Brazil in the 1987 budget to support the eradication and interdiction efforts of the National Police against increasing coca and cannabis production, and cocaine trafficking.

The Latin American regional fund will be increased to provide augmented support and technical assistance to countries in the region; but the large increase from 1985 to 1986 reflects the transfer-in of \$5 million for special emphasis on high-impact interdiction programs in Latin America. INM proposes to spend the bulk of these funds on regional strike capabilities, drawing on the resource management and leadership capabilities of the Colombian National Police.

Southwest Asia: The FY 1986 budget is \$4.69 million.

With solid pledges from the United States, United Kingdom, Italy, Canada, Saudi Arabia and others for a special development and enforcement program, Pakistan is extending its increasingly effective opium ban into additional areas of the Northwest Frontier Province. Pakistan continues to be a major refiner of heroin, drawing on opium production in Afghanistan as well as its own stocks, and a major increase is budgeted in 1986 for enforcement assistance (\$0.9 to \$2.5 million) to augment the number of interagency narcotics units deployed to interdict opium and heroin production and trafficking. This special enforcement budget drops to \$1.5 million in 1987 (the overall change in Southwest Asia budget totals for 1987 reflects this change in the Pakistani enforcement budget).

The budget also includes funds to continue programs in Turkey and to support the Southwest Asian regional initiative.

Southeast Asia. The FY 1986 budget for Southeast Asia is \$9.1 million. This budget will increase to \$13.1 million in 1987, reflecting expansion of the eradication program in Burma and the overall enforcement program in Thailand.

Effective for many years at suppressing laboratories and narcotics warlords on its border with Burma, the Government of Thailand in 1985 expanded the opium poppy eradication program begun in late 1984, resulting in the eradication of several hundred hectares of opium poppy. The budget increases in 1986 and 1987 support a significantly expanded poppy control program aimed at controlling illicit poppy production within five years, provide additional enforcement assistance to consolidate efforts along the Thai/Burma border, and also support interdiction efforts.

Burma has been the largest illicit opium producer in recent years and the SRUB conducted a pilot aerial eradication project in late 1984, covering more than 160 acres. This test lead to a more widespread aerial eradication effort in 1985/86, with a marked expansion anticipated in 1987. These budgets permit a strengthening of the opium poppy eradication effort, by providing additional aircraft, and provide urgently needed equipment and training for the narcotics control activities of police and paramilitary forces.

Other Activities: INM funds training for foreign law enforcement officials, which is provided by DEA and/or U.S. Customs, at Federal training sites or in foreign countries.

Technical assistance in demand reduction is provided through a variety of channels, including direct INM assistance with a priority on aiding producer governments in controlling domestic demand and internal drug abuse problems. Other channels include support for regional and international demand reduction projects, participation in international agency programs and fora, provision of materials, conduct of special demand reduction training programs, and providing linkage between U.S. national and international demand reduction efforts. USIA and AID are playing vital roles in public awareness campaigns in source countries.

INM will support aerial photography programs in 1986 in Pakistan, Thailand, Burma, Peru, Bolivia, Colombia, Mexico and Jamaica, and anticipates also assisting Ecuador and Brazil.

International Organizations: Considerable diplomatic and program assistance coordination is conducted through international organizations, particularly organs of the United Nations. The United Nations Fund for Drug Abuse Control has been a major multilateral vehicle for enforcement, supply reduction, and demand reduction programs. In FY 1986, funds are provided for UNFDAC and also for the Colombo Plan.

Budgets for Narcotics Control
(\$000)

COUNTRY PROGRAM	FY 1985	FY 1986	FY 1987
Latin America			
Bolivia	\$ 1,537	\$ 3,650	\$ 4,675
Brazil	750	690	1,225
Colombia	10,650	10,600	10,180
Ecuador	414	940	845
Mexico	9,696	10,100	11,310
Peru	2,414	4,011	5,680
Regional	2,553	7,000	4,000
Totals	<u>\$28,014</u>	<u>\$36,991</u>	<u>\$37,915</u>
East Asia			
Burma	\$ 5,515	\$ 5,540	\$ 8,825
Thailand	2,704	3,600	4,270
Totals	<u>\$ 8,219</u>	<u>\$ 9,140</u>	<u>\$13,095</u>
Southwest Asia			
Pakistan	\$ 3,043	\$ 3,480	\$ 2,850
Turkey	900	850	1,000
Asia/Africa regional	275	365	300
Totals	<u>\$ 4,218</u>	<u>\$ 4,695</u>	<u>\$ 4,150</u>
Total Country Programs	\$40,451	\$50,826	\$55,160
International Organizations			
UN Fund	\$ 2,732	\$ 2,605	\$ 2,900
Colombo Plan	75	70	75
Totals	<u>\$ 2,807</u>	<u>\$ 2,675</u>	<u>\$ 2,975</u>
Inter-Regional Programs			
Demand Reduction	\$ 377	\$ 370	\$ 420
DEA Training	2,223	2,145	2,420
Customs Training	1,150	1,130	1,280
INM EOP Training	300	280	300
Totals	<u>\$ 4,050</u>	<u>\$ 3,925</u>	<u>\$ 4,420</u>
Program Development and Support	\$ 2,731	\$ 2,618	\$ 2,890
Total INM Program	\$50,039	\$60,044	\$65,445

* The 1986 budget includes a \$5 million transfer-in for Latin American regional programs. The FY 1986 budget also reflects Gramm-Rudman-Hollings reductions.

V. COUNTRY REPORTS

This section contains individual chapters for:

Latin America
The Caribbean
Southeast Asia
Southwest Asia
Arabian Peninsula
Africa
Europe

Each chapter contains country reports which respond to the requirements of P.L. 98-164. The INM budget and program plan is submitted as an appendix to this report.

Country Reports

For purposes of these country reports, the major requirements of the Act have been categorized as follows:

Part A. Status Assessment

1. Status of Illicit Narcotics Production/Trafficking
2. Accomplishments in 1984
3. Plans, Programs and Timetables
4. Adequacy of Legal and Law Enforcement Measures
5. Drug abuse, Rehabilitation and Treatment

Part B. Analysis of Production

1. Nature of Illicit Drug Production
2. Factors Affecting Production
3. Maximum Achievable Reductions in Production & Refining
4. Methodology Used in Estimating Reductions

Part C. Statistical Tables

Part D. United States Assistance

Part E. Resource Estimates

The definitions used in developing this report include:

"Major Producing Country" is defined by the statute to mean any country which cultivates or refines five or more metric tons of opium or opiate derivatives, or five hundred or more metric tons of coca leaf or coca derivatives, or five hundred or more metric tons of cannabis or its derivatives. (Derivatives are expressed in equivalents, e.g., 500 kg of heroin equals 5 mt of opium, and 1 mt of cocaine equals 500 mt of coca leaf.)

"Major Trafficking Country" has been defined by the Department to mean those countries which transship five or more metric tons of opium or opiate derivatives, or five hundred or more metric tons of coca leaf or coca derivatives, or five hundred or more metric tons of cannabis or its derivatives.

The analysis of production is reported only for "major producing" countries. Also, estimates of additional assistance required are provided only for "program countries" which includes those countries currently receiving INM narcotics related assistance. Also included are a few other countries which INM considers as having a significant role in the U.S. narcotics situation.

Data Estimation

This annual report contains a variety of data on cultivation, refining, trafficking and consumption of illicit narcotics, as well as data on eradication, seizures, land taken out of production, and other phenomena. These data have been provided by the National Narcotics Intelligence Consumers Committee, U.S. Embassies, and foreign government agencies.

Production factors can vary from country to country. For example, opium production varies from 8-10 KG per hectare in Mexico to as high as 18 KG per hectare or higher in Pakistan. Coca yields vary from 1,000 kg of coca leaf per hectare in Peru and Colombia to as much as 2,000 kg of leaf per hectare in some sections of Bolivia, and Ecuador is conducting field studies now in areas where coca yields are reported as high 3,000 kg per hectare. Colombia has higher yields per hectare for marijuana (1.25 to 1.5 metric tons per hectare) than some other countries, which are commonly estimated at 1,134 metric tons per hectare per harvest. There is a radical difference between marijuana and sensimilla yields, and most estimates imperfectly factor for this difference, which can be as high as 4:1 marijuana to sensimilla.

Yields are particularly troublesome. The NNICC Subcommittee on Production has been estimating that 200 Kg leaf yielded one Kg of coca paste, and 2.5 Kg of paste yielded one Kg of cocaine (overall, a 500:1 ratio leaf to cocaine). Now, some U.S. analysts argue that current methods do not factor correctly for inefficiency, which can be as much as 50 percent in terms of leaf lost in conversion. These analysts believe that a 63:1 leaf to paste, and 2.6:1 paste to cocaine conversion is more accurate for Bolivia. This results in a 164:1 leaf to base conversion, sharply more productive than refining estimates used elsewhere. The Subcommittee on Production will be exploring yield factors in 1986, aided by new studies from the field.

Although the intelligence community has improved several data bases significantly, virtually every production estimate is troubled, not only by sheer estimates of numbers and sizes of fields under cultivation, but by the paucity of and sometimes conflicting data on cultivation practices and yields. There also have been problems regarding growing seasons. A considerable problem concerns seasons; it has been a practice to speak of two equally productive marijuana seasons in Colombia, Mexico and other countries; recent information, however, indicates that, if there are two seasons, their yields differ radically. In several countries, it is likely that there is one extended cannabis seasons during which fields are alternatively planted and then harvested in a similar, staggered sequence which may give the appearance of two seasons.

Another factor critically affecting estimates is the difference between cultivation and production. Traditionally, U.S. analysts have determined hectareage and then reported production. For example, cultivation of 60,000 hectares in Peru was reported at 60,000 metric tons of coca leaf produced. The probability is that there have been few if any years in which all of the coca (or other narcotics crops planted in any country) that was planted was actually harvested. The likelihood is even lower that the total yield reached any consumer market, much less that the total product was consumed in the United States.

As eradication expands, it becomes necessary to make distinctions between hectares planted, and hectares harvested. Moreover allowance must be made for domestic consumption, increasingly critical as local drug abuse increases in Latin America. Improved interdiction argues logically for deducting increasingly large seizures. And, there is emerging a considerable body of opinion which holds that losses due to weather, arming and refinery inefficiencies, rot, insects, theft, and a variety of other consequences are significantly higher than the five to ten percent reduction allowed for in many recent analyses.

Indeed, there is argument that while coca production in particular may be much more extensive than current estimates, the net available for the export market may be about the same as or even less than some current estimates, when more accurate (and much larger) allowances are made for these loss factors. For example, if large scale surveys determined that Peru had 100,000 hectares under coca cultivation, but 70-80 percent were lost to inefficiencies, disease, and other factors, the net production available for the cocaine market would be 36,000 to 54,000 metric tons, a range which spans the more conventional

estimate that 38,000 to 44,000 metric tons of coca leaf were market available (after eradication and domestic consumption are factored).

Another problem arises as more refined information becomes available. The narcotics intelligence community then has the task of stating the new dimension, and explaining it in comparison to earlier data. Contrasts may be a function of different estimation methods, as well as market events. Data bases and estimation methods can differ significantly from one year to the next. Thus year-to-year comparisons should be made with great caution, bearing in mind that the data base may have been improved.

While there are many problems of measurement and assessment, the lack of credible, current survey data is particularly acute with respect to coca leaf cultivation and cocaine production. Not only are there the general problems of trying to estimate production in source countries, there are needs to identify the size of and consumption rates for both traditional coca chewing and the increasing coca paste abusing populations, local demand helps sustain production, but can also reduce the amount of end product available for trafficking to the United States.

For some countries in this report, there has been an attempt to "account" for the production--starting with cultivation and then subtracting for seizures of raw product; amounts refined; seizures of refined products; local demand/consumption of raw product; local demand for refined products; amounts seized enroute or at U.S. borders; and, finally, from the remainder, estimating the net amount available for export to the United States but also, increasingly, to other countries.

The available data do not permit such analyses for all countries. A given country may have acceptable estimates on cultivation, yield, and refining, but the available data on local demand may be of such poor quality as to put the complete assessment at risk. In some countries, the initial estimate of cultivation may be little more than an assumption based upon education guesses.

In sum, the effort here has been to produce the Congress with "the best estimate available." The data provided may not be comparable to previous estimates. Production estimates are at best a limited indicator of the kind and degree of narcotics control activities in a given country, or among countries. Political and economic circumstances, weather (which can boost one country's production while devastating another's,

independent of their control actions), ability to absorb and effectively use outside assistance, and the host of factors concerning the kind, location and dispersion of the crops themselves have to be factored into all such equations.

Efforts to Improve Data and Analysis

In 1985, INM negotiated narcotics surveys for major source countries supplying illicit narcotics to the United States. Surveys were conducted with Peru, Bolivia, Colombia, Jamaica, Thailand (where a long-standing agreement supports what continues to be the most effective crop survey), Burma and Pakistan. This imagery led to improvement in estimates. A survey began in Mexico in February 1986. For the long term, INM plans that its production analysis program, featuring aerial photography, will meet three objectives: improving crop production estimates; providing tactical maps and monitoring systems to guide better managed crop eradication efforts; and, providing data that can guide development assistance programs.

In 1983, a Subcommittee on Production was formed under the auspices of the National Narcotics Intelligence Consumers Committee. This group, utilizing the latest available narcotics intelligence, makes periodic updates to the annual NNICC estimates, and by concentrating its focus on production, improves U.S. monitoring and knowledge of trends in international narcotics production. The Subcommittee reviewed the production in this report.

Impact of United States Assistance on the Narcotics Problem

The country reports focus on U.S. narcotics-related assistance provided under authority of the FAA Section 481/482 or by the Agency for International Development in projects with so-called "poppy" or "coca" clauses. However, the statute requires the Department to report also on other economic and military assistance granted to source countries, and, to assess how much assistance influences host government narcotics control decisions. Because of the sensitivity of much of this information, which is tantamount to a statement of the degree to which the United States Government applies "leverage" to another government, this information is contained in a classified volume, submitted separately.

In that second volume, Departmental assessments of the overall impact of other U.S. assistance fall into three views, not necessarily mutually exclusive. These are that U.S. non-narcotic assistance: (1) does not impact, negatively or positively, on the country's narcotics control decisions or performance; (2) affects positively the overall disposition and

capability of the country to cooperate with U.S. drug control objectives; and (3) in some cases, that regardless of (1) and (2), a termination of U.S. assistance for narcotics policy reasons would impact negatively on the country's disposition to control illicit drugs.

Other Dangerous Drugs

This annual report, in keeping with the emphasis of the Congress concerning production of heroin, cocaine, and marijuana, concentrates on those major illicit drugs. However, INM, DEA and other agencies who carry out the international program of the U.S. Government are also concerned with the importation of other dangerous drugs.

The NNICC estimate for 1984, the last year for which a national narcotics intelligence estimate has been produced by the NNICC committee, is that the estimated consumption of dangerous drugs increased by approximately 15 percent over 1983. There have been decreases in the use of methaqualone, diazepam, amphetamine, LSD and the so-called "look alike" drugs. There were increases reported in the use of PCP and methamphetamines.

Internationally, the U.N. Commission on Narcotic Drugs, in concert with the World Health Organization, has the function of identifying and recommending the scheduling of drugs, i.e., the controls over licit narcotics and psychotropic substances.

ARGENTINA

A.1. Status of Illicit Narcotics and Production/Traffic

Trafficking in cocaine and marijuana, including cocaine refining, remain the most immediate narcotics related problems facing Argentina. The Argentine government gives sustained attention to the national and international dimensions of the narcotics problem. While supporting an active role for the UN and OAS, the Government of Argentina also encourages Latin American nations to dialogue regarding the drug threat.

In July 1985, the Alfonsin Government took an important step to control the drug problem by establishing a new Inter-Ministerial Commission. Its objective is to promote and coordinate a more effective anti-narcotic program with the active participation of concerned non-governmental organizations. The Commission has recruited a small staff and entered into a constructive dialogue the Embassy and with senior U.S. anti-drug authorities in Washington. Argentine political leaders from many different parties have shown a growing awareness of the drug problem and a willingness to support anti-drug legislation and programs. Public awareness of the drug threat is increasing as problems of drug addiction have an impact on concerned Argentine parents and authorities.

The principal factors contributing to trafficking in Argentina are: (a) its extensive borders and proximity to Bolivia; (b) its relatively sophisticated transportation system; (c) more effective enforcement action against other more traditional transit routes which has diverted trafficking to other areas; and (d) internal conditions such as Argentina's economic difficulties. While there is concern about in-country processing of cocaine, primarily coming from Bolivia, the extent of processing is unclear. The estimate is that at least one metric ton of cocaine is refined in Argentina, and given the increases in other data indicators, refining could well be more. There is no confirmed information that crop cultivation in Argentina of either marijuana or coca leaf exists on any significant scale.

Increased trafficking has stimulated greater domestic drug abuse, especially of marijuana. Abuse of cocaine may also be rising but it is still prohibitively expensive for extensive use by Argentines. Consumption of marijuana, however, is increasing. Abuse of pharmaceutical products remains Argentina's most prevalent drug problem.

Opium poppy, coca and cannabis production are outlawed. There is no evidence that would indicate these plants are cultivated in significant quantities. Seizures and intelligence indicate, however, a significant increase in the import of both coca and cannabis.

As Bolivian traffickers relocate or expand activities into the northern provinces of Argentina, the potential for Argentine development into a significant refining country increases. The danger is increased by the fact that Argentina, with its well-developed industrial sector and chemical industry, is a major producer of chemicals, including those which may be used to produce cocaine. It was estimated that in 1984 perhaps .9 MT of cocaine was refined in Argentina. While the Argentine Government has made no estimate for 1985, the amount refined has probably increased.

The Government of Argentina appears firmly committed both publicly and in deed to addressing the narcotics problem within the constraints of its budget limitations. Despite numerous economic problems, Argentina is mobilizing to confront a growing drug problem.

A.2. Accomplishments in 1985

A major accomplishment was the formation in July 1985 of the Inter-Ministerial National Commission for the Control of Narcotics Trafficking and Drug Abuse, a group created by President Alfonsin to focus and coordinate all federal anti-drug activities. The Commission is chaired by Health Minister Aldo Neri and run on a day-to-day basis by its Executive Vice President, Jaime Malamud Goti, a close advisor to Alfonsin. The Commission is large and broadly based. It covers both the law enforcement and treatment and prevention aspects of the drug problem. Also included under the Commission are two auxiliary bodies, one a technical committee with representatives from virtually every federal agency involved in any aspect of the drug problem and the other an advisory committee made up of representatives of private anti-drug organizations. The Commission recruited a small but impressive staff and has improved coordination in the areas of enforcement and prevention. Representatives of major enforcement agencies reportedly meet once a week to exchange information and discuss operations. The Commission initiated some training courses for provincial officials, appointed a committee to study revised drug regulations and legislation, and sent the Executive Vice President to Washington for wide ranging discussions of the drug issue and possible areas of U.S.-Argentine cooperation. It is also developing and implementing a national strategy on drug abuse prevention.

At the federal level, there are five separate law enforcement agencies responsible for drug interdiction and enforcement of narcotics laws. Better coordination among them is an ongoing Commission objective.

With regard to legislation, a comprehensive bill drafted last August by advisors to Vice President Victor Martinez for consideration in the Senate proposed, for the first time in Argentina, penalties for trafficking in precursor chemicals destined for drug production, plea bargaining for drug offenders and seizure of assets directly involved in the trafficker's drug trade. Another Senate bill, which is still pending, would also increase some of the fines and jail terms for current drug offenses. A drug law revision bill pending in the lower house is more limited in scope, and does not have sections dealing with precursor chemicals, plea bargaining or asset seizures. The Drug Commission is examining the issue of drug legislation to reconcile differences so that Congress can proceed to enact stronger drug laws.

During the year, the Argentine government also demonstrated its concerns about drug abuse and trafficking in drug problems through the participation of Mrs. Maria Lorenza Barreneche de Alfonsin, the Argentine First Lady, in the First Ladies Conference on Drugs in April, the sending of a high-level delegation to the March conference in Lima on public awareness of the narcotics problem, the visit to the United States of Raul Alconada and Jaime Malamud (Argentine government leaders in narcotics matters), and by stepped-up participation in various training programs. In addition, President Alfonsin discussed narcotics as a regional problem with the presidents of Peru and Bolivia, and also broached the subject during a visit by the Interior Minister of the Federal Republic of Germany.

In other accomplishments during the year, the Commission began to develop a comprehensive national drug prevention strategy by holding conferences and bringing in participants from throughout the country.

Sharp increases in key arrest and drug seizure statistics were reported in Argentina for 1985. Drug-related arrests, including juveniles, rose from about 1,400 in 1984 to 3,158 in 1985. Cocaine seizures also rose from 150 kilos in 1984 to 351 kilos in 1985. In part, these increases reflect an improved and more comprehensive system for collecting statistics, but also reflect a stepped-up law enforcement effort and an upgrading of anti-narcotics units in the Federal Police, Customs and the Gendarmeria (Border Police). They further reflect a growing drug problem in Argentina.

A.3. Plans, Programs and Timetables

Although Argentina's significance as a drug trafficking country is growing, illicit drug cultivation has not been detected at significant levels. The refining of cocaine, although reported in the Northern Provinces, is of unknown magnitude. At present, there is no formal program agreement with the Government of Argentina in the narcotics field. Current INM assistance is limited to DEA and Customs training for the various Argentine drug enforcement agencies.

The Embassy conducts an active and ongoing policy dialogue with the Government of Argentina on all aspects of the narcotics problem. This dialogue became more active after the mid-year creation of the new National Narcotics Commission. Bilateral contacts were numerous -- not only with the Commission but also with the Foreign Ministry, the media, and private citizens' organizations which have mobilized themselves against drug abuse.

A.4. Adequacy of Legal and Law Enforcement Measures

Argentine drug law enforcement entails a multi-group process whose parallel and overlapping jurisdictions sometimes inhibits effective enforcement. It is expected that the creation of the new Inter-Ministerial Commission will result in improved coordination.

Argentina's drug enforcement investigatory responsibilities are shared by five federal law enforcement agencies and to a lesser degree by each provincial police authority.

Argentine Customs is a part of the Treasury which conducts narcotic investigations involving smuggling. The borders are also patrolled by the Border Police, a quasi-military group now under the control of the civilian-run Defense Ministry. It is statutorily charged with the protection of Argentina's borders up to 100 kilometers into the country. It shares concurrent jurisdiction with Customs. At present the Aeronautical Police (an arm of the Air Force) is charged with the security of airports.

The Argentine Federal Police is a highly professional organization and controls the greatest resources for conducting narcotic investigations of all the federal agencies. While these are in-depth investigations, they are subject to stringent budgetary constraints imposed by an economically strained federal government.

Each province (state) in Argentina has a Provincial Police unit which is tasked with all police obligations -- police

patrols, traffic, etc., in the provinces. The provincial governments reserve the right to conduct narcotic investigations. Due to substandard training and low salaries, these forces are, with the exception of Buenos Aires, not as professional and capable as their federal counterparts.

During March 1985 the United States Customs Service, in conjunction with DEA, conducted a training session for 25 members of the Argentine Customs Service. It consisted of teaching narcotics-related techniques which could be used by the Argentines in the enforcement of customs laws. In October DEA conducted a course at the Argentine Coast Guard Training Academy for 50 officers, which included films and lectures on narcotic smuggling techniques and South American trafficking patterns. In July 1985, two Argentine Federal Police officers attended a two-week DEA training session for instructors in Lima.

During 1985, two high ranking narcotics officers from Customs and the Argentine Federal Police went to Glynco, Georgia for DEA's Advanced International Drug Officers' Academy. The objective of this training was to prepare officers to instruct their own personnel in-country.

In May, Customs Administrator Juan Delconte and Border Police Commandante General Arturo Lopetegui attended the Latin American Regional Customs Conference on narcotics interdiction at Houston, Texas. The purpose of this conference was to exchange ideas on narcotics enforcement and discuss narcotics trafficking trends in the various countries of Central and South America.

Argentina has played an active part in multilateral drug control efforts, continuing to support programs sponsored by the UN and by the South American Accord whose Argentine Executive Secretary was reelected in November 1984. The Argentine Government took a constructive position on initiatives to draft a new narcotics convention. Argentina is also participating in preparatory meetings for the April OAS Inter-American Specialized Conference on Traffic in Narcotic Drugs to be held in Rio. It will host the next DEA International Drug Enforcement Conference (IDEC) in Buenos Aires. The President and senior officials maintain a periodic dialogue on hemispheric issues -- including narcotics -- with their Latin American counterparts, especially in the Andean countries.

A.5. Domestic Drug Abuse, Prevention, Treatment and Rehabilitation Programs

Although the Government of Argentina readily concedes that the drug abuse problem in Argentina cannot be defined with

numerical precision; several trends are clear. First, it is now widely accepted that because Argentina is a transit area for drugs, some of the drugs passing through are consumed within the country. Second, marijuana is by far the most popular illicit drug. Judging by rising arrest and seizure statistics, its use is increasingly significant. Third, Argentines are greatly worried about the abuse of legally available substances such as inhalants and diet pills. All of these aspects of the drug problem were aired widely in the Argentine media during 1985.

Argentina has an impressive array of private organizations at work on the drug abuse problem. Most, however, are located in the Buenos Aires region. Resources are scarce and more needs to be done at the provincial level. Several organizations have strong church ties and others are nonsectarian. In addition, the Rotary Club recently started a nationwide campaign promoting drug education and prevention through its Women's Auxiliary. The Lions Club is mounting a similar effort. Significant in this area in 1985 was the formation of a new organization, Convivir, a foundation created to raise funds and provide support for both public and private anti-drug efforts. President Alfonsin's sister, Silvia Alfonsin, is prominently involved in Convivir. The Catholic Church and other religious organizations are showing a greater awareness of the drug problem and could have a position of influence in alerting youth to the dangers of drug abuse.

C.1. Statistical Tables

	<u>1987</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>	<u>1983</u>
GROSS CULTIVATION:					
Opium	0	0	0	0	0
Coca Leaf (HA)	Considered Insignificant				
Cannabis (HA)	Considered Insignificant				
REFINING:					
Cocaine	1.0	1.0	0.9	0.9	0.9
SEIZURES:					
Opium (KG)	.20	.20	.20	.13	33.6
Heroin	N/A	N/A	N/A	N/A	N/A
Other Opiate (Dosage Units)	15	15	15	26	N/A
Coca Leaf (KG)	28,800	24,000	20,000	12,000	11,774
Cocaine (KG)	600	400	351	150	74
Other Coca	N/A	N/A	N/A	N/A	N/A
Marijuana(KG)	2,300	2,000	1,591	500	47
Other Cannabis	400	300	273	300	64
Other Drugs (Dosage Units)	150	150	150	211	146

ARRESTS:

Foreigners and Nationals	4,500	3,800	3,158	1,400	1,319
-----------------------------	-------	-------	-------	-------	-------

/1/ Statistical Sources Changed.

LABS DESTROYED

Cocaine	6	5	1	2	6
---------	---	---	---	---	---

DOMESTIC CNSMP:

NO DATA AVAILABLE.

USERS:

NO DATA AVAILABLE.

PART D

See Appendix.

E. Resource Estimate

During FY 1985, the Government of Argentina targeted Bolivian cocaine trafficking and to a lesser extent Paraguayan marijuana smuggling as its major concerns. The Argentine government also stepped up its narcotic enforcement programs, i.e., the Argentine Federal Police reorganized its narcotic division upgrading it to directorate status. Argentine Customs also reorganized its narcotic unit from a 4-man section to a 26-man department under the direct supervision of the Director of Customs. All law enforcement agencies have limited resources and doubt if the federal government alone can provide substantial assistance of the kind required. As a result, Customs, Federal Police and Gendarmeria indicate an interest in U.S. assistance. Apart from training, there is no direct U.S. funded assistance to Argentine enforcement agencies. The last such project agreement was in 1977.

BELIZE

A.1 Status of Illicit Narcotics Production and Trafficking

Marijuana is the only illicit drug cultivated in Belize. Approximately 90 percent of the marijuana crop is processed in country, and an estimated 85 percent of the crop is exported to the United States. Estimated hectareage under cultivation decreased slightly in 1985 from 1984; however, the total estimated tonnage of marijuana exported to the U.S. decreased by about 39 percent following the resumption of aerial spraying of herbicide in October 1985. Reliable data are not available, but cocaine transshipments and local use of cocaine probably increased during the year.

There are indications of a continuing shift to staggered cultivation of cannabis year-round from the prevailing two-crop-per-year pattern. As also noted in the 1984 INCSR report, growers are displaying increased sophistication in the use of modern farming techniques including irrigation, inter-cropping and fertilization. There has been some evidence of the use of herbicides for weed control by cannabis growers.

Traffickers prefer to use small aircraft to move the bulk of the product directly to the United States, although small boats are also used, and small quantities are driven across Mexico to Texas and California.

A.2 Accomplishments in 1985

In its first months in office following December, 1984 elections, the United Democratic Party (UDP) government declared its concern over the expansion of narcotics production and trafficking in Belize. Both Prime Minister Esquivel and Deputy Prime Minister Thompson publicly described narcotics as a serious threat to the country's political and social institutions. Two 1985 incidents focused additional public attention on the issue of drug trafficking. A former Cabinet Minister (of the previous government) was arrested and convicted in the United States on charges related to drug trafficking. In mid-November, a Belizean businessman was arrested in Guatemala and removed to the United States for trial under indictment related to narcotics offenses.

In addition to these widely reported incidents, the safety and possible economic impact of large-scale aerial eradication were the subject of considerable debate in the Belizian press.

In this debate over an eradication policy, particular attention was focused on resolution of legal challenges to the use of herbicides in the United States; however, the resumption of the use of herbicides to eradicate marijuana on U.S. federal lands in September removed this issue as a debating point.

During the first three quarters of 1985, the Belize government continued to attempt to restrict marijuana production and trafficking through interdiction and manual eradication. According to police statistics, law enforcement activities had resulted in 408 drug related arrests and the seizure of 11 vehicles and 4 aircraft by November 30. Manual eradication operations and processed marijuana seizures accounted for the destruction of less than one percent of the planted crop.

In October, the Belize government conducted a spraying program in the primary growing areas in northern Belize, utilizing the herbicide glyphosate. The 4 1/2 day operation destroyed significant quantities of marijuana, and brought the total hectareage eradicated for the year up to 512 hectares, or about 42 percent of the total crop. These results significantly surpass the 1984 total of 84 hectares eradicated, which was less than 7 percent of the 1984 crop, using manual eradication techniques exclusively.

A.3 Plans, Programs and Timetables

In October, 1985, the Belize government decided to undertake a complete study of the effects of aerial spraying of herbicides on marijuana. Spraying was conducted in several areas of northern Belize beginning October 28, and a Belizian agricultural expert observed the operation and examined test areas afterwards.

The government conducted further aerial eradication in February 1986, with INM assistance. The task of controlling marijuana production is likely to be more difficult in the future. The transition to staggered cultivation would require year-round field eradication efforts. Budget constraints limit the ability of the GOB to fund eradication operations, which have depended on INM funding. If a continued eradication effort using aerial spraying is to be made additional U.S. assistance will be required.

A.4 Adequacy of Legal and Law Enforcement Measures

The Belize National Police (BNP) are responsible for drug enforcement. The key individuals within the BNP are the Commissioner of Police and the Chief of the Criminal

Investigation Branch. Approximately 75 percent of the BNP's meager budget goes for salaries and little money is available for conducting operations. Trained personnel are also in short supply. The BNP has few of the resources of a modern law enforcement agency; it lacks adequate communications equipment and transportation. The BNP does pursue drug enforcement activity as effectively as resources permit, and it has very good working relationships with U.S. law enforcement agencies. During 1985, the Belize Defense Force (BDF) continued to assist the BNP in anti-narcotics operations, although the manual eradication operations conducted were less extensive than the year before. The GOB is unable to control illicit air traffic, lacking the capability to respond quickly to the appearance of unauthorized aircraft.

Legal deterrents to illicit drug activity in Belize are still relatively weak. Prison terms for drug convictions are not mandatory. Fines are low enough and confiscation laws are mild enough to remain acceptable risks for drug trafficking organizations.

There are no local anti-narcotics training programs and the government is at present unable to provide in-country training. Although the U.K. provides general police training for some members of the BNP, the only specialized narcotics training programs available to Belize are the INM funded courses offered by the U.S. Drug Enforcement Administration (DEA) and the U.S. Customs Service. In 1985, seven members of the BNP attended DEA training courses in the United States and Costa Rica. The Commissioner of Police and the Comptroller of Customs attended a regional conference on narcotics interdiction sponsored by U.S. Customs in May.

A.5 Domestic Drug Abuse

So much marijuana is grown in Belize relative to the size of the population that domestic consumption of the drug has little effect on the level of illicit activity in the country. As indicated in last year's report, however, public concern about drug abuse has increased and community action efforts and demand reduction programs continued and expanded in the first half of 1985. In September, USAID/Belize signed an agreement with PRIDE, Inc. of Atlanta to oversee a \$250,000 drug awareness program for Belize. A National Drug Awareness Action Committee has been formed and a PRIDE field office has been established. PRIDE is now providing information and other resources on drug abuse to community groups, is assisting in coordination of a nationwide program against drugs, and will work to develop for the first time a reliable data base on drug abuse in Belize. Also in September, the Embassy signed an

agreement with the Belize government to provide \$50,000 of INM-funded support for government efforts to reduce drug demand. For the first time, significant resources are being devoted to combatting drug abuse in Belize.

B.1 The Nature of the Illicit Drug Production

Production and trafficking in illicit drugs on a commercial scale is a development of recent origin in Belize. The appearance of marijuana as a major cash crop dates from early 1982 and is due in part to a weak market for traditional crops such as sugar, corn, and beans and the lack of alternative employment for the rural population which includes a large number of recent arrivals from El Salvador and Guatemala. Other factors which support production of and trafficking in illicit drugs are a beneficent climate, the availability of land in suitable growing areas, relative ease of movement in an under-populated and lightly policed countryside, and the proximity of the U.S. market.

B.2 Factors Affecting Production

The year-round climate in Belize is warm, with ample rainfall and sunshine. The country's 22,965 square kilometers are sparsely populated. Many prime growing areas are inaccessible by road and are thus relatively safe from interference from law enforcement officials. Similarly, makeshift landing strips or even stretches of road in remote areas can be used by small aircraft with little risk that police can arrive in time to apprehend them. Favorable factors of climate and geography, plus difficult economic conditions in the 1980's, have contributed to the rapid spread of marijuana cultivation. Popular opinion has been slow to recognize the political, economic, and social costs of illicit drug activity. However, as noted above, awareness of the threats drug use and trafficking pose to Belizean society increased during 1985.

B.3 Maximum Achievable Reduction

Total estimated marijuana cultivation in Belize in 1985 was slightly lower than in 1984. This may have been due to poor weather. There was less precipitation than normal during the early months of this year's rainy season. Airborne surveys of marijuana cultivation observed later planting than usual. Total estimated cultivation for the year was 1,223 hectares, which would have yielded 1,110 metric tons. Through aerial spraying of glyphosate and manual eradication, an estimated 512 hectares of marijuana were destroyed, the equivalent of 465 metric tons or 42 percent of cultivation. This is a

significant increase in eradication over 1984, when only about 7 percent of the crop (76 metric tons out of 1,153) was destroyed through manual eradication.

Following positive findings on the 1985 spraying program, the government has decided to resume full spraying, and may reduce total output by as much as 80-90 percent. Estimating a five percent rise in hectareage planted, and destruction of 85 percent of the crop, 1,092 hectares (equivalent to 92 metric tons) of marijuana would be eradicated in 1986.

B.4 Methodology Used

The methodology for computing area under cultivation and estimated yields is based on U.S. hectareage estimates. Estimated yield is 908 kilograms per hectare. The estimates of maximum achievable reduction is based on experience with previous eradication campaigns in Belize (both aerial and manual). Estimates of future reduction are dependent on external assistance for either aerial or manual eradication operations.

C.1 Statistical Tables

	<u>1985</u>	<u>1986</u>
		(A)
Hectares Cultivated	1,223	1,285
Hectares Eradicated	512	1,092
Hectares Harvested	711	193
Yield (Metric Tons)	645	175
Loss Factor (5% MT)	32	9
Converted to Hashish	0	0
Consumed in Country (MT)	6.5	4
Exported to U.S. (85%, Metric Tons)	548	149
Exported Elsewhere (MT)	59	15

(A) Assumes aerial eradication with 85 percent of cultivation destroyed.

Data Tables (Cannabis)

GROSS					
CULTIVATION:	1987	1986	1985	1984	1983
Cannabis		1,285	1,223	1,270	1,243
GROSS POTENTIAL					
PRODUCTION:	1987	1986	1985	1984	1983
Cannabis		1,167	1,110	1,153	1,129

HECTARES					
ERADICATED	1987	1986	1985	1984	1983
Cannabis	--	1,092	512	84	593
CROPS					
ERADICATED	1987	1986	1985	1984	1983
Cannabis (MT)	--	99	465	76	538
NET					
CULTIVATION	1987	1986	1985	1984	1983
Cannabis	--	193	711	1,186	650
NET					
PRODUCTION:	1987	1986	1985	1984	1983
Cannabis	--	175	645	1,077	590
SEIZURES:					
Marijuana	1987	1986	1985	1984	1983
(Metric Tons)	--	--	3,2	12	10
ARRESTS:					
Nationals	1987	1986	1985	1984	1983
	--	--	327	409	264
Foreigners	--	--	81	103	73
DOMESTIC CNSMP					
Marijuana	1987	1986	1985	1984	1983
	--	4	6	11	6

USERS Unavailable

D.1 US Assistance: Obligations and Expenditures

See Appendix.

PART E: US Assistance

INM obligated and expended \$140,000 for Belize in FY 1985. In order to support an aerial spraying operation capable of eradicating at least 80 percent of the marijuana crops, Belize would require an estimated U.S. \$250,000, in both 1986 and 1987 for purchase of herbicides, transportation of equipment to Belize, per diem for field operations personnel, and fuel.

BOLIVIA

A.1. Status of Illicit Drug Cultivation and Production

Bolivia is a major source of coca leaf, derivative coca paste and, increasingly, cocaine hydrochloride (HCL) destined for the United States and recently, European markets. High profits and relative ease of cultivation lure growers, workers, and traffickers to all stages of production.

Under Bolivian law, coca tillage is quasi-legal, although processing coca paste and cocaine base/HCL are prohibited. Four bilateral agreements signed in 1983 with the United States made provision for licensing up to two hectares of legal coca cultivation per landholder.

The growth of coca cultivation over the past decade may have recently slowed, in part because of current oversupply and low prices. Production for 1985 is estimated at 34,250 hectares which, after the eradication of 30 hectares in late 1985, would have produced 32,000 metric tons of leaf (dry measure). U.S. analysts suggest that Bolivian domestic consumption of leaf is an estimated 18,250 metric tons, leaving a net of 13,750 mt of leaf. The analysis holds that this tonnage of leaf could have converted to 218 mt of coca paste and then to 84 mt of cocaine.

Production, trade, and use of other psychotropic substances remain marginal in comparison to coca. Marijuana cultivation and commerce also were minimal for some time but now appear to be on the increase, along with increased experimentation with cocaine. Marijuana traffic generally is confined within Bolivia's borders, although there is evidence of a nascent export trade. A plantation seizure in the Santa Cruz Department in September uncovered a large-scale export operation. Five thousand pounds of processed marijuana were seized. The minimum yield of the four hectares under cultivation was estimated at 10 to 12 metric tons annually. Regulation of retail sales of over-the-counter drugs and enforcement are slack, less by intent than bureaucratic inertia and absence of precise legislation.

Narcotics activity in Bolivia concentrates in: the Chapare and nearby Valle Alto in Cochabamba Department; the Yungas in La Paz Department; the entire Beni and Santa Cruz Departments; and the principal cities of Cochabamba, Santa Cruz, Guayaramerin and, to a limited degree, La Paz. Recently,

new plantings of coca have been sighted in the southern departments of Chuquisaca and Tarija, areas hitherto free of coca. Overall, the potential growing areas for coca along the eastern Andean piedmont and eastern lowlands encompass about one-seventh of Bolivia's total area.

For the last two decades coca cultivation has centered along the eastern slopes of the Andes in the ancient growing area of the Yungas (rugged mountain valley terrain) and the newer Chapare area (semi-tropical flatlands), where large scale cultivation began around 1960. Terrain, growing conditions, plant varieties -- hence productivity -- differ significantly between the two.

The Yungas foothills, cultivated for centuries, range from 1,500 to 6,000 feet high. The five-month rainy season runs from December to April, followed by seven dry months. Average rainfall is 48 inches. In contrast, the flatter, lower, more tropical Chapare (600 to 1,000 feet high) enjoys over twice the average rainfall and it is more evenly distributed throughout the year.

A recent estimate indicates 26,000 hectares under coca cultivation in the Chapare, compared to 6,500 in the Yungas and 1,750 in other places.

The Yapicani (northwestern Santa Cruz Department) and the Apolo (northern La Paz Department) regions are other important coca cultivation areas. All Yapicani planting is "non-traditional" -- that is, for illegal supply only -- and the area is considered a "no-man's land". Travel and observation in the district are difficult and unsafe for outsiders. By a rough estimate, Yapicani cultivation may encompass 121 hectares.

Official Bolivian government estimates in 1984 of the 12,000-foot high Apolo region were 800 hectares cultivated; other sources currently estimate 633 hectares. Coca fields are planted next to coffee, which remains the major crop of the area. Apolo soil is marginal, and the plants may produce for only five to eight years, compared to 15 to 20 in the Chapare, up to 30 years in the Yungas, and possibly 10 years in Yapicani. New plants therefore are constantly germinated for replanting and new cultivation.

The per hectare dry leaf yield estimate for the Yungas is 1.0 metric tons per year. Though smaller in land area and per hectare yield than the Chapare, Yungas tillage is crucial to Bolivian drug traffickers. Chapare and Yapicani leaves produce only one-half the alkaloid found in Yungas coca. Yungas coca

leaves -- sweet, soft and with the highest alkaloid content -- also are preferred by traditional chewers. Leaves from the Chapare and Yapicani are brittle and sour, and rejected for "traditional" use except in teas.

Per hectare yields in the Apolo and Yapicani are not known though the former may be included in Yungas production. Alkaloid content of Apolo leaves also is believed to be high, since the plants originally came from the Yungas area and the planting conditions are similar.

With the expectation of high profits and with closer association with experienced traffickers, coca growers are adopting sophisticated and productive cultivation techniques. Modern fertilizers and equipment are still relatively scarce but could become more available if budding entrepreneurs enter this extensive and well-paying market.

Use of coca leaves for chewing, tea, medicines and associated commercial products is both traditional and legal in Bolivia. No reliable figures exist for the number of traditional users, although the 1985 INCSR report estimated 450,000 persons who consumed about 16,000 metric tons of coca leaf per year. The Bolivian government now estimates an annual domestic consumption of 20,000 metric tons, including traditional chewing and coca tea. Another estimated 3,000 metric tons is exported legitimately for pharmaceutical and related use abroad. Growers licensed to supply this licit market farm approximately 15,000 hectares. According to yield estimates cited previously, such hectareage would produce on the order of 21,000 metric tons.

In order to increase profits, and perhaps because of intensive anti-narcotics programs in key transit countries -- especially Colombia -- traffickers have expanded facilities in Bolivia for the refining of coca into paste, base, and HCL. Nevertheless, the amount of increase is unknown and most refining probably still takes place outside the country. Of the precursor chemicals necessary for refining, only kerosene, sulfuric acid, alcohol, and liquid ammonia are manufactured in Bolivia. The remainder must be imported. The Chapare region in particular is a major center for processing leaves into paste in many small and a few large laboratories. The stationing of UMOPAR troops in the Chapare in November 1985 to support the government's voluntary eradication program in the region constrained coca trade, including aircraft pick-ups. Paste from the Yungas is transported overland to the Beni and to the Valle Alto area north of Cochabamba for refining. Most cocaine base and HCL exports originate in the Beni and Santa Cruz Departments.

Prices of coca leaves and paste fluctuate considerably from week to week, depending on location. Recent dramatic shifts in the price of coca leaves are attributable to: (1) the establishment of a government presence in the Chapare which took place just prior to the winter harvest season; (2) the inherent risks in dealing coca; (3) a decrease in demand. A drop in demand, and therefore price, reportedly is common between the December and April rainy season when transportation is hindered by flooded roads and airstrips. The Government's new program to survey coca fields and begin voluntary eradication also constrained activity in the Chapare by impeding large scale processing activities and transport of leaves, paste and associated products.

Bolivia's drug traffickers are essentially that -- traders in coca and its derivatives. Their interest in politics focuses primarily on how to keep the system off their backs or -- better -- compliant, through bribes and other influence peddling. Although there are international links, drug trade in Bolivia is a relatively home-grown industry. Violence is rare, isolated, and, usually, a result of internal squabbles. Virtually no evidence has been uncovered so far of Bolivian drug ties with guerrillas or political terrorism. There is no internally-directed terrorist activity in Bolivia at this time, although such links are the subject of frequent speculation. Resistance to drug enforcement programs comes from other quarters, such as the campesinos, reluctant to relinquish the source of new found wealth, and organized labor, the Bolivian Workers' Central, angling to take opportunist advantage of a potentially explosive issue.

A.2. Accomplishments

The four U.S./Bolivia bilateral agreements signed in August 1983, and Executive Decree of May 1985 provide the groundwork for the Government of Bolivia's fight against cocaine trafficking. For a variety of reasons, implementation has been slow, but the government of President Victor Paz Estenssoro has already demonstrated both purpose and will to act. Implementation of laws and enforcement agreements is satisfactory, as suggested by increased successes against traffickers. The Interior Ministry has recently vowed to step up anti-narcotic efforts.

In December 1985 the Paz government restricted the possession and sale of kerosene, the principal precursor in coca paste elaboration, in coca cultivating areas. The Chapare voluntary eradication program begun in November further demonstrates government resolve to control coca cultivation in the face of tough domestic opposition. Despite continuing

opposition from various Bolivian Worker's Central-affiliated campesino federations, the number of signatories to these voluntary eradication agreements grew from some 500 initially to more than 5,000 in mid-December. Forced eradication is contemplated for those who avoid voluntary compliance.

In 1983, the government created the elite Office of Special Investigations, with the sole task of probing and apprehending major narcotics violators. The new government thoroughly reorganized the group with new personnel in late 1985. The reorganization is expected to provide a more effective local counterpart agency to the U.S. Drug Enforcement Administration (DEA). This development is particularly significant since it is commonly recognized that the Bolivian Narcotics Police (DNCSP) has been riddled with corruption and inefficiency.

The newly active UMOPAR -- a 200-strong police strike force, also known as the Mobile Rural Patrol Unit -- has opened a second front against the drug traffickers. UMOPAR operations were stifled during the August 1984 Bolivian military entry into the Chapare, which excluded civilian police. The military presence initially disrupted trafficking patterns, but activities soon returned to near-normal as corruption again became a major factor. Under the Paz government, UMOPAR returned to the Chapare in November 1985 in support of voluntary eradication. UMOPAR almost immediately uncovered and dismantled the largest paste lab operation found to date in Bolivia. UMOPAR also is active in the important Valle Alto region and the Beni, where it has located and destroyed a number of labs. UMOPAR operations, particularly when the unit has been able to beg/borrow transport, have been enhanced by improved organization, command, and troop training. In the long term, however, this effort will succeed only if sustained by UMOPAR and -- more importantly -- the will of the government.

The bilateral agreements also created a government entity known as DIRECO (Coca Reduction Directorate) responsible for all voluntary and mandatory eradication of coca plantings. Up until the recent government initiatives, however, DIRECO appears to have been virtually non-functional. No coca reductions took place in 1984 and some DIRECO programs for the current voluntary reduction effort have just begun. Nonetheless, administrative mechanisms, personnel, and operational plans are being fully utilized in coca field surveys under the government's voluntary reduction operation in the Chapare.

The fourth program supported by the bilateral narcotics control agreements seeks to increase the manpower and extend

the functions of the National Directorate for Fiscalization and Control of Coca (DNCFC). DNCFC's responsibility is to control distribution of coca to legitimate users and prevent its diversion to illicit channels. Its functions were recently merged into the DNCSP (National Directorate for Control of Dangerous Substances), under the direct supervision of the Director of National Police and the Interior Minister.

A.3. Plans, Programs and Timetables

Bolivia's narcotics effort is given focus by the bilateral agreements signed with the U.S. Government in August 1983. The plans, programs and timetables being developed by the Paz Estenssoro government attempt to keep faith with these accords. While its efforts are constrained by scarce resources and competing demands, the government has demonstrated a willingness to escalate current activities and implement its overall narcotics control program.

In these agreements, the Bolivian government committed itself to a five-year program to reduce coca production to the level of perceived legitimate demand. The initial target envisioned reduction of coca cultivation in the Chapare region by up to 4,000 hectares during the first two years through a program of voluntary eradication, with mandatory eradication thereafter as necessary. The programs to reduce coca acreage were to be directed initially at absentee landlords and at farmers who cultivate more than two hectares of coca.

Once reduction of Chapare coca fields was fully underway, an increase in the hectarage targeted for eradication of coca fields in the region was to be negotiated as the bilateral agreement was renewed annually. Eradication operations were also to be expanded to the Yungas region and other areas of illicit coca cultivation. Field operations to reduce plantings in the Chapare were to follow the reimposition in 1984 of public order in the region, without which the government of Bolivia could not act. These operations were to be part of a strategy encompassing tighter control over transport and legal marketing of coca leaves from the Chapare.

Section 126 of the Foreign Assistance Act of 1961, as amended, instructs AID to give priority consideration to development programs which would help reduce illicit narcotics cultivation by stimulating broader development opportunities. In Bolivia AID is assisting the government with a program of regional economic development in the Chapare designed to help provide alternate sources of income for farmers and the infrastructure required for alternative agriculture.

Cooperating coca producers who voluntarily eradicated their plots were to be paid a set fee consonant with the cost of required labor and also given priority access to USAID-sponsored assistance. In the event that voluntary eradication is not performed by specific deadlines set by DIRECO, the Coca Reduction Directorate, the coca fields of non-cooperating farmers will be subject to mandatory reduction by hired laborers.

Virtually nothing was done by the Siles Zuazo government to carry out the agreements. However, and to its credit, in May 1985 the Siles administration issued a comprehensive narcotics law that laid the legal basis for implementing the bilateral agreements. The August 1985 inauguration of President Paz Estenssoro has provided substance and impetus to implement the principles of the May decree. After its personnel had been changed in November 1985, DIRECO began serious field operations for the proposed voluntary reduction program. The plan formulated over a year ago by the DNCFC to establish two dozen fixed check points, several mobile patrols, extensive documentation of licensed coca vendors, strict control of licensed coca along designated routes and secure packaging of coca to prevent diversion, however, remains to be implemented.

In all of this, the Paz government remains sensitive -- and to a degree susceptible -- to considerable domestic economic and political pressure. The dependence of domestic political parties on the campesino vote restricts the flexibility of action that any democratic government might exercise to control coca. At the same time there is a growing realization that allowing the drug traffickers to continue, and to expand, their operations poses an even greater threat to constitutional rule.

A.4. Adequacy of Legal Measures and Law Enforcement Measures.

Corruption, lack of resources within the criminal justice system and failure to enforce existing laws also have hindered government efforts to suppress coca cultivation, and marketing and refining of cocaine. The basic Bolivian drug law was promulgated in 1973. This ordinance called for a broad approach to narcotics control, and established the heretofore ineffective Narcotics Police (DNCSP). While the 1973 law also mandated the registration of coca plantations by DNCSP, this provision was not carried out until a 1976 law modified the original statute. The 1976 law made any unregistered plantations of coca subject to destruction. Another statute in July 1979 made new plantations of coca illegal.

In 1981, a more comprehensive law detailing basic criminal sanctions was promulgated, but was largely repealed by a March 1983 Presidential decree. The decree allowed only two sections of the 1981 law (those defining narcotics-related crimes, and providing for police and judicial procedures) to remain in force. These two sections provide for criminal sanctions only for those who: sell coca leaves to traffickers; transport any "dangerous" substance or coca leaves in excess to personal needs (except under license); administer, provide, buy, sell, manufacture or possess "dangerous" substances illegally; or provide a place wherein the above-mentioned illegal activities are carried out. The law also penalizes accomplices, and places a duty on the owners and managers of public places to inform on persons engaged in the above-mentioned illegal activities. It provides, in addition, for confiscation of land used for the production of "plants which constitute immediate precursors of dangerous substances," and of buildings and personal property that have "served for the commission" of the crimes defined in the legislation.

The May 1985 decree defined a balanced strategy to: (1) reduce coca cultivation; (2) create and support the special anti-narcotics police envisioned in two of the agreements with the U.S.; and (3) establish a legal distinction between coca leaf destined for traditional consumption as opposed to illegal trafficking. A Presidential certification based on enactment of this law was filed in December pursuant to Section 611 (1)(A) of the International Security and Development Cooperation Act of 1985 and to Section 637 (A) of the Foreign Assistance and Related Appropriations Act of 1986. When fully implemented, the decree will also mandate strengthened enforcement with the establishment of minimum prison sentences and fines for specific narcotics violations. The Bolivian law's most serious weakness is its failure to prohibit marketing of the essential chemical precursors for cocaine and to regulate the cultivation or marketing of coca. The Paz government on its own authority has placed controls on the possession and use of kerosene in the Chapare.

As noted previously, the primary responsibility for narcotics enforcement in Bolivia lies with the National Directorate for Control of Dangerous Substances (DNCSP). The National Committee to Fight Drug Trafficking (CLNCN), which previously had oversight responsibilities for narcotics control, was dissolved by the May 1985 decree, and its responsibilities passed to the Minister of Interior and the commanding general of the Bolivian National Police.

The most significant change within the Bolivian narcotics enforcement sector in recent years has been the creation of the

UMOPAR strike force and the 30-man Office of Special Investigations. Corruption remains a problem within the DNCSP, but the new Commander of the National Police has instituted a wholesale substitution of narcotics officers in Cochabamba and Santa Cruz in an effort to address this problem.

The 1983 project agreements established the Special Investigations group and the paramilitary police unit (UMOPAR) to work with DEA. During 1984, both groups were trained, equipped and deployed in the field. The Special Investigation group established offices in La Paz, Cochabamba and Santa Cruz. UMOPAR, before deployment to the Chapare in November 1985, operated from its base in Cochabamba. The unit provided support to DEA operations against processing laboratories in the Beni, especially in the fall of 1985, and against paste labs in the Valle Alto. UMOPAR's effectiveness is increasing with experience and the clear expression of support at high political levels.

The INM-funded contract advisor has worked with the UMOPAR troops throughout the year in training, communications and tactics. In February 1985, thirty Bolivian police officers were given a two week basic narcotics investigation course by DEA. During 1985, four senior police officers were sent to DEA's Advanced International Drug Enforcement Officer's Academy at Glynco, Georgia. In addition, forty prosecutors were given a three-day seminar by DEA and DOJ officials in La Paz, in November 1985.

The U.S. is the only foreign country that presently has narcotics enforcement and control officers in Bolivia. The Federal Republic of Germany, however, plans to assign a narcotics liaison officer to La Paz in April 1986. Several Royal Canadian Mounted Police (RCMP) officials resident in Lima cover drug matters in Bolivia. There are no Bolivian police officers assigned to other countries for drug control or liaison purposes.

Bolivia is a signatory to the 1961 Single Convention and its 1972 amendments, the 1971 Convention on Psychotropic Substances, and the South American Accord on Narcotics and Psychotropic Substances. The Government of Bolivia signed the New York Declaration Against Drug Trafficking and the Illicit Use of Drugs, introduced at the UN in New York in October 1984.

A.5. Drug Abuse, Rehabilitation and Treatment

A few years ago, use of substances other than raw coca leaf was rare in Bolivia. Today the abuse of cocaine HCL and its antecedents (such as coca paste) is rapidly accelerating.

Availability and the search for new markets by traffickers make Bolivia itself, and particularly its youth, prime targets. Media reports of youths smoking "pitillos" (cigarettes laced with coca paste) and abusing other toxic drugs are common. Some Bolivian officials, noting that campesinos reportedly receive part of their pay in paste, estimate that as many as 60,000 Bolivians now smoke "pitillos", with the highest abuse among younger teenagers. Still, the level of local abuse is low compared to the quantities of cocaine or its antecedents exported, and, unlike traditional chewing and smoking pitillo, domestic cocaine use is thought to have little influence on production, refining, and trafficking. Use of other psychotropic substances is limited, although a small but growing market exists for locally grown marijuana. Over-the-counter drugs, mostly imported, are dispensed freely and consequently abused. Although there is increasing public recognition of the problem, Bolivia is ill-prepared to counter the debilitating long-term effects of social and economic dependency on drugs.

Because domestic abuse of cocaine and similar drugs is relatively recent, treatment and rehabilitation programs are scarce and, in some instances, unskilled. Several small private and government treatment facilities do exist.

Government statistics reveal that during 1983 a total of 755 individuals were treated for drug abuse on an in-patient or out-patient basis. From January 1, 1984, to September 30, 1984, a total of 389 patients were reportedly treated for drug use. Patients utilizing private facilities generally represent users from middle- and upper-class families. Coca paste abuse among the lower classes also is spreading at epidemic speed. The dramatic increase of domestic abuse can be measured by the following official figures. Bolivian authorities remanded 47 persons to the National Institute for Investigation of Drug Dependency (INIF) from January through October 31, 1985. In the same period, INIF tended 7,019 patients from all sources (that is, churches, private referral, etc.)

The Educational Campaign on Narcotics (CESE), a part of the CNLCN, leads Bolivia's anti-narcotics information effort. The agency publishes pamphlets and general news stories and sponsors media campaigns against narcotics production and abuse. CESE also occasionally provides professional panelists and teachers for courses and symposia for schools, the media, and civic groups. CESE has been operational only since early 1984. The Agency's message has made a positive contribution to public awareness. Misunderstanding, apathy, and fear to speak out still prevail, however, and intensive educational effort will be needed to make Bolivians respond openly to drug trafficking and consumption.

B.1. Nature of Illicit Drug Problem

Coca and a limited amount of marijuana are grown in Bolivia. Bolivian marijuana is not currently a problem for the U.S., however, since none is known to be exported to the U.S. Use of coca leaves, chewed by inhabitants and incorporated into tea and medicines is legal in Bolivia. Processing of leaves into cocaine HCL and its unrefined antecedents, however, is neither traditional nor legal. According to the May 1985 narcotics decree, coca leaf production outside of "traditional" areas is illegal, but the determinations of how much coca may be grown by each producer within the traditional areas remain to be effectively enforced.

The country's entire economic structure -- labor, marketing, supply/demand -- is being distorted by growing reliance on coca. Although vast sums are involved, the exact impact of coca on the Bolivian economy is impossible to calculate. The influence of the drug trade on Bolivian society, however, goes far beyond its major role as the "principal cash crop" for many peasants. The poor continue to migrate to key coca producing regions seeking ready work and cash. This trend could increase dramatically as Bolivian tin mines close down in the face of the dramatic fall in world tin prices and as landless and unemployed miners seek employment alternatives. Thus far 4,000 to 5,000 miners have migrated. In areas such as Cochabamba's agro-industries, diversion of resources, transportation, and skilled labor have severely disrupted normal legitimate trade patterns.

B.2. Factors Affecting Production

The main factors affecting coca production have been high-priced external demand, public opinion, government inaction, pressure from coca producers and large, easy profits. By rough calculation, Bolivian users chew and otherwise use as much as 20,000 mt of leaf per year. Political, social and media attitudes towards cultivation, tea drinking and chewing are benign.

Public attitudes toward processing into paste, cocaine base and HCL are generally negative. A declining number of influential individuals and groups, however, clings to the notion that cocaine is a problem only for the U.S. and other developed nations. Narcotics traffickers attempt to perpetuate this canard. The Paz government has repeatedly stated that narcotics reduction is a key policy objective and has moved with growing deliberation to address the narcotics issue.

Economic motivations play a large part in maintaining the momentum of the thriving coca trade. Other crops are grown alongside coca, but profits from coca and coca paste continue to far exceed that from fruit and grain crops. Despite the drop in coca prices and the adverse condition of the Bolivian economy, even small-scale growers thus have managed to maintain an adequate standard of living.

The impact of coca on the Bolivian economy is poorly understood. Bolivian drug traffickers are among the richest people in Bolivia. But, while the narcotics trade has created jobs and jolted the lower reaches of Bolivian society with relatively easy cash, most of the tremendous profits falling into the hands of the high- and medium-volume traffickers may escape the domestic economy. At the moment, Bolivia's shaky economic condition deters substantial domestic investment of these large sums of drug money.

Should the investment climate in Bolivia improve, drug traffickers might be more inclined to put their profits to work at home, procuring property, legitimacy and influence at the same time. Once so established, narcotics peddlers could acquire a measure of social acceptance and power far beyond any they wield today.

B.3. Maximum Reduction Achievable

The Paz Estenssoro government is slowly gaining experience and confidence in coca eradication operations. Voluntary eradication efforts in the Chapare only began in November 1985. Nonetheless, the government appears committed to making cautious progress in the face of logistical inefficiencies, resource constraints and campesino resistance. There are plans to expand the effort to the Yungas and other cultivation areas once the voluntary reduction program in the Chapare is established. A mandatory reduction program also is contemplated once maximum voluntary compliance is obtained in the Chapare. Without accurate surveys, and strategies for eradication, estimates of potential coca reduction are not possible.

B.4. Methodology to Determine Maximum Achievable Reduction

U.S. agencies have experienced considerable difficulty in assessing the expansion of coca cultivation and estimating net production for export in Bolivia. The Subcommittee on Production of the National Narcotics Intelligence Consumers Committee estimated in its report on 1984 that gross cultivation was in the range of 30,000 to 45,000 hectares. The NNICC further estimated that the gross leaf yield was in the

range of 42,000 to 63,000 hectares, using a yield of 1.4 metric tons of leaf per hectare. It is noted that this last, critical factor has been highly variable; yields of 1.8, 1.0 and now 1.4 mt/ha have been used over the last three years, reflecting the variability of information obtained from Bolivia.

Finally, the NNICC estimated that theoretical maximum production [assuming all leaf were converted, which has never been the case in any Andean country] could be as much as 84-126 metric tons of cocaine hydrochloride [using a 500:1 reduction ratio leaf to HCL].

In 1985, a combination of estimation sources yield an estimate that coca cultivation is 34,250 hectares, with 75 percent of this planting occurring in the Chapare region, which has been the focal point of U.S. assisted narcotics enforcement and related development activity.

Analysts have calculated both monoculture and mixed cultivation, and estimate that production in 1985 totalled 79,911 metric tons of leaf [wet measure]. Rounding to 80,000 mt, this production would convert to 32,000 metric tons of dry leaf, the common measure. Minus 18,250 metric tons for domestic consumption [calculated at 50 grams per day for one million users], the estimate is that 13,750 metric tons of leaf were produced for conversion and external consumption.

The further estimate is that these 13,750 mt of dry leaf yielded 218 mt of coca paste [63:1 conversion] which would yield 84 mt of coca base and/or cocaine [2.6:1]. This formula uses a factor of 50 percent efficiency for the conversion process, well below some independent estimates which hold that inefficiency or losses may be 80 percent.

While this is considered a more rigorous formulation, the net result of 84 mt of cocaine as the maximum production possibility is consistent with the lower end of the NNICC estimate range for 1984: 84-126 mt cocaine. While similar surveys to those used in 1985 were not available in earlier years, the tables below apply the methodology to previous years. It is noted that doing so suggests an increase in net production from 1984 to 1985, which is possible.

There is no U.S. or Bolivian estimate for 1986, largely because it is too soon to project the possible impact of coca eradication efforts expected from Bolivia. Thus, the 1985 figures are simply repeated.

C. STATISTICS ON COCA PRODUCTION AND REFINING

[Figures are for 1984 and 1985, respectively, with 1986 generally shown as unknown, pending Bolivian action on eradication.]

	1984	1985	1986
Gross Cultivation ha	30,254	34,250	32,243
eradication ha	0	30	Unknown
net cultivation ha	30,254	34,220	Unknown
leaf production mt [wet]	71,218	79,911	Unknown
leaf production mt [dry]	28,487	32,000	Unknown
domestic consumption leaf mt	18,250	18,250	18,250
net production dry leaf mt	10,237	13,750	Unknown
conversion to coca paste	162	218	Unknown
conversion potential: base mt	62	84	Unknown
conversion potential: cocaine mt	62	84	Unknown

D. Status of US Assistance

See Appendix.

The \$16.9 million Chapare Regional Development project funded by AID is helping the Government of Bolivia to provide viable income-generating alternatives to coca in that region over a five-year period. The project provides for agro-industrial marketing of Chapare products, forestry, agricultural extension and credit services, rural electrification, as well as support to a local private radio-based anti-narcotics education program. This project, as well as components of two other AID loans (Rural Sanitation and Rural Roads) devoted to development of basic infrastructure of the Chapare; contain conditions which prohibit project benefits from being provided directly to farmers producing illicit coca.

In addition, in FY 1985, AID made a \$250,000 grant to the GOB and a local private organization to provide technical assistance to a national drug prevention campaign, training in communications techniques and help with formalization of a national policy on drug abuse and prevention.

U.S. military assistance could substantially boost Bolivia's anti-narcotics program. Aircraft and pilot support in 1984 and 1985 for transport for Bolivian narcotics police were performed by the Bolivian military and financed by the U.S. The military at times called into service most of its helicopter and non-combat fixed-wing aircraft.

This peripheral involvement notwithstanding, the military has remained on the sidelines in the struggle against narcotics traffickers. Given the intensity of the Paz Government's

commitment to combating the narcotics trade and its corresponding lack of resources, the use of armed forces manpower and equipment could well supply the crucial difference if a larger military assistance program were available.

The INM contribution during FY 1985 reached \$1.537 million. In FY 1986, the request is for \$3.65 million. The INM program seeks to fund Bolivian government entities involved in narcotics enforcement, supplying training and equipment. These funds will continue to have a positive influence on the government's willingness to cooperate in the narcotics control effort as well as in other areas of USG interest.

The relative magnitude and responsiveness of the overall U.S. assistance program and policy since October 1982, when a constitutional government returned to power, has helped the U.S. Government to achieve and maintain a narcotics policy initiative in Bolivia, and has worked to ensure dialogue with the highest levels of the current administration. The overt commitment of the Paz Government responds to and complements the U.S. approach. This mutual interest not only serves U.S. narcotics policy objectives but also supports the maintenance of a constitutional democracy, economic reform, and the strengthening of the private sector as a force for economic renewal.

E. Resource Estimates.

Bolivia's continuing economic difficulties and resulting social and political stress present obstacles that make any estimate of resources for truly effective implementation extremely speculative. The FY 1986 request of \$2 million for the coca production and control project may suffice to assist in reaching voluntary reduction of hectareage in the Chapare. However, even if only approximately 2,000 hectares is to be eradicated in a combination of voluntary and involuntary reduction, this sum may be short of the financial support required for the task. Eradication and control of coca in Bolivia is inextricably linked to the government's ability to demolish effectively coca processing and trafficking. Effective interdiction operations that shut-off the illegal domestic and international transportation of leaves, precursor chemicals, paste, base and HCL would make the coca cultivators more tractable and responsive to eradication and control. The best approach is an escalating but measured resource commitment which responds to the Paz government's demonstrated willingness to curtail effectively narcotics trafficking.

BRAZIL

A.1. Status of Illicit Narcotics Production and Trafficking

Narcotics production and trafficking in Brazil have not reached the level of the major South American producers. Nevertheless, increased illegal narcotics is a serious, potential threat, given the stepped-up enforcement efforts in Colombia, Peru, and Bolivia. The vast, underpopulated, and largely unpoliced jungle wilderness would appear to offer an increasingly attractive alternative for narcotics traffickers.

Marijuana is growing in many parts of Brazil with the greatest concentration in the northeast. Marijuana is harvested three times per year. Although most marijuana is produced for domestic consumption, there are reasonable grounds to believe that some marijuana may be destined for the United States and Western Europe via Suriname and the Caribbean. There are no reliable estimates on the number of hectares under cultivation. There is no information indicating that traffickers or producers have institutional ties outside the country. In Brazil terrorism and political insurgency are not factors exerting influence on the narcotics trade.

Coca cultivation as a cash crop appears to be a fairly recent development. The primary production area is in the northwestern part of the country, in the Amazon. Coca is harvested twice per year, in the May-August time frame, and just prior to the rainy season, December-January.

Most coca appears to be sold to Colombian, Peruvian, and Bolivian traffickers who further process it, supplying the finished product to the United States. Limited scale processing of coca to paste and base in small laboratories is known to occur in Brazil. Further processing of base to cocaine HCL probably occurs in Brazil, but few HCL labs have been discovered there. Coca base sells for approximately \$5-6,000 per kilo in Brazil, while HCL costs from \$12-15,000 per kilo. Because of increased voluntary control by Brazilian manufacturers over essential precursor chemicals, the price of base and HCL is moving upward. There are no reliable estimates for coca production. Moreover, given the fact that Brazilian coca grows quite well among jungle trees under cover of the jungle canopy, reliable figures may be unobtainable. Domestic consumption of cocaine is not yet great, but its use is increasingly found among the lower socio-economic population of the larger cities

as well as among the affluent. Processed cocaine also transits Brazil by common carrier, auto, private and commercial aircraft, or boat to major shipping points where it is distributed locally or delivered to the United States and Western Europe.

Precursor chemicals (ether and acetone) are produced legally in Brazil. Major manufacturers and distributors are now reporting voluntarily to federal police individual sales over one liter. Brazil is also a transit route for externally produced (principally European) acetone and ether, bound primarily for other South American countries. Transit routes are along the Amazon River, and from Sao Paulo/Rio westward toward Bolivia and Paraguay. Seizures of these essential chemicals are up substantially.

There are positive indicators of increased official recognition of both international and domestic aspects of the narcotics problem, and public awareness on narcotics issues is growing. Community-level efforts, private and governmental, are making impressive beginnings at establishing viable education and prevention programs. In many states, Governors' wives are taking the lead in sponsoring these anti-narcotics activities.

A.2. Accomplishments in 1985

The Brazilian Federal Police (DPF) conducted several major eradication operations in 1985. Operation Eccentric, begun in late 1984, was successfully concluded in early 1985. Large quantities of precursor chemicals were seized, including documentary evidence of sales of thousands of 55 gallon drums of these chemicals. Over 100 individuals were taken into custody, and airplanes, boats, cars, trucks, weapons, and property were confiscated, as well as real and counterfeit U.S. currency. Six coca leaf-to-paste labs were found in this operation and destroyed (two other labs were also destroyed in 1985). This operation is believed to have struck a damaging blow to the so-called Colombian mafia operating in Brazil.

The Operation Satellite marijuana eradication project, scaled back because of heavy rains and flooding, took place in seven northeastern states. Although final statistics have yet to be reported, a significant amount of marijuana reportedly was seized, several plantations destroyed, and a number of arrests made. Flooding also apparently destroyed a large number of plants.

Elements of the Brazilian Air Force and Navy gave strong logistical support to Operation Frederico III, a river-borne coca eradication effort in the Amazon. Although Frederico III was foreshortened because of military operational requirements,

it nevertheless succeeded in eradication of nearly one million stalks of coca, destruction of two coca leaf-to-paste labs, and about 15 arrests.

Special police operations resulted in several significant seizures. The DPF unit in Sao Paulo seized 130 kilograms of pure cocaine in the interior city of Barretos, arresting five persons including a Bolivian identified as one of South America's most wanted traffickers. The value of the cocaine was estimated at \$3.5 million. Within the week, the same unit seized 34 kilograms of cocaine at Garulhos airport, Sao Paulo, arresting nine individuals. A later seizure of 150 kilograms of cocaine was also effected in Fernandopolis, Sao Paulo state, by the DPF. Two Colombians and a Brazilian pilot were arrested at the airstrip and a former Brazilian Deputy (congressman) was later arrested at his home in Brasilia.

Beyond these enforcement actions, the DPF program to monitor sales of precursor chemicals began to gather momentum with the creation and staffing of a dedicated office and the installation of computerized equipment. Seizure of both acetone and ether are up substantially.

A.3. Plans, Programs, and Timetables

Brazil, through its newly reorganized Federal Drug Council (CONFEN), has begun to chart new directions for the nation's anti-narcotics efforts. CONFEN is taking a more active role in policy making, coordination and implementation, and is developing an ambitious and comprehensive program addressing prevention, education, rehabilitation and enforcement.

While DPF personnel have accomplished much in the fight against narcotics trafficking in the past year, they continue to find long-range planning difficult. There are proposals for increased budget and staffing, but because of budget austerity imposed by Brazil's huge debt, the outlook for significantly increased domestically generated resources is cloudy.

Nevertheless, the government is planning for continuation of coca eradication efforts (Frederico IV) and other enforcement programs. Brazil has also agreed to host in April 1986 an Organization of American States Inter-American Specialized Conference on Traffic in Narcotic Drugs.

A.4. Adequacy of Legal and Law Enforcement Measures

Brazilian laws are explicit in outlawing the production, refining, use and trafficking of illicit narcotics, and allowing for confiscation and destruction of illegal drugs as well as

lengthy imprisonment for narcotics offenses. Moreover, goods gained through narcotics trafficking are subject to forfeiture. Proposed new legislation, which would require proceeds from all forfeited property to be turned over to CONFEN for its use in the anti-narcotics effort, has been introduced into the legislature.

A major problem in Brazilian law is the inability of police to use effectively conspiracy statutes to catch traffickers. Under Brazil's code, many undercover operations could be considered "entrapment" and would result in criminal sanctions against the police. The use of wire intercepts and judicial plea bargaining are prohibited, further limiting the Federal Police's investigative activities. The Ministry of Justice is studying the advisability of introducing new legislation to increase the flexibility of the police and prosecutors.

The Narcotics Division of the Federal Police has demonstrated professionalism in narcotics enforcement, and has been involved in all elements of narcotics control, including eradication operations, chemical control, and organized crime investigations. However, major field operations must be staffed by loans of personnel from regional police superintendencies (field offices). Below the Federal Police level, narcotics enforcement training for police is rudimentary.

Other principal agencies involved in the control of licit and illicit narcotics are the Customs Service, which maintains border entry controls and the Foreign Ministry, which approves international narcotics agreements. Coordination among these agencies is achieved through the Federal Drug Council, where these and other government and private sector agencies are represented.

Corruption has not emerged as a factor influencing the government's narcotics control performance.

Besides the United States, the only other country maintaining a narcotics control official in Brazil is the Federal Republic of Germany, which this year assigned a narcotics enforcement officer to work directly with the DPF.

The DPF operates a modern academy for the training of its police officers. U.S. Government departments or agencies such as State, DEA, Customs, and Justice have sponsored, funded, and/or participated in in-country training programs, or have sponsored U.S. training courses for selected Brazilian enforcement officials. Executive Observation Programs (EOP) have also been arranged for senior-level members of the Government, including the Secretary General of the Justice

Ministry; the Director General of the DPF; and the Director of the DPF's Drug Enforcement Division. The President of the Federal Drug Council and a Brazilian Federal Deputy are scheduled to participate in EOP's in 1986.

A.5. Domestic Drug Abuse Problems

After alcohol, the most serious drug abuse problems are marijuana, "controlled drugs," and cocaine. Statistical evidence is not available, but the use of marijuana and cocaine are believed to be growing, and drug abuse is becoming a middle class problem. The use of cocaine has also been reported among the lower socio-economic populace in the larger metropolitan areas. Internal consumption is believed to be playing an increasing role in production and trafficking of cocaine and marijuana in Brazil. In addition, the size of the potential Brazilian market for cocaine appears to be inducing greater exploitation by traffickers in search of customers to buy their excess production.

Preventive education, treatment, and rehabilitation are being addressed by the Federal Drug Council. There is also pending legislation to require radio and television stations to promote an education campaign against narcotics use. A growing grass-roots movement is gathering momentum among concerned citizens who are organizing locally, using the PRIDE model. There are few private clinics which treat drug addicts, and state public health facilities currently lack funding for rehabilitation of addicts.

B.1. Nature of Illicit Drug Production

Coca and marijuana have been grown and used by native Indians for hundreds of years, but it is only in more recent years that these products have been cultivated as cash crops. While expanding, coca cultivation does not approach the level of the three major South American producing countries. Nevertheless, it is reasonable to predict continued growth given: the vast expanse of the Amazon and its proximity to Bolivia, Colombia, and Peru; Brazil's excellent transportation infrastructure; and the increasingly successful drug repression campaigns in neighboring countries, all of which combine to create the potential for increased production in Brazil. Marijuana is already believed to have become a common crop among the impoverished farmers in the northeast.

Refinement of coca leaf to paste and base has thus far been observed only on a small scale basis (8 labs discovered in 1985). During 1985 two HCL cocaine laboratories were seized and destroyed. Additionally, Brazil's large population offers a

significant market. Much of Brazil's immense land can be used to grow marijuana and/or coca. The remote Amazon offers access to a major waterway combined with excellent cover from aerial surveillance, making the vast region an ideal location for coca plantations.

Drug abuse and trafficking historically have not been problems in Brazil as in neighboring countries, and little public attention was focused on narcotics. This began to change following the assassination of Colombian Justice Minister Lara by drug traffickers in the spring of 1984, and has gained momentum under Brazil's new government.

Demand, as well as the progress of narcotics control efforts in neighboring countries, are likely to affect future production and trafficking. Brazil is an open, democratic society. The media can and do influence the public, and government leaders respond to the electorate. Increased public awareness should eventually result in some increased commitment of resources to combat production and to promote other anti-narcotics efforts.

B.3. Maximum Achievable Reductions

As earlier reported, there are no reliable statistics on the number of hectares of coca or marijuana under cultivation. Brazil is committed to vigorous pursuit of the war on drugs, and the prosecution of narcotics traffickers and has accomplished much over the past year. However, even without cultivation data, stemming coca production completely presents a particularly difficult problem. First, it is difficult to spot from the air because much of it grows among the trees under a dense jungle canopy. Second, it is difficult to reach, as roads and airstrips are virtually non-existent in the Amazon. Finally, eradication efforts must be coordinated between the Air Force, Navy, and police. These efforts are constrained by availability of military transport, which is dictated by operational requirements.

Because of continued demand, and Colombian, Bolivian, and Peruvian enforcement activities which force traffickers to seek alternative locations, it is likely that production and trafficking will increase in the near term until government efforts to combat it reach the necessary level for containment. Nevertheless, we project increases in the crops eradicated in 1986, but cannot at this time project net reductions.

C.I. Summary Tables (Officially reported figures through October 1985, unless otherwise indicated.)

GROSS

CULTIVATION:	<u>1987</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>	<u>1983</u>
Coca Leaf	As noted in text, figures are unavailable, and projected aerial photography plans have not yet materialized.				

GROSS POTENTIAL

PRODUCTION:	<u>1987</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>	<u>1983</u>
Coca Leaf	No Estimates are Available				
Cannabis	No Estimates are Available				

HECTARES

ERADICATED: The DPF does not measure eradication in hectares.

CROPS

ERADICATED:	<u>1987</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>	<u>1983</u>
Coca Leaf(MT)	2,000	2,000	491	4,395	700
Cannabis(MT)	1,500	1,500	1,375(N)	2,651	1,037

REFINING:	<u>1987</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>	<u>1983</u>
Cocaine Paste	Unknown, few labs have been discovered.				
Hashish	Unknown, but probably very little				

SEIZURES:	<u>1987</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>	<u>1983</u>
Opium (K)	0	0	1	0	0
Heroin (K)	0	0	5	0	0
Other Opiate (Units)	0	0	0	0	0
Coca	(See footnotes.)				
Cocaine Base (G)	(Not reported.)				
Cocaine (K)	550	550	552	549	560
Marijuana	(See Footnotes.)				
Other Drugs (Millions of Units)	.100	.100	.557	.012	0135

Acetone (L)	50,000	50,000	38,542	N/A	N/A
Ether (L)	50,000	50,000	41,280	N/A	N/A

ARRESTS:	1987	1986	1985	1984	1983
Foreigners and Nationals	2,200	2,200	2,027	2,924	4,238

LABS DESTROYED:	1987	1986	1985	1984	1983
Cocaine	5	5	8	3	2

DOMESTIC CONSUMPTION (No figures available.)
 Licit Production (No figures available.)
 Users (No Figures available.)

Footnotes: The DPF does not make distinctions between eradication and seizures when reporting data for marijuana; because most actions are by eradication, data is reported under eradication. Similarly, the DPF counts plants destroyed when eradicating coca. These are then converted to metric tons based on the average size of the plant. In addition to reporting data by metric tons, the DPF also reports destruction data in plantation equivalents: 53 coca plantations and 54 marijuana plantations through the reporting period.

(N) - Estimate for 1985.

PART D

See Appendix

PART E

Resources supplied to the DPF under the INM program have been extremely important in making it possible for Brazil to increase its narcotics activities in the past few years. Given current manpower levels, the present level of funding is adequate for FY86. Until the DPF is able to initiate and maintain a viable presence in the upper reaches of the Amazon, traffickers will have virtually free run in that area. The primary aim of the INM program is to assist the Brazilian authorities and to awaken the public to the dangers of the traffic in Brazil. With an increased realization of the dangers of the drug traffic will come a greater dedication of resources by the Brazilian government to narcotics control. The United States will continue its support. INM is prepared to increase funding to Brazil to \$1.2 million in FY87 for an expanded effort, based on the elaboration of an integrated plan and the commitment of the Government of Brazil to goals and objectives. An integrated plan should involve both police and military approaches to eradication and interdiction, and include production surveys to facilitate an enhanced eradication program. The programs at lower levels, particularly the INM-funded, USIS-sponsored public awareness assistance projects, are producing good results in sensitizing the Brazilians to the problem--and in inducing them to devote more resources to it. Dedicating additional resources to the problem should produce a commensurate response by the Brazilian government.

COLOMBIA

A.1. Status of Illicit Narcotics Production and Trafficking

There was continued dramatic progress in 1985 in the Government of Colombia's (GOC) programs to reduce narcotics production and trafficking. Long the principal supplier of marijuana and cocaine to the U.S. market, Colombia succeeded in reducing its marijuana crop by 67 percent country-wide, including an 85 percent reduction in the key northern growing areas, through stepped-up aerial herbicide eradication.

Colombia also reduced coca leaf production by 2.5 percent, in part through testing of a new chemical eradication program, and seized an estimated 13.5 percent of the cocaine refined in Colombian labs. Interdiction efforts against trafficking routes and production sites also increased.

Despite the GOC's limited resources (which the United States supplements with increasingly larger grants for narcotics control programs), the political and economic power of the traffickers and the security threats posed by the cooperation between traffickers and guerrillas, the climate for greater progress in narcotics control is encouraging.

Marijuana: Colombian marijuana production has declined sharply in the past two years. While it accounted for an estimated 57 percent of the U.S. marijuana market in 1983, Colombian marijuana dropped to about 42 percent of total supply in 1984, according to the National Narcotics Intelligence Consumers Committee (NNICC), as a result of the eradication program which employs the aerial application of the herbicide glyphosate. The combined effect of aerial eradication and increased seizures by Colombia in 1984 reduced the quantity of Colombian marijuana shipped to the U.S. by an estimated 30 percent from the 1983 level.

The GOC stepped up the aerial eradication program throughout 1985. Comparison surveys show that marijuana cultivation in the primary northern growing areas had been reduced from an estimated 8,500 hectares in 1983 to 1,300 hectares in 1985, a decline in those areas of 85 percent. The two main growing areas -- the Sierra Nevada de Santa Marta and the Serrania de Perija mountains in northeast Colombia -- have traditionally accounted for an estimated 80-90 percent of total production. Lesser cultivations have been sighted in the Gulf of Uraba area and in the Department of Bolivar and are

suspected in other areas. The overall estimate is that post-eradication marijuana production declined 67 percent, from a range of 7500-9000 mt in 1984 to 2500-3000 mt in 1985.

There have been reports that traffickers have reacted to aerial eradication by planting cannabis in lower reaches of canyons, by intercropping with legitimate crops and by expanding cultivations outside of the primary growing areas. Numerous and thorough reconnaissance flights of the primary areas in 1985, however, revealed only negligible amounts of concealment in lower canyon areas or intercropping. The possibility of shifts to the eastern (Venezuelan) side of the Perija range will be investigated jointly with Venezuelan authorities. Colombia has initiated reconnaissance of suspected cultivation in non-primary growing areas and will expand aerial eradication to those areas if cultivations are found. The San Lucas mountains and adjacent areas in which cannabis was suspected were reconnoitered thoroughly in early December 1985, and no cultivations were seen.

The area under cannabis cultivation was estimated at 10,000 to 12,000 hecuares in 1984. Aerial eradication and frequent helicopter patrolling have effected a significant reduction in cultivation in the main growing areas. It was apparent from aerial reconnaissance in the first half of 1985 that many growers had abandoned the primary growing areas. Thus, the area cultivated in 1985 dropped to an estimated 8,000 hectares, at least 6,000 of which were eradicated. The remaining 2,000 hectares, which are believed to have escaped spraying, would yield an estimated 2,500 to 3,000 MT of marijuana.

Although marijuana can be and is grown year-round in Colombia when rainfall is sufficient, there are larger harvests in the March through May and September through November periods, with the latter yielding the larger harvest.

Cocaine: While coca leaf production in Colombia increased during the early 1980's, the trend has been reversed over the past two years with the initiation of manual and aerial eradication programs. Up to one-half of the leaf is processed into basuco (coca paste smoked in cigarettes) for consumption in Colombia. The remainder is believed converted to cocaine for export. Colombian cocaine production is heavily dependent on coca paste and base imported from Peru and Bolivia, which is preferred both for quantity and quality. The imported paste and base have higher alkaloid and lower resin contents than found in the product of domestic plants and require lesser quantities of precursor chemicals to process.

There are an estimated 15,500 hectares of coca bushes under cultivation, mostly in the southern and eastern Llanos. Coca leaves usually are processed directly into cocaine base in rudimentary laboratories near the fields. Some of this base, as well as imported base and paste, is transported to Colombia's more sophisticated cocaine laboratories for the conversion to cocaine hydrochloride (HCL). Many of the larger laboratories, located in remote jungle sites, were capable of producing hundred-kilo quantities per day but were destroyed by Colombian police. Smaller laboratories often are found in urban centers throughout Colombia. No viable method has been found to detect the latter.

Once converted to HCL, most large shipments of cocaine are transported by aircraft from laboratories in Colombia to the U.S. either directly or via Caribbean and Central American countries. There are about 50 airstrips in the Llanos cocaine-producing area which are used for clandestine shipments of cocaine, precursor chemicals and laboratory equipment. Trafficking modes and routes are varied.

Colombia was estimated to have refined about 75 percent of the 55 to 76 MT of cocaine reaching the U.S. in 1984. Refining activity within Colombia is believed to have declined during 1985 as a result of the government's crackdown on traffickers, begun in early 1984. Major seizures of cocaine and precursor chemicals during 1984 and 1985, combined with increased lab destruction and controls on internal air and ground transport, have forced some traffickers to shift their cocaine processing facilities outside Colombia. It is estimated that in 1985 Colombia refined about 74 MT which, after internal consumption (3 MT) and seizures by the GOC (10 MT), left 61 MT available for export. Of this an estimated 45 MT was exported to the U.S. (down from 49 MT in 1984).

Cocaine hydrochloride prices in Colombia remained stable over the past year. A kilogram of cocaine sells for about \$8,000, down slightly from November 1984 when it was \$11,000 and similar to the January 1983 price of \$9,000.

Domestic consumption of the coca by-product basuco is a relatively new but rapidly rising form of abuse. Much of this demand is met by domestic coca leaf cultivation; it is estimated that 50 percent of domestically-grown coca is used for basuco. Imported cocaine base is reserved for conversion to cocaine HCL. The United States remains the principal recipient country for cocaine HCL, but increasing quantities are being sent to Europe.

Opium Poppy: Small experimental fields of opium poppy are grown in various departments of Colombia from seeds alleged to

be from Mexico, Thailand and other major poppy growing areas. In early 1985 a harvested field of approximately four hectares was discovered by the Colombian National Police. Thirty-five gallons of very low grade opium oil derived from the plants was found nearby. Its chemical makeup indicated a non-traditional, non-commercial product capable of yielding a few grams of heroin. Such experimentation is expected to continue, without significant increases in cultivations. It should be noted that no continuous cultivation has been found.

Trafficking and Producing Organizations and Insurgent Ties: While trafficking in all drugs is controlled by family organizations, there is increasing evidence of trafficker links with political insurgent groups at the local level. The involvement of Colombians in narcotics has broad international scope. In recent years Interpol has assisted in the arrest of thousands of Colombian nationals involved in narcotics trafficking in over 30 countries.

A community of interests appears to exist between the narcotics "mafia" in Colombia and various guerrilla forces. This appears to take place primarily at the local level. Since at least the early 1980's, guerrilla units have provided protection to rural coca and marijuana fields, and cocaine laboratories, in return for payments in money and weapons. Units of Revolutionary Armed Forces of Colombia (FARC) -- the largest, oldest and best-trained and equipped subversive group in Colombia -- are believed to be the most active and to receive the largest payments for such services. Basically a rural movement, half of its some 25 to 30 fronts operate in areas where coca and marijuana are cultivated.

The narco-guerrilla connection is a major security concern of the Colombian Government, as is the whole issue of violence related to narcotics trafficking. Indeed, Colombia has seen the most progress on narcotics control of any Latin American country in the last three years, but two of the most violent acts related to narcotics control have occurred there -- the 1984 assassination of Minister of Justice Rodrigo Lara Bonilla, an execution apparently ordered by leading traffickers, and, the storming of the Palace of Justice in 1985, in which at least one motive may have been the destruction of records related to narcotics extradition cases.

The National Police Special Anti-Narcotics Units (SANU) have suffered over 50 deaths and over 100 injuries from 1982-1985 while engaged in interdiction and eradication activities. They have been ambushed on rivers and roads in the Llanos and elsewhere. In an October 1984 raid on a cocaine processing complex in the Llanos a key officer, a helicopter

pilot and an army soldier were killed by gunfire. Evidence obtained at the site indicated a significant FARC presence. In May 1985 a FARC unit attacked a SANU truck convoy five minutes from the police headquarters in San Jose del Guaviare. With roads and rivers in remote, drug-producing areas unsafe for patrol or transit, SANU units must employ helicopters and other aircraft to attack cultivations and processing facilities.

A.2. Accomplishments

Eradication: Colombia again met the primary goal of substantially curtailing the amount of marijuana and cocaine trafficked to the U.S. and other countries. Aerial eradication of marijuana resumed in January 1985, but, owing to cultivators' apparent widescale abandonment of traditional growing areas, only 1,884 hectares were sprayed by June 30. Reconnaissance by experienced DEA, NAU and police observers in April and July confirmed this abandonment. A photographic crop survey conducted in late July revealed that eradication had reduced the marijuana crop in primary northern growing areas by 85 percent from 1983 levels.

However, the onset of rain in the Sierra Nevada de Santa Marta in April and in the Perija in March led some growers to resume cultivation. Spraying stepped up sharply from July through September. By December 7,400 gross hectares reportedly were sprayed. This figure is adjusted to a net of 6,000 unique hectares to allow for customary overlapping and multiple spraying sorties over the same fields (some were re-planted three or four times). Trafficking sources claim not to have been substantially affected by spray eradication, and there have been large seizures of marijuana of Colombian origin, which may have been stockpiled; marijuana from other sources may also be transiting Colombia. Nevertheless, analysis of data on ship seizures from U.S. Coast Guard sources indicates that shipments of fresh marijuana from Colombia are down.

Combined manual and aerial eradication of coca cultivation resulted in the destruction of 2,000 hectares in 1985. Also, 10 MT of cocaine and 4 MT of cocaine base were seized. The corresponding 2.5 percent reduction of gross domestic leaf production and 13.5 percent reduction from seizures represents a combined 16 percent reduction of potential production in 1985.

During 1985 Colombia accelerated its quest for a herbicide which would be safe and effective against the hardy coca plants. Back-pack tests on a controlled site proved four herbicides to be effective. The National Council on Dangerous Drugs in May 1985 approved aerial testing and in October the aerial tests proved sufficiently effective to warrant expanded testing.

Interdiction: Colombian forces stepped up their interdiction efforts in 1985. In March the National Police (NP), Army, Air Force and Navy initiated an unprecedented sweep of the Guajira Peninsula and adjacent areas. The task force targeted airstrips, aircraft, boats, traffickers and properties of the latter. A new tactic of airstrip denial by cratering with explosives was used, with 30 airstrips being disabled. A similar, combined forces operation based in Leticia (Amazon area) also cratered 22 airstrips used by aircraft carrying coca products from Bolivia and Peru. In the latter half of 1985 NP helicopters and personnel joined with Ecuadoran and Peruvian enforcement personnel in joint raids on cocaine labs and airstrips in border areas of those countries. Major caches and large labs were destroyed in these raids. A series of raids were made on properties used by Carlos Lehder in his drug operations, one of which netted 355 kilograms of cocaine, \$1.7 million in cash, numerous weapons and radio equipment. Interdiction and eradication capabilities were enhanced by the arrival in late 1985 of six of seven helicopters purchased by Colombia for incorporation into the narcotics control program. The NP airwing was further augmented with the addition of a Cessna 441, a Beechcraft C-99, a second Twin Otter, and a Cessna 152 trainer. Two Ayres Turbo Thrush spray aircraft were due in early 1986.

The ability of NP SANU units to employ added resources is apparent from their rapid deployment in task forces to new, advanced locations. The favorable results are reflected in the following enforcement statistics (see also table A-1; labs figures are all 1985; other data are April 1 - November 15, 1985):

Cocaine labs destroyed	725
Weapons	280
Radios	109
Vehicles	167
Aircraft	21
Gasoline (Gal.)	132,407
Ether (Gal.)	67,368
Acetone (Gal.)	39,057
Acid (Gal.)	15,200
Sodium Carbonate (KG)	70,108

Other Objectives Achieved: U.S.-Colombian cooperation under the extradition treaty progressed. The U.S. has submitted to the Government of Colombia 105 provisional arrest requests and 72 extradition requests since 1983. Twelve individuals have been extradited to the United States.

The GOC has either signed new bilateral drug control agreements or reactivated old ones with Venezuela, Ecuador, Peru, Brazil, the Dominican Republic and Honduras. Many of the agreements established mixed commissions which meet periodically to consider new control measures.

Colombia is taking the lead in implementing a regional telecommunications and information network which will enhance regional enforcement. Officers from Bolivia, Colombia, Ecuador, Peru and Venezuela met in Bogota in October to establish operating procedures for the system which will be installed in early 1986.

A.3. Goals and Objectives of U.S. Country Plan for Narcotics Control

Primary Goal: To curtail substantially the amount of marijuana and cocaine reaching the U.S. by disrupting the production and processing of these drugs and their shipment to the U.S. and other countries.

Objective One: Develop a comprehensive eradication project to destroy marijuana and coca cultivations by the application of herbicides, aurally where feasible. Aerial eradication of cannabis cultivation began on July 5, 1984, and by mid-1985 had reduced cultivation by about 85 percent in the primary growing areas. Colombia committed itself in 1984 to shift from manual to chemical eradication of coca cultivation. In 1985 it established an intensive testing program. A technical team was established, comprised of an agrologist, agronomist, botanist-ecologist and herbicide experts. Formal testing began in March 1985. On May 7, 1985, the National Council of Dangerous Drugs directed the NP to expand the tests to include 50 hectares to be sprayed aurally. Those tests were reviewed by senior U.S. drug control officials in September and October 1985, and the results were determined to be sufficiently favorable to warrant initiation of expanded aerial eradication. Plans call for further expansion of chemical eradication of coca in 1986 by means of aerial and back-pack application of herbicides in the main growing areas.

Objective Two: Improve the effectiveness of interdiction by intensifying efforts to stop the entry of coca paste and base and precursor chemicals into Colombia, to locate and destroy cocaine laboratories and to locate and destroy marijuana prepared for shipment from fields and transit points. The NP has joined with neighboring countries in patrolling and interdicting border areas with considerable success. Having attacked most known labs and transit sites in areas of the country where insurgent activity is low, the

police will need to prepare to raid targets during 1986 likely to be protected by guerrilla units. Interdiction at such sites will require heavier armor and defensive weapons on helicopters and reinforcement of police units by the Armed Forces of Colombia. The construction of additional advance bases in these areas and the procurement of air-transportable bases are planned when FY 1986 funding become available.

Objective Three: Through diplomatic initiatives, media relations and other public affairs activities promote a greater understanding among public opinion leaders and GOC decision-makers of the USG commitment and the need for increased GOC resolve in halting international drug trafficking. While this objective has been largely achieved, the U.S. continues to carry out these activities as necessary to maintain an awareness that combatting illicit drug production and trafficking is in their interest as well as ours.

Secondary Goal: To promote greater effectiveness in the Colombian judicial system for the apprehension, prosecution and conviction of principals engaged in drug production, trafficking and financing activity.

Objective One: Encourage Colombia to abide by its obligations under the U.S.-Colombian Extradition Treaty and to ratify the Mutual Legal Assistance Treaty. The extradition treaty is now being implemented. However, the legal assistance treaty which was ratified by the Colombian Senate has been pending in the House of Representatives for more than a year.

Objective Two: Encourage Colombian efforts to strengthen its penal code and code of criminal procedures. Colombia has been studying reform of the penal code to modernize its cumbersome penal procedures and to establish a judicial career service with criteria for judicial appointment and standards of professional conduct. A new drug law was enacted in January, 1986.

Tertiary Goal: Assist the Colombian Government and private groups to develop meaningful drug abuse awareness and demand reduction programs. Progress toward this goal is being realized under the project agreement with the Colombian Institute of Family Welfare, and with private groups.

A.4. Adequacy of Legal and Law Enforcement Measures

Legal Environment: Colombia's national drug law, Decree 1188 of 1974, remains the basis for its control of both licit and illicit drugs. In 1984 the GOC presented to the Colombian Congress a major revision of this law. The new statute passed

at the end of 1985 provides that fines go to a rehabilitation fund, that public news media promote anti-drug abuse campaigns free of charge, and that a national drug addiction campaign be undertaken, including the creation of civic committees to combat the production and consumption of illicit drugs.

Colombia continues to encounter problems which limit the effectiveness of its actions against drug traffickers. Convictions are frequently difficult to obtain. The rules for collecting and processing of evidence, as well as the legal norms governing the admissibility of physical and testimonial evidence, are extremely rigorous. Corruption, intimidation and assassination are employed by drug dealers to thwart the work of Colombian police and judicial officials. Murders of police officers are common in Colombia.

Colombian civil and administrative laws also make it difficult to prosecute many of the activities which are associated with the traffic in narcotics, such as money laundering. The GOC is aware of the limitations of its laws governing money transactions and has begun to study legal means to allow the GOC to investigate and control such illegal earnings.

Extradition Treaty: The U.S. Colombian Extradition Treaty entered into force on March 4, 1982. The treaty is significant in that it permits extradition to the United States of Colombian nationals who conspire to commit crimes which are consummated in the United States. Under the treaty, persons in Colombia who oversee production and export of narcotics to the United States can be as liable to extradition and prosecution as those who import and sell narcotics in the United States itself. While the treaty has been controversial in Colombia, the Colombian Government has processed U.S. requests and extradited Colombian citizens as well as non-citizens to the United States.

International Cooperation: Colombia has actively promoted international cooperation in narcotics control during 1985. The Ministry of Justice and NP have met periodically with officials of neighboring and other hemisphere countries to draft and implement control agreements. In these meetings and agreements the GOC has promoted criteria for the control of drug abuse, mechanisms for surveillance, border controls, internal control of production, possession and sale of precursor chemicals, checks on sea, land and air transport, and information-sharing of extraditable and suspect travellers, studies on extradition, means to secure technical and financial assistance, adoption of laws to control money laundering and other measures.

Agencies Involved in Narcotics Control:

1. The Colombian National Police (NP) was designated in 1980 as the primary narcotics enforcement agency. It comprises a paramilitary force of about 75,000 having countrywide security responsibility. It is organized under the Ministry of Defense for command control and budget purposes, and is headed by a Major General. He holds the same rank as the commander of the Army, Navy and Air Force.

2. When the NP was designated as the primary narcotics enforcement agency, it established a Special Anti-Narcotics Unit (SANU). SANU is the principal NP drug control agency with which the Embassy cooperates in interdiction and eradication activities. It is led by a Colonel and comprises about 1,400 personnel, about 100 of whom are officers. Twelve SANU companies and eleven intelligence units are located in 16 cities and grouped under four zone commands. SANU units conducted spray testing in mid-1984, carry out the present aerial eradication program and take the lead in raids on cocaine laboratories.

3. The F-2 unit is the plain-clothes investigative arm of the NP, consisting of about 6,000 personnel nationwide. The F-2 has a hand-picked, 54-agent anti-narcotics unit, headed by a captain. It handles complex narcotics investigations and significant targets.

4. The Judicial Police Anti-Narcotics Unit, consisting of about 30 persons, was organized in the Judicial Police Force in 1978 to concentrate on narcotics investigations. It was initially highly effective, but following the change of presidential administration in 1982, it never experienced the planned expansion of personnel, funding and support.

5. The Department of Administrative Security (DAS) is a special investigative unit reporting directly to the Office of the President. It has enforcement authority in narcotics matters and has been active in drug law enforcement in varying degrees.

6. A narcotics section consisting of a chief, a security analyst, and 13 agents was created in Colombian Customs in 1972. It is one of four special sections dealing with investigations, fraud, intelligence and contraband in the Customs Directorate Division of Special Investigations. The Directorate has about 5,000 personnel deployed in 18 districts and 22 ports of entry, who routinely watch for drug shipments. Neither the narcotics section nor the Directorate have been notably successful in interdicting narcotics trafficking.

A.5. Domestic Abuse Problem

Some Colombian treatment experts believe that the drug abuse problem may have peaked. The full dimensions of the problem should become clearer after the Ministry of Health releases the results of its epidemiological survey, expected in mid-1986. An important indicator of the seriousness of the problem has been Colombia's increasing recognition of it and the rapidity of the public counterattack against drug abuse. In 1985 the media focused on basuco abuse and on the health hazards of drug abuse. Government entities have acknowledged the seriousness of the situation and have confronted the domestic drug abuse problem.

The reasons cited for this suggested levelling of the problem, which had been growing at a sharp rate, include a sense that the message from various nationwide media programs has been getting through. In 1985 the anti-drug message ("Say no to drugs") could be seen on posters, on shopping bags, on radio and on television.

The Colombian First Lady's Office and the Colombian Institute of Family Welfare (ICBF) are spearheading these major campaigns on the danger and treatment of drug abuse in Colombia. Aided by a \$200,000 program agreement with the U.S. and multi-million dollar agreements with UNFDAC, the First Lady's Office and ICBF have mounted national conferences, started an information center and developed an anti-drug media campaign.

Despite some positive indications, the situation remains critical. Lack of funds, resources and coordination still hamper anti-drug abuse programs. The Ministry of Health maintains that there are over 500,000 basuco addicts in Colombia. While the Ministry of Health still directs and establishes some programs, the momentum in the fight against drug abuse in 1985 has been with the Colombian Institute for Family Welfare (ICBF). National policy planning and program guidelines are now being developed by the ICBF which reports directly to the Presidency and to the First Lady's Office.

B.1. Nature of Illicit Drug Production Problem

Marijuana and coca have long been cultivated in Colombia. The refining of cocaine and the cultivation of marijuana grew in pace with U.S. demand in the 1970's and 1980's. The country's strategic location, well-developed sea and air transport links and long-established patterns of smuggling fostered rapid growth of narcotics trafficking. Eradication reduced cultivation in the traditional northern growing areas

by 85 percent in just two years. Of the estimated 2,500 to 3,000 MT of remaining production, 1,000 MT were seized. Consumption within Colombia is estimated at about 150 MT.

Coca cultivation grew in the late 1970's in response to rising U.S. demand and to a desire by Colombian traffickers for greater vertical integration of the trade from cultivation to wholesale marketing. However, the domestic coca yielded a less desirable product than Peruvian or Bolivian leaf and required greater amounts of expensive precursor chemicals to produce pure cocaine. The equivalent of 19 MT of cocaine base is derived from Colombia's coca crop; about 10.3 MT is consumed (as paste or base, primarily as basuco), and 6 MT is refined into cocaine. Approximately 4 MT of the base equivalent from Colombian leaf was seized in 1984.

B.2. Climatic, Geographic, Political, Economic and Social Factors Affecting Production

Climate: Colombia's climate neither favors nor prejudices the cultivation of cannabis and coca. Cannabis grows in the mountains of northeastern Colombia between 3,000 and 7,000 feet altitude. It also grows well at lower elevations across northern Colombia. Thousands of hectares of coca have been planted in the jungles of southeastern Colombia. However, Colombian coca leaf yields lower quality cocaine than Andean leaf and does not compete well with Andean leaf.

Geographic: Extensive rugged mountain ranges and jungles provide isolated locations for marijuana and coca plantations as well as clandestine airstrips and cocaine laboratories. The poverty of the topsoil in both the mountains and the jungles is an asset to growers, since they do not have to compete with legitimate agriculture in those areas.

Political: Colombia has many regions virtually isolated by poor communications, lack of roads, difficult and unhealthy climate, and a tradition of rural violence. The GOC has itself observed, in preparing a National Rehabilitation Plan, that large areas of the country have never been under effective control of Bogota. This tradition of local autonomy, particularly in the eastern and southern plains and in certain remote mountain valleys, has become a significant factor in international affairs only since the advent of large scale drug cultivation and processing in Colombia in the 1970's. Government police and military forces are professional, but are constrained by the vast distances to be covered and by lack of adequate helicopter mobility. Moreover, when GOC forces are able to reach an area heavily infested with narcotics activity, they are sometimes constrained from aggressive action by the guerrillas, who provide paid protection to the traffickers.

Colombian decision makers have become alarmed that drug trafficking is seriously endangering the nation's security as well as its economic and social interests. Narcotics was not an important issue in the 1982 presidential election campaigns, but is now among the most important items on the political agenda. Colombia's leaders would like to change the country's image as a center of drug production and trafficking. The public health implications of the domestic narcotics problem also have become more obvious and are of serious concern to the country's leaders and society at large. The economic power of the traffickers and their disregard for the legal and judicial system is likewise of concern to responsible members of Colombian society and to national leaders. The Armed Forces are particularly concerned about the cooperation which has developed between drug traffickers and guerrilla groups, which receive weapons and money in exchange for protecting or cultivating drug crops.

Economic: Narcotics production and export remain an important element of the Colombian economy although trade patterns are shifting. The total value of marijuana/cocaine production for 1985 is estimated at \$775 million or 2.7 percent of Colombia's GDP. This percentage increased from 1983 (1 percent) but does not approach the level of 1980 when the production accounted for an estimated 4.8 percent of GDP.

The value of narcotics exports in 1985 was almost 30 percent of the value of Colombia's legitimate exports. However, much of this income from the narcotics trade reportedly remained in the hands of the international traffickers and U.S. distributors. It is estimated that 25 percent of the retail value of marijuana accrued to the Colombian producers, in contrast to only 4.6 percent of the value of cocaine sales.

The pattern of trade continues to shift toward cocaine and away from marijuana, in part as a result of the Colombian Government's eradication/interdiction efforts. In 1977, marijuana represented 77 percent of Colombia's narcotics exports and cocaine 23 percent, comparing dollar values. By 1985, it was estimated that cocaine accounted for 93 percent of narcotics exports and marijuana only 7 percent, again based on dollar values.

Social and Media: The major social factor influencing drug crop production in Colombia is that the production of marijuana and cocaine is not universally viewed as a criminal activity. Some of the more notorious traffickers have successfully portrayed themselves as latter-day Robin Hoods. Many Colombians may still not believe that drug trafficking is

an especially harmful enterprise and continue to view it as generating significant employment and income for the country. However, the public attitude toward drug traffickers, especially among more educated people, has become less tolerant, particularly since the assassination by traffickers of Justice Minister Rodrigo Lara Bonilla in 1984.

Public attitudes against drug abuse and narcotics trafficking appear to have hardened in 1985. Although there may be some sentiment in favor of narcotics trafficking, the general attitude seems to be one of condemnation of these activities. This change in public opinion is directly related to media coverage of the problem. The nation's print and broadcast media do not hesitate to discuss links between narcotics traffickers and subversive elements in Colombia, a subject which only a year ago provoked controversy. The connection is now commonly accepted as fact. Similarly, the media -- and public opinion -- increasingly are focusing attention on the problem of domestic drug abuse, portraying the problem as a major health concern that could reach epidemic proportions.

Full coverage not only keeps the public eye on the problem, but also helps maintain pressure on the government to continue its efforts. Colombians now take a justifiable pride in the fact that their nation's anti-drug programs have borne fruit, and they are pleased that the country has been recognized for its "model" efforts. This public pride will encourage the Colombian Government to maintain its strong stance vis-a-vis narcotics production and trafficking.

B.3. Maximum Achievable Reduction

General: The Government of Colombia continues to show its commitment to the elimination of illicit narcotics production and trafficking within Colombia and the region, and to the prosecution of persons involved in this illicit activity. Colombia has demonstrated this commitment by its vigorous implementation of chemical eradication and interdiction programs through 1985. It appears certain that this commitment will continue through 1986.

Marijuana: Aviation resources and personnel and advance base facilities available in 1985 were sufficient for aerial eradication in primary growing areas, for coca test spraying, and for limited narcotics interdiction. The arrival of additional spray, transport and rotary-wing aircraft in the last quarter of 1985 will provide greater interdiction capability and permit expansion of marijuana spraying to secondary growing areas.

The accompanying tables reflect a maximum achievable reduction (MAR) of 6,000 hectares of marijuana (7,500 to 9,000 MT) in 1985 (75 percent of gross potential production). It is assumed that growers will attempt new cultivation on new plots or renewed planting on the sprayed plots to the extent of half of the area eradicated in 1985. Thus, about 5,000 hectares may be cultivated in 1986, of which 4,500 hectares would be sprayed, a maximum achievable reduction of 90 percent.

Coca: Colombia took steps as early as mid-1984 to develop a chemical eradication program against coca. It was motivated largely by its recognition of the existence of a serious basuco abuse problem. The GOC devoted personnel and equipment full time to testing herbicides in early 1985, and in November 1985 decided to proceed with expanded aerial testing to 1,000 hectares. Sufficient aerial resources were available in December to allow chemical eradication of coca to expand to a full-scale program in 1986.

Last year's INCSR projected a maximum achievable reduction of 6,000 hectares for 1985. This was not possible due to the difficulties in identifying a herbicide that would be effective against coca, the time required for the effects of spraying to be fully assessed, and cultivator interference with tests. One thousand hectares were eradicated aurally in December 1985. Another 1,000 hectares were eradicated manually during the year. Thus, the 1985 reduction is estimated at 2,000 hectares, or 13 percent of the area cultivated. About 1,500 hectares of the area eradicated should remain out of production in 1986, leaving 14,000 hectares under cultivation. The MAR for 1986 is set at 10,000 hectares, or about 71 percent of cultivated area; and it is estimated that half of this would remain out of production.

B.4. Methodology

Data on narcotics production and trafficking in Colombia are very limited but are improving through surveys. Eradication and seizure data are generally reliable because they are subject to quantification. Colombian officials with whom the data have been discussed concur with the estimates. Computation and conversion factors used are as follows:

Marijuana: One hectare yields between 1.25-1.5 MT/year.

Coca: One hectare yields about 800 kilograms of leaf/year;
500 kilograms of leaf will yield about 1 kilogram of cocaine.

C.1. Statistical Tables

A. Summary Tables

Coca/cocaine (in MT except as noted)

	1985	1986
Hectares cultivated	15,500	14,000
Hectares eradicated	2,000	10,000
Hectares harvested	13,500	4,000
Coca leaf	10,800	3,200
loss factor (5%)	540	160
Net Yield mt leaf	10,260	3,040
Coca leaf seized	212	70
Coca leaf consumed	500	400
Converted to cocaine base	9,548	2,570
Cocaine base yield (500:1)	19	5
Base consumed in country	10	5
Base seized	3	-
Colombian base available	6	0
Base/paste imported	80	70
Base/paste available for conversion	86	70
Cocaine HCL produced	74	63
Cocaine consumed in country	3	3
Cocaine seized in country	10	10
Available for export	61	50
Export to U.S.	45	40
Export elsewhere	16	10

Marijuana (in MT except as noted)

Hectares cultivated	8,000	5,000
Hectares eradicated	6,000	4,500
Hectares harvested	2,000	500
Cannabis yield	2,500-3,000	625-750
Loss factor (one percent)	25 - 30	6.25 - 7.5
Seized in country	1,000	200
Converted to hashish	none	none
Marijuana consumed in country	150	100
Marijuana export USA	1,300-1,795	309-432
Marijuana exported elsewhere	25	10

B. Data Tables

GROSS

CULTIVATION:	1987	1986	1985	1984	1983
Coca Leaf	8,000	14,000	15,500	17,000	16,000
Cannabis	3,000	5,000	8,000	10,000	9,400

GROSS POTENTIAL (Equivalent in metric tons)

Coca Leaf	6,400	11,200	12,400	13,600	12,800
Cannabis					
(range)	3,750 -	6,250 -	10,000 -	12,500 -	12,500 -
	4,500	7,500	12,000	15,000	15,000

HECTARES
ERADICATED

Coca Leaf	5,000	10,000	2,000	2,400	1,981
Cannabis	2,500	4,000	6,000	4,000	1,048

CROPS
ERADICATED (metric tons)

Coca Leaf	4,000	8,000	1,600	1,920	1,585
Cannabis (range)					
	3,125 -	5,000 -	7,500 -	5,000 -	1,310 -
	3,250	6,000	9,000	6,000	1,572

NET PRODUCTION (Metric Tons)

Coca Leaf	1,400	3,200	10,800	11,080	11,215
Cannabis	500	1,000	2,500	7,500	11,200
			3,000	9,000	13,400

REFINING (metric tons)

Domestic cocaine base	2	5	19	21.2	22.4
Imported cocaine base	60	70	80	100	100
Cocaine produced	54	63	74	98.9	104.9

SEIZURES (MT)

Cocaine	10	10	10	22	2.5
Marijuana	150	200	1,000	2,870	3,934
Methaqualone	N/A	N/A	N/A	500,448	2,229

ARRESTS

Nationals	2,000	2,000	2,500	3,140	1,115
Foreigners	unk	unk	unk	unk	unk

LABS DESTROYED

Cocaine	200	250	725	275	113
---------	-----	-----	-----	-----	-----

DOMESTIC CONSUMPTION

Coca	400	500	500	500	500
Cocaine	3	3	3	3	3
Basuco	4	4	6.6	10.3	10
Marijuana	50	100	100	150	200

OTHER DRUGS (in 000'S of units)					
Amphetamine	800	800	1,000	1,200	1,197
Opiates	200	200	250	300	324
Barbiturates	100	100	125	150	153
Other					
Hallucinogens and tranquilizers	800	900	1,100	1,300	1,306

Licit Production N/A

Users of drugs: UNFDAC-funded epidemiological survey results not yet available. No viable estimates possible.

PART D: United States Assistance to Colombia

The bulk of U.S. economic assistance to Colombia is in the form of Export-Import Bank credits and CCC guarantees. CCC credit guarantees, which support U.S. exports, were first approved in FY 1984. EXIM Bank credits were dramatically increased with the approval in FY 1983 of a \$552 million credit to support exports of U.S. equipment for a large coal mining project in northern Colombia in which a U.S. company has a 50 percent share. The IBRD and IDB have long been Colombia's most important sources of development financing. The U.S. bilateral development aid program was phased out in the late 1970s.

The U.S. provides a small amount of assistance for the control of hoof and mouth disease of cattle and residual amounts in population control training and a variety of small Washington-funded development programs. The latter project was funded by AID with \$4.1 million in FY 1984 and just under \$4 in FY 1985. See Appendix.

PART E

Analysis of Additional US Assistance Required to Achieve Estimated Crop Reduction

Level 1: To achieve the estimated levels of maximum achievable reduction (MAR) indicated in the accompanying tables (Part C) in marijuana and coca cultivation and cocaine during 1986, the \$10.6 million funding level authorized for FY 1986 will be required (U.S. \$9.75 million, which will be incorporated in a project agreement with the National Police). Those estimates were based on assumptions that full-scale spraying will proceed against cannabis in all significant producing areas and that aerial coca spraying is initiated on an expanded test scale in December 1985 and soon thereafter expanded to a large-scale operation.

The planned funding level of \$10.6 million for 1986, upon which estimates in the tables in Part C are based, would be essential for achieving those MARs. It is probable that as major inroads against illicit drug cultivation are achieved in 1985 and drug prices move upward, growers and producers will devise more ingenious ways to avoid detection. Therefore, SANU also will need to expand and raise the sophistication of its operations countrywide.

Present plans include the construction or improvement of small airbases at five strategic locations, at Valledupar, San Jose del Guaviare, Leticia, Apartado and perhaps at a southwestern site during 1986. Three or four aircraft would be stationed at each base to permit more effective and economical operations. Through 1985 aircraft and other equipment have been sufficient for periodic reconnaissance, lab raids, and interdiction, eradication and training operations. The arrival of additional aircraft in late 1985 will permit more of these operations to be conducted simultaneously. An important priority will be intercepting coca base shipments from Bolivia and Peru and precursor chemical shipments from Brazil and elsewhere along Colombia's borders. The increased mobility at key forward areas of the country will enable SANU to increase pressure on producers and traffickers and to maintain it with greater continuity.

Level II - Possible increased resources: The availability of additional resources could make it possible to achieve more effective, complete and timely narcotics control in Colombia. First, it could be utilized to procure two or more additional spray aircraft which would permit earlier and more complete chemical eradication of both cannabis and coca well before harvest. In the case of cannabis, it is especially important that it be located and sprayed before maturity (and harvest). A 10 percent increase in funding for this purpose could yield a 20 percent increase in the effectiveness of eradication.

Second, and of greater importance is the need for resources to apply to the interdiction of cocaine base/paste arriving from Bolivia and Peru and to the elimination of its processing into cocaine and shipment to the U.S. Colombia does not have the capability to detect and react to this substantial illicit activity. The most immediate requirements are personnel, equipment and funds to sustain their operations. They include detection equipment (such as radar and sophisticated aerial reconnaissance equipment), air transport for a rapid deployment force of up to sixty armed men and armor and armament for the security of the reaction force. It is not recommended that major items of equipment (aircraft and radar) be purchased in 1986. Leasing or temporary loan might be

considered in 1986 if needed. Increasingly, traffickers are locating processing and transit sites in high insurrection areas, requiring greater defensive armor and arms for raiding forces. The sooner a reaction force is established and equipped, the sooner stepped-up interdiction can begin--before the trend toward close association between narcotics traffickers and guerrillas becomes more advanced. A minimum of \$10 million would be required for an enhancement of SANU for this purpose. Perhaps half of the cocaine now processed in Colombia could be interdicted with this degree of additional funding.

COSTA RICA

A.1. Status of Narcotics Production and Trafficking

A significant amount of marijuana is grown in Costa Rica, and the country is regularly traversed by Colombians and others transporting cocaine to the United States. Other drugs are not seen in the country on a regular basis.

Precursor chemicals used for cocaine processing have been seized on occasion in Costa Rica, which suggests some small-scale refining may take place. However, the primary cocaine-related problem is transportation of the drug from South America to the United States. Although below the 1983 level, cocaine seizures in 1985 were up from 1984 and are expected to continue to increase in 1986 and 1987. Eight metric tons of cocaine were estimated to transit Costa Rica in 1985. Most cocaine is transported through Costa Rica in bulk in private planes, although a large number of couriers also transit the country's international airport carrying between one-half and two kilos on their person or in their luggage. Some shipments are also transported by sea.

Cannabis is cultivated in most areas of the country, but cultivation is focused in the Atlantic coast Limon province, with secondary growing areas reported in the Pacific coast provinces of Puntarenas and Guanacaste. Although cannabis cultivation levels are estimated to have remained relatively constant from 1984 to 1985, net yield declined slightly due to increased eradication totals. In-country processing of marijuana is rudimentary; no balers or other equipment are used. Exports are sent by sea, air, and land, although it is estimated that sea shipments are the most heavily used means of transport. There are no reliable figures regarding the amount exported to the U.S., but local officials believe about 75% of the marijuana is exported, based on their estimate of domestic consumption.

Few Costa Ricans are involved in cocaine trafficking -- which is dominated by Colombians, Cuban-Americans, other U.S. citizens, and Venezuelans. Entry into the marijuana trade, however, is much easier and cheaper than is the case regarding cocaine. For that reason, it is likely that more Costa Ricans have become involved as marijuana traffickers, although Colombians and Cuban-Americans remain the biggest players in this trade.

A.2. Accomplishments in 1985

Marijuana eradication operations undertaken by the Costa Rican Rural Guard increased in 1985, with eradication operations throughout the country, compared to the focus on Limon province in 1984. Total marijuana eradicated was estimated to be 45 hectares (56 metric tons) in 1985, continuing the annual increase in eradication levels since 1983.

Marijuana seizures tripled sharply in 1985 to a total 977 kilos. Seizures totaled 306 kilos in 1984 up from only 19 kilos in 1983. Cocaine seizures increased slightly in 1985 to a total 141 kilos, compared to 137 kilos in 1984. Increases in both eradication and seizure totals reflect a continuing high degree of attention given to narcotics by the country's police forces.

Possibly the most significant narcotics law enforcement event in Costa Rica during 1985 was the arrest and expulsion of Mexican narcotics trafficker Rafael Caro Quintero. Caro fled to Costa Rica following the February murder of DEA agent Enrique Camarena in Mexico, and had purchased four luxurious homes in the San Jose area without the knowledge of authorities. Upon learning of his presence in country, Costa Rican police acted promptly and efficiently to arrest Caro and expel him to Mexico.

A.3. Plan, Programs, and Timetables

The various law enforcement agencies operate under standing orders to seek out and block drug production and trafficking. Although the agencies carry out this responsibility with enthusiasm, resource limitations have made it impossible to form any sort of "combined general staff"; comprehensive development of multi-agency plans and programs has therefore been limited.

Law enforcement operations in 1986 will be supplemented by a new aerial surveillance program, utilizing an aircraft once used by cocaine traffickers and subsequently confiscated by Costa Rican authorities. The aircraft, rehabilitated with INM funds, will be dedicated solely to drug control operations. Plans call for the Drug Control Department of the Ministry of Public Security to divide the country into several zones for planning aerial surveillance, and subsequent on-the-ground follow-up, operations.

The National Institute of Alcoholism (INSA) plans a first time nationwide survey on the use of alcohol and drugs, according to the INSA director. The data generated by the

survey should greatly help government authorities to define the extent of domestic drug problems, and plan appropriate control activities.

In November, 1985, the Legislative Commission of the national assembly accepted recommendations for modifying drug-related legislation. The press and a number of politicians have called for more stringent drug laws; national debate on the subject can be expected to continue in 1986.

A.4. Adequacy of Legal and Law Enforcement Efforts

The legal and law enforcement measures taken by various agencies evidence a strong desire by the government to control drug production and trafficking; however, the government's ability to control drug trafficking is limited by resource constraints. The Rural Assistance Guard (GAR), for example, has only 4,500 personnel spread throughout the country in small outposts in the equivalents of U.S. county seats. These outposts generally lack the transportation and communications necessary to learn of aircraft stopovers in remote areas and react promptly.

Costa Rica has in place the basic legal framework necessary to carry out law enforcement efforts against drug producers and traffickers. Current legislation includes authorization for the government to confiscate property used by traffickers in the commission of crimes, which has begun to be utilized by the government more frequently in recent months. Costa Rica has a respected and independent judiciary which regularly hears drug cases with no indications of bribery or intimidation. There is substantial public concern over sentencing; this concern has been reflected in the legislative and executive branches of the government.

Oversight of Costa Rican narcotics control programs is vested in the Vice President's office, although day-to-day operations are carried out by several different law enforcement organizations. The primary enforcement agencies are the Ministry of Public Security's Drug Control Department (DCD) with 85 agents, the Civil Guard, the Customs Service of the Ministry of Finance, and the Ministry of Government's Rural Assistance Guard (GAR), but coordination among the various agencies involved is difficult. Despite resource constraints all agencies carry out narcotics control responsibilities with enthusiasm. Corruption has not been a major problem to date, although as elsewhere it is likely that low-level police officers are bribed on occasion to ignore the activities of traffickers. It does not appear, however, that traffickers have been able to suborn the upper levels of the police.

Relations between the San Jose DEA office and Costa Rican agencies are excellent. In addition, the U.S. is able to extradite traffickers wanted in the U.S. under an existing treaty. Two fugitives wanted on drug charges were extradited in 1985. A new treaty designed to improve the process has been negotiated, but has not yet been ratified by Costa Rica.

A.5. Drug Abuse Prevention and Treatment

Costa Rican drug abuse prevention and treatment programs are in their formative stages, and there is debate within the government on how best to proceed in this area. The prevention programs that have been carried out by the Ministry of Government have been in the form of public awareness campaigns.

The primary drug treatment program in-country is the "hogar crea" (creative home) effort, to which First Lady Doris Yankelowitz de Monge, who attended the October 1985 First Ladies Conference, has lent her public support. The approach, utilizing a Puerto Rican concept, is based on the premise that drug abusers lack order and discipline in their personal lives. This voluntary program seeks to return drug abusers to a life-style in which drugs are not a required prop, utilizing half-way homes staffed by former drug abusers. There is currently one home in Cartago, with plans to open others in the coming year.

B.1. Nature of Illicit Drug Production

Costa Rica's involvement in the production of illicit drugs is basically limited to the cultivation of marijuana. No sophisticated baling or packing techniques -- generally associated with large scale exports -- have been observed. Marijuana use is traditional in many parts of Costa Rica, especially Limon. No comprehensive studies have been done on the level of domestic consumption. In remote areas in Limon Province, marijuana is a principal cash crop for a number of small producers.

B.2 Factors that Affect Production

Costa Rica's climate and geography are well suited to cannabis cultivation. Two crops can be grown each year, but irrigation is required in the dry season in the west coast regions. Most of the population lives in areas removed from the principal cannabis cultivation regions; however, transportation and communications systems are developed to the extent that producers have adequate farm-to-market roads.

Economic malaise has favored marijuana production by enticing campesinos to enter the lucrative drug trade as a way to support their families. Costa Rican social mores, derived from an open and tolerant society, do little to stem marijuana production. However, Costa Rica enjoys a tradition of democracy, which works to support law enforcement efforts to control drug trafficking. Public consciousness, encouraged by government and private institutional efforts, is high, and editorials and articles supporting police actions against traffickers routinely appear in the media.

B.3. Maximum Achievable Reductions

The Costa Rican Government is determined to achieve the maximum reduction of marijuana production possible given the resources available to it. This aggressive control strategy resulted in the eradication of about 45 hectares in 1985, which is presumed to be about one-third of the marijuana cultivated in Costa Rica in 1985. The high level of police interest in marijuana eradication suggests that small increases in the percentage of the crop that is eradicated might be achieved in coming years.

B.4. Methodology

Many of the statistics included in this report, for example, the number of persons arrested, amount of cocaine seized, etc., are official and reliable. On the other hand, such figures as the extent of cultivation and the degree to which the populace engages in illegal activity are only estimates based on consultation with Costa Rican law enforcement officials and agents assigned to the DEA office in San Jose. They are the best information available.

C.1. Statistical Tables

<u>Marijuana</u>	<u>1985</u>	<u>1986</u>
HA Cultivated	136	139
HA Eradicated	45	46
HA Harvested	91	93
Gross Yield (1.25 MT/HA)	114	116
Loss Factor (MT) (5%)	6	6
MT Seized	1	1
MT Consumed in country	25	25
MT Exported to U.S.	82	84

	<u>1987</u>	<u>Data Table</u> <u>1986</u>	<u>1985</u>	<u>1984</u>	<u>1983</u>
GROSS					
Cannabis (HA)	142	139	136	133	CULTIVATION: 130
GROSS POTENTIAL PRODUCTION:					
Cannabis (MT)	180	174	170	166	162
HECTARES ERADICATED:					
Cannabis	47	46	45	34	1
CROPS ERADICATED:					
Cannabis (MT)	60	58	56	42	1
ACTUAL YIELD	120	116	114	124	161
LOSS FACTOR(MT)	6	6	6	6	8
NET PRODUCTION:					
Cannabis (MT)	114	109	107	118	153
SEIZURES:					
Cocaine (K)	155	146	141	137	388
Marijuana (K)	1,077	1,026	977	306	19
ARRESTS:					
Nationals	1,103	1,050	1,000	315	190
Foreigners	66	63	60	15	15
Note: 1983 and 1984 estimates have been revised.					
LABS DESTROYED:					
All	1	1	0	1	1
DOMESTIC CONSUMPTION:					
Cocaine (K)	12.5	12.5	12.5	12.5	12.5
Marijuana (MT)	25	25	25	25	25

PART D

See Appendix.

CUBA

A.1. Status of Illicit Narcotics Production and Trafficking

Cuba stands athwart some of the primary illicit drug routes into the United States. There has been evidence in the past that Cuban authorities have used this strategic location to promote their subversive activities in third countries and to weaken the United States.

Witnesses at Congressional hearings since 1982 have testified to official Cuban involvement in drug trafficking. The best evidence of such involvement was brought out in the November 1982 indictment in Miami of four high-ranking Cuban officials. Among those indicted were two members of the Central Committee of the Cuban Communist Party, as well as a former ambassador and his deputy. The witnesses said that the Cuban Government used drugs to acquire hard currency and to subvert Latin American governments friendly to the United States. They also asserted that the present Cuban regime sought to promote drug use in the United States to weaken it and reduce its ability to inhibit Cuba's plans to expand its influence in the hemisphere.

Cuban authorities, seriously embarrassed by these revelations, have repeatedly denied official or indeed any Cuban involvement in such activities. In an interview first published in full form in November 1985, Fidel Castro claimed that on the drug issue, "Cuba has an unimpeachable record in the past 26 years (i.e., since the revolution). First because in our country, where once there was drug use, production and trafficking, the first thing we did was eradicate the problem. Rigorous measures were taken to do away with marijuana cultivation, and, in addition, to prosecute all forms of drug trafficking and production. Second (since the revolution), I know of not one case in which a (Cuban) official has been involved in the drug business, not one single case." However, the indictments of Cuban officials, noted in the previous paragraph, put the lie to Castro's claim that Cuban officials have never been involved with narcotics traffickers.

Cuban authorities condemn the drug problem as an affliction of the capitalist world, particularly the United States, and boast, as noted above, that it has been solved in Cuba. Publicly available information reveals no statistics on cultivation, production, or refining of illicit narcotics.

In the November 1985 issue of Moncada, the monthly journal of the Ministry of Interior, an article appeared on a Cuban domestic drug problem -- the first such admission in recent memory. The article was written to indicate that though there were indeed drug users in Cuba, they were few, largely under control, and entirely dependent on outside sources for their drug supply. The article related how Ministry officials were able in June 1985 to seize a supply of drugs -- over \$300,000 worth of marijuana -- being smuggled into the country from a boat off its shore east of Havana. Other than this highly unusual admission of a domestic drug problem, no further information is available on drug trafficking for domestic use in Cuba.

A.2. Accomplishments in 1985

No detailed information is available on government activity against drug cultivation and trafficking.

Castro, in the interview noted above, claimed that between 1974 and 1985, 306 drug traffickers were captured, 280 tons of marijuana and 1,024 pounds of cocaine seized, and 25 aircraft and 56 trafficking boats seized. For a period covering more than a decade, this is not much activity. Castro said that small civilian aircraft quite often violate Cuban airspace and pay no attention to signals from its interceptors. However, Cuba has been unresponsive to United States suggestions for cooperation in dealing with this phenomenon.

A.3. Plans, Programs, and Timetables

Though Cuban authorities claim to have eliminated Cuba's drug problem, the appearance of the Moncada article (see Section A.1 above) indicates continued, perhaps growing, concern on the part of the GOC over domestic drug use. No information is available on the GOC's plan for combatting the problem other than Castro's assertion in the interview referred to in Section A.1 that Cuban authorities were taking "rigorous measures" against drug trafficking.

A.4. Adequacy of Legal and Law enforcement Measures

Article 217 of the Cuban Penal Code provides for imprisonment of 3 to 8 years for the production, transport, trafficking, possession with the intent to traffic, or to procure for others, toxic drugs or hallucinogenics, hypnotics, or narcotic substances. Simple possession is punishable by sentences of six months to three years. Land used to cultivate marijuana or other similar substances is subject to confiscation (if privately held). If the amounts of illegal

substances involved are "relatively large", sentences range from 7 to 15 years. Though 70-100 United States citizens have been arrested in Cuba on drug charges in the last five years, only four were known to be in Cuban prisons at the end of 1985.

The narcotics control function within the Cuban government is carried out by the Ministry of Interior, the Customs Service (Aduana General), and the Ministry of Public Health. The revolutionary armed forces apparently also play a role in the apprehension of suspected traffickers. No public information is available on how these official organizations cooperate, on their lines of authority or on areas of responsibility.

Corruption is widespread in Cuba's malfunctioning economy, though much of it is small scale. Despite allegedly severe punishment for involvement in drug trafficking, it seems unlikely that some officials, at least, have not been bribed to close their eyes to domestic drug activity. The testimony on official Cuban involvement in international drug activity indicates that local authorities who come into contact with drugs being transported through or around Cuban territory facilitate their traffic under orders from their superiors.

Cuba has received no United States aid in its anti-narcotics efforts; nor, to the extent this is publicly known, has it received such aid from other countries. No third country has anti-narcotics personnel stationed there. No information is available on Cuban domestic anti-narcotics training problems.

A.5 Domestic Drug Abuse

No information other than that quoted above is available on the domestic drug abuse problem.

C.1. Statistical Tables

No information available

ECUADOR

A.1. Status of Illicit Narcotics Production and Trafficking

An estimated 1,500-2,900 hectares of coca were under cultivation in 1985. An estimated 464 hectares were eradicated. Overflights indicate that eradicated crops have not been replanted nor is there any evidence that new areas are being brought under cultivation. The projection is that cultivation in 1986 will decline to about 2,400 hectares, with eradication increasing to about 1,000 hectares.

The overwhelming majority of coca plantations are owned and operated by Colombians who freely cross Ecuador's undemarcated border with Colombia. No evidence of a network linking individual plantations has been found. Similarly, there is no evidence of other-country involvement in the cultivation of coca in Ecuador.

The bulk of Ecuador's coca leaf crop is converted to coca paste for overland transportation to Colombia and conversion to cocaine hydrochloride (HCL). One kilogram of paste is worth approximately \$3,000. Until recently, little cocaine refining was thought to take place in Ecuador. However, the large seizures of precursor chemicals (primarily ether) in 1985 suggest that local cocaine refining is increasing. U.S. officials estimate that 10 cocaine refining labs are operating in Ecuador. Information derived from 1985 seizures indicates that each lab is capable of producing approximately 35 kg of cocaine HCL per week, a potential production of 18 mt of cocaine.

However, the labs which are predominantly located in urban areas, probably use imported coca paste/base. The labs do not appear to be linked to Ecuadoran coca plantations. Three cocaine refining labs were destroyed in 1985.

Ecuador has been a transit point for cocaine enroute from producers to consumers for several years. The magnitude of the problem only became apparent in 1985. An estimated 1,000 kilograms of pure cocaine HCL were seized and destroyed by the authorities in 1985. Intelligence obtained as a result of the seizures indicated that one major trafficking organization made at least 12 shipments of between 500-1,000 kilograms each of cocaine HCL to the U.S. from Ecuador since the latter part of 1984. Most of that cocaine was of Colombian origin. The rest was produced domestically. DEA is aware of four major indigenous trafficking networks.

A.2. Major Accomplishments in 1985

Ecuador's narcotics interdiction efforts enjoyed record success during 1985. Over 1,000 kilograms of cocaine HCL were seized and destroyed. This compares with only 80 kilograms of HCL seized in 1984. In 1985, the GOE eradicated 464 hectares of coca. The plantations were located in Napo Province. This compares favorably with the 114 hectares eradicated in 1984.

Fifty-seven coca paste laboratories were destroyed in 1985, compared to twenty-seven laboratories in 1984.

In July, Ecuador initiated the first joint coca eradication operation in the Western Hemisphere, in collaboration with the Colombian National Police. Over 190 hectares of coca were eradicated and 39 paste labs were destroyed. The successful Ecuador-Colombia experience led to a subsequent joint operation between Colombia and Peru. A second Ecuadoran-Colombian operation is being planned.

A.3. Plans, Programs and Timetables

The anti-narcotics plan for Ecuador is in the final stages of preparation and designates the National Police (Interpol) as the lead agency with regard to narcotics enforcement. Assistance and support will be provided by the Customs military police and armed forces. DINAETIE is to be charged with prevention programs with other ministries.

The GOE has begun to react to the cocaine refining and trafficking menace. A law requiring a permit to import precursor chemicals was recently enacted. In addition, the number and frequency of road interdiction missions has been increased. Finally, the National Police, in cooperation with DEA, is designing an enhanced investigations program targeted on local cocaine refining.

Obtaining a better estimate for the total amount of coca cultivation and refining in Ecuador remains a high priority.

A.4. Adequacy of Legal and Law Enforcement Measures

Destruction of 1,000 kilos of cocaine HCL seized during 1985 is a major step forward. The GOE has indicated willingness to destroy illegal precursor chemicals and is awaiting information from the United States regarding procedures to destroy the chemicals without adverse environmental impact.

Presidential and ministerial "surveillance" of judges has served to strengthen Ecuador's judicial system. Several

attempts by traffickers to "buy" a defendant's freedom from corrupt judges have been thwarted by the GOE. Two of the judges involved were removed from their posts and are presently under investigation. Attempts will continue to install a system whereby a few selected judges would hear narcotics cases and be held strictly accountable for their decisions by the President.

The President's narcotics advisor is charged with supervising and coordinating Ecuador's narcotics efforts. The advisor has the authority of the President and is able to cut through Ecuador's traditional red tape. In addition, the advisor has been able to obtain the cooperation of agencies that have been less than willing to work together.

At the present time, Ecuador does not have any narcotics control officers stationed in other countries, nor are there narcotics control officers, other than DEA, from other countries stationed in Ecuador. However, there are law enforcement liaison officers from Colombia and France in Ecuador who exchange narcotics related information.

Corruption has been a traditional problem in Ecuador. The President, however, has vowed to make every effort to control corruption, and the Government's handling of judges involved in attempts to release important traffickers is viewed by the mission as a positive step.

Adequate training for narcotics enforcement officers has been provided by the United States in the past, with both in-country basic training schools and courses by the Glynco training center. During FY 1985, the United States provided in-country training schools and one executive observation program. It is anticipated that instructor courses as well as intelligence analysis courses will be requested during FY 1986.

A.5. The Domestic Drug Abuse Problem

The bulk of coca production (HCL or other derivatives) is not consumed or used within Ecuador, but is transshipped to Colombia or exported directly to the United States. It appears that domestic consumption has little influence on production. With increased enforcement, as well as the continuation of Ecuador's relatively sophisticated prevention program, which includes conferences, editorials, and radio and television spots, the drug abuse situation may actually diminish by calendar year 1987.

DINACTIE is the GOE lead agency in prevention. Relatively ineffective until now, the organization has a new chief, a medical doctor with prevention/treatment experience. He

reportedly has the direct support of the President and First Lady and hopefully will improve the performance of his agency.

B.1. Nature of Illicit Drug Production

Coca is cultivated in Ecuador, and some cocaine HCL refining is believed to occur. Those activities are illicit. There is no cultural or historical tradition of coca leaf chewing or coca tea consumption to fuel licit demand. The current administration's energetic anti-narcotics campaign represents a sharp break with tradition. Ecuador has been viewed as a transit point for cocaine en route from producers to consumers. In fact, large scale coca cultivation was not discovered until September 1984. Accordingly, previous governments paid little attention to narcotics control activities.

B.2. Factors Affecting Production

A variety of factors, including United States willingness to cooperate, the success of enforcement activities in neighboring countries, and a genuine feeling of shock with regard to the political, economic and social evils observed in Colombia led the Febres Cordero Administration to emphasize anti-narcotics programs. Ecuador now realizes that its remote jungle areas provide a climate ideal for coca cultivation, and that Colombians are exploiting those areas to an increasing degree as operating in Colombia becomes more difficult. In addition, the many rivers provide necessary marketing links while the area's inaccessibility by road makes normal patrols extremely difficult. The mean altitude (about 1,500 ft. above sea level) is also conducive to extensive coca cultivation.

Ecuador's economic situation is such that jobs in the jungle area are extremely scarce, and coca plantation owners may provide the only form of income to the common laborers who harvest the coca.

Fortunately, the media has taken up the narcotics situation with a vengeance, publishing on almost a daily basis stories regarding narcotics arrests and editorials on law enforcement efforts, which generally applaud those efforts or criticize the government for not doing more.

The progress made during the past year under the Febres-Cordero Government is impressive. The United States believes the GOE commitment to coca eradication and to the interdiction of cocaine trafficking is genuine. Further anti-narcotics progress is expected because the GOE now views narcotics production and trafficking as a serious domestic

problem. Moreover, President Febres-Cordero sees an effective narcotics campaign as a means to elevate his government's image in the eyes of his South American contemporaries.

B. 3-4. Maximum Achievable Reductions and Methodology

The estimate is that between 1,464 and 2,886 [rounded to 1,500-2,900] hectares of coca were under cultivation in Ecuador in 1985. An estimated 464 hectares were eradicated. If coca production in Ecuador follows patterns found elsewhere in South America, the yield would be about 1,000 kilograms of leaf per hectare, or a yield of 1,000 to 2,422 metric tons of leaf after eradication. Similarly, using a traditional conversion factor of 500:1, this tonnage could produce 2.0 to 4.8 metric tons of cocaine hydrochloride, or 5-11 mt of coca paste.

It is noted, however, that some portion of the coca cultivation consists of extremely large coca bushes -- 6 to 9 feet in height and some officials in Ecuador believe that the number of kilograms of leaf per hectare and the conversion to paste are higher than the South American averages. For example, there are estimates that hectares containing these larger bushes could yield as much as 5,500 kg of leaf per hectare [5.5 times the average in South America] and that this leaf converts to paste on the order of 20 kg per hectare [4 times the average]. If those yields were true for all of the 1,000 to 2,422 net hectares under cultivation, then leaf production could have risen to a range of 5,500 to 13,321 mt. After seizures and losses, there would theoretically be enough leaf to produce from 20.0 to 48.4 mt of coca paste, or between 9 and 19 mt of cocaine hydrochloride.

In the actual event, the amounts of leaf and paste available for conversion to cocaine were reduced further by seizures and local consumption [see tables].

There will be emphasis in 1986 on determining more precisely the number of hectares under cultivation, as well as the comparative yields and conversion factors appropriate to Ecuadoran production.

At this time, the estimate is that, in 1986, at least 2,422 hectares will be planted, but, eradication will reduce the harvest to 1,422 mt of leaf, which could convert to 7 mt of coca paste, and 2.8 mt of cocaine. [Even if the higher yield and conversion factors were used, the projection is that net production and cocaine yields will decline from the 1985 level, thanks to eradication and increased seizures.]

C. Data Tables

1. Summary tables

<u>Coca Estimates</u>	<u>1985</u>	<u>1986</u>
Hectares cultivated	1,464-2,886	2,422
Hectares eradicated	464	1,000
Hectares harvested	1,000-2,422	1,422
Coca leaf harvested	1,000-2,422 HA	1,422 HA
Loss factor (1 percent)	10-24 MT	14 MT
Coca products consumed (leaf equiv)	6 MT	6 MT
Coca paste produced	5-11 MT	7.0 MT
Coca paste seized	Minimal	Minimal
Cocaine base/HCL (potential)	2.0-4.8	2.8

2. Data Tables

<u>Net Production (MT)</u>	<u>1987</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>	<u>1983</u>
Opium	0	0	0	0	0
Coca Leaf	0	1,422	1,000- 2,422	1,000	n/a
Cannabis	0	0	0	0	0
<u>Refining (MT) Potential</u>					
Cocaine	N/A	3	2-5	N/A	N/A

This estimate is based on the conservative assessment of Ecuadoran leaf production. In reality, much of this production is exported, and the handful of cocaine labs in Ecuador, which have a collective potential capacity estimated as high as 18 metric tons, are believed to operate on imported paste/base.

<u>Seizures</u>					
Coca leaf (MT)	0	0	N/A	315	0
Cocaine (Kg)	2,000	2,000	1,000	80	0
<u>Arrests</u>					
Nationals	1,500	2,000	1,800	1,620	1,360
Foreigners	100	500	300	300	65
<u>Labs Destroyed (cocaine)-</u>					
Labs Destroyed (paste) -	-	-	3	-	-
			57	27	-
<u>Domestic Consumption</u>					
Cocaine	.1	.1	.1	.1	.1
Other Coca	.5	.5	.5	.5	.5
No other drugs reported					

Users					
Cocaine	2,000	2,000	2,000	2,000	2,000
Other Coca	10,000	10,000	10,000	10,000	10,000
Marijuana	200,000	200,000	200,000	200,000	200,000

PART D

See

Appendix.

E. Resource Estimate

The 1986 reduction estimates (1000 hectares eradicated) are based on outside funding of about one million dollars in 1986, and a comparable amount in 1987, or an equivalent amount of other international assistance. The United States assumes GOE will dedicate all possible resources to narcotics interdiction, hopefully matching the value of U.S. assistance, in accordance with President Febres-Cordero's pledge to that effect.

If the current estimate of coca under cultivation (2,422 HA) is correct, U.S. officials in Quito believe that, with adequate INM or international donor funds, coca cultivation can be halted by the end of 1987.

MEXICO

A.1. Status of Illicit Narcotics Production and Trafficking

• One of our primary international narcotics control concerns in 1986 is the strengthening of the Mexican program so that clear progress is demonstrated.

The narcotics situation in Mexico is among the most serious challenges facing U.S. narcotics officials. Improving the once-effective program, which affects overall U.S./Mexican relations, is among the highest bilateral priorities for 1986. Particular emphasis will focus on reversing the disappointing results of the last two years, which were marked by increased production of marijuana and opium.

We have intensified high-level exchanges with the Government of Mexico, including discussions between Secretary Shultz and Foreign Secretary Sepulveda, and regularly scheduled working meetings between Attorneys General Meese and Garcia to review progress. However, while the Mexican Attorney General's Office (MAGO) continues its dedicated effort, it is apparent that new strategies will be necessary.

As indicated in 1984, corruption remains an important factor in the increased production of opium poppy and marijuana in Mexico.

Mexico continues to be the largest single source-country supplier of heroin to the United States, with the tri-state area of Chihuahua, Durango, and Sinaloa remaining as the principal growing areas for opium poppy. In 1985, purities of Mexican source heroin samples in the United States continued to rise. Lower prices for higher purity levels also indicate an increasing supply of heroin in the United States.

Opium poppy eradication statistics for 1985 indicate that 2,750 hectares were eradicated; however, net production of opium apparently increased. (Note that official Mexican estimates of eradication are 5,600 hectares, up from an estimated 3,200 hectares in 1984. U.S. officials believe that manual eradication statistics are overstated.) U.S. officials estimate that 1985 opium production was in the range of 21-45 metric tons.

Marijuana production is also increasing. Seventy metric tons of marijuana were seized at ports of entry in the southwestern United States in all of 1984. In the first six months of 1985, more than 54 metric tons were seized in this area. Manual and herbicidal eradication efforts against cannabis cultivations for the first six months of 1985 were reported nearly 30 percent lower than for the first six months of 1984 (897 hectares compared to 1,457 hectares). A worsening economy has contributed to increased cultivation of marijuana by small farmers seeking an assured cash crop.

Processed marijuana and heroin continue to be smuggled by land vehicle with secondary reliance on light and medium aircraft. The exception may be in the states of Oaxaca and Guerrero where some marijuana is being transported by marine vessels.

A large share of the cocaine consumed in the United States continues to transit Mexico. Although some refining of cocaine hydrochloride does occur in Mexico, the majority transits in final form via small to medium aircraft, utilizing both clandestine and registered airstrips. The Yucatan peninsula continues to figure as a major vessel off-loading area for cocaine, arriving primarily from Colombia.

Mexico is also the largest supplier of illicit amphetamines to the United States. Significant quantities of counterfeit mandrax also continue to be produced in the country.

Mexico has over seventy Class I narcotics violators actively involved in narcotics trafficking. They are all, without exception, Mexican nationals and are not known to have links with terrorists or political insurgents. Although Mexican traffickers involved in cocaine smuggling have ties or links to Colombia violators, there is no evidence of "multi-national" networks operating in both countries.

A.2. Accomplishments in 1985

The large increase in opium poppy eradication reported by the Mexican government is encouraging; however, this accomplishment is offset by a decline in cannabis eradication totals and more importantly, by indications that net Mexican opium production increased during the year.

Two initiatives developed in 1985 should provide a better data base for assessing production and planning/mounting more effective eradication campaigns.

The independent monitoring program, begun in late 1984, continued in 1985. The development of the monitoring program is seen as a permanent part of the Mexican narcotics campaign. Although the program was beset by problems in its initial stages, the most recent phase (which concluded in December, 1985) provided the first firm data on how the eradication program was functioning. The Mexican Attorney General's Office (MAGO) plans to augment the monitoring program's aircraft fleet with a helicopter in 1986, and the Drug Enforcement Administration (DEA) will station permanent personnel in Mexico dedicated to the program.

During 1985, the Mexican government also committed itself to the development of an aerial survey program as another permanent facet of the narcotics campaign. An agreement is expected to be signed in February, with an opium survey assisted by the United States (INM) to begin almost immediately thereafter.

The investigation of the February 1985 kidnapping and murder of DEA Special Agent Enrique Camarena in Guadalajara diverted DEA from other major activities during a large portion of the year. The U.S. government strongly expressed its concern about the incident and about the subsequent investigation, which revealed widespread police corruption. U.S. officials also repeatedly stressed the need for vigorous prosecution of those responsible. Two major Mexican violators connected with the case, as well as others with long-standing records of narcotics involvement have been arrested. However, several traffickers implicated in Camarena's murder remain at large, as do other major trafficking figures.

A.3. Plans, Programs, and Timetables

The overall program goals in 1986 are to assess more accurately the true extent of narcotics crop cultivation and assist the Mexican government in carrying out more effective campaigns to destroy poppy and marijuana cultivation.

A strategic survey of opium poppy began in February 1986. The survey will provide an important data base for a comprehensive reconnaissance and verification program. Using the 1985 phase of the monitoring program as a base, the process of gathering, analyzing, and verifying information on cultivation and eradication will be further institutionalized in 1986. Historical eradication data is being entered into a computerized data base, utilizing software developed in 1985. This data base will be supplemented by new information derived from the monitoring program and surveys as well as reports on current eradication operations. This process will permit

easier retrieval and analysis of crop cultivation and eradication information, and will facilitate strategic planning for eradication operations.

MAGO herbicidal eradication activity will continue in 1986 for both opium poppy and marijuana. Information derived from the monitoring and survey efforts should permit more effective evaluation of the program; planning for future operations will incorporate indicated changes. It is anticipated that "sweep" operations, successfully reintroduced by the MAGO in late 1984, will be continued in 1986.

A.4. Adequacy of Legal and Law Enforcement Measures

The Mexican legal system and penal code are based upon the Napoleonic code. Mexican narcotics laws are generally viewed as adequate; however, conviction and sentencing of violators of narcotics laws presents a dismal picture. Tougher drug laws are now in the process of being adopted, with quick sentencing and long terms for violators proposed. Law enforcement efforts continue to be slow, cumbersome and bogged down by the major stumbling block of corruption, a problem exemplified by the November 1985 escape from a Tijuana prison of Jose Contreras-Subias, a major figure in the trafficking organization of Rafael Caro Quintero. The lack of a computerized records system or a centralized repository of criminal records that can be accessed by telephone also has a detrimental effect on enforcement efforts.

Investigations of money laundering activities in Mexico or along the border have faced serious obstacles as Mexico has strict bank secrecy laws and cooperation in obtaining Mexican bank records from Mexican law enforcement agencies has been lacking.

A.5. Domestic Drug Abuse

Despite Mexico's role as a transit and producer country of cocaine and heroin, respectively, there is no broad domestic market for either drug. It is difficult to estimate the extent of drug abuse in Mexico in terms of overall numbers or social classes; however, most experts agree that Mexico is in the early stages of a national drug abuse problem, with marijuana and glue (for sniffing) currently the most commonly abused substances.

Mexico lacks sophisticated treatment and rehabilitation facilities. Many Mexican medical authorities view marijuana use more as a growing social rather than public health problem, and abuse of other drugs is not widespread. The recent

earthquakes destroyed the country's two major research hospitals, which treated drug-related cases in lieu of specialized rehabilitation centers. Mexico's strained resources will go into reconstructing these and other destroyed facilities in the foreseeable future.

The government of Mexico has proceeded with drug education programs, using materials and programming support from the U.S. Information Agency (USIA). Spearheaded by the Attorney General's Office, the effort focuses on the family and the community, the cornerstones of Mexican society, in preference to programs targetted at individuals. The key agency for the prevention effort is the National Committee Against Chemical Dependency (ADEFAR), which also works with the national health ministry. ADEFAR largely serves as a funnel for information, sponsoring community-level groups around the country. These local committees supervise programs and distribution of literature, while working with public schools.

In addition, ADEFAR and the Attorney General's Office have aggressively encouraged the media to attack drug abuse. Since early 1985, newspapers have run articles attacking drug trafficking as a social evil, and television and radio stations regularly broadcast public service announcements warning about the dangers of illegal drugs. This situation contrasts sharply with that in 1984, when drug abuse and trafficking were largely ignored in the media.

B.1. Nature of Illicit Drug Production

Maintaining the pattern seen in previous years, small producers grow much of the narcotics crops in Mexico, while subsequent processing and transportation are handled by larger organizations. Although these organizations have been hurt by arrests of narcotics traffickers this year, there are no indications that operations have been disrupted to the point of reducing net production. On the contrary, both opium and marijuana production have apparently increased during the year.

Opium poppy can be found in relatively restricted areas in Mexico, while cannabis is grown in almost all areas of the country. Reflecting observed cultivation patterns, the Mexican government concentrated eradication operations in the states of Sinaloa, Jalisco, Oaxaca, and Guerrero, with poppy eradication particularly concentrated in Sinaloa. Marijuana eradication figures for Chihuahua, Michoacan and Durango are greatly reduced from previous year totals.

B.2. Factors Affecting Production

As in 1984, the climate again favored increased cannabis and opium poppy crops during the year, with good growing conditions throughout the country. Trafficking organizations headed by powerful individuals wield political as well as economic power, and have demonstrated an ability to corrupt elements of the anti-narcotics forces. Investigations by the Mexican Attorney General's Office conducted during the year have led to the arrest of hundreds of individuals, and two major traffickers are currently in detention in Mexico charged with the abduction and murder of DEA agent Camarena. Nonetheless, the major trafficking networks remain intact.

B.3. Maximum Achievable Reductions

The Government of Mexico has traditionally stated that its control objective is the elimination of all opium poppy and cannabis fields; however, given the apparent net increases during 1985 of both opium and marijuana, program operations are being reassessed to define objectives more realistically for 1986. The surveys, reconnaissance and verification missions, and computer-based analytic system, provided or supported by the United States, are critical to this reassessment of objectives and redefinition of the scope of cultivation, and will provide the data needed to improve strategic planning.

At this juncture, there are few reliable, uncontested data. The MAGO has not defined specific eradication targets for 1986. But, as noted, it has agreed to an aerial survey of opium poppy, and other improvements in monitoring and verification. Given the uncertain reliability of data on 1985 cultivation estimates, neither government is prepared at this time to make estimates on 1986 cultivation, eradication, or yields. When improved data are available, the United States will seek agreement on 1986 objectives.

B.4. Methodology

The Drug Enforcement Administration believes that marijuana production in 1985 was at least as great as 1984, when DEA estimates that 2,500-3,000 metric tons of marijuana were available, as a net figure after eradication, seizures and losses, for export to the United States. Using the high-side assumption of 3,000 MT as a base, which would require 2,655 hectares of net cultivation (1.13 MT per hectare), and factoring the MAGO estimate that it eradicated 2,945 hectares, plus 507 hectares representing domestic consumption of 100 mt, seizures of 173 mt, and losses of about 10 percent of net (300 mt), then 1985 cultivation was at least 6,107 hectares. By

some estimates, cultivation may have increased to as much as 9,000 hectares, which if accurate would yield 6,000 MT for gross potential production; carrying out this estimate, which is not based on surveys but on random field observations, the net available for export to the United States would have been as high as 5,943 mt of marijuana. The MAGO report of eradicating 2,945 hectares is a drop from the 3,600 reported eradicated in 1984.

Readers will note that gross cultivation of marijuana for 1984 was estimated at 8,700, reflecting the large cultivation and seizures (2,400 mt) at Chihuahua. There is no attempt here to imply that gross cultivation declined from 8,700 hectares to 6,107 hectares in 1985. Rather, the emphasis is that, at minimum, U.S. officials believe an estimated 2,500-3,000 mt of Mexican marijuana, the same as 1984, and possibly much more, were exported to the United States in 1985.

Lacking an empirical base, such as a survey, there is no reliable method for projecting 1986 cultivation, production or yield. Given the recent experience, it is prudent to assume that traffickers will attempt to cultivate and harvest at least as much marijuana in 1986 as in 1985, or about 6,000 hectares. However, given sought-after improvements in the efficiency of the Mexican marijuana eradication program, the net production and yield figures would hopefully decline. In essence, there is no U.S. or Mexican estimate for 1986.

Opium production is presumed to have increased, a belief based in part on the influx of "black tar" heroin and increases in U.S. seizures, as well as field observations. There are no reliable estimates on cultivation. The Mexican government reported eradicating approximately 5,600 hectares, through both manual and chemical methods, which if accurate would represent a sharp increase over the 3,600 hectares eradicated in 1984. However, U.S. officials note that the reports include 3,600 hectares eradicated manually, and believes this figure is incorrect, and that a more representative number would be 1,200 hectares. Also, verification flights and other monitoring suggest that, to reflect needed return flights over some fields, overlap and other factors, the estimate for chemical eradication should be 1,542 hectares. Rounded, the estimate is that 2,750 hectares were eradicated in 1985. DEA estimates that about 2.6 MT of heroin were exported to the United States in 1985, suggesting that net opium cultivation was 2,600 hectares. This assumption indicates that 5,350 hectares were cultivated, up marginally from the 5,200 hectares estimate of 1984. Other estimates suggest, however, that net cultivation may have been as high as 4,500 hectares, which, if correct, could have yielded as much as 45 mt of opium.

The assumption in this report, pending the aerial survey which began in February 1986, which will permit more precise targetting of eradication activities, is that actual net production in 1985 fell somewhere within a range of 21-45 metric tons of opium. Given the softness of these data, there is no reliable method of projecting 1986 cultivation, production, or yield, until the survey is finished and more effective strategies have been mapped and employed.

Obviously, the purpose of the frequent, high level meetings, the employment of more sophisticated estimation and planning devices, and the provision of additional equipment is to ensure a Mexican capability to bring opium and marijuana production down in 1986.

C. 1. Statistical Tables

Marijuana	<u>1985</u>	<u>1986</u>
Hectares cultivated	5,620-6,107	No Estimates
Hectares eradicated	2,945	
Hectares harvested	2,675-3,162	
Cannabis yield mt	3,023-3,573	
Loss factor mt 10	250- 300	
Cannabis seized in ctry	173	
Domestic consumption	100	
Exported to U.S.	2,500-3,000	

Opium/Heroin

Hectares cultivated	5,350-7,250	No estimates
Hectares eradicated	2,750	
Hectares harvested	2,600-4,500	
Opium yield mt	26	
Loss factor	Unknown	
Opium seized	None	
Available for refining	26.0	
Heroin produced	2.6	
Heroin seized in ctry	.006	
Heroin consumed in ctry	-	
Heroin exported to U.S.	2.594	

GROSS CULTIVATION:		
Opium	5,350-7,250	5,200
Cannabis	5,620-6,107	8,700
HECTARES ERADICATED		
	<u>1985</u>	<u>1984</u>
Opium	2,750	3,200
Cannabis	2,945	3,600
NET CULTIVATION (Hectares)		
Opium	2,600-4,500	2,000
Cannabis	2,675-3,162	5,100
NET PRODUCTION (MT):		
Opium	21-45	21
Cannabis	3,023-3,573	3,000-5,850
REFINING:		
Heroin	2.6	2.05
SEIZURES:		
Opium kg	56.6	
Morphine kg	1.9	
Heroin kg	8.8	0
Poppy seed kg	133.2	
Hashish kg	0.5	
Cocaine mt	2.5	
Marijuana	173	2,400
Depressants units	712,199	
Stimulants	74,045	
Peyote kg	455.1	
ARRESTS:		
Nationals	3,968	5,635
Foreigners		195
LABS DESTROYED		
Heroin	4	8
DOMESTIC CNSMP	100 mt marijuana estimated	
USERS	No official information available.	

D. U.S. Assistance to Mexico

See

Appendix.

E. Resource Estimates

The current FY 1986 authorized level of \$10.1 million is inadequate to meet estimated levels of eradication. Given the increased number of aircraft supported, age and condition of the fleet, and the requirement to defray more of the GOM operational costs, e.g., herbicide, per diem, etc., it will be necessary to increase the funding level of the program in FY 1986.

NICARAGUA

A.1. Status of Illicit Narcotics Production and Trafficking

The Government of Nicaragua's (GON) control of overt sources of information, together with the Sandinista regime's unwillingness to cooperate with the United States on this issue, make it difficult to present a comprehensive account of narcotics-related activity in Nicaragua.

At this time, the United States has no specific information on the cultivation, production or refining of illicit drugs in Nicaragua. However, while Nicaragua is not an illicit narcotics producing country, there are indications that Nicaragua may have become a transshipment point for cocaine destined for the U.S. markets. Moreover, there is evidence suggesting that members of the Sandinista Government have not only condoned but have actively participated in narcotics trafficking activities.

Although Sandinista officials have denied all allegations, there are charges that one of the most influential members of the Sandinista National Liberation Front (FSLN), which controls the Government, is directly and personally involved in drug trafficking. A former Nicaraguan Interior Ministry official has stated publicly that Sandinista Interior Minister Tomas Borge has been actively involved in smuggling cocaine from Colombia to the United States. Working through an Interior Ministry-controlled company set up to earn foreign exchange, Borge reportedly provided Colombian traffickers with airplanes, refueling and transshipment facilities in Nicaragua. An earlier report covering 1983-84 also implicated another Nicaraguan said to have close ties to Borge in narcotics trafficking. Photographs, allegedly taken on the military side of Managua airport, show Nicaraguan government officials loading boxes, described as being filled with cocaine, into a small aircraft. According to some Nicaraguans, the presence of the plane in a controlled military zone also implicates Defense Minister Humberto Ortega in the trafficking activity.

The Interior Ministry official's statements indicate the involvement of at least one and possibly more of the leading members of the ruling Sandinista Front. This development, together with the already strained relations between the GON and the United States, has both eliminated bilateral cooperation on narcotics control and made it all but impossible to gather accurate official information on any

aspect of the subject. Given this lack of cooperation on the part of the GON, U.S. narcotics control efforts are focused on regional and neighboring countries' organizations and institutions.

A.2. Accomplishments in 1985

The U.S. Embassy in Managua knows of no plan or program implemented by the GON in 1985 to attempt to eliminate illicit narcotics trafficking.

A.3. Plans, Programs and Timetables

On October 29, 1985, a pro-government radio station announced that the Ministry of Interior would establish a "wide ranging and permanent operation" to combat drugs, which will include "the rehabilitation of drug addicts." Whether this operation will be aimed at the illicit cultivation of narcotics is not clear. Although the Sandinista Government has accused "counterrevolutionary" forces of being involved in producing and dispensing drugs, it has never acknowledged that narcotics cultivation is a serious domestic problem.

A.4. Adequacy of Legal and Law Enforcement Measures

Nicaragua's judicial and law enforcement mechanisms seem to be adequate for carrying out drug enforcement operations. The Sandinista police have a specially-trained unit on drugs and vice which has jurisdiction over narcotics offenses. Although we have no information on special training the GON may provide to law enforcement officers in narcotics control, we do know that in general the police appear to be professional and adequately trained.

There is, however, some evidence of narcotics-related police corruption beyond that involving Commandante Borge. The same former Interior Ministry official who implicated Borge in cocaine trafficking has also provided information indicating that known criminals, particularly drug offenders, have entered the ranks of the Sandinista police. These recruits allegedly have continued to engage in drug-related criminal activity. According to the defector, some key positions are currently occupied by persons who were (and still are) engaged in the very crimes they are now called on to investigate. The corruption has taken the following forms:

1. These corrupt officials either consume the marijuana and other drugs confiscated or sell them on the street to earn money;

2. Some of the drugs confiscated by the police are sent to the state security (DGSE) agency where they are consumed by some of the officials or used in operational activities, including being planted on innocent persons whom the DGSE seeks to compromise.
3. The Sandinista police operate a network of informants who have a dual function: to inform the police about individuals who use or deal in drugs, and to resell drugs confiscated by the police.

The Interior Ministry defector identified approximately ten persons with criminal backgrounds involving drug offenses who work for the Sandinista police. Several hold the rank of Lieutenant, and head sections within that law enforcement agency.

The basic statute on narcotics law enforcement is title six of the Penal Code, which dates from March 3, 1976. Actual drug arrests appear to be few, with small amounts of drugs reported as found. For example, sub-comandante Enrique Schmidt, head of the fourth unit of the Sandinista police (the unit responsible for drug enforcement), announced on October 28, 1985, the break-up of a "major" marijuana trafficking ring. The police had recovered marijuana with an estimated value, however, of less than 50 dollars and had confiscated local currency equivalent to less than 900 dollars.

A Sandinista decree (Number 559 of October 25, 1980) gives the police (under the Ministry of Interior) primary jurisdiction over narcotics crimes. An amendment to that decree, embodied in decree no. 1467 of June 16, 1984, provides for prison terms for narcotics and other offenses. (One unusual feature of the Nicaraguan judicial system, as it applies to narcotics crimes, is that the police are authorized administratively to give drug offenders sentences of up to two years in prison.) Taken together, these three basic sets of laws provide for the following legal measures against drug trafficking.

The planting, cultivation, harvesting or gathering of seeds or plants from which psychotropic, stimulant, depressant or hallucinogenic substances can be obtained is punishable by 30 years in prison. The same sanction is applied to those who bring such substances into the country, or sell, transfer, etc. such substances, including health professionals who provide drugs in violation of applicable regulations. One is presumed to be a trafficker if one cannot explain one's possession of such drugs. Also, persons who consent to the use of their property as a place for illegal use of drugs can be imprisoned

from one to four years, and such of their properties that may be open to public use will be closed. When a person has been detained for having produced, trafficked in, distributed or promoted the illegal consumption of prescribed drugs, and there is insufficient evidence to transfer jurisdiction to a competent judge, the police instructional judge may impose a sentence of from one day to six months of "uncommutable arrest" on a first offense and from six months to two years for a second offense. Such sentences may be appealed only to the respective regional delegates of the Ministry of Interior.

Nicaragua is a party to the 1961 Single Convention and the 1971 Convention on Psychotropic Substances. It is not a signatory to the 1972 amendments to the Single Convention. In August 1984, the GON signed the Quito accord against drug trafficking.

A.5. The Domestic Drug Abuse Situation

At this time drug abuse does not yet appear to be a significant problem in Nicaragua. The political atmosphere created by the revolution, the extensive social and police controls, the depressed economic situation and the role of religion in many people's lives all serve to inhibit the use of illegal narcotics. Nonetheless, the use and sale of drugs (especially marijuana) seems to be on the increase. Most key leaders, both in the Government and in the opposition, view the use of drugs negatively.

The GON's Ministry of Health operates a rehabilitation clinic in Managua, but does not provide detailed statistics on drug abuse. Most drug addicts are treated as outpatients, but the more acute patients are confined in the National Psychiatric Hospital.

In an article in one of the Government-controlled newspapers last July, the GON claimed that the level of drug addiction had dropped dramatically. The Director of the National Psychiatric Hospital stated that the hospital had not treated a single drug addict in 1985. He said there were two cases per year in 1983 and 1984. He quickly added, however, that "this does not mean that there is no drug consumption, but rather that the levels are much lower," by implication since the 1979 revolution. A recent Interior Ministry announcement also seems to indicate increased need for treatment and rehabilitation (see section A.3).

Domestic drug consumption is essentially small scale and has no measurable impact on the transshipment of narcotics. Illicit drug production is presumed to be negligible, and we have no indications of export of locally grown narcotics crops.

PANAMA

A.1. Status of Illicit Narcotics Production and Trafficking

Panama's principal involvement in the narcotics trade is in the transshipment of drugs from South America to the United States and in the laundering of narcotics profits.

Narcotics production is estimated at about 400-500 hectares of marijuana cultivation, primarily in the Perlas Islands in the Gulf of Panama. However, aerial eradication destroyed about half of this fall 1985 crop. There are some isolated fields of coca near the Colombian border, but they seem to be more experimental than commercial.

Panama serves as a transfer point for narcotics (mostly cocaine and marijuana) moving from South America to the U.S. and chemicals used in narcotics processing passing from the U.S. and Europe to South America. Narcotics arrive in Panama in light planes and small coastal vessels and are transferred to other aircraft or vessels for shipment to the United States. The narcotics are sometimes warehoused in Panama prior to onward shipment.

Although Panamanians are involved in trafficking, and corruption is reportedly a factor, most of the actual trafficking is carried out by nationals of other countries, especially Colombians and Bolivians. Panamanian authorities have been cooperative in permitting U.S. Coast Guard search and seizure of Panamanian-registered vessels suspected of carrying drugs.

Of particular importance is Panama's role as a major money laundering center in the Caribbean area. One hundred twenty banks operate in Panama with deposits of over \$30 billion. These banks are attracted to Panama because of favorable financial conditions, notably exemption of profits earned outside Panama from local taxation. In addition, Panama has strict banking secrecy laws, corporations can be set up with ease, and the U.S. dollar is the currency. These factors make Panama an attractive location for laundering the proceeds of the illegal narcotics trade. Most of this money enters Panama in bulk cash and departs via electronic transfer, often within 24 hours of deposit. A self-policing system devised by the Banking Association to regulate cash deposits in excess of \$10,000 produced some results in 1985 but has had little impact thus far on money laundering operations.

A.2. Accomplishments in 1985

There were three major events in 1985: the seizure in March of the First Inter-Americas Bank, which was owned by drug traffickers; the opening of bilateral negotiations on a Mutual Legal Assistance Treaty (MLAT); and the aerial eradication program which destroyed perhaps half of the marijuana growing in Panama at that time.

In February, Spanish officials arrested Colombian drug traffickers Jorge Ochoa and Gilberto Rodriguez Orjuela. Rodriguez Orjuela was the majority owner of the First Inter-Americas Bank in Panama through which he laundered the proceeds of his illegal trade. Panamanian authorities intervened in the Bank under Cabinet decree 283 of 1970 which states that banks, their directors, officers and employees must maintain a good reputation for the integrity of their operations. Rodriguez Orjuela has been imprisoned in Spain awaiting a decision on requests for his extradition by Colombia and the United States. The First Inter-Americas Bank remains under the control of the banking commission, which oversees the liquidation of assets. The intervention represents the first major action taken by GOP authorities against a money laundering operation.

In late May, U.S. and Panamanian negotiators met for the first time to discuss a possible Mutual Legal Assistance Treaty (MLAT) to deal with the money laundering issue. To date, the discussions must be considered introductory and explanatory. The U. S. team was unable to attend the second scheduled meeting in July because of other commitments. Since early September we have been urging the GOP to agree on a new date for resumption of discussions, but without a concrete response so far. Until an MLAT is agreed on, we expect money laundering to remain our primary bilateral narcotics issue with Panama.

In September, the Panama Defense Forces, with INM assistance, began a comprehensive effort to eradicate marijuana cultivations through the aerial spraying of herbicides. The program began in the major growing area, the Perlas Islands in the Pacific Ocean south of Panama City. The operation resulted in the eradication of 517 acres (210 hectares) in five days of spraying. Aerial reconnaissance of the islands and mainland Panama as part of the eradication program led to a revision upward in estimated marijuana cultivation to about 400-500 hectares.

A.3. Plans, Programs and Timetables

Panama's anti-narcotics program centers on improving the capability of law enforcement agencies to deal with narcotics

interdiction on a country-wide basis and eradication of marijuana cultivation. Panama seeks U.S. assistance to carry out these programs.

In 1983 the GOP initiated a coordinating group for narcotics enforcement. This group has been hampered by poor communications and transportation facilities. The U.S. is helping to develop an improved communication system and has provided some assistance in transportation. We have also provided technical support in the form of satellite navigation equipment to the Panamanian navy to improve its ability to assist in joint operations at sea.

Following the largely successful marijuana eradication program in September of 1985, the government of Panama repeated the INM-assisted operation again in January 1986 to destroy replanted fields and will repeat the operation in the fall.

A.4. Adequacy of Legal and Law Enforcement Measures

Legal System: Few traffickers are sentenced to significant jail terms upon conviction, and reports of corruption among some judicial authorities are common. Most foreigners, including Americans, are deported after a short stay in jail. Many of those arrested never actually come to trial, as pre-trial confinement periods often run up to several months.

The principal Panamanian law regarding the possession, use, and trafficking of narcotic drugs is Law No. 59 of June 1941 as subsequently amended. Decree No. 478 of October 24, 1973, created the National Commission for Control of Depressants and Psychotropic Substances. This Commission proposes uniform criteria for the various Government institutions, formulates policy, and organizes, coordinates and supervises programs of all phases of drug use, handling and trafficking, both licit and illicit.

Cannabis indica, grown in Panama and known locally as can-yac, is covered separately under Law No. 23 of February 15, 1954. Users are to be sent to rehabilitation centers administered by the central Government. Bail is not permitted to violators. However, this law is not invoked frequently today.

The Directorate General of Public Health is legally responsible for regulating the medical, dental, and veterinary professions. The Department regulates legal importation, handling, and distribution of stimulants, depressants, and narcotics, and patented products containing any of these. This

includes prescriptions; licenses; registration of prescribers and distributors; record keeping by pharmacies, drug stores, and pharmaceutical houses; and storage of these substances.

On paper, the Panamanian system is capable of prosecuting all phases of narcotics trafficking with the exception of money laundering. The law governing banking secrecy makes it difficult, if not impossible, to identify and prosecute major money launderers. Sensitivity to the opinion of the important banking sector has made it difficult to deal with this issue.

Law Enforcement: The Panama Defense Forces (PDF) serve as the umbrella organization for all law enforcement in Panama, although some responsibility for narcotics related enforcement activity is vested in other Government agencies as well. Those involved in enforcement include:

(A) G-2 Narcotics Section of the PDF

The G-2 staff handles all national-level intelligence and investigations. It investigates all major crimes, prepares evidence and documents and holds prisoners to be turned over the prosecuting attorney for legal proceedings. G-2 is divided into functional sections, including a narcotics enforcement international liaison officer.

(B) National Department of Investigations (DENI)

The DENI tends to concentrate on less important seizures, arrests, and investigations. It is composed of various offices responsible for security and Interpol affairs, including Omar Torrijos International Airport, narcotics, fugitives, investigations, and criminal lab work.

(C) Customs and Narcotics Section of the Ministry of Finance

This section operates at ports of entry. Some consider it the most professional of the narcotics agencies and it is credited with the majority of seizures of drugs destined for the United States.

(D) Pharmacy, Drug and Food section of the Department of Health

This section has regulatory responsibility for control of importation, exportation and distribution of licit controlled substances but it is seriously undermanned.

Treaties and International Agreements: Panama is a signatory to the 1961 Single Convention on Narcotic Drugs and the 1971 Psychotropic Substances Convention. It is a member of the United Nations Commission on Narcotic Drugs.

Panama has engaged in preliminary discussion with the U.S. Government concerning measures to improve the level of legal cooperation on narcotics matters. These include a proposed Mutual Legal Assistance Treaty. Panama signed an extradition treaty with the United States on May 25, 1904. This treaty included no provision for drug law violators. Panama has, however, expelled persons to the United States on a case-by-case basis.

Training: Panama has no organized training program but is working towards the establishment of its own narcotics training facility. U.S. training of Panamanian investigative agents is aimed at the formation of a staff of competent instructors in drug enforcement techniques.

A.5. Domestic Drug Abuse

Panama's drug abuse problem centers on the use of marijuana, cocaine and paint thinner. Marijuana is the most extensively used drug, and is both grown locally and imported from Colombia. However, cocaine abuse in Panama is increasing. Colombia is the major source country for cocaine consumed in Panama. The main consumers are believed to be Panamanian youth as well as Americans living in Panama.

Other dangerous drugs are in less demand. Barbiturates, amphetamines, and tranquilizers are easily obtained over-the-counter at most drug stores.

As yet, there has been no major effort on the part of the Panamanian Government to institute a program of drug rehabilitation and prevention of drug abuse. Community groups, such as the Lions Club and the Cruz Blanca, speak out on what they perceive as a growing use of drugs among urban youth and have protested official inaction. However, no coordinated program with allocated resources has been established.

B.1. Nature of Illicit Drug Production

Panama's role in international narcotics traffic revolves around four issues:

(1) The use of Panamanian banks to launder narcotics related profits mostly from third countries;

(2) The use of Panama as a transit country for narcotics enroute from South America to the United States;

(3) The use of Panama as a transit country for precursor materials, mainly ether, which is used in the production of cocaine hydrochloride; and

(4) Local cultivation of marijuana.

A. Production of Licit Narcotics

Panama is not a major producer of licit narcotics. Phenobarbital and demerol are prepared locally under license and control of the Health Ministry's Department of Pharmaceutics. There are no indications that these drugs are being diverted for illicit sale.

B. Production of Illicit Narcotics

The climate and terrain of Panama provide areas suitable for the cultivation of marijuana. The primary growing areas are the Pearl Islands located on the Pacific side. Small amounts of coca cultivation also have been seen in Darien Province, but probably constitute "experimental" plots on the part of Colombian traffickers seeking new growing zones which they believe might be less susceptible to detection. Estimates of total marijuana cultivation in Panama range from 400-500 hectares with an estimated yield of one metric ton per hectare.

B.2. Factors Affecting Production

As noted in B.1 above, the tropical climate in Panama is ideal for the cultivation of marijuana and to a lesser extent coca. Such cultivation is not extensive and does not appear to be expanding.

Panamanian Perception of Illegal Narcotics Activities

The Government is aware that Panama increasingly is the focal point both of transit of illegal drugs from South America and of the ever-growing laundering of proceeds from drug sales. In addition, the local use of marijuana and cocaine seems to be on the upswing. The Government wishes to project an image of Panama as a safe and respectable place for international trade and investment. Inasmuch as drug trafficking tarnishes that image, Panamanian officials are strongly opposed to it and are willing to cooperate extensively with U.S. authorities to hinder the drug trade. Panamanian public awareness of their country's role in the international drug trade seems to be increasing as well. Local newspaper coverage of narcotics-related arrests has expanded.

There also seems to be growing public awareness of drug abuse within Panama itself. Marijuana, traditionally used by Indian populations living along the Caribbean coast, is increasingly to be found among urban youth. Cocaine is beginning to become fashionable among the middle and upper classes.

B.3. Maximum Achievable Reductions

Due to the relatively small size of the Panamanian marijuana crop, it is believed that almost complete eradication is possible. Follow-on eradication efforts will in 1986 reduce the area cultivated further. It remains to be seen whether or not the marijuana crops will expand further on the mainland with successful eradication on the islands.

B.4. Methodology Employed to Determine the Maximum Achievable Reduction

Based on aerial observations of crop size and on previous spraying experience, we estimate that nearly all of the crop can be destroyed in one to two years of spraying.

C.1. Summary Tables

	<u>1985</u>	<u>1986</u>
Cannabis		
Hectares cultivated	400-500	400 +
Hectares eradicated	210	200-300
Hectares harvested	190-290	100-200
Cannabis Yield	190-290	100-200
Loss Factor	Unknown	Unknown
Cannabis Seized in Country	No data	No data
Marijuana consumed in-country (MT)	25	25
Marijuana exported to U.S. (MT)	165-265	75-175

<u>Data Tables</u>	<u>1987</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>	<u>1983</u>
(Cannabis)					
GROSS CULTIVATION (Hect)	100-300	200-400	400-500	400	250-400
GROSS POTENTIAL (MT)	100-300	200-400	400-500	250-400	200-400
HECTARES ERADICATED	200-300	200-300	210	0	0
CROPS ERADICATED (MT)	200-300	200-300	210	0	0
HECTARES OUT	50	50	0	0	0
CROPS OUT (MT)	50	50	0	0	0
NET CULTIVATION (Hect.)	100	100-200	190-290	250	250
NET PRODUCTION (MT)	100	100-200	190-290	250	250
SEIZURES (MT)					
Cocaine	-	-	.04	.05	
Marijuana	-	-	-	.09	138
ARRESTS					
Nationals	-	-	217	426	1333
Foreigners	-	-	118	39	23
LABS DESTROYED					
Cocaine	0	0	0	1	0
DOMESTIC CONSUMPTION					
NO DATA AVAILABLE					
USERS					
NO DATA AVAILABLE					
PART D					
(See Appendix)					

E. Resource Estimates

Panama received \$204,000 in FY 1985 and \$90,000 to date in FY 1986 to conduct its aerial eradication campaign on marijuana. It is estimated that \$100,000-200,000 will be required annually to continue the effective crop eradication programs begun in FY 1985.

PERU

A.1. Status of Illicit Narcotics Production and Trafficking

On entering office in July 1985, Peruvian President Alan Garcia committed his government to an aggressive campaign against narcotics trafficking. This commitment has been amply demonstrated by the successful completion of the first three phases of Operation Condor (an enforcement operation in northeastern Peru) and by a vigorous anti-corruption effort resulting in the dismissal or retirement of 369 senior police officers. Progress has also been made in implementing the coca eradication program in the Upper Huallaga Valley, despite continuing violence in that area. With the protection of the Guardia Civil's Rural Mobile Patrol Unit, the eradication agency was able to destroy almost 5,000 hectares of coca cultivation in 1985. At present the Peruvian government is designing a nation-wide anti-narcotics plan for attacking cultivation, production and trafficking. In addition, the Ministry of Justice is preparing legislation which, among other things, increases penalties for trafficking.

It is difficult to evaluate with precision the status and/or trends in coca cultivation in Peru due to the lack of a thorough nationwide survey to measure accurately the amount of coca being grown. Most of Peru's coca is grown in remote parts of the country where heavy rains and cloud cover hinder aerial photography. Furthermore, agricultural census takers have difficulty entering these regions because narcotics traffickers and terrorists rather than police control them.

Current national coca estimates offered by different Peruvian government agencies differ widely. A former Interior Minister estimated in 1983 there were 60,000 hectares. According to the Guardia Civil, there may be 130,000 hectares of coca in Peru. In an effort to determine better the extent of coca production, aerial photography was performed during 1980, 1981, and 1983 in the Upper Huallaga Valley, probably the most important coca producing area. The process was slow due to heavy cloud cover much of the year. In October 1984, the CORAH project (coca eradication) contracted the services of an aerial survey and photo interpretation expert and negotiated a contract with the Peruvian Navy to complete the Upper Huallaga Valley aerial survey. The survey is now 70 percent complete. Taking aerial photographs is only the first step in the quantification process.

Until overall production can be more accurately quantified through a complete national survey, U.S. officials, relying on ground truth and data from the partial survey, have changed estimates of gross coca cultivation to approximately 100,000 hectares for 1983, 1984 and 1985. U.S officials emphasize that this is an estimate subject to further revision.

President Alan Garcia vowed in his inaugural address to continue the fight against the narcotics trade until there are neither drug traffickers nor drug users in Peru. He also said that Peru could not be known as a country that exported "poison." At the United Nations General Assembly, he said his government would carry on even without U.S. assistance. In support of this aggressive anti-narcotics posture, the Peruvian Guardia Civil (GC) conducted two highly successful anti-narcotics operations in Peru's northeastern jungle bordering Colombia during August and September. Intensified eradication/interdiction operations commenced in the Upper Huallaga Valley in November with Peruvian Air Force rotary-wing air support.

Nevertheless, like its predecessor, the Garcia government is beset by numerous problems, including terrorism, economic deterioration, heavy foreign debt, low mineral prices and agricultural production, and high unemployment. In addition, during 1984, the growing problem of terrorism in the Ayacucho area overflowed into the Huanuco and San Martin departments, the main illicit coca growing areas. Narcotics traffickers are also believed to have committed terrorist-style attacks on eradication workers. Eradication and development project employees in the Upper Huallaga and other civilians, including police personnel, have been killed. The Government of Peru declared those two departments an emergency zone in August 1984 and placed it under the command of the Peruvian military. The military, however, continues to focus on terrorism and regards the trafficking problem as outside its constitutional mandate.

DEA reports that cocaine paste, and to a far lesser extent, base and cocaine HCL leave Peru via ships, private and commercial aircraft, vehicles and river boats through the principal exit points of Callao, Jorge Chavez International Airport (Lima), Iquitos International Airport, the border towns of Zarumella, La Tena, Leticia, and numerous locations along the thousands of kilometers of unpatrolled borders and coastline. Coca paste leaves the Upper Huallaga region primarily via aircraft operating out of clandestine airstrips flying directly to Colombia and Brazil. Recently Peruvian police have destroyed large scale, industrial coca refining complexes in the jungle of northeast Peru.

The Peruvian attitude toward the narcotics issue is generally constructive, although we are often told that a large percentage of the narcotics traffic results from the ready market in the United States. The Peruvians do acknowledge a domestic narcotics problem and, with the examples of Bolivia and Colombia, are expressing a growing concern over the adverse effects of narcotics trafficking upon their governmental institutions and society in general. The Garcia administration has focused more on the pervasive drug problem in Latin America and in the Andean region than on the "consuming nations."

A.2. Accomplishments

The Government of Peru has progressed in implementing its current coca and drug control plans. At a political level, the Garcia administration has taken significant steps to address the narcotics issue and is much more active publicly than the previous government. The Guardia Civil continues its presence in the Upper Huallaga in the form of UMOPAR, a 400-man anti-drug mobile unit headquartered in Tingo Maria. In the face of formidable obstacles posed by terrain, climate, and limited infrastructure, UMOPAR continues to carry out interdiction operations and protect coca eradication activities against powerful, firmly entrenched trafficking elements.

After the murder by narcotics traffickers of 19 eradication workers in late 1984, UMOPAR was not permitted to leave its barracks, even to guard eradication workers. This resulted in a complete cessation of eradication and interdiction in the area until January 1985 when the military agreed to allow UMOPAR to continue its operation. Moreover, until the declaration of an emergency zone in Huanuco and San Martin was lifted in early December, all operations carried out by UMOPAR had to be cleared first with the emergency zone military command.

On the national level, both the Peruvian Investigative Police (PIP) and the Guardia Civil are interdicting drugs. Through the end of September 1985, 5,241 kg of coca paste and base and 24 kg of cocaine hydrochloride had been seized. Operation Condor resulted in the seizure or destruction of 69 airstrips, 22 laboratories, 11 aircraft, and 13,259 kilograms of coca base and paste in solid and liquid form by the close of 1985. The Operation will continue in 1986, possibly with further regional cooperation.

Peru has made progress in implementing its coca eradication program in the Upper Huallaga, which began in 1983. With CORAH now in place and experience gained in 1983 (703 hectares eradicated) and 1984 (3,134 hectares), and with

an expanded work force of nearly 1,000 men utilizing manual eradication, 4,823 hectares were eradicated in 1985.

The Naranjillo cacao cooperative inaugurated its UNFDAC-financed processing plant on September 15. This plant could help to boost production and export of an important cash crop. The plant was expected to exhaust its budgeted \$1.7-1.8 million by the end of 1985 and require additional assistance before it can become financially self-sufficient. UNFDAC will start a second project with the cooperative for technical assistance to the plant and to cacao growers to increase yield and area under cultivation. In return, the farmers have agreed to reduce coca cultivation. In addition, UNFDAC will finance, through ENACO, small sub-projects in the Departments of Huanuco, San Martin, and Pasco, aimed at increasing the income and standard of living of farmers through community development, agricultural extension, and assistance to cooperatives. The follow-on UNFDAC technical assistance project has been budgeted at \$3 million over 4 years, and the community development project with ENACO at \$1.5 million over 2 years.

The UNFDAC Quillabamba project began in February 1985. Each sub-project agreement contains a clause whereby the recipient community covenants to reduce coca by 10 percent within 2 years of the signature date. This project has been budgeted at \$1.2 million (of which ENACO will contribute \$300,000) over two years. Project Directors have already identified 25 sub-projects and approved nine of them.

UNFDAC also has a small project with the Peruvian Investigative Police (PIP) and the Guardia Civil (CG) to provide them with equipment and telecommunications capability for use in the provinces.

The AID-financed Upper Huallaga area development project complements INM-supported coca enforcement and eradication efforts. AID disbursed \$3.4 million in FY 1985 to support the development of legitimate agricultural production and employment. The project has reached almost one third of the rural population in the Valley with various types of agricultural services and in 1986 will add increased community development activities.

The USIS-organized Peruvian Special Permanent Committee on the Prevention of Drug Abuse hosted an INM-funded Conference on the Drug Problem on March 8-9, 1985 in Lima for delegations from the U.S., Argentina, Bolivia, Brazil, Colombia, Ecuador, and Venezuela. Representatives of the Organization of American States, the South American Accord on Psychotropic Drugs, and

the United Nations Fund for Drug Abuse Control attended as observers. The conference focused primarily on the issue of alerting the peoples of South America to the rising problem of drug abuse and its causes.

A.3. GOP Plans, Programs and Timetables

The Government of Peru's plans, programs and timetables for the progressive elimination of illicit cultivation of coca are detailed in bilateral coca control and reduction program agreements. Current government coca eradication plans exist only for the Upper Huallaga Valley, which is perhaps the region best adapted for coca growing and is a major source of illicit coca for coca paste and cocaine exports. Coca eradication operations began in 1983 in the Upper Huallaga. CORAH, an organization to conduct eradication, was developed, staffed, and trained. As experience was gained, CORAH expanded its operations and improved its efficiency. By the end of 1985, 4,823 hectares had been eradicated during the calendar year.

The Peruvian government is now working on a comprehensive narcotics control plan. Intended in part to respond to section 612 of the International Security and Development Act of 1985, it is to include actions to be taken nationwide to reduce further coca cultivation.

A.4. Adequacy of Legal and Law Enforcement Measures

Due to deteriorating economic conditions in Peru, manpower and material support is inadequate to enforce the laws effectively. Terrorist activities have further stretched scant available resources. Corruption is also a problem among enforcement agencies, the judiciary and government in general. President Garcia has addressed this problem forcefully by reorganizing the police.

Peru's legal provisions outlawing unregistered coca cultivation, the production of coca paste, other illicit drugs, and trafficking are generally deemed to be adequate. The penalties imposed are heavy. Improvements are needed in the implementation of these laws, however.

The Peruvian Investigative Police (PIP), Guardia Civil, and Customs all have drug control sections in their Lima headquarters and increasingly in key outlying regions of the country as well. These sections, however, are generally poorly equipped and trained and often undermanned. A government decree was issued February 5, 1986, reorganizing the police services, with the Guardia Civil, PIP, and Republican Guard coming under a joint command. The Ministry of Agriculture has

responsibility for the gradual elimination of illicit coca cultivation but suffers from budgetary problems and to date has provided little support for its coca eradication office, which depends entirely on INM funds. The picture is similar with regard to trial and punishment of convicted narcotics violators. Again, the Government of Peru lacks the resources to provide speedy trials, nor does it have adequate facilities to house the convicted. The results are long waits for cases to come to trial and frequent prison escapes.

Decree Law No. 22095, enacted in 1978, is the basic authority for the control of coca cultivation. The law's stated objective is the repression of drug traffic and the creation of a system for the gradual reduction of coca cultivation. Decree Law No. 22927 (1980) gave the Guardia Civil additional responsibility for coca cultivation control and extended the legal penalties for violators. Decree Law No. 22927 declared a state of emergency in the Departments of Huanuco and San Martin (the Upper Huallaga Valley) and called for the immediate repression of illegal narcotics trafficking.

In December 1982, the Government of Peru passed Law No. 32505 largely in response to a general strike mounted by coca farmers in the Upper Huallaga. The law lifted the state of emergency and permitted ENACO, the state coca monopoly, to resume the purchase of coca leaf from registered farmers. The law did not permit registration of new coca farmers nor did it allow already registered farmers to renew or expand coca production. Registered farmers that do so are in violation of the law and subject to eradication. Law No. 23505 reflects the government's intent to adopt the necessary measures to reduce and control coca production.

The Ministry of Justice is preparing legislation criminalizing possession of narcotics, increasing penalties for trafficking, and drastically increasing penalties for government/security force officials found guilty of narcotics-related crimes.

The 10,000-man PIP force, stationed primarily in population centers, is responsible for investigating all felonies, including narcotics offenses. The Guardia Civil (GC) with its 30,000-man force is responsible for crime prevention, investigation of misdemeanors and, in areas where there is no PIP presence, investigation of all criminal offenses.

The PIP and GC have narcotics units functioning on national and regional levels. Each has a narcotics training center for its personnel and mobile training teams to provide instruction in the outlying area.

The 400-man Mobile Rural Police Detachment (UMOPAR) was created in 1981 by the Guardia Civil in Tingo Maria. This special unit is devoted exclusively to the control of coca production and trafficking.

INM, acting through the Embassy's Narcotics Assistance Unit (NAU), has maintained project agreements with PIP, GC, and Customs since 1978, providing more than \$6.8 million in commodity and training assistance. This year, however, the Government of Peru did not sign a program agreement covering Customs for FY 1985. DEA continues to work closely with PIP, Guardia Civil, and Customs and provides training assistance and operational support. In addition, the Governments of the Netherlands, Canada, Denmark, and West Germany have stationed liaison police officers in Lima.

INM funds were used to provide in-country training to 71 enforcement personnel in 1985. Another 50 persons in the education field were trained in drug abuse prevention in 1985.

A.5. Domestic Drug Abuse, Prevention, Treatment and Rehabilitation Programs

The use of coca, particularly for mastication, has a long tradition in Peru, preceding the Spanish conquest. Apart from the chewing of the coca leaf, however, the use of drugs is not widespread. Due to its high price, the use of cocaine hydrochloride is restricted primarily to the upper class. In the 1970's and early 1980's an alarming increase in the smoking of coca paste was noted by medical, police, and school authorities. It continues to rise, and one Peruvian narcotics expert has put the number of coca paste users as high as 80,000 in Lima alone. Given the lack of adequate information in this area, the United States is supporting a national drug incidence and prevalence survey to provide the Government of Peru with a more accurate picture of drug abuse in Peru. Because Peruvian cocaine paste is primarily destined for export to neighboring countries for further refinement into cocaine hydrochloride, the influence domestic consumption has had on coca production is difficult to assess.

Narcotics treatment and rehabilitation programs are rudimentary in Peru. The majority of patients are treated in private clinics. The Ministry of Health, with UN assistance, operates one narcotics treatment center near Lima, while the Pan American Health Organization has a program to improve the facilities for treatment and rehabilitation. USIS has sent two noted pharmacologists to the U.S. on international visitor's programs.

The Ministry of Education is responsible for most prevention programs. Assisted by the United States, the Ministry has set up a number of regional committees and training programs for teachers to help prevent narcotics abuse in the nation's schools. The Ministry also produces television, radio, and other media announcements warning of narcotics use problems.

The Government of Peru is increasingly aware of the need to expand its prevention and demand reduction efforts but has few resources which can be allocated to this purpose. USAID recently initiated a project to promote the organization of a private Peruvian drug information and education center to increase public awareness of problems in Peru related to the production, trafficking, and abuse of illicit drugs and the social, political, economic, and health consequences of these activities.

B.1. Nature of the Illicit Drug Production Problem

The major drug cultivated on any significant scale in Peru is coca. Some marijuana is produced, but in small quantities and only for domestic consumption. Opium is produced only on an extremely small scale in northern Peru, and there is no indication of any refinement at this time. Coca is grown both legally and illegally in Peru, and in parts of the country cultivation dates back to ancient Indian civilizations. Licit coca is produced by farmers registered with ENACO, the national coca enterprise, which is a legal monopoly for buying coca leaf. In turn, ENACO sells to retailers either for chewing or brewing into herbal tea or for the production of soft drink flavoring or pharmaceuticals. The former is for the domestic Peruvian market, while the latter is largely for export.

Illegal coca production is primarily converted into coca paste, and for the most part exported in that form. Some coca paste is consumed locally (the PIP estimates at least 500 KG), and some is converted into cocaine hydrochloride either for local consumption or for export. According to ENACO, in a document dated June 1, 1985, there are 17,915 hectares used for the legal production of coca. This represents approximately 18 percent of the hectarage estimated to be under coca cultivation.

Although no reliable estimate of total Peruvian coca production exists, ENACO reports having bought only 4.4 metric tons of licit coca in 1984. The PIP estimates annual domestic illicit consumption of cocaine hydrochloride to be 10 KG, consumption of coca paste and base 500 KG, and consumption of marijuana 2,000 KG. Peruvian illicit drug consumption is largely concentrated in metropolitan Lima but increasing abuse

of cocaine paste is reported in rural regions of Peru. Coca is a major illicit cash crop in Peru, and in such areas as the Upper Huallaga, a substantial percentage of small farmers grow it as their only crop.

B.2. The Climatic, Geographic, Political, Economic, and Social Factors that Affect Production and Eradication

Coca grows well in the high jungle areas of the eastern foothills of the Andes as they descend into the Amazon basin. These areas are isolated from the major population centers of Peru and generally are poorly controlled by the government. The terrain is rugged and difficult to traverse, and the climate is characterized by heavy rains concentrated in December through March which further hinder transportation. Tingo Maria, for example, receives an average annual rainfall of more than 4,000 mm (approximately 157 inches). Other parts of the Upper Huallaga receive even more rain than Tingo Maria. The average farmer harvests less than one hectare of coca and many times does not have legal title to the land on which he is cultivating the coca.

In some coca-producing regions, such as in Cuzco Department, coca cultivation is traditional and closely linked to the indigenous population's customs of chewing the leaf for ceremonial purposes or to ward off hunger or cold. In areas such as the Upper Huallaga, coca production is a more recent phenomenon linked not to domestic consumption, but rather to the international market for illicit drugs. Even though the Peruvian farmer does not receive an income for this coca leaf commensurate with the inflated prices paid for cocaine hydrochloride abroad, coca is an important cash crop in Peru because the income derived from coca cultivation exceeds that of all alternative crops. In many cases coca is now being grown on very marginal lands for which there is no readily available substitute crop other than some tree crops.

Although less widely held than in previous years, Government and popular perceptions still hold that coca based products like cocaine are basically a U.S. and developed nations' problem. In past years this perception, along with the economic drain on Peruvian budgetary resources caused by demands for competitive economic development and the anti-terrorist program, have adversely affected the government's allocation of resources for anti-narcotics programs. However, since 1983 both the media and government officials have been increasingly more outspoken on the corruptive influence of narcotics trafficking upon Peruvian moral, political, and social values. The media have carried extensive coverage of statements by President Garcia and his

ministers on narcotics matters. Every day several articles appear about some aspect of the drug problem in Peru. Local television showed an interview with Dr. Carlton Turner and two USIS world-net programs devoted to narcotics. USIS has placed materials in the media (radio, TV, and newspapers) both on U.S. efforts to reduce demand and prevent drug entry into the country and on the inherent dangers to the producing country.

B.3. Maximum Achievable Reduction

Through December 31, 1985, 4,823 hectares (4.8 MT) of coca were eradicated, compared to 3,134 hectares in 1984. The Government of Peru/USG program agreement signed in Lima on July 26, 1985 commits Peru to eradicate at least 6,000 hectares a year through 1989. Reaching this goal is subject to logistical and resource constraints as well as the security situation in the Upper Huallaga Valley (UHV). In November, the number of CORAH eradicators was doubled to nearly 2,000 in preparation for entering Uchiza in an all-out year-end push. However, fear of a serious confrontation with the local populace prevented the move to Uchiza and 1,000 eradicators had to be let go. Plans were made to work the alternate sites of Progreso and Morona/Topa. A resurgence of terrorist actions and/or violent reactions by traffickers in the UHV could have significant negative results for U.S./Peruvian enforcement and eradication projects, as well as the AID development project.

B.4. Methodology Employed to Determine Maximum Achievable Reduction

The management of CORAH together with the NAU determined that 6,000 hectares was the maximum achievable reduction per year target for the Upper Huallaga. No coca eradication organization currently operates in other coca regions of Peru, nor has a target been set for the whole country. We estimate that a total of approximately two months a year of field operation time are lost annually because of heavy rains in the December through March period. Thus, to achieve 6,000 hectares, CORAH must eradicate about 600 hectares a month for ten months. Allowing an average of 20 working days per month, the daily target is 30 hectares of coca eradication. Since August of this year, CORAH has been able to increase its daily total through use of a bulldozer. The computation assumes 1,000 kilograms of leaf produced annually from each hectare.

C.1. Summary Table for Total Estimated 1985 Production

Hectares Cultivated	100,000
Hectares Eradicated	4,823
Hectares Harvested	95,177
Coca Leaf Harvested	95,177 metric tons
Loss Factor	NA (1)
Coca Leaf Seized	73 metric tons
Coca Leaf Consumed	54,750 metric tons (2)
Coca Paste Consumed (Leaf Equivalent)	90 metric tons
Coca Paste Exported (Leaf Equivalent)	36,318 metric tons (90% Est.)
Coca Paste Seized (Leaf Equivalent)	1,723 metric tons
Available for Conversion	2,223 metric tons
Cocaine Base/HCL Produced	4.4 metric tons
Base/HCL Consumed In Country	.1 metric tons
Base/HCL Exported USA	2.2 metric tons
Base/HCL Exported Elsewhere	2.1 metric tons

(1) This formula, which contains a loss factor, would yield about 72 mt of cocaine HCL, consistent with other U.S. data.

(2) Domestic coca leaf consumption is based on the same formula used by U.S. officials for Bolivia, i.e., 50 grams/user/day. There are an estimated 3 million users in Peru.

Estimated Table for Total 1986

Hectares Cultivated	96,831
Hectares Eradicated	6,000
Hectares Harvested	90,831
Coca Leaf Harvested	90,831 metric tons
Loss Factor	NA
Coca Leaf Seized	100 metric tons
Coca Leaf Consumed	54,750 metric tons
Coca Paste Consumed (Leaf Equivalent)	100 metric tons
Coca Paste Exported (Leaf Equivalent)	31,993 metric tons (90% Est.)
Coca Paste Seized (Leaf Equivalent)	2,000 metric tons
Available for Conversion	1,888 metric tons
Cocaine Base Produced	3.8 metric tons
Base/HCL Consumed	.2 metric tons
Base/HCL Exported USA	1.8 metric tons
Base/HCL Exported Elsewhere	1.9 metric tons

10.b. Data Tables of Illicit Cultivation (See Footnote 1)
 (Drugs like opium and heroin are not abused in Peru and are omitted, while marijuana is used only for domestic consumption).

GROSS					
CULTIVATION:	<u>1987</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>	<u>1983</u>
Coca Leaf	84,000	96,831	100,000	100,000	100,000
Cannabis	10	10	10	10	10
GROSS POTENTIAL					
PRODUCTION:					
Coca Leaf	90,000	96,831	100,000	100,000	100,000
Cannabis	24	24	24	24	24
HECTARES ERAD					
Coca Leaf	6,000	6,000	4,823	3,134	703
Cannabis	0	0	0	0	0
NET					
CULTIVATION					
Coca Leaf	84,000	90,831	95,177	100,000	100,000
NET					
PRODUCTION:					
Coca Leaf	84,000	90,831	95,177	90,000	90,000
REFINING: (2)					
Cocaine/Base	3.8	3.8	4.4		
Coca Paste	50.3	70	72.6		
SEIZURES (MT):					
Coca Leaf	100	100	73	42	74.5
Cocaine	.5	.1	.024	.121	.150
Other Coca(Paste)	20.0	20.0	17.2	3.182	7.94
Marijuana	1.0	1.0	1.1	.522	.821
ARRESTS:					
(Footnote 3)	5,000	5,000	4,000	5,270	5,700
LABS DESTROYED					
(Footnote 4)	125	125	50	119	135
DOMESTIC CNSMP					
(MT)	<u>1987</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>	<u>1983</u>
Coca Leaf	54,750	54,750	54,750	54,000	54,000
Cocaine	.01	.01	.01	.01	.01
Other Coca(Paste)	.90	.90	.90	.90	.80
Marijuana	24.7	24.7	24.7	24.0	24.0
Other Drugs (Footnote 5)					

LICIT PRODUCTION

Coca	40,000	40,000	40,000	40,000	40,000
------	--------	--------	--------	--------	--------

USERS

Coca	3 Mill.				
Cocaine	75,000	80,000	84,000	84,000	84,000
Other Coca	56,000	56,000	56,000	56,000	56,000

Notes: (1) All estimates may have to be revised upon completion of the aerial survey of coca production areas in Peru. It should also be noted that eradication and seizure data are current through December 31, and all other data reported is based on information received by mid-November 1985.

(2) DEA estimates that most of the illicit production is exported as paste to Colombia and refined into HCL. Of the final HCL product, perhaps 50 percent is exported to the U.S. with the remainder exported to other developed nations -- notably in Europe.

(3) Peruvian police do not provide complete breakdown of arrest statistics by nationality.

(4) Includes both labs for production of cocaine and coca paste/base.

(5) Data not available.

D. Status of US Assistance.

See Appendix

E. Resource Estimates

At this time we do not believe additional FY 1986 resources beyond the \$1.1 million already requested for coca reduction will be necessary to attain the next 6,000 hectare goal. Due to the adverse economic situation and competing Government of Peru resource needs, Government of Peru funding for the CORAH project will likely continue to be virtually non-existent. Additional absorption capacities for the UHV eradication project are severely limited. UNFDAC currently has agreements with Peru in force/projected totaling \$7.4 million, mainly in the form of coca-related alternative agricultural activities in the Upper Huallaga Valley and Cuzco Department.

Similarly we estimate that 6,000 hectares (up to 9,000 hectares) in the Upper Huallaga Valley can be eradicated in 1987 without significantly increasing requested FY 1987 funding of \$2.0 million. The latter figure assumes funding for a yet-to-be-formed second coca eradication and enforcement

component which would begin operating in areas inside or outside the UHV. In the first year of operations, with the experience gained in the UHV, a second eradication unit could be expected to destroy up to 3,000 hectares of coca. It is clear, however, that the Government of Peru will not be able to enter into a second eradication area without increased assistance. Above mentioned resource estimates pertain to the eradication side only; resources allocated to interdiction activities will have to increase in keeping with our current levels of operational support.

VENEZUELA

A.1 Status of Illicit Narcotics Production and Trafficking

Venezuela is not a major producing country. Increasingly effective anti-narcotics efforts in neighboring countries that are major producers of illicit drugs, however, are leading traffickers to send their narcotics to the United States and Europe through Venezuela. Venezuelans recognize that there is also a growing domestic consumption problem.

Some coca and marijuana cultivation has been found in the Perija Mountains near Venezuela's northwestern border with Colombia. These plots generally measure from one to five hectares and are destroyed by the National Guard upon discovery. Enforcement officials have so far not encountered operating laboratories, but abandoned facilities and the supplies discovered by the National Guard indicate a multi-ton capacity for cocaine refining. Cocaine is usually shipped to the U.S. aboard private aircraft in 50-200 kilo loads. Marijuana is generally transshipped on Colombian flag vessels departing local ports. There are no local Government statistical estimates of narcotics passing through Venezuela.

The narcotics network operating in Venezuela is estimated to be 80 percent Colombian, 10 percent Venezuelan, and the remainder other nationalities.

A.2 Accomplishments in 1984 and 1985

Cooperation with the U.S. in drug interdiction has been good. One of our principal goals has been to strengthen Venezuela's ability to detect and interdict drug smugglers. In the absence of significant narcotics cultivation, Venezuela has concentrated on building public awareness and enhancing interdiction capabilities.

A coordinating center for all the military and civilian government agencies with anti-narcotics operations is being established. A December 1984 Presidential decree to regulate the importation of precursor chemicals contributed to the seizure of almost 1 million gallons of ether and acetone. These controls have reduced substantially the importation of chemicals for illicit purposes.

A.3 Plans, Programs, and Timetables

The Venezuelan Government has few resources to combat narcotics trafficking. The border with Colombia is approximately 1300 miles, and the border with Brazil another 1000 miles long. Wilderness areas along both borders offer countless landing sites for small planes to make pickups of drugs for eventual shipment, mainly to the U.S. The Venezuelan National Guard, which leads the local interdiction effort, has few helicopters to ferret out drug smugglers.

Specific strategies and programs aimed at drug awareness have been delayed by the lack of epidemiological surveys of local consumption. However, two studies, one of the university population, one of secondary school students, are nearing completion. The installation of a centralized drug information center to catalog arrests by the distinct agencies has been delayed by a lack of funds.

There is growing concern that Colombians are cultivating marijuana in remote border areas of Venezuela, which may explain the persistence of marijuana seizures in Colombia, despite success in crop eradication in that country. Aerial reconnaissance is planned to determine the extent of cultivation in Venezuela.

A.4 Adequacy of Legal and Law Enforcement Measures

President Lusinchi has moved quickly to implement his public stand against the illicit drug trade with appropriate legal and law enforcement measures. However, he faces both organizational problems and financial restraints that inhibit his anti-narcotics efforts.

Bilateral, rather than multilateral or regional efforts have dominated Venezuelan drug interdiction. The Frontiers Directorate and Narcotics Commission of the Foreign Affairs Ministry are drafting a new treaty with Brazil to enhance cooperation. On a less formal level, the Venezuelan government has also implemented procedures with Colombia, Ecuador, Chile, Peru, and Bolivia to promote cooperation on narcotics matters, including information sharing. The Venezuelan armed forces, including Army, Navy, and National Guard, have held regular meetings with Colombian counterparts to share information regarding the activities of guerrillas and drug traffickers along the border. A new U.S.-Venezuelan extradition treaty is being negotiated to enhance cooperation for narcotics offenses. A regional communications network, funded by INM, is being established under Colombian leadership between the Venezuelan National Guard and its counterparts in Colombia,

Peru, and Ecuador. At the OAS and UNGA President Lusinchi urged a new international convention on narcotics trafficking.

Tough new anti-drug legislation was passed in July 1984 that has enabled prosecution of drug traffickers. Few ring-leaders have been arrested, but increased activity by Venezuelan officials on the legal and enforcement fronts has alerted local and Colombian criminal organizations to the Government's refusal to tolerate narcotics operations. Legislative action to discourage money laundering is under consideration.

Local drug enforcement agencies include the Justice Ministry's Federal Judicial Police (PTJ), the Interior Ministry's Directorate of Internal Security and Prevention, and the National Guard in the Defense Ministry, which has also given drug enforcement responsibilities to the Army, Navy and Air Force. The National Guard has led the interdiction effort in its capacity as a national police force. The most significant drug interdiction event during 1985 was the formation of a 100-man anti-drug/terrorist unit by the National Guard. The Commander of the National Guard has demonstrated his resolve to implement the Presidential mandate against smuggling. Both the commander and his intelligence chief have benefited from special training and conferences with counterparts in other countries, including the U.S.

Venezuela has ratified both the 1961 Single Convention on Narcotic Drugs and 1972 Protocol to the agreement. An extradition treaty with Colombia was signed in 1985.

A.5 Domestic Drug Abuse Problem

Five ministries combat drug abuse in Venezuela. The Ministries of Health, Education, Youth, Foreign Affairs, and Justice are responsible for implementing recent anti-narcotics legislation under the guidance of a Presidential commission. Most of these programs are still in a fledgling stage.

Hogares Crea, a branch of the Puerto Rican Hogares organization, runs three treatment centers in Caracas, Maracay, and Valencia. The Youth Ministry is in the process of establishing six more treatment centers. Approximately 15 psychiatrists in the Caracas metropolitan area, where one quarter of the nation's 17 million inhabitants reside, have significant outpatient narcotics treatment practices.

Reliable statistics on local drug abuse are not available. Marijuana and bazuco (coca paste smoked in cigarettes) are the leading illicit substances, but cocaine is

also consumed. Marijuana retails for approximately \$150 - \$180 pound. An ounce of cocaine, 35% pure, costs between \$800 - \$1,000 retail. These prices have remained stable.

PART B is not included because Venezuela is not a producer country. The cannabis sighted in 1984 was reportedly destroyed. Venezuela plans surveys in 1986 along its border with Colombia to determine if new cultivation is being attempted.

C.1 Statistical Tables

Seizures 1984-85 (July through June)

Cocaine	0.9 metric tons
Marijuana	47.8 metric tons
Bazuco	0.2 metric tons
Ether/Acetone	964,000 gallons

<u>Arrests</u>	<u>1985</u>	<u>1984</u>	<u>1983</u>
	12,919	10,240 (estimated)	16,673

Note: Figures represent a 12-month cycle, not corresponding to the calendar year.

PART D Status of US Assistance

DEA and U.S. Customs, with INM funding are the agencies providing training assistance to host country organizations. DEA's role is one of consultation and coordination with counterpart organizations. With Department of State resources, mission elements including USIA have sponsored an exchange of visitors and in some instances, funded training programs for Venezuelans in the U.S.

E. Resource Estimates

Because Venezuela is not a producer country, and receives no U.S. assistance for crop eradication programs, this section is not applicable.

THE BAHAMAS

A.1. Status of Illicit Narcotics Production and Trafficking

While The Bahamas is not a narcotic drug producing country, its scattered islands offer ideal isolated sites for deliveries, refueling and stockpiling. The Commonwealth of The Bahamas' 700 islands and cays (23 inhabited) stretch in an archipelago from 60 miles east of Miami to within 90 miles of Haiti. Law enforcement officials, often isolated, face the extremely difficult task of controlling 73 airstrips and 110 small boat harbors strewn throughout this 100,000 square mile area, against highly-sophisticated, well-financed and often armed traffickers.

As a result, The Bahamas is a major transit point for narcotics destined for the United States. This has a significant impact on both the Bahamian economy and international narcotics traffic.

Cocaine and marijuana, both transshipped mainly from Colombia, are the major drugs transiting The Bahamas. No other type drugs were seized in The Bahamas during 1985. There is no evidence of narcotic drug refining or processing. The quality and quantity of cocaine and marijuana transiting or consumed in The Bahamas showed no measurable decline. In 1985, seizures of cocaine and marijuana were up slightly from 1984. The 1985 (11 months) seizures of cocaine in The Bahamas totaled 8,731 pounds, a five percent increase from 1984. (These figures do not include seizures made outside the Bahamian three-mile limit by the U.S. Coast Guard or flushed into the arms of law enforcement in the United States by aggressive pursuit from within The Bahamas. One such Coast Guard seizure north of Abaco netted 125,000 pounds of marijuana.) There is some evidence of a recent shift of trafficking from the northern Bahamas, where enforcement efforts have increased the risk of arrest and/or seizure, to the southern Bahamas, where, in part because of resource constraints, law enforcement has been largely ineffective to date.

Available evidence indicates that the illicit narcotics traffic through The Bahamas is almost entirely directed by non-Bahamians (e.g., Americans, Cuban-Americans and Colombians). Traffickers pay Bahamians handsomely to help hide, handle, and guard bulk cocaine and marijuana shipments, as well as to crew and refuel ships and aircraft. Such lucrative employment has discouraged youth from seeking modest

paying legitimate jobs. While "management" and "ownership" of the illicit products in international traffic are generally non-Bahamian, local banks, lawyers and entire communities have been enriched because of their assistance to traffickers.

Local trafficking in cocaine began as "spillage," but is apparently becoming more organized by Bahamians. Corruption in the form of payments to law enforcement and other public officials is not uncommon. There are estimates that at least ten percent of the economic activity of The Bahamas (1984 GDP \$1.8 billion) is drug-related (including sales of fuel and consumer goods to traffickers). Cash purchases fuel a significant part of a continuing building boom, particularly in the Family Islands (all the islands except New Providence and Grand Bahama) where licit economic activity cannot account for this activity. Police officials say that the majority of common crime is also drug-related. Pirating of narcotics shipments has occurred and several killings have involved traffickers or pushers.

Coastal freighters travel from South America (Colombia is the prime loading site) via the Windward Passage to The Bahamas, where they offload their cargo at remote, uninhabited cays. The drug traffickers frequently stockpile large quantities of marijuana in The Bahamas pending onward shipment by small, fast vessels and/or aircraft. Cocaine is normally moved along the pipeline within a few days.

In 1979-80, "mothership" operations predominated, but since late 1981, use of highly effective "airdrops" has increased. DC-3s and DC-4s, or smaller twin engine aircraft, fly from South America and Jamaica over Cuba, laden with multi-ton cargoes of marijuana/cocaine to drop onto remote cays or islands, and in the open sea at pre-designated coordinates. Recovery is made by waiting ground crews or small boats (easily disguised as pleasure craft). These operations normally take place when local law enforcement vigilance is low: on holidays, weekends, or during late dusk or early dawn hours.

In addition to bulk cocaine transport, there are continuing efforts by organized traffickers to bring one or two kilo quantities into the United States through the use of hired "mules" on commercial flights. There were 60 cocaine arrests in 1985 at the two U.S. Customs pre-clearance facilities; arrests are up 20 percent and the volume seized, 48 kilos, is more than double that of 1984. In July, a U.S. Customs Officer assigned to the pre-clearance facility in Freeport was arrested in connection with drug transport. In addition to trafficking arrests, some 200 Americans, out of the more than two million who visit The Bahamas each year, are arrested for a variety of drug offenses.

A.2. Accomplishments in 1985

In 1985, the Government of the Commonwealth of The Bahamas (GCOB) and the United States cooperated extensively in a number of projects designed to enhance the GCOB's narcotics interdiction efforts. In early 1985, there were several high-level meetings between government officials of both countries.

In February, Vice President George Bush, who heads the National Narcotics Border Interdiction System (NNBIS), met in Washington with the GCOB Foreign Minister, Clement Maynard, and the Minister of National Security, A. Loftus Roker. The NNBIS subsequently worked with Bahamian, U.S., Florida, and local officials in "Operation Blue Lightning" and "Operation Thunderstorm," which resulted in seizures of 7,987 pounds of cocaine and 177,000 pounds (80 metric tons) of marijuana.

An additional loan of three helicopters was made under the four-year-old joint U.S./Bahamian program "OPBAT," making a land-based total of five. The U.S. Customs installed, per a 1984 agreement, a tethered aerostat radar over Grand Bahama, capable of identifying both ships and aircraft, and also made available a vessel and helicopter to transport Bahamian Police Strike Force personnel and DEA agents in a manner similar to the OPBAT operation. Royal Bahamian Defence Force (RBDF) personnel now travel as observers and liaison officers on board U.S. planes and boats. This cooperation has streamlined waivers of sovereignty, allowing U.S. chase vehicles to enter Bahamian territory to arrest drug vessels. A \$50,000 IMET security assistance program has already trained 20 RBDF personnel. The U.S. Army has loaned radios for special operations, and drug enforcement personnel from DEA, Naval Intelligence, and the Bahamian police cooperated to halt sales of narcotics to U.S. naval crews. Cooperation also led to seizure of a Bahamian flag vessel in international waters carrying 15 tons of marijuana.

The Embassy's public affairs activity resulted in the U.S./Bahamian "First International Drug Symposium" in Nassau November 20-22. The United States (INM and USIS) sponsored the participation of internationally renowned American and third-country guest speakers at the cocaine-focused symposium, which attracted 200 specialists and volunteers from the community. Other Mission anti-drug activity included visits and assistance by various experts; sponsorship of six participants at the Atlanta PRIDE Conferences on Drug Abuse; and assistance in stocking a drug resource center at the National Drug Council Headquarters. Nine Bahamian police officers were trained at four separate DEA/FBI/INM courses.

While the GCOB does not have a complete, formalized strategy for anti-narcotics efforts, it has taken several necessary and positive steps in that direction. In December 1984, a specially constituted Commission of Inquiry published a report concerning, among other things, allegations of high-level involvement in trafficking. The report stated that the Prime Minister's expenditures exceeded his income by a factor of eight, although it made no finding of involvement in trafficking. As a result of the Commission's allegations of wrongdoing by two former Cabinet Ministers and several persons close to the Prime Minister, four persons have been indicted for a number of narcotics-related activities. The report also alleged direct and indirect collaboration with traffickers by people at every level of society, including bankers, lawyers, clergy, and police. In January, the Association of International Bank and Trust Companies set a code of conduct aimed against "narco dollars" and money laundering.

The report also contained suggestions for improvement of the judicial and law enforcement system. Despite U.S. cooperation in assisting the Commission of Inquiry within the limits of U.S. law, the report was critical of the degree of cooperation and cited past U.S. law enforcement activities that it believed ignored Bahamian sovereignty.

GCOB officials called for regional cooperation against drug trafficking at the Commonwealth Conference held in Nassau in October, and at the UN General Assembly, the Pan American Health Organization, and the Caribbean Common Market. In a move to improve U.S./Bahamian cooperation, the U.S./Bahamian Mutual Legal Assistance Treaty (MLAT) negotiations moved close to conclusion. An MLAT would be a significant aid in the successful investigation and prosecution of narcotics cases. Numerous examples of cooperation between the Department of Justice and Bahamian legal authorities include facilitating the appearance of witnesses, obtaining evidence, and location and extradition of narcotics violators (ten cases are now in Bahamian courts). At the same time, some potentially positive efforts have not yet borne fruit. A Parliamentary committee was established in May to investigate drug matters; the committee has yet to hold hearings or propose legislation. During the October convention of the governing Progressive Liberal Party (PLP), a tough draft resolution that called for the expulsion of party members involved in, or profiting from, drug traffic was gutted because of top-level PLP pressure.

A.3. Plans, Programs and Timetables

The Commission of Inquiry's report detailed and dramatized the pervasiveness of the drug trafficking and drug abuse

problem in The Bahamas, yet it failed to spark a Bahamas-wide consensus to deal with the narcotics problem.

However, as a result of the Commission of Inquiry hearings, and consequent public debate, Prime Minister Pindling, the PLP, the government, and the Bahamian populace are now fully aware of the problems of narcotics trafficking and abuse, as well as the corruption these bring. These will likely be major issues in upcoming national elections, which must be held no later than September, 1987. Trials of individuals connected with the Prime Minister, as well as sharp criticism from within the PLP, will be part of the political backdrop in the battle against drugs in 1986.

Continued close U.S./Bahamian law enforcement cooperation is expected in 1986. Collaborative U.S./Bahamian operations in 1986 include:

(A) the arrival of five additional permanent DEA agent/pilots, for a total of ten permanent DEA personnel in Nassau, to enhance cooperation with Bahamian law enforcement;

(B) INM assistance to double to four the RBDF high-speed chase boats;

(C) completion of security improvements to the Nassau international airport's baggage and customs areas to reduce trafficking via commercial airlines.

A.4. Adequacy of Legal and Law Enforcement Measures

The Bahamas judicial system is based on English law, but there are no modern courtroom procedures. Judges take their own notes in longhand, and the system is strained by overcrowded dockets, understaffing, and poor funding. Narcotics prosecution in Magistrates Courts is by high-school-educated policemen, assigned to the courts with no legal experience or legal education. Drug offenders are normally represented by an experienced narcotics attorney and usually win.

Mandatory prison terms do not exist and the issue has not been fully addressed by the government, in part because of the massive funding that would be required to improve overcrowded and antiquated prisons. The Commission of Inquiry revealed that some individuals in the police and judicial systems are corrupt, and the Prime Minister has publicly referred to a yet-to-be-conducted, top-to-bottom overhaul of the police. Still, as a result of the Commission's report, two senior RBDF and police officers were dismissed in 1985, and lower ranking

personnel have been dismissed for diversion of captured narcotics. No action has been taken on the Commission of Inquiry's suggestion of a separate court to deal with narcotics.

A.5. Domestic Drug Abuse: Problems and Programs

According to informed Bahamian health care workers, cocaine freebasing has reached epidemic proportions in The Bahamas. There is an estimated 30-40 percent user-addict rate in the 15-40 age group. Cocaine-related admissions to drug treatment centers reportedly have leveled off after an explosive growth in 1983-84, which was attributed to the increased availability of cocaine in 1982-83 and the widespread practice of freebasing. By 1985, all population centers were reporting freebasing problems. Cocaine, selling for \$10-15,000 per kilo, and marijuana, at \$800/pound for Indian Hemp and \$1,200/pound for Jamaican sensemilla, remain freely available on the streets of Nassau and Freeport. Although there have been no seizures of heroin, there is also evidence of cocaine/heroin "speedballing" by injection.

In February 1985, the GCOB established a 19-member National Drug Abuse Council under the chairmanship of Dr. David Allen. The Council is the focal point of the drug education effort and is a direct successor to a 1984 task force that helped spark increased popular concern about domestic drug abuse. With only \$10,000 in direct GCOB funding, the Council has had to rely on private sector and external support. With cocaine abuse increasing, Dr. Allen has decried public passivity and criticized many community leaders for failure to confront domestic pushers. The Council has helped support drug abuse hotlines and rallies, and has raised private funds for the expansion of drug rehabilitation programs.

Despite the Ministry of Education's failure to institute a full-scale program, prospects are good for increased drug education in the schools, and for the adoption of others of the Commission's suggestions.

PART B not included, because The Bahamas is not a producer country.

C.1. Statistical Tables

ARRESTS	<u>1985</u>	<u>1984</u>	<u>1983</u>
Nationals	n/a	1,150	823
Foreigners	n/a	242	363
SEIZURES			
Marijuana (mt)	44.5	38.3	85.5
Cocaine (pds)	8,731	8,280	2,039
Quaaludes (gms)	n/a	30	14

PART D

See Appendix.

E. Resource Estimates

In view of the magnitude of the trafficking problem and limited Bahamian resources, the United States and The Bahamas have undertaken a number of joint initiatives to maximize the effectiveness of the available resources. On the U.S. side, these programs have involved virtually all of the agencies involved in narcotics interdiction, including DEA, U.S. Customs, and the Coast Guard, as well INM. The expanded cooperative programs have been effective. Assuming that the resource base of all participating agencies is maintained, it is expected that these programs will continue to be effective at current or expanded levels.

JAMAICA

A.1. Status of Illicit Narcotics Production and Trafficking

Marijuana is planted, cultivated and harvested on a year round basis in Jamaica; however, production is believed to peak twice a year, with the spring harvest considerably smaller than that in the fall. Cultivation occurs island-wide. Large quantities of export-grade marijuana are grown in the rugged hills of central Jamaica. Significant cultivation has been spotted during aerial observation in nine of Jamaica's thirteen parishes.

Approximately 1,100 to 2,180 hectares of marijuana were under cultivation during 1985. Previous estimates of the projected crop were based on the assumption that Jamaican marijuana growers produced two harvests of equal size. As a result of the first spring aerial survey, carried out in April 1985, the U.S. Government now believes the spring crop is about one-fourth the size of the fall crop, although cultivation and harvesting continue year-round. Potential yield from this annual cultivation is estimated to be between 1,269 and 1,923 metric tons of marijuana. With reductions for spoilage, seizures, local use, and a stepped up government eradication effort taken into account, the amount estimated as available for export to the United States in 1985 was between 365 and 845 metric tons.

Marijuana cultivation takes several forms in Jamaica, depending on the type of terrain. The most potent form of the weed, sinsemilla, is typically grown in neat rows on mounds located in the wetlands of Negril or the Black River Morass. Cultivation of sinsemilla requires a substantial labor force, from the seedbeds, where the male plants are weeded out, to the pruning of the plants in their transplanted location. Wetlands cultivation is usually controlled by a broker rather than by individual farmers.

On the broad, open slopes of the Santa Cruz mountains and the Blue Mountain foothills, and in agricultural plains in St. Elizabeth, marijuana (known locally as ganja) is cultivated in fields ranging up to five hectares in size. In the hilly areas of central Jamaica, and in Westmoreland and St. James parishes, individual farmers plant small concentrations of marijuana (0.2 to 1 hectare in size) in valleys, on rocky hillsides and on hilltop plateaus. These areas are hard to locate and virtually inaccessible except by foot. Typically, the small-scale

farmers, after harvesting their crop and drying it in makeshift sheds constructed near their fields, will sell it in bulk to a broker. The broker will compress the "ganja" and package it for shipment by boat or plane, including wrapping it to keep moisture out, if it is to be airdropped into water, or to disguise it if it is to be mixed with legitimate cargo shipments.

Marijuana is exported from Jamaica by a variety of methods including small aircraft; pleasure and fishing boats; mixed with cargo on commercial ships and airplanes; and in luggage or on the bodies of individual travelers on commercial aircraft and cruise ships which call at Jamaican ports. A small aircraft will commonly land at one of the two international airports, make arrangements with a broker, then depart Jamaica after making a brief, illegal landing at any of dozens of makeshift airstrips throughout Jamaica, on unguarded private licensed airstrips, or even at one of the four regional airfields.

Arrangements and payments for large quantities of marijuana are often made in the United States. Otherwise, payment is made in U.S. dollars in Jamaica at the time of transfer. Small quantities purchased directly from farmers or brokers can be purchased in local currency. Some large trafficking organizations in Jamaica are headed by well-known figures who channel a portion of their illegal earnings into legitimate business ventures. Most profits from the trade, however, are believed to remain outside Jamaica.

A sideline to the marijuana business is the production of hashish oil, primarily for the Canadian market. Approximately one ton of hash oil is believed to have been produced in Jamaica in 1985, primarily using old, stored marijuana and stems from recently harvested plants. Hash oil, because it is easier to transfer than bulky marijuana, is shipped via courier on commercial aircraft, or by means of seaplanes.

Increasing evidence of cocaine traffic in Jamaica is of particular concern to authorities both because of the threat to the local population, and because it involves foreign criminal elements. Some Jamaican traffickers are believed to have shifted to cocaine traffic because of the relative ease with which it can be shipped, in comparison to marijuana, and because of the large profits to be made. Some cocaine remains in Jamaica for local use, although most of it is transshipped through Jamaica from South America.

A.2. Accomplishments in 1985

Jamaica made major strides in 1985 to institutionalize a meaningful narcotics enforcement program focused jointly on eradication and interdiction. Key to the program was the creation in July of a joint Jamaica Constabulary Force (JCF)/Jamaica Defence Force (JDF) task force. The task force command developed eradication and interdiction strategies, determined resource needs, coordinated intelligence operations and resource deployment, and served as a liaison with United States Government agencies involved in narcotics enforcement activities.

Jamaica's expanded commitment to combat marijuana production was evident prior to creation of the task force, as the JCF narcotics squad eradicated more marijuana in the first five months of the year than in any previous complete year. The fall eradication campaign devoted three times the manpower to the effort than ever before employed, and the results were impressive. However, the expanded eradication effort was hampered by a lack of helicopters for transport and spotting, as well as problems of coordination between the JDF and the JCF, and heavy rains throughout the month of November which severely limited the mobility of the teams.

During 1985, the Government continued its efforts to deny traffickers access to Jamaican waters and airspace. In the spring, 31 illegal airstrips were rendered inoperable by the JDF, though many were rapidly rebuilt. Moreover, the four general aviation airfields were placed under military guard and control. With a new 106 foot patrol boat, purchased with Military Assistance Program (MAP) funds, and with operating funds supplied by INM, continuous maritime narcotics patrols began in mid-fall.

U.S. Customs officers instructed Air Jamaica and airport personnel at the two international airports on techniques to prevent the shipping of illegal drugs. The situation at Norman Manley International Airport in Kingston improved significantly following the course, but Donald Sangster International Airport in Montego Bay continued to be used regularly by traffickers, according to some reports. In December, Air Jamaica posted its first full time security officer at Sangster International Airport.

At the island's principal seaports, efforts were also stepped up to prevent the trafficking of drugs. Local police made numerous arrests of individuals boarding cruise ships with small quantities of marijuana. Customs agents using police dogs, interdicted several shipments of large quantities of

marijuana placed in containers with legitimate cargo destined for the United States.

A.3. Plans, Programs and Timetables

Under Operation Buccaneer II, the operational plan of the joint narcotics enforcement task force, the JCF narcotics squad and a company of JDF soldiers committed themselves to a major eradication plan aimed at the 1985 fall crop. The joint approach is likely to continue into the spring of 1986 and beyond. The JDF will also attempt to disrupt trafficking patterns continuing to render inoperable illegal landing strips and by committing significant JDF airwing and coast guard resources to the interdiction of traffickers. This coordinated effort reflects the Government's perception of the trafficking problem as a threat to national security, since it involves the continual violation of Jamaica's airspace and territorial waters by criminal elements.

Four letters of agreement were signed with the United States during 1985. Under these agreements, INM provided funds to overhaul Coast Guard vessels; repair helicopters and fixed wing aircraft; provide fuel for these vessels and aircraft; provide eradication teams with brushcutters, radios, and other equipment; and cover some operational expenses of those forces committed to narcotics eradication and interdiction activities.

The Government in 1985 became more outspoken in its public condemnations of traffickers, especially those who attempted to exploit commercial transportation networks, and in asserting its commitment to eradicate marijuana cultivation. This commitment has been expressed by the Prime Minister and other Cabinet Ministers in international fora in Jamaica.

A.4. Adequacy of Legal and Law Enforcement Measures

The Dangerous Drugs Act of April 15, 1984 provides for penalties for possession, cultivation, sale, manufacture, import, and export of illicit narcotics.

Although the number of arrests on narcotics charges remained in the same range as in previous years, much wider publicity was given to many of the cases. Prison sentences and substantial fines were frequently meted out, especially in cases involving cocaine and heroin.

Both the Attorney General and court officials have called for stiffer sentences in narcotics cases. The hardnosed attitude of public officials made some dealers and traffickers wary of doing business as openly as in the past or without cash payments in advance from buyers.

Agencies involved in narcotics-related law enforcement activities include the Jamaica Defence Force, the Jamaica Constabulary Force, the Airport Authority, the Port Authority and Customs. Coordination of the police and military units involved in narcotics enforcement and eradication has improved, though difficulties continue. Local police units have also been enlisted in the marijuana eradication and interdiction effort, but resources and willpower are often lacking and corruption among police officials on the local level is a problem.

The Airport Authority, Air Jamaica (the national airline) and the Port Authority (seaports), are all under the authority of the Ministry of Public Utilities and Transport. Though short of funds, this Ministry initiated efforts to implement recommendations made by U.S. Customs officers who visited Jamaica at the Ministry's request in June 1985. Jamaican Customs, which comes under the Ministry of Finance, has become more aware of the marijuana export problem as shipments of fruits and vegetables, furniture and other manufactured items have been seized in the United States after they were discovered to contain marijuana.

Under Jamaica's Suppression of Crime Act (special provisions), law enforcement officers do not need a search warrant to enter on private property to seize contraband. Most marijuana discovered growing or drying is burned on the spot to avoid the possibility of corruption.

Narcotics enforcement training provided in past years by the U.S. Drug Enforcement Administration and U.S. Customs has provided needed instruction in basic skills. Police and customs officers have participated in training in the United States on a regular basis, and the training has been offered in-country. In FY 1986, U.S. Customs will again provide in-country training.

A.5. Drug Abuse Programs

There are no reliable figures on domestic consumption of drugs in Jamaica. Marijuana is used regularly by members of the Rastafarian Movement, and its use as a recreational drug is also fairly common among young adults. Cocaine usage, until recently almost unheard of in Jamaica, has become a cause for alarm, particularly in north coast tourist areas. A major island-wide drug epidemiology study of households and schools is currently in the planning stage and will be carried out during 1986.

The National Council on Drug Abuse (NCDA), formed in 1984, has the primary responsibility to conduct drug abuse education programs. It is currently developing a major drug abuse control and prevention program funded by the United Nations Fund for Drug Abuse Control. The program envisions the creation of parents groups in each parish, and the development of locally relevant educational materials for schools. The NCDA is also coordinating the epidemiology study, which is funded by the United States.

Separate drug treatment and rehabilitation facilities do not exist in Jamaica.

B.1. Nature of Illicit Drug Production

Marijuana is the only illicit drug cultivated and processed in Jamaica. From it are derived commercial grade marijuana, hash oil and small amounts of "finger hash", which is produced from resin gathered off the plants under cultivation. Occasional rumors of cocaine processing labs in Jamaica have not been confirmed.

Marijuana production was introduced into Jamaica in the 1830's by indentured Indian laborers and still bears its Indian name "ganja". It is used traditionally throughout Jamaica as a folk medicine, usually prepared as a tea. Several religious groups, chief among them the Rastafarians, consider marijuana a sacramental herb, and use it on a daily basis. Marijuana production has been illegal since 1913, but its cultivation has increased dramatically over the past twenty years.

B.2. Factors Affecting Production

Climatic conditions in Jamaica are excellent for crop cultivation throughout the year. Rainfall is predictable and usually sufficient. A drought in the spring of 1985 was partly responsible for the considerably reduced acreage under cultivation and was certainly a cause of reduced yields. Fields are irrigated in certain parts of the island. Jamaica's rugged terrain is well-suited to conceal cultivation of illicit crops. No area is far from the seacoast or from suitable landing areas for small planes, yet the myriad valleys and hills provide isolated land for cultivation of marijuana. Eradication teams can reach the crop only by helicopter or by difficult treks. Likewise, wetlands cultivation has been hard for the security forces to reach without helicopters.

From a geographical standpoint, Jamaica is well-suited for shipping marijuana production to the United States. Located approximately 600 miles south of Florida, small aircraft are

able to transport loads of the crop to the Bahamas or across Cuba directly to the United States. Pleasure boats and small fishing vessels can reach the U.S. via the Windward Passage and Bahamian waters, or to the west via the Cayman Islands and the Yucatan Passage. Frequent direct commercial air flights and regular service by cargo vessels and cruise ships also facilitate the trafficking of marijuana to the United States.

Until recently, cultivation has been widely tolerated. During the 1970s and early 1980s eradication efforts were minimal, although some interdiction was carried out by the security forces. Marijuana grows quickly and easily, making it an ideal cash crop for the typical small farmer. As important sectors of the national economy have contracted in recent years, marijuana has been regarded as a relatively sure means to make a living.

In 1985, however, the anti-marijuana effort was larger than ever before, in part due to the international attention being paid to the problem of narcotic drugs. The media have been supportive of the Government's increased effort at narcotics control and have regularly criticized authorities for failing to prevent the export of marijuana in legitimate cargo and on the national airline.

B.3. Maximum Achievable Reductions

Total cultivation in 1985 is estimated to have been between 1,880 and 2,850 hectares, consisting of a large fall crop plus a much smaller spring crop hectarage total. This is estimated to have produced a gross potential yield of between 1,269 and 1,963 metric tons of marijuana. Factoring in an eradication figure of 955 hectares, 1985 production is thought to have been between 625 and 1,280 metric tons. Estimates in previous years had assumed that the spring crop was equal in size to the fall crop, but a 1985 aerial survey determined that the spring crop size was approximately 25 percent of the estimated fall cultivation in 1984, making direct comparison with 1984 estimates problematic.

In 1986, the Government of Jamaica can eradicate 45% of the crop if sufficient personnel and material resources are devoted to the effort. Assuming cultivation of the same amount of hectarage in 1986 as in 1985, eradication of the additional amount will reduce potential yield by roughly 75 - 100 metric tons for a net yield of approximately 860 metric tons, prior to reductions for spoilage, seizures, and local use.

B.4. Methodology for Estimates

Marijuana cultivation in 1985 probably did not differ much from 1984; however, previous estimates of crop cultivation have presumed equal cultivation in the spring and fall. The cultivation hectareage figures shown in previous year charts were a "per crop" hectareage total; annual crop estimates were made by multiplying net results by two to reflect two crops per year of equal totals. A spring, 1985 aerial survey showed cultivation of approximately 25% that of the fall crop. Although factors such as increased eradication, drought, and a possible over-supply of marijuana in the marketplace may have limited production, the information provided by the aerial survey suggests that 1984 total cultivation hectareage should have been approximately 2,700 (800 hectares in the spring and 1,900 hectares in the fall), vs. the 3,800 hectares (1,900 for two crops) previously reported. Eradication figures for the year have also been revised to reflect updated information. Prior year figures in the charts below have been revised based on current information.

The 1985 cultivation estimates are based on aerial surveys conducted in the spring and fall of 1985. Yields were calculated at 675 kg/hectare; other figures are based on estimates provided by Jamaican and U.S. enforcement officials. It should be noted that 1985 net marijuana production is significantly reduced from 1984 levels due to sharply increased eradication efforts by the Jamaican government. These efforts have resulted in total eradication in excess of 35% of the total crop vs. the roughly 10% eradication achieved in 1984.

It is impossible to accurately assess how much of the total cannabis production is used to produce hashish oil, primarily made from "waste" marijuana (eg. stems, etc.). Domestic and third country consumption figures are rough estimates.

Projections for 1986 are based on the assumption that the Jamaican government will maintain eradication activity at 1985 levels; eradication effectiveness will depend in significant measure on the adequacy of air support for narcotics control programs.

C.I. Statistical Tables

A SUMMARY TABLES

	<u>1985</u>	<u>1986</u>
Hectares Cultivated (Fall plus Spring)	1,880-2,850	1,880-2,850
mid-point	2,365	2,365
Hectares Eradicated	955	1065
Hectares Harvested	925-1895	815-1785
mid-point	1,410	1,300
Net Yield at harvest	625-1,280	550-1,205
mid-point	950	880
Loss Factor (.05)	30-65	30-60
Cannabis Seized in Country (MT)	80	80
Converted to Hashish	Unknown	Unknown
Hashish Oil Yield (MT)	1	1
Hashish Oil Exported Elsewhere (MT)	1	1
Marijuana Available for Consumption (MT)	515-1,135	440-1,065
Marijuana Consumed Locally & elsewhere (MT)	150-290	150- 290
Marijuana Exported to USA (MT)	365-845	290- 775

B DATA TABLES

	<u>1987</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>	<u>1983</u>
<u>Cultivation (HA):</u>					
Cannabis (midpoint)	2,365	2,365	2,365	2,575	1,822
<u>Gross Potential (MT):</u>					
Cannabis (midpoint)	1,595	1,595	1,595	1,740	2,460
<u>Hectares Eradicated:</u>					
Cannabis	1,065	1,065	955	260	350
<u>Crops Eradicated (MT):</u>					
Cannabis	720	720	645	175	229
<u>Net Yield (MT):</u>	875	880	950	1,565	--
<u>Refining (MT):</u>					
Hashish Oil	1.0	1.0	1.0	.7	.3
<u>Arrests:</u>					
Nationals	-	-	2,272	3,980	3,837
			(thru Sept.)		
<u>Seizures:</u>					
Cocaine	1.0	1.0	0.4	0.4	0
Cannabis	85	85	80	205	86

Domestic Consumption:
(Figures not available.)

Users:
(Figures not available.)

PART D

See Appendix.

E. Resource Estimates

The current inventory of brushcutters should be adequate for projected eradication efforts; however, additional funds will be required for operating support costs, including labor costs, spare parts and maintenance, and helicopter operations. These costs will place heavy demands on limited Jamaican government resources, and U.S. assistance will likely be required. A specific level of required U.S. funding has not yet been defined, pending definition of 1986/87 objectives and plans.

BURMA

A.1. Status of Illicit Narcotics in Burma

The primary U.S. narcotics control concern in Burma is the illicit production of opium and its derivatives. Burma remains one of the world's largest producers of illicit opium. While the ability to estimate the Burmese opium crop has improved somewhat, uncertainties remain which make it difficult to estimate accurately areas under cultivation and yields. Among the basic problems is the fact that the Socialist Republic of the Union of Burma (SRUB) does not have effective control over most of the the primary growing areas. The SRUB's inability to enter these insurgent-ridden areas makes it almost completely dependent upon aerial photography to arrive at crop estimates. Historically, this has resulted in very high estimates which did not equate with the amounts of illicit opium estimated to be reaching refineries or being consumed locally. In 1985, however, gains were made in resolving this problem and better estimates of production and refining are available.

The growing season in Burma spans portions of two calendar years, from September to March. For statistical and reporting purposes, the September 1984-March 1985 growing season will be reported as the 1985 crop.

Opium production for 1985 is estimated at 424 metric tons (after eradication). Based upon the best information available, 1985 cultivation is believed to have been approximately 71,000 hectares with an average yield of 6.9 kilograms per hectare. This yield, sharply affected by adverse weather, is down from a customary yield of 9.68 kilos per hectare. SRUB estimates are limited to production in areas under government control and consequently are lower than U.S. estimates, which include all of Burma. The SRUB estimates the 1985 crop at 27,000 hectares with an average yield of 9.68 kilograms per hectare. We estimate that 60 to 70 percent of all cultivation is in insurgent-held areas.

The major growing areas are located in the Shan State, and the largest percentage of refineries are located close to the Shan State's border with Thailand. The Burma Communist Party (BCP) controls the largest area. There are also reports of increasing numbers of refinery locations north of the traditional border area in BCP-controlled territory, and of as many as 13,000 hectares of poppy cultivation in the Kachin State northwest of Myitkyina, with smaller plantings in the

Chin and Kayah states. These areas are known to have a poor yield and almost all the total production is consumed locally.

The Thai/Burma border continues to be the major outlet for illicit narcotics, with an estimated 80-85% of all opiates passing through that area into the Thai and international markets. However, increased seizures of both narcotic drugs and precursor chemicals demonstrate the growing importance of subsidiary cross-country routes into India. Seizures show that the cross-country Indian route is supplying large quantities of the chemicals needed by the refineries. There are additional subsidiary routes into the Tennasserim, but it does not appear that these routes are used to move significant quantities of illicit drugs. Continued pressure on the Thai/Burma border areas by the Thai and Burma armies could intensify the trend toward these alternate routes.

Illicit narcotics leave Burma in various forms, which include raw opium, pitzu (impure morphine base), morphine base, impure heroin base, and heroin No. 4. It is estimated that approximately 220 metric tons of the estimated 424 metric tons produced in 1985 were processed into either morphine base or heroin. Of this amount, we estimate that three to four metric tons of refined narcotics were produced in up-country refineries and that approximately 18 metric tons of refined narcotics were produced in the Thai/Burma border area. Of the remaining 270 tons, it is estimated that 20 metric tons moved out of the country through southern Thailand in the form of raw opium while 40-45 metric tons of opium moved into China, India, Bangladesh, and international sea shipments.

The refined products moving across the Thai/Burma border are purchased by long-established Sino/Thai traffickers. Indian traffickers are the purchasers on the Burma/India border, although they are not nearly so well established as the seasoned dealers in Thailand.

Because of the poor crop year and the serious disruption of drug and chemical movements, the price of refined narcotics at the Thai/Burma border has reportedly risen sharply. Continuing fighting among insurgent groups, intensified pressure by the Burma Army and Thai forces, and improved enforcement activity on the part of the Burmese People's Police Force (PPF) have all contributed to the disruptions and resultant price increases.

The insurgent groups have different origins. Some are ethnic separatists like the Kachin, Lahu and other groups; others are profit-oriented warlord smugglers like Chang Chi-Fu (aka Khun Sa) of the Shan United Army (SUA) and Mo Hein of the

Tai Revolutionary Army (TRA), which is a consolidation of the former Shan United Revolutionary Army (SURA) and the Shan State Army South (SSA). The BCP started as ideological revolutionaries with Chinese support. The border area alignment of the various groups continues to be extremely fluid. Whatever the professed political motives of the insurgent groups, almost all are involved in the growing, refining, or trafficking and direct sales of heroin.

The dominant trafficking organization along the Burma/Thai border-- the SUA-- consolidated its hold on the area from the northwest corner of Thailand's Mae Hong Son Province in the west to Mong Kan in the east, roughly 16 miles from Tachilek, Burma. Although the SUA remains under considerable military pressure from its trafficking rivals as well as from the Burmese and Thai Armies, it remains a well-armed and well-situated organization.

With the exception of the BCP, the insurgent/trafficking groups in Burma have no institutional ties outside the country. Although the BCP claims an ideological alignment with the international communist movement, recent years have seen the organization shift to a more concentrated involvement in drug trafficking. None of the existing insurgent groups are viewed as potential threats to the stability of the central government. They do represent a constant drain of material and human resources, which has a great impact on the government's ability to deal with other national problems.

A.2. Accomplishments in 1985

The Burmese Government is committed to eliminating illicit narcotics production and destroying the organizations involved since the narcotics trade feeds the insurgency. Highlights of the SRUB strategy include the annual "Hellflower" campaigns in which police, army, and civilian personnel move into the opium-growing areas to eradicate the crops manually, and "Mohein" military operations against heroin refineries. Many lives are lost each year in this effort. During 1985, the SRUB reported over 100 of its personnel killed in action in narcotics-related actions.

The reported destruction of 9,551 hectares in last year's annual "Hellflower" operation is the highest annual destruction reported since the USG/SRUB protocol of 1974. The campaign was concentrated in the Shan State with some eradication in the Chin and Kachin states as well.

On February 24, 1985, the Burma Army launched the "Mohein IX" operation against heroin refineries in the border areas.

The campaign lasted until March 15. Twenty insurgents were reported killed, many were wounded, and some arms, supplies, chemicals, and numerous opium refining paraphernalia were seized. Due to the ruggedness of the terrain and the lack of mobility and logistical support (a problem which continues to plague the Burma Army), the narcotics stocks had been removed from the refinery sites prior to the attacks. However, four refineries were reported captured and destroyed.

Sustained actions by the Burma Army throughout the year and increased activity and effectiveness of the PPF resulted in a steady increase in large seizures of illicit narcotics and refining chemicals in 1985. Available figures indicate that 2,015 kilograms of opium, 60.5 kilograms of heroin, 837 kilograms of morphine base, and 700 gallons of acetic anhydride were seized during the first eleven months of 1985.

A.3. Plans, Programs and Timetables

To accomplish its narcotics suppression program, the SRUB emphasizes action in five areas: limiting and reducing opium production; preventing the movement of narcotics from producing areas to processing centers and foreign markets; striking at processing centers and trafficking organizations; substituting other forms of income for the raising of poppies; and reducing Burma's domestic demand for narcotics.

Since the SRUB does not control most of the growing, trafficking, and refining areas, it is difficult to establish an exact timetable for the reduction of the narcotics problem. The SRUB's primary focus is to limit the production in those areas under government control and to conduct major military operations into insurgent areas to disrupt the process as much as possible. Significant actions taken by the SRUB during 1985 which can help accomplish these goals include:

- The SRUB decision in March 1985 to enter into a poppy aerial eradication program with USG assistance.
- The training of nine Burmese pilots in agriculture spraying techniques to support the aerial eradication project.
- Continued participation in U.S. maintenance training courses by Burma Air Force personnel responsible for maintenance of INM-supplied aircraft.
- A successful Executive Observation Program for SRUB senior officials who will have key roles in the aerial eradication project.

- The training of 12 Burmese in a special course designed for the PPF force managers at the Federal Law Enforcement Training Center in Glynnco, Georgia, and the subsequent deployment of the PPF task forces in November, 1985.

Despite our inability to provide accurate timetables for projected, progressive elimination of the opium crop, we believe that the decision to begin a full-scale aerial eradication program and the initiation of the Police Enhancement Program will significantly affect drug production and trafficking.

A.4. Adequacy of Legal and Law Enforcement Measures

The Narcotics and Dangerous Drugs Act of 1974 provides stiff penalties and legal sanctions against every aspect of narcotics production, processing and cultivation, including:

- 1] For the cultivation, manufacture, possession, and transportation of narcotics or the unauthorized transfer of prescribed drugs: 5-10 years' imprisonment, Kyat 10,000 fine (about \$1,333 at the official exchange rate), plus the destruction of crops and the seizure of related equipment.
- 2] For processing: 10 years to life imprisonment, Kyat 50,000 fine, plus seizure of narcotic drugs and equipment;
- 3] For the import or export of narcotic drugs or materials relating to narcotic drugs, or sale: 10 years' to life imprisonment or capital punishment, Kyat 50,000 fine, plus seizure of narcotic drugs or contraband.
- 4] For accepting bribes: 5-10 years' imprisonment.
- 5] For using narcotics: 3-5 years' imprisonment.
- 6] For the failure of addicts to register: 3 years' imprisonment.

Burmese enforcement agencies have had limited success in enforcing the various provisions of the narcotics law. When offenders are apprehended and convicted, however, the courts often impose severe sentences. In September and October, 1985, Burmese courts handed down eight death sentences for drug trafficking.

In addition, the SRUB has established a system of rewards for information leading to the arrest of narcotics users and

traffickers and seizures of narcotic drugs. There is no legal use of heroin in medical treatment or experimentation.

Burmese anti-narcotics efforts are coordinated by the Central Committee for Drug Abuse Control (CCDAC). The CCDAC is chaired by the Minister of Home and Religious Affairs, U Min Gaung, with Deputy Minister Colonel Khin Maung Win serving as secretary. Deputy Ministers from six other ministries are represented as well as the heads of various sub-committees. The CCDAC establishes policy and coordinates anti-narcotics activities throughout the country.

The principal SRUB enforcement agencies are the PPF, the Army and the Air Force. Subsidiary agencies involved in narcotics control are the National Intelligence Bureau (NIB), the Directorate of Defense Services Intelligence (DDSI), the Bureau of Special Investigations, the Customs Service, and the security and investigative arms of the Burma Socialist Program Party and local People's Councils.

The SRUB recognizes that narcotics-related corruption is a problem, and takes steps to deal with it.

There are no third country narcotics control offices stationed in Burma. UNFDAC has a representative assigned to manage its programs.

Anti-narcotics training is included in the basic training given by the People's Police Force. However, the instruction is inadequate and there is a need for updated training materials. A U.S. training evaluation team visited Rangoon in December 1984 to develop a syllabus to support the PPF Enhancement Program. This training was subsequently conducted for 12 Burmese participants in the U.S. In addition to the special course for the Enhancement Program, U.S. training in 1985 included sending 4 PPF officers to the DEA Advanced International Drug Control Officer's Academy at Glynco, Georgia, and the senior SRUB planners' Executive Observation Program.

Both the SRUB and the USG recognize that there is an urgent and continuing need for drug enforcement training to enhance PPF capabilities. Additional U.S. training is projected in 1986.

A.5. Drug Abuse Prevention, Treatment and Rehabilitation Programs

Preventive education is carried out by both the Ministry of Education (school lectures, exhibitions, and competitions)

and the Ministry of Information (newspapers and publications, radio and television programs). The Ministry of Health is responsible for drug treatment and detoxification. The Ministry of Social Welfare is primarily responsible for the drug rehabilitation program, although a number of other ministries have contributed resources to rehabilitation centers.

The Ministry of Health supervises 26 treatment and detoxification centers with a combined capacity of over 700 beds: 100 beds at the Rangoon Psychiatric Hospital, 25 beds at the Taunggyi Sao Sam Htun Hospital, 50 beds at the Myitkyina State Hospital, 30 beds at the Pekon Treatment and Rehabilitation Center, 300 beds at the Thayet Hospital, and 10 beds each at 20 other township hospitals. Heroin addicts are provided 10 weeks of detoxification treatment. The estimated annual capacity is 3,500-4,000 addicts.

Under the "country help program", opium addicts are treated as outpatients within their own communities. There are small voluntary rehabilitation centers that provide vocational training to opium addicts at Kengtung, Namlat, Rangoon, Sakantha, Mandalay, and Myitkyina.

The SRUB used methadone in treatment of heroin addicts until 1979, and has also experimented with "cold turkey" detoxification and acupuncture. Each has been judged to be ineffective because of the high recidivism rate. Detoxification by the "cold turkey" method had the additional disadvantage of deterring relapsed addicts from returning for treatment. Acupuncture was found to be somewhat effective for Chinese addicts. Since 1979, health authorities have relied primarily on domestically manufactured drugs for detoxification treatment.

The SRUB conducts a continuous, intensive program of narcotics information in schools and through news media and posters. The dangers of narcotics are regularly stressed at anti-narcotics mass rallies and public and party indoctrination sessions.

While a growing domestic addiction problem was a major catalyst in the 1974 Burmese decision to establish an active narcotics control policy, the SRUB now believes that the addiction rate has stabilized and that heroin addiction has been reduced. Addicts in Burma are required by law to register. After registration, treatment and rehabilitation are compulsory. According to the Ministry of Health, 44,557 drug addicts were registered from 1974 to 1984. Out of this total, there were about 8,000 heroin addicts, 31,500 opium addicts and 5,000 others, primarily polydrug abusers. A large number of

persons addicted to opiates are not registered. Some observers estimate that the total number may be three times higher than the registered number.

It is impossible to make a realistic estimate of the amount of illicit drugs consumed, but commonly accepted estimates use the figure of one kilogram of opium or equivalent per addict per year. Assuming 120,000 narcotic addicts in Burma, internal opium consumption would total 120,000 kilograms each year.

B.1. Nature of Illicit Drug Production

Burma is one of the world's major opium growing areas, producing approximately 490 metric tons gross (424 mt net) in the 1984/85 season. Opium has historically been grown by the hilltribes. However, the current level of production can be attributed to the entry of the various insurgent groups into the international drug trade to support their activities.

Most refining locations remain near the Thai/Burma border. Several have been documented in the areas controlled by the BCP, the SUA, and the Kachin Independence Army (KIA).

There is no licit production of opium, coca, methaqualone, cannabis, amphetamines, barbiturates, or precursor chemicals in Burma. The SRUB has no plans to initiate licit production.

In the growing areas, narcotics are a major part of the local economy. Farmers grow opium poppy for a variety of motives: to supplement an already adequate disposable income, as a principal cash crop to raise living standards above the subsistence level, or in response to coercion by insurgents. In BCP-controlled growing areas, there are numerous reports of farmers being forced to grow opium at the expense of food crops. Plots are marked off, security and inputs such as fertilizer are provided, and taxes are collected on the production. There are reports that the BCP has established an agricultural loan program under which cash loans are made to farmers based upon the number of acres put into opium cultivation. All of the crop must be sold to the BCP at its established price.

There are no reliable figures on what percentage of the annual production remains in Burma for local consumption, but estimates range as high as 20 percent.

B.2. Factors Affecting Production

Opium is cultivated primarily in northern and eastern Burma, mainly in the Shan, Kachin, and Ayah States. Some is grown in areas of the neighboring Karen State and Mandalay Division and in the Chin State. The Shan plateau, extending almost the full length of the Shan State with an average elevation of 1,000 meters, is the principal poppy growing area. It is mountainous throughout with some peaks over 2,500 meters. The small poppy fields range in size from 0.1 to 4.0 hectares and cover an area roughly the size of Louisiana. In addition to fields in more inaccessible areas, fields are often clustered near villages.

Two subcontinental monsoons dominate Burma's tropical climate. The southwest monsoon brings the rainy season which extends from June to October. During this period, the Shan plateau receives approximately 90% of its annual 80 inch rainfall. The annual mean temperature is 80 degrees. Except for periods of drought, the terrain and climate are near the world's best for poppy cultivation.

Burma is the most ethnically diverse country in Southeast Asia. The dominant ethnic group, the Burmans, represent approximately 72% of the population. The principal ethnic minorities are the Karen (7%), Shan (6%), Indian (6%), with Chinese (3%) comprising the remainder. Burma's history since independence is one of continual struggle between minority ethnic groups and the predominately Burman central government.

Narcotics is a part of a larger pattern of illicit exports from Burma to its neighbors, notably Thailand, China, and India. This trade also includes jade and other precious stones, teak, antiques, concentrated ore, cattle and agricultural commodities, marine products, and a wide variety of other goods.

It is clear that much of the money generated by the illicit narcotics trade is mixed with and "laundered" through other illegal black market activities such as currency exchange and gold trading. In an attempt to address this problem, the SRUB demonetized the 100 Kyat note (the largest bill issued by the Burmese Government) in November 1985, and subsequently replaced it with a newly issued 75 Kyat note. While it is too early to assess the impact of this move against the "shadow economy" and more particularly the narcotics trafficking portion, early reports indicate that the traffickers have been hurt, at least temporarily.

At this time, the SRUB has no substitute crop which would encourage the farmer to turn away from opium. The lack of farm-to-market roads does not pose a problem for marketing this principal cash crop. The farmer never has to leave his land to market the opium: buyers deliver the seed and pick up the crop.

B.3. Maximum Achievable Reductions

Through aerial eradication and increased PPF and Army activities, we look forward to a significant reduction in opium production over the long term. However, because the major poppy cultivation, refining, and transporting activities occur in areas which the SRUB does not control, we can project near-term impacts of eradication and interdiction operations, but cannot accurately project sustained reductions in illicit drug production in the near future. The more successful the SRUB efforts are in areas it controls or contests, the more illicit narcotics activities are moved back into areas that are not accessible to the Government.

The weather has been one major variable and in 1985 helped produce a smaller crop. With better weather, 1986 and 1987 may see production increases. New factors such as aerial eradication may alter these projections, but it is too early to assess how much the overall production can be lowered by this initiative.

The 1985-86 growing season will be the formative period for the new aerial eradication effort. We view this year as one in which to gain experience which will help establish a framework for the future, in which we can forecast increasingly larger eradication objectives. The success of this year's effort will not be measured only by the quantity of opium poppy destroyed but by how strong a framework is created for an all-out effort next year. Since aerial spraying will permit the SRUB to strike areas which have previously been inaccessible, we expect to see a significantly increased amount of opium eradicated.

B.4. Methodology for Estimates

The estimates given for annual reductions are based on official SRUB reports and other sources in areas under government control.

C.1. Statistical Tables

<u>Opium/Heroin</u>	<u>1985</u>	<u>1986 (est)</u>
Hectares cultivated	71,000	75,000
Hectares eradicated	9,551	15,000
Hectares harvested	61,449	56,000
Opium yield (gross)	490 MT	532
Loss factor (10%)	49 MT	53MT
Opium consumed	135 MT	135MT
Opium seized	2.015 MT	3MT
Opium exported	60-65 MT	60-65MT
Available for refining	180-185 MT	276-281
Heroin produced	15-15 MT	23-23.4 MT
Heroin seized in country	0.06 MT	0.08 MT
Heroin consumed in country	0.30 MT	0.30 MT
Heroin exported to U.S.	0.80 MT	0.80 MT
Heroin exported elsewhere	13.4-14.24 MT	21.82-22.2 MT

The above summary table is based upon incomplete information. It is not possible to account for portions of the opium crop, part of which is undoubtedly stored for future marketing. Some observers believe that domestic opium consumption may be two to three times higher than estimated.

Estimates shown are for refined narcotics, which could be in the form of heroin, heroin base or morphine base. available data do not permit a further breakdown.

D. Status of US Assistance

See Appendix

E. Resource Estimates

Burma will receive \$5.65 million in FY 1986 and \$8.82 million has been requested for FY 1987. With the initial success experienced with the aerial eradication, it is estimated that significant amounts of the opium production can be eliminated with the recently introduced spray technology.

HONG KONG

A.1. Status of Illicit Narcotic Production/Trafficking

Hong Kong is not a producer of illicit narcotics. However, it has a large heroin abuse problem and is a significant refiner of heroin base into number three heroin (smoking heroin). It is a major transit point for narcotics from Southeast Asia. One of the world's major banking centers, Hong Kong's lack of currency controls and banking secrecy laws make it attractive to narcotics traffickers.

The drug of choice among Hong Kong users continues to be number three heroin. Both heroin prices and purity dropped toward the end of 1985. At the end of October 1985, the price of a gram of number three was \$7.89, a slight rise from \$7.11 at the end of August, but well below the \$20 per gram price reached in 1984. Heroin purity was running at about 15 percent, far below the 21 percent level which prevailed during 1984 and well below the 17-19 percent level which held for most of 1985. The recent seizure of 40 kilograms of heroin and of a heroin laboratory may account for the low purity. Overall, however, seizures in 1985 were only about one-fourth of 1984 levels.

Most Kong Kong addicts have switched from opium to number three heroin. Opium is still imported and used, though in insignificant amounts. During the first nine months of 1985, Hong Kong authorities seized 59 kgs. of raw opium and 22 kgs. of prepared opium.

There was a noticeable upswing of hashish and cannabis use in Hong Kong during 1985. Some of the cannabis resin imported into Hong Kong comes from Nepal. A kilogram of Nepalese cannabis resin costs as much as a kilogram of number three (smoking) heroin. Hong Kong authorities also believe that some cannabis enters from Macau. The HK police have arrested several Americans for importing small quantities of cannabis from Macau.

The South China Post, Hong Kong's leading English-language newspaper, has twice in the last year alleged that cocaine abuse in Hong Kong is increasing. The police have said that they have no evidence that would support such assertions and point to cocaine seizures of only 140 grams during the first nine months of 1985. The Post focused on those with ties to the U.S., wealthy Chinese, students attending United States

universities, and expatriates, and is probably justified in its conclusion that cocaine use is growing among these elite groups. Frequent travellers to the United States, these groups are usually the first to bring United States practices into Hong Kong. Importing small quantities of cocaine from the United States would be relatively easy, as the authorities generally do not closely check passengers arriving on flights from the United States. Cocaine use by these groups would be relatively difficult to detect, as its members have not hitherto been associated with drug abuse. At present, however, there is no evidence beyond the Post allegations that Hong Kong has a widespread cocaine problem.

The only other drugs in evidence are amphetamines. The Hong Kong Government seized 10.7 kgs. of amphetamines in a case involving Japan, Taiwan, and Hawaii as well as Hong Kong. Though a defendant in the case said that the amphetamines had been produced in Hong Kong, the authorities claimed they were of Taiwan origin. Also seized were 1.7 kgs. of methaqualone powder and 7,245 pills, all of which were produced in China, according to Hong Kong authorities.

The Hong Kong authorities believe that most heroin which enters the territory is consumed there. Because of the low prices prevailing during most of 1985, however, heroin and heroin base were probably exported to North America, Europe, and Australia. While the traditional exporters are Chinese and often members of a syndicate, among the new Hong Kong exporters are the Nepalese, many of whom have served in Hong Kong with a Gurkha battalion. A Nepalese trafficker arrested in the United States in the summer of 1985 was carrying the names of several Gurkhas stationed in Hong Kong. In August, six Gurkhas stationed in Hong Kong were arrested in London and charged with importation of heroin or cannabis. In addition, the Des Moines (Iowa) police arrested a former Hong Kong Gurkha, charging him with importing heroin.

Because the Hong Kong authorities enjoyed an extraordinarily good year in 1984, when they seized over a metric ton of heroin and heroin base, traffickers have apparently begun to take more care in varying their methods. The Hong Kong authorities believe that narcotics importers are now bringing in smaller shipments, travelling more frequently to Bangkok to reorganize routes and methods, and taking care to use public phones in order to avoid wiretaps. They are also using fake passports, usually Bolivian, Portuguese, Filipino, Thai, or Singaporean. Traffickers choose those nationalities because all of the countries involved have large Chinese populations.

Smugglers have begun buying two airline tickets to avoid immigration watch lists. A courier will go through immigration with a ticket for one flight and then board another plane using a different ticket for a different flight. Because another member of the gang obtains the boarding pass for the second flight, tracing the courier becomes extremely difficult.

Another trend is toward use of younger couriers to deliver narcotics to buyers. These young men are usually candidates for Triad groups in Hong Kong who are assigned to carry narcotics as a means of proving themselves. The risk to them is not great, as in most areas of the world they would receive minimal, if any, sentence if arrested.

Traffickers use Taipei, Tokyo, Singapore, Seoul, and Manila as staging areas or cities of "origin" for the second leg of the smuggling run from Bangkok. Traffickers are choosing to enter the United States at interior cities such as Chicago, in addition to the more traditional gateway cities such as New York, San Francisco, or Los Angeles. With the addition of several United Airlines routes from Asia, Seattle may also see an increase in trafficking.

There is no evidence of any terrorist organizations operating in Hong Kong, in drug trafficking or in other criminal areas. Hong Kong does, however, have a well-organized criminal community populated by syndicates, generally referred to as Triads. These organizations are playing a role in narcotics trafficking. Hong Kong Triads were involved in several international cases during 1985, including one involving Taiwanese and Japanese criminal organizations. Hong Kong authorities have cracked down on the Big Circle gang, a Triad-type criminal organization in Hong Kong. Although most of the allegations concerning the gang's activities relate to murder, extortion, and armed robbery, there is good reason to believe that the gang has been trafficking in narcotics as well.

During the last months of 1985, members of Hong Kong's legislative council began asking serious questions about Triad activities in Hong Kong. In particular, councilors have questioned the Hong Kong Police decision to disband its Triad bureau in 1977. As a result, in an effort to dent Triad influence, the Hong Kong Government is now preparing anti-Triad legislation modelled on U.S laws aimed at combatting criminal conspiracies.

Hong Kong's reputation as a financial center for the drug trade continues. That narcotics traffickers do some of their banking in Hong Kong is not surprising: Hong Kong is the third leading financial center in the world and the leader in Asia.

Because of bank secrecy laws and the lack of currency controls in Hong Kong, narcotics traffickers, as well as thousands of others, find it convenient to bank in Hong Kong. The fining of the Crocker National Bank of San Francisco for failure to report cash transactions of \$3.9 billion over the past four years had repercussions in Hong Kong, as six Hong Kong banks were named as having transferred \$3.43 billion of the total. Although U.S. officials implied that this may have been narcotics money, Hong Kong bankers were quick to point out that the transfers came at a time when uncertainty over Hong Kong's future was at its highest and to plead that, given the circumstances, the amounts were not excessively large.

A.2. Accomplishments in 1985

The Hong Kong Government maintains an efficient registry of drug abusers. Using a computer and gathering data from both treatment and enforcement agencies, the government has identified 50,000 heroin users in Hong Kong. The 50,000 represent a fairly serious problem in a city of 5.5 million. The Hong Kong Government estimates that these addicts consume approximately nine million metric tons of heroin per year. Thus it is the government's belief that most of the heroin imported into Hong Kong is consumed there.

The government's strategy is to push users into treatment programs by raising street prices to unacceptably high levels. The Hong Kong Government offers three separate types of programs, including mandatory treatment run by the Corrections Department, methadone maintenance handled by the Medical and Health Department, and in-patient treatment conducted by the Society for the Aid and Rehabilitation of Drug Abusers (SARDA). In addition, there are numerous programs offered by private organizations.

The government also attempts to reduce demand through an extensive educational program utilizing schools, television, radio, and wall posters. The Hong Kong Government, through the schools, offers educational programs concerning heroin abuse to children at all levels. The television campaign is a series of hard-hitting and effective public service announcements. The posters also offer a realistic portrayal of the dangers of narcotics abuse. Surveys of young drug abusers appear to indicate that the program is having an impact, as the numbers of young people taking to drugs seems to be declining.

A.3. Plans, Programs, and Timetables

The Hong Kong Government has a four-point program to combat narcotics. The Government relies on enforcement by the police

and by the Customs and Excise Service to keep the availability of heroin to a minimum. By doing so, the Hong Kong Government hopes to raise the price of heroin high enough to force addicts to seek treatment. The Hong Kong Government also conducts extensive educational and media programs designed to discourage drug use. Finally, the Hong Kong Government cooperates internationally in the fight against narcotics abuse.

The Hong Kong Government program works well. The police and customs enforcement arms are well-trained, highly-motivated, and efficient. At times, they have had great success in forcing addicts into methadone programs by driving up the street prices. The educational programs are very effective; there is evidence that drug use among young people is not increasing and may actually be declining.

A.4. Adequacy of Legal and Law Enforcement Measures

Hong Kong enforcement authorities have not matched their astonishing effort of 1984, when they seized more than 1,300 kgs. As one metric ton of this total was heroin base, which could be converted to yield three to four times its weight in heroin, the 1984 seizures were the equivalent of at least three metric tons of heroin. As noted above, the success of enforcement efforts in 1984 apparently caused traffickers to change their tactics. The largest seizure during the first 11 months of 1985 was of 90 kgs. of heroin. There will inevitably be a delay while the authorities develop intelligence and revise their strategy to counteract the new methods which the traffickers appear to have adopted.

By the end of September 1985, Hong Kong police had seized 125 kgs. of heroin base, 165 kgs. of number three heroin, and five kgs. of number four heroin. Extrapolating from these figures, one can estimate that heroin seizures in 1985 ran about 70 percent behind the 1,300 kgs. seized in 1984.

The police recently proposed that the legal department draw up legislation that would enable the authorities to freeze the wealth accumulated from criminal activities. This would not be seizure-of-assets legislation, but merely laws permitting the freezing of assets while the police continue their investigations. Such laws would cause suspects fleeing prosecution in Hong Kong to lose the use of any Hong Kong-based assets.

In 1984 the Hong Kong Government passed laws which significantly increased the ability of U.S. law enforcement agencies to gain access to Hong Kong banking information. Through a court-to-court procedure, U.S. authorities may now

receive information needed for investigations in progress. Previously, Hong Kong courts would cooperate only when a suspect was actually being prosecuted. Unfortunately, this new procedure is not well understood as yet by prosecutors in the U.S. and has been utilized only a few times in the past year. The U.S. law enforcement agencies represented at the Consulate General in Hong Kong are now attempting to disseminate information on the Hong Kong laws in the U.S. so that better use can be made of them.

The Hong Kong Government is now preparing seizure-of-assets legislation for use against narcotics traffickers. Although the government is not yet ready to present a bill to the Legislative Council, Governor Youde noted in his annual "state of the territory" message that this legislation is under consideration, thereby underlining the seriousness of the Hong Kong Government's commitment to finding a formula for such legislation which will be appropriate for Hong Kong.

PART B Not Applicable.

C.1. Statistical Tables

	<u>1987</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>	<u>1983</u>
Refining (metric tons):					
Heroin	3.8	3.8	3.4	3.4	3.0
Seizures (metric tons):					
Opium	0.060	0.070	0.108	0.056	0.100
Heroin	0.800	0.600	0.400	1.300	0.710
Cocaine	0.00014	0.00013	0.00014	0.00025	n/a
Marijuana	0.300	0.200	0.200	0.025	0.0073
Cannabis	0.095	0.085	0.075	0.055	0.003
Arrests:	12,500	12,000	12,000	11,206	11,224
Labs destroyed:					
Heroin	7	6	5	9	11
Domestic Consumption (metric tons):					
Opium	0.5	0.5	0.5	0.5	0.5
Heroin	9.0	9.0	9.0	9.0	8.0
Marijuana	0.8	0.7	0.6	0.5	0.5
Other drugs	0.3	0.2	0.1	0.075	0.05
Cocaine	0.3	0.2	0.1	0.04	0.20

Users:

Opium	2,000	2,000	2,000	2,000	1,000
Heroin	50,000	50,000	50,000	50,000	50,000
Cocaine	800	500	300	n/a	n/a
Cannabis	1,300	1,000	500	350	175
Marijuana	3,500	3,000	3,000	3,000	1,000
Other drugs	1,500	1,250	1,000	900	800

INDONESIA

A.1. Status of Illicit Narcotics Production and Trafficking

Indonesia is a cannabis producer and a transit point for Southeast Asian opium derivatives. Indonesia produces large quantities of cannabis, or "ganja", in several parts of the country. Small scale processing of ganja to hash oil apparently occurs only in Aceh and Medan. There are no precise crop estimates or estimates of the amount of hash oil produced in the country.

Although much of the illicit production is consumed locally, Indonesian ganja's high tetrahydrocannabinol (THC) level (9-14 percent) attracts export markets in the Netherlands, Malaysia, Singapore, and especially Australia and New Zealand. Some ganja may find its way to the U.S. Ganja leaves the country in dried-leaf form by every means of transportation available.

Indonesia does not produce opiates, amphetamines, barbituates, methaqualone, or precursor chemicals. Since mid-1984, there have been no reported cases of coca production. Small amounts of cocaine, apparently imported by Australians returning from South America, are believed to be available for purchase in Bali and Jakarta. According to the National Police Narcotics Operational Command (NOC), the street price for cocaine has remained constant for several years.

Evidence continues to accumulate that Indonesia is used as a transit point for illicit drugs from the Golden Triangle and other areas. Indonesia's archipelagic geography and miles of unpatrolled maritime borders make transportation by a wide variety of sea and air vessels possible. The primary modes of drug transportation have been commercial aircraft, inter-island and larger cargo vessels, fishing and luxury sea craft.

According to police, the major heroin trafficking route through Indonesia originates in Penang, Malaysia, moves into the country through northern Sumatra and then to Jakarta, Surabaya and Bali. From Bali, most heroin and other drugs (primarily ganja) travel by commercial airflights or private vessels to Australia, New Zealand, Western Europe and, to a lesser extent, the United States. The amounts surfacing in U.S. markets do not appear to be significant.

Little information exists concerning traffickers. Police believe ethnic Chinese are involved, especially those living in the Riau Islands, located between Sumatra and Singapore, and in fishing communities along the western coast of Sumatra. These areas are located along traditional smuggling routes, and narcotics traffickers appear to have exploited pre-existing local networks to move their products. Others involved in narcotics trafficking include truck drivers moving south from Aceh and across Java to Bali, bus drivers and passengers using the same routes, and commercial airline passengers flying from Medan to Jakarta and on to Bali. Foreigners, especially Western Europeans, appear to be involved in moving most narcotics out of Bali to their ultimate destinations.

Over the long term, increased air links with developed countries (including the United States), efforts to encourage tourism (with easier, visa-free tourist access), and changes in customs inspection procedures could all contribute to increasing use of Indonesia as a narcotics trafficking transit point.

A.2. Accomplishments in 1985

The year 1985 saw heightened public awareness of the narcotics issue. Security officials treat narcotics and trafficking as a major long-term threat to social stability.

It is difficult to evaluate achievements because of poor police records and the limitations of available statistical data. In recent public statements, for example, officials have estimated that there are 60,000-70,000 "drug abusers" throughout the country, although this estimate is never broken down by the types of drugs used.

A nationwide police crackdown on narcotics offenders accompanied reorganization of the National Police narcotics command in May 1985. The emphasis thus far has been on street-level distribution centers, pushers and violators. Police have made scores of arrests in the major population centers of Java, Sumatra and Bali. The courts have meted out stiff sentences to convicted offenders, especially heroin traffickers, some of whom have received the death penalty. Although, in recent years death sentences for narcotics offenses have generally been commuted to lengthy prison terms.

Some Westerners, the largest number of whom are Australians, have also been convicted of trafficking, particularly in the major tourist areas of Bali. Several have received prison terms of up to ten years. Local prosecutors have argued strongly, though unsuccessfully, for the death penalty for some foreigners.

The crackdown has extended to police units. A police colonel and seven subordinates from a district in Aceh Province, northern Sumatra, were sentenced to long prison terms in May 1985 for their involvement in a cannabis trafficking scheme.

The current crackdown is part of an effort to bring Indonesia's enforcement practices in line with the tough stance already taken by neighboring ASEAN states such as Malaysia and Singapore.

Indonesia has coupled the upgraded enforcement effort with a high-profile media campaign against narcotics trafficking. Arrests and convictions of traffickers have been given almost daily coverage in the major national newspapers. National television and radio coverage of anti-narcotics efforts has increased. As part of this deliberate effort to focus public attention on the narcotics issue, prominent Indonesians in and out of the government have been speaking out forcefully. These have included repeated statements by the President, Vice President and Armed Forces Commander, as well as other key officials in the political leadership and security apparatus.

The wife of the President, Mrs. Tien Soeharto, sponsored an international conference against drug abuse in Jakarta in February 1985. A number of other prominent Indonesians, some of cabinet rank, are currently sponsoring personal national "campaigns" against drug abuse.

A.3. Plans, Programs, and Timetables

Indonesian authorities have not formulated a long-range strategy for the progressive elimination of illicit cultivation and transshipment of narcotics.

A.4. Adequacy of Legal and Law Enforcement Measures

Indonesia's anti-narcotics legislation and legal structure are technically adequate. Internally, the 1976 Narcotics Law provides the framework for the prosecution of drug-related offenses and includes provisions for the death penalty in a number of cases. Several persons have been sentenced to death, and are appealing; no narcotics violators have been executed in recent years. Reportedly there are no plans to change the existing legal framework with respect to narcotics enforcement.

The Indonesian National Police (which are a part of the Armed Forces), Customs and Excise Service (under the Ministry of Finance) and Health Department are the agencies primarily responsible for the control of licit and illicit narcotics.

Overall jurisdiction in narcotics matters is in the hands of the police, and more specifically the Jakarta-based Narcotics Command (NOC), which has 33 uniformed police and 35 civilians under the command of a police colonel and was reorganized in May 1985. Criminal investigation police throughout the country, numbering over 7,000, can be given narcotics-related assignments by the NOC. Some army personnel and helicopters have been used recently in cannabis-eradication efforts in Aceh Province.

"Bakolak" is an interagency body charged with coordinating all narcotics activities in the country through its Narcotics Branch. It is headed by the Chief of the State Intelligence Coordinating Board. Coordination among agencies involved in anti-narcotics work appears uneven and could probably be improved.

All of these agencies lack sufficient trained personnel and to remedy this situation, the National Police are stepping up their own internal training programs. These programs, although they represent a necessary first step, still need further upgrading in terms of the quality of instructors and teaching materials.

A.5. Prevention, Treatment, and Rehabilitation Programs

Government programs geared toward prevention, treatment, and rehabilitation are handled by the Departments of Health, Education, Social Welfare and Religion. Most of the main treatment centers are located in Jakarta. Among the most important are the Drug Dependence Hospital and the Khusul Shotiman Center (both run by the Department of Health) and the Pamardi Siwi Drug Treatment Center (run by the National Police).

The three government institutions have a combined capacity of 150 beds. There is also a drug treatment center in Surabaya with a capacity of 35 beds. In theory, state mental hospitals in each province have some limited capability to treat narcotics patients.

Department of Health officials report there is no government data collecting agency which can provide accurate statistics on the treatment provided nationwide. The Drug Dependence Hospital Jakarta has treated about 1,800 in-patients since 1972 and 2,500 out-patients since 1981. The relapse rate is said to be very high.

The Department of Health, in cooperation with the Departments of Education and Religion, disseminates narcotics prevention education information in all schools, beginning at

the sixth grade level. Some religious organizations also provide drug education information to national youth group affiliates. As noted above, the Indonesian Government has mounted a high-visibility campaign through the national media to denigrate drug abuse and to showcase the crackdown on abusers and traffickers.

Among private organizations and foundations concerned with drug abuse prevention and public information are various private mental health organizations, national women's organizations, and the Lions Club.

B.1. Nature of Illicit Drug Production

Aceh, the northernmost province of the the island of Sumatra, has traditionally been the major ganja-producing area. In recent years, however, production has spread to other provinces in Sumatra and to other parts of Indonesia. In 1985, the NOC discovered ganja cultivation in North Sumatra, West Sumatra, East Java, and Bali Provinces, and in Yogyakarta Special District. Small-scale ganja production has also been reported in several Borneo provinces.

Police records on crop eradication efforts in North Sumatra show that the average cannabis farm is approximately 35.5 hectares in size and capable of producing 217,000 kilograms of ganja.

The main urban centers involved in ganja trafficking are Banda Aceh, Medan, Bandung, Bogor, Jakarta, Surabaya, Yogyakarta, and Denpasar (Bali).

Bali is both the center of Indonesia's tourist trade and a major center for narcotics activity among foreign tourists. Strangers are regularly and openly offered narcotics on the streets of Kuta, Legian and Denpasar in Bali, although a recent police crackdown has resulted in numerous arrests.

B.2. Factors Affecting Production

Cannabis has a long history of use in Indonesia, primarily in parts of northern Sumatra where it is still commonly used as a condiment in everyday cooking. Small farmers have strong incentives to plant cannabis to supplement their incomes regularly or to make up shortfalls during bad years. However, narcotics use is nearly universally condemned.

B.3. Maximum Achievable Reductions

In the absence of both reliable statistics on cultivation and a national narcotics control strategy, it is not possible to make realistic estimates of the maximum achievable reductions in cannabis cultivation. Although the press carries frequent reports of marijuana eradication, the amounts involved are generally small and unlikely to have any significant impact on production. Increasing government recognition of the narcotics problem may lead to a more focused control program.

B.4. Methodology for Estimates

As in previous years, there are no reliable statistics or estimates available. This is partly due to the fact that few individuals involved, even on nominally professional levels, differentiate among various drugs of abuse, or make any distinction between use and addiction. Available records are spotty and inaccurate and it is quite possible that levels of addiction are higher than official estimates.

C.1. Statistical Tables

There are no reliable statistics or viable estimates available for crop yields in any year.

	<u>1985</u>	<u>1984</u>	<u>1983</u>
Seizures (kilograms)			
Opium	0.018	5.413	1.770
Heroin	0.734	1.396	0.056
Cocaine	0.005	n/a	0.020
Hashish	13.705	3.937	0.157
Cannabis	125,269	452,658	2,343,630
Arrests:			
Indonesians	538	1079	1342
Aliens	21	31	36
Labs destroyed			
Heroin	5	9	11

D. Status of U.S. Assistance

U.S. goals are to prevent: a) the continuing exploitation of Indonesia as a transshipment point for illicit drugs; b) the development of Indonesia as an opium or cocaine producing area; and c) the export production of ganja and derivatives.

The U.S. currently has no active project agreements with Indonesia. It has been proposed that limited in-country

training programs be resumed next year, and that increased numbers of police officers receive narcotics training in the U.S. During FY 1985, two senior police narcotics officers received training in the U.S.

Over the past five years, U.S. police and customs training programs have instructed some 300 Indonesian law enforcement officials. (See Appendix.)

LAOS

A.1. Status of Illicit Narcotics Production and Trafficking

The Government of the Lao People's Democratic Republic (LPDR) prohibited the growing of opium and banned the selling or trafficking of opium and heroin soon after it took power in December 1975. The Government says a "few" hilltribe addicts cultivate opium for their personal use. Lao officials claim that the LPDR controls all the villages in the Golden Triangle area, but some of them acknowledge that mountainous jungle regions in northern Laos may be too remote for the LPDR to control opium cultivation and trafficking.

Thai press sources attribute to Thai officials the view that the traffickers' "war" on the Thai-Burmese border has driven some refining operations into Laos near the tri-border area, and that the Shan United Army (SUA) purchases opium from hilltribe villages in Laos and uses villagers as porters.

Estimates of Lao opium production vary widely, ranging from 50 to 100 metric tons.

There are no Lao prohibitions against cultivating, selling, or consuming marijuana, which is readily available in markets throughout the country. The Lao state that marijuana is not exported, but reports from outside Laos suggest that Thai traders may finance some cross-Mekong traffic from Laos.

A.2. Accomplishments in 1985

Soon after taking power in 1975, the LPDR banned the cultivation of opium and other narcotics. However, the members of certain minority groups, like the Hmong hilltribes, whose customs permitted the consumption of such drugs, were permitted to cultivate opium for their own personal use. Since about 1979-80, the LPDR has adopted a policy of encouraging, sometimes through force, the resettlement of the nomadic hilltribes. It seeks to move them away from high altitude terrain, where they engage in ecologically damaging slash-and-burn agriculture, to permanent settlements at lower altitudes, where they can pursue less harmful agricultural practices. The LPDR has encouraged these groups to abandon opium cultivation completely in favor of other crops such as maize, potatoes, and rice. It is not possible, however, to verify the LPDR's claim that it has eliminated the illicit cultivation, refining, trafficking and use of narcotics in areas under its control.

Although the LPDR in 1981 agreed to several UNFDAC-administered projects in hilltribe resettlement villages designed to encourage the cultivation of non-narcotic crops, it has not aggressively sought multi- or bilateral assistance for the suppression of illicit narcotics cultivation. By and large, LPDR resettlement programs for hilltribe peoples have not been very successful, although one major recent UNDP integrated rural development project involving Hmong has made a promising start. The primary needs -- economic and social infrastructure -- require funding beyond Lao capacities.

A.3. Plans, Programs and Timetables

It is not known whether the LPDR has any plans, programs, or timetables for the elimination of illicit cultivation in those areas of the Golden Triangle inside Laos but outside central government control.

Soon after its takeover in 1975, the LPDR detained known drug addicts (along with prostitutes and alcoholics) and sent them to a rehabilitation center located on two islands in the Nam Ngum Lake north of Vientiane. Drug addicts are not readily apparent on the streets of Vientiane or, in Westerners' experience, in other parts of the country.

A.4. Adequacy of Legal and Law Enforcement Measures

The LPDR suspended the constitution and legal code when it was established in December 1975. No new constitution or code of law has yet been promulgated. Consequently, there are no narcotics laws.

It appears that LPDR regulations call for the confiscation of narcotics and the arrest, fining, and imprisonment of traffickers. Several traffickers reportedly have been arrested and punished since 1975, but details are not available. Enforcement measures, however, are almost non-existent. The LPDR has neither the organization, staffing, equipment, nor funding needed to undertake narcotics suppression measures. The central government only nominally controls many remote parts of the country, particularly those areas where narcotics are cultivated. Authorities do not inspect baggage at ports of exit. Laos' long, imperfectly controlled border with Thailand is easily crossed without detection.

B.1. Nature of Illicit Drug Production

The Golden Triangle area of Laos has long been an area of illicit narcotics cultivation (marijuana and opium), refining (heroin), and trafficking (all three), particularly during the

1960's and early 1970's. Illicit production is believed by several analysts to exceed production for domestic consumption, but no reliable consumption data are available. Illicitly produced opium is a major cash crop for certain hilltribes. Marijuana is produced and consumed throughout the country.

B.2. Factors Affecting Production

The LPDR does not completely control those areas of the country in which drugs are known to be cultivated, refined, and transported. These areas are mountainous, undeveloped, and relatively lawless.

Without the necessary financial and manpower resources, organization, equipment, and motivation, LPDR authorities are unlikely to take measures to alter the status quo. Lao media are silent on the issue. In this impoverished communist country there is no evidence of public concern.

B.3. Maximum Achievable Reductions

In view of the conditions outlined above, there is little prospect of any reduction in illicit drug production in 1985 or in 1986. It is doubtful that any was achieved in 1984.

C.1. Statistical Tables

Not available.

D. Status of US Assistance

Since 1976, U.S. bilateral economic assistance to Laos has been specifically prohibited by law.

Certain forms of emergency humanitarian assistance are exempt from the general prohibition. Although the administration requested Congress to delete the specific prohibition in 1985, there are no plans to begin an assistance program. In 1984, the U.S. provided Laos with 5,000 tons of PL-480 rice in emergency food aid in response to a serious crop shortfall. The World Food Program distributed the U.S. contribution inside Laos. In 1985, the U.S. provided \$5,000 in Foreign Disaster Assistance funds to Save the Children (UK) to help deal with a dengue fever outbreak in Vientiane. The U.S. also reimburses U.S. private voluntary organizations for the freight costs of goods donated to Laos for humanitarian aid projects.

E. Resource Estimates

It does not appear that the LPDR is capable of reducing the amount of narcotics produced within Laos, with or without U.S. assistance.

MALAYSIA

A.1. Status of Illicit Narcotics Production and Trafficking

The indication is that the Government of Malaysia made some progress in 1985 in its campaign against drug trafficking and abuse.

Since Malaysia grows no opium, its drug problem mainly consists of illicit heroin processing and trafficking. Morphine and heroin base are smuggled in from Thailand and Burma, and converted to heroin number three (smoking variety) in relatively simple local "laboratories". Most of this production is consumed within the country, while the rest is shipped overseas, chiefly to Europe and Australia. However, Malaysia is also occasionally used as a transit point for number four (injectable) heroin, some of which is bound for the United States. Finally, small quantities of cannabis are cultivated domestically and supplemented for local consumption by "imports" from Thailand and Indonesia.

The chief determinants of the flow of opiates into Malaysia are the size of the opium crop in the Golden Triangle region of Thailand, Burma, and Laos, and the effectiveness of local enforcement measures. The Golden Triangle has produced bumper harvests in recent years (until 1985), but it is estimated that the enactment of tough anti-drug laws and vigorous enforcement efforts backed by the highest levels of the Malaysian Government have succeeded in stabilizing the level of heroin supply in Malaysia at five to six metric tons per year. Two 1985 indicators -- a rise in the price of heroin and a drop in the amount of heroin seized -- offer some preliminary evidence of a reduction in heroin supply. However, the price rise may turn out to be a temporary phenomenon brought on by dealers holding back stocks.

Seizures of raw opium, which jumped nearly ten-fold in 1984 to 870 kgs, ran somewhat higher for 1985. (Note: Malaysian officials have revised upward the 1984 estimate of opium and cannabis seized.) This may reflect both increased domestic usage and stepped-up trafficking. Malaysian officials continue to insist that no refining of raw opium into heroin occurs in the country. Seizures of cannabis also surged eightfold in 1984 to about 1.8 metric tons, but probably were less than half that figure in 1985.

Penang remains the hub of operations for the ethnic Chinese traffickers who dominate Malaysia's drug traffic. The older generation of traffickers from the Teochew (Chaozhou) Chinese dialect group increasingly has been displaced by a younger, more aggressive and more heterogeneous group of ethnic Chinese. Many Chinese involved in the drug trade have Triad (secret society) connections. The major suppliers are Sino-Thai "businessmen" based in Haadyai, Thailand, which is easily accessible to Penang by air, rail and road. The heavily-travelled land border between Thailand and Malaysia continues to be used as a major conduit for smuggling by car and truck. In addition to vehicular traffic along the major highways, ethnic Malay smugglers operating as free lance couriers use unauthorized entry points in the area between Padang Besar, Perlis and Bukit Kayu Hitam, Kedah-- a section of the border where smuggling of products ranging from rice to firearms has long been a problem.

Although land routes are still a major supply corridor, increasingly effective border controls have increased maritime smuggling, mainly via fishing boats plying the west coast waters between Burma, Thailand and northern Malaysia. The sea route between Penang and Satun, Thailand, has also been used for reverse smuggling from Thailand to Malaysia of acetic anhydride illicitly imported from Western Europe. In late 1985 one case of drug smuggling by sea from Thailand along the east coast to Johore State (and to Singapore) was reported.

There is no evidence of direct involvement in the drug traffic by Malaysian communist insurgents based in the Thai-Malaysian border area. However, these insurgents may levy "taxes", when the opportunity arises, on contraband which transits areas in which they operate.

A.2. Major Accomplishments in 1985

As noted above, heroin price and seizure statistics suggest that the government made some progress during 1985 in its campaign against drug trafficking and abuse. A fall in the number of new addicts registered during the year, to about 6,000 from almost 12,000 in 1984, further supports this tentative conclusion. Several factors probably underlie this development. The Prime Minister's identification in 1983 of drug abuse as Malaysia's prime national security problem has prompted much stronger efforts in all aspects of drug prevention. Harsh drug laws enacted in 1983 and 1985 seem to have deterred both Malaysians and foreigners from drug activity. The formation of an anti-drug parents' movement, led by the Prime Minister's wife and inspired by her attendance at Mrs. Reagan's First Ladies Anti-Drug Conference, holds the potential to further strengthen demand reduction programs.

A.3. Plans, Programs, and Timetables

In October 1984, the Government of Malaysia adopted a five-year national anti-narcotics action plan for the period 1985-89. The plan does not give specific target figures for reductions in trafficking or drug usage, but it does set national priorities in the campaign against drug abuse. Prevention of both use and importation of drugs is given top priority, followed by rehabilitation, manpower development and evaluation, and international cooperation.

A.4. Adequacy of Legal and Law Enforcement

Malaysia's already harsh drug laws were further strengthened by the enactment in May 1985 of the "Dangerous Drugs (Special Preventive Measures) Act". This legislation empowers the Home Affairs Minister to detain suspected drug traffickers without court proceedings for successive two year periods. Twenty-two people were held under the new statute through November 1985. Previously, suspected traffickers were detained under the 1969 "Emergency Ordinance", which limited such detention to a maximum of two years. About 35 of those presently detained under the emergency ordinance have been transferred to the jurisdiction of the new law. This act, combined with the death penalty for possession of more than 15 grams of heroin or 400 grams of cannabis mandated by the 1982 Amendment to the 1952 Dangerous Drug Act, gives the government sweeping, and apparently increasingly effective, powers against drug criminals.

The Malaysian Government is now preparing asset seizure legislation for presentation to Parliament. A major difficulty has been making the law tough enough to enable police to seize suspected assets while still guarding against abuse of this power. Officials hope that the proposed law will be ready for Parliamentary consideration by March 1986.

Malaysia plays an active international role in the fight against drugs. Deputy Prime Minister and Minister for Home Affairs Musa Hitam, opening an ASEAN drug conference in September, stressed the necessity of regional cooperation, and suggested that a key feature should be bilateral or regional asset seizure agreements. Malaysia was also the prime mover of an ASEAN-proposed UN resolution calling for increased "political will" on the part of all countries to counteract the drug menace, and as one expression of that determination, a broad-ranging international conference on drugs in 1987.

Malaysian government agencies involved in narcotics control include the Attorney General's Chambers (legislation),

Royal Malaysian Police (enforcement), Customs (enforcement), and Ministry of Home Affairs (treatment and rehabilitation). In addition, the Ministries of Health, Welfare Services, Education and Information are involved in prevention and treatment programs. In 1983, an Anti-Narcotics Committee headed by the Deputy Prime Minister was established under the National Security Council. The committee has overall policy responsibility within the context of Malaysia's "national security" approach to the drug problem, and its executive arm, the "Anti-Narcotics Task Force", is charged with coordinating and monitoring the operations of the various government agencies.

Corruption has not emerged as a serious problem within Malaysia's enforcement agencies. However, the Deputy Home Minister publicly warned in November 1984 that the Government would take stern action against a "few culprits" within the police force who were taking payoffs to protect drug pushers from prosecution.

Australia is the only country besides the United States which stations narcotics control officers in Kuala Lumpur. One officer from the Australian Federal Police is assigned to the Australian High Commission in Kuala Lumpur. Canada and New Zealand have officers in Singapore with responsibility for enforcement liaison in Malaysia, and several western European countries, including the Netherlands, cover Malaysia from Bangkok.

Both major enforcement agencies, police and customs, have professional training programs which have been enhanced by State Department-funded programs administered by DEA and U.S. Customs. In August 1984, DEA and U.S. Customs instructors conducted a two-week in-country enforcement course for the border anti-smuggling unit based in the northern state of Kedah. A similar course conducted by DEA for police personnel was held in Kuala Lumpur in January 1985. Three Malaysian police officers participated in a management course at the Federal Law Enforcement Training Center in Glynco, Georgia, in FY-85. DEA and Customs officials took part in a September 1985 regional course, sponsored by the Colombo Plan and held at the Malaysian Customs Training Facility in Malacca. Finally, six Malaysian Customs officials, funded by the Malaysian Government, spent two weeks in December 1985 observing firsthand U.S. Customs procedures in Honolulu.

A.5. Domestic Drug Abuse

Malaysia's emergence in recent years as a heroin processing and transit country has coincided with a dramatic

growth in domestic consumption. From 1970 through September 1985 the government counted over 100,000 registered addicts. However, many observers believe the true figure may be two to three times this number, or approximately 250,000. Over 70 percent of all identified addicts are under age 30, and over 80 percent are on heroin. Preliminary evidence indicates that the growth of drug abuse may have slowed. The number of newly identified addicts dropped in 1984 (to about 12,000 from 14,500 in 1983) and plunged in 1985 (to about 6,000). More effective enforcement measures may be responsible for this encouraging development, along with enhanced school education and other preventive programs.

The drug most commonly consumed in Malaysia is number three heroin. Consumption of number four heroin has been reported in only a few, isolated cases.

Educational efforts aimed at drug prevention are pervasive, and include classroom instruction as well as frequent radio and television spots. Pemadam, the national organization against drug abuse, has local branches throughout the country and receives government as well as private contributions. In addition to its prevention role, Pemadam operates a residential camp in the Kuala Lumpur area and seven "day centers" elsewhere in the country which provide "after care" for addicts who have completed compulsory rehabilitation at government facilities.

There are seven government-run rehabilitation centers with a total capacity of 2,050. Three are "one-stop centers" featuring a stringent regime of paramilitary training following "cold turkey" detoxification. The first of these one-stop centers, Tampin, has had its share of problems, including a series of escape attempts and allegations that inmates were physically maltreated. Even though the number of places in rehabilitation facilities has doubled in the last year, a yawning gap remains between facilities and need. Fully aware of the problem, the Malaysian government will continue to expand its rehabilitation capacity.

Over 6,000 of the inmates in Malaysian prisons, close to half the total inmate population, have a history of illicit drug use, primarily heroin. The Prisons Department has developed a comprehensive rehabilitation and counselling program with input from U.S. trainers funded by the Department of State.

Consistent with experience in other countries plagued by heroin addiction, the success of the Malaysian rehabilitation effort is problematic. Officials acknowledge a recidivism rate of at least 80% for addicts who have undergone rehabilitation.

The government's dissatisfaction with its mixed record of demand reduction accomplishments is reflected in the proposed "Five Year Action Program" endorsed by the National Security Council's Anti-Narcotics Committee in October 1984. This long-term plan emphasizes drug abuse prevention, rehabilitation, human resource development, and international cooperation. It is intended to replace the ad hoc and uncoordinated approach which has characterized Malaysian demand reduction efforts in recent years. Development of an anti-drug parents' movement is viewed as a key strategy in broadening community participation in the campaign to reduce drug abuse.

B.1. Nature of Illicit Drug Production

As noted earlier, no opium is grown in Malaysia. Heroin "production" takes the form of processing imported heroin base and some morphine, into number three heroin which is most frequently smoked, not injected. Traffickers do not import raw opium for refining into heroin because the much greater bulk would dangerously increase the risks of smuggling, and there are few "chemists" in Malaysia with the requisite refining skills. On the other hand, drug traders prefer not to import heroin number three directly for the domestic market, in order to insure quality control and increase their profits through adding "value". Officials estimate that most of the heroin number three produced in Malaysia is consumed domestically, but that substantial amounts also join the flow of heroin through Malaysia bound for overseas markets, primarily Europe and Australia. Limited amounts of cannabis are grown in Malaysia, and additional small quantities are imported from Indonesia and Thailand.

B.2. Factors Affecting Production

The most compelling geographic factor which affects heroin production in Malaysia is its proximity to the opiate source countries of Thailand and Burma, with borders susceptible to large-scale smuggling both by land and sea. Social and economic factors which possibly have contributed to the expansion of domestic demand include rural to urban migration and related social dislocation stemming from Malaysia's economic dynamism.

With few exceptions, trafficking and production are monopolized by well-financed ethnic Chinese syndicates based in Malaysia (where ethnic Chinese comprise about one-third of the population) with connections in both producer and consumer countries. However, Malaysia's growing addiction problem cuts across ethnic lines and includes ethnic Malays in numbers roughly proportionate to their share of the total population (approximately one-half).

During the colonial period, opium use in British Malaya was largely confined to the immigrant Chinese. The most recent spread of heroin use within the younger generation of the politically-dominant Malay community has strengthened public and official perceptions as to the seriousness and nationwide scope of the problem.

At the highest level of political leadership both Prime Minister Mahathir (whose home state of Kedah is particularly afflicted by the drug traffic because of its proximity to the Thai border) and Deputy Prime Minister Musa Hitam have demonstrated with frequent public statements in domestic and international fora, legislative initiative, and increased commitment of government resources that their administration is firmly committed to fighting the drug problem. Extensive coverage by the news media, newspapers as well as radio and television, have contributed to public awareness of the drug problem.

B.3. Maximum Achievable Reductions

The Embassy's current estimate is that heroin processing in Malaysia during 1985 did not increase appreciably and may have stabilized at about 5.5 metric tons. The major factor complicating any estimate of maximum achievable reductions in heroin production is the unpredictability of the size of the Golden Triangle opium crop. Assuming a Golden Triangle crop of roughly the same size and continued modest progress in enforcement efforts, we believe a reduction of about five percent annually is possible. Estimated heroin processing (kg per year):

<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
5500	5500	5250	5000

B.4. Methodology for Estimates

Estimates are based on consultations with Malaysian officials. Officials estimate annual consumption by multiplying the probably number of addicts (250,000) by the average daily dose (0.06 grams of pure heroin equivalent) times 365 days. The result is 5.475 metric tons. We estimate this consumption figure approximates the amount of local production by assuming that the amount of imported heroin number three (which would reduce the amount processed domestically) roughly equals the amount of "excess" domestic processing bound for overseas markets (which would increase the domestic processing figure).

C. Data Tables

	<u>1987</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>	<u>1983</u>
Processing:					
- heroin (kg)	5,000	5,250	5,500	5,500	5,500
Arrests:					
- nationals	n/a	n/a	8,133	11,658	11,645
- foreigners	n/a	n/a	72	143	127
Seizures (kg):					
- raw opium	n/a	n/a	743.3	870.9	110.7
- prepared opium	n/a	n/a	10.1	13.2	40.5
- morphine	n/a	n/a	0.01	6.4	9.3
- heroin	n/a	n/a	74.7	242.9	200.1
- cannabis	n/a	n/a	514.4	1,766.4	386.4
Labs destroyed:	n/a	n/a	3	4	5
Users: total registered			108,027	104,225	92,610

Footnote: Processing figures are slightly higher than estimated in last year's report due to use of a higher figure for probable addict population. The 1985 figures for arrests, seizures, labs destroyed, and users are through September. Arrest statistics include those persons detained under the 1969 Emergency Ordinance and the 1985 Dangerous Drugs Act (1969 Ordinance: 764 in 1983; 1052 in 1984; 254 through November, 1985; 1985 Act: 22 through November 1985).

D. Status of USG Assistance

Malaysia received no bilateral Development Assistance (DA), Economic Support Funds (ESF) or PL480 assistance during the reporting period. The Peace Corps Program in Malaysia was terminated in 1983. State Department assistance (INM) was limited to funding of narcotics control training programs, plus \$50,000 provided under a memorandum of understanding to assist in the establishment of a PRIDE-type parents' movement. (See Appendix.)

PHILIPPINES

A.1. Status of Illicit Narcotics Production and Trafficking

Marijuana cultivation, geographically widespread, shows no evidence of decline. It has been detected in 42 of the country's 73 provinces, as well as in Metro Manila. The mountainous region of northern Luzon is the principal source area, with others in the provinces of Cebu in the central Visayas, and Sulu, south of Mindanao. Plantations have increased in size and number and are often found in remote locations accessible only on foot.

The Government claims that in 1985 the Armed Forces of the Philippines (AFP) seized and destroyed large numbers of marijuana plants and seedlings in northern Luzon and on the island of Jolo. Traffickers move cannabis to markets in Baguio, Olongapo, Angeles, and metro Manila both by land transportation and by commercial ships or small fishing boats.

There is no evidence of either widespread opium cultivation or heroin processing. Authorities have discovered only one coca bush plantation.

The Philippines has become a transit point for Golden Triangle heroin destined for Europe and the United States. Traffickers also smuggle some marijuana out of the country. No single criminal organization controls trafficking or production. However, foreign criminal elements consort with local traffickers.

The country faces insurgencies by the Communist Party of the Philippines and its military arm, the New People's Army, and by the secessionist Moro National Liberation Front. It is alleged that insurgents engage in marijuana cultivation and trafficking. According to the Government, it has been necessary to redirect some resources previously committed to anti-marijuana operations to deal with the insurgents.

A.2. Accomplishments in 1985

According to Government statistics, between 1982 and September 1985 authorities seized 15,440,185 marijuana plants and seedlings, 42.81 percent of which came from 1,279 cultivation sites. In addition, 6,330 kilograms of cannabis were seized. In 1985, 157 sites in 40 provinces were discovered, resulting in the seizure of 3,704,685 plants and seedlings.

In June 1985, authorities seized two tons of marijuana enroute from Thailand to Australia.

A.3. Plans, Programs, and Timetables

The Government's marijuana eradication program sets 1994 as the target date for the elimination of marijuana production. The plan calls for a sustained eradication drive supplemented by intensive drug information programs. As part of this drive, marijuana is cut and burned in the presence of witnesses from local government and schools.

The Government lists the following as priority enforcement tasks:

-- Eradicate marijuana plantations through the coordinated efforts of the AFP and local government agencies.

-- Raise the professional and performance levels of the Narcotics Command (NARCOM) through selective personnel recruitment, enhanced training programs, and improved logistics support.

-- Improve the overall performance of all drug enforcement agencies through better coordination under the National Law Enforcement Coordinating Committee (NALECC).

-- Strengthen compliance investigation units of the Dangerous Drugs Board (DDB) and the Bureau of Food and Drugs.

-- Enhance interdiction efforts against traffickers at ports of entry and within the country by deploying additional Government resources.

The Government has decided to establish a Narcotics Task Force at Manila International Airport in response to the airport's increased use as a transit point for heroin bound to the U.S., Australia, and Europe.

A.4. Adequacy of Legal and Law Enforcement Measures

The basic narcotics law is Republic Act 6425, called the Dangerous Drugs Act of 1972, which has undergone several amendments and is in the process of being further amended. It provides for heavy penalties for trafficking, including fines of 20,000 to 30,000 pesos (U.S. \$1,000 - 1,500), life imprisonment, and capital punishment. Drug offenders who violate the law are subject to the maximum penalties, and to the forfeiture of trafficking proceeds.

The Dangerous Drugs Act empowers the Dangerous Drugs Board (DDB) to regulate all narcotics activities. It includes representatives from seven Ministries, and from the National Bureau of Investigation (NBI) and the National Intelligence Service. DDB and the Bureau of Food and Drugs perform regulatory and compliance investigations.

To support DDB's operations, the Government established the National Law Enforcement Coordinating Committee (NALECC) in 1982. It is supposed to coordinate the anti-narcotics activities of all law enforcement agencies.

The Narcotics Command (NARCOM) under the Ministry of National Defense plays the central role in the military's narcotics enforcement. NBI, the Bureau of Customs, and the Finance Ministry's Drug Law Enforcement and Intelligence Bureau also have special units involved in drug law enforcement.

NARCOM, in cooperation with DDB, annually conducts six narcotics law enforcement courses for all agencies with drug enforcement functions. In 1985, NARCOM revised the courses into one-month mobile seminars held in various regions of the country. The new program is expected to reach a larger number of law officers. As of September 1985, six courses had been conducted in six regions. In recent years, there has been no foreign training assistance offered to strengthen the perceived need for drug regulatory and compliance capabilities.

The principal police agencies tasked with drug enforcement are the Philippine Constabulary-Integrated National Police in the Ministry of Defense, and NARCOM and NBI under the Ministry of Justice.

Narcotics intelligence is coordinated by the Drug Intelligence Coordinating Committee, under the National Intelligence Board.

Enforcement efforts are occasionally hampered due to a lack of cooperation among different agencies, apparently caused by inter-agency rivalries.

Facing a heavy workload and fiscal restraints, the courts frequently move slowly. Many drug offenders reportedly avoid trial altogether through bribes, which have been described as rampant at all levels of the judiciary.

The Philippines is a party to the 1961 Single Convention, as amended, and the 1971 Convention on Psychotropic Substances. Canada, Japan, Australia, New Zealand, and the United States station narcotics officials in the Philippines.

The Philippines' bilateral extradition treaties with Indonesia and Thailand aid in the apprehension of traffickers.

A.5. Domestic Drug Abuse Problem

Marijuana is the most commonly abused drug, followed by the non-medical use of non-narcotic cough syrup preparations and tranquilizers, and the inhalation of aromatic hydrocarbon compounds contained in industrial preparations, such as glue, adhesives, paint thinners and other solvents. Abuse of heroin, cocaine and LSD is small, but increasing among affluent Filipinos. Polydrug use characterizes much domestic drug abuse.

Prevention, Treatment, and Rehabilitation Programs

The Government has intensified efforts to curb narcotics. The President has publicly condemned the use of illicit drugs and has repeatedly warned that traffickers face severe punishment.

From January to October 1985, DDB's Central Screening and Referral Unit conducted drug dependency examinations on 2,437 clients, 1,347 of whom were found to be drug dependent. Marijuana, cough syrups and tranquilizers were the drugs most commonly preferred. Most abusers fell into the 15-19 age group, followed by the 20-24 age group. The ratio of male to female drug dependents was 23 to 1.

DDB and the Ministries of Education, Culture and Sports, Local Government, Social Services and Development, and Health focus on prevention, treatment, and rehabilitation. NARCOM and NBI and three private agencies operate and maintain their own treatment and rehabilitation centers.

Media activities alert the public to the dangers of drug abuse. TV advertisements have appeared warning potential drug users of the deleterious effects. Coverage of narcotics matters, particularly drug seizures, has increased since the President's wife attended the First Ladies' Conference in October 1985. In November the Philippines hosted a regional conference on the role of the media in drug abuse, prevention, education, and information.

B.1. Nature of Illicit Drug Production

Marijuana, the drug of choice, is readily available. Opium is not cultivated. However, a coca plantation was discovered in March 1985 in the Visayas. It is not known whether cocaine was produced at this site.

B.2. Factors Affecting Production

As a tropical country, the Philippines has distinct wet and dry seasons. Geography complicates enforcement efforts: the country is composed of over 7,000 islands, with a coastline twice as long as the United States. Luzon, where most marijuana seizures are made, has extensive mountainous areas.

There are no traditional customs which require the use of narcotics. Similarly, there is no historical or traditional basis for dependency on marijuana as a cash crop. However, there is a growing awareness among farmers in northern Luzon that marijuana cultivation is profitable. Some farmers have shifted from growing vegetables to growing marijuana.

B.3. Maximum Achievable Reductions

The Government is expected to continue its efforts at marijuana eradication, although the wide dispersal of cultivation encumbers its efforts. Furthermore, cultivation sites are often in areas in which insurgents operate, making it dangerous for Government officials to enter. Enforcement agents monitor reports of plantation sites and periodically launch raids against them.

B.4. Methodology for Estimates

There are no confirmed estimates of production, other data are from activity reports of narcotics enforcement organizations.

C.1. Statistical Tables

	1985 (Jan-Sept)	1984	1983
<u>Crops Eradicated</u>			
Cannabis:			
plants (no.)	1,638,899	2,936,961	685,151
seedlings (no.)	2,065,786	6,943,899	264,517
Coca Bush:			
plants (no.)	83	none	none
<u>Arrests</u>			
Nationals	2,608	2,941	2,075
Foreigners	16	26	36
	1985 (Jan-Sept)	1984	1983

Seizures

opium (dried pods)	91	none	none
opium (gms)	none	none	12
heroin (gms)	45	549	15,890
morphine powder (gms)	none	446	none
codeine sulfate powder (gms)	none	1,350	none
<u>Other Opiates:</u>			
morphine ampules (no.)	none	60	none
cocaine (gms)	523	1,925	457
Marijuana Bulk (kg)	2,877.24	1,778.599	795.789
<u>Other Cannabis:</u>			
hashish gms	455	40	2,100
seeds gms	25,143	50,270	27,541
cigarettes (no.)	5,235	6,218	2,893

Labs Detected:

Cocaine lab (crude)	1	none	none
---------------------	---	------	------

Users

Opium			2
Heroin	5	6	10
<u>Other Opiates:</u>			
morphine	3	3	5
codeine	4	2	8
demerol	8	5	7
<u>Coca:</u>			
cocaine	31	22	26

	<u>1985</u> <u>(Jan-Sept)</u>	<u>1984</u>	<u>1983</u>
Marijuana	846	922	1,586
<u>Other Cannabis:</u>			
hashish	23	28	32
Thai gold	3	1	
Colombian gold		1	
cakes (brownies)	35	4	

PART D

See Appendix.

THAILAND

A.1. Status of Illicit Narcotics Production/Trafficking

The single most important aspect of the narcotics problem in Thailand is its role as a transit country for heroin produced from poppies grown in Burma. Thai efforts at enforcement and at establishing better border security have increased the risks of trafficking through Thailand, and some routes have shifted to avoid Thai territory. Thailand will probably remain the route of choice because of its extensive communications infrastructure and easy access to international lines of communication.

Both opium and marijuana are cultivated. While some labs, usually small and mobile, operate on occasion in northern Thailand, most Golden Triangle opium is converted into morphine, heroin or other opiates in labs outside Thailand. Marijuana is packed for shipment and moves to ports for export and subsequent entry into the international market.

The opium growing season begins in late August or early September, with some planting as late as the end of October. Harvest occurs in January and February. Marijuana follows much the same pattern, with a growing season extending from late August to March or April. Thus in both cases the 1985 crop is the one planted in late 1984.

While opium cultivation increased from 7,900 hectares in 1984 to 9,654 hectares in 1985, gross production dropped slightly from 41.5 metric tons in 1984 to 38 mt in 1985 as a result of unfavorable weather conditions and increased eradication by the Royal Thai Government (RTG). For 1986, the RTG anticipates the planting of 6,325 hectares, with a gross production estimate of 28 mt prior to eradication (based on an average yield of 4.4 kilograms per hectare). Marijuana cultivation appears to be rising, although reliable information is not available.

Opium is grown in northern Thailand, with Chiang Mai province being the largest area of cultivation, followed by Chiang Rai, Mae Hong Son, and Nan provinces. Much of the opium is consumed by the estimated 35,000 opium addicts in the total hilltribe population of 400,000-500,000. Although RTG estimates may be inflated, opium and heroin addicts probably consume a quantity considerably greater than what Thailand produces, which would make Thailand a net importer of opiates.

Even so, in areas close to the border, some Thai opium makes its way to the refineries. Seizures of heroin base and opium enroute to southern Thailand substantiate reports of refineries along the Thai-Malaysian border in areas dominated by communist or Muslim insurgents.

We estimate that 30-40 mt of opium are consumed in Thailand as opium and another 50-100 mt of opium equivalent as heroin. Prices vary considerably according to the amount purchased, the sale location (distance to the refinery), and whether or not the buyer is a regular customer. Along the Burma border, opium prices remained low during most of 1985, hovering around \$70 per kilogram after a 30 percent drop from early 1984. Reportedly the trend at the end of 1985 was upward. Heroin prices along the border increased dramatically during the second half of 1985 and now range from \$4,300 to \$4,800 per kilogram, almost double the 1984 level. The heroin price rise can be attributed to the disruption of heroin refining by Thai and Burmese enforcement agencies, and continued infighting among rival trafficking groups on the border. Prices in Bangkok and southern Thailand are considerably higher.

Opiates are smuggled out of Thailand in many ways-- by air, ships, fishing trawlers, or land transportation to Malaysia. Similarly, opiates pass through Thailand from the border refineries in the north to Bangkok or the south on every kind of transportation available. Most is carried by truck or car. Organized groups arranging transportation to Bangkok and beyond have been a particular target of RTG law enforcement agencies. The RTG's success in concentrating on chemicals has led to reports of shortages and very high prices for all chemicals at the refineries.

Despite the lack of quantitative data, it is clear that marijuana has become an increasingly important crop, with greater amounts being exported. Most commercial production occurs in the northeastern provinces, centering around Nakhon Phanom, where the highest quality marijuana is grown. Prices are high by local standards, and the \$17 per kilogram average paid to the farmer produces five times the income derived from growing the next most profitable crop, tomatoes. Marijuana is often compressed into bales or cans and transported by truck to ports on the eastern side of the Gulf of Thailand.

Narcotics trafficking organizations do not appear to be involved in terrorism or political insurgency within Thailand, but there have been some incidents of violence believed to be connected with rivalries between trafficking groups. Many political insurgent groups in Burma control the cultivation and

refining of the great bulk of the opium which passes through Thailand.

A.2. Accomplishments in 1985

Much progress has been made in achieving the mutual goals of the Thai and U.S. governments. In 1985, this included denying Burmese trafficking groups the unobstructed use of Thai territory for sanctuary, pushing Burmese refineries further back from the border, disrupting the delivery of chemicals to refineries, and forcing traffickers to establish routes which avoid Thailand.

Drug-related arrests totalled more than 37,000, up from 34,000 in 1984. Authorities seized 3.3 metric tons of opium, and two metric tons of heroin.

In the 1984-1985 growing season the Royal Thai Army took 552 hectares out of opium cultivation (i.e., lands which were not replanted in opium at RTG direction), and manually eradicated 517 hectares. While eradication had only minor impact on the year's opium production, it showed that crop control activities could take place without serious political and social repercussions. The RTG planned expanded eradication operations in the 1985-1986 season.

The Border Patrol Police (BPP) and the Provincial Police launched extensive manual marijuana eradication campaigns in the northeast, destroying more than 1,900 tons of fresh marijuana in the fields. Authorities seized 101 metric tons, including some destined for export.

A.3. Plans, Programs, and Timetables

Thai leaders have historically viewed the problem of opium production largely as a security and development problem. They believed that opium production would decline as the hilltribe populations were more effectively integrated into the nation, a permanent security presence was established in areas still producing commercial opium, and a minimum development level was achieved. Accordingly, earlier plans for curbing opium cultivation did not provide for forced eradication but were formulated as part of an integrated strategy to establish opium-free zones through economic and social development, improved security conditions, and crop substitution.

RTG efforts to address hilltribe opium cultivation are financed in part through foreign assistance generated by international concern over continued illicit drug production. Working in cooperation with UNFDAC, the Thai Office of the

Narcotics Control Board (ONCB) has prepared a long-term plan for promoting the integration of the hilltribe populations into Thailand over a five-year period. The plan calls for massive injections of foreign assistance from a variety of potential donors including the United States. The current draft of the plan, which has not yet obtained full RTG approval, includes the use of opium clauses making assistance to any area dependent on agreement by the villages in the area to abandon opium cultivation immediately. The plan, however, does not project the probable impact of such clauses on opium production. Nor does it set any timetables, other than contemplating that cultivation will be largely curtailed by its completion. The plan calls for total foreign donations of some \$50 million over the five-year period.

In 1985, the Thai Third Army and ONCB held a series of regional meetings for military, police and civilian officials to plan a major opium eradication effort during the 1985-86 growing season. The Third Army established a command and control center to direct and coordinate opium eradication programs. Civilian officials in the northern provinces were encouraged to play a greater role. The program was well publicized, and the growers warned.

The RTG currently does not have a specific timetable for the progressive elimination of marijuana cultivation. It considers marijuana cultivation to be a criminal act and arrests farmers known to grow marijuana.

A.4. Adequacy of Legal and Law Enforcement Measures

The cultivation, production and trafficking of illicit drugs is clearly defined as an illegal activity, and all police agencies within the country are tasked with enforcing narcotics laws. There are several police agencies specifically charged with narcotics enforcement.

ONCB coordinates narcotics control programs throughout Thailand, working closely with aid donor countries and international agencies. The Seventh Subdivision for the Crime Suppression Division of the Thai National Police is the primary narcotics suppression body in Thailand and is formally charged with all specialized narcotics suppression activities, although provincial authorities can prosecute locally and all police can arrest narcotics law violators.

The Special Narcotics Organization (SNO) units established in 1972 have evolved into the present Police Narcotics Suppression Centers (PNSC) with units at Chiang Mai, Bangkok, and Haadyai. PNSC units have never been formally established

by the Thai Police; their personnel are primarily on loan from the Seventh Subdivision. The Metropolitan Narcotics Unit is a specialized narcotics enforcement group in Bangkok. The BPP has traditionally carried out operations against traffickers, primarily in the north. U.S.-provided helicopters under the jurisdiction of the Police Air Division are stationed at BPP locations in northern Thailand. Since 1975 Royal Thai Customs has had a special narcotics unit, with personnel stationed at Bangkok, Chiang Mai, Phuket, and Haadyai airports. ONCB also has its own suppression division, with units in the north, northeast, south and Bangkok.

The special narcotics agencies have developed into professional and generally honest law enforcement bodies. Their development has been accompanied by growing national recognition of the dangers of narcotics, which has helped to counter the impact of corrupt practices on narcotics enforcement. Much remains to be done, particularly in expanding the resources devoted to the narcotics problem and in further limiting the impact of corruption. Narcotics enforcement officials appear committed to building on the encouraging progress made to date.

DEA and the U.S. narcotics assistance program have played major roles in helping to develop the RTG's enforcement capabilities, which are being expanded as rapidly as possible given bureaucratic limitations.

Thai laws relating to narcotics are adequate, with two exceptions: the need for a more effective conspiracy law, and for laws which would allow the seizure of assets generated by illicit narcotics activities. ONCB has drafted legislation which would provide for conspiracy prosecutions in narcotics cases and for the seizure of assets. These draft laws have been submitted for government review prior to sending them to parliament. In certain areas Thai laws are more advantageous for law officers than comparable U.S. laws, including greater freedom in the use of wiretaps, and more restricted access to investigation methods by defense attorneys through disclosure proceedings.

The Foreign Anti-Narcotics Community is an association of foreign narcotics liaison officers consisting of representatives from Australia, Canada, France, Germany, Italy, Japan, the Netherlands, New Zealand, Sweden, the UK, Interpol and the United States (DEA).

To an increasing extent, the Thai are accomplishing their own training in-country. All police training programs now incorporate 40 hours of narcotics training by the Police Bureau

of Education. ONCB and Thai Customs have similar in-house training programs for junior and new staff.

U.S. narcotics training programs in Thailand have contributed significantly to the model level of cooperation achieved between Thai and U.S. agencies. Continued training, albeit at a modest level, is needed to ensure the success of cooperative efforts. In addition to the technical aspect, U.S. training assistance symbolizes U.S. support for RTG enforcement efforts and appreciation for Thai cooperation in this field.

In FY 1986, the emphasis is on meeting the long-term training needs of Thai narcotics enforcement agencies. The RTG needs to develop a corps of sound criminal investigators and research analysts. RTG capabilities have increased significantly in recent years, but further emphasis on narcotics intelligence is required. The RTG also needs to upgrade narcotics training for non-specialized police units throughout the country. ONCB is conducting a long-term program which requires a cadre of local trainers.

A.5. Domestic Drug Abuse Problem

The RTG estimates that drug addicts number 300,000-500,000. Other estimates put the number in the 100,000-200,000 range. Studies indicate that about 35,000 hilltribe villagers (7% of the population) smoke opium. If each smoker consumes one kilogram (a low estimate) per year, total local consumption would account for 35 tons. Adding in the amounts of opium smoked on ceremonial occasions, used as medicine, or smoked by lowland Thai shows that a substantial portion of the annual crop is consumed as opium in northern Thailand.

Heroin addiction figures are even less reliable. While most experts agree that addiction is concentrated in Bangkok, addiction rates outside Bangkok may be seriously underestimated. There are, for example, reports of heavy addiction in the south. Heroin purity levels are very high, often exceeding 90%. Because of the high purity and low cost, addicts often develop unusually high tolerance for the drug, resulting in higher usage rates than in other countries.

There are no solid statistics on the abuse of other drugs or stimulants. In the northeast and in some parts of Bangkok, there is a considerable amphetamine problem. Marijuana and kratom, a local drug, are widely used in the south.

Prevention, Treatment, and Rehabilitation Programs

There are 65 approved treatment/rehabilitation programs, operated by the Ministries of Public Health, Defense, and Interior, BMHD, the Bangkok Metropolitan Medical Services Department, several Buddhist monasteries, and at least one Catholic therapeutic community. These facilities, most of which are out-patient, can handle approximately 3,000 patients daily. Admissions during 1985 totalled an estimated 45,000, including large numbers of repeat patients.

The Corrections Department has six prisons for drug offenders, in which 8,000-10,000 persons are incarcerated at some time in the course of a year. The Central Probation Office supervised several hundred drug law violators in 1985 and plans a nationwide network of 86 units capable of supervising 10,000 offenders.

Considering the facilities available, it appears that on any given day approximately 8,000 drug users are in treatment, under confinement, or on supervised parole. Available data suggest a recidivism rate of 80-90%. However, if success is measured by short-term demand reduction, Thailand is achieving considerable success. The system handles a high volume of cases and provides a ready alternative to heroin use. Data also suggest that the addict population is aging, with an average age over 30 for patients treated in Bangkok.

Thailand is moving toward more active drug abuse prevention. Existing programs are being expanded; ONCB is increasing its media activity; the Education Ministry has redesigned its drug education curriculum; and the Ministry of Public Health and BMHD are increasing prevention activities in the public health sector. Some projects have been provided to UNFDAC for funding consideration. The Embassy has funded others.

B.1. Nature of Illicit Drug Production

There is no licit production of opium, coca, methaqualone, cannabis, amphetamines or chemicals for conversion processing. There is limited licit formulation of imported barbiturate powder into pill or capsule form. Our main concern is opium, its derivatives, and marijuana. The circumstances surrounding their cultivation and the Thai responses to them have been so different that Part B is divided into separate discussions on opium and marijuana.

Opium

When opium was legal prior to 1958, much of it was cultivated by ethnic Thai farmers under licenses controlled by RTG monopoly. When opium was declared illegal, all cultivation by ethnic Thai was halted, and there is no evidence that they have resumed it in significant numbers. Narcotics officials have made it clear that cultivation by ethnic Thai will not be tolerated. Should such cultivation be discovered, the farmer would be arrested and his crop destroyed.

Opium cultivation has been a traditional occupation of hilltribe populations for more than two hundred years. The hilltribe populations use opium as a pain killer, as an aid to the treatment of intestinal distress, and for recreational purposes. Its consumption carries little social stigma within hilltribe society. In addition, hilltribe cultures have developed a variety of religious and social ceremonies which use small quantities of opium.

Opium, grown as a dry season crop to supplement the rainy season's upland rice crop, has traditionally been the hilltribes' principal cash crop. Because of its small bulk, storability, and stability of value, opium has served as a medium of exchange and as money in the mattress. Many cultivators plant only enough to meet their own needs, with a surplus to cover possible variations in weather, future shortages, or emergency needs for ready cash.

Production has traditionally been controlled by ethnic Chinese middlemen who buy opium from hilltribe farmers and supply trade goods in exchange. Traffickers have used economic and physical coercion to ensure enough opium was cultivated to meet demand.

Opium cultivation has never been a lucrative crop for growers. Prices normally range between \$50 and \$100 a kilogram. As roads, economic development, and crop substitution projects have reached hilltribe areas, many farmers have switched to more profitable crops. Opium usage appears to decline as hilltribe populations begin to participate in the modernization process. The Thai Hilltribe Research Center (HRC) has reported that the average age of opium users is rising, and that opium usage is increasingly recognized as harmful to the individual, his productive capacity, and his family.

The presence of RTG security forces has also tended to interrupt the activities of opium traders, and provided an added incentive for hilltribe farmers to opt for other crops.

As a result of these factors, the importance of opium as an income source has declined over the last ten years. While as much as 60 percent of the opium planted in Thailand was once sold commercially, HRC now estimates that only 10 percent is marketed commercially, and most of that is sold to other opium smokers rather than refinery operators.

Based on observations in areas that have received economic assistance, opium appears to be so much a part of the hilltribes' way of life that at least some farmers insist on continuing to grow it even though they can make more money with other crops. This suggests that should opium prices rise, many farmers might again start planting commercial quantities.

Thai opium cultivation represents a potential source of supply that can be tapped when Burmese supplies are inadequate, or when market dislocations along the border force a refiner to look for new sources. This happened during the drought in 1979 and 1980.

Some of the hilltribes near the Thai-Burmese border remain in areas under the influence of or control of the Shan United Army or other trafficking groups. There is some evidence that traffickers both encourage and force these hilltribes to grow opium for sale to refineries. The total opium grown in these areas, however, represents no more than 10-15 percent of all Thai opium. As the RTG expands its security presence along the border, it is likely that there will be reductions in commercial opium planted there.

In terms of actual value, farm income from opium production does not contribute significantly to Thailand's economy. At current prices, the 1985 crop's total value was no more than \$4 million. Evidence suggests that a large part of the opium grown in Thailand is never refined, but used within the producing villages. Actual farm income from opium may total less than a million dollars a year.

Marijuana

Although illegal, marijuana has long been produced to meet local demands, ranging from traditional use as a food seasoning to heavy abuse by a small segment of the population. Thai society does not view marijuana abuse as particularly dangerous anti-social behavior. Legal penalties for both use and trafficking are much less severe than those for opiate use.

RTG narcotics officials are concerned by indications that there is a trend towards greater marijuana use, and the possibility that the huge sums of money generated as marijuana

profits may find their way into the hands of individuals and groups opposed to RTG policies. As a comparison, while the 1985 opium crop may have been worth \$4 million, the value of the marijuana destroyed by police during the same year is estimated at \$25-30 million.

In spite of official concern and some increased enforcement effort, there has been little attempt to determine either the number of users, acreage committed to marijuana cultivation, or total production.

Thai marijuana is noted for its high quality, and brings a premium price in the United States. The U.S. may well be Thai marijuana's most important export market. Australia, New Zealand, and Europe are other important destinations.

Thai society does not look on marijuana as dangerous, and marijuana has traditionally been viewed as an enforcement rather than a development problem. Although RTG officials make arrests or seizures whenever sufficient information becomes available, enforcement has not been given a high priority in the past. Limits on police manpower have resulted in less than effective action. Nevertheless, most illicit drug arrests in Thailand involve marijuana users and traffickers.

B.2. Factors Affecting Production

Opium

While the RTG may reduce the amount of opium sold commercially, opium production has already been reduced to a level where, without an effective eradication program, the total amount cultivated in any given year is determined more by climatic conditions and local demand by hilltribe addicts than by any contemplated government programs.

The presence of a major opium producer like Burma across the border helps keep opium prices low in Thailand. Despite low prices and the availability of substitute crops, it is unlikely that cultivation will drop below the demand level without eradication. Good weather years will produce a surplus that will either be sold, stored for future lean years, or moved to Burmese refineries, if the price is right.

Thailand can substantially reduce opium cultivation within its borders using proven eradication techniques, and political leaders now appear willing to try to do so. The Embassy and the State Department's urging that Thailand begin effective eradication, beginning last year, is starting to produce results.

The manual eradication of 517 hectares of opium in 1985 demonstrated to the political leadership that opium could be eradicated. However, the domestic political consensus required to initiate a program as controversial as a total eradication campaign-- one using herbicides-- has not yet been achieved. Many politically active Thai still argue that the problem can be solved without recourse to such confrontational methods as eradication. Such opinion makers, who normally do not deal with problems of drug addiction or highland development, believe that current policies combining economic development with enhanced security work and will, over time, curtail opium cultivation without leading to confrontation with ethnic minority groups such as exists in Burma. They also believe that it is better to allow current hilltribe addicts to continue to use opium until they have readier access to treatment programs, whereas denying them access to opium would only push them into heroin addiction.⁴

Those political leaders not in favor of eradication are willing for now to allow enforcement officials to proceed with eradication plans. A possibility still exists that, should obstacles arise, they will again raise objections and attempt to halt eradication.

Marijuana

Most Thai marijuana is cultivated in the northeastern provinces, by far the poorest region of Thailand and home to one third of the population. Throughout the northeast, Thai farmers face a continual struggle with poor soil, lack of markets and credit, and uncertain rainfall.

Much of the area has represented a major security problem for more than 20 years. A central RTG concern since the mid-1960s has been dealing with the communist insurgency, which started in the northeast. The RTG has allocated major amounts of aid into the region, constructed an extensive road system, and introduced important new crops. The results have been positive, and the RTG seems to be winning the last of the insurgents over to the government's side.

Despite these development programs, many farmers practice subsistence agriculture, in which a family's survival often depends on the ability of its members to find work outside the region, with the men taking low-paying industrial jobs while the women work as household servants or waitresses. Consequently many farmers will jump at the chance of extra income represented by marijuana cultivation. High prices offer a get-rich-quick opportunity for those willing to take the risks. They are encouraged by an increasingly sophisticated

illicit market structure which provides seeds, fertilizers, guaranteed prices, credit, and protection. The growing demand for Thai marijuana both locally and abroad has provided many such farmers with the first opportunity to make real money in their lives.

The result has been a rapid expansion of production. Five years ago, only three provinces in northeastern Thailand were considered to be major marijuana producers. Now marijuana has become a major farm income factor in twelve northeast provinces, and production continues to expand. New growing areas have also been found in the north and central regions.

Because of its preoccupation with national security, the RTG has tended to ignore the marijuana problem, or to deal with it only as an afterthought as it attempted to extend its presence in the area. Some officials now recognize that the rapid growth of cultivation is a serious threat to the nation and its international reputation.

Contrary to the situation which exists in the hilltribe opium areas, there is a wide consensus supporting the use of marijuana eradication as one form of enforcement. Considerable eradication is carried out. Control efforts are seriously hampered by resource and manpower shortages. Since these problems result from the lack of resources rather than of will, the international community could encourage a more effective campaign by providing additional financial support.

B.3. Maximum Achievable Reductions

Opium

In recent years the overall extent of opium cultivation and the amount produced has been largely a function of weather and price. Increased production in some areas may partially offset progress in curbing cultivation in other areas achieved through eradication, the introduction of substitute crops, and the use of opium clauses in development projects.

In 1985-86 RTG crop control plans project the removal of 1,677 hectares from cultivation and the eradication of another 2,800 hectares. In 1985, by comparison, 517 hectares were eradicated and 552 hectares taken out of cultivation. Initial reports on the 1986 crop indicate a significant drop in acreage planted, suggesting that 1985's limited eradication effort had an impact. While the 1986 crop is expected to reach 28 gross metric tons, due to market, weather and demographic factors-- a decrease of 10 tons from 1985-- it would probably come close to the 40 ton level without the planned RTG reduction efforts.

The RTG estimate is that it can push this gross production level down to 16 mt for 1986, but this would require increasing the level of eradication from 517 to 2,800 hectares in one year. More conservatively, U.S. analysts project that net production, after eradication, will be on the order of 16 to 36 mt in 1986.

In 1987 our narcotics control assistance program includes an increased crop control effort designed to cover the economic and social costs to the hilltribe villages of an accelerated reduction in cultivation. This program should enable the RTG to expand reduction efforts in 1987 and take another 1,000-2,000 hectares out of production, reducing production totals by 4-9 metric tons and setting the stage for comparable reductions in the following three or four years.

Marijuana

In spite of the RTG's stepped-up efforts, marijuana production continues to increase. Unless the RTG decides to commit major additional resources to marijuana eradication, the best that can be hoped for is a halt in annual production increases. Reliable production estimates are not available, but a well-financed aerial eradication campaign could probably halve production in the first year and reduce it to minimal quantities by the end of the third or fourth year.

B.4. Methodology for Estimates

Opium

The information and estimates contained in this report are based on a variety of U.S. and Thai sources. RTG agencies which gather data on hilltribe areas include ONCB, the Department of Public Welfare, HRC, the Forestry Department, and the Ministry of Interior. The first serious attempt at defining the size of opium production in Thailand took place under UN auspices in 1966. Numerous surveys using different techniques have been run since then.

In 1980 ONCB initiated an annual opium survey based on photographic coverage of all known growing areas. In addition to photographic coverage, ONCB survey relies on ground survey work by both survey team members and inputs from other government agencies. Careful examination of the data suggests that production variations over the last five years result primarily from variations in weather and price.

Marijuana

Marijuana cultivation and the prospects for its reduction have received limited attention compared to that placed on opium. There has never been a general survey of cultivated areas, either on the ground or from aircraft. Neither ONCB nor any other RTG agency has been able to estimate the total acreage planted or the tonnage produced. Since the size of the problem is unknown, we cannot estimate how much it could be reduced in any given year. U.S. sources also have not provided reliable estimates of the extent of production.

All estimates in this report are based on information and reports gathered from enforcement officers, Ministry of Interior Officials, and other government workers, supplemented by statistics on arrests and seizures.

C.1. Statistical Tables

<u>Opium/Heroin</u>	1985	1986 (est)
hectares cultivated	9654	6325
hectares eradicated	517	2800
hectares harvested	9137	3525
opium yield (4-4.5 mt/ha)	35.7 MT	16-36 MT
loss factor (15%)	5.4 MT	2.4 MT
opium consumed	35 MT	35 MT
opium seized	3.3 MT	2 MT
opium exported	0	0
available for refining	0	0
heroin produced	0	0
heroin seized in country	2 MT	1.5 MT
heroin consumed in country	5 - 10 MT	5-10 MT
heroin exported to U.S.	0	0
heroin exported elsewhere	0	0

<u>Cannabis/Marijuana</u>	1985	1986 (est)
hectares cultivated	not available	not available
hectares eradicated	160	160
hectares harvested	N.A.	N.A.
cannabis yield	N.A.	N.A.
loss factor	N.A.	N.A.
cannabis seized in country	101 MT	105 MT
converted to hashish	0	0
hashish yield	0	0
hashish consumed	0	0
hashish exported U.S.	0	0
hashish exported elsewhere	0	0
marijuana consumed		
- in country	N.A.	N.A.
marijuana exported to U.S.	N.A.	N.A.
marijuana exported		
- elsewhere	N.A.	N.A.

DATA TABLES

	1987	1986	1985	1984	1983
GROSS CULTIVATION					
Opium	5160	6325	9654	7900	5700
Cannabis	N.A.	N.A.	N.A.	N.A.	N.A.
GROSS POTENTIAL PRODUCTION (MT)					
Opium	23	28	38	41.5	35
Cannabis	N.A.	N.A.	N.A.	N.A.	N.A.
HECTARES ERADICATED					
Opium	3500	2800	517	175	--
Cannabis	160	160	160	139	47.5
CROPS ERADICATED (MT)					
Opium	14	12	2.3	0.9	--
Cannabis	2500	2100	1974	1694	203
HECTARES OUT					
Opium	1-2000	1677	552	149	917
Cannabis	--	--	--	--	--
CROPS OUT (MT)					
Opium	4-9	7.4	2.4	0.8	5.6
Cannabis	--	--	--	--	--
NET CULTIVATION					
Opium	1660	3525	9137	7625	5700

NET PRODUCTION (MT)					
Opium yield	8	16-36	35.7	40.6	35
Cannabis	N.A.	N.A.	N.A.	N.A.	N.A.

REFINING No Estimate

SEIZURES (MT)					
Opium	1.2	2	3.3	3	1.6
Heroin	1.5	1.5	2	1.2	0.8
Other Opiate	--	--	--	--	--
Marijuana	80	105	101	112	81.3
Other Cannabis	--	--	--	--	--
Other Drugs	--	--	--	--	--

ARRESTS					
	1987	1986	1985	1984	1983
Nationals	35,500	35,000	37,350	33,938	30,659
Foreigners	180	180	190	212	148

LABS DESTROYED					
Heroin	--	--	--	--	--

	1987	1986	1985	1984	1983
DOMESTIC CONSUMPTION (MT)					
Opium	30-35	30-35	30-35	30-35	30-35
Heroin	5-10	5-10	5-10	5-10	5-10
Marijuana	Credible Figures not available				

LICIT PRODUCTION None

USERS (1000's)					
Opium	30-35	30-35	30-35	30-35	30-35
Heroin	50-100	50-100	50-100	50-100	50-100
Marijuana	Credible Figures are not available				

PART D: U.S. Assistance

See Appendix.

E. Resource Estimates

For 1986 U.S. narcotics control assistance to Thailand totals \$3.9 million. Of that, \$1.65 million is devoted to crop control programs, which will primarily support development efforts in villages which have agreed not to grow opium commercially. In 1987, U.S. narcotics aid is projected to increase to \$5.65 million. Of that, \$3 million is earmarked for crop control, with emphasis on temporary assistance to hilltribe villages to alleviate the economic and social impact of eradication, and equipment for eradication operations. Funds will be made available on a contingency basis to support an enforcement effort aimed at terminating all production in Thailand within a five-year period.

It is not possible to provide a figure for RTG government fiscal and personnel resources committed to anti-narcotics efforts. Significant portions of the Thai National Police, the Armed Forces, and a variety of RTG development agencies are involved in anti-narcotics activities, and the total RTG budget for this purpose far exceeds foreign donor contributions.

UNFDAC has assisted the RTG in preparing a master development plan for hilltribe areas. The plan calls for an investment of \$70 million, \$50 million of which is to come from foreign donors, to be spent in areas which have not yet received development aid. This plan, which has not yet received full RTG approval, has been rewritten to include clauses in all projects guaranteeing that villages receiving assistance do not grow opium for commercial purposes.

With the resources currently programmed, the RTG should be able to reduce opium production by almost 20 metric tons in 1986 and by another 6-10 tons in 1987 with the increased U.S. funding for crop control projects. If the 1987 level of U.S. crop control support could be introduced in 1986, the reduction in opium production could be accelerated, with a possible 5-8 tons cut from the annual total. This would fall somewhat short of the 6-10 ton reduction projected for 1987 under current funding, because there would be less time to implement expanded programs. The five-year termination program could probably be reduced to three years if resources could be concentrated in a shorter time, and a reduction of 10-13 metric tons in 1987 could possibly be achieved if crop control support totalled \$5 million per year for three years.

These estimates assume that production will be terminated at an average level of 40 tons per year in a five-year or three-year time frame (at an average rate of 8 tons or 13 tons per year). Actual reduction would vary, based on weather, price levels, hilltribe immigration, and RTG control efforts.

The USG has made only a minor contribution to support RTG efforts at controlling marijuana. U.S. and other international assistance could play an important role in reducing marijuana cultivation. Should we insist on improved performance in marijuana control as a quid pro quo for our special bilateral relationship with Thailand, RTG officials would expect a significant expansion of U.S. assistance.

Footnotes:

1) Small refineries occasionally operate inside Thailand, usually for the purpose of refining locally procured opium into heroin to service the local market. As soon as such refineries are identified, the RTG moves against them.

2) This \$50 million foreign donation is designed to take out of production an opium crop currently valued at less than \$5 million a year, most of which never leaves the village, and almost none of which is converted into heroin for the U.S. market.

3) Opium prices can climb very rapidly in times of shortage. In 1979 and 1980, a drought affecting both Burmese and Thai production pushed the price up to as much as \$500 a kilogram, more than ten times the lowest rate. This in turn produced significant production increases in 1981.

4) After opium was outlawed in 1958, many opium addicts turned to heroin because it was easy to conceal and use under illicit conditions. As a result most Thai believe that opium addicts will turn to heroin if opium becomes unavailable. Since heroin is considered to be a much more dangerous drug, the popular perception is that it is better to allow people to continue to use opium.

OTHER PACIFIC

AUSTRALIA

Australia's geographic isolation and its concentrated urban population in a vast, otherwise largely unpopulated territory are two important factors affecting its narcotics situation. A third is the nation's federal structure, which accords substantially more authority to the state governments than is true in the United States.

With the important exception of marijuana, illicit drug production is believed to be at a low level. Neither the federal nor the state governments have conducted epidemiological studies to determine the extent, distribution, or character of the narcotics problem. All conclusions about drug abuse are therefore drawn from secondary data or anecdotal information. Officials believe that marijuana use is endemic, and that cannabis is by far the most commonly abused of the illicit substances, followed by heroin and barbiturates. Some estimates place the heroin addict population in the range of 10,000-20,000, while others put the number as high as 45,000. The developed economy, the largely decontrolled financial markets, and the country's hard currency make it attractive to traffickers, as well as the long, largely unpatrolled shoreline, who may use the country as a transit point in efforts to avoid detection in countries of final destination. Increased seizures in late 1985 suggest that traffickers are attempting to establish a cocaine market. (Street prices for cocaine, double those in the United States, provide a strong incentive.)

Public awareness of the drug problem is high. The media frequently cover the narcotics problem, generally in a non-sensational manner. Some 50-80 percent of all property crimes are considered drug-related.

The Prime Minister hosted a special Premiers' Conference on Drugs in April 1985, which brought together the heads of state governments and federal officials. The participants committed their governments to a national campaign against drug abuse and obligated increased funding for narcotics control efforts. They opposed the legalization of heroin for medical treatment, and agreed that controls on marijuana should be maintained.

Australia is active in international drug programs. It is a signatory of both the Single Convention and the Convention on

Psychotropic Substances, and in late 1985 announced a 33 percent increase in its annual \$180,000 contribution to UNFDAC.

NEW ZEALAND

Although the volume of narcotics and drug abuse is small compared to other developed countries, New Zealand faces a growing problem. The government and the public recognize the threat posed by narcotics. However, the commitment which the country shows toward controlling illicit drugs does not carry over to the control of licit amphetamines, barbiturates, and precursor chemicals. Codeine, for example, is available in non-prescription pharmaceuticals, and the chemicals needed to convert it into morphine are not controlled. Heroin is also made from codeine in New Zealand.

With the exception of marijuana (which grows throughout the country), most narcotics (including additional marijuana) are smuggled into New Zealand. Virtually all the marijuana appears to be consumed domestically. New Zealand is a transit point for cocaine between South America and Australia, and possibly for hashish enroute to the United States.

On occasion the New Zealand Police provide training, including narcotics enforcement training, to police officers from many of the small island states of the South Pacific.

SINGAPORE

Both the government and its citizens view Singapore as a victim country since it neither produces nor processes narcotics. The government, with enthusiastic public support, takes a hard line against narcotics. Rigid enforcement of existing laws-- including preventive detention-- keeps local drug abuse contained and effectively counters internal trafficking.

In the past Singapore has been criticized for not being as effective in dealing with the international aspects of the drug problem. However, the government appears to be taking a more aggressive attitude toward the issue. A number of government officials have publicly acknowledged that criminal groups have used Singapore as a heroin transit point, and stated that Singapore will take action against such groups. Recent activity by Singapore narcotics authorities suggest that more attention is being paid to the problem of transiting narcotics than had been the case in the past.

Singapore's highly developed transportation network, its position as a regional financial center, and its proximity to the Golden Triangle make it attractive to traffickers.

JAPAN

The hub of transportation routes between East Asia and North America, Japan is a transit country for Southeast Asia narcotics on their way to the U.S. Japanese police and customs officials offer excellent cooperation with foreign enforcement agencies in intercepting narcotics shipments. However, Japanese Customs does not routinely screen transit cargo. More importantly, Japanese law does not permit "controlled deliveries"-- an important means of uncovering the international links of criminal drug networks-- to pass through the country.

The U.S. is concerned by the increased activity of Japanese crime organizations-- the yakuza-- in the U.S. Drugs, together with prostitution and gun-running, are important sources of the yakuza groups' Japanese income, and they appear to pursue the same activities in the U.S. They were first detected in Guam and Hawaii, where large numbers of Japanese tourists go on vacation, and now also turn up on the West Coast. Three alleged yakuza members were arrested in Honolulu in September 1985 and were charged with drug smuggling and other offenses.

The government and the Japanese do not regard narcotics as a major problem in Japan. The domestic drug problem, largely limited to amphetamine abuse, is small compared to that of the U.S. Japan is a party to the 1961 Single Convention and its 1972 amendments. The Diet has not yet ratified the government's signature of the 1971 Convention on Psychotropic Substances.

AFGHANISTAN

A.1. Status of Illicit Narcotics in Afghanistan

The war in Afghanistan sparked by the Soviet invasion in 1979 and control by the Marxist regime in Kabul have made reliable estimates of narcotics production and trafficking in Afghanistan difficult. However, after a decline in the early 1980's, there are indications that both production and trafficking are on the increase. Afghanistan is probably the world's largest producer of opium for export and is the poppy source for a majority of the Southwest Asian heroin found in the United States and 80 percent of the heroin and morphine in Europe.

The 1985 opium crop in Afghanistan is estimated to have been about 300 - 400 MT, up from about 140 - 180 MT in 1984. DEA notes the usual trend and indicators which suggest Afghan production could be as high as 750-880 metric tons gross. Improved weather as well as a 40 percent increase in the price for opium gum at the Afghan-Pakistan border are responsible for the increase. Yields of opium in Afghanistan are perhaps 2-3 times higher than in Southeast Asia - some 20-30 kg./hectare - which would indicate that from 10-20,000 hectares are under cultivation. Continuous warfare in the countryside between the Afghan government (DRA) and the resistance apparently has had relatively little impact on opium production because poppy growing is generally found in isolated areas and requires little manpower, except at harvest time.

The disruption of traditional agricultural trade may have prompted more farmers to turn to poppy cultivation. It is an ideal crop in a war-torn country since it requires little capital investment, is fast growing and is easily transported and traded. Most poppy cultivation is in the provinces on the Afghan-Pakistan border; about half of this production is exported to Pakistan. Poppy is planted in the fall and harvested in the late spring.

Hashish is also traditionally produced in Afghanistan. No recent data is available on production, although it is believed to be at roughly the same levels as the mid-1970's, i.e. about 200-400 MT annually. Most is apparently consumed in Afghanistan, although there is international trafficking as well.

While much of the refining of opium into heroin for smoking and heroin hydrochloride has traditionally taken place outside of Afghanistan, there are indications that the number of heroin labs in eastern Afghanistan is growing. The lawless environment in the area, ideal for illicit activities, as well as increasing government pressure on the processors in Pakistan, may be prompting this shift.

International trafficking patterns of Afghan opium have also changed as result of the war. Although still active, traditional trade westward to Iran had declined but recovered in 1985, while trade eastward to Pakistan has increased sharply. Not only is this trade route shorter and more secure but the sharp decline in opium production in Pakistan (from 800 MT in 1978 to a range of 40 - 70 MT in 1985) has increased demand in Pakistan for opium to fill domestic as well as international demand.

Smuggling, moreover, is a traditional way of business among various tribal groups in Afghanistan. The 1400-mile Pakistan-Afghanistan border is mountainous and laced with innumerable smugglers' trails. The opium passes through the labs in the North West Frontier Province of Pakistan and to Peshawar and Karachi for domestic consumption and further refining and export. To the west, opium, morphine base and heroin are smuggled into Iran and onward through Turkey to Western Europe and the US. The mujahideen organizations have condemned opium production and use.

A.2. Accomplishments in 1985

There is little evidence that the DRA, preoccupied with its war with the insurgents, has taken any serious steps to control the opium trade. Even if it attempted a suppression program, the DRA's writ does not extend to the Afghan countryside. The seizures of opium announced by the DRA (5 MT in 1984) appear to be a by-product of efforts to interdict the resistance supply lines.

A.3. Plans, Programs and Timetables

There are no indications that the DRA has any plans to reduce poppy cultivation, although publicly it asserts that production has been curtailed by its land reform programs.

A.4. Adequacy of Legal and Law Enforcement Measures

Afghanistan is a party to the 1961 Single Convention and the 1972 Protocol as well as to the 1971 Convention on Psychotropic Substances. Poppy cultivation has not been banned

by the DRA. However, opium and other narcotics production is prohibited except for legitimate medical uses by the 1957 Opium Act and the 1973 customs law. They are believed to be in effect, at least nominally, under the DRA. Enforcement of narcotics control is the responsibility of the Interior Ministry's Anti-Smuggling Division, but it is small and ineffective. UNFDAC has a small program (\$150,000 per year) to aid the Afghan police in narcotics control. Afghanistan did not attend the September 1985 meeting of the UN's Sub-commission on Drug Traffic in the Mid and Near East at which other countries in the region (Pakistan, Turkey, Iran) discussed means to stem the flow of illicit narcotics.

Any efforts at narcotics control that the DRA might undertake are not only hindered by the war but by widespread corruption among Afghan and Soviet authorities, some of whom are reportedly engaged in the trade themselves. Indeed, the DRA probably welcomes the hard currency and Western consumer goods that the illicit traffic produces. There are press reports that the Soviet forces also have been involved in the movement of drugs or in bribery.

A.5. Drug Abuse, Prevention, Treatment and Rehabilitation Programs

While there are no reliable data on the extent of drug abuse in Afghanistan, opium has traditionally been used by segments of the population. Estimates in the 1970's put drug users, primarily opium smokers, in the 125,000 to 350,000 range. There are indications, however, that the smoking of heroin is on the increase. Press reports state that drug abuse - both heroin and hashish - among the Soviet forces has risen sharply and is of growing concern to the Soviet authorities.

C. Data Tables

Opium/heroin	<u>1985</u>	<u>1986</u>
Hec. Cultivated	10-20,000	12-25,000
Hec. Eradicated	Minimal	Minimal
Opium Yield (MT)	300-400	320-420
Opium Loss (MT)	30-40	30-40
Opium Seized (MT)	4	4
Opium Consumed (MT)	30-40	30-40
Opium Available for Export/Refining (MT)	240-320	260-340

INDIA

A.1. Status of Illicit Narcotics Production/Trafficking

India is the world's largest producer of licit raw gum opium. The entire process of opium production, licensing farmers, collection of raw opium and conversion into alkaloids for domestic use, and export is controlled by the Office of the Narcotics Commissioner in the Central Bureau of Narcotics. The Commissioner's determination of the amount of land to be licensed for opium poppy planting is based on existing opium stock and projections of future demand. Farmers are paid on a sliding scale according to the yield per hectare: the greater the yield, the higher the price per kilogram with the current rate (paid by the government) ranging between \$10 and \$25 per kg. The central government also establishes a minimum yield/hectare target; farmers who do not meet this target do not receive licenses for planting the following year. The current minimum yield is 30 kg/hectare.

Production Trends

Since 1979, India has accumulated larger and larger stocks of opium. As a result, the Government has moved progressively to reduce the amount of land licensed for opium production while at the same time increasing the required minimum yield. An unseasonable cold snap in February, 1984 damaged much of the crop and led to a total estimated production of 434 tons. The government licensed approximately 25,000 hectares in 1985, while keeping the minimum yield at 25 kg/hectare to aid the opium farmers who had been hurt by the cold snap. The minimum yield was raised to 30 kg/hectare in 1986 and total production for that year was an estimated 700 tons.

	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>
Cultivators	171,365	131,039	130,000	120,000
Hectares	32,351	25,520	25,487	23,000
Production (MT)	997	434	764	700
Yield (Kg/Ha)	31.8	23.3	33	33

Opium Exports

Indian export of gum opium has declined in recent years due to several factors, but with the stabilization of world demand for raw opiates, India's exports should remain relatively constant for the next few years.

Exports of opium are as follows (in metric tons):

	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
Amount Exported	845	677	600-700 (est)	600-700 (est)

Opium Stocks

Declining exports of opium have led to an increase in Indian opium stocks. The prospect of reduced hectarage in future years suggests India might be able to work down some of its accumulated opium stock. However, two new strains of opium poppy have been developed which have higher yields of both latex and seeds. In addition, the government plans to continue raising the minimum yield per hectare requirement, so it is not clear what future production will be. Indian press reports indicate two new poppy varieties, Shweta and Shyama, yield in excess of 60 kg/hectare, which would significantly increase production, possibly leading to escalating stockpiles and possible diversion into illicit channels.

	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>
Stock	2,264	2,234	2,382	2,050 (est)	2,000 (est)

Illicit Production

There is no reliable current estimate of illicit poppy cultivation in India. There have been unverified reports of some illicit cultivation in Gujarat and along the Kerala/Tamil Nadu border. It appears, however, that opium traffickers obtain their stocks mainly through diversion from licit production and smuggling from Afghanistan and Pakistan.

Diversion from Licit Production

Traditionally, diversion of opium from licit production occurs in two ways: by actual diversion of the raw opium itself, and through theft from the two government factories (in Neemuch, near the Madhya Pradesh Rajasthan border, and Ghazipur) after it has been processed into morphine. Diverted opium brings between \$90 and \$160 kg on the black market, many times the official government rate.

Estimates of the amount of opium that is diverted vary widely. Some sources estimate that between 20 and 30 percent of the opium produced in India may be diverted to the black market before it enters the Government's collection system. Consequently, this opium is not included in the GOI's official

statistics. If this estimate is accurate, this would mean that in a normal production year in India, approximately 250 tons of opium is available for illicit use or clandestine conversion to morphine and/or heroin. Much of this diverted opium is consumed internally by India's own user population. There have been, however, small seizures of Indian opium reported in Sri Lanka, Bangladesh and Mauritius.

Heroin Production

Recent reports indicate that illicit heroin production is increasing in India. Besides the large supply of raw opium that is available, India also has an extensive chemical industry. At least ten firms legitimately manufacture acetic anhydride (AA), a key chemical used in heroin production. The Indian government in early September 1985, placed AA within the regulations of the Indian Essential Commodities Act. Any sale, transportation, distribution, or possession of AA outside a manufacturing plant without valid certification by the Government of India is now a criminal offense. It is too early to judge how effective this new legislation will be in reducing the flow of AA to heroin producers. There were no restrictions previously on the sale or production of AA, and reports indicated that Indian-produced AA was reaching heroin laboratories not only in India, but in the Golden Triangle as well.

Six clandestine labs were located and dismantled by Indian authorities in 1983. In 1984 and 1985, most of the labs seized were located in Uttar Pradesh, close to the licit growing areas. During 1984, the available evidence indicated that the lab operators were Indians. Data from early 1985 indicate that labs are also now operated by Pakistanis, Afghans, and Europeans. Recent seizures also indicate upgraded conversion capabilities. Laboratory analyses of seized injectable heroin hydrochloride (HCL) tabulated a purity rate between 68.7 percent and 94.6 percent. Captured heroin base (smoking heroin) was between 50 percent and 73 percent pure. One heroin base seizure indicated a manner of processing usually associated with Chinese chemists in the Golden Triangle. For comparison, two years ago HCL was 28 percent to 45 percent pure, and heroin base was 12 percent to 19 percent pure.

Since July, 1985, two laboratories have been seized, the most recent being in September in Bombay. In two separate seizures, a total of 17.8 kg of heroin was seized with large quantities of various chemicals, including AA and sodium carbonate. The lab was converting indigenous Indian morphine base obtained from independent lab operations in Uttar Pradesh.

Heroin Traffic

By virtue of its geographical position, India is used as a transit point for narcotics coming from the Golden Crescent and the Golden Triangle areas. Seizure data reflect this growing phenomenon.

	<u>1983</u>	<u>1984</u>	<u>1985</u> (5 mos)
Heroin Seizures in Europe			
Originating in India (kgs)	169	280	172
Heroin Seizures in US			
Originating in India (kgs)	22	81	59

Recent data from the UK indicate a shift of trafficking routes from Pakistan to India for heroin targeted on the UK. Indications are that the heroin is not produced in India, but comes from the Afghan/Pakistan border.

Smuggling Routes

Smuggling is not a recent phenomenon in India. Heroin flows across the India-Pakistan border primarily in the Punjab area, and to some extent through the Rann of Kutch on the Gujarat-Pakistan border. Unprocessed heroin from Afghanistan and Pakistan is smuggled through India's western border and from Nepal and Burma on the east. Acetic anhydride and processed heroin is smuggled from India (usually through Bombay or New Delhi) to the West. Many Indians instrumental in this traffic are based in the UK, the Netherlands, Canada, and the U.S.

Cannabis Production

Cannabis grows wild throughout India. Known or suspected areas of large-scale cultivation include the states of Jammu and Kashmir, Orissa, West Bengal, and Kerala. Hashish and hashish oil are known to be manufactured in the Northern states and the states bordering Nepal. The total domestic production of hashish is not known.

In addition, hashish produced in Pakistan and Nepal is smuggled into India for consumption and for export to the West. Reportedly, most Afghan hashish is re-exported because the quality is not popular with Indians.

Cocaine

There is no evidence of significant production or trafficking of coca or cocaine in India.

Mandrax

The Indian Government prohibited the production and export of methaqualone, or mandrax in 1984. However, this prohibition seems to have had little effect since trafficking and seizures continue. With considerable uncontrolled production in existence, no substantial improvement is expected in the near future.

Worldwide Seizures of Indian-Produced Methaqualone:

<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985 (4 mos)</u>
194 kg	181 kg	405 kg	132 kg

(There are approximately 4,000 dosage units per kilogram of Mandrax.)

Indian seizures increased from 15 kgs in 1983 to 245 kgs in 1984. Over 52 kgs were seized in Bombay in the first quarter of 1985.

A.4. Adequacy of Legal and Law Enforcement Measures

In early September, 1985, India passed the new Narcotic Drug and Psychotropic Substances Bill. As mentioned earlier, the Government also placed acetic anhydride within the regulations of the Essential Commodities Act. Although it is too early to assess their effectiveness, these two measures represent significant steps by the government in providing its narcotic enforcement agencies with legislative and investigative tools to combat illicit drug use and trafficking. Highlights of the narcotics drug and psychotropic substances bill are as follows:

1. Increased penalties were specified for the possession, sale, cultivation, import, export, or manufacture of controlled substances and for engaging in a conspiracy to violate the existing narcotics legislation. The amount of controlled substances that would result in the increased penalties were not defined. The increased penalties for convicted narcotics violators are: first offense, 10 to 20 years and fines; second offense, 15 to 30 years, with fines.

2. A new agency, the Central Economic Intelligence Bureau (CEIB), was created within the Ministry of Finance to coordinate the Government's drug policies. The legislation also provided enhanced powers to officers of India's Customs Service, Narcotics Commission, and the Central Bureau of Investigation in the areas of entry, search, seizure, and arrest without warrants or authorization.

3. Courts will presume the accused are guilty unless and until innocence is proven.

4. Immunity would be granted to an accused violator if the defendant fully cooperates with the government investigation.

5. Mandatory reporting of all arrests and seizures would be made under the authority of the Act; all substances, plants, articles, and conveyances found to be in violation of the law would be confiscated.

The new law establishing CEIB went into effect on November 14, 1985 and within two weeks the New Delhi police had arrested 381 people under its new authority. CEIB's director reportedly has plans to establish a strike force composed of various government enforcement agency representatives in Bombay to combat drug trafficking in that city.

The passage of stronger anti-drug laws and the creation of CEIB to coordinate overall drug policy are indications of India's resolve to move positively and forcefully on the drug issue.

A.5. Domestic Drug Abuse Problem

There are no accurate statistics on drug use in India. Judgments are based on a number of sources, e.g., law enforcement officials, and health care reports to name a few. Opium, marijuana, and hashish are widely used throughout India. The opium addict/user population is estimated to be 3 to 5 million; far more use marijuana and hashish. Opium addiction is concentrated in Northern India, in and near the areas of licit poppy cultivation, in the Punjab, and in major cities. It is also likely that there is a substantial addict population in the Eastern states which border Burma. Opium addicts in India traditionally ingest the gum both for medicinal purposes and to alleviate fatigue and hunger. There is also considerable use of a smoking product which is made by mixing opium and hashish. It now seems that there is a growing problem of heroin addiction, although reliable figures are very difficult to come by. Judging by the increased seizures of higher grade heroin and the growing number of clandestine laboratories in India, it seems clear that heroin use is on the rise.

B.1. Nature of the Illicit Drug Production Problem

There is very little illicit opium production in India; most of the illicit opium either is diverted from licit production, or is smuggled in from Pakistan. Estimates of

diverted opium range as high as 250 (or more) tons. Virtually all of the diverted opium is consumed domestically. While there is no evidence of large scale heroin production in India, there are indications that heroin production of increasing quality is on the rise.

B.2. Factors Affecting Production

In the areas of Madhya Pradesh, Uttar Pradesh, and Rajasthan where licit opium is grown, opium is the principal cash crop. A government license to produce opium is much sought after; the returns from licit opium production are considerably greater than the returns from other cash crops such as wheat or sugar cane. Elimination of opium production altogether would have severe economic consequences in these areas. There is no indication that the Government intends to give up its position as the dominant world supplier.

B.3. Maximum Achievable Reduction

Licit opium production increased to approximately 764 metric tons in 1985 from the low output of 434 metric tons in 1984. For 1986, the government has licensed approximately 23,000 hectares and anticipates a harvest of around 700 metric tons.

B.4. Methodology for Estimates

Opium/Heroin

Hectares cultivated (illicit only)	negligible	negligible
Hectare eradicated (illicit only)	none	none
Hectares harvested (illicit only)	negligible	negligible
Opium yield (illicit only)	unknown	unknown
Opium consumed (illicit only)	200-250MT	200-250MT
Opium seized	8MT (EST)	N/A
Opium exported (illicit only)	negligible	negligible

Available for:

Refining	unknown	unknown
Heroin produced	unknown	unknown
Heroin seized	513 kg	unknown
Heroin consumed in country	unknown	unknown
Heroin exported USA	unknown	unknown
Heroin exported elsewhere	unknown	unknown

Cannabis Production

No Data Available

Cannabis Seized in India

No Data Available.

Data Tables

	<u>1987</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>	<u>1983</u>
<u>Cultivation:</u>					
Opium (illicit)	Neg.	Neg.	Neg.	Neg.	Neg.
Cannabis	No Est.				

Arrests:

No Data Available.

Seizures:

	<u>1987</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>	<u>1983</u>
Opium	No Est.	No Est.	6.02	3.62	6.59
Poppy Husk	No Est.	No Est.	44.15	24.26	89.86
Heroin	No Est.	No Est.	.513	.079	.138
Morphine	No Est.	No Est.	.113	0.005	0.021
Coca	No Est.	No Est.	None	None	None
Cocaine	No Est.	No Est.	None	None	None
Other Coca	No Est.	No Est.	None	None	None
Marijuana	No Est.	No Est.	36.50	9.7	17.2
Other Cannabis	No Est.	No Est.	N.A.	3.0	6.1
Mandrax	No Est.	No Est.	.086	0.40	0.09

Labs Destroyed:

Heroin	No Est.	No Est.	2	1	1
--------	---------	---------	---	---	---

Domestic Consumption:

Opium	200-250	200-250	200-250	200-250	200-250
Heroin	No Est.				
Opiates	No Est.				
Coca	No Est.	No Est.	Neg.	Neg.	Neg.
Cocaine	No Est.	No Est.	Neg.	Neg.	Neg.
Other Coca	No Est.	No Est.	Neg.	Neg.	Neg.
Marijuana	No Est.				
Other Cannabis	No Est.				

Licit Production:

Opium	No Est.	700 (est)	764	434	997
-------	---------	-----------	-----	-----	-----

Users (millions):

Opium	3-5	3-5	3-5	3-5	3-5
Heroin	No Est.				
Other Opiates	No Est.				
Coca	Neg.	Neg.	Neg.	Neg.	Neg.
Cocaine	Neg.	Neg.	Neg.	Neg.	Neg.

D. Status of U.S. Assistance (Millions of U.S. Dollars)

See Appendix.

E. Resource Estimates

Illicit opium production in India is negligible. There is no connection between licit production and levels of international and U.S. assistance expected in FY 1985 and FY 1986. Since India does not wish to relinquish its role as supplier of licit opiate raw materials, it is doubtful that any increase in assistance would have an impact on production in 1986 and 1987.

LEBANON

A.1. Status of Illicit Narcotics Production and Trafficking

Lebanon is the world's major producer of hashish. It also cultivates opium poppy and is a key processing/transshipment center in the mid-East.

Hashish production in 1985 is estimated at 720 MT, up from an estimated 350 - 400 MT in 1984. An estimated 350-400 MT is available for export to Egypt and other countries in the mid-East, Western Europe and the United States. Lebanon supplies about 45 tons of hashish annually to the United States, some 30 percent of the U.S. market. Cultivation of cannabis is believed to be about 20,000 hectares.

Reports of poppy cultivation vary widely from 250 to 3000 hectares. The Beirut press reports that poppy cultivation has expanded sharply in the last two years but this has not been verified. Lebanese heroin labs also process Southwest Asian opium into heroin for export to Europe and the U.S. Extensive Lebanese trafficking rings have been identified by law enforcement authorities.

The civil strife which has engulfed Lebanon since 1975 has favored both producers and traffickers. Most hashish and poppy are cultivated in the Bekaa Valley which is occupied by the Syrian military and is effectively outside of Lebanese central government authority. Lebanon has fragmented into a patchwork of virtually autonomous states with the central government controlling only a small fraction of the national territory. It is not in a position to curb the narcotics trade or provide reliable data on production or trafficking.

Traffickers and producers, however, have adapted to the chaotic conditions. By paying "road taxes" to the forces controlling various areas of the country, they are able to move their products to the international market through Mediterranean ports such as Tripoli or through the Beirut and Damascus airports.

C.I. Statistics

Hashish

1985

Ha. Cultivated (Cannabis)	20,000
Yield (36 kg./ha.)	720 MT
Domestic Consumption	120 MT
Loss	200-250 MT
Exports	350-400 MT
Exports to the U.S.	45 MT

MT = metric tons

PAKISTAN

A. 1. Status of Illicit Narcotics Production/Trafficking

Pakistan is both a producer of opium and a processor of Southwest Asian opium into heroin. The principal U.S. narcotics objective remains the eventual elimination of this opium poppy cultivation and curbing the production and trafficking of opium and its derivatives (i.e., morphine and heroin). An estimated 2.5 metric tons of heroin produced from Southwest Asian opium enters the United States annually, largely refined in or transshipped through Pakistan. Pakistani opium production has declined from some 800 metric tons in 1979 to an estimated 40-70 tons in 1985. Improved information reveals Pakistani production to be higher than originally estimated (40-50 mt in 1984). The principal cultivators of opium in Southwest Asia are Afghanistan and Iran; however, much of the Afghan production is refined in and/or trafficked through Pakistan.

The United States will continue to assist the Government of Pakistan (GOP) in its efforts to enforce its statutory proscription against opium poppy cultivation, production, refining and trafficking.

A survey of some 2,200 individuals confirms a change in the perception that drug abuse is an external problem. Most respondents believed the use of heroin and opium is serious and on the upswing, and that the GOP should accord a high priority to enforcement efforts. The evidence is that President Zia, Prime Minister Junejo and the overwhelming majority of the political establishment share these views.

It is not known how much opium is consumed in Pakistan. A 1984 survey by the Pakistani Narcotics Control Board (PNCB) estimated that 30 metric tons of heroin (of 60 percent purity) was consumed in Pakistan by what was conservatively estimated to be 150,000 addicts. However, the PNCB estimated unofficially in 1985 that the heroin addict population could be as high as 300,000 persons. (The higher addict figure may be correct, but it calls into question the estimates on domestic use; the consumption rate previously cited would mean that 300,000 addicts used 60 metric tons of heroin, equal to 396 tons of opium, a figure unsubstantiated by any study). The PNCB plans to update the survey and check its methodology.

Opium produced in the Northwest Frontier Province (NWFP) is transshipped by road to the Province's tribal areas where it is refined into heroin, transported by truck to Peshawar and distributed via the following routes:

-- by road southward through the NWFP and the Western areas of Baluchistan adjacent to the Afghan border. From Baluchistan, heroin is transported westward to Iran, Turkey, Europe and the United States.

-- by road southward to the Makran coast (Baluchistan) where it is shipped to the United States via the Persian Gulf States and/or Europe.

-- by road, rail, or plane to Karachi, Rawalpindi, or Lahore where it is routed by sea or air to the United States by way of either New Delhi, Bombay, the Persian Gulf States, and/or Europe.

Pakistan hashish (cannabis resin), produced from local cannabis plants, is exported essentially along the same routes used by the heroin traffickers. Opium and/or heroin originating in Afghanistan also finds its way to Peshawar via the tribal areas east of the Durand Line.

Prior to the 1985-1986 planting season, the retail price of drug opium jumped markedly on the wholesale market in Landi Kotal (NWFP): 1 kg costing the rupee equivalent of approximately \$170, up 300% per kilo for normal semi-dry opium. Over the past two years similar price increases have been reported prior to the new planting season, but at time of harvest, the price drops considerably. Clearly, the announced price increases are to encourage frontier farmers to resist government efforts to halt opium poppy cultivation.

A.2. 1985 Accomplishments

Opium poppies were completely eradicated in the Malakand Agency during the 1984-85 growing season, pursuant to the terms of the enforcement schedule of the FY 1984 Malakand Area Development Project Agreement. In addition, the Pakistan Government adhered to the enforcement timetables governing the Adinzai Tehsil of the Dir District and the Gandaf Union Council of the Gadoon-Amazai area.

Through the first six months of 1985, the PNCB reported seizures of more than 5,000 kgs of heroin and 88,192 kgs of hashish by local enforcement authorities. By comparison, 2,332 kgs of heroin and 50,816 kgs of hashish were captured in 1984. Six heroin laboratories were destroyed in the Northwest

Frontier. Responding to Government pressure, another twenty-three laboratories were surrendered in the Khyber Agency during November and December, 1985.

Following the First Ladies' Conferences on Drug Abuse, Pakistan's First Lady, Begum Zia-ul-Haq, enlisted the cooperation of non-government organizations to tackle the country's domestic drug abuse problem. Begum Zia's involvement in narcotics issues may serve as a catalyst for greater public awareness and for greater GOP enforcement efforts.

The role of international organizations and other donors expanded in 1985. The British and Canadian governments have contributed 2.4 million pounds and \$1 million Canadian dollars respectively to the Special Development and Enforcement Plan, which is being managed by the United Nations Fund for Drug Abuse Control. The United Kingdom has provided an additional 60,000 pounds for law enforcement equipment and training. Also, Saudi Arabia in 1985 gave UNFDAC a grant of \$1.2 million (over three years) for an education and treatment program.

During the past year, INM funded a number of demand reduction-related workshops for 250 private medical doctors which provided detoxification and treatment training. In July, sixty social workers in Karachi participated in a seminar on anti-drug community action programs.

In the spring of 1985, the Government of Pakistan signed an agreement with the United States for assistance in conducting an aerial survey of opium poppy cultivation in the NWFP, and for upgrading the laboratory and analytic capabilities of the survey of Pakistan.

The four Drug Enforcement Administration training advisers assigned to the Task Force Units in Lahore, Peshawar, Karachi and Islamabad arrived in the latter half of 1985.

A.3. Plans, Programs and Timetables

The Government of Pakistan is committed in the 1985-86 growing season to extending its opium poppy ban in Gadoon to Gani Chatra and Kabgani, the Union Councils north of Gandaf. Approximately 1,500 acres are expected to be taken out of cultivation this year in these two areas. With respect to Dir, in 1985-86 the Pakistanis are obligated by the terms of the Special Development and Enforcement Plan's (SDEP's) enforcement schedule to eliminate poppies in the Adinzai Tehsil. The ban was extended to Adinzai in 1984-85 under the U.S. outreach program.

A.4. The Adequacy of Legal and Law Enforcement Measures

During the past year, civilian and martial law tribunals have consistently awarded prison terms in narcotics cases commensurate equal to or greater than the statutory minimum of two years. Moreover, judges have been reluctant to grant bail in narcotics cases. The lifting of martial law in December, 1985 has resulted in all narcotics criminal cases being transferred to civilian courts, a move which may mean greater difficulty and delays in prosecuting drug traffickers. During a recent BBC interview, President Zia raised the possibility of having special tribunals assume exclusive jurisdiction over narcotics cases.

In July, the Government of Pakistan declined a U. S. Government 1984 extradition request for Zulquarnan Khan, charged in 1984 by a Las Vegas Federal District Court with conspiracy to import heroin into the United States, on grounds that no decision could be made on extradition until Khan completed his three-year sentence on another narcotics offense.

The 1969 Customs Act has yet to be amended to provide for the same minimum two-year penalty required under both the Prohibition Order (Enforcement of Hadd) and the Dangerous Drugs Act for Narcotics Trafficking. Pakistan Customs is in the process of changing the Customs Act in order that it be consistent with the Hadd Ordinance.

There has been a serious effort to extend Government enforcement controls to the tribal areas of the NWFP. As a result, twenty-seven heroin laboratories were destroyed or surrendered this year in the Khyber Agency.

The PNCB, a semi-autonomous agency within the Ministry of Interior, is the principal governmental body concerned with the narcotics control effort. The Government established the PNCB in March 1973 in fulfillment of its obligations under the UN Single Convention on Narcotic Drugs. The charter creating the Board gives it a wide range of duties of an enforcement, advisory, supervisory and coordinating nature. The PNCB, currently headed by Chairman Dilshad Najmuddin, formerly Inspector General of Police in the Sind and Baluchistan, has regional offices in each provincial capital to which Joint Narcotics Task Force Units (JNTF) are attached. The fifteen JNTF Units are enforcement groups with personnel assigned to them from the PNCB, the Provincial Police, the Provincial Excise and Taxation Departments, and, in certain units, Customs. Although staffing has increased over the past year, INM has postponed the procurement of additional commodities and equipment for the JNTF units pending completed staffing arrangements.

Other governmental agencies responsible for enforcing narcotics laws are: the Customs Service of the Finance Ministry, the Provincial Police Forces; the Provincial Departments of Excise and Taxation; the Federal Investigation Agency; the Airport Security Force; the Coast Guard; the Frontier Constabulary; the Pakistan Rangers; The Northwest Frontier Levies; the Bajaur Scouts; the Dir Scouts; the Malakand Scouts; the Mahsood Scouts; and, the Baluchistan Scouts. With the creation of the joint task forces, and greater appreciation of the seriousness of the narcotics threat, the Provincial Police, once only marginally interested, are increasingly more involved in narcotics interdiction. In addition to the special Customs forces working at ports of entry, the 20 Customs mobile anti-smuggling units became involved this past year in narcotics enforcement.

In 1985, the Government established a Federal Narcotics Law Enforcement Committee, an inter-agency body consisting of senior federal and provincial officials. The committee has agreed to expand the number of joint narcotics task force units and to prepare a program on preventive education.

Besides the 18 DEA officers permanently assigned to Pakistan, the following countries have stationed narcotics enforcement officers in country: Federal Republic of Germany, the Netherlands, United Kingdom, Norway Police, Australia.

A.5. Domestic Drug Abuse Policy

The PNCB reports that the number of heroin addicts has increased to at least 300,000 in 1985 from a reported 250,000 in 1983-1984. The Board also estimates 315,000 opium users.

While newspaper articles and television programs warn against the harmful effects of drug usage, preventative education is not included in schools' curricula. INM provided funding in November for a USIA/PNCB sponsored conference aimed at increasing the ability of nongovernmental organizations to work with local communities coping with the narcotics problem. The conference (November 1985), attended by the some 500 individuals, drew the support of Begum Zia and senior GOP officials.

There are twenty-six inpatient and outpatient narcotics treatment centers in Pakistan; 300 beds are reserved for inpatient addiction treatment. The centers, using the "cold turkey" approach coupled with symptomatic treatment of withdrawal pains, report a 20% cure rate, but this figure is questionable as patients are not tracked once they are released.

In an effort to augment the treatment facilities, the U.S.-Pakistan 1984 Demand Reduction Project Agreement called for funding to train approximately 250 private medical practitioners in the treatment and rehabilitation of narcotics addicts. 1985 Demand Reduction Project monies will be used to train more physicians in the coming year.

B.1. Nature of Illicit Drug Production

There is no licit narcotics production in Pakistan. The PNCB estimates that 40 metric tons of opium were produced from 1,788 hectares of opium poppies grown in Dir, Gadoon, Bajaur, Mohmand, Orakzai and the Black Mountains. Gross cultivation, before eradication of 90 hectares, is estimated at 1,878 hectares. As noted before, the Board's survey does not include such growing areas as South Waziristan, Kurran, Khyber and Kohistan. The Board's survey, as in earlier years, is based on physical inspections, a review of Provincial Department of Agriculture records, and interviews with area farmers.

The U.S. estimate is that opium production, reported in the previous INCSR at 40-50 mt, was at 40-70 mt in 1985, with cultivation in the range of 1,778 to 3,566 hectares. While opium production may have increased marginally in 1985, the estimate largely reflects improved data on cultivation and production, particularly on opium cultivation in remote areas of the NWFP. The projections are also based upon recent reports indicating increased opium poppy cultivation in those areas not now subject to the ban on cultivation, i.e., areas lacking development projects.

A more definitive assessment of 1985 production awaits analysis of the photography acquired during the 1985 survey. A second survey is in preparation for 1986.

Again, it is estimated that 2.5 metric tons of Southwest Asian heroin reaches the United States, following its manufacture in or transshipment through Pakistan, primarily from Afghanistan. An estimated 3.6 metric tons of Southwest Asian heroin were exported to Europe from Pakistani sources. An unknown quantity of raw opium is also sent to Iran to satisfy its addict population. Production of opium in both Afghanistan and Iran may be as high as 400 metric tons annually, according to U.S. estimates.

Cannabis, which grows wild throughout Pakistan, is systematically cultivated in Chitral and other northern areas of the country, but records are not kept on this crop.

B.2. Factors Affecting Production:

Geographic, economic, social, and political considerations are interrelated in the narcotics control equation. The rugged, mountainous terrain of the NWFP is conducive to poppy growth and the cash return in rainfall areas is higher than for licit crops. The development of the economic infrastructure of the poppy growing areas (e.g., Malakand area development project), along with the introduction of higher yield varieties of conventional crops, are important considerations which allow the GOP to enforce its ban on opium cultivation. Moreover, linking opium reduction to Islamic principles in the deeply religious tribal regions has sometimes been an effective government strategy. Independence of tribal groups in Baluchistan and the NWFP make enforcement efforts even more difficult if no other forms of cash crops can be grown. Pakistan enforcement efforts are also hindered by the ability of drug traffickers and processors to operate more freely in Afghanistan, just west of the Pakistani border.

The light winter rains contributed to reducing opium output during 1984-85. According to the PNCB estimates, the shortage of rainfall was a factor in decreasing the estimated area under cultivation from about 2,750 hectares in 1983-84 to 1,878 hectares in 1984-85.

While individual Afghan refugees are known to be involved in the heroin trade -- as opium farmers, stockists, refiners, middlemen, or traffickers -- there is no evidence indicating that the Afghan Mujahadeen freedom fighters have been involved in narcotics activities as a matter of policy to finance their operations. Mujahadeen leaders have stated publicly they will not become involved in the narcotics trade. Also, there is no evidence suggesting that the political opposition (Pakistan Peoples Party or others) has been involved in narcotics. Some opposition leaders in the NWFP, however, have in the past advised poppy farmers to continue growing opium poppy until such time as the GOP is prepared to reimburse for lost income.

It is extremely difficult to quantify the income generated by narcotics in Pakistan, but the figure is believed to be significant. As elsewhere, the profits increase along the production network from farmer to trafficker, and Pakistanis are increasingly engaged as traffickers and distributors.

As in the case of many less-developed countries, Pakistan is a society where law enforcement is a poorly paid profession. Financially-strong traffickers are often able to thwart government control efforts with gratuities given to enforcement officials. With four notable exceptions, the major

traffickers in Pakistan have eluded arrest. However, the PNCB, as well as Pakistani Customs, have assisted and facilitated DEA-initiated investigations which have resulted in the arrest within the United States of major traffickers who are Pakistani nationals. DEA officials note the corruption, but say there are numerous dedicated law enforcement officials in Pakistan, fully committed to close coordination in the fight against narcotics trafficking.

B.3. Maximum Achievable Reduction

U.S. and Pakistani officials agree that production in 1985 could have been higher, if there had been sufficient rainfall.

The Government of Pakistan projects that net cultivation and opium output in the 1985-86 growing season will be 1,528 hectares and 35 metric tons. This assessment says that production is falling by 5 mt of opium per year for 1985 and 1986. U.S. officials estimate 1986 cultivation and output could range from 1,500 hectares to as high as 2,800 hectares, yielding 35-65 metric tons of opium, compared to an estimated 40-70 metric tons in 1985. Both estimates assume eradication of 350 hectares and a yield of 22.9 kg of opium per hectare.

NWFP Governor Fazle Haq repeatedly voiced his strong opposition to opium cultivation in the Frontier. Government agencies seem committed to enforcing the poppy cultivation ban in the Malakand Agency, the Adinzai Tehsil of Dir, the Buner Region and the Gandaf, Gani Chatr and Kabgani Union Councils of Gadoon. Other poppy growing areas of the NWFP, however, are not encompassed by this year's enforcement schedules: upper Dir, the areas of Gadoon north of Gani Chatra and Kabgani, Bajaur, Mohmand, the Black Mountains, Orakzai, Kurram, Khyber, and Kohistan. Moreover, the current price of dry opium in the wholesale market of Landi Kotal (i.e., rs. 2700 or \$170 per kg.) may stimulate increased cultivation to as much as 9,000-10,000 acres.

The PNCB anticipates that during the 1986-87 season poppy output will decrease to 25-30 metric tons, assuming the ban on opium cultivation will be completely enforced in all of Gadoon and in one-third of Dir. (Projection figures are not available for opium poppy cultivation in the Adinzai, Timegara, Munda, Balambat, Samar Bagh and the Lal Qila areas of Dir.)

B.4. Methodology

PNCB estimates are based on surveys, which cover production areas that account for about 90% of total opium production and use actual on-site inspection and measurement,

in addition to interviews with farmers and Agriculture Department personnel. U.S. estimates augment this information.

C.1. Statistical Tables

Summary Table - Opium/Heroin (1985):

Hectares Cultivated	1,878
Hectares Eradicated	90
Hectares Harvested	1,788
Opium Yield (22.3 kg/ha)	40 metric tons
Loss Factor	not known
Opium Seized (thru 6/85)	1,426 kgs
Opium Consumed	not known
Opium Exported	not known
Opium Available for Refining	not known
Heroin Produced	not known
Heroin Seized (thru 6/85)	2,837 kgs
Heroin Consumed In-country	30-60 metric tons (60% purity)
Heroin Exported to U.S.	2.5 metric tons
Heroin Exported Elsewhere	3.6 metric tons

Summary Table - Opium/Heroin (1986): (estimated)

Hectares Cultivated	1,878
Hectares Eradicated	350
Hectares Harvested	1,528
Opium Yield	35 metric tons
Loss Factor	not known
Opium Consumed	not known
Opium Seized	1 metric ton
Opium Exported	not known
Opium Available for Refining	not known
Heroin Produced	not known
Heroin Seized In-country	2.5 metric tons
Heroin Consumed In-country	30 metric tons
Heroin Exported to USA	2.0 metric tons
Heroin Exported Elsewhere	2.0 metric tons

Notes:

It is not known how much of the heroin refined in Pakistan is produced from Pakistani as opposed to Afghan opium, nor are there reliable estimates on domestic opium and heroin consumption.

Summary Table - Cannabis (1985)

Hectares Cultivated	unknown
Hectares Eradicated	unknown
Hectares Harvested	unknown

Refining:

Heroin	*	*	*	*	*
Hashish	*	*	*	*	*

Notes:

1. Planting starts in fall of one year; harvest is in the spring of the following year. Estimates of potential production are made in spring of following year. Eradication may take place in fall of one year and/or spring of next year. Final estimates of eradication completed are made in the spring.

3. PNCB estimated 9.27 kilograms of opium per acre. With one hectare equalling 2.47 acres, this represents 22.9 kilograms opium per hectare.

Seizures:

Opium	1987	1,000 kgs
	1986	1,500 kgs
	1985	1,426 kgs (thru 6/85)
	1984	8,501 kgs
	1983	19,550 kgs

Heroin	1987	3,000
	1986	3,000 kgs
	1985	5,000 kgs
	1984	2,332 kgs
	1983	3,376 kgs

Cannabis (resin)	1987	80,000 kgs
	1986	80,000 kgs
	1985	88,192 kgs
	1984	50,816
	1983	31,566 kgs

Methaqualine	1987	no estimate
	1986	no estimate
	1985	7,806 (thru 6/85)
	1984	141,446 tablets
	1983	17,341 tablets

<u>Arrests:</u>	1987	15,000
	1986	15,000
	1985	11,313 (thru 6/85)
	1984	27,309
	1983	19,365

The above figures represent total arrests (i.e., foreign and Pakistani nationals).

Labs Destroyed: 1987 no estimate
1986 no estimate
1985 5 and 22 sv
1984 3
1983 14 sv
(sv = surrendered voluntarily)

Licit Production: 1987 none
1986 none
1985 none
1984 none
1983 none

Users:

Opium 1987 315,000
1986 315,000
1985 315,000
1984 315,000
1983 315,000

Heroin 1987 400,000
1986 400,000
1985 350,000
1984 250,000
1983 100,000

Cocaine 1987 none
1986 none
1985 none
1984 none
1983 none

Cannabis 1987 800,000
1986 800,000
1985 800,000
1984 800,000
1983 800,000

D. Status of U.S Assistance

See Appendix

E. Resource Estimates

USAID expects to obligate \$8.8 million in FY 1986 for the Gadoon Project. As a result of this funding, the Government of Pakistan is obligated to extend its opium ban to the Gani Chatra and Kabgani Union Councils. An estimated 1,537 acres will be taken out of cultivation this growing season. While

USAID will not obligate any additional monies in Gadoon, the remaining Union Councils in Gadoon will fall within the purview of the enforcement ban. At that time, approximately 1,400 additional acres will no longer be sown with poppies.

USAID and other international donors have pledged \$20 million to complete the Dir phase of the Special Development and Enforcement Plan (SDEP). Under the terms of the enforcement schedule which forms an integral part of the SDEP, the Pakistan Government in 1985-86 is not bound to extend the cultivation ban beyond the Adinzai Tehsil, an area which was subject to enforcement measures in the 1984-85 season. The funds pledged to date should generate sufficient development activity to justify extension of the opium poppy ban in Dir to the Timegara, Munda, Balambat, Samar Bagh and Lal Qila areas. It is difficult to assess the extent of cultivation in these areas; such cultivation is not as widespread as it is in eastern Dir (i.e., the sector in which the ban will be extended in 1988-89 through the SDEP).

It is difficult to determine the acreage of poppies which would be taken out of cultivation in 1986 and 1987 if additional funding was available. Nevertheless, authorities believe that if the projected funds were obligated, opium poppy cultivation could be effectively eliminated in Pakistan during the next five years. To accomplish this objective, \$120 million over the course of five years (\$24 million per year) would have to be earmarked to eliminate the country's known remaining poppy growing areas (i.e., Khyber, Kurram, Kohistan, Bajaur, Mohmand, Orakzai and the Black Mountains).

259

BLANK

SYRIA

A.1. Status of Illicit Narcotics Production/Trafficking

Syria's association with narcotics includes trafficking, some refining activity, and only a modest domestic drug abuse problem. There is no evidence of significant narcotics cultivation in Syria.

There appear to be two major streams of narcotics traffic through Syria. First, and most important, is the flow of Southwest Asian heroin transiting Syria en route to Europe, Egypt, and the United States. Aleppo, in northern Syria, and the nearby port of Lattakia on the Mediterranean appear to be the focus of this traffic, and also sites for refining. Second, narcotics, primarily hashish, but including some heroin as well, are moved through the Bekaa Valley in Lebanon. Most of this traffic is also directed towards Europe (e.g., by truck to the Syrian ports of Tartous, Baniyas, or Lattakia for transshipment), but recent reports indicate that significant amounts also move south through Syria and Jordan to the wealthy Arabian peninsula countries or to Egypt. Both of these trafficking routes through Syria appear to be secondary to the overland routes for heroin through Turkey. The assumption is that trafficking in both heroin and hashish is increasing, but the Syrian Government has no estimate of total volume.

Kurdish and Armenian traffickers with transborder ties in Turkey and Iran appear to be linked to increased trafficking through Syria. The current unstable situation in Lebanon and the fact that the northern Bekaa Valley is controlled by Syrian military forces contribute to transborder trafficking in the region.

Cocaine trafficking through Syria is also on the rise. This trade, coming from Europe, appears to use Syria as a base for supplying markets in Lebanon and the Arabian peninsula.

The arrest at U.S. airports in the past several years of a number of individuals carrying heroin who had initiated their travel in Damascus suggest that the Damascus airport, as well as Syria's ports on the Mediterranean, are central transitting centers.

There are credible reports of ties between traffickers and high level Syrian officials, but no substantiation of alleged ties with terrorists. The links between traffickers and Syrian officials, especially in the military, are believed to be a function of the hashish trade out of Lebanon.

A.2. Accomplishments in 1985

Although the Syrian Government is uncertain as to the total volume of narcotics traffic through Syria, Syrian authorities surmise on the basis of a rising trend of seizures that narcotics trafficking through Syria is on the rise. It is unclear to what extent Syria is important as a base for processing or refining of heroin. Syria has been mentioned in a number of recent reports out of Europe and the Middle East as a destination for shipments of acetic anhydride, a chemical precursor for heroin. However, the Government of Syria has not seized any narcotics laboratories in several years.

A.3. Plans, Programs and Timetables

The Syrian Government narcotics control effort is poorly-financed, under-staffed, and poorly-trained. This is primarily because, with no major narcotics production and limited consumption in the country, narcotics officials are at a serious disadvantage in competing for the Government's scarce financial resources. Current Syrian budget plans call for reductions in a range of programs, including narcotics control programs.

Syrian anti-narcotics officials maintain contact and cooperate with the Arab League Anti-Narcotics Office, Interpol, and to some extent bilaterally with other countries (e.g., The Federal Republic of Germany).

A.4. Adequacy of Legal and Law Enforcement Measures

Penalties for involvement with narcotics are severe: Import, production, or export of narcotics is punishable by life imprisonment, forced labor and a fine of 30 - 100 thousand Syrian pounds (\$8 - \$25,000 at official exchange rates). Narcotics dealers, however, may receive shorter prison sentences. Possession is punishable by an unspecified term of imprisonment and a fine of 5 - 30,000 pounds. Deliberate killing of an anti-narcotics agent is punishable by death.

A.5. Drug Abuse in Syria

There has been little evidence of a significant drug abuse problem in Syria. This past year, however, a narcotics police official estimated the addict population of Aleppo, Syria's second largest city, numbers in the hundreds. Moreover, a Damascus official stated that "not more than one-third" of narcotics-related arrests in Syria were users as opposed to traffickers. Nevertheless, health care personnel deny there is a significant incidence of narcotics abuse in Damascus.

Authority in the family remains very strong, and most Syrians, including young men and women, express genuine aversion to the use of narcotics.

B.1. Narcotics Production in Syria

None.

C.1. Statistical Tables

The Syrian Government does not engage in data collection and analysis relative to its anti-narcotics effort. Current and future projections of narcotics trafficking, processing and consumption do not exist. In the past and in response to U.S. Embassy requests, the Government compiled statistics on narcotics-related arrests and seizures in Syria. The most recent of these compilations contained data through 1984. No comprehensive 1985 statistics are yet available, but arrests are reportedly up about twenty per cent from 1984.

	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
Cases:	259	343	no available data	
Number of persons arrested:				
Syrian	619	793	1,288	1,546
Foreign	564	738	no available data	
	55	55	no available data	
Seizures: (kilograms)				
hashish	5986	725	2 tons	
heroin	6.472	26.28	30 (opiates)	

PART D Status of USG Assistance

Congress suspended U.S. economic assistance to Syria in November 1983. The only exception to this suspension is continuation of funding for Syrian students already studying in the United States under USAID sponsorship. Syria does continue to receive limited development assistance from the World Bank.

If the U.S. Government wishes to pursue cooperation with Syria in the field of narcotics interdiction, the U.S. Embassy recommends funding be provided for training of Syrian anti-narcotics program officers. Syria lacks the resources to provide such training. One Syrian official will participate in the Executive Observation Program (EOP) in 1986. It is recommended that additional training be offered in FY 1987.

TURKEY

A.1. Status of Illicit Narcotics Production/Trafficking

Production

There is no significant production of illicit narcotic or psychotropic substances in Turkey. All available evidence indicates that the tight controls on poppy cultivation and the ban on opium gum production instituted in late 1974 continue to work well. Effective enforcement efforts to confine production to legitimate channels are expected to continue.

Refining

There is some conversion of morphine base, and perhaps even opium gum, into heroin in Turkey. The morphine base and opium gum generally come from Pakistan, Iran and Afghanistan. Crude, portable laboratories capable of converting morphine base have been seized in eastern Turkey, particularly in the areas around Gaziantep and Diyarbakir. No estimates are available on the amount of conversion involved or the number of laboratories operating. There is no illicit production of precursor chemicals, but there is illicit trade in acetic anhydride needed for refining morphine base, largely from West Germany. Turkey has urged tighter controls on exports of these chemicals.

Transshipment of Illicit Drugs

Turkey's location astride two continents and on the direct land route between producing areas in Iran, Pakistan, and Afghanistan and the consumers in Western Europe and the U.S. make it a natural transit country for illicit narcotics trafficking. There is no precise data on the volume of narcotics moving illegally through Turkey, although DEA has reports that 4 tons of heroin/morphine may transit annually; the UN Fund for Drug Abuse Control (UNFDAC) estimates that it may amount to as much as three tons of heroin or heroin equivalent.

Most of the narcotics trafficking in Turkey is controlled by established criminal elements. In 1985 the anti-smuggling division (which includes the narcotics police) of the Turkish National Police launched a major investigation into the involvement of organized crime in narcotics trafficking. Several criminal chieftains ("babalar") have been charged and further arrests are expected. This investigation and its results are unprecedented in recent Turkish history.

Illicit drugs enter Turkey from the east, generally from Iran, and move either directly west or to the south to Syria and Turkey's Mediterranean coast. The most common route from Turkey is overland through eastern Europe, although there are indications that traffickers are increasingly shifting to sea routes via Syria, Lebanon, and southern Turkey, and then by sea to Italy and other western Europe countries and the United States.

The Turkish Government believes that many of those engaged in illicit narcotics trafficking have also supplied weapons to the terrorists who plagued Turkey in the late 1970's and early 1980's. There is an increasing body of evidence supporting Turkish allegations of a terrorism-narcotics connection.

Cannabis is grown in several areas of Turkey, the most important of which are Kutahya, Usak, and Adiyaman provinces. Cultivation is primarily for the production of hemp. Turkish hashish has an extremely low THC content and generally does not enter into international traffic.

A.2. Accomplishments in 1985

Even though it is neither a major producer of illicit narcotics nor does it yet have a serious domestic drug abuse problem, Turkey seeks to meet its international commitments to police vigorously its licit opium production and to stem the flow of illicit narcotics, destined primarily for Western Europe and the U.S. In 1985, the TNP launched a major investigation into the involvement of organized crime in drug and arms smuggling. While the final results are not yet in, some arrests have been made and more are expected. This investigation has the potential to have a major impact on drug trafficking in Turkey. It also continued to cooperate with other governments on interdiction. The Turkish press reported in December that Turkish, Dutch and West German law enforcement authorities broke up a major narcotics trafficking ring which led to the arrest of 24 persons in Turkey.

All available evidence indicates that the Turkish Government's effective controls of its licit poppy cultivation (about 10,000 hectares in 1985) have successfully eliminated illicit opium production. Each poppy plot is licensed by the Government, incision of the poppies is forbidden (thereby eliminating opium gum production), and the poppy capsules must be sold to the Turkish Government. The capsules are then processed in a government-owned factory (Bolvadin) into morphine sulfate (concentrated poppy straw), which is in turn used in the production of medicines. Poppies grown for the straw method of extraction are left to mature until dry in the

fields, rendering them useless for alkaloid extraction without complex industrial machinery and processes. At the same time, the ban on incision makes it relatively easy for enforcement authorities to spot poppies from which illegal opium may have been extracted. Turkey plans to continue its licensing system for licit poppy production and its active law enforcement efforts against traffickers.

A.3. Plan, Programs and Timetables

The Government of Turkey is interested in assistance for a project which would focus on trafficking in Turkey's eastern border region where most of the illegal drugs enter Turkey. The United States is working with the Government on a detailed plan to further strengthen its interdiction capabilities in the region.

In 1985 a photo laboratory, supplied with U.S. funded equipment, was opened. Four undercover vans and related intelligence gathering equipment were provided as well as transportation and communications equipment and night vision devices.

A.4. Adequacy of Legal and Law Enforcement Measures

In general, Turkish narcotics enforcement agencies are highly motivated, but still need improved equipment and training to reach maximum effectiveness. The four principal GOT agencies involved in narcotics enforcement activities are: The Turkish National Police (TNP), the Jandarma, the Customs, and the Soils Products office (TMO).

The TNP, the principal narcotics enforcement agency, was widely politicized before the military intervention in September 1980 and heavily involved in combatting terrorism before and since that time. Since September 1980, the TNP has become a more professional police organization. The TNP is also devoting a significantly higher percentage of its resources to narcotics enforcement. Its leadership is highly motivated and is committed to making the TNP an effective narcotics enforcement agency. The TNP now has narcotics units in all of Turkey's 67 provinces. By 1986, it plans to expand its narcotics personnel to a total of 1,330 police officers, nearly 25 percent above its present strength. The narcotics enforcement division is working intensively to improve training and to better equip its narcotic units. As a result of this internal effort and U.S. assistance, the TNP should progressively improve its effectiveness through 1986.

The Jandarma polices the countryside and remote border areas where illicit narcotics enter Turkey. The Jandarma is essentially a military organization manned by conscripts, who serve for only eighteen months. Under these circumstances, it is unlikely that it will reach the level of effectiveness of the TNP's professional narcotic enforcement cadres. The Jandarma has, however, embarked on a program to expand the number of personnel who deal with narcotics and is upgrading its equipment and training.

The Soil Products Office (TMO) is in charge of all aspects of licit poppy production, sales, processing, distribution. This includes the Bolvadin morphine alkaloids factory. TMO issues the licenses required for poppy fields to ensure compliance with GOT regulations, including the ban on incising. For enforcement, TMO is assisted by the TNP and the Jandarma. The Jandarma air wing uses aerial surveillance and photography in search for illicit poppy fields.

Turkish Customs has not been in the forefront in narcotics enforcement, but a new Director General was appointed in 1985 who wants to improve enforcement capabilities. The United States has provided narcotics enforcement training to Turkish Custom officials and is currently funding English language training.

Other agencies of the Turkish Government also cooperate in interdiction. For instance, the Coast Guard seized four tons of hashish oil in 1985.

The Ministry of Foreign Affairs (MFA) has a significant role in narcotics control through its responsibility for multilateral narcotics enforcement efforts and for cooperation between Turkey and other governments in narcotics enforcement. Turkey is active in the UN's Sub-commission on Drug Traffic in the mid-East and South Asia which promotes cooperation in narcotics control with Pakistan and Iran. The MFA also chairs a coordinating committee consisting of representatives of the Turkish enforcement agencies.

There have been widespread reports of low-level corruption in several government agencies, including the police and customs. However, corruption does not play a significant role in narcotics trafficking, with the possible exception of Turkish Customs.

Training provided by the United States has been an important factor in improving Turkish enforcement efforts. In the case of the TNP, key people have been trained and, in turn, have inspired the creation of an internal narcotics training

program, which is now well developed and should expand even further. For the Jandarma and the Customs, U.S. training is virtually the only narcotics-specific training that officials in those two organizations receive.

A.5. Domestic Drug Abuse Program

The official view in Turkey is that domestic narcotics abuse is not a serious problem, and abusers of all narcotics may total less than a thousand nationwide. Strong family, religious and societal constraints inhibit the use of illicit narcotics, even among the youth. While reliable statistics are not available, it is probably true that the number of addicts relative to the size and population of the country is not large. Nevertheless, these same factors, and the penalties that may be imposed on narcotics abusers, may also operate to keep narcotics addiction hidden, and to discourage addicts from coming forward for treatment. Domestic press reports from Turkey have indicated some increase in narcotics use, and the fact that the government has conducted education campaigns against narcotics in the schools shows a serious level of concern. Whether or not Turkey chooses to discuss its narcotics addiction problems in public, it is encouraging to note this concern, and that narcotics education is being provided to Turkish youth. Prime Minister Ozal's wife Semra took part in the second First Ladies Conference on Drug Abuse hosted by Mrs. Reagan in October.

B.1. Nature of Illicit Drug Production Problem

Turkey, once a major world source country for illicit opium and morphine base, has virtually eliminated illicit opium production. Some refining of opium gum and morphine base is still carried out -- almost always in crude; transportable laboratories. There is no estimate of the amount of refining that occurs in Turkey, but several illicit laboratories have been seized. Historically, Turkish morphine base was refined in western European laboratories -- e.g. through "the French Connection" in Marseilles. Virtually none of the illicit narcotics refined in Turkey are consumed in the country.

Eastern Turkey, where most of the illicit drugs enter and where most refining occurs, is the most underdeveloped region in Turkey, itself a developing country. The terrain is extremely rugged and difficult to police. In some areas, tribal or clan influences are stronger than national ties. At times, widespread terrorism affects the government's ability to enforce the law in this region. Nonetheless, there were indications in late 1985 that narcotics were being stockpiled on the Iranian side of the border due to tightened security by

the Turkish authorities. Perhaps reflecting the impact of enforcement on the trade, the price of heroin in Turkey increased significantly.

GOT enforcement agencies continue to make intensive efforts to locate and seize the crude laboratories operating in the country, and there is some suggestion that, over time, those engaged in refining -- morphine base will shift their activities to more hospitable territory.

C.1. Statistical Tables (1)

	<u>1987</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>	<u>1983</u>
<u>Cultivation</u>					
Cannabis	-----u n k n o w n-----				
<u>Hectarage</u>					
Cannabis	-----u n k n o w n-----				
<u>Refining</u>					
Heroin	-----u n k n o w n-----				
Heroin base	-----u n k n o w n-----				
<u>Hectares Eradicated</u>					
Opium	6	7	4.9	9.3	7.7
Cannabis	25	30	23.7	24.1	33
<u>Arrests</u>					
Nationals	2,000	2,000	1,081	2,304	289
Foreigners	40	40	50	51	44
<u>Seizures (2)</u>					
Opium	10kg	10kg	1.4kg	0	20kg
Heroin	100kg	100kg	89.5kg	245kg	296kg
Other Opiates	1-200kg	1-200kg	101.5kg	74kg	146kg
Other Cannabis	1-5MT	1-5MT	6,102kg	1,656kg	2,400kg
<u>Labs Destroyed</u>					
Heroin	1-5	15	4	2	2
<u>Licit Production</u>					
Opium Poppy (HA)	8,000	8,000	10,500	12,600	7,220
Poppy Capsules (MT)	7,500	4,500	6,000(2)	8,110	3,724

Footnotes:

(1) Figures are for January-November, 1985

(2) Figures are TNP actions only.

D. Status of U.S. Government Assistance

See Appendix.

E. Resource Estimates

In FY 1986, INM has budgeted \$850,000 to provide equipment and operational support to the Turkish National Police and the Jandarma. With \$1.0 million requested for FY 1987, the Turkish government can devote sufficient resources to the interdiction of illicit drugs entering through the Eastern border with Iran and locate and seize clandestine labs.

EGYPT

A.1 Status of Illicit Narcotics Production and Trafficking

Although Egypt is neither a major producing nor a major trafficking country, it is becoming increasingly significant as a consuming country and a transit point for illegal narcotics shipments. The Government of Egypt is committed to curbing narcotics abuse and trafficking. Small plots of opium are cultivated for domestic consumption. In October 1985 President Hosni Mubarak launched a national campaign against drug abuse, focusing on the growing problem of domestic heroin addiction. The active publicity campaign stemming from this initiative has been paralleled by increased enforcement efforts, with substantially improved results. For example, during the first ten months of 1985, heroin seizures topped 120 kilograms, compared to 24 kilograms in all of 1984, nine kilograms in 1983 and just one kilogram in 1982.

In recent years, traffickers have used Egypt increasingly as a transit country, especially for opium produced in Southwest Asia and Southeast Asia. Egypt's central location between Asian producing areas and European and African markets has made it an attractive stop-off point for traffickers. Within the past decade, Cairo International Airport has become an important transit point, as well as the principal point of entry for drugs into Egypt. The Suez Canal is also a transit route for narcotics shipped by sea. While there has been no evidence of narcotics entering the United States directly from Egypt, it is possible that drugs which transit Egypt enter the United States from Europe or Africa.

Drug smuggling into Egypt has involved a variety of routes and methods. Of concern in recent months has been the upsurge of heroin imports, largely arriving on flights from India. A pattern of transit from India through Cairo to Nigeria seems to be emerging, with Sri Lanka passport-holders often acting as couriers. However, much of the heroin seized by authorities seems to be for local consumption.

The government is also concerned by continuing high levels of opium imports, primarily on flights from Pakistan. Multi-ton quantities of hashish continue to arrive from Pakistan and Lebanon, usually by ship. It is estimated that Egypt may consume as much as half of the yearly Lebanese hashish crop. With surplus production in Lebanon, there is evidence that imports are on the rise.

Some drugs -- primarily hashish -- are still smuggled into Egypt by sea, either entering at ports or occasionally landing on beaches. But, stringent security measures have prevented sea routes from recovering their pre-1967 significance. Small numbers of smugglers have succeeded in reviving traditional land routes, driving "trapped" vehicles from Syria, Lebanon or Jordan to Saudi Arabia, where they are re-registered and ferried across the Red Sea to Suez City. Bedouin traffickers are also known to operate across borders in the Sinai.

The quantity of narcotics of all types smuggled into Egypt is on the increase. In addition to the sharp rise in heroin imports indicated by the statistics noted above, imports of opium in 1985 are estimated at 11 metric tons, while imports of hashish stand at about 340 tons. Prices have remained stable over the past year. Heroin sells on the streets for \$90-\$125 a gram. Imported opium, largely from India and Pakistan, costs between \$6,000 and \$12,000 a kilo, with higher prices for smaller quantities. Domestic opium is cheaper, estimated to cost between \$3,500 and \$4,500 a kilo. Lebanese hashish sells for \$1,250 to \$2,500 a kilo for bulk quantities, and up to \$5,000 a kilo for smaller amounts. A tiny cube of hashish for a single smoke sells for as little as one Egyptian pound (\$.75).

Opium and hashish are traditionally produced crops in Egypt, despite having been illegal for decades. When the traditional land route for opium smuggling from Turkey into Egypt closed in 1948, opium cultivation -- banned in 1926 -- revived in upper Egypt, particularly in the Assyut and Minya districts. Opium poppies are also grown in other parts of upper Egypt, as well as in the Nile delta provinces of Gharhia, Sharkia, and Beheira. The poppy plants are interspersed among fields of licit crops, making detection difficult. Government officials have estimated as many as 15,000 plants an acre, with each acre yielding 10 kilograms of opium. Eradication, which has been steadily increasing, reached 100 hectares in 1985. Net opium production was estimated at 2.5 metric tons.

Hashish continues to be grown in upper Egypt, both for local consumption and for sale in major cities. Levels of hashish production remain low (one ton or less) because farmers can realize ten times the profit from an acre of opium, while penalties for cultivating any illicit drug are the same. Moreover, Egyptians prefer the better quality but higher priced Lebanese varieties of hashish.

No known refining of narcotics takes place in Egypt. Opium gum is extracted from flower pods and is either smoked or consumed in tea. While heroin is not produced, increasing levels of domestic consumption suggest that local refining

could begin in the near future, as has been the pattern in other opium-producing countries.

International assistance to Egypt's anti-narcotics efforts has been provided by the United Nations Fund for Drug Abuse Control (UNFDAC), which between 1981 and 1984 provided \$1 million for computers and communications equipment. UNFDAC maintains an office and a representative in Cairo.

A.2 Accomplishments in 1985

1985 has been a benchmark year for Egyptian anti-narcotics efforts. The year has been marked by a major Egyptian government campaign against drug -- most notably heroin -- addiction. Drug abuse, which in its milder traditional forms had garnered little attention here in the past, is now a continuing subject of national focus. President Mubarak launched the campaign in a major speech in mid-October, in which he drew special attention to the growing problem of heroin. Following his lead, the theme has been echoed by other officials from the Prime Minister down, and has been the subject of daily reporting and editorial coverage in the national press. Radio and television have also broadcast reports on the seriousness of the problem.

The anti-narcotics campaign has focused on the need for public awareness of the dangers of illegal drugs, particularly heroin. In addition to feature articles in magazines and newspapers, coverage has included international aspects of the problem. The national press, for example, gave substantial coverage to the First Ladies' Conference on Drug Abuse at the United Nations. The planned opening of a new drug rehabilitation center in Alexandria -- the first institution of its kind in Egypt -- also received wide publicity. In the marketplaces of Cairo, posters have appeared featuring a skull and crossbones, with a warning against the dangers of drug abuse.

Media coverage has highlighted not only the destructive effects of narcotics on the nation's youth and other social problems brought on by drug abuse, but also the broader damage to the national economy caused by the export of capital for narcotic purchases. While official figures are not available, unofficial estimates suggest that the cost to Egypt of illicit narcotics imports now runs to billions of dollars annually. Recognizing this problem, the government-supported daily, "Al Akhbar," recently editorialized that drug use could deal a fatal blow to the development process.

In addition to the national awareness campaign, Egyptian authorities -- principally the Anti-Narcotics General Administration -- have made important strides in enforcement in 1985. As noted above, heroin seizures topped 120 kilograms in the first ten months of 1985, more than six times as much as in all of the previous year. There were multiple seizures, usually ranging from 1-5 kilograms, most taking place at Cairo Airport. Total seizures of other narcotics were also up, as were the quantities in individual cases.

The first five months of 1985 saw the seizure of 103 grams of cocaine. The significance of this lies not in the small amount seized, but in the indication that limited quantities of cocaine may for the first time be finding their way to Egypt. There have been press reports that cocaine use is becoming popular among Egypt's large community of movie actors and actresses.

A.3 Plans, Programs, and Timetables

Specific targets, goals, and timetables have not been set, but the government's new thrust indicates a start of a continuing campaign on a variety of fronts. The sharp rise in seizures in 1985 indicates the authorities may be increasingly effective in combatting trafficking. The government is placing increasing stress on enforcement and training of officers responsible for enforcement. New programs are being planned.

The national campaign against narcotics will continue in 1986. Considerably more time will be needed to assess the campaign's impact on trafficking and abuse. In addition to the media and public education drive, the government's new emphasis on drugs includes attention to rehabilitation, with efforts coordinated by the Ministry of Health. Lawmakers and Interior Ministry officials are scrutinizing the legal framework for enforcement, and some changes are expected.

A.4 Adequacy of Legal and Law Enforcement Measures

The Anti-Narcotics General Administration (ANGA) of the Ministry of Interior, founded in 1919, is the oldest police narcotics unit in the world. ANGA is the lead agency for all narcotics suppression activity in Egypt. It investigates internal drug trafficking cases, coordinates hashish and opium eradication efforts, and normally represents the government at international narcotics conferences.

ANGA coordinates with other government agencies with narcotics control related functions. The agencies are:

-- Public Security Forces (Interior Ministry), 40,000 strong, responsible for provision of essential security to local police and ANGA officers during the conduct of annual hashish and opium eradication campaigns;

-- Customs (Finance Ministry), responsible for interdiction of smuggling at ports, airports, and border crossings;

-- Port Security Forces (Interior Ministry), responsible for physical security and security investigations at Egyptian ports (both sea and air);

-- Marine Police (Interior Ministry), responsible for security along inland waterways;

-- Frontier Border Guards (Defense Ministry), responsible for security at borders other than ports and border crossings.

Egyptian narcotics law imposes severe penalties on offenders, including provision for capital punishment. Sentences are often harsh. Traffickers in large quantities of narcotics are normally sentenced to life imprisonment, serving a minimum of 20 years before parole. While the death penalty has seldom been invoked in the past, there are strong indications that its use may be revived for drug dealers.

In 1980, the Ministry of Justice designated selected prosecutors to handle narcotics cases, resulting in an increase in conviction rates. In recent years, laws have been enacted that provide for: (A) seizure of financial assets gathered from narcotics trafficking and smuggling; and (B) forfeiture of conveyances used to facilitate drug transactions. In 1984, the People's Assembly (Parliament) voted down a bill that provided for forfeiture of land used for narcotics cultivation. During 1986 a new bill may be offered with two alternatives: (A) seizure of lands; or (B) seizure of lands for a limited period, thus allowing the land eventually to be returned. Legislation is also being prepared for the formation of a higher national committee to combat drugs. Meanwhile, on November 9 Prime Minister Ali Lofty announced that the Egyptian Emergency Law will be applied to drug smugglers and dealers. The provisions of this law give the police greater power to detain and hold suspects.

In recent years, small numbers of ANGA officers have attended training courses at the DEA International Training Academy in Glynco, Georgia. ANGA officers also received training from the FBI at its Quantico training center. Within Egypt, ANGA conducts in-service training for its officers, and

teaches narcotics-related courses to cadets at the police academy basic training school. ANGA periodically holds four-week training courses for newly appointed narcotics officers, as well as one-week seminars for senior police commanders. ANGA's training academy is modelled after DEA's Glynco institute; the courses are based largely on DEA course outlines tailored to local needs.

In April 1986, the U.S. Customs Service will sponsor an anti-narcotics course in Cairo for approximately 30 Egyptian customs inspectors. The November advance visit to prepare for this course was enthusiastically received by the Government of Egypt.

Ongoing U.S. assistance programs to Egyptian narcotics control efforts include the delivery in January 1986, of five vehicles provided by INM for narcotics suppression activities. In July, 16 Egyptian police officials attended an explosive incident investigative techniques school conducted by the U.S. Bureau of Alcohol, Tobacco, and Firearms at the Federal Law Enforcement Training Center in Glynco, Georgia. This training has direct application to suppression of both terrorism and narcotics abuse.

A.5 Domestic Drug Abuse Problem

Drug abuse is a centuries-old problem in Egypt, and abuse has continued to grow in recent years despite the efforts of the Egyptian government. Although hashish and opium are the primary drugs abused, there is a continuing problem with amphetamines, methaqualone, and -- since the beginning of this decade -- heroin. Cocaine and hallucinogens are rarely found and pose no significant threat in Egypt at the present time, but authorities are concerned that cocaine is now on the scene and want to make sure this trade remains limited. Illustrating the magnitude of the problem in Egypt, in 1984 the wholesale value of illegal drugs consumed was estimated at \$1.2 billion, with a street value three times as high.

The use of hashish is both traditional and endemic in Egypt. With over 1,000,000 users, it is overwhelmingly the drug of choice. Although its use is prohibited by both Egyptian and Islamic law, it remains as a part of life in both rural villages and urban centers. Almost half a million people are estimated to be using opium, which is believed to have been cultivated in Egypt since Pharonic times. It is usually ingested in hot tea. Amphetamines and methaqualone (used as an opium substitute) were introduced from Europe in recent years. Although there are no reliable statistics on heroin addiction, dramatic increases in imports to Egypt in recent months suggest that this is a rapidly growing problem.

Accurate figures on narcotics addicts in Egypt are not available. In 1985 Egyptian authorities began to keep hospital records for the first time on admission of heroin addicts; but most addicts are not hospitalized. The first government supported drug rehabilitation center opened in Alexandria in October. Prior to this, only five small treatment centers operated in the Cairo area -- all of them affiliated with mosques. A few private clinics offer treatment for addicts, but facilities are extremely limited.

PART B: not included because Egypt is not a major producer country.

C.1 Statistical Tables

	<u>1987</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>	<u>1983</u>
<u>Gross Cultivation (mt)</u>					
Opium	3	2.5	2.5	1.5	3
Cannabis	1	1	1	1	1
<u>Hectares Eradicated</u>					
Opium	115	105	100	85	85
Cannabis	1	1	1	1	1
<u>Crops Eradicated (mt)</u>					
Opium	0.9	0.7	0.5	0.1	0.85
Cannabis	0.001	0.001	0.001	0.001	0.001
<u>Net Cultivation (mt)</u>					
Opium	2.1	1.8	2	0.8	2.15
Cannabis	1	1	1	1	1
<u>Seizures (mt)</u>					
Opium	0.7	0.6	0.5	0.37	0.33
Heroin	0.3	0.2	0.12	0.024	0.009
Cannabis	67	65	60	57	47
<u>Arrests</u>	12,000	12,000	9,000	8,500	7,966
<u>Domestic Consumption (mt)</u>					
Opium	10	10	13	13	14
Heroin	0.7	0.6	0.5	0.1	0.4
Hashish			300		

<u>Users</u>					
Opium	500,000	500,000	500,000	500,000	500,000
Heroin	unknown	unknown	unknown	unknown	unknown
Hashish	1 mill.				

PART D Status of U. S. Government Assistance

See Appendix

PART E: Resource Estimates

In view of the government's increased emphasis on prevention of narcotics abuse, it is projected that there will be an enhanced effectiveness in enforcement measures, even without increased outside resources. The government's major problem areas are importation and abuse -- not production --and the government will probably focus its efforts accordingly.

In terms of crop eradication, increased government attention to the yearly opium eradication drive could bring production down from about 2.5 metric tons to 2 metric tons in 1985, to be further reduced to about 1.8 metric tons in 1986 and 1987. Additional foreign assistance to eradication efforts might increase the reduction by 10. In view of the widely dispersed nature of the Egyptian poppy crop and its interspersion with licit crops, together with its relatively small overall size, additional foreign assistance in this area would probably not be cost effective. U.S programs have therefore concentrated on problems of trafficking and smuggling, where contributions under INM and DEA programs have a substantially more significant impact.

MOROCCO

A.1. Status of Illicit Narcotics Production and Trafficking

Narcotics activity in Morocco is limited to cannabis cultivation, processing and distribution, including overseas trafficking. There are occasional incidents involving small amounts of illicit drugs, primarily heroin or cocaine. DEA reports that some opium poppy cultivation may have begun in 1985, but estimates are unavailable at this time.

Marijuana is grown in the 1,000 square miles of the Rif Mountains in northern Morocco, along the Mediterranean coast. Cultivation is concentrated in the fertile western Rif, between the towns of Chechaquen and Ketama. Although no reliable statistics are available, five to seven thousand hectares are thought to be cultivated in any given year. Each hectare produces 800 to 1,200 kilos of raw marijuana. Cannabis is grown in plots of from a few meters square up to two kilometers.

Processing of raw marijuana into dried baled marijuana (known as "Rif") is generally done by the grower. Police report that further processing, into either hashish or hash oil, is done on a small scale by local middlemen. The exact proportion of dried marijuana converted is unknown, but estimates run in the 30 percent range. Little or no marijuana is exported for further refining.

Moroccan police report that the price for marijuana in Morocco is about DH (Moroccan dirhams) 1,200, now roughly \$120, per kilos. Other sources indicate prices as high as DH 3,000 (\$300) per kilo. Hashish costs from DH 2 - 6,000 (\$.20 - 600), per kilo, depending on the quality of the product. Hash oil prices are about DH 10,000 (\$1,000) per liter.

Rif is a traditional Moroccan narcotic, only made illegal after independence in 1956. About two-thirds of production, 600 to 650 tons, is consumed in country. The pattern of consumption is partly traditional. Rif area inhabitants of all ages are major consumers. The urban young are also a significant consumer group, and it is among the youth that abuse may spread. About 15-20 tons of the hashish and hash oil produced is consumed locally. The pattern of consumption is much the same as for marijuana. Internal distribution appears to be through casual and relatively small scale networks. Domestic consumption seems to have been fairly stable over the last five years.

The balance of the marijuana (perhaps 400 MT), hashish (50-60 MT) and hash oil (20-25 MT) is exported, some to other north African states and North America, but most to West Europe, primarily Spain, France, Germany, Belgium and the Netherlands. The large number of Moroccan workers in Europe provide a natural distribution system. Sale of cannabis for export generally takes place in the Rif area, which is frequented by European tourists. The Spanish enclaves of Ceuta and Melilla offer easy access to Europe for traffickers, who use private vehicles, boats and aircraft for transport.

There is no indication that terrorism, insurgent activity, or other criminal activity is tied to narcotics trafficking in Morocco. The pattern of arrest and seizures indicates that smuggling is on a small scale, and that trafficking organizations do not play a great part in the traffic.

A.2. Accomplishments in 1984

Control of illicit narcotics focuses on interception during export (or import). There is little internal effort to control cultivation or discourage abuse. Narcotics control officers indicate that foreign demand is the source of the problem, and that Morocco will continue to work to stop exports. The overall level of effort does not appear to have changed. Arrests in 1984 numbered 10,229 compared to 9,843 in 1983. Seizures of cannabis products decreased in 1983 from 47.5 tons to 35.4 tons in 1984; 1985 figures are as yet uncertain, but are not expected to show a significant increase. The total number of narcotics cases, however, jumped to 12,000 from 3,000 a year earlier. Together these statistics may indicate increasing action against small scale traffickers or abusers.

A.3. Plans, Programs and Timetables

The GOM has no plans for the elimination of cannabis cultivation. Officials talk of economic development in Morocco and demand reduction in consumer nations as eventual means of reducing narcotics cultivation. At present the national police (Surete National) is conducting its first study in three years to determine the extent and nature of marijuana cultivation and abuse.

A.4. Adequacy of Legal and Law Enforcement Measures

The legal framework for narcotics control in Morocco did not change in 1985. Violations are consolidated in a single trafficking offense, with maximum penalties of ten years in prison and a DH 100,000 (\$10,000) fine. Internal trafficking

and consumption are generally not heavily punished except in cases involving the major illicit substances. Export, particularly of large amounts, can be severely punished.

The following Moroccan agencies are involved in narcotics work: A) Surete National: This national police force has primary responsibility for narcotics control and liaison with non-Moroccan anti-narcotics groups, including Interpol. B) Gendarmerie Royale: This is a paramilitary force responsible for security outside urban areas, including eradication efforts. The Gendarmerie is also responsible for control of the flow of contraband within the country. C) Customs is responsible for controlling import and export of illegal goods at the ports of entry. D) The Regie des Tabacs (state tobacco administration): Though having no enforcement responsibility, levies small fines in cases involving hashish. Narcotics control is not a priority activity for any of the above agencies, nor is this attitude likely to change. Cooperation among agencies is minimal.

Corruption is a significant problem in northern Morocco, and contributes to international trafficking. However, as the traffickers do not appear to be institutionalized, corruption is probably not either.

The only third country with narcotics control personnel in Morocco is the Federal Republic of Germany. In late summer 1985, an FRG police officer with prior international experience was appointed to the embassy in Rabat.

Local anti-narcotics training is limited to basic courses at the police and customs schools. The U.S. and the U.N. have in the past provided more sophisticated training. European countries, Arab organizations and Interpol provide intermittent advanced training.

A.5. Domestic Drug Abuse

Cannabis use is widespread, though some among the young urban elite do abuse drugs such as cocaine or heroin. Domestic consumption accounts for about half of all cannabis cultivation. However, there are no reliable statistics on abuse. The Ministry of Social Affairs is planning a study but has estimated 750,000 drug abusers in Morocco. Most are members of Berber tribes or rural laborers who are traditional consumers in Morocco. The balance of abusers are from the young urban population.

The Ministry of Social Affairs is responsible for preventive measures and has held seminars for medical and

social workers but has not undertaken any large anti-abuse programs. The Ministry of Health is responsible for treatment and rehabilitation. Efforts in all areas have a low priority and receive little support.

B.1. Nature of Illicit Drug Production

Cannabis is the only narcotic produced in Morocco. It is a traditional crop in the Rif Mountains, legalized during the French Protectorate and criminalized after independence (1956). Perhaps 6,000 hectares are cropped annually, producing roughly 6,000 tons of green marijuana. Half goes to production of dried baled marijuana and half is further refined into hashish and hash oil.

B.2. Factors Affecting Production

Political, geographic, economic and social factors work against a reduction of the cannabis crop. The Rif area Berber tribes have a long tradition of independence, and an eradication program would provoke tensions in an area where the central government's control is relatively weak. The geography and climate of the Rif make cultivation of all crops difficult and only the most profitable are produced. Also, because of the Rif's sea access to Europe, the local economy has long been based on smuggling of contraband goods, including narcotics. As remittances from workers in Europe decline, a further stimulus is given to drug cultivation.

Though narcotics use is forbidden by both civil and Islamic law, few Moroccans see abuse as a problem. Rather, it is regarded as a traditional feature of the society. The press covers narcotics on a case by case basis and has followed with particular interest cases involving narcotics or export of cannabis.

B.3. Maximum Achievable Reductions

There are no ongoing or planned reduction programs for cannabis cultivation or abuse. The Interpol Office of Surete National reported only four hectares of crop destroyed in 1981, three in 1982 and none in 1983. There is no known planned timetable to reduce cannabis production in 1986.

B.4. Methodology for Estimates

Not applicable.

C.1. Statistical Tables

A. SUMMARY TABLES:

<u>cannabis</u>	<u>1985 (est)</u>	<u>1986 (est)</u>
Hectares cultivated	6,000	6,000
Hectares eradicated	0-5	0-5
Hectares harvested	6,000	6,000
Cannabis yield (green)	6-7,000 MT	6-7,000 MT
Loss factor	300-350 MT	300-350 MT
Cannabis seized	300-350 MT	300-350 MT
Converted to hashish	2,000 MT	2,000 MT
Hashish yield	40 MT	40 MT
Hashish consumed in country	15-20 MT	15-20 MT
Hashish exported - U.S.	less than 1.5 MT	less than 1.5 MT
Hashish exported elsewhere	20-25 MT	20 - 25 MT
Marijuana consumed in country	600-650 MT (dried)	600-650 mt (dried)
Marijuana exported - U.S.	0	0
Marijuana exported elsewhere	350-400 MT (dried)	350-400 MT (dried)

B. DATA TABLES:

<u>Cannabis</u>	<u>1985 (est)</u>	<u>1984</u>	<u>1983</u>
gross cultivation	6,000 H	6,000 H	6,000 H
gross potential production (green)	6,000 MT	6,000 MT	6,000 MT
hectares eradicated	0-5 H	12 H	0
crops eradicated	0-5 MT	12 MT	0
hectares out	0	0	0
crops out	0	0	0
net cultivation	6,000 H	6,000 H	6,000 H
net production (green)	6,000 MT	6,000 MT	6,000 MT
refining: hashish and Hash oil	40 MT	40 MT	40 MT
<u>Seizures: marijuana</u>	30-45 MT	30.1 MT	42 MT
Other cannabis	4-6 MT	4.4 MT	5.6 MT
Other drugs	unknown	5.6 KG	10 grs
<u>Arrests: nationals</u>	10,000	10,035	9,583
Foreigners	250	194	260
<u>Domestic consumption:</u>			
Marijuana	600 MT	600 MT	600 MT
Other cannabis	15-20 MT	15-20 MT	15-20 MT
Other drugs	unknown	unknown	unknown

<u>Users:</u> marijuana	600,000	600,000	600,000
Other cannabis	200,000	200,000	200,000
Other drugs	3,000	3,000	3,000

D. Status of U.S. Government Assistance

See Appendix

E. Resource Estimate

Embassy has requested a small program (under \$10,000) to permit a limited amount of training and exchange as a means of establishing better relations with Moroccan narcotics personnel. We do not expect this to have a noticeable impact on Moroccan anti-narcotics efforts. Given Moroccan social and economic conditions, we do not believe that establishing an INM program of any size here would lead to significant reductions in narcotics activity.

OTHER COUNTRIES IN AFRICA

Cannabis grows wild throughout Sub-Saharan Africa, and is cultivated in many African countries. Most of this cultivated cannabis appears to be consumed in Africa, but there are substantial exports to Europe and minor exports to the United States. The drought that has diminished recent agricultural production in many African countries has also taken its toll on the cultivation of cannabis.

The role of African countries in drug trafficking has enlarged, particularly in serving as transit points for Southwest Asian heroin and opium. In addition, there has been substantial trafficking of methaqualone (known as Mandrax) from Europe and India to Africa, the major market being South Africa.

Drug usage is increasing in most of the northern African countries and tough new laws have been proposed or enacted in recent years. Traditional Moslem attitudes toward the use of hashish and opiates ameliorate illicit drug usage. Cannabis is the substance most abused in Africa, although there is abuse of amphetamines, methaqualone, and barbiturates. There has also been reports that cocaine is finding its way into some African countries.

The following offers a perspective on a few African countries:

KENYA

Kenya is the only country in eastern Africa considered to be a significant producer of marijuana. Kenyan officials are working on an estimation methodology for use in 1986. Officials destroyed about six tons in 1984. Half of the production is consumed domestically. The largest share of the export crop goes to European markets, primarily the United Kingdom. There is no evidence of opium poppy cultivation or heroin production in Kenya. However, Kenyan officials say the country is being used increasingly for the transshipment of heroin and cocaine to Southern Africa and Europe.

Because of the importance of Mombasa as eastern Africa's major maritime port, Kenya is believed to be a major focal point for drug smuggling operations. Mombasa is the first port of call for many ships embarking from Southwest Asia. Most of the cargo reaching the port is containerized and less than one percent is inspected because of the volume and limited customs capabilities.

INM and DEA will sponsor an East African training program in 1986, to be held in Kenya.

NIGERIA

Nigeria is not a major producer of illicit drugs. However, its role as a transit country expanded in 1984 with the increased involvement of Nigerian traffickers in heroin smuggling from Southwest Asia through Nigeria to the United States and Europe. Now, Nigerians are involved both in the organization of the trade and in the transport and sale of narcotics in Europe and the United States. By 1985, authorities were estimating that two-thirds or more of illicit narcotics transiting Africa were shipped through Nigeria. Nigerian heroin smugglers are supplied almost exclusively by Pakistani traffickers.

The government has stepped up enforcement measures at airports, especially Lagos International. U.S. Customs is sponsoring a training program for Customs employees. DEA has assigned an officer to Lagos to develop a working relationship with Nigerian enforcement authorities, and to evaluate the feasibility of establishing a permanent office there or at some other location in West Africa.

There has been significant spill-over effect, resulting in a growing addict population.

The following statistics illustrate the increase in Nigerian involvement in heroin trafficking: (1985 not available)

	<u>1984</u>	<u>1983</u>	<u>1982</u>
<u>Heroin Seizures from Nigerians</u>			
In the U.K. (KGS)	27.5	9.8	1.8
Elsewhere	30.7	20.0	.95
<u>Number of Incidents Involving Nigerians</u>			
In the U.S.	92	21	3
Elsewhere	31	15	4

SENEGAL

Cannabis cultivation in Senegal yielded approximately 150 metric tons in 1984. Nearly 90 percent of the crop is believed to be consumed locally. Less than ten percent is believed to be exported to Gambia and other neighboring countries.

In January 1985, Senegal took the lead among West Africa states in organizing (with UN agencies) an "International

Colloquium on Drug Problems in Francophone African Countries." The conference was important in being the first step towards regional cooperation in drug control.

SOUTHERN AFRICA

Cannabis grows wild in many parts of southern Africa is marketed in Southern Africa. The major areas of production include the northeastern Transvaal escarpment, the independent homeland of Transkei and the Pongola Valley in Natal, and the countries of Swaziland, Lesotho and Botswana. A severe drought in southern Africa during the past three years has substantially reduced the cannabis crop. Furthermore, the South African Government reports that 10 times as much cannabis was seized and destroyed in the first 8 months of 1984 as in all of 1983.

The primary market for the small export quantities of South African cannabis is believed to be Europe with occasional shipments going to the United States.

SUDAN

Sudanese authorities estimate that at least 200 tons of marijuana are produced annually. Most of the cultivation is along the Nile tributaries in the south and east of the country. Cultivations as large as two hectares have been discovered in southern Darfur and Blue Nile provinces. The country's illicit cannabis industry is beginning to find an export market in the Persian Gulf countries, particularly Saudi Arabia. Sudanese officials believe there is a steady flow of amphetamines transiting the country from Sub-Saharan Africa enroute to the Persian Gulf States.

BULGARIA

A.1 Status of Illicit Narcotics Production and Trafficking

The official position of the Government of Bulgaria is that it does not tolerate the activities of known drug dealers on its territory. In forceful terms, the GOB states that (1) there is no internal drug abuse problem, (2) Bulgaria's successes in stemming the flow of drugs across its borders are exceptional, given the country's position as a major land route between Asia and Europe, and (3) charges that foreign drug traffickers use Bulgaria as a base are unsubstantiated, slanderous and politically motivated.

That notwithstanding, Bulgaria does admit to small number of non-registered drug abusers, and to a small domestic drug problem which does not affect Bulgarian society.

The United States Government cannot confirm that narcotics smuggling is state policy in Bulgaria. However, official statements notwithstanding, well-known foreign drug dealers do operate out of semi-permanent bases in Bulgaria, and reside openly in Sofia and other cities for substantial periods of time. In a regimented society, it is inconceivable that such activity could take place without some degree of official acquiescence or perhaps complicity.

It is noted that, in response to Embassy and DEA requests to share information on foreign traffickers, GOB officials have provided a list of some individuals who had been expelled or arrested. But, on others believed to reside in Bulgaria, the GOB claimed to have insufficient information.

Perhaps in response to continued publicity, reports over the past year indicate that much of the alleged drug-related activity of Kintex, the state trading organization, has been curtailed. The GOB Minister of Foreign Trade has admitted that drug-related allegations involving Kintex have been investigated, suggesting at least some level of official GOB concern. Further, most official GOB statements to the media suggest increased awareness and sensitivity to foreign criticism concerning alleged GOB involvement in the illicit narcotics traffic.

Meanwhile, GOB officials attempt, in highly detailed press conferences, to emphasize the number and volume of drug seizures, and cite new laws which increase the penalties for drug trafficking.

U.S. Interests

The United States continues to urge the GOB to halt all smuggling through its territory, and, inter alia, curb any official involvement in the trafficking. The GOB has created an interagency drug enforcement unit to direct liaison with the Embassy and DEA. The success of these efforts at cooperation will be seen by the United States as a test of Bulgarian sincerity on the drug trafficking issue. The GOB is still very interested in a formal customs protocol with the United States, and U.S. officials have made clear that a response will be influenced by evidence of Bulgarian dedication to all aspects of drug enforcement.

Legitimate Production

Under the 1961 Single Convention, Bulgaria is permitted to cultivate a limited amount of opium poppies for legitimate drug production. The traditional poppy-growing region is the Southwestern portion of the country. According to information from the INCB, the last production of opium in Bulgaria was in 1976. In 1985, the GOB informed the Embassy that opium had not been produced in Bulgaria for several years.

Bulgaria does manufacture some amphetamine, although recent attempts to purchase precursor chemicals from West German suppliers have been unsuccessful. In 1984, the GOB informed the U.S. mission, Sofia, that production and export of aspirin-amphetamine combinations had ceased. There is no known production of coca, cannabis, or hypnotic/sedative substances in Bulgaria.

Illicit Drug Production

Bulgaria is a major transshipment point for heroin. Unconfirmed reports suggest that several heroin processing laboratories may be operating in Bulgaria. Many well-known smugglers, primarily of Turkish origin, reside in Bulgaria on at least a temporary basis. The Bulgarian-based smugglers, known to move shipments of other contraband, may possibly move heroin through Bulgaria, and are presumed to be involved in these illicit heroin processing activities. The number of such traffickers resident in Bulgaria is believed to be decreasing.

The GOB confirms the official U.S. belief that the principal smuggling route is the heavily travelled international highway (E-80) which passes through the country from Istanbul to Belgrade. GOB officials have declined to speculate on the annual quantity of narcotics which transit annually through Bulgarian territory.

Additionally, there are indications of increased smuggling along the international rail line which runs parallel to highway E-80. In the past, there have also been some illegal arms shipments from Bulgarian ports, and it is plausible that the same ships could have brought narcotics into Bulgaria for transshipment through more established routes.

In 1985, a raid on a heroin laboratory in Sicily resulted in the seizure of a plate and frame filter made by Elprom - Trayan, a Bulgarian manufacturing firm. The GOB has offered information concerning the firm and its export activities, although preliminary DEA investigations indicated that only the motors of the filtration apparatus was manufactured in Bulgaria.

A.2. Accomplishments in 1985

In February 1985, officials from several GOB ministries staged an unusual news conference for domestic and foreign media. In careful and detailed presentations, spokesmen reviewed the number and volume of drug seizures while dismissing western allegations that Bulgaria was a safe haven for traffickers. The GOB spokesmen also reviewed new legislation strengthening legal sanctions and penalties for drug trafficking.

The United States has continued attempts to establish a serious working relationship with the GOB in the enforcement field. These efforts met with preliminary success in 1985, with the establishment of a GOB interagency drug enforcement unit for direct liaison with the U.S. Embassy and DEA. In view of the poor history of such contacts in the past, current efforts are a serious test of Bulgarian sincerity towards significant cooperation against drug trafficking.

The GOB only provides arrest and seizure data provided by the Customs service; no domestic arrest and seizure data are available. Heroin seizures declined from a 1984 level of 93.9 kilograms to 8.65 kg. in 1985. Hashish seizures declined from 1.36 kg. to .6 kg. in 1985, while marijuana seizures declined from 22.4 kg. in 1984 to nothing in 1985. There were twelve arrests of foreign nationals for smuggling of narcotics in 1985.

A.3. Plans, Programs and Timetables

In February 1985, the GOB announced new legislation as amendments to the penal code, strengthening existing articles governing the use and trafficking of illicit drugs. The most significant of these revisions mandate penalties ranging from three to fifteen years of "corrective labor" for persons engaging in narcotics transactions on GOB territory.

While the promulgation of the new drug law and increased DEA contact is a positive sign, it remains to be seen how consistently the GOB pursues these initiatives.

A.4 Adequacy of Legal and Law Enforcement Measures

As noted previously, the narcotics code was significantly strengthened in 1985.

Bulgaria is a party to the 1961 Single Convention and the 1971 Convention in Psychotropic Substances. It is not a party to the 1972 amendments to the Single Convention.

Bulgaria is a member of the Customs Council Policy Committee. On May 13-17, Bulgaria hosted an international conference of Customs representatives in Varna, which was not attended by the U.S. Customs delegation; during the conference, agreements of future Customs cooperation were made with the Netherlands, Austria, and the United Kingdom.

The Bulgarian Customs Service and the Ministry of Interior (police) share administrative responsibility for narcotics investigations. Recently, the Ministry of Interior has increasingly taken the lead in drug enforcement matters, causing some interagency resentment. In the past, there has been evidence that at least some GOB Customs inspectors have been in collusion with narcotics traffickers.

A.5. Domestic Drug Abuse

The Ministry of Health is responsible for drug education, prevention and treatment. A special clinic near Sofia specializes in the de-toxification of alcoholics and drug addicts. Unofficial Ministry of Health contacts indicate that approximately one hundred heroin addicts receive drug maintenance treatment.

Officially, the GOB admits to no illicit narcotics addiction problem, e.g. heroin, but concedes some abuse of prescription stimulants and sedatives. A Ministry of Health official acknowledged to the U.S. Embassy that of the 500 registered addicts in Bulgaria, approximately 300 utilize opium-based preparations.

The major focus of the Ministry of Health substance abuse programs is alcoholism and tobacco use, rather than narcotics dependence. Detoxification and group psychotherapy are the narcotics treatment modalities of choice in Bulgaria, and are apparently carried out on an in-patient/residential basis.

C.1. Statistical Tables

None available.

APPENDIX

INTERNATIONAL NARCOTICS TRAINING

More than 1,200 persons from over 80 countries participated in the U.S. Government's International Narcotics Training program in FY 1985. Funded by INM, and carried out primarily by DEA and the U.S. Customs Service, this program has two major objectives: first, to improve the technical and investigative skills of law enforcement and customs personnel, thereby upgrading drug law enforcement capabilities in key narcotics trafficking and transit countries; second, to promote increased cooperation and coordination between U.S. and foreign law enforcement officials.

Although basic enforcement techniques have traditionally been the focus of narcotics control training, in recent years the emphasis has shifted to courses dealing with special investigative requirements unique to various host countries. During FY 1985 special courses were given on financial investigation and intelligence techniques peculiar to the individual countries. For example, a number of special seminars were organized for prosecutors and judicial officials in Latin America. Training in the host countries has concentrated on improving the technical skills of law enforcement and customs personnel with a solid background in narcotics interdiction and law enforcement.

In principle, operational-level officers attend training courses in host countries, while senior, managerial-level officers attend training courses in the United States. Whenever possible, officers who have previously received training as instructors share the training responsibility in host countries. These joint efforts enhance the drug investigation capabilities of foreign officers, while improving multilateral intelligence and information exchange.

The Executive Observation and International Visitor Programs are other important components of the International Narcotics Control Training Program. These programs give policy-level officials from key narcotics-trafficking and transit countries the opportunity to consult with their U.S. counterparts and provide a first-hand view of U.S. narcotics control programs and institutions. Such programs also promote increased mutual understanding of the problems associated with efforts to control narcotics trafficking, production and

abuse. While INM funds the Executive Observation and International Visitors Programs, they are administered by the U.S. Customs Service, the Drug Enforcement Administration, and the United States Information Agency.

Drug Enforcement Administration:

	<u>number of</u> <u>participants</u>	<u>number of</u> <u>programs</u>
<u>Training in U.S.:</u>		
Executive Observation Programs	20	12
Advanced International Academy	97	3
Caribbean Regional Schools	48	2
Subtotal	<u>165</u>	<u>17</u>
<u>Training in Host Countries</u>		
Drug Enforcement Schools	270	9
Collection and Analysis Methods	180	6
Criminal Information Research	30	1
Financial Investigative Methods	30	1
Methods of Instruction	120	4
Judicial/Prosecutors' Seminar	60	3
Special Technical Team (airport)	30	1
Subtotal	<u>720</u>	<u>25</u>
<u>INM Sponsored Programs:</u>		
International Visitors' Programs	12	5
<u>U.S. Customs Service Courses, Seminars and Programs:</u>		
Mid Management Seminar	60	2
Overseas Enforcement Training	210	8
Train-the-Trainer Workshop	14	1
Executive Observation Programs	20	5
Subtotal	<u>304</u>	<u>16</u>
Total Trained in FY 1985	1201	63

**ASSISTANCE FROM MULTILATERAL DEVELOPMENT BANKS
1985
\$ MILLIONS**

COUNTRY	IBRD	IFC	IDA	IDB	ADB	AFDB	TOTALS
Argentina	1.8	63.4	0.0	101.3	0.0	0.0	166.5
Bahamas	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Belize	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bolivia	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Brazil	1523.0	44.6	0.0	379.5	0.0	0.0	1947.1
Burma	0.0	0.0	32.3	0.0	0.4	0.0	32.7
Colombia	707.5	23.0	0.0	413.3	0.0	0.0	1143.8
Costa Rica	83.5	0.0	0.0	0.0	0.0	0.0	83.5
Ecuador	8.0	0.0	0.0	274.4	0.0	0.0	282.4
Egypt	263.3	6.2	0.0	0.0	0.0	118.3	387.9
Hong Kong	0.0	0.0	0.0	0.0	0.0	0.0	0.0
India	1674.0	34.7	672.9	0.0	0.0	0.0	2381.6
Indonesia	972.7	1.2	0.0	0.0	503.0	0.0	1476.9
Jamaica	64.0	10.5	0.0	20.1	0.0	0.0	94.6
Laos	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lebanon	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Malaysia	89.8	0.0	0.0	0.0	134.4	0.0	224.2
Mexico	598.0	0.0	0.0	397.3	0.0	0.0	995.3
Morocco	207.6	44.6	0.0	0.0	0.0	180.5	432.6
Pakistan	433.0	39.9	245.3	0.0	573.5	0.0	1291.7
Panama	51.0	37.5	0.0	52.8	0.0	0.0	141.3
Peru	31.0	16.8	0.0	0.0	0.0	0.0	47.8
Philippine	254.0	48.1	0.0	0.0	1.0	0.0	303.1
Syria	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Thailand	112.5	0.6	0.0	0.0	171.1	0.0	284.2
Turkey	698.5	7.1	0.0	0.0	0.0	0.0	705.6
Venezuela	0.0	0.0	0.0	138.0	0.0	0.0	138.0

Source: 1985 World Bank (IBRD and IDA) and IFC Annual Reports, and various reports from the ADB, IDB and AFDB, using the totals of approved projects during each bank's fiscal year. The fiscal year for the IBRD, IDA and the IFC ends on 30 June 1985. The other banks complete their fiscal year on 31 December.

IBRD is the International Bank for Reconstruction and Development
 IDA is the International Development Association
 IFC is the International Finance Corporation
 IDB is the Inter-American Development Bank
 ADB is the Asian Development Bank
 AFDB is the African Development Bank (and Fund)

U.S. ECONOMIC AND MILITARY ASSISTANCE
 FY 1986 ESTIMATE
 BY COUNTRY AND PROGRAM (\$ MILLIONS)

COUNTRY	DA	ESF	PL480 I	PL480 II	PEACE CORPS	INT'L NARCOTICS	IMET	FMS CONC	FMS GUAR.	MAP	TOTAL
ASIA											
Burma	10.0					5.5	0.2				15.8
India	75.0			80.4			0.3				155.7
Indonesia	53.0		30.0	3.8			1.9	19.1			107.8
Laos											0.0
Malaysia							0.9		1.9		2.8
Pakistan	24.0	239.3	50.0			3.5	0.9		311.0		628.6
Philippines	18.9	119.6	35.0	7.7	4.9		2.1		14.4	38.3	240.9
Thailand	19.0	5.0			2.8	3.6	2.2	38.2	42.3	4.8	117.9
ARA											
Argentina							.0				.0
Bahamas							.0				.0
Belize	6.6	1.9			2.4		0.1			0.5	11.4
Bolivia	9.3	14.4	20.0	8.5		3.7	0.3			2.9	59.0
Brazil						0.7	.0				0.7
Colombia						10.6	0.8		9.6		21.0
Costa Rica	10.9	120.6	23.0		3.1		0.2			2.4	160.1
Ecuador	22.5	20.1	5.0	0.6	3.0	0.9	0.7	1.9	1.9		56.6
Jamaica	19.0	59.3	30.0	1.6	2.2		0.2			7.7	120.1
Mexico						10.1	0.2				10.3
Panama	17.2	5.7					0.6	3.8		3.8	31.2
Peru	17.9	9.6	20.0	8.0		4.0	0.7				60.2
Venezuela							0.1				0.1
NEAR EAST/EUROPE											
Egypt		1031.4	213.0	6.9			1.7	1244.1			2497.1
Lebanon		21.9					0.5				22.4
Morocco	20.0	11.5	40.0	5.6	2.2		1.4	1.0		33.5	115.1
Turkey		119.6				0.9	3.2	330.2	79.3	205.8	738.8
Asia-NE Regional	25.8	17.8				0.4					43.9
LAC Regional	27.4	6.7				7.0				0.5	41.6

U.S. ECONOMIC AND MILITARY ASSISTANCE
 FY 1987 PROPOSAL
 BY COUNTRY AND PROGRAM (\$ MILLIONS)

COUNTRY	DA	ESF	PL480 I	PL480 II	PEACE CORPS	INT'L NARCOTICS	IMET	FMS CONC	FMS GUAR.	MAP	TOTAL
ASIA											
Burma	10.0					8.8	0.4			1.0	20.2
India	72.0			80.5			0.4				152.9
Indonesia	55.0		15.0	4.0			2.8	35.0			111.8
Laos											0.0
Malaysia							1.2		5.0		6.2
Pakistan	25.0	250.0	50.0			2.9	1.4		340.0		669.3
Philippines	23.0	95.0		7.7	5.2		2.8	50.0		50.0	233.6
Thailand	19.0	5.0			2.8	4.3	2.5	61.0	42.5	5.0	142.1
ARA											
Argentina							0.1				0.0
Bahamas							0.1				0.1
Belize	7.5	3.0			2.5		0.1			1.0	14.1
Bolivia	9.3	20.0	20.0	8.3		4.7	0.4			6.0	68.6
Brazil						1.2	0.1				1.3
Colombia						10.2	1.0	10.0		10.0	31.1
Costa Rica	16.0	150.0	18.0		3.2		0.3			3.1	190.5
Ecuador	22.5	15.0		0.5	2.8	0.8	0.7			8.0	50.3
Jamaica	23.0	100.0	30.0		2.3		0.3			8.0	163.6
Mexico						11.3	0.3				11.6
Panama	18.1	28.0					0.8	4.0		9.8	69.7
Peru	20.0	37.0	10.0	7.8		5.7	0.9	5.0		20.0	106.3
Venezuela							0.2				0.2
NEAR EAST/EUROPE											
Egypt		815.0	185.0	4.9			2.0	1300.0			2306.9
Lebanon		2.0					0.8				2.8
Morocco	18.0	20.0	40.0	4.2	2.1		1.9	10.0		60.0	156.1
Turkey		150.0				1.0	4.0	455.0	145.0	220.0	975.0
Asia-NE Regional	22.1	25.0				0.3					47.4
LAC Regional	24.1	12.0				4.0	4.0				44.1