

As a result of these efforts, the Subcommittee staff has collected a great amount of valuable information on the international narcotics trade generated in Southeast Asia. This staff statement is designed to summarize and publicly share the fruits of the Subcommittee's investigation. The potential importance of this material is clear on at least three levels: as an intelligence aid to law enforcement in their continuing efforts against narcotics; as an informational framework for this Subcommittee and the full Congress both in carrying out oversight responsibility and in forging appropriate legislative assistance; and lastly, as an educational tool for the American public in developing and sustaining a better appreciation of the gravity of the narcotics problem which today confronts the United States.

J A P A N

Although not situated within the area traditionally designated as "Southeast Asia," Japan's geographic, economic, and political importance to the region demands that it be considered in any comprehensive study of narcotics trafficking in that area.

Japan itself does not currently have a major domestic heroin problem. Heroin usage within the country, as well as cocaine and marijuana usage, is minimal. By contrast, in the 1950's and 1960's, the country did experience a problem with domestic heroin usage and addiction. Recognizing the problem, the Japanese took steps to eliminate it, and in fact, did so. Their approach was twofold: (1) a concerted enforcement effort focused on dealers as opposed to users; and (2) comprehensive rehabilitative and educational programs aimed at the entire spectrum of the drug subculture: "junkies," users and potential users. Given the large proportion of young people in the population, substantial effort was devoted to organizing an extensive drug education program aimed primarily at Japanese youth. Those educational efforts remain in force today. All these programs, reinforced by the traditionalist and non-permissive nature of Japanese culture, have resulted in a society relatively free of heroin, cocaine, and marijuana usage.

Japan has not, however, totally escaped the burden of a domestic drug problem. Japanese authorities acknowledge that a serious problem exists in the trafficking and domestic

usage of methamphetamines. In 1980, Japanese law enforcement reported seizures totally 250 pounds of methamphetamines. Manufactured chiefly in Korea, followed by Taiwan, the Phillipines, and Hong Kong, most methamphetamines are smuggled into Japan by way of fishing boats out of Korea. Recently, the purity of those methamphetamines has increased doublefold, while the price has declined. Japanese authorities now believe that the supply route has shifted, tracing the drugs from Germany into Korea and subsequently into Japan. In any event, Japan remains the final destination point for most of the shipments, given the increasing domestic market for the drug.

The Japanese methamphetamine trade, while not directly influencing the United States on a major scale, may well be providing valuable trafficking experience to a group which is widely recognized as having the greatest future potential for developing major heroin trafficking operations into the United States. Designated the "Yakuza" or "Boryokudan," the group is the Japanese equivalent of traditional American organized crime syndicates.

Rooted deeply in Japanese culture, the Yakuza are the modern day successors to the ancient samurai warrior-class. When the samurais were officially abolished some one hundred years ago, the remnants of that class banded together in gangs, surviving to the present as the Yakuza, or Japanese organized crime. Law enforcement authorities estimate current Yakuza strength in Japan at 108,000, divided into some 2,500 separate

groups or families. Of those, four major groups account for thirty percent of organized crime for all of Japan. Like American organized crime, they are territorial in nature, dividing control of criminal activities by region.

Although also engaged in other criminal activity, including extortion and gun trafficking, Japanese organized crime effectively controls all methamphetamine distribution within Japan. Trafficking in methamphetamines (generating about 2½ to 3 billion dollars per year) constitutes approximately 60 percent of all Yakuza money. All Yakuza activities, totalled for all identifiable groups, generate an estimated \$5 billion dollars per year.

Although Yakuza drug activity in Japan presently centers on the methamphetamine trade, there are growing indications that they have engaged in heroin trafficking in several instances. Of even more immediate concern to American law enforcement has been the increasing presence and influence of the Yakuza in the United States. This was most prominently brought to light in 1972 when Yakuza member Waltaru Inada, a recognized supplier of two major heroin distribution organizations, was arrested in Hawaii in connection with narcotics distribution. While awaiting trial, Inada was murdered and his source of heroin was never identified. His murder remains unsolved.

In addition to instances of growing Yakuza interest in the heroin trade, law enforcement authorities now believe that Japanese organized crime is successfully filtering large amounts of Yakuza money into legitimate business enterprises in the United States, in Honolulu and elsewhere. The American economy

is proving to be fertile ground for the investment of the tremendous profits which the Yakuza have reaped through dealing in illegal chemicals in Japan. This trend has been accompanied by a growing community of known Yakuza members and associates residing within the United States, particularly in Hawaii and California. Equally alarming is the fact that law enforcement authorities have confirmed contacts by Yakuza members with traditional American organized crime families. Given the current bumper opium crop in the Golden Triangle and the establishment of Yakuza money and contacts in the United States, numerous law enforcement authorities expressed to the Subcommittee staff their belief that it is only a matter of time before the Yakuza groups become seriously involved in the smuggling of heroin into the United States from Southeast Asia. Given their expertise and control of an established network for trafficking in methamphetamines, the heroin business presents a "golden opportunity" for future profit for the Yakuza.

That possibility is especially sobering given the relative lack of documented information on the Yakuza in American law enforcement circles and the easy influx of large numbers of Japanese tourists into the United States. Combined, those two facts will seriously undermine future attempts by law enforcement to control the extent of Yakuza activity within the United States. Where known convicted Yakuza members have arrived in Honolulu, the Immigration and Naturalization Service has acted swiftly on at least eight separate occasions to institute deportation proceedings against those individuals. Hawaii, however,

remains a favorite spot for Japanese tourists, resulting in a consistently steady flow of Japanese through Honolulu customs. Proposals have been made to remove or shortcut the current visa requirements for visiting Japanese nationals. The airlines, in particular, have been urging the adoption of those proposals. Should the visa requirement be lifted, not only will detection and deportation of convicted Yakuza members become more difficult, but it will also become nearly impossible to effectively control the potential trafficking of drugs into Hawaii by Japanese nationals.

T H A I L A N D

Though not itself a significant producer of opium for international heroin market, Thailand is, in many ways, at the very heart of the heroin trade in Southeast Asia. Situated directly between the opium fields and heroin refineries of Burma to the north and the transshipment ports of Malaysia and Singapore to the south, Thailand is undoubtedly an essential and critical link in the trafficking of heroin out of Southeast Asia.

Thailand itself is largely a domestic producer of opium; little of the harvest is exported into the international heroin trade. As in other Southeast Asian countries, opium usage for a variety of purposes is long ensconced in local culture and tradition. In many villages in both Thailand and Burma opium has served as literally the only known medicine for hundreds of years. Beyond medicinal purposes, opium is an intricate and accepted part of many social and ritualistic aspects of village life. Opium is, for example, part and parcel of the village marriage ceremony. These alternative uses of opium are so prevalent that the crop is grown mainly for domestic usage in spite of the lack of serious addict problems in tribal villages. Authorities believe that the addiction rate in producing Thai villages is, in fact, less than five percent.

Supported by such strong cultural traditions, opium production in Thailand today still centers on what are commonly referred to as the "hill tribe villages" scattered throughout northern Thailand. Of 900 such villages in northern Thailand, at

least 500 produce opium. Thai authorities estimate that there are now approximately 400,000 people in the hill areas who have no other source of income besides opium. In spite of official government eradication and crop substitution efforts, it is estimated that those villages will harvest approximately fifty tons of opium this year. That figure far surpasses the twelve tons produced last year.

The phenomenon of Thai opium production and the difficulties which law enforcement has encountered in dealing with it, can only be fully appreciated in the context of the cultural and political status of the Thai hill tribes. These villages are, for the most part, ethnically, geographically, and politically alienated from the mainstream of Thai society. The great majority do not have Thai citizenship by birth nor the right to land tenure. They have little money, little education, and little allegiance to the culture and political viewpoints of the central Thai government. Moreover, the isolation of these tribes renders them especially susceptible to the influence of many separatist political groups, some of which are themselves threats to Thai domestic security. An additional problem is the utter inaccessibility of the areas in which the "hill tribes" cultivate opium. In the course of this investigation, the Subcommittee staff had the opportunity to examine firsthand the opium-growing areas of both Thailand and Burma from the air. Such overflights provide a true education in isolation for the Westerner. Village

after village is nestled in densely forested mountain areas, with access to few or no roads leading to civilization. It is on the mountainsides surrounding those villages that opium is cultivated.

In Thailand, this problem of geographic isolation has improved somewhat over the years. Nine years ago, there were no crop substitution projects in these areas nor any sign of official governmental presence or interest. By contrast the areas were freely traversed by opium traffickers carrying their product south by human or mule caravan. Today, through intensive development efforts by the Thai government as well as the United Nations and foreign funded crop substitution projects, there are, at the least, roads leading to the villages now included in the various crop substitution programs.

In light of these factors, many authorities believe that a successful crop substitution program will prove to be the only effective long run solution to the problems of both narcotics and economic and social development in Southeast Asia. Success in that field will require both the identification of crops which are viable substitutes for opium as well as the discovery of ways to work effectively with the villagers themselves.

In seeking out the ideal opium substitute, authorities have recognized that opium itself is among the most labor intensive of all crops, making it especially attractive to the labor-rich and capital-poor hill tribes. In over eight years of experimental crop substitution in Thailand, kidney beans has emerged as the most ideally suited substitute crop for the opium poppy. It has the same growing season as opium and generally fits in with the

agricultural pattern of the area. Kidney bean production is compatible with corn, which has traditionally been planted alternately with opium in the villages. Assorted fruit and vegetable crops have also been included in some programs.

When considering perennial substitute crops, the projects encourage coffee production. Tribal acceptance of coffee is promising, inasmuch as it is one of the few crops that can successfully compete with opium as to price. It takes approximately three years to cultivate a good crop of coffee. With the development of new roads, the Thai government has been successful in cultivating accessible markets for a sizeable coffee crop.

During the course of the investigation, the Subcommittee staff visited the site of the United Nations project in Chiang Mai, considered the most extensive crop substitution effort in Thailand. Initiated over eight years ago, United Nations personnel now maintain project activities in some thirty-nine Thai hill tribe villages. In addition, they have recently expanded into three new "extension" areas, each producing over 1,000 rye of opium. The project now employs sixty technicians, with available funds of one million dollars per year. United Nations funding has been obtained from American sources as well as Norwegian church aid, the latter contributing over sixty percent of the total.

United Nations project personnel have established ten separate agricultural centers throughout five separate

geographical areas. In addition to crop experiments, development efforts, including programs in education and medicine as well as day care, take place in each of those centers.

Depending on the tribe, most of the villages are structured by individual families. The decision whether or not to participate in crop substitution is usually made on an individual basis -- it is not a communal decision. Usually a few innovators will become involved, with others subsequently following. The project has erected demonstration plots in each of the ten agricultural centers.

One of the biggest problems confronting the project has been in the personnel area. Given ethnic and cultural differences, there has been continual friction between the Thais and the hill tribes. It has proven extremely difficult to successfully place Thai project personnel within the scheme of village life. In an effort to avoid that problem, the project has now instituted six month training sessions in extension work. The hill tribe villagers are placed in these sessions for eventual return to their own villages as project extension workers.

Though in the forefront, the United Nations project is not alone in mobilizing crop substitution efforts in Thailand. There are now approximately 29 separate crop substitution programs in operation throughout the country. The Germans have invested some five million deutschmark for a similar project in Thailand. To date, only surveying has been accomplished. Situated to the northeast of the United Nations project, the Germans will emphasize development and research, stressing the identification of more

exotic types of substitute crops. The United States Department of Agriculture has likewise invested one half million dollars per year in Thailand for research to develop viable substitute crops. Thus far, the U.S. Department of Agriculture efforts have centered on bees and mushrooms as potential opium substitutes.

The Thai government directly provides about fifty percent of the crop substitution funds. Indirectly, the government supplies about another ten percent by way of workers, etc. Thirty-one departments of the Thai government now have personnel working in some way on the opium program. Over a seven year period, foreign aid has provided ten million dollars for the projects, while the Thai government has contributed eleven million dollars.

Undoubtedly, the most serious hindrance to successful crop substitution in Thailand has been the continual lack of support from the Thai law enforcement community. The single most important factor in effective crop substitution is consistency. That element has been sorely missing in Thailand. For the last two years in a row, there have been official government announcements that opium crops will be destroyed. In reality, nothing has happened. Official Thai government policy dictates that the government will only destroy the opium crop where the government is simultaneously helping growers by some type of substitution program. As a result, the law enforcement community has little or no credibility with the hill tribes. Opium is grown freely on the assumption that no enforcement effort will be made. In the absence of a continual governmental presence, hill tribe

farmers in many areas persist in cultivating opium interspersed with United Nations suggested crop substitutes. The drought-generated rise in opium prices has given farmers an even greater incentive to engage in opium cultivation, rendering crop substitution all the more difficult.

In Western eyes, an obvious alternative to crop substitution efforts would be the widespread spraying of herbicides. However, official Thai government policy rejects that possibility for a number of reasons. The Thais do not feel that spraying is a viable alternative inasmuch as the opium is routinely interspersed with a variety of other important crops. Moreover, the Thai people abide by Buddhist religious principles which strongly discourage the destruction of any form of life, including plant species. Lastly, Thai authorities repeatedly expressed to Subcommittee staff their refusal to engage in a policy of spraying when the United States itself does not do so. They do not believe that the United States government can rightfully expect Thailand to utilize herbicides which Americans are unwilling to use on drug crops grown in the United States.

Thailand currently has a domestic addict population somewhere between 400,000 and 600,000, most of which is centered in and about Bangkok. The increase in that figure over the years has been accompanied by a gradual change in the government attitude towards the drug problem. In earlier years, the Thais

viewed the drug situation as essentially a foreign problem. With a rise in domestic addiction, they now readily recognize narcotics as a Thai problem as well.

As a result, the government has instituted a preventive drug education program for youth. Those efforts have, however, been limited by a serious lack of funding. They did recently succeed in raising almost U.S. \$5,000 from private organizations for the production of an anti-drug film. Thai law enforcement authorities have successfully encouraged the establishment of a private foundation for funds to be used in the preventive education program. Moreover, the Thai government has enlisted the voluntary participation and cooperation of the media, particularly radio and television, in the drug education program.

As to other demand-oriented drug efforts, a government sponsored heroin treatment program is now in its fourth year of operation in Thailand. Based on the monitored distribution of methadone at clinics, Thai authorities believe that the program has achieved a forty percent success rate for outpatients. Previously, the only treatment available for addicts was that given at hospitals.

The real significance of Thailand in the international heroin trade lies not in its domestic production and usage of the drug. The country serves as the main trafficking conduit for opium and heroin from Burma into international channels. Opium grown and processed in makeshift heroin refineries in the Burmese hill country is funneled through Thailand by expert traffickers not the least of which are the "opium war lords" of northern Thailand.

Ensconced in the hills of northern Thailand and Burma, these individuals are the leaders of identifiable insurgent groups which have historically divorced themselves from the central governments in both countries. Claiming allegiance to separatist political causes, many of these groups are ethnically Chinese, having originated out of the Peoples' Republic of China as anti-communist groups. Examples are the Third and Fifth Chinese Irregular Forces (C.I.F.). To the contrary, others are purely communist in nature, such as the Burmese Communist Party (B.C.P.). Almost all these groups have coupled their political activities with narcotics profiteering to the point where they have now become criminal, rather than political, organizations. The most notorious of these groups, the Shan United Army (S.U.A.), is responsible for approximately eighty percent of all the opium trafficked through Thailand. Representing the remnants of the twenty-five year old Shan separatist movement, this group allied itself with the old Chinese war lord groups in the late 1960's. The Shan United Army alone now grosses approximately 50 to 60 million dollars per year from the heroin trade, beyond its activities in the smuggling of jade, gems, woods, and antiques.

The political facade of these groups has traditionally shielded their narcotics activities from the reach of law enforcement. Until approximately two years ago, sources advised the Subcommittee staff that the Thai government officially considered these groups to be political, rather than criminal, in nature. Thailand justified its refusal to move against these groups as necessary to preserve an effective "buffer" zone against revolutionary and communist-backed forces.

There has now been an apparent change in the attitude of the Thai government. There is now outstanding a Thai warrant for the arrest of Chang Chi-fu, leader of the Shan United Army and principal opium war lord in Thailand. The warrant has, however, been pending since July 10, 1980. Thai officials now openly support efforts to arrest Chang Chi-fu and to eliminate narcotics trafficking by the Shan United Army. By contrast, at an international conference in November, 1980, ranking Thai law enforcement officers denied any knowledge of the outstanding arrest warrant for Chang Chi-fu. Nevertheless, Thai officials told the Subcommittee staff that their policy has always been supportive of enforcement efforts against the Shan United Army and other trafficking groups.

The Thai government did undertake one operation against Chang Chi-fu and the Shan United Army. They dispatched a force of Border Patrol Police to Ban Hin Taek, the headquarters of the Shan United Army, to arrest Chang Chi-fu. The details of the operation were apparently leaked to Shan United Army sources. Upon arrival at Ban Hin Taek the Thai forces found no trace of Chang Chi-fu, who had retreated to surrounding mountain areas. That episode underscores the extent of official corruption in Thailand, a problem which was repeatedly voiced to Subcommittee staff by Thai, Burmese, and American officials alike. One Thai law enforcement official stated that, of three hundred men under his direct command, he felt that he could trust only eight of them with sensitive law enforcement information.

The corruption problem is aggravated by insufficient salaries and funding for law enforcement personnel. An average Thai police lieutenant earns about 2,200 Baht (approximately 120 United States dollars), while a low ranking officer earns only eighteen to twenty dollars per month. Necessary expenses are even more inadequate. For example, a Thai policeman working undercover in the field is paid 18 Baht per diem for expenses (the equivalent of ninety cents in American money). Assume a narcotics suspect under surveillance stays at a moderate hotel in Bangkok. If the police officer purchases even a single Coca Cola while on surveillance, he will exhaust his entire per diem -- a Coke sells for 30 Baht. In order to sustain any kind of effective undercover narcotics works, Thai law enforcement routinely turns to the U. S. Drug Enforcement Administration office in Bangkok for expense and per diem funding. In such circumstances, it is hardly surprising that corruption routinely undercuts the success of operations such as the move into Ban Hin Taek.

In Thailand, Subcommittee staff had the opportunity to view Ban Hin Taek from the air. Situated in the hill country of northern Thailand, approximately eight kilometers from the Burmese border, the Shan United Army headquarters is a growing city, dwarfing the surrounding villages by comparison. Built on the narcotics profits of the Shan United Army, Ban Hin Taek boasts new housing developments, a hospital, two jails, and a radio intercept facility, capable of collecting Burmese army transmissions. Total population of the village is approximately 1,400, including 200 Thai citizens who are not direct Shan United Army dependents.

The city is clearly well armed and well protected. In Ban Hin Taek itself, there are 600 to 650 men armed with M-16 rifles. Another 50 men are equipped with 30 caliber machine guns. Additional rifles and bazookas are stored within the city. Three refineries are situated about eight kilometers from Ban Hin Taek. Those refineries are staffed by some 1,500 armed men who can cover the eight kilometer distance in about thirty minutes if necessary. Three hours from the city, in Doi Lang, a Shan United Army force of 450 is located. All these troops are well-led, well-trained, and well-armed.

With a total strength estimated to be near 5,000 armed men, the Shan United Army is, by any standard, a substantial military force. Both Thai and American authorities concurred that nothing less than a military effort by the Thai government could effectively halt narcotics activity by the Shan United Army. Furthermore, there are currently substantial impediments to that type of military action.

One major problem stems from the historical lack of cooperation and mistrust between the Thais and the Burmese. With the Shan United Army located so close to the Burmese border, it is obvious that they would avoid the full impact of any largescale Thai attack by a retreat into Burmese territory. Conversely, any action by Burmese authorities against Shan United Army refineries located in Burma, would be met by the hasty relocation of those refineries to Thai soil. Any effective long term solution to the problem must include the cooperation and coordination of efforts between Thai and Burmese authorities. Though relations have

somewhat improved in recent years, there still exists today an absolute lack of any joint effort by the two countries to attack the heroin problem centered in and around their mutual border.

Both State Department and Drug Enforcement Administration personnel in Southeast Asia have consistently urged some type of joint enforcement activity by Thailand and Burma. Several possibilities short of joint enforcement operations exist. One alternative would be an agreement whereby the Thais would allow Burmese forces access to Thai roads for supply purposes. Given the current lack of roads in the Burmese refinery area, it is now nearly impossible for Burma to maintain a continual governmental presence in the area. With Thailand's help in reaching supply sources, the Burmese could, at the least, station some enforcement personnel in the area on a permanent basis.

While in Bangkok, Subcommittee staff had the opportunity to meet with General Saiyd, the Supreme Commander of the Thai Armed Forces, discussing with him the possibility of Thai-Burmese cooperation in narcotics law enforcement. The General expressed a willingness to work jointly with the Burmese in that regard, stating that Thailand would either allow the Burmese to attack the heroin refineries from the Thai side of the Border or participate in a joint Thai-Burmese enforcement operation against a "small target" in the heroin trade.

In addition to shortcomings in Thai-Burmese cooperation, a solution to the narcotics problem is further complicated by the

presence of other, more imminent enforcement priorities for the Thai government. High ranking Thai officials believe that it would be "political suicide" for Thailand to open a military front against the Shan United Army, given present border problems with both Vietnam and Cambodia. Those countries and their threat to Thai domestic security, obviously demand first priority in the allocation of Thai enforcement resources. Most of the Thai Border Patrol Police are currently employed on the Laotian border for reasons of domestic security. Although those troops are officially charged with narcotics enforcement, their major responsibility remains terrorism and insurgency.

In light of those priorities, it is hardly surprising that Thai officials repeatedly told the Subcommittee staff that, if the United States sincerely desires Thai military action against the Shan United Army, there must be an accompanying agreement by the United States to back the Thais in that effort and in any resulting attacks on Thai domestic security. Any serious effort by Thailand will necessitate the use of substantial armed forces and a serious commitment by the central government. Before the Thais are willing to risk such a commitment, they want a guarantee of both moral and financial support from the United States. Moreover, that support must be lasting, or at the least sufficient to carry them through a prolonged struggle with the Shan United Army.

That demand for commitment is entirely consistent with a further complaint which is routinely voiced by Thai officials to American narcotics enforcement personnel. Although the Drug

Enforcement Administration consistently tells Thai officials that the United States is fully supportive of foreign narcotics enforcement, recent American budget restrictions on the presence of DEA abroad have seriously undercut the credibility of those statements in the eyes of Southeast Asian officials. Thai authorities repeatedly told the Subcommittee staff that they simply do not believe that the United States is "serious" about narcotics, given recent DEA budget cuts. Equally frustrating and incomprehensible to Southeast Asian authorities in Thailand and elsewhere are bail, parole, and sentencing policies in the United States. Thai authorities see judicial leniency to American drug offenders as further proof that the United States has little or no concern for narcotics enforcement. Moreover, talk of the proposed FBI-DEA merger has now reached Southeast Asia. Government and law enforcement officials in those countries see that merger not as a routine budget measure, but rather as a certain "downgrade" or elimination of DEA. Those factors, coupled with the budget-induced recall of DEA's Bangkok-based Southeast Asian Regional Director to Washington, have resulted in a Southeast Asian belief that the United States is not seriously concerned about the war against drugs, in Southeast Asia or elsewhere. Both Thai and American authorities conceded that Thai narcotics efforts in the past would have been largely nonexistent in the absence of American encouragement and support. In that context, Thai authorities have told the Subcommittee staff that they currently believe that they can no longer rely on the word of locally stationed DEA personnel, because "they are going back (to Washington) very soon." In the context of a country now literally flooded with marketable heroin, those statements clearly do not speak well for the future success of international narcotics enforcement.

B U R M A

Burma is the major opium producer in the Golden Triangle. In 1981, Burma will produce a near record crop estimated at 600 metric tons. This is a significant increase over the approximately 150 metric tons produced in Burma in the drought-ridden 1979-1980 season.

In Burma, there are thousands of small patches in which opium is grown by the hill tribes which inhabit the extremely rough terrain. For several hundred years, opium has been a vital source of income. Opium is also smoked by many of the villagers.

Agronomists have stated that opium is a hazardous crop to grow since the farmers practice "slash-and-burn" agriculture -- cutting down vegetation, burning it and utilizing the ashes for fertilizer. The field is used until the land is exhausted, thereby requiring the hill tribes to move their farmland to a new fertile site after the original one become less productive.

A significant portion of the mountainous areas that are on the northern and eastern border of Burma are outside the control of the Burmese Central Government. Known as the Shan State, this is the area where a majority of the opium is produced. The region is controlled by narcotics trafficking groups. In the later 19th Century, Great Britain included within the boundaries of its Burmese colony a number of Shan States and hill tribes which had never been under Burmese rule. These people are fearlessly independent. Nevertheless, in 1947, when Burma was granted

independence, they agreed to become a part of the Union of Burma with the understanding that they would be guaranteed autonomy and home rule within their states. In 1962, however, General Ne Win overthrew the elected government of Burma, abolished the constitution and jailed a number of the Shan leaders. Since then, various private armies have been in a constant state of insurgency against the central government of General Ne Win. These insurgencies are primarily financed by the opium trade which provides money with which to purchase arms, ammunition, medical supplies, and the necessities of everyday life.

Burma emerged from the revolution of the 1960's as an officially socialist country. It maintains that ideology today, with some areas of the economy set aside for capitalist, free enterprise. Nevertheless, the Burmese government's most serious insurgent threat comes from the Burmese Communist Party (BCP), which controls the majority of the poppy growing areas in the Shan State. The BCP plays a variety of roles in the opium business in the Golden Triangle. These activities include encouraging poppy growing, brokering opium sales, and providing protection to opium caravans moving through its controlled territory east of the Salween River. The BCP's primary motivations have been to generate income and to placate hilltribe growers under its sway.

In the past, the BCP has received considerable support from the People's Republic of China. However, the Subcommittee staff was informed that this support had been declining during the past several years. As a result, the BCP is expected to play even a more active role in opium smuggling in order to finance its activities.

The BCP has a strength of 10,000 - 12,000 men. The Subcommittee staff was advised that the BCP is well armed with weapons such as .57 mm rifles, M-16 rifles, and HK-33 rifles. The group has now been placing plastic land mines in poppy growing areas. Unfortunately, since the majority of the poppy destruction is accomplished by police and soldiers going into the growing areas and pulling up the poppy plants by hand, several have been critically wounded by these land mines.

Despite the obvious difficulties in attempting manual opium eradication, the Burmese government has resisted suggestions that herbicidal spraying be used in the opium growing areas. Burmese government officials did visit Mexico in order to personally examine marijuana-spraying efforts in that country. They returned essentially unconvinced. The Burmese are fearful that spraying would harm not only opium, but other more important crops as well. This is particularly true given the interspersed planting patterns employed by Burmese farmers. Moreover, there are significant cultural and religious factors which militate against spraying. Burma is a strict Buddhist country, with Buddhist principles permeating all aspects of Burmese society. Based on a belief in reincarnation in all forms, Buddhist tenets prohibit the destruction of any form of life, be it animal or plant. Indiscriminate herbicidal spraying would be tantamount to near abandonment of basic Buddhist principles. Burmese officials, nevertheless, told the Subcommittee staff that they remained willing, at the least, to listen to suggestions for spraying.

The Communist Party in the Shan State has established itself by the use of small armies imposing their will on farmers. For the most part, Burma's opium is grown in those regions of the Shan State where the Communist Party is strong. In recent years, the Communists have recognized that economic necessity is more important than ideology. As a result, the Communist Party entered into more opium production and trafficking.

In addition to the BCP, other ethnic groups, like the Shan State Army and the Kachin Independence Army as well as smaller movements seeking autonomy for Karenni, Lahu, and Pa-O, have turned increasingly to narcotics trafficking to finance their activities. Some, like the Shan State Army, have become deeply involved in the drug trade. The Shan State Army, for example, is organized largely to promote opium production and sale. Other ethnic groups have developed specialization in the trade such as providing porters for numerous trafficking groups and providing security in the Doi Long area, a major opium refining center.

The majority of the narcotics trafficking and refining on the Burma side of the Thai-Burma border areas is in the hands of warlord armies. Most masquerade as ethnic insurgents, are well armed, and are organized along military lines. The rank and file soldiers may be Shan, Ahka, Lahu or Lisu, although most of their leaders are Chinese or Sino-Burmese. Their activities cover a broad range of illegal enterprises ranging from narcotics trafficking to smuggling of consumer goods into Burma.

The Shan United Army (SUA), characterized as being a warlord organization, is, as in Thailand, the most important trafficking organization. The SUA leader, Chang Chi-fu also goes by the Shan name of Khun Sa. This 3,500-man organization, outlawed by the Burmese Government in 1971, directs its Burmese activities from its headquarters in Ban Hin Taek.

Officials in Thailand and Burma stated that this group is not truly a Shan Army, nor in any way a political or ethnic insurgency. The SUA keeps its opium producers in line through fear and brutality. Recruiting methods are usually at gunpoint, and summary execution of deserters and their families are commonly used to control recalcitrant minority groups who may not wish to join in narcotics production and trafficking. The SUA's motivation is money and profit, not the goal of an independent Shan State.

The SUA controls the majority of the opium traffic to the Thai border. The traffickers work through middlemen and shipments are often planned months in advance and are heavily guarded. Staging areas, where the raw opium is collected, are usually in the eastern Shan State, and payment is made in both cash and black market goods. The Burmese economy is characterized by a large black market sector, given strict governmental control of currency flow.

Burma's officials are wary of the Thais since the SUA's headquarters is ten kilometers south of the Burma border in Thailand. They cannot understand how Chang Chi-fu could freely move in and out of Ban Hin Taek and not be arrested on the outstanding Thai warrant.

Burmese officials told the Subcommittee staff that if the Thais were serious about controlling the narcotics trafficking problem, they would promptly arrest Chaing Chi-Fu.

The SUA, better equipped than the BCP, is armed with M-16 automatic rifles and M-79 grenade launchers. Thai, Burmese and American officials said that any effort to expel the BCP and the SUA would have to be a military operation and substantial casualties would be suffered by both sides. Such an exercise could not be handled by police.

The majority of the heroin refineries are located in Burma a few kilometers from the Thai border. This allows the easy transfer of primitive refinery equipment and opium products into Thailand, should the need arise. At least 10 to 15 refineries are currently in operation on the Thai-Burma border. The equipment is easily dismantled. The chemicals necessary for the refining process are supplied from industrial sources in Thailand and Malaysia.

The government of Burma appears to give high priority to combatting the illegal drug problem. The drug strategy program is led by an Inter-Ministerial body known as the Central Committee for Drug Abuse Control (CCDAC). Its plans are carried out by government departments concerned with law enforcement, agricultural development and crop substitution, health, education, information and social welfare. In addition to activities carried out centrally, local government bodies at both the regional and local level are fully involved. Political and social organizations in all parts of the country play their part in the total effort.

New administrative measures were introduced in 1972, when the People's Police Force became the main narcotics law enforcement agency. In February 1974, the government promulgated new legislation, the Narcotics and Dangerous Drugs law, imposing a ban on cultivation of illicit narcotics plants and providing for compulsory registration and treatment of drug addicts as well as heavy penalties for illicit cultivation, manufacture, possession, trafficking and consumption of drugs. Drug addicts are encouraged to register. Once registered, they are required by law to undergo treatment. The use of methadone in those programs has been abandoned in favor of other withdrawal medication schemes based on less expensive, domestically manufactured drugs.

Burmese officials told the Subcommittee staff that the drug control program had been given the highest priority and was being aggressively implemented. The government was said to be making every effort to commit needed resources to drug enforcement. A close working relationship has developed between the People's Police Force and the Armed Forces. Officers of the People's Police Force have dual training -- police and army. This dual training enhances the government's resources when carrying out eradication efforts that require joint police and military operations.

Other programs undertaken by the government, such as agricultural and livestock development and crop substitution, have also had successes. Officials of the Burmese Government stated that poppy eradication can be regarded as the first step toward crop replacement. After that the farmers will need help to replace the poppy crop with subsistence crops and alternative cash crops.

The United Nations, under an agreement signed in 1976, is supporting a five-year development program in law enforcement, the introduction of substitute crops, treatment of drug addicts, rehabilitation of ex-addicts and projects aimed at the prevention of drug abuse by young people and the reduction of demand for both narcotic and psychotropic drugs.

The United Nations Fund for Drug Abuse Control (UNFDAC) in Burma appears to have been efficiently implemented and will help in the long run to reduce production and smuggling activities.

Since 1975 the United States has supported Burmese narcotics control efforts by providing helicopters and fixed-wing aircraft, communication equipment and associated training and equipment-maintenance support. Burmese officials were appreciative of the assistance they had received from the United States. The fixed-wing aircraft have been used in anti-narcotics operations and the helicopters are routinely used to spot poppy fields in isolated areas. They have also been used to transport those wounded soldiers who were injured during narcotics raids against various trafficking groups.

Unfortunately, the aircraft provided thus far to the Burmese are not sufficient in obtaining maximum effectiveness in an anti-narcotics program. What is needed in aircraft are C-130 personnel and equipment transports. Northern Burma is an area less physically accessible than the hill tribe villages of Thailand. There are no roads and no strategically located air fields. American Embassy personnel in Rangoon urged that the United States provide Burma with financial assistance so that the nation can buy several C-130's.

If the Burmese had C-130's, they could airlift sufficient manpower and equipment into the areas where the refineries are located and keep a sustained presence on the Thai-Burma border. Presently, the Burmese side of the border is not subject to any effective law enforcement action and the trafficking groups, notably the Shan United Army, remain heavily armed and in control of the border. The groups controlling the refineries have freedom of movement and activity within the border area.

Providing C-130 aircraft would help eliminate the opium problem in the short run. Opium production, however, will likely resurface without continual government presence in that section of Burma. Officials recommend that the U. S. consider some sort of aid designed to assist the building of an effective road system into that portion of the country. There can be no long-term solution to the narcotics problem without some effective system of access to the opium-producing areas. As a beneficial by-product, a road system would enhance the development of that area and decrease its susceptibility to control by separatist groups, including the BCP.

The United States does not have a DEA office now operating in Rangoon. Instead, a political/economic officer handles narcotics coordination in the Embassy. The Subcommittee staff was told that this stems from a firm Burmese commitment to neutrality and economic and political independence. The Burmese feel that the presence of American law enforcement in Burma would publicly compromise that neutrality in the eyes of other nations.

The Subcommittee staff found that strong desire for independence and commitment to neutrality to be reflected everywhere in Burma. The Burmese have fiercely protected their Eastern culture and values, only recently easing entry requirements for visiting foreigners. In stark contrast to the bustle and commercialization of Bangkok, the streets of Rangoon bear little of the tell-tale signs of Westernization. The Burmese are committed to the progressive development of their country while maintaining the cultures and traditions of their past. Fortunately, part and parcel of that commitment is a determined effort by the Burmese government to halt the production and trafficking of opium and heroin in Burma.

M A L A Y S I A

Malaysia, while not an opium producer, suffers the heroin trade in two respects: as a conduit for trafficking chemicals into Thailand and heroin out of Thailand and as the home for a large addict population. The country is characterized by a significant ethnic split between a Muslim Malay majority (44 percent) and a Chinese minority (36 percent). In fact, that ethnic conflict gives added impetus to strong Malaysian narcotics enforcement policies.

While the Muslim Malays dominate Malaysian government, an active Chinese minority in fact operates the country's economic and business life. By analogy, the Malay youth constitute the great majority of a large addict population while the Chinese employ their business expertise to dominate the heroin trafficking trade through Malaysia.

Malaysian sources have estimated the domestic addict population to be as large as 400,000. Malaysian law enforcement authorities, by contrast, advised the Subcommittee staff that the figure is, realistically, closer to 100,000. It is believed that approximately 20 percent of all Malaysian males between the ages of 16 and 25 are heroin addicts. In any event, such a serious addict problem among the youth has resulted in strong government efforts to halt the flow of "dadah" (the Malaysian term for all forms of illegal drugs) throughout the country. Malaysia was the only Southeast Asian country visited by the Subcommittee staff where the eradication of heroin trafficking

is a foremost priority for both government and law enforcement officials alike. Home Minister Ghazali Shafie has publicly identified the heroin problem as nothing less than a serious threat to Malaysian domestic security. The Home Minister strongly believes that the power of any government ultimately depends on its youth. Should Malaysian youth become addicted to drugs on a broad basis, the entire society will suffer.

Malaysian narcotics efforts center on three areas of activity: supply, demand, and treatment and rehabilitation. In a comprehensive effort to treat the whole scope of the drug problem, resources are devoted to programs in each of those areas.

Currently there are approximately 30,000 addicts enrolled in Malaysian treatment programs of some type. With Malaysian youth constituting approximately eighty percent of the addict population, drug treatment has become one of the highest priorities of the Malaysian government. In keeping with that policy, the number of preventive drug offices in Malaysia has been increased by over thirty percent. The Malaysians have invested considerable amount of time and effort in a registration program which includes the mandatory detoxification of suspected addicts. Their efforts in this area appear more extensive than anything which has been attempted in either Thailand or Burma. As to addict breakdown, in 1980, 93.67 percent were addicted to heroin, 3 percent to ganja, and 2 percent to various other drugs. Although some ganja is grown domestically in

Southern Malaysia, its usage has not reached the levels of heroin addiction within the country.

During the period 1975-1980, there were 31,407 drug arrests in Malaysia. In the northern area of the country, the Thai-Malaysian border is a recognized avenue for the importation of drugs, particularly heroin and morphine. The area is a near "no man's land" for smugglers, with little direct government control. On the Thai side of the border, there is little, if any, continuous governmental presence. To the contrary, the southern Thai border area is heavily populated with communist and Muslim terrorist groups. The bandits and terrorist groups which in fact control that area of southern Thailand are collectively referred to as the "Sankla." In addition to a working underground insurgent network, there is also a terrorist-controlled heroin laboratory operating. Authorities now believe that that refinery is largely responsible for the growing trafficking of heroin base into Hong Kong.

On the Malaysian side of the border, by contrast, there have been considerable governmental efforts to effectively halt the flow of drugs. Although there is no set and formalized boundary on the border, the Malaysian government has constructed twenty-five and one-half miles of twelve and one-half foot high barbed wire fence along the border. The fence extends up to the very edge of dense jungle areas for the express purpose of deterring the smuggling of both drugs and guns. In contrast, to the Thais, the Malaysians have stationed a Joint Border

Control Unit at the border, consisting of 820 men with combat equipment. The force recruits its personnel equally from the Malaysian customs, police, and immigration departments. Twenty-two watch towers have been erected on the border. Although these are not manned twenty-four hours per day, they are used as spot checks by armed patrol units.

In areas where there is at least a limited Thai presence on the border, the Malaysians and the Thais have a fairly good working relationship "on an officer to officer basis." Malaysian law enforcement does exchange narcotics information and intelligence with the Thai authorities on the border.

To the east, the Golok River separates Thailand and Malaysia. The river is extremely shallow, excepting the period of high water from mid-November through January (monsoon season), readily accommodating experienced drug traffickers. During most of the year, one can easily walk across the river to cross the border. In response, the Malaysian border police who are stationed in that area have orders to "shoot to kill" any and all smugglers.

Equally significant in the drug trade in Penang, an island separated by narrow straits from the rest of Malaysia. Authorities advised the Subcommittee staff that Penang has become a literal "sieve" for the trafficking of narcotics through Malaysia. It also serves as the main conduit for the trafficking of acetic anhydride into Thailand for use in refining heroin. In recognition of that fact, the Malaysian

government has stressed enforcement efforts in that area. Malaysian customs now has one seventy-five foot and two sixty foot patrol boats stationed there, in addition to several smaller boats. Within the next year, Penang customs officials will be receiving six additional one hundred five foot crafts, which the Malaysian government recently purchased.

Narcotics smuggling also takes place on Malaysia's southern borders, particularly through Singapore. Malaysian law enforcement authorities likened Singapore to El Paso, Texas as a trafficking channel.

On another front, chemicals used in heroin refining have been coming into Malaysia from Taiwan. Although Malaysian businesses trade with Taiwan, the Malaysian government has no official diplomatic relations with that country. That fact has somewhat hampered Malaysian enforcement efforts in that area.

Malaysia itself serves as the principal channel for the importation of acetic anhydride into Thailand and subsequently Burma for use in producing heroin. Classified as a "poison" by the Malaysian Department of Pharmacy, acetic anhydride may be legally imported into Malaysia by anyone who possesses a government-issued Class A Chemical Permit. Most of the acetic anhydride found in Malaysia is produced in Europe, Japan, and Korea. The licensing system is not, however, foolproof. Large illegal shipments of the chemical, if packaged and marked as other license-free chemicals, can and do enter Malaysia. This is facilitated by the fact that Malaysian

customs authorities currently have no reliable means of positively identifying a substance as acetic anhydride. Malaysian law enforcement personnel voiced their need for suitable testing equipment in this area to the Subcommittee staff.

The exportation of acetic anhydride from Malaysia is presently free of governmental control and restriction. By contrast, since 1979 Thailand has legally categorized acetic anhydride as an illegal drug, with trafficking in that chemical resulting in imprisonment for terms up to ten years. Moreover, the Thai government has established "chemical-free zones" in both the northern and southern border areas of Thailand. Given the absence of equivalent Malaysian controls, the chemical is nevertheless routinely smuggled across the border into Thailand, usually in commercial vehicles carrying fifty-five gallon drums of the substance. Thai and Malaysian authorities have met on numerous occasions in recent months in an effort to reach a mutually acceptable solution to the problem of acetic anhydride.

Malaysian authorities justify their refusal to restrict exportation of acetic anhydride on the fact that the chemical is routinely used for a large number of legitimate commercial purposes in Malaysia. It is especially prevalent in both photography and textile bleaching. Given the extent of its legitimate usage in the country the Malaysian government feels that any further legal controls would be inappropriate.

The strong anti-drug policies of the Malaysian government are clearly reflected in both the statutory and judicial aspects of the Malaysian criminal justice system. Malaysian authorities

who met with the Subcommittee staff were, without exception, extremely proud of their strong statutory support for narcotics enforcement. Malaysian law provides that possession of 100 grams of narcotics triggers an automatic legal presumption that an individual is engaged in trafficking. Moreover, the death penalty is available in both drug and firearms cases. At present the only sentences available for drug trafficking in Malaysia are life imprisonment and the death penalty. No parole is available until after imprisonment for twenty years. The Malaysians consider these "heavy" sentences particularly appropriate in drug cases.

In addition, Malaysia has made significant headway in the confiscation of property in drug cases. The Malaysian Constitution originally prohibited any deprivation of property without just compensation. That provision was amended to exempt the seizure of property in drug cases. Law enforcement can now seize property acquired as a result of illegal drug activities in both court and detention cases. The authority for seizure covers any type of property, including business interests, stocks, and bonds.

Malaysia, as well as Thailand, does not currently have a conspiracy offense available in the criminal law. Malaysian authorities do not believe that conspiracy is needed given the current Malaysian detention statute. That law permits the detention of individuals suspected of illegal activity short of indictment, trial and conviction. The statute

provides for the detention and house arrest of known narcotics violators for a period of two years by administrative fiat alone. Under the sweeping authority of the statute, the government routinely relocates suspects without any avenue for redress or appeal to the judicial system. Thailand is now seriously considering enacting similar legislation. Thai authorities told the Subcommittee staff that a conspiracy law will be unnecessary if the detention statute is enacted asking "why bother to take defendants to trial if we can jail them for two years without it?"

As in Thailand, the Subcommittee staff was told time and again by Malaysian authorities that the sincerity of American narcotics efforts is in doubt given our lenient treatment of drug offenders, light sentencing and easy parole terms. This was in stark contrast to the Malaysian policy of strict enforcement of all criminal laws. Central to that policy is a strong and firm commitment to the narcotics effort by the Malaysian government.

H O N G K O N G

Hong Kong has long been considered the financial and economic marketing center of the East. As drug trafficking has boomed financially, Hong Kong has been suggested as a mushrooming financial hub for the narcotics trade. The Subcommittee staff visited this British Colony on the coast of China to explore the merits of that theory, the possible status of Hong Kong as a physical conduit for drug trafficking into the United States, and the success of financial investigations of the flow of narcotics money through Hong Kong.

Hong Kong's role in the business of international narcotics has changed over the years. During 1973-1974, Hong Kong was a net exporter of heroin. Confronted by that fact, Hong Kong law enforcement focused on the narcotics trade, successfully breaking up a large syndicate of heroin trafficking in the early 1970's. Although there are currently some 30,000 to 50,000 heroin addicts residing within the colony, Hong Kong is no longer considered to be an exporter of heroin. Hong Kong suppliers import the drug into the colony, largely from Thailand.

Although Hong Kong was a popular transshipment point for drugs for many years, enforcement officials now believe that Hong Kong is no longer a major conduit for the physical trafficking of drugs from Southeast Asia into the United States and elsewhere. Surveillances of Hong Kong airport have been routinely maintained during the last few years. Few seizures of drugs being exported directly from Hong Kong have been made.

Nevertheless, authorities feel that some transshipment of drugs may still be going on in Hong Kong. In Europe, Chinese couriers are now being arrested on a daily basis. Recruitment of those couriers occurs regularly in Hong Kong. The couriers pick up the drugs in Thailand, subsequently employing all types of routes out of Bangkok. There have been several instances where there have been exchanges of the drugs between two or three sets of couriers. Generally, these traffickers avoid Hong Kong because of the excellent narcotics detection system in operation in the colony. Nevertheless, it is usually in Hong Kong that the couriers are recruited and initially embark on their task.

The responsibility for narcotics enforcement in Hong Kong rests with several authorities. Peter Lee, the current Commissioner of Narcotics, handles overall drug policy for the colony. Hong Kong Customs and the Hong Kong Police Department divide the task of operational enforcement between them. Those two agencies pursue essentially separate functions in the government's efforts against narcotics.

While the police focus on narcotics enforcement within the colony itself, Customs officials concentrate on the continual problem of policing Hong Kong's many ports of entry to prevent the importation of illegal narcotics. There are at least 106 open anchorages in Hong Kong harbor. In addition, the largely undeveloped hinterlands areas bordering on mainland China afford numerous potential smuggling channels.

Drug shipments into Hong Kong come mainly by way of ocean going vessels. Smaller quantities are imported by air, most recently highlighted by the increasing use of body cavity smuggling by drug couriers. Regarding avenues for importation, the most recent development has been the growing use of diversionary routes -- i.e., Bangkok to the Philippines and China and then to Hong Kong.

Ninety-nine percent of drugs entering Hong Kong come via Thailand. Although drugs enter the colony by various routes, most importation is handled through Chinese business and family ties in Thailand and elsewhere. The largest drug seizures in the colony have come in by way of Thai fishing trawlers. These boats routinely off load drugs in international waters around Hong Kong. In one instance last year, a Thai trawler and a Chinese junk met off Nine Pins, isolated islands off Hong Kong, to transfer a shipment of drugs. Discovering surveillance by authorities, the traffickers dumped nearly 150 kilos of narcotics into the surrounding waters.

Reflecting the presence of the "bumper" opium crop, Hong Kong has this year experienced an increase in the flow of drugs into the colony. From January through June, 1981, Hong Kong authorities had made seizures of 123 kilos of narcotics. To confront this problem, Hong Kong has developed a growing intelligence network on drugs with other nations. Enforcement officials now have regular contact with over forty countries on narcotics matters. More than 25 arrests have been made overseas as a result of intelligence furnished by Hong Kong

authorities in areas such as Brussels, Paris, Thailand and the United States. In addition, Hong Kong law enforcement is now working to develop better expertise in the area of controlled delivery cases.

In the area of enforcement within the colony, Hong Kong authorities have shown a willingness to utilize a wide variety of different approaches, resulting in a multi-faceted attack on the narcotics problem. Though a British colony, much of Hong Kong law enforcement is handled by local Chinese, who have proven to be excellent administrators. Hong Kong law enforcement has enjoyed a good working relationship with locally stationed DEA personnel, particularly in the exchange of intelligence and advice on operational techniques.

Hong Kong has, in many areas, proven to be a leader in the employment of new legal and operational law enforcement techniques in Southeast Asia. In contrast to Thailand and Malaysia, the police in Hong Kong have successfully used conspiracy law against syndicates operating in the colony within the past few years. As a result, they have secured convictions in a number of cases without the actual seizure of drugs, a rarity in Southeast Asian narcotics enforcement. Well-respected in the Southeast Asian law enforcement community, the Hong Kong police have shared the fruits of their experience in this area with authorities in both Malaysia and Thailand.

Equally praiseworthy have been the efforts of Hong Kong authorities in the tracing of narcotics profits through various financial institutions. Given Hong Kong's longstanding

tradition as a financial mecca, banks in the colony are run as professionally, if not more so, than banks in the United States. This is true despite the fact that no central system of regulation governs the Hong Kong banking community. The colony's business community has, traditionally, successfully resisted the enactment of any such legislation. In the context of Hong Kong's status as a booming financial center, money transactions are the foundation of the economic well-being of the entire colony. Consequently, Hong Kong has been very careful to enact only the most limited financial legislation and regulation.

Aside from the legitimate banking system, Hong Kong provides another avenue for the laundering of narcotics' money: the Chinese "underground" banking system. For centuries Hong Kong has been the center of a network of family run trading companies throughout the Southeast Asian region. Since the arrival of the first Western merchants, these companies have been used for the transfer of illegally obtained monies.

This underground system now provides essential services to narcotics traffickers operating out of Bangkok and elsewhere. Trading companies are sometimes set up by narcotics traffickers themselves for the express purpose of laundering narcotics profits. Authorities have established that fifteen out of the top twenty narcotics traffickers in Singapore are clients of a single underground "organization" for the laundering of money. The great majority of money filtered through this system is destined for Thailand.

Hong Kong authorities, in cooperation with DEA, have succeeded in monitoring some of this laundering activity, at least in the context of the legitimate banking system. In an investigation code-named "Operation Schoolboy," authorities were able to trace millions of dollars in narcotics profits in and out of Hong Kong on the basis of a single Hong Kong bank account number. Absent legal subpoena power, Hong Kong law currently authorizes the police to obtain warrants for the seizure of bank records in the colony. Using that authority, officials were able to conduct an investigation which eventually traced the flow of money from Malaysia and Singapore into Hong Kong and in turn into Thailand.

Unfortunately, that investigation has to date stopped short at the Thai border, as a result of the failure of Thai law enforcement to seriously pursue financial investigations. Some authorities feel that this stems from the fact that as much as 50 percent of the Thai economy is now dependent on drug money. As drugs leave Thailand in large amounts, equally significant amounts of money come back into the country, destined for major Thai traffickers. The underground network of trading companies centered in Hong Kong both insulates the process from law enforcement and facilitates the flow of money to the traffickers.

All of these transfers are in total violation of Thai law. Thailand has extremely strict currency laws which require government permission for the transfer of any money in or out of the country. Moreover, the Thai government consistently refuses to grant that permission. Despite evidence

of these violations, Thai authorities largely refuse to do anything in this area. They appear to be overwhelmed by an accepted and pervasive system of money laundering. Only recently have they shown some willingness to seek out selected trading company records.

By comparison, Hong Kong authorities have been eager to pursue financial investigations despite the fact that the transfer of money through the underground system is, in contrast to Thailand, not in violation of Hong Kong law. In the transfer of narcotics money, Hong Kong serves as a sort of "corporate headquarters" for Southeast Asia -- decisions as to the transfer of money are made in Hong Kong and its financial network serves as the actual conduit for the money into other countries. The actual funds, however, do not stay in Hong Kong for the most part. In fact, narcotics money itself has really little or no influence on the Hong Kong economy inasmuch as so much of it quickly leaves the colony. Moreover, the flow of money in legitimate business is so huge in Hong Kong that narcotics money has little impact.

In October, 1980, a working conference on financial investigations was held through the joint efforts of Hong Kong authorities and DEA. Attended by representatives of the Netherlands, Singapore, Malaysia, Thailand, and Canada, the conference has generated growing interest in financial investigations in both Singapore and Malaysia. Malaysia has now enacted financial seizure legislation. Enforcement authorities believe that Singapore and Hong Kong will now seriously consider doing the same.

The United States does not currently have mutual assistance treaties with any of the Southeast Asian countries touched by the narcotics trade. Ideally, the enactment of such treaties, in part providing for foreign assistance in obtaining financial records, would be a tremendous asset in tracing narcotics money flow in the area. This seems particularly true in the case of Thailand, where in fact the best available law for financial investigations in Southeast Asia currently exists.

In 1959, Hong Kong was publicly reported to have a quarter of a million domestic addicts, the highest per capita addict population in the world. In response to that announcement, Hong Kong has now developed probably the most comprehensive drug education and rehabilitation program in all of Southeast Asia. It is a concentrated attempt by the Hong Kong government to balance supply-oriented interdiction efforts with equally strong demand-oriented educational efforts.

Historically, there has been an enormous amount of corruption in Hong Kong, centering in the areas of drugs, gambling and vice. For many years, corruption was the mainstay of Hong Kong's drug trade. To effectively attack that problem, the Hong Kong government in 1973 delegated the administration of a comprehensive drug program to an independent narcotics commission. The Commission stresses education and rehabilitation programs while police and customs authorities handle enforcement and interdiction efforts.

Prior to World War II, opium was legally available in Hong Kong through government channels. After the war, any drug-connected activity was made criminal. No provisions, however, were made for the treatment of drug addiction. The only outlet available for addicts was the use of private practitioners.

In the early 1950's, the Hong Kong government confronted the fact that 90 percent of the Hong Kong prison population were confirmed drug addicts. In response, Hong Kong prison authorities became the first governmental body in the colony to venture into a drug treatment program. In an investigation of the system, some twenty-one prison wardens were prosecuted for corruption vis a vis narcotics within Hong Kong prisons.

From those early efforts, the Hong Kong drug program has now grown into a thorough system of registration, treatment, and preventive education. Through practice, the Commission has found that the most effective method for treatment is a methadone outpatient program which is presently in operation. The government now estimates that the program has achieved the voluntary registration of 74 percent of Hong Kong's domestic addict population. At a cost to the government of approximately \$8 a day per addict, Hong Kong authorities believe that the treatment program is unmistakably a good investment for the community.

One of the most prominent features in the program has been the establishment of the "Central Registry of Drug Addicts." Essentially a computerized data gathering system, the Registry

has maintained 124,000 records, covering the activities of 3,650 addicts from 1976 through 1980. Some 38 separate agencies contribute to the Registry's files, effectively outlining the nature of Hong Kong's addict population, as well as documenting government efforts to combat the addict problem.

The primary sources of drug abuse in Hong Kong is heroin, followed by opium. Heroin usage in Hong Kong takes three forms: (1) injection; (2) fume inhaling; and (3) smoking. Ninety-four percent of Hong Kong addicts are male, six percent female. Most addicts have their first contact with heroin during the ages 15 to 19. Drug usage is much heavier for women at the earlier ages, given that the female addict population is heaviest amongst prostitutes whose first contact with drugs occurs at very young ages. The average age for a Hong Kong addict is 21.

The Registry files indicate that seventy-seven percent of male addicts have no vocational training, while ninety-four percent of female addicts have no such training. Sixty-nine percent of male addicts and forty-one percent of female addicts have lawful employment. These figures are in sharp contrast to those available in the United States: ninety percent of addicts in the New York register are unemployed legally.

In Hong Kong only 2,000 out of a total of 36,000 of addicts on the register are women. Seventy-six percent of the addicts have from one to six years formal education -- fourteen percent have none at all.

The registry in Hong Kong is entirely voluntary. There is no guarantee of confidentiality but there is also no threat of criminal prosecution. From 1978 through 1980 there was a slight decrease in the percent of government resources devoted to treatment programs, with a slight rise in the amount devoted to enforcement programs. Presently 67.2 percent of the narcotics budget is devoted to enforcement, while 31 percent is devoted to treatment programs. The decrease in treatment funds is largely due to the impact of methadone treatment programs -- it is in fact the cheapest method of treatment.

The drug education program practiced in Hong Kong permeates several levels of social activity. The program's success in enlisting media participation is especially noteworthy. Every night there is an anti-drug commercial aired on television. In order to maintain their licenses, television stations are required to show public interest spots regularly. The Hong Kong television stations have been extremely cooperative in the drug education program. They voluntarily produced a \$600,000 documentary film on drug prevention. By contrast, the Hong Kong Drug Commission's entire budget for drug prevention was only \$300,000 per year.

Through the use of the Registry's addict profile Hong Kong has been able to glean a reliable "target" group for the drug program: low-income, poorly educated youth in the 15-20 age group. The Narcotics Commission has instituted a program of "drug volunteers" for young people. Recruiting volunteers from

those age groups, they have set up a series of summer camps interspersed with lectures, films, etc., designed as training for drug volunteers. Last year over 200 young people attended these camps.

These drug volunteers include high school students, factory workers, and college students. After their training, they play important roles in the anti-drug campaigns which the Commission conducts each year. Last year, after the conclusion of the camps, the volunteers set up and manned stalls distributing anti-drug information. After the formal campaign, the Commission funded and organized district committees with the help of the volunteers. Two of those districts covered the new territories bordering mainland China.

As part of the anti-drug campaign, the Commission routinely sponsors an annual series of posters aimed at Hong Kong youth. Each year a different theme is used for the poster program -- this year's theme highlights the importance of fitness and good health.

Hong Kong's drug program has been designed to utilize other youth programs in the colony. Youth riots in 1966 underscored a general discontent amongst Hong Kong youth arising from a lack of available recreation. In response, the Hong Kong government made a concerted effort to expand available recreational facilities for youth, including pools, country parks, beaches, picnic areas, etc.

The summer drug program reaches approximately one million person each year in one way or another. The program benefits from a variety of contributing factors, including good law enforcement, educational programs, treatment programs, and the media cooperation.

Based on its activities, the Hong Kong drug commission has held meetings for both the U.N. and UNESCO on drug programs. Specifically, they have worked with the World Health Organization (WHO) on acquainting doctors with treatment and rehabilitation programs for addicts and with UNESCO on the development of educational seminars in the drug field.

Hong Kong authorities believe that in order to have a successful drug education program, one must maintain a consistently high level of interest, commitment and involvement by the government and the community. Pressures must be kept up in all aspects of the program. Hong Kong's Narcotics Commission serves to exert and induce constant pressures on all concerned to maintain an adequate drug program.

From all indications, Hong Kong has succeeded in generating a comprehensive and progressive drug education and treatment program. It serves as an important and necessary complement to narcotics enforcement and interdiction efforts within the colony.

C O N C L U S I O N

This investigation produced a wealth of information concerning the flow of narcotics from Southeast Asia into the United States. The facts which we learned covered a wide variety of issues and will certainly generate an equally wide variety of viewpoints on those issues. What will remain undisputed is that there is not one easy solution to the narcotics problem. It is a serious and complex question which demands the continual attention and efforts of this Congress, the domestic and international law enforcement community, and the public. In shaping Congressional action in this area, we suggest that this Subcommittee should carefully consider the following:

1. Political and law enforcement interests have at times competed, if not conflicted, in the area of international narcotics. The United States cannot divorce domestic drug concerns from foreign policy considerations and hope to succeed in the war against international narcotics trafficking. There must be a unified and comprehensive American position as to both politics and enforcement in dealing with each of the producing and trafficking nations. The United States should, as part of its diplomatic policy, make it abundantly clear that it will deal substantially different with those countries who are unwilling to assist us in international narcotics enforcement.
2. As part of that unified stance, the United States should take measures to insure a singular purpose and the close coordination of efforts by American agencies vested with narcotics responsibility abroad. The questions of narcotics enforcement and intelligence abroad are currently handled by as many as three separate American agencies stationed in a single foreign nation: the State Department, the Drug Enforcement Administration, and the Central Intelligence Agency. As a result, there have been instances where our narcotics efforts have suffered as a result of lack of coordination and/or duplication of effort among agencies.

3. There is a widespread belief among foreign governments in producing and trafficking nations that the United States government and the American people are not sincerely committed to the war against drugs. That attitude has, to a great degree, resulted from a belief that the American criminal justice system is characterized by unreasonably lenient bail, sentencing, and parole policies towards narcotics offenders.
4. The belief that the United States is unconcerned about drugs has been bolstered by recent budget-induced cuts in the presence of American narcotics aid and personnel abroad. Moreover, foreign officials view proposals to merge DEA with the FBI as conclusive proof that American efforts against drugs are on the decline. Unless and until foreign governments again recognize an American commitment in this area, international narcotics enforcement will suffer.
5. There are two other recurring concerns which leads foreign officials to doubt the sincerity of American narcotics efforts. Foreign officials has strongly criticized American efforts to secure leniency for American drug offenders imprisoned overseas as well as the failure of the American military to become actively involved in narcotics enforcement. Presently Senator Nunn and other Senators have introduced legislation in both of those areas -- bail and sentencing as well as posse comitatus.
6. The international narcotics trade prospers through the laundering and transfer of narcotics profits via international financial channels. Joint international investigations of such transfers, if successful, can significantly decrease current economic incentives for narcotics trafficking. The United States should attempt to negotiate mutual assistance, extradition, and tax treaties with producing and trafficking nations in an effort to encourage and facilitate further financial tracing of narcotics profits and more effective narcotics efforts.

7. Burma, as the major opium producing nation in Southeast Asia, has now indicated a sincere determination to attack the opium problem, in the context of extremely limited resources. The United States should consider (1) securing some type of concessional financing by which the Burmese can obtain C-130 aircraft for use against opium production; and (2) the commitment of American aid, vis a vis financing and/or technical advice and assistance to Burma for the development of roads into the opium growing areas.
8. A major hindrance to narcotics enforcement in Southeast Asia has been the lack of cooperation between Thailand and Burma. The United States should make every effort to impress upon those governments the importance of their joint and coordinated efforts in the war against heroin trafficking.
9. Many of the legislative and law enforcement techniques which have proven so successful against narcotics in the United States have yet to be extensively employed in Southeast Asia. The State Department and DEA should pursue efforts to make available to Southeast Asian nations information and training in legislative and operational techniques employed in American narcotics enforcement.
10. The relatively free trade of acetic anhydride and other precursor chemicals used in the production of illegal drugs undoubtedly contributes to the success of international narcotics trade. The State Department should seek international agreements with those affected countries for restraints in the production and distribution of acetic anhydride and other precursor chemicals.
11. The United States should attempt to assist producer nations in finding a safe and effective method of drug eradication which is geared to that nation's specific problems.
12. In the context of the recent glut of Southeast Asian heroin and the potentially vast American market for that heroin, the increasing presence of and financial investment by the Japanese organized crime group, the Yakuza

in the United States is particularly alarming. That group now has perhaps the single greatest potential for developing major heroin networks into the United States from Southeast Asia. American law enforcement should work to develop a greater awareness of that group in an effort to monitor and prevent the possibility of future heroin trafficking by the Yakuza into the United States.

13. In the face of a large population of heroin addicts, the Hong Kong government has devoted considerable effort to the development of a comprehensive and effective program of voluntary addict registration, treatment and preventive drug education. Their program has been exemplary in this area. The United States, in its efforts to solve the problem of narcotics demand within this country, should closely consider the efforts and experience of the Hong Kong program.

PREPARED STATEMENT OF SENATOR HOWARD W. CANNON

Mr. Chairman, I want to thank you for giving me the opportunity to testify today. There is no doubt that the drug trafficking problem has reached epidemic proportions in this country and around the globe. A recent authoritative estimate indicated that the underground drug industry in this country generates annual retail sales in the vicinity of \$100 billion. Drugs smuggled past our borders, whether by air, sea, or land, eventually find their way to every State in the Union. The widespread availability of these illegal substances threatens the welfare of our children and the security of our neighborhoods.

These hearings are an important means of focusing attention on the need for a well-coordinated plan to combat international drug trafficking. Illegal drug enterprises and organized crime distorts legitimate business operations, complicates our international relations, compromises our border security, and undermines our military readiness.

The flourishing trade in illegal drugs is also the source of much of the violent crime in America. Police officials and prosecutors believe the growth of violent crime in our major cities can be traced to the increased availability of cheap, pure heroin from Southeast Asia. The connection

between heroin addiction and crime is illustrated by the finding in a recent study that 243 Baltimore addicts committed nearly 500,000 crimes in an 11-year period -- an average of more than 2,000 crimes per addict.

Today I would like to address the role of the U.S. Coast Guard in the drug enforcement effort. In addition, I will discuss some of the important features of the anticrime proposal of the Democratic Task Force on Crime, of which I am a member.

COAST GUARD DRUG INTERDICTION

The United States Coast Guard is a key element in the present effort to secure our borders against the flow of illegal substances. In 1979, 40 percent of all drugs seized by U.S. Federal agencies were attributed to the Coast Guard. The street value of drugs seized by its units in calendar years 1979 and 1980 exceeded \$1.9 billion each year.

I have observed the Coast Guard closely during the last three Congresses, as Commerce Committee Chairman for three years and this year as ranking Democrat. In light of this experience, I would like to stress a few points of great concern to me that your committee should consider. First, the Coast Guard is suffering from years of underfunding. Second, the organization's multimission character enables the taxpayer to gain multiple benefits from its efforts. And third, it must seek ways to join with other agencies on a regular basis to enhance its performance.

Mr. Chairman, the underfunding problem threatens to undermine Coast Guard activities all over the country. As the Senate-passed authorization bill recognizes, operating expenses should be funded at no less than \$1,403 million and acquisition, construction, and improvement at \$537 million. The overworked and aged physical plant drives up maintenance and fuel costs and imperils the Coast Guard's operational capacity. Only five years ago, one day of fleet maintenance was required for every day of operation. Now the maintenance time has doubled, demanding two days in the yard for every day at sea.

The impact of the deteriorated hardware of the Coast Guard is readily seen in the drug enforcement arena. Well-financed smugglers use radio scanners, the latest electronic equipment, and spotter aircraft to elude U.S. interdiction patrols. The Coast Guard, on the other hand, is compelled to rely on outdated equipment for which spare parts are scarce. This has meant that sophisticated smuggling activities can proceed without interference during cover of darkness. The booming maritime commerce in illegal drugs has made it all the more imperative that the Coast Guard be provided with better equipment. A measure of this boom can be seen by the fact that the Coast Guard seized less than 50,000 pounds of marijuana a year prior to 1975 and by 1978 the annual seizure level had reached over 3 million pounds. That is a sixty-fold increase in four years.

Included among the Coast Guard's other responsibilities are such duties as search and rescue of mariners and aviators at sea, enforcement of laws controlling foreign fishing in the U.S. fishery conservation zone, and vessel traffic control. The task of carrying out its many and varied responsibilities has mushroomed with the growth of the population, the development of coastal areas, and the flood of Haitian and Cuban refugees into our waters, in addition to the rapidly growing maritime drug trade.

The advantage of the multimission strategy is that assets can be deployed according to the specific needs of each region. For example, fishery law enforcement is given much greater emphasis in the waters off Alaska where foreign fishing is heavier than in the Gulf and South Atlantic area where drug smuggling and refugee migrations are paramount. In addition, District Commanders have the freedom to redirect their assets when events require it. An illustration of the value of the multimission approach can be seen in the interception of two drug bearing motherships by the high endurance cutter HAMILTON in the first weeks of this fall's Haitian interdiction program. The HAMILTON's principal duty at the time was to locate Haitian refugees, but its flexible operating plan permitted it to seize 45,000 pounds of marijuana in the process.

In my view, the fiscal year 1982 budget we authorized was essentially the bare minimum. To improve our maritime

drug interdiction, we must stress better ways to use all available Federal assets. In this year's Defense Department authorization bill we are taking one step in the right direction, eliminating so-called "Posse Comitatus" restrictions on the participation of the Defense Department agencies in civilian law enforcement. Our Army, Navy, and Air Force has vast intelligence and communications networks that can be used for the benefit of the drug enforcement effort, and it will be good to see the longstanding restrictions lifted for this purpose.

Further, I look forward to increased emphasis on coordinated interagency operations. Operation Grouper, completed earlier in the year, entailed close cooperation between the Coast Guard, the Customs Service, the Drug Enforcement Administration, and over a dozen other Federal, state and local agencies. During the 22 months of this undercover investigation, over 1 million pounds of marijuana were seized and over 50 of the highest level members of major trafficking organizations were apprehended. The Coast Guard was a key player in Operation Grouper, seizing 30 different vessels and their contraband cargo. Clearly, a concentrated operation of this kind has the best prospect of catching the leaders of smuggling rings.

In summary, there are certain matters we in Congress should bear in mind in addressing the Coast Guard drug interdiction program. We should recognize the value of having a "cop on the beat" to discourage criminal activity. But we

should also approve operating and capital budgets that will allow the Coast Guard to achieve a higher interdiction rate than its present 18 percent maximum. Finally, we must encourage and facilitate interagency operations that can make interdiction more efficient and effective. Together with bail reform, the diligent prosecution of offenders, and other crime prevention measures, these actions should help to strengthen our last line of defense in the maritime war on drugs.

ANTICRIME PROGRAM

Reform of our criminal laws should, in my view, be a top legislative priority. That is why I joined the Democratic Task Force on Crime, which has developed a proposal for dealing aggressively with the escalation of violent crime in this country. The package was announced in June and includes provisions affecting narcotics controls, bail reform, organized crime, prison-sentencing procedures, arson, and providing stiffer penalties for any attempted assassination of our nation's leaders.

At this point, let me focus on the aspects of the anticrime package that address the drug problem. As I have mentioned earlier, bail reform is a crucial element in deterring drug violators. The profits in illegal trafficking are enormous and any major offender can be expected to be able to acquire the money needed for bail of virtually any level. A report several months ago by the Attorney General

indicated that some 2,900 drug dealers had jumped bail after their arrest and were still at large. In a few instances the fugitive dealers had posted bail as high as \$1 million. Thus we have proposed that the federal courts be given the ability to detain accused persons for whom monetary bail is not a barrier to flight from prosecution, and to consider danger to the community in setting bail conditions.

In the specific context of the maritime drug enforcement program, I have already stressed the importance of interagency coordination. One of the principal proposals of the Democratic Task Force is aimed at improving the overall coordination effort through a newly-created Cabinet-level post, a Director of Narcotics Operations and Policy. This official would direct all U.S. policy, resources, and operations relating to the illegal drug problem. The official's responsibilities would include authority over budget priorities and allocations among the agencies involved and the power to resolve interagency conflicts.

The Task Force agrees with this committee's concern over the need to bring about greater international cooperation in fighting the illegal drug trade. Clearly the most efficient way to wage war on drugs is to attack the problem at its source. Only with effective international cooperation can we hope to eradicate the bulk of the marijuana and opium where it is grown. Our legislative package also calls for Mutual Assistance Narcotics Enforcement Treaties with nations whose banking systems are being used as financial havens for drug traffickers.

Our Task Force package proposes as well a few enforcement provisions to broaden and strengthen the law in specific areas. For example, we have advocated making it a federal offense to rob controlled substances from licensed pharmacies. And we have urged increased penalties for piloting an airplane employed in narcotic smuggling.

Mr. Chairman, I again commend you for your committee's work in helping to identify the sources and scope of our drug problem. It will not go away soon, but the Congress has an obligation to develop new solutions before the problem becomes even more alarming. I believe adoption of the Democratic Task Force package and approval of adequate budgets for our law enforcement agencies will take us a long way toward meeting that obligation.

PREPARED STATEMENT OF HOWARD L. SHAPIRO, STAFF COUNSEL,
PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. Chairman and Members of the Subcommittee:

I would like to convey some of the significant information and impressions which Chief Counsel Weiland and I gathered during a trip to South America in early September. Over a period of two weeks we visited Jamaica, Colombia, Peru, and Brazil. While in these countries we were briefed by DEA and Department of State personnel, spoke to host government diplomatic and law enforcement personnel, and visited narcotics growing and smuggling areas. Our basic purposes in making this trip were to acquire first-hand knowledge of the "supply-side" efforts being undertaken for marijuana and cocaine, or the lack of such efforts, and to convey to foreign nationals the importance ascribed to the issue by the Subcommittee.

While each narcotics source country presents unique circumstances to some degree, similarities are apparent. Lack of resources and manpower to combat drug trafficking is a constant problem which is compounded by various degrees of official corruption generated by

huge narcotics profits. Concerns over internal political stability color overseas anti-narcotic efforts, as do the economic realities of lesser-developed nations where drug profits may be sorely needed avenues of foreign exchange. Doubt and skepticism over U.S. drug policies and commitments cloud both unilateral and bilateral efforts. The traditional and non-traditional acceptance of some drug use in source countries hinders anti-narcotics efforts. In short, the obstacles to combatting drug trafficking at the supply level are many. There are no easy solutions and perhaps no solutions at all.

COLOMBIA

As previously mentioned the most visible of all the South American drug countries is Colombia.^{1/} Not surprisingly, the attitude of the Colombian government and society towards anti-narcotics efforts is complex and this became most apparent to us during a discussion with Dr. Rodolfo Garcia-Ordenez. Dr. Garcia is currently sitting on Colombia's Superior Court and was formerly head of the Judicial Police narcotics unit.^{2/} If Colombia adopts a proposed plan to consolidate all law enforcement activities under one office (Fiscalia General) Dr. Garcia is considered a leading candidate to head this office.

Dr. Garcia stressed to us that Colombia's position as the major drug country in South America is merely a geographical accident, the result of being situated between the U.S. market and the rest of South America, thus making it a natural transit point for cocaine. In addition, parts of the country provide a perfect terrain and climate

for the cultivation of marijuana. (However, this may not explain why Colombia is the major processing and transit point for quaaludes, with the precursor methaqualone powder coming from Eastern Europe, nor why Colombians are heavily involved in trafficking cocaine from Peru and Bolivia through Brazil.) Dr. Garcia told us that Colombia will not be embarrassed by allegations of a poor international image due to narcotics. Rather, he said, Colombia is quite proud of the steps they have taken to combat drug trafficking despite limited resources and other domestic problems which must be faced.

Exactly what has Colombia done? Their most visible effort has been in marijuana interdiction through the deployment of National Guard narcotics units in the Guajira Peninsula.^{3/} This effort began in late 1980 and multi-ton seizures of marijuana and comparable seizures of quaaludes have occurred frequently. Colombian authorities claim a 237% increase in marijuana seized in the first six months of 1981 compared to 1980, and a 266% increase for methaqualone.^{4/} The seizures are followed by destruction of the drugs.

But despite these successes it is doubtful if the total volume of marijuana being exported from Colombia is being meaningfully decreased. U.S. officials in Bogota told us that even using a low estimate of total marijuana production the seizure rate is probably 10-15%. Further, National Police operations in the Guajira may soon peak in their effectiveness if financial support decreases and local resistance increases. Seizures have meant little since the major traffickers cannot be caught and put out of business. In Colombia these "narco-traffickers" are basically

untouchable due to official corruption, judicial intimidation,
lack of enforcement resources, or otherwise.^{5/}

This inadequate enforcement situation leads to the inevitable question of marijuana eradication, but the impediments to this appear to be myriad. Dr. Garcia made clear to us that funding for marijuana eradication would have to come completely from the U.S.^{6/} To do this, the Percy Amendment (P.L. 95-384), which prohibits U.S. funding for herbicidal spraying, must be repealed. The Senate has taken this action. But even if Congressional restrictions and funding problems are resolved other obstacles exist.

Dr. Garcia made it quite clear to us that any Colombian commitment to eradicate marijuana must be accompanied by a U.S. commitment to eradicate its domestic marijuana cultivation, which is gaining a larger and larger share of the U.S. drug market. The Colombians perceive that there are no U.S. domestic eradication programs, and until recently this perception would have been true. Even now very little domestic eradication is taking place, but some is, and later this morning the Subcommittee will receive testimony concerning these efforts.

Dr. Garcia's argument for reciprocal eradication was only part of his skepticism as to the U.S. anti-marijuana commitment. He wanted to know why a number of states have decriminalized marijuana and whether this will become a national trend? He wanted to know why marijuana traffickers receive lenient sentences, if any, when caught

and convicted in the U.S?

Dr. Garcia's justification for these inquiries, and in particular reciprocal eradication, was the obvious one of fair play. But in speaking to U.S. personnel in Colombia a sense of economic protectionism by Colombia towards marijuana exports became evident. Many individuals in Colombia are convinced that the U.S. wants to have Colombian marijuana sprayed (without spraying U.S. plants) merely to create less competition and higher prices for the U.S. growers, and less profit for Colombians, albeit illicit.

This quasi-protectionist attitude regarding drugs also arose in discussions with other South American government officials, who indicated that Colombia's multi-lateral cooperation in the narcotics arena has not been strong. In Colombia this economically oriented perspective is directly espoused by some who believe that marijuana and other narcotics exports should be legitimized and controlled by the government so as to increase government revenues. It is believed that marijuana export revenues now surpass coffee revenues in Colombia.

Dr. Garcia also brought the protectionist concept up when speaking of the farmers who grow marijuana in the Guajira for sale to the traffickers. What, asked Dr. Garcia, would happen to these poor "campesinos" if their fields are eradicated? What would they do for income?

This argument was downplayed by Cesar Bernal, head of the State Department Narcotics Assistance Unit in Bogota, since the

number of farmers growing marijuana is quite small compared to the total number of farmers in Colombia. Nevertheless, the importance of post-eradication assistance should not be understated in any source country. The major expenditures for eradication efforts for either marijuana or cocaine may inevitably be for crop substitution and farmer education programs rather than for the actual eradication, although even this is an expensive undertaking.

An additional factor in the politics of marijuana in Colombia is the presidential election scheduled for May, 1982. The current president, Julio Cesar Turbay-Ayala, cannot succeed himself. President Turbay has publicly taken a strong anti-narcotics stand, but this may change, perhaps radically, with a new administration. Eradication and other narcotics assistance discussions may have to start from scratch. At least one presidential candidate is supported by a research organization strongly espousing the legalization of marijuana.^{7/} Clearly, a move in this direction would doom all efforts to suppress exports. Ambassador Boyatt can elaborate on the politics of marijuana in Colombia during his upcoming testimony.

Interdicting marijuana at the Colombian shoreline is extremely difficult. With the assistance of a Colombian Army pilot we were able to fly over the northern coast of Colombia from Barranquilla to Riohacha. What one sees is miles of coastline and a highway conveniently running parallel for most of the distance, thus allowing traffickers to move marijuana by vehicle

to any of innumerable shoreline locations and subsequently to the motherships. The loading is done at night and we were told by our pilot that a mothership can be completely loaded in one hour using 80 men and canoes to take the load from shore to ship. Further inland over the Guajira we were able to see a number of clandestine airstrips, some rudimentary and others quite long and wide.^{8/}

Efforts at cocaine interdiction in Colombia are mainly aimed at the discovery and seizure of processing labs. Success is sporadic, as labs can be packed up and moved to a new location very easily.^{9/} Joint eradication efforts in the coca fields that have existed in the Cauca region in southwest Colombia have taken place this year.^{10/} We were told that the first eradication effort caught growers by surprise and the police were able to cut the plants with chainsaws and spray the exposed stumps with a low dosage herbicide. However, a subsequent operation was met by a large crowd and some resistance. Officials also fear the development of coca cultivation in the llanos (eastern plains) region and have begun eradication efforts there.^{11/}

PERU

Nevertheless, Colombian coca traffickers primarily rely on Peruvian and Bolivian cultivation to supply coca paste and base.^{12/} In Peru we visited Tingo Maria, a town in the central part of the country which has been a center of coca cultivation and trafficking. Thus, it has been a focal point for several anti-narcotics projects. AID has planned a major bilateral crop substitution program in the Upper Huallega Valley which will be discussed later today.

The Guardia Civil, one of Peru's two basic law enforcement agencies, has assigned a patrol to Tingo Maria to interdict trafficking through seizures of coca leaves and paste, destruction of coca leaf drying operations, and the occasional burning of coca fields. ^{13/}

Heading this patrol is Commandante Julio Cano Delgado. His command is beset with insufficient manpower, equipment, and housing as well as corruptible officers and sporadic local resistance. One example of the latter is this trap gun which has been brought up from Tingo Maria. Commandante Cano also complained to us that corrupt judges and prosecutors constantly dismiss cases against traffickers.

Nevertheless, Commandante Cano's presence has had an effect, as major traffickers have left the Tingo Maria area for the Cuzco area farther south. Much of the coca paste derived from the leaves is shipped by river to Iquitos, Peru, and Leticia, a Colombian city near the merger of the Colombian, Peruvian, and Brazilian borders. From here the paste can be flown to processing labs in Bogota, Medellin, Cali, and elsewhere in Colombia, or moved down the Amazon River to Brazilian processing labs. Enforcement presence in this region is minimal although seizure missions are sporadically undertaken.

In Peru, as well as Bolivia, Indians have traditionally chewed coca leaves for a variety of reasons. ^{14/} Hence, total eradication is out of the question. Lt. General Humberto Catter-Arendo, Director Superior of the Guardia Civil, told us that it is very hard to change the perception of the farmers

towards coca. He said the farmers must be made to understand the dangers of coca to them and the problems created for others by its cultivation. The farmers say other crops are not as profitable.^{15/}

The Peruvian government has attempted to control a licit coca market through the creation of a government agency, ENACO.^{16/} In theory farmers may register certain acreage for the licit cultivation of coca. Licit leaves are bought by ENACO for pharmaceutical resale and domestic use. Any other coca cultivation is illegal. However, enforcement of the ENACO system is very difficult. In Tingo Maria we visited one structure used for drying coca leaves and inside found a stolen or bought pad of ENACO registry sheets, each with the proper ENACO stamp. If the Guardia Civil were to inquire about this individual's coca cultivation he could take one of the sheets, fill it in, and have an ENACO-registered field.^{17/} Or he could try to pay the Guardia Civil officer and not have to worry about forgery. Regardless, ENACO's prices cannot compete with illicit traffickers. Commandante Cano told us that the traffickers were offering five times as much as ENACO per kilo of coca leaves.

In Peru as in other countries we visited, U.S. anti-narcotics desires do not always coincide with foreign government priorities. In Lima Lt. General Eduardo Ipinze-Rebatta, Director Superior of the Peruvian Investigative Police (the second law enforcement agency), told us that his agency's number one priority was combating internal terrorist activities, and coca interdiction would have to take a definite back seat. In Peru limited enforcement

resources may mean that a back seat is no seat, unless additional U.S. narcotics assistance is forthcoming.

In fact, an increase in terrorist activities had just begun when we visited Peru. The U.S. Embassy in Lima was bombed a few days before we arrived and the homes and offices of various Peruvian and U.S. officials and multi-national corporations have been recent bombing targets. Ten such sites were hit the day before we departed. Officials in Peru, Colombia, and Jamaica all acknowledged to us a possible link between drug traffickers and terrorist groups but they said they lack any "hard" evidence of such. The deleterious effects of trafficker-terrorist linkage is clear and somewhat frightening. Traffickers have lots of money and money can buy arms. Terrorists can provide added resistance for eradication and enforcement efforts. Ambassador Corr and Lt. General Balaguer may be able to offer further information on this area during their upcoming testimony.

BRAZIL

We also spent two days in Brasilia talking to U.S. personnel and Brazilian officials. Quite obviously the situation with respect to drug trafficking is radically different in Brazil. It is not currently a major source country but Brazil has a huge potential to be a major supplier, not only through its continuing use as a processing and transshipment point for Bolivian cocaine, but also through its own marijuana and coca cultivation. Brazil's immense size (larger than the 48 contiguous states), with large expanses of undeveloped and hard to reach land, create enormous

concern. The current preoccupation of Brazilian officials, however, is a growing domestic drug use problem.

Marijuana poses the biggest use problem in Brazil, even though there are stiff marijuana penalties. Domestic production mainly occurs in seven northeastern states. DEA's Special Agent in Charge in Brasilia estimated that 70% of this marijuana is exported, although he was not sure of its destination, and 30% is consumed domestically, mostly in the growing areas. This was disputed during an interview with Dr. Helio Ramao, Central Police Coordinator for the Brazilian Federal Police. Dr. Ramao asserted that no Brazilian grown marijuana is exported.

We were also told that marijuana users in the Rio de Janeiro and Sao Paulo areas are more likely to get their marijuana from Paraguay, which is producing marijuana with an extremely high THC content (7% compared to 3% for northeastern marijuana).

Cocaine is the second most popular drug in Brazil and its use is increasing tremendously. Almost all coke comes from Bolivia, for domestic use, processing, and/or transshipment. But some coca cultivation has begun in the northwestern Amazon regions of Brazil. An intelligence team confirmed this during a visit to the region in January, 1980. No law enforcement personnel have been back since and we were told that it is an eight day trip from Brasilia by plane, boat, mule, and foot. This sort of inaccessibility makes this a perfect location for Colombian coke traffickers

and the potential volumes are great.

Brazil is also a major source of the ether and acetone which is used to process coca. This, of course, is one reason for its desirability as a transshipment point. We were told that one small town on the Brazil/Bolivia border, population 40,000, is buying more ether and acetone than all residents of Rio de Janeiro, population greater than 5 million. Dr. Hugo Povoas, Chief of the BFP Narcotics Division, told us about a program to monitor shipments of these chemicals and check on their intended use. This crackdown is becoming more effective as it continues and is forcing traffickers to find innovative ways to get the chemicals to Bolivia. Dr. Povoas added that the BFP is working with DEA on the importation of these chemicals from other countries.

As is the case elsewhere in South America the biggest problem in combatting narcotics is funding. The BFP have insufficient equipment (radios, specialized vehicles for rugged terrain, surveillance equipment, etc.) and the future is bleak due to inflation and government restrictions on overall spending. More specialized personnel are also needed. Dr. Povoas said that the BFP has not as yet lacked the means to combat drugs but there was a great concern for the future.

The future of bilateral efforts is uncertain. Brazil is very conscious of maintaining a posture of independence from the U. S. and has not accepted U. S. assistance of any sort since 1976. A narcotics assistance agreement is now being negotiated between

Brazil and the INM for \$200,000 this year and \$500,000 next year, mainly for equipment, but during an interview with Ambassador Jose DeSilveira of the Ministry of Foreign Affairs it was made clear that Brazil is quite reluctant to sign the agreement even though the assistance would be most useful for the BFP.

The BFP has undertaken several marijuana eradication projects which were described to us by Dr. Ramao. They begin with an identification of fields by the BFP. The growers and traffickers themselves are then required to pull out the plants. If the field is large tractors are requisitioned.

Brazil has also taken the lead role in forming an organization composed of South American nations which is designed to combat drug trafficking through regional solutions, although it is still in its infancy. Brazilian officials are quite reluctant to criticize other South American source nations, as they seem unwilling to endanger any trade agreements or other economic deals.

Domestically a National Drug Council was set up last year to develop national policy and its purpose and goals were explained to us by Dr. Arthur Castelo Neto, President of the Council as well as Secretary General of the Ministry of Justice. Like others Dr. Neto was very curious as to the U.S. position on marijuana.

It should be clear that the United States, in its desire to decrease narcotics supply, cannot snap its bureaucratic finger

and expect immediate or even long-range results. Many foreign officials and nationals believe that the U.S. drug problem is just that -- a U.S. problem. This raises the issue of leverage. Should the U.S. predicate general foreign assistance, diplomatic and trade agreements, etc., upon the success of source country anti-narcotics efforts?
18/

Bolivia and Jamaica offer opposite examples of this carrot and stick argument. Bolivia has become the most extreme example of narcotics trafficking pervading the politics and economics of an entire nation, and the U.S. responded to this fact and other Bolivian actions by cutting off foreign assistance and recalling Embassy personnel. Jamaica has become a key exporter of marijuana but a strong U.S. position designed to halt these exports is currently difficult if not impossible due to Jamaica's overall economic and political state.

BOLIVIA

We had hoped to visit Bolivia during our trip but were advised that safety considerations weighed against a visit. We were able to speak to several DEA agents stationed in Brazil and Peru who had recently spent time in Bolivia. Their assessment was gloomy but they did hold out a ray of hope that the situation can be improved.

It should be kept in mind that Bolivia has never distinguished itself in terms of political stability. In 156 years of independence, almost 200 different governments have ruled Bolivia. In July, 1980, the takeover of the military regime of General Luis Garcia-Meza signalled the total involvement of the government in coca

trafficking, and all law enforcement efforts disintegrated. This event contributed to a general international isolation of Bolivia.

We were told that before the Garcia-Meza takeover the Bolivian drug situation was similar to Peru, with insufficient resources but at least some attempt at interdiction, agricultural projects, etc. DEA worked with the main Bolivian law enforcement agency, the DNSP. But Garcia-Meza changed this completely.

This spring Garcia-Meza stepped down as the President of Bolivia, placing the government in the hands of a three-man junta. In early September the junta dissolved and one of its members, General Celso Torrelio-Villa, became the sole leader. The DEA agents told us that General Torrelio has indicated a willingness to fight narcotics trafficking and has no previous reputation for corruption. U.S. efforts to get the government to crack down on trafficking are continuing but so far have not been as successful as hoped. Later this morning we will hear testimony from Steven Block from the Department of State concerning Bolivia.

Most coca paste from Bolivia is flown out of Santa Cruz and La Paz to Colombia and Brazil. Some is taken out by river or overland. Although the U. S. may be willing to loosen the restrictions it has placed on Bolivian assistance and diplomatic relations, it seems clear that narcotics trafficking will remain a key element in any negotiations. This should be contrasted with U.S.-Jamaican relations which, although strained by continuing marijuana

exports, are characterized by a U.S. position which is much more sympathetic.

JAMAICA

We spent three days in Kingston, Jamaica to examine the use and export of ganja (marijuana). In addition to State Department and DEA personnel we met with representatives of the Jamaica Constabulary Force, Jamaica Defense Force, and Winston Spaulding, Minister of National Security and Minister of Justice.

We found a country beset by severe economic difficulties and a relatively new government which is still trying to establish itself.^{19/} We also found the issue of ganja use and trafficking hotly debated, inextricably intertwined with politics and economics, and connected with groups such as the Ethiopian Zion Coptic Church and the Rastafarians.

Part of the problem in Jamaica is the traditional use and acceptance of ganja, which has gone on for hundreds of years. The smoking of ganja is commonplace, as is the drinking of ganja tea and the use of other ganja-based products.^{20/} Cultivation in the Jamaican hills is easy and more profitable than any other crop. It is also facilitated by the urgings of the Ethiopian Zion Coptic Church, a trafficking organization disguised as a religious organization, and the source of major concern within the Jamaican government as well as U.S. law enforcement circles.^{21/} Yet possession of ganja remains a criminal offense in Jamaica.

The Coptics have replaced the government as the provider of

social services for many rural Jamaicans. If a farmer has an ill child the Coptics will provide a doctor. If he needs a replacement part for his tractor the Coptics will get it. If he needs a buyer for his ganja the Coptics are there, even though in most areas the Coptics own their own land and grow their own ganja. The government's social services cannot compete with the Coptics. As a result of their trafficking activities the Coptics have become the second largest Jamaican land owner (behind the government), they have bought into a number of legitimate businesses, they have bought land in at least five states in the U.S. as well as Colombia, and they have become a strong political force in Jamaica although content to operate outside normal political channels. While some lower level Coptics have been arrested for trafficking the top echelon seems protected.

To a lesser extent the government must deal with the Rastafarians, who also regard ganja as a religious sacrament (the "weed of wisdom") although they are not involved in trafficking as the Coptics are.

Therefore, it is not surprising that many Jamaicans condone ganja use and/or favor legalization. Similarly, many Jamaicans favor government nonintervention and a freeing up of the ganja export business. A July, 1981 newspaper poll found 62% of the populace opposed to government steps to reduce the ganja trade to the U. S. This sentiment most likely indicates not only the traditional acceptance of ganja but also the realization that ganja export revenues to the U.S. have become, during Jamaica's current

economic difficulties, a needed source of foreign exchange. We were told that ganja revenues in 1980 were approximately \$1 billion, and that 20% (\$200 million) was returned to Jamaica. Minister Spaulding told us that this was a "significant" amount in terms of the Jamaican economy.

While Prime Minister Edward Seaga's administration has announced its commitment to clamp down on ganja trafficking, little can be done due to insufficient manpower and resources.^{22/} The head of the Jamaica Constabulary Force's (JCF) narcotics division, Clem Shay, told us that he has only 28 men to patrol the entire island, and 3-4 working vehicles at a maximum. JCF wages are low and the corruption potential correspondingly high.^{23/} Colonel Bunny Stern of the Jamaica Defense Force echoed Superintendent Shay's resources problem and explained the tremendous problem being created by the numerous ganja flights being run from clandestine airstrips. Jamaica has no radar facilities, making it virtually impossible to detect these flights. There is a constant fear of a mid-air collision with a commercial flight. JDF's chaser plane capability is minimal, as is their Coast Guard capability. Earlier this year the JDF began a program to dynamite clandestine strips, but legal challenges have put a halt to this program, and Colonel Stern told us that a ganja man could rebuild a blown strip in three days.^{24/}

Again, as in Colombia, eradication is the alternative solution. A joint DEA-Jamaica eradication project in 1974 (Operation

Buccaneer) virtually wiped out the ganja cultivation. But since then it has returned, acreage is five times what it was before Buccaneer, and prospective eradication efforts in the near future seem unlikely.

The government of Prime Minister Seaga cannot afford the general backlash which would accompany an eradication effort at this time. The Coptics, Rastafarians, and many others unaffiliated with any group would object on traditional and economic grounds. In addition political opponents of the Seaga administration, mostly followers of former Prime Minister Michael Manley, would seize upon any general discontent to foster their opposition views, and it is well documented that these opponents possess many automatic weapons, procured in the period prior to last year's national election.

Minister Spaulding summed up the government's position for us: they are totally opposed to legalization and unimpeded exports and committed to anti-ganja efforts; but, any efforts must be part of a comprehensive, well thought out package so as to minimize political and economic backlash, and it is premature to begin this sort of effort. Meanwhile, the question arises as to how much pressure the U.S. government should place on Jamaica, and should our general foreign assistance be used as a lever? Unlike Bolivia it seems clear that this sort of leverage in Jamaica would be most unfair, and doing so would leave the Jamaican government with a Hobson's Choice. At this point their hands seem to be tied in regard to ganja; they have more pressing

domestic problems to face.

This concludes my prepared statement. I would be glad to respond to any questions but would add that we have a number of witnesses this morning who are much better informed than I and they may be in a better position to answer your questions.

FOOTNOTES

1/ According to most estimates Colombia is either the source nation or the transit point for 70% of the cocaine, 70-80% of the marijuana, and 80-90% of the quaaludes imported into the United States.

2/ Currently in Colombia several law enforcement agencies have narcotics responsibility, including the Judicial Police, which is part of the Colombian Office of Attorney General. Other involved agencies are the National Police, Colombian Customs, and the Colombian Armed Forces. The Judicial Police effort is geared towards investigations while the National Police is more interdictive.

3/ U.S. officials in Bogota informed us that there were four National Police units of approximately 120 men each in the Guajira with a fifth unit on standby. Interdiction in this area was previously handled by Colombian military forces.

4/ Normally marijuana is burned and quaaludes are tossed in the sea. These actions require judicial sanction. Accordingly a judge is usually present at the time of destruction. Local officials are often invited to attend and we were told that they may appear but do so reluctantly since many local officials are paid by traffickers to minimize interference with their trafficking operations.

5/ Corruption is fairly rampant, with payoffs offered to law enforcement personnel to avoid arrest and to court administrative personnel to avoid prosecution if an arrest does occur. The lowest tier of police officers receive approximately \$150 per month in salary. One reason for the replacement of the military in the Guajira with the National Police was to cut down on corruption. Judicial intimidation has become an extremely serious problem for Colombia, and was capped by the slaying of two judges in Medellin in October, 1980. Other assassinations have been attempted. Many judges refuse to accept drug cases and others have resigned. We were told that the lowest tier of judges in Colombia are recruited directly out of law school, are paid low wages, and are easily intimidated. If these tactics fail, major trafficking bosses are apt to have a lower-level figure take the criminal rap in exchange for financial reimbursement and promises of an early release from prison.

6/ Estimates of how much eradication would cost in the Guajira vary. One DEA official told the Subcommittee that it would cost \$23 million to start up and \$5 million per year to maintain.

The INM office in Bogota is requesting \$10 million per year for the next five years for eradication. NORML has published a cost estimate of \$250 million over five years. These figures should be compared with the overall \$30 million in narcotics assistance which has been sent to Colombia in the past ten years.

7/ The organization is ANIF (National Association of Financial Institutions). For the past three years ANIF has conducted a publicity campaign for legalizing marijuana exports. They are supporting presidential candidate Alfonso Lopez-Michelson.

8/ In 1979 DEA estimated that there were more than 200 airstrips in the Guajira (and approximately 1000 in all of Colombia). A 1981 estimate states there are over 300 strips in the Guajira.

9/ 23 coca labs were seized in Colombia from October, 1980 through July, 1981.

10/ 1075 hectares of coca cultivation were destroyed from October, 1980 through July, 1981. (One hectare is approximately 2 1/2 acres.)

11/ Cesar Bernal informed us that the llanos area comprises 40% of Colombia but only 2% of its population. It is virgin territory for traffickers and much of it is relatively inaccessible.

12/ Colombian traffickers prefer to utilize Peruvian, rather than Bolivian, coca. The Bolivians are more likely to have their own processing labs in Bolivia. Coca base is the preferred form for transit (rather than paste) since coca base is half as bulky as paste and does not have a distinguishing odor.

13/ Commandante Cano's daily operations have been supplemented by two larger-scale eradication and enforcement efforts: Operation Green Sea I and Operation Green Sea II. These took place in November, 1979 and March, 1980 and involved additional troops.

14/ Coca leaf chewing among the Indians serves the purposes of providing energy, numbing hunger, and according to Indian beliefs, stimulating sexual prowess. Researchers have emphasized that in this context coca is being used more as a mild stimulant than a narcotic.

15/ According to a 1979 AID study, one hectare of coca leaves

would provide a return of approximately \$8300 to a farmer. One hectare of cacao would return \$4000, one hectare of rice \$625, one hectare of corn \$510, and one hectare of soybean \$500.

16/ ENACO stands for Empresa Nacional de la Coca.

17/ This scenario is technically no longer possible since no licit production of coca leaves is allowed in the Tingo Maria area anymore due to its reputation as a trafficking center.

18/ Congress has specifically mandated this sort of inquiry in 22 U.S.C. 2291.

19/ Despite the extensive use of ganja in Jamaica, exports far outweigh internal use. DEA's Special Agent in Charge in Kingston provided us with a 1981 estimate of 4800 acres of ganja cultivation. Two harvests per year would result in 4800 tons of ganja (one acre = 1/2 ton). DEA's agent estimated 300-350 tons for domestic consumption, leaving 92-94% for export to the U.S. (This is a larger estimate of total quantity than others which have been made.) DEA's agent added that at the time of our visit traffickers were having difficulties getting this much ganja out of the country, and warehouses were full of large quantities of stored ganja. This can only be done for several weeks before staleness sets in.

20/ Jamaica has experienced eight consecutive years of negative economic growth. There is currently an unemployment rate of 35% as well as an underemployment rate of 35%.

21/ Several months ago nine Coptic Church members were convicted of narcotics trafficking charges in Miami. Keith Gordon, the Chief Elder and leader of the Coptics, is a fugitive in that case. Chief Elder Gordon is living in Jamaica.

22/ Minister Spaulding told us that Jamaica's police could not adequately patrol residential areas for crime. How, therefore, could they interdict ganja?

23/ DEA's Special Agent in Charge in Kingston told us that JCF wages are approximately \$300 per month, and the most rudimentary housing would cost \$250 per month.

24/ Colonel Stern informed us that special legislation is being prepared which would allow for the resumption of these airstrip bombing missions.



Marijuana Cultivation



Base 77247 4-70

Coca Cultivation

The Miami Herald

Wednesday, October 14, 1981

DEA feebly attempts to slay 'drug dragon' in Colombia

Fourth of a series
by GUY GUGLIOTTA
and Stef Wink

BOGOTA, Colombia — In Colombia and the rest of Latin America, the U.S. Drug Enforcement Administration is battling a multi-billion dollar drug business that controls the lives of tens of thousands of people.

It is an uneven struggle: like fighting a dragon that grows two heads — each one severed. The dragon is strong and the dragon is rich. Most of all, the dragon enjoys quiescence, if not outright support, in Colombia, where it lives, and in the United States, where it feeds.

For American enforcers, the frustrations of taking on the drug trade outweigh the successes throughout Latin America. That goes for Colombia in spades.

Destitute Colombian campesinos gladly toil for a pittance so American high schoolers can buy marijuana and Quaaludes at a price they can afford. In between, enough money changes hands to match the Gross National Product of a small country.

Colombia, to use this year's expression, is the "supply side" of the

dope business, exporting 70-80 percent of the marijuana, 60-70 percent of the cocaine and 80 percent of the methaqualone (Quaaludes) consumed in the United States.

There are no hard figures on how much drugs are worth to Colombia, but a private foundation recently estimated earnings of \$2.5 billion in

1979. Coffee, Colombia's biggest straight export, was \$500 million behind.

Drugs can support a big payroll, buy a lot of silence, pay for nimble lawyers and seduce a lot of otherwise law-abiding citizens. Helping

end drug traffic is what the DEA is supposed to be doing in Colombia. It is not succeeding.

"The DEA and everybody else that's working in this area is not, by their own statistics, stopping any more than 10-15 per cent of the flow of illegal narcotics to the United States," says U.S. Ambassador Thomas Boyatt. "We can and we must do better."

But how?

The DEA has from eight to ten agents in Colombia at any time, operating on a budget that changes each quarter but which comes out to about \$250,000 per year, outside of salaries.

With this, the agency finances a variety of occasional expenses — office furniture, plane tickets, meal money, informants, flashlights and other light equipment as well as gasoline to keep Colombian vehicles on the road.

The DEA does not buy heavy gear — airplanes, boats, helicopters, radios. That comes from the U.S. Narcotics Assistance Unit in Colombia, an arm of the State Department.

Equipment delayed

Sometimes this can create misunderstandings. Police on Colombia's north coast have been waiting for months for launches, radios and helicopters. Many blame the DEA for the delay, but the State Department is responsible.

Along with limited funds and limited jurisdiction, the DEA also receives limited guidance from Washington. Congress is examining proposals that would make the job easier, but has taken no action.

Most of the DEA's agents in Colombia have a minimum five or six years' experience and habitually work in Spanish, important because the agency by U.S. law cannot conduct investigations in Colombia, but only act in a liaison capacity with Colombian counterparts.

"It's an adjustment," admits John Phelps, the DEA's special agent in charge. "In the States we would initiate an investigation, conduct it and end it, but here we can't."

DEA restricted

Many Colombians do not understand the restrictions, but if they fail, it generally is because the DEA is too little. Congress, whose misgivings about Central Intelligence Agency involvement in foreign law enforcement inspired the Mansfield Amendment, worries about the DEA doing too much.

There is certainly much to do. Colombia has 27 million people, 1,200 miles of Atlantic and Pacific seacoasts, 3,100 miles of borders with five countries, a cumbersome democratic government and world-class coffee, emeralds and cross-country cyclists.

It also has four guerrilla groups, pickpockets whose skills would delight Fagin, a full corps of muggers, murderers and heist artists and smugglers capable of moving anything anywhere. Colombia is a world leader in production and distribution of counterfeit money.

The drug business has flourished here for more than ten years, taking

advantage of both the ambience and the geography. The borders are sieves, propeller airplanes can fly non-stop to the United States, and there are huge areas with almost no attention or roads.

A single canopy often conceals the perfect hideout; cocaine labs in the Amazon; coca fields in the savannas of the eastern llanos; marijuana in the hot hills of the northeastern Guajira Peninsula.

4 types of activity

The DEA and Colombian authorities are interested in four types of activity, each presenting different problems and each with different possible solutions, none, at this point, solved.

• **MARIJUANA:** Two annual harvests are worth anything from \$1.4-\$2.05 billion, the biggest dope operation in the country. The industry center is the Guajira peninsula, with rapid growth in the llanos.

The DEA and Colombian police estimate plantings of between 125,000-175,000 acres in the Guajira alone, employing as many as 40,000 people, most of them smallholders, tenant farmers and squatters.

Policing it is ridiculous. Marijuana grows weedlike, maturing in three to four months. It cannot be destroyed on the ground, because the entire Colombian armed forces don't have enough time, men, money or machetes to do the job.

The growers tend to be ignorant campesinos such as Epifanio Jaramillo, who thinks he is 46 years old, listens to a transistor radio and tends 15 acres of marijuana on a hillside about 25 miles south of the Guajira city of Santa Maria.

Police never bust the Jaramillos of Colombia, who wouldn't be doing anything at all if they weren't raising dope. The Colombian marijuana grower is like the American marijuana smoker: There are too many of them and they are too insignificant.

• **COCAINE:** Some 30 tons of cocaine move out of Colombia each year, about half made from domestically grown coca trees, mostly in the llanos.

Coca leaves can be harvested three or four times a year for 40 years or more, but the tree needs two to three years before it can produce. For this reason, the DEA thinks police can finish off domestic production. A few passes with a chainsaw can destroy the investment of a lifetime, and chainsaws come within the DEA's budget.

• **COCAINE:** Colombian cocaine, the drug traffickers' major growth industry, is worth about \$500 million per year. Chemists refine domestic and imported coca paste in hundreds of small laboratories in the llanos, the Amazon and in the big cities of Medellin, Bogota and Cali.

The conventional wisdom of the cocaine business holds that many influential families are deeply involved in the traffic, making enforcement a political nightmare.

There is no doubt of cocaine's power. In the industry center of Medellin, a jewel of a city in the high Andes, gunmen last year murdered several investigative judges just to set an example.

METHAQUALONE: Colombia's "offshore" industry. The powder arrives by airplane from Europe or the Peoples' Republic of China, major producers of the chemical. Colombians compress the powder into Quaalude pills and ship it out again.

This year, police and the DEA seized four tons of powder and convinced West Germany to make methaqualone a controlled substance. This success may have put a crimp in the industry, but investigators won't know for another six months.

Some success

The DEA's Colombian scorecard for 1981 shows progress in marijuana, where police seized 1,385 metric tons through September as opposed to 690 metric tons all of last year. Methaqualone seizures were also up—to 6.9 million pills versus 1.2 million in 1980.

These successes have meant less attention for cocaine, and it shows. Seizures for 1981 stand at 669.6 kilograms through Sept. 20, down from 1,564.3 kilos last year.

Both the DEA and Colombian authorities use the numbers to record performance, but agree that seizures mean little. What counts is the percentage of total production grabbed, and this is a mystery.

For this reason, the Colombian philosophy, like the DEA's, is to hunt big fish, some 35-150 "Class One" offenders that police and DEA want very badly, as well as another 200 middle-level traffickers.

Still, it can be harder to make a case in Colombia than in the United States, Phelps says. The Colombians "have the same layers of insulation, removing themselves from the actual level of narcotics activity."

The DEA in Colombia distinguishes between two different strategies for narcotics control: "interdiction" and "eradication." Interdiction is police work, what the Colombians are trying to do with cocaine and marijuana. Eradication means wiping out crops.

Both DEA agents and Ambassador Boyatt say that interdiction can be like throwing straws in the wind, especially when dealing with

an industrial behemoth like north coast marijuana. The surest solution, proven in Mexico, is to spray the whole peninsula with herbicide, only paraguayat.

There are obstacles. Most important is the so-called Percy Amendment, prohibiting the U.S. government from selling herbicide to foreign countries. Boyatt and the DEA regard repeal of this amendment as a minimum condition for controlling marijuana in Colombia.

The second obstacle is American refusal to spray domestic U.S. marijuana production. The DEA says the U.S. example makes it harder to sell Colombia on herbicide.

Apart from legal problems, Colombian police say that with some logistical help, interdiction can stop marijuana on the Guajira. The area could become a possible area of friction for DEA-Colombian police relations, oddly enough because strategy in the area has proved successful.

Before December, 1980 the Guajira was a dope smugglers' paradise, with marijuana moving almost without restriction, poor farmers buying Mercedes Benzes and gunmen turning streets into free-fire zones.

The army was handling interdiction badly, much of its work compromised by huge amounts of cash circulating in the area. Local officials were indifferent because the Guajira was tasting prosperity and liking it, never mind where it came from.

In late 1980, the DEA helped train a national police unit to take over. The officers were handpicked, the enlisted men drafted completing a year of active service.

Neither officers nor men had any family in the Guajira, the idea being to send a picked group of strangers to do a year of hard time, no frills, no distractions.

The five police companies based in Santa Marta have a total of 576 men who since December have seized 1.67 million kilos of marijuana, 782 prisoners, 235 vehicles and 176 weapons.

Their leader is Major Ismael Trujillo Polanco, who describes his sys-

tem succinctly: "They have 12 hours on, 12 hours off, seven days a week; no going into town; no civilian clothes; no getting drunk; no screwing around." There are no fat cops in Santa Marta.

Trujillo claims his men are stopping "about 80 per cent" of the Guajira marijuana traffic, but the DEA says this is unlikely because of the amount of Colombian marijuana seized elsewhere.

Trujillo's men work only on land, tramping or driving through the hot mountains. They use a mixture of ancient M1 carbines and West German G3 automatic rifles.

The drug traffickers favor light, semi-automatic AR15s. Recently, teamsters with a marijuana mule train greeted Lt. Luis Alberto Hernandez and a squad of police with hand grenades.

The police's major complaint is that they have no boats, no helicopters and no airplanes, hampering mobility. "This is not an insoluble problem," Trujillo says. "What we need is transport equipment."

The police say the U.S. embassy is supposed to be sending launches, trucks and radios, but the only item to arrive so far has been boxes of C-rations. Sending the equipment is the State Department's job, but the Colombian police deal with the DEA, and the DEA is who they blame.

"I know the DEA doesn't have any money either," Trujillo says. "But we never have enough stuff."

Other police are not so charitable: "The DEA says we're going to get vehicles: Where are they?" asked one officer. "The DEA says we're going to get radios: Where are they? The DEA says we're going to get boats: Where are they? It's always next week, next month. I've stopped waiting."

1

PEGIBO DE GUÍAS

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Nota.—Todo dato no proporcionado por los solicitantes de Guías será sancionado conforme a reglamentación.

EMPRESA NACIONAL DE LA COCA
Leyes Nos. 11046 y 17525

PEPPER GUNS

Downloaded from <https://www.cambridge.org/core>. University of Cambridge, on 02 Jun 2020 at 10:00:00, subject to the Cambridge Core terms of use, available at <https://www.cambridge.org/core/terms>. <https://doi.org/10.1017/S0022278X20000599>

Eres. Banco de la Nación,
Departamento de Recaudación

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Fecha de la Expedición _____

Nombre y Firma, Coleccionista

—El precio de este talonario es de \$/. 200.00 en toda la República.

The Miami Herald ***
Wednesday, Oct. 14, 1951

Peru: Cocaine flows unchecked through jungle waterways

by WILLIAM R. LONG
(Herald Staff Writer)

LIMA, Peru — Northeastern Peru is a vast maze of winding rivers and untamed jungle, a no-man's-land more than twice the size of Florida, a cocaine trail that defies control.

Trafficmen in slick speedboats and motorized dugouts called peque-peques ply an infinitely variable network of secret routes through the region. Most of the cocaine paste they carry is on its way to Colombia for conversion into powder, then to the United States and Europe for illegal sale.

Periodically, the U.S. Drug Enforcement Administration helps Peruvian police mount anti-cocaine operations in the northeast. But times agents admit that the efforts are only a feeble beginning.

"It's primitive, primitive jungle country, and there is almost no control as far as stuff coming in and out," said Ken Curry, a DEA agent based in Lima. "I have worked on the Mexican border, in Spain and Miami, and it was all peanuts compared to this."

"The area is just too wild and too immense to be covered by the personnel we have now," said Chris Verdugo, another DEA agent.

The Peruvian government is busy with the problems of politics and economic development, and does not give top priority to drug control.

"This is a secondary matter," said President Fernando Belaunde in an interview. "You have crime everywhere. In Peru, it does not involve people in high office."

William Wetherington, head of the DEA office in Lima, said that virtually all of the 200 narcotics agents in the Peruvian Investigative Police's drug unit are based in the Lima area. The trained forces do not participate in anti-drug efforts, and the Civil Guard stations in the provinces generally do not have full-time narcotics agents.

No agents in area

The DEA has five agents in Lima. No DEA agents are stationed in the Peruvian northeast, or in other backland areas where coca leaves are grown and converted into cocaine paste.

In June, a team of Peruvian police "worked" a river named the Aguaytia for the first time. Like numerous rivers in the Peruvian northeast, it flows into the jungle toward Colombia from Andean foothills where the coca bush is a major crop.

Verdugo, 33, helped plan the Aguaytia operation and went along to watch. What he saw illustrates the challenges faced by the DEA.

The operation began at the remote river port of Nuevo Riquena. Verdugo and seven members of the Peruvian police, called the Civil Guard, took off at dawn in a 25-foot peque-peque and a 14-foot aluminum boat with an outboard motor.

It was an all-day trip to a stake-out spot where the river narrowed. As four Peruvian officers in the first police boat approached the chosen stretch of river, they saw another peque-peque tied to shore.

"They saw some gear in the boat and it looked like someone was getting ready to take a trip," Verdugo said. There was a hut 50 yards away. The Peruvian agents moved in.

"Some guys inside started shouting and running in all directions," shooting at the Peruvian officers with automatic weapons, Verdugo said. The officers "tried to return fire, but their weapons jammed."

Cocaine confiscated

One man was arrested and three got away. No one was hurt. The arrested man led the agents to a stash of cocaine paste that weighed 670 pounds. That night, another peque-peque came putting down the river. After a chase, three men were arrested and 22 pounds of cocaine paste were confiscated.

Verdugo and the rest of the Peruvian officers arrived in the aluminum boat the next day.

"We stayed there another two days, but due to rain — and I mean really hard rain, almost all day and all night — we gave up."

The take from the expedition: 692 pounds of cocaine paste, four prisoners and two peque-peques.

"I think if we had stayed a week, we could have made a couple of more hits, until the word got out that we were there," Verdugo said.

Russ Reina, 32, another DEA agent based in Lima, said traffickers in the northeastern jungle are adept at changing their routes when they hear of interdiction efforts.

Last year, in October and November, Reina and 36 agents of the Peruvian Investigative Police set up an interdiction operation around Iquitos, a major port city on the upper Amazon River.

"Every barge, every peque-peque had to be stopped for inspection," Reina said. "and it turned out to be more than we could handle."

The 30-day operation took in little more than 100 pounds of drugs in all.

"The first seven days was when we were making the seizures," Reina said. "After that, nothing."

Local government authorities asked that the operation be stopped, he said. They complained that searches were causing long delays on the rivers and at the airport. "They say, 'hey, we've got to live with these people,'" Reina said, acknowledging that "these people" meant drug traffickers as well as

'I have worked on the Mexican border, in Spain and Miami, and it was all peanuts compared to this.'

DEA's Ken Curry

local politicians and businessmen.

One day during the operation, agents at a floating checkpoint on the Amazon near Iquitos saw a 16-foot speedboat coming down the river with its 200-horsepower motor running wide open.

The agents sent two police boats in pursuit. "They fired a couple of shots at him, and the bullets didn't catch up with him, that's how fast he was going down the river," Reina said. The next day, the speedboat came back the other way and got away again.

Big dealers rarely get caught in northeast Peru. "We know that there are people who are dealing in 1,000 and 2,000 kilos a year," Reina said.

"Unfortunately, we are only talking about northern Peru," he said. "We know very little about southern Peru. No one has even tried to calculate how much illegal cocaine is produced in the southern area."

Wetherington said one of the main tasks of his five-member DEA unit in Lima is "attempting to persuade, encourage our local counterparts to do what is necessary to interdict traffic before it goes to the United States."

The DEA in Peru has \$100,000 a

year for its expenses. It often shares the money with Peruvian agents.

Wetherington's office has additional funds for paying informants.

He said it normally is about \$10,000 every three months. Peruvian agents have no funds for buying information, he added.

Peruvian authorities seized about

6 metric tons of semi-refined or pure cocaine during 1980. That was 13 times the amount of all drugs seized in 1973, but only a fraction of the cocaine processed in Peru.

"We figure there could be over 200 metric tons of paste produced a year," Wetherington said. He said 200 tons of paste converts to about 80 tons of pure powder.

THE NEW YORK TIMES

DATE: August 31, 1981

Bolivian Leaders Tied to Lucrative Cocaine Trade

By EDWARD SCHUMACHER
Special to The New York Times

LA PAZ, Bolivia, Aug. 29 — Senior military officers here have been involved in extraordinarily lucrative drug trafficking and other corruption since the armed forces took power 13 months ago, according to foreign and Bolivian officials and two individuals with firsthand knowledge of the drug flow.

Some officers have received millions of dollars for protecting traffickers or for trafficking themselves in the processed and semiprocessed cocaine leaving Bolivia, the source of most of the cocaine that reaches the United States, according to officials of the United States Drug Enforcement Agency.

The junta now governing Bolivia

stepped in three weeks ago when Gen. Luis García Meza was forced to resign as President by a military rebellion, prompted in part by reformist officers who had discovered the corruption. The junta has called for a "return to morality," but two of its three members have themselves been charged with corruption in the past.

The Reagan Administration, meanwhile, is withholding appointing an Ambassador or giving the country badly needed economic aid because of the involvement of Government leaders in the cocaine traffic, Administration officials have said.

Among the allegations are these:

General García Meza received millions of dollars from drug traffickers

which he used to buy the allegiance of key commanders and to call off a United States-aided drug crackdown in June, according to the Drug Enforcement Agency officials, three Bolivian military officers and the drug-trade sources.

Col. Luis Arce Gómez, who was removed as Interior Minister in February after international pressure focused on him as the Government's chief drug contact, reportedly remains a powerful figure behind the scenes.

Charges Are Denied

He controls a force of Government security agents and foreign mercenaries, while trafficking in cocaine in a fleet of private planes that he co-owns, according to the diplomats, military officers and other sources related to the drug trade here. Colonel Arce Gómez denied some of the trafficking charges in a paid newspaper advertisement last week.

Gen. Waldo Bernal of the air force, the senior junta member, regularly received payments of up to \$100,000 a week for coca-loaded planes leaving the country for an undefined period after the coup, according to the same sources. General Bernal declined to be interviewed.

Adm. Oscar Panamo, the navy repre-

Continued on Page A8, Column 3

sensitive on the junta, is widely known by ordinary Bolivians as "el Pakistani" because of his involvement two years ago as Minister of Industry and Commerce in a \$14 million purchase of supposedly premium rice from Pakistan that had worms and rats in it.

Inquiry Is Cut Short

A parliamentary investigation of the charges that he was among those who pocketed the difference between the two qualities of rice was cut short by last year's coup.

General Bernal and Admiral Pammo joined General Garcia Mesa in a plan with a private contractor last year to mine semiprecious stones such as amethyst and topaz from Government land and export them to Brazil, according to a copy of the contract made public here two months ago.

The officers later said they were acting on behalf of the armed forces, but the Government has well-established procedures for operating mines and for paying profits and taxes — none of which were followed. It is unclear whether the venture has ended.

The drug-trade sources and diplomats say that army trucks are regularly used to transport coca leaves to clandestine processing centers. Air force guards are posted at some of the country's many private airfields used for flying out the cocaine.

Flashy Cars and Sumptuous Homes

Many military officers are hardly bashful in displaying their new wealth. They drive flashy cars and live in expensive homes that dot the cliffside winding down from the stark brown mountain-side city into an exclusive suburban valley below.

Few of the "coca dollars" appear to reach the ordinary soldier, but its effects are already felt throughout much of the rest of society.

Indian farmers who tend to the spindly, bushlike trees in the tropical Andean foothills in the center of the country have come to rely on the sale of their coca leaves to the drug traffickers. Sprawling black markets have developed to recycle the coca dollars, offering everything from Chinese sewing machines to American cosmetics at some of the lowest prices on the continent.

The cocaine trade was a natural practice to begin here and a difficult one to eradicate now because of the role of the coca leaf among Bolivian Indians for centuries. They chew wide of the leaves throughout the day to give them energy, numb hunger and, they believe, stimulate sexual prowess. There is a large amount of legal cultivation here, and many unionized mines and factories give a monthly ration of the leaves to workers as a contract benefit.

\$1.5 Billion From Cocaine

United States officials estimate that Bolivians earn more than \$1.5 billion a year from the cocaine exports, which is more than this impoverished, sparsely populated country earns from its legal

exports. Most of the money is invested abroad — in Miami apartments and Swiss bank accounts, for example. But it is estimated that \$300 million comes back into Bolivia, much of it to finance the black market.

The coca dollars have been put to little productive use. For the last month, however, the Government has been effectively out of foreign reserves, and about the only dollars available even through international business transactions come through the black market. In La Paz, the black market operates at a busy downtown corner known locally as Wall Street, where men and women with briefcases filled with cash wait for customers.

Bolivian traffickers began by shipping the country's high-quality leaves or a semiprocessed paste to Colombia for further refinement into the almost pure cocaine liquid or white powder that is smuggled to the United States. There, it is cut to about a quarter purity.

The trafficking in Bolivia is controlled mostly by several large families who have been based in the city of Santa Cruz, 330 miles east of here. The traffickers still have their mansions there, but they have moved their operations in recent months to the more isolated de-

partment of Beni, the northeastern area of tropical jungles and savannas bordering Brazil.

Processing Stills on Boats

There, the families, with legions of runners and bodyguards, use sophisticated communications and transportation networks to process the leaves and transport them north by air or east by boat along tributaries of the Amazon into Brazil.

Some of the families who traffic in drugs have reportedly even set up processing stills on boats, manufacturing the paste as it is being transported to refining laboratories in the Brazilian jungles surrounding the Amazon port city of Manaus, an increasingly important drug distribution point to the United States and Europe, according to diplomats and the Drug Enforcement Agency.

The United States has not had an Ambassador in Bolivia since shortly after last year's coup, when the Carter Administration recalled Ambassador Marvin Weissman and sharply curtailed eight programs because of Bolivia's record on human rights. The Reagan Administration shifted the focus to the drug trade.

Foreign Minister Mario Roldán Anaya

acknowledged in an interview here this week that some military officers had been corrupt but said that "the Government has no proof to prosecute" and that the Reagan Administration "should not condemn all for some."

'New Government, New Image'

He said "the junta is a new Government with a new image," trying to stop the drug flow.

The trade, however, is a major factor behind the continuing instability of the junta and the country.

General García Meza, who still lives in the presidential residence and enjoys such presidential trappings as the executive helicopter and limousine, is allied with Colonel Arce Gómez and is trying to rally support for a return to power.

Young colonels who call themselves the "black eagles" are pushing for power behind their leader, Col. Faustino Rico Toro, the strong-willed commandant of the military college.

The colonels were once the backbone of General García Meza's support, many of them receiving up to several hundred thousand dollars from the President in crises in the last year when the Government seemed shaky, the sources said.

Ex-President Returns From Exile

But now the colonels appear to be acting more on their own, some even reportedly having their own close ties with the drug trade. Former President Hugo Banzer, a retired general, returned to the country from exile this week; he still commands some allegiance among officers, who remember his tenure as President from 1971 to 1978 as a period of stability.

General Banzer is negotiating to return to the presidency. But it was during his administration that ambitious development projects became mired in kickbacks and the drug trade grew in earnest, according to businessmen and diplomats.

During General Banzer's term, Drug Enforcement Agency officials said, one of his brothers became a major figure in Bolivia, a stepbrother whom the General appointed Consul in Miami provided a key United States connection, and processing that is said to continue today as the General's extensive landholdings provided some of the cocaine.

General Banzer has publicly denied personal involvement in the illegal trade.

Economic Chaos in Bolivia

The reformists are led by Gen. Lucio Arce, who by all accounts appears virtually spotless. He has the support of many junior officers, who see the lack of United States and international support because of the drug trade as a primary cause of the country's economic chaos. The Government, lacking reserves, is practically bankrupt, bouncing checks abroad and unable to repay all its debts.

"The country needs a little hope," General Arce said in an interview this week. "It needs a government of people who are capable, responsible and above all honest."

Gen. Celso Torrello, Commander in Chief of the army and the third junta member, is also considered honest, but he does not command much of a following.

Bolivian governments, civilian and military, have always had a measure of corruption, Bolivian businessmen and foreign diplomats said. But they said that in the last year under General García Meza and Colonel Arce Gómez the amounts of money were unprecedented. Instead of being at the bid of the traffickers, they reversed the relationship to apply their own private taxes to guarantee protection, the sources said.

A Dangerous Game

When Maj. José Abraham Baptista, head of customs in Santa Cruz, seized \$6 million in cash from a group of Colombian traffickers last year, for example, \$4 million of it went to General García Meza, \$1 million to Colonel Arce Gómez and \$1 million to his commander and confidant, Gen. Hugo Echeverría, associates of the major said. He distributed the money under the direction of General Echeverría, who is division commander in the area and was the conduit for much of the drug money going to the Government.

But it can be a dangerous game. Major Baptista frequently clashed with Colonel Arce Gómez, once at a meeting last October that threatened to reveal the distribution of the Colombian money, according to sources familiar with what happened at the meeting. Two days later the major was shot to death by three of his own men as he emerged from a pizzeria in Santa Cruz, according to sources there.

In February, hoping to normalize relations with the Reagan Administration, General García Meza forced Colonel Arce Gómez to resign and began a highly publicized campaign against the drug traffic.

The Drug Enforcement Agency sent a special training team, equipment and \$60,000 in budget support. By mid-May, the campaign had effectively stopped the transportation of the illegal leaves, according to foreign and Bolivian officials, though the only arrests were of small operators, not major family heads. Suddenly, however, the President ended the campaign, publicly saying it was futile.

"Someone" got to him, a diplomat said. The "someone," according to diplomatic, military and drug trafficking sources, was Roberto Suárez, head of one of the largest families.

The New York Times
Sept. 24, 1981

BOLIVIA SHIFTS TIED TO U.S. DISPLEASURE

Aid Cutoff Seen as a Stimulus
Toward Fall of 2 Regimes
— Drug Traffic Is Issue

By EDWARD SCHUMACHER

Special to The New York Times

LA PAZ, Bolivia — A virtual blockade of international economic aid led by the Reagan Administration is held responsible in large part for the fall of two Bolivian governments in one month.

According to United States diplomats in several Latin American countries, the Administration's actions, carried out quietly, are a departure from policies it has adopted toward authoritarian regimes considered friendly to Washington. For example, it is trying to persuade Congress to lift a ban on arms sales to Argentina, and it has succeeded in making it possible for Chile to obtain trade credits from the Export-Import Bank.

But the Administration, the diplomats said, is officially withholding some \$125 million in budgeted economic aid to Bolivia and has not appointed an ambassador to La Paz on the ground that senior Bolivian officials have participated in cocaine trafficking or the protection of such trade since the military took power in a coup in July 1980. Bolivia is the source of most of the cocaine that reaches the United States.

Carter Policy Is Reversed

The Bolivian aid was actually cut and the ambassador withdrawn by the Carter Administration, shortly after the 1980 coup. The Reagan Administration, however, after a period of indecision, renewed the policy with vigor.

Moreover, according to Bolivian officials and foreign diplomats, it is quietly using its influence to restrict economic help from other countries as well as from the World Bank and International Monetary Fund.

The economic pressure is sorely felt because Bolivia has a foreign debt of about \$3 billion and the Government is essentially broke. Almost \$15 million in Government checks were returned by United States banks for insufficient funds in July and August, according to international bankers and Government officials.

Bolivian military leaders and Government officials say the economic pressure and diplomatic isolation of their country by the Reagan Administration were a major stimulus behind the military lightning that forced the resignation of Gen. Luis Garcia Meza as President Aug. 4 and the departure Sept. 4 of the junta that succeeded him.

"The country is in economic chaos," Gen. Mario Arce said in an interview during the revolt he led that forced General Garcia Meza to resign. "We need U.S. and international help, but with the dismal image of this Government, we cannot get it."

Among other factors contributing to the change in government has been a revolt by some officers against what they denounced as corruption and mismanagement under General Garcia Meza and the junta.

However, Mario Robin Araya, Foreign Minister under the short-lived junta, characterized the Reagan Administration's withholding of support as "strangling."

Normal Ties Called Priority

Gen. Celso Torrello said shortly after taking over as President Sept. 4 that "the normalization of relations is the immediate priority task" of his Government. He also promised a crackdown on drug trafficking moves to improve the economy and elections in three years.

In Washington, the State Department said that it was encouraged by the general's statements and that it would send two officials to La Paz to discuss with the Bolivians "the details of the concrete actions they expect to take" to combat narcotics trafficking.

These discussions are part of a continuing study of the question of whether to normalize relations, State Department officials said, noting that the United States chargé d'affaires, William Price, met General Torrello on Sept. 10 to explore the question. Alan Romberg, the deputy departmental spokesman, said the delegation would consist of Gordon Sumner, a special adviser to Thomas G. Fender, Assistant Secretary of State for Inter-American Affairs, and Samuel Hart, director of the department's Office of Andean Affairs.

General Torrello is considered here in La Paz to have no connection with the drug traffic, although he is accused by some Bolivian officers and foreign diplomats of being a front for a group of young colonels who have profited from the trafficking. Reagan Administration officials had said before the latest change of Bolivian governments that restoration of aid and an ambassador depended on Bolivian actions to fight drug traffic, not promises, which had been heard before.

The severed aid was mostly for economic development projects such as housing and roads. About the only United States funds still coming into the country, United States officials said, are for humanitarian food aid channeled through private charities and several hundred thousand dollars to sustain a crop substitution project for cocoa farmers at a low level.

The World Bank has indefinitely delayed almost all the new projects it had planned for this year while the International Monetary Fund has all year been putting off a Bolivian request for an emergency standby loan.

Diplomats say that United States pressure has been critical in the decisions by the international agencies. Aid from those institutions is supposed to be dispensed on economic, not political, grounds, but, the informants said, the actions have also been justified by the instability in the country.

An exception is Argentina, which last year lent \$50 million and gave military and intelligence assistance to the Bolivian armed forces. The Reagan Administration, however, is now reportedly encouraging the Argentines not to be so supportive.

the STAR

DEBAYUNDA
by
DR. CARL STONE

NOTE: The Poll was carried out between July 15 and 27. 1,022 persons were interviewed in the various parishes in St. Croix and the results are given in the margin. The margin of error in the sample is 4%.

MAJORITY OPPOSED TO CUTTING BACK GANJA TRADE

A recent press report gave the impression that the government had taken steps to reduce the ganja trade to the U.S.A. Coming against the back ground of an actual decline in the trade as perceived by ganja growers this report has given rise to certain issues surrounding the ganja trade in which sharp views for and against the trade have been expressed in the press.

Events that have taken place since the press suggest that the decline in the trade may be due to factors quite apart from any actions of the Jamaican government. The July Poll, however, tried to discover what support there was within the Jamaican public for a reduction of the ganja trade to the U.S.

When the last Poll was done on a related subject it was found that about 2 out of every 3 persons opposed the legalizing of the ganja trade. Included among that majority were persons hostile to the trade as well as persons favourable to the trade but who felt that legalizing ganja might reduce the price earned

by existing growers. The currently debated issue of whether a cut-back in the trade is desirable provides a quite precise index of just what proportion of the public looks favourably on the ganja trade, regardless of whether they are users or growers or dealers or citizens who have no connection with ganja.

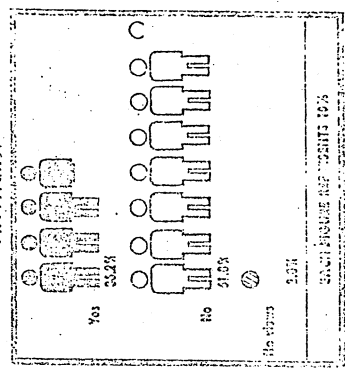
The July Poll found that 61.6% of the public disagreed with the view that a cut-back in the ganja trade was a desirable move. 38.2% agreed with the idea of a cut-back while 2% have no views.

QUESTION:

The Prime Minister recently announced (according to a press report) that his government had taken steps to reduce the ganja trade to the U.S. Do you think that is a good move?

Who are the outstanding political leaders now?

ANSWERS:



FRIDAY:

Who are the outstanding political leaders now?

The Glasgow

3/25/81

The dilemmas of the ganja business

by Carl Stone

The ganja administration it seems, is determined to succeed in one area where previous U.S. administrations have failed. I am referring of course to the war the new President is attempting to wage against the flourishing regional drug traffic which amounts to a multi-billion dollar flow of hard and soft drugs into the United States.

It should hardly surprise anyone, therefore, that our Minister of Security is rebuking that traffic by threatening to disrupt the local ganja trade through the relocation of illegal airstrips.

The U.S. pressure against the trade has been building up for some time. The votes had hardly been fully counted after the October elections here before our new Prime Minister became a casualty of U.S. pressure and governmental pressure over the Jamaica-U.S. drug trade. I have no doubt that Mr. Seaga has had to make unbridled concessions on this ganja war in exchange for the promise of extensive financial aid from the U.S. Whether the Jamaican government can deliver on its end of the bargain remains to be seen. If I am proceeding on a false premise I welcome any word of correction in this regard.

device is of course being cited by U.S. anti-drug interests as the model to be followed since our Central

American neighbour has been the only country in the region which has waged a successful war against the drug trade. How those successes were achieved in Mexico leaves great doubts as to whether any similar gains can be recorded here. The Mexicans, according to most accounts, deployed some 1,000 soldiers in its drug war. Backed up by a large U.S. supplied air force a chemical effluvia was mounted by spraying the countryside with that lethal crop destroying herbicide paraquat. Any such efforts here would not only wipe out the ganja, but also everything that grows. We hope that no one is planning any such Vietnamisation of the Jamaican countryside.

Flourishing trade

In other countries in the region (Peru, Colombia, Brazil) the drug trade is apparently flourishing and the host governments have neither the means nor the will to follow the Mexican example.

There are of course two sides to the drug trade. The hard drugs traffic in coke must not be confused with the soft drug traffic in ganja. The markets are different and the suppliers are different although the drug routes into the U.S. tend to converge and pass through the same middle men who reap the lion share of the income.

The U.S. and Mr. Reagan should really be waging their war with the hard drugs trade and not with the ganja trade which is a small part of the drug traffic and earns peanuts compared to what the hard drugs dealers

in cocaine earn.

The U.S. has itself liberalised ganja use in the U.S. and by so doing has increased the market for the soft drugs. Having extended the market demand for ganja by so doing the U.S. is putting the cart before the horse by trying to fight ganja production from the wrong end of the trade. If the U.S. is serious about restricting the ganja trade then what it should be doing is using its legislative power to restrict drug use in the U.S. Of course, the U.S. narcotics people have given up on that one, hence the new measure on the supply side.

According to the statements coming from and attributed to U.S. narcotics agents Jamaica is a soft drug supplier and it is in no way connected to the hard drugs cocaine trade. There is absolutely no documented evidence that this situation is about to change, unless Minister Seaga's information which the narcotics people are not privy to.

The unofficial estimates are that Jamaica is the second largest supplier of ganja to the U.S. although falling considerably behind the massive \$4 billion per year Colombian trade in the weed.

Does Mr. Reagan or the new J.P. government have any means of finding alternative income and employment for local ganja traders, growers and middle men? If they do, why are they keeping this vital information from the public? If Jamaicans behave like the other people of the region they are not going to support any war on the ganja trade. The U.S. has not yet made plans to provide ganja producers with alternative income. The Mexicans used their vast oil wealth to finance wars of independence against the U.S. Mr. Seaga goes to locate that kind of money for ganja rehabilitation?

As long as there is money in the ganja trade, the trade will continue to flourish. Our government should be

Ganja business

(Continued from Page 4)

seeking after Jamaican economic objectives, not U.S. objectives in dealing with the trade. How much of the estimated 1.1 billion U.S. dollars of the ganja trade revenue is entering into our banking system and aiding our foreign exchange needs? How much revenue is being paid by the ganja trade? Is the trade really enjoying virtual free lunch while the country gets too few benefits from its presence here? I submit, are it questionable our government should be dealing with.

Evidence

The Minister of Security would have us believe that the ganja trade is tied into gun running. Where is his evidence? Well, perhaps it is not difficult for him to disclose it at this time. But I am a little puzzled by his logic. There is abundant hard evidence that gun crime is tied into party politics. Why is the goodly Minister not advocating that we close down the political parties as a means of solving the problem of guns?

To be sure, the pattern of the ganja trade with its night flights and numerous airstrips does pose a security problem. But is this loose talk about dislocating airstrips the way to handle this problem? Is the Minister being wise by publicly committing himself to a policy objective although he does not have the necessary strategy laid out to achieve the target?

Is he in fact just verbalising to satisfy Mr. Reagan's war on drugs, knowing full well that his efforts are unlikely to be any more successful than those of the Colombian government? Or is he somehow planning hoping to equip himself with the level of resources enjoyed by the Mexicans?

Until these questions are answered (and I am sure it never will be), it is quite impossible to determine if serious our Minister is in this declared war on the ganja trade.

In the meantime my advice to him is to talk less and more and show some respect for the laws of economics which dictate that where there is a lucrative market something which can be grown with little effort and handsome returns, that commodity is going to be produced and marketed.

DC- 7/15/81

GANJA MONEY *file - numbers*

LAST SATURDAY'S *Gleaner* carries on the front page an interesting quotation from Prime Minister Seaga in which he claims that "his Caribbean nation had significantly curbed the illicit flow of marijuana (ganja) to the United States this year". The news item indicated that the statement was made at a press conference which focused on U.S. investments and tourist promotions for Jamaica.



By Carl Stone

The Prime Minister's opinion is being echoed right across the country in the ganja growing zones of Jamaica. Growers, dealers and other persons connected with the trade have been constantly complaining to our *news* (who asked no questions about ganja) that steps are being taken to clamp the trade. These persons have said in many places that there is a lot of pressure on the airstrip, that trade connections have been disrupted by violent action by U.S. customs agents, and that the ganja money is not flowing as it did one year ago. Lloyd Williams' recent articles on ganja also confirm this in my view, unfortunate trend. To be sure, while the P.M. disclosed this fact as an index of achievement, the growers and traders are expressing great anger, hostility and bitterness at the fact that the new government seems bent on fulfilling a deal with U.S. President Reagan to curb the ganja trade to the U.S.

I am not a ganja user, nor do I have any stake or interest in the trade. But it seems to me that if U.S. citizens desire to use drugs and to spend vast sums cultivating the habit, it is not the business of the government of Jamaica to try to ban the ganja trade unless it has good national reasons for so doing. The claim that the ganja trade is the basis and source of government strikes me as a heavily trumped up excuse developed by the government and the Minister of Security to ration-

alize the attacks on the trade. When is the evidence? Now if Ronald Reagan expects Jamaicans to give up foreign exchange and dollar income flows to aid his war on drugs, then the U.S. government must (as a quid pro quo) be backstopping and supporting our economy on a scale commensurate with the large dollar inflows which the ganja trade provides. If and when Reagan decides to do that, the Jamaican government must find ways and means to channel those funds into agriculture and agro-industry in ways that can provide jobs and income in the rural areas.

None of this is really happening. The help we are getting from the U.S. government is small compared to the income we will be forfeiting by disrupting the ganja trade. Secondly, vague talk about finding alternate income sources for ganja growers is up to the present no more than talk.

Frankly, I think the JLP has made a grave error in how it has handled the ganja business and it is going to pay a heavy political price in terms of rural anti-government sentiments for doing Mr. Reagan's bidding without demanding adequate compensation.

What I find even more mysterious is how the government can be trying to clamp the ganja trade while expecting so many imports to be financed by no-funds licences when ganja money has traditionally been a major supply source for foreign exchange on the informal currency market.

The projections that increased dollar earnings from banking and tourism are going to make significant contributions to expanded foreign exchange inflows is mere wishful thinking. Middle income America is suffering from high interest rates, high prices and massive house mortgage payments. That is not a contest in which it is realistic to expect a big upturn in both tourist traffic and tourist spending.

International demand for bauxite and aluminium does not suggest that any significant additional earnings are going to come from this source over the next 3 to 5 years. Which investor is going to pump investment money that can earn 15-20% interest in U.S. banks into an area of production where the international demand has fallen flat due to the world recession? Sugar and bananas are plagued with production problems and non-traditional exports are going to require

long term re-allocation of resources before they realize their full potential as foreign exchange earners on a significant scale.

In the face of all of this, and in the face of the uncertain status of the much talked about inflows of North American investments, ganja and the ganja trade remain the most important source of earning additional foreign exchange. To clamp the trade in exchange for what seems to me are vague promises from the U.S. strikes me as being quite ludicrous.

THE REAL ISSUE

The real issue is to find ways and means of getting a better inflow of U.S. dollars into the banking system and into the official and normal flows of business transactions. By all means lean heavily on the trade to ensure that the growers and dealers pay taxes, and to ensure that a large proportion of their foreign exchange earnings flows into the economy. But any clamping of the trade to serve U.S. policy objectives cannot be justified unless we are adequately compensated. The government is playing with fire on this issue as it is opening itself to a charge that it is serving foreign interests at the expense of local interests which is precisely what the JLP accused the PNP government of doing in relation to Cuba.

Ganja money and its widespread circulation to individuals, groups and communities at varying levels in the society have been an important source of social stability, enabling many to earn income in otherwise unbearable circumstances of economic hardship. During its 1980 election campaign the JLP gave the impression of understanding that reality. North American pressures appear to have shifted the JLP's perspective on this issue. Has the JLP forgotten how E.J. Marshall as the PNP's Minister of National Security tried and failed to ban the ganja trade? Has the JLP forgotten how communities dependent on ganja money turned against the PNP because of this absurd policy of trying to destroy the country's best source of foreign exchange earnings?

It's time that the government fully explains its position on ganja, because what it seems to be doing makes absolutely no sense to me. Nor am I alone in feeling this way about what appears to be the JLP's ganja policy.

A GANJA REPUBLIC? *7/502/1211C*

WE CAN, I think, claim to have escaped, even if by not too wide a margin, being a banana republic. Dr. Stone would have us become something infinitely worse, a ganja republic; and all for the greater glory of public opinion polling. Success has gone to his head. He now proposes, it would appear, to reduce the entire business of government to one of mindless subservience to the findings of opinion polls, conducted by him—!f: which would make Dr. Stone the most powerful man in the country.

What it would do to government he gave us some indication of in his column in this newspaper on Wednesday. He claims to have discovered, in the process of taking his polls, a growing expectation among the people connected to the ganja trade over the Sargents co-operation with the Government of the U.S. States in cutting off the illicit traffic in the drug between the two countries.

Grown, decay and other persons connected to the trade," he tells us, with the aid of our puny intelligence, "have been consciously complaining to our interviewers that agents are being taken to corrupt the trade.... To be sure, while the FBI disclosed this fact as an index of achievement, the growers and traders are expressing great anger, hostility and bitterness...."

If the Government succeeds in improving the performance of the police force, Dr. Stone will no doubt shortly be telling us that his polls disclose great anger, hostility and bitterness among the growers and other criminal elements who will have been adversely affected. Unless we are careful we shall in a moment find ourselves not venturing to make the most commonplace of inferences without reference to Dr. Stone and his polls.

Finding that the ganja interests are angry, hostile and bitter, Dr. Stone warns the Government that it is "going to pay a heavy political price in terms of rural anti-government sentiment". I suppose that when ultimately he discovers that the criminal elements of the urban ghetto are no less angry, hostile and bitter at the improved efficiency of the police in cutting crime, he will come forward again with a similar admonition.

For if questions concerning the suppression of the ganja trade are to be determined by a poll of the opinions of "governors, dealers and other persons connected with the trade", consistency demands similar consideration for gunmen and other criminals in determining questions related to the suppression of the kinds of crime in which they are involved.

Questions of public opinion polling apart, Dr. Stone is proposing for this country that it be governed in a ganja republic by a government with the mentality of the Mafia. There is "nothing" substantive in the proposition he advances that the Sargents Government is somehow wrong in enforcing what is, after all, the law of this country, that in doing so it is merely "fulfilling a deal with U.S. President Reagan to curb the ganja trade to the U.S.," doing Mr. Reagan's bidding without demanding adequate compensation; that instead the Government should be conniving with criminals to break its own law and that of another country with which it claims and wishes to pursue friendly relations; or, in the alternative, should oblige that Government to pay blackmail to have its law so broken. Dr. Stone says that "it is not the business of the government of Jamaica to try to ban the ganja trade unless it has good national reasons for so doing". The fact that the ganja trade is a criminal trade carried on in contravention of the laws of Jamaica, laws which the Prime Minister and the members of his Government swore oaths to uphold, is apparently not, in Dr. Stone's opinion, a "good national reason".

Indeed, he finds a "good national reason" for ignoring the law: "ganja and the ganja trade remain the most important source of earning additional foreign exchange". This is said without evidentiary support: nobody knows how much the ganja trade, at its best, brought in.

But let us suppose it to be true that there are millions to be made there; and that, as Dr. Stone says, "The help we are getting from the U.S. government is small compared to the income we will be foregoing by disrupting the ganja trade". What then? Is cash to be the only consideration? Because if it is, why don't we transform the cash around Jamaica into warehouses for foreigners, and deal the most noble of our 16-year-olds into them? And why don't we make better use of Sunkist and Doleman Chin Quacksby hiring them out to Murder Incorporated for a fee payable in foreign exchange?

(Cautious warning)

It seems to me that before taking Dr. Stone's advice the Government would be wise to ask how, having done that, it would enforce any other law in Jamaica save by sheer, arbitrary, physical power or the threat of it. What principle other than the Mafia principle of brutality could it invoke? For it is in the nature of law always to be inconvenient to someone; and if convenience alone is to determine whether law is obeyed, not just secretly by individuals but openly by the Government, law is thereby deprived of moral authority and ceases to be law — as distinct from an arbitrary set of rules reflecting the will of the man with the biggest biceps, or club, or gun.

Which men are around, traffickers in drugs, disreputable at the moment, but waiting to be transformed into respectable businessmen on the strength of Dr. Stone's advice. Hart and Engels said of modern governments that it was but a committee for managing the common affairs of capitalists. The effect of what Dr. Stone proposes would be to offer the Government of this country for sale to ganja and its companion dealers in crime, in return for foreign exchange.

Not the least interesting aspect of the matter is that the value of the ganja trade depends upon its illegality. What Dr. Stone proposes does not even have the merit of making sense on the better line. For were the Government even to wink at it here, the local risk would be reduced, and so in consequence would the local value. Ganja would sell in Jamaica at the price of calalash and the money would be made, as most of it even now is, getting it into the United States and selling it there.

(A Spanish-Latin version)

What if the United States then legalized ganja? We would be left with criminal organizations, grown fat under government sponsorship, suddenly deprived of the means by which they made their income, casting about for others, and totally unemployable.

Moral repugnance is not by any means the only reason for shunning what Dr. Stone proposes. It is the kind of proposition for the conduct of international relations that is fraught with the most appalling dangers for small and the weak. The United States is vastly more capable of exploiting the want of scruple advocated by Dr. Stone to our detriment than we are of exploiting it to theirs.

But the Iranians, in rising American houses, probably felt quite confident that the Americans would not have brought themselves to retaliate in kind. The Third World has a way of convicting itself of inferiority!

The Sunday Cleaner, July 26, 1981

What's to be done about ganja!

THINGS ARE seldom nice and simple and straightforward in this imperfect world; the problem of ganja is a case in point. I don't believe that it is possible to legislate people into morality.

The most well-meaning but most disastrous attempt of trying to do this was prohibition in the U.S. Prohibition never stopped anyone from drinking. It made the price high, killed a lot of people with bad alcohol, and set up a nationwide network of gangsters which has persisted and will continue to pervert U.S. society for at least a century after prohibition was abolished. The consequences of this attempt to save people from themselves were wholly evil.

The law has no business trying to save people from themselves. I think people who drink too much are stupid; in the case of true alcoholics, suffering from a disease. But if someone wants to drink himself into a coma, that is no business of the rest of us so long as he does it quietly without making a nuisance of himself.

Take the same view of the use of ganja. Whether "beneficial" to the user or not seems irrelevant and utterly unimportant; anything can be harmful used to excess. The problem is to define "excess". All the heavy users of ganja I've met seem addicted, but that's no proof that ganja made them so. It is at least equally possible that they use ganja heavily because they were addicted in the first place.

In any event that is their problem, not society's. So long as they don't create a nuisance for the rest of us it seems to me that they are entirely entitled to do as they please. What business they have on any grounds they wish to claim including religious grounds, if that is what they want to do.

Public evil

The great public evil which has arisen from ganja has been a consequence of the attempt to suppress it. In discussing the matter, let us be quite clear what we are talking about. The only provable public evil arising out of the use of ganja have been created by the laws against it. These laws have brought a new gangsterism into being and have created a vast system of currency manipulation which defies, and will continue to defy, all efforts to stop or control it. These social evils are profoundly distressing.

The laws have also created another social evil which, in the long run, may be more serious than all the rest. At present, the use of ganja is illegal. But that law is not wholly enforced. It is cynically used when the prosecution, or alleged possession, of ganja seems the only means by which the police can hold someone they want to hold; otherwise the possession

By
MORRIS
CARGILL



and even public flaunting of the use of ganja is ignored. It is only in areas where ganja is exported that the law is seriously enforced.

We are thus teaching people to ignore, in great part, the law of the land. This cannot be done in one case without imperiling the whole structure of law. It is the beginning of an anarchy which even now is dangerously prevalent in Jamaica. If the lawmakers themselves do not take their own laws seriously, or if they use them cynically for reasons of expediency, how may they expect to have any laws taken seriously?

No easy answer

It seems at this point that we face a paradox. On the one hand we have the private use of ganja, against which it is both pointless and wrong to legislate. Yet arising out of this use we have a situation which is very much a matter of public concern, which is the proper sphere for legislation. The question is, what has created the public evil, ganja, or our laws against it? What do we try, legislatively, to abolish? The use of ganja, the gangsterism connected with its export, or the laws themselves?

In this case there is no easy answer. We may, however, return for a moment to prohibition in the U.S. to help us to clarify our thinking. Whisky, for instance, was never illegal in Scotland (God forbid) where it is made. It was never illegal in the Bahamas which was one of the main places from which it was bootlegged into the U.S. So vast amounts of whisky came from Scotland to the Bahamas for shipment to the U.S. without causing any gangsterism in either country. The actual rum-runners took a risk, of course, but they were not operating outside the laws of their own countries. Indeed, rum-running was a legal, clean, healthy cut-throat sport fit, in my view, for gentlemen with a taste for a spice of danger. The gangsterism arose wholly in the U.S.

The U.S. is entirely entitled to make decisions about its own nationals, as it did (mistakenly) in the case of prohibition. But it had no right, and in fact at the time of prohibition did not try, to export the

gangsterism arising out of it to the Bahamas or Scotland. The U.S. did not put pressure upon Scotland to prevent the manufacture or export of whisky; nor did it try to police the internal affairs of the Bahamas. The putting of pressure upon other countries to outlaw, within those countries, the production or export of something the U.S. didn't want is something quite new.

Of course, at this point, it must be said that the matter of whisky, and the matter of ganja are not exactly on all fours. Whisky never was illegal in either Scotland or the Bahamas. Ganja has always been illegal in Jamaica. The U.S. Government is perfectly entitled to say to us, as it was not entitled to say to Scotland, that we should in U.S. interest enforce our own laws. Besides, we are among the signers of an international agreement against the Ganja trade.

But the sorry reality is that we can't enforce our own laws against ganja; nor, in practice, live up to our treaty commitments; and the more we attempt to do so the more gangsterism we shall be creating. So what is the proposal? That we should invite the U.S. to Jamaica to enforce them for us? An absurd proposition, especially in view of the fact that if U.S. is no more able to enforce its own laws against ganja in the U.S., then it was able to do so against whisky during prohibition.

An analysis of the situation seems to disclose, therefore, that the evil public consequences of ganja are not from the use of ganja, but from the nature of our laws against it. In which case the only sensible thing to do is to repeal the laws.

The irony

The irony of the whole thing is that, in some parts of the U.S., the laws against the personal use of ganja are less stringent than they are in Jamaica. The U.S. has much pressure in many places in the U.S. to legalize ganja. It would be a sour joke indeed if, in U.S. legalise ganja before we do, leaving us holding a big bag of gangsterism.

Finally, there would, I think, be one additional benefit from the repeal of laws against ganja in Jamaica, from the point of view of the country. Prices would rapidly fall. And the money would come to the surface. Reputable businessmen would enter the trade. By the term "reputable" I mean respectable, relatively speaking, in a time, a notch or two from the present ganja gangster to those who export screw-driver industries.

The government might even set up a Ganja Growers Cooperative. But let us not say too much about that. Nobody wants to kill the production of gasoline cell.

Understanding ganja

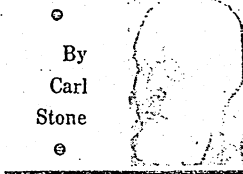
In marketplace there is a number of commodities which are known to do harm to consumers. Some of these are banned while others are produced for sale in circumstances in which consumers are sometimes warned of these dangers.

I certainly agree with Fr. Daniel Egan that ganja is one such product. But the same case that he argues in relation to ganja can and should be argued in the case of tobacco and alcohol. Fr. Egan is right about one thing. As an anti-ganja person he has sought to educate users about its dangers. That is clearly a more fruitful (though difficult) approach than the futile effort to ban the trade by pressuring growers and dealers.

Before we mobilise and promulgate pompous legal edicts on why the ganja trade should die we need to study carefully how it grew in the 1970s and how our governments have treated the trade.

In the 1970s U.S. lifestyle changes influenced by hippies, rock music, political protest, anti-war movements, the youth culture and the growing counter-cultural trends among younger age cohorts created more liberal attitudes towards drug use and indeed promoted the use of drugs in the search for newer dimensions of meaning and identity. This increased the demand for ganja. The liberal political establishment eased the laws affecting users of ganja and drew a clear line between tolerance of ganja smoking and continued harassment of users of hard drugs.

On the other hand, pressure was concentrated on the ganja dealers and the growers. In other words, the actions of these U.S. officials and the lifestyle changes



By
Carl
Stone

in the U.S. converted ganja into a multi-million dollar industry. Demand peaked to very high levels in the 1970s while harassment of dealers and growers kept the price and rate of return at very high levels. The billions of dollars turned over in the trade provided the motivation to defy the legal and police pressures. The profits were too big to kill the ganja by mere narcotics policing of the trade.

Even when a major supply source is wiped out as was done in the case of Mexico what happens after is that other supply sources get into the act and fill the gaps. To really destroy the ganja trade in Jamaica (which is primarily an export trade) the Seaga government would have to create a second army equipped with

chemicals, weapons, planes and helicopters and assign them full-time to wiping out the trade, as was done in Mexico. But this is a multi-million dollar exercise which would have to be bankrolled by the U.S. Only a government unconcerned about re-election would ever attempt that.

My feeling is that the pressures being brought by the JLP government on the trade are really a short-term device to satisfy Reagan, but it really has no prospect of doing any serious permanent damage to the trade. Some of the difficulties being blamed on the JLP by the trade have nothing to do with the JLP but are due to increased anti-narcotics strategies being carried out by Reagan in the Florida area. The JLP in my view is doing what most earlier governments have done. They take action against ganja growers and dealers, publicise it and use it for propaganda value in their bargaining with their U.S. backers. My feeling is that given the seriousness with which Reagan treats the issue, the JLP has probably had to lean more heavily on the trade than is the usual manner.

All the good hours by the Minister of Security as to how he intended to wipe out airstrips and bust the trade mean very little as he does not have the resources to crush the trade, while fighting crime at the same time.

An interesting fact is that while the level of ganja production expanded massively in Jamaica in the 1970s, local food production was also going up. Between 1972 and 1979 domestic agricultural production increased by 20%. It therefore cannot be said that ganja production

(Continued on Page 14)

JULY 29, 1981

Understanding ganja

(Continued from Page 10)

tion has caused a downturn in local food production as some commentators have claimed.

I am rather amused and unimpressed at the Prime Minister's statement that the flow of the trade to the U.S. has declined, because neither he nor the narcotics people have any precise data on the volume or value of the trade. The figures being bandied about are mere "guesstimates". The trade could well be larger than the equally quoted figure of \$1,000 million.

It is certainly high time that the government stop playing games with ganja and at least make an appraisal of what is the annual outflow of trade and flow of income earned from the ganja business. How can a government make a policy on something it is guessing about? But you see, if we treat the issue as either a legal or moral embarrassment and refuse to treat it as an economic commodity we will continue to do nothing but play games with ganja, while serious dealers cream off

most of the foreign exchange earned by the trade. The moralists and legalists of those who share the Perkins/Gentile/Gregory view of ganja is not going to have the slightest impact on the fact that ganja has become an economic commodity and our failure to derive rational policies to maximise local benefits from the trade will only perpetuate a situation of less than optimal flow of benefits from the trade to the society. A dishonest feature of the present moral war against the weed are the subtle efforts by the U.S. media to treat ganja as if it were indistinguishable from hard drugs like cocaine and heroin.

Why discriminate

I don't use ganja or any such drugs and I share Fr. Egan's view that it is harmful but no more so than tobacco and alcohol from which legitimate corporations earn big profits. So why should the law discriminate against the weed?

It would seem from the rather emotion-laden comments on the subject by several writers since my initial column on ganja that some persons felt thoroughly threatened by the views I expressed. It will be interesting to opinion to be on the issue in the July poll.

Perkins' column last week Tuesday on the subject was quite unfortunate. He spent a whole column trying to belittle and belittle my writing in a most puerile rancorous and then proceeded to use tortured questions from his column to deny precisely what he said explicitly and implied throughout most of that column. Finally, it would be dishonest of me to ask the Greater Community for a fee for writing a column on such trivia. I must therefore express my regrets to any reader who had mistakenly thought that I would debate the currency of journalism by replying to such obvious rubbish.

GANJA?

by LLOYD WILLIAMS
Gleaner News Editor

Jamaica's ganja industry is the island's biggest open secret. It is also the nation's biggest private business.

Time magazine in its June 8 edition estimated Jamaica's marijuana (ganja) trade as earning US\$1 billion annually. Newsweek, Time's rival, reported in a cover story on "The Dooming Drug Trade", on February 9, 1981 that Jamaica had become the second largest foreign supplier of ganja to the United States, after Colombia. According to Newsweek, the ganja trade between Jamaica and the U.S. is worth US\$1.1 billion a year — about £1,955,000,000.

In testimony on March 29 before a joint meeting of the House Inter-American Affairs and Judiciary Committees, Drug Enforcement Administration Director, Peter Brehmner, said Jamaica was the most rapidly growing supplier of marijuana to the United States, probably surpassing Mexico as the No. 2 source.

Means of severing the Jamaican ganja connection with the United States were reported to have been discussed at the White House by U.S. President Ronald Reagan and Jamaican Prime Minister Edward Seaga in January. Since then, top officials of the U.S. Drug Enforcement Programme have asked Congress for US\$127 million to continue international narcotics control efforts in fiscal year 1982. About 50% of the funds requested for programmes in foreign countries (US\$15.6 million) in for the Latin American area, including Jamaica.

Major problem

Ganja, it would seem, is a major regional problem, but not one which will either receive any of the agricultural incentives proposed in Prime Minister Seaga's Budget speech of May 28, or the consideration of David Rockefeller's U.S. Business Committee on Jamaica.

Ganja, or Cannabis Sativa, the botanical name, was introduced to Jamaica (and to Trinidad and Guyana) in the mid-19th Century by East Indian indentured labourers. In India, it was regarded as a "holy plant" by both Hindus and Moslems alike.

Ganja was later found to have corroding effects on the minds and bodies of these sugar estate workers and their capacity to work, so legislation was passed, according to one source, to protect people from the drug.

(Up to about 1969 the law against the cultivation of ganja recognised only the pistillate plant; that is, the female of the species. In the case of the R.V. George Green (1559 15 West Indian Reports, 534) the Jamaican Court of Appeal, by a majority, ruled in effect that ganja is ganja within the meaning of the law, only when it is proved that what is possessed or cultivated or smoked is the female plant, the pistillate, as distinct from the male, the staminate. In a subsequent case on April 13, 1973 the Court of Appeal, in the case of Logan McLeod, made it clear that the prosecution was under a duty to prove conclusively that the ganja complained of was of the "female" variety. On April 16, 1974 the Governor-General gave his assent to Act 16 of 1974 amending the Dangerous Drug law (Cap 50) deleting the word "pistillate" in the definition of "ganja". From then on, when a person is charged with having ganja in his possession, it was no longer necessary to enquire into the gender of the plant. In short, Parliament ruled that ganja is ganja, be it pistillate, staminate or monoecious.)

'Weed of wisdom'

Mandatory imprisonment for breaches of the ganja law was introduced in 1964 but was abolished in 1972.

In Jamaica today it is smoked by thousands of Rastafarians, to whom it is "the weed of wisdom", and by members of the Ethiopian Zion Coptic Church who say it is a sacrament of their church. It is smoked by thousands of others — proper middle-class young men, ghetto youths; people of every stratum of society of every age group, of every income level, of every occupation, of every residential sector, for the pleasure — real or imagined — that it gives.

It is drunk by thousands more people as a cure-all, steeped in white rum or wine; it is used as a tonic, and is taken as tea. The young plant is steamed and eaten like callaloo and believe it or not, there is even "calle cake". ("Calle" is one of the local euphemisms for ganja). Over the last several years, at any large political meeting anywhere in Jamaica, or a big football match, ganja is smoked freely. In many Kingston cinemas, one is never sure where some patrons' exuberance is not due to the ganja smoke they have inhaled right there.

Although the ganja plant has been here for some time, Jamaica has never always had the big market it now obviously enjoys. Until around 1953, most of the ganja into the U.S.A. was from Mexico. In that year the U.S. Government instituted a serious clamp-down on the trade by stringent inspection along its border with Mexico, and at other points of entry. This drive forced the American dealers to turn to alternative sources of marijuana — and to Jamaica which is just about two hours' flying time from South Florida. It is estimated that by 1974 some 70% of Jamaican ganja was going to the U.S.A. The percentage in 1981 must be nearer to 95%.

Ganja parish

Ganja for the export market is grown all over Jamaica. The following reconstructed exchange took place recently between a Kingston man and a farmer in a well-known ganja area:

City Man: "John Brown has some land at ... He wants somebody to plant some ganja there for him on a business basis. Do you know...?" The cultivator's laughter cut him short: "Yu mean to say that them still have somewhere at where no ganja naw grow?"

Although St. Ann, on the north coast, the "Garden Parish", is generally regarded also to be the "Ganja Parish", vast acreages of ganja are also to be found in rural St. Andrew, St. Thomas, Portland, St. Mary, Manchester, Clarendon, St. Elizabeth, Trelawny, St. James, Hanover, Westmoreland and St. Catherine — all the parishes. Indeed, if the C.I.A. were to offer to buy all the ganja plants in Jamaica — to destabilise the

Jamaican economy, of course — it would be surprising how many ganja plants urban Kingston would produce.

There is the story, perhaps apocryphal, of a Meats Heights, Kingston, householder who a few years ago had a visitor who discovered a ganja plant in the householder's garden. Alarmed, the householder made a more thorough search of his holdings and found several more ganja plants. He told some neighbors what had happened. They too went through their gardens, plant by plant, found several roots of the "weed." After hours of perplexing discussion, they found the source of the ganja plants — they all had the same gardener!

Mum is the word

Prosecution for breaches of the Ganja Law were 474 in 1964. By 1976 they had increased to 4,199. In 1964, a total of 136 people were imprisoned for ganja, as opposed to 2,304 for all other offences. But although Jamaica's ganja industry is its biggest open secret, information or up-to-date data or statistics on ganja do not come easily — not even from official sources. The police Narcotics Squad refused outright to give the *Gleaner* an interview on ganja, and other official sources did not find it possible to offer any help even after months of requests.

Although ganja growing, smoking and trafficking have been illegal here for some 160 years, the industry continues to flourish. People knowledgeable about the industry say there are some 8,000 ganja cultivators in Jamaica, much of their produce finding its way into the export market. Of course there are thousands more who plant a few roots of the herb among their cash crops or in their kitchen gardens, in their backyards, or in pots on the balconies of their apartments, simply for their smoking pleasure.

Ganja cultivation is expensive and time-consuming business. Ganja farmers say the plant takes to a variety of soils. "But the red land agree with it. It bring out the crop quick," says Farmer B, a Clarendon farmer. Cultivation methods vary, but first the seeds are sown, like tomato seeds, say, in a nursery. Ganja seeds are expensive, fetching prices of up to \$50 or 100 a quart in some areas. According to Farmer B he recently sold three mitchilax — fulls of ganja seeds for \$10 each.

The seedlings are allowed to grow in the nursery for about a month by then they should be about a foot high. They are then transplanted to the field. For the export and commercial market, ganja is planted in a field by itself. For domestic or personal use it is planted among other cash crops such as corn, cassava or peas. For purposes of disguise, gungo peas are sometimes planted on the periphery of a ganja plot. But once the land is available, it is planted separately and apart from anything else.

Round the clock watch

Farmer C, a St. Ann man, keeps his ganja fields free of any other crops. Most farmers in St. Ann, he says, "don't deal with ganja alone, they keep their food crops separate." The reason, he says, is that in the past when the police have raided the mixed fields they have reaped or destroyed the food crops as well as the ganja.

According to Farmer B, ganja plants need a lot of water and must be watered at least every four days. Some ganja farmers use inorganic fertilizers, but the herb thus nurtured is not popular among ganja smokers or buyers, local or foreign. Says Farmer B, "The fertilizer one can't take the market." If fertilizer has to be used, he says, it should be poultry manure or bat droppings. The inorganic fertilizers "make the trees too big. It make the ganja mad".

After being transplanted from the nursery, the seedlings must be watered often and their roots weeded to prevent grass from choking the plants. Also, they must be sprayed with insecticides to prevent bugs from eating the leaves. Ideally, each ganja seedling should be about two feet apart; the trees grow sometimes to nine feet and higher.

The crop comes to maturity about five months after the seedlings are transplanted. Tending the plants to that stage takes time and money. Because the field is usually in an inaccessible area, miles from civilization, the farmer often has to live in a hut on the edge of the field for months to give the crop the attention it needs.

As the plants begin to "collie" (flower) and the seeds start to ripen, the farmer has to be on guard against bird such as baldpates, ground doves, parrots and parakeets which all like feeding on ganja seeds. Singhous and scarecrows made of tin pans and bits of cloth are the standard bird-scaring equipment in any ganja field. Another popular form of scarecrow are magnetic tapes from cassette or reel-to-reel tape recorders. Strung up, these tapes "sing" in the wind, scaring off the birds.

Until the ganja crop is bagged or compressed and taken away to whatever destination, the farmer or his hired hands have to stay in the field round the clock. It is not unusual for bags of ganja to disappear from a hut while the farmer or hired hand has gone miles away to the nearest village to pick up food supplies.

Finding a buyer

After the crop comes to maturity, it is then that a delicate stage of the operations begins — finding a buyer. There are buyers and buyers. There is at least one big outfit which will buy a ganja field as is and where is anywhere in the island. This buyer will then move in his reapers, do his own packaging and arrange his own transportation — internal and external. Although selling a ganja field means less trouble and fewer risks for the individual farmers, most do not like this type of sale because, they say, they lose money on the transportation.

But Isn't Seeking a Buyer a Risky Operation?

"No, sah," says Farmer B. "All you have to do is to let certain people know that you have a whole heap of ganja to sell, and a buyer will contact you."

But Farmer B who has been in the ganja business for years, prefers not to do business with the Jamaican buyer. "Them too cheap, sah. We prefer the plane man them, the white man them."

The Jamaican buyer went to give you only 500 a weight but the white man they buy good. The man them to get in touch with is the 'plane man' them."

Farmer B has been supplying a set of ganja plane pilots for about six years. "I supply them all the while." At least seven ganja planes make the trip each week to the illegal airstrip in his part of the woods. For some strange reason, according to Farmer B "The plane them don't come on Wednesdays."

Contact is made with the foreign buyer — usually a white American — in his (the farmer's) country town. The buyer, who is usually also the ganja-plane pilot, or, on rare occasions, the other person on the flight, orders how much ganja he wants and instructs the farmer which airstrip he is to take it to, and when. The flights usually come in at nights although day flights are not uncommon. Some of the illegal airstrips even have navigational beacons to guide the ganja-plane pilots. Whether the ganja is bagged, compressed or parcelled before delivery depends on how the buyer wants it.

Farmer B sells his ganja cured. The drying process takes about four days. The leaves and sections of the stem are cut off. The stem is in demand. Hashish oil is made from it in the United States. A tarpaulin is necessary for the drying operation. The ganja is spread on the tarpaulin in the sun and is turned regularly so that all the leaves are given maximum exposure to the sunlight. It is then put out at night again for dew to form on it. In about four days, it is "cured" and ready.

Farmer C explains that if dew is not allowed to form on the ganja, it will become too crisp from the exposure to

the sun and it will "mash". "It come back soft in the dew."

Cash-at the plane side

Farmer B sells cash on delivery at the plane side. To get it to the airstrip "we carry it in a car or sometimes on 'we head to the airstrip," he explains.

But are you not afraid of the police? "Cho, sometimes the police them see we a walk on the road with it on, we head and them just laugh and gone."

At the pre-arranged time, the ganja plane lands at the illegal airstrip. "Sometimes him use him lights, some-

times him don't use it," Farmer B says of the pilot.

Farmer B has had a good and long-standing relationship with the "plane men". Farmer B speaks of his pilots with admiration and respect. "You can put on your pot and wait on them," he says. "Them buy good, you know sah, so you can't jinnal them."

Farmer B explains that there are four types of ganja in his area: McConey, Sensemella, the "Burr" (which seems to be a strong type of Sensemella) and the "Bush". (Strangely, the Copts who are knowledgeable about ganja, say there is no such thing as "Sensemella". They say it is purely a commercial term invented by the Americans. In any case, they say "Sensemella" means without seeds, and there is no truly seedless ganja).

The "Bush" is the least sought-after of all and as such fetches the lowest price. If there is ever any "Bush" in his supply, Farmer B says, he points it out to the "plane men". "Mea time we give them Bush for washing." He says the Bush is light, meaning that the smell is not as strong as that of the "Burr" which, he says, feels "gummy".

Loading operation is swift. Landing, loading of 55 bags of ganja, and take-off is sometimes done in 15 minutes. Sometimes the weed is loaded without the aircraft's engines being cut. Payment is strictly on the cash-on-board basis.

But Farmer B, and one buyer/pilot in particular, have developed quite a friendly and trusting relationship over the years. The "nice" American brings items of clothing for Farmer B. Farmer B gives him bananas, wams, plantains and breadfruits. Some pilots even take their wives along on the buying mission, sometimes.

Farmer C says he reaps his herbs "when the leaves turn gold, when it is fit and ripe just like a mango." Before he sells, the buyer visits his field and looks at it himself or the buyer sends an agent. Farmer C says he employs about six young men to help him reap, paying them about ten dollars a day, each. Reaping could last for a week.

Farmer C says that in his locality there are six types of ganja. Rated according to their strength they are Cat-

ton, Sensemelina, Lamb's Bread, Farmer Bread, Collier Weed, and Bush.

"Cotton," he explains is the rarest of the lot, and out of a field of two or three acres you may get just one "cotton plant". Whereas a "stick" of the other kinds of ganja sells for \$2, a "stick" of the "Cotton" costs at least \$10. However, he says, the "Cotton" is hardly sold now; it is generally kept by the farmer for his own use. He explains that one "spliff" of "Cotton" or of "Sensemelina" could satisfy a ganja smoker for a day. The same smoker would probably smoke many "collier" spliffs a day. "The 'bush' he says, is generally used to make hashish oil. Names given to ganja plants seem to vary in different parts of Jamaica.

Ganja and gun don't mix

Don't the ganja pilots bring guns too?

An unhesitating "no" is Farmer B's answer. Other people knowledgeable about the industry say the same. "Gun is politics, and ganja and guns don't mix."

"Who me would sell the guns to sah?" Farmer B asks. "The plane man them have their gun" (side arms). Farmer B says, "but them don't bring guns. Sometimes we ask them for guns. Their say 'no,' it is against the law and against the public." Farmer B said there was not one instance during the several years that he has been dealing with ganja-plane pilots that he had ever heard of them bringing in, selling or giving guns to anyone.

Farmer C, the St. Ann ganja farmer, says he has never been offered guns as payment for his ganja and the ganja man is "not in league with guns. No way." He knows of people who had got that offer but they had turned them down. "The true-hearted Rastaman", Farmer C says, "don't like bribe by guns. They prefer the raw cash."

But haven't they ever given you or anyone else counterfeit American dollars and you have demanded payment in guns instead?

"No, sah," says Farmer B, "them naw give you bad money. Sometimes them tell you that them don't have all the money this time, but you will get it next time. Them always bring it next time."

A senior police officer, who is knowledgeable about the ganja trade, also scoffs at the guns-for-ganja theory. He said there were isolated cases a few years ago of American ganja-buyers paying for their load of "pot" with phony American money. The problem was sorted out quickly, but guns were never involved, except for the threatening ones.

The arrangement worked this way: the ganja-plane pilot would be accompanied on the pick-up run by another American who would remain behind in Jamaica. Accompanying the pilot back to the States would be a Jamaican dealer or his representative. In the United States, once it was established that the cargo was genuine "pot", arrangements would be made to pay for the cargo either there in the States or, on a telephone call, in Jamaica.

Of course, many an illegal passenger and many a brief-case full of US and Jamaican currency have left — and still leave — the island in this way. And much uncustomed goods, car parts, for example come in this way.

While there may be the isolated case of ganja plane pilot taking a cheap revolver to Jamaica for his dealer, people knowledgeable about the ganja industry have all discounted any connection between the ganja traffic and M-16 assault rifles, Soviet AKMs, M1 Enforcer carbines or Sterling sub-machine guns. To a man, they all agree that "gun is politics" and, as such, illegal firearms are not connected to the ganja traffic in any significant way.

Whereas Farmer B sells to foreign buyers, Farmer C sells to Jamaican buyers. Farmer B is in his 60's. Farmer C is 34 years old.

How did they get involved in ganja cultivation?

Farmer C turned to ganja cultivation in the hills of St. Ann, "after struggle reach me, I walked for days and months and couldn't pick up employment."

"I got into the suffering stage when I couldn't buy a pound of sugar for my three kids. I decided that I prefer to go into the woods and make an honest living (growing ganja) because I didn't want to steal and get in any mix-up. I took the jungle for it. I checked a breather and through promulation I got 10 quarts of seeds free. I lost the first crop because the seeds spoil because of the drought. They didn't hatch. I tried the second year with the little seeds that I gathered from the 10 quarts and I find much more progress."

From then he has never looked back. Farmer B got into ganja cultivation after his brother was imprisoned for cultivating ganja. While his brother was serving the term he took over what was left of the brother's ganja field and established one of his own to enable him to support his brother's children. His brother has been out of jail for some years now. Both of them have fairly extensive ganja cultivations.

Farmer B says he has never regretted his decision to become a ganja farmer.

— NEXT SUNDAY: THE FACELESS "HAR. BIG".

On Sunday, June 28, 1981 LLOYD WILLIAMS looked at ganja farming and how the ganja industry operates. This final instalment of the two-part investigative report focuses on some of the nameless people involved in the ganja industry, the benefits they derive from it, and whether the ganja industry can be stamped out or should be legalized.

Speaking in Washington D.C. on January 29, Prime Minister Seaga said that while it was true that the ganja trade has some rub-off on the Jamaican economy the benefits were primarily to persons in the United States, to which most of the money accrued. The U.S. National Narcotics Intelligence Consumers Committee estimates that in 1978 ganja trafficking at the retail level in the USA was worth between US\$15 billion and US\$22 billion. It is difficult to quantify how much of the money earned from ganja exports finds its way into the Jamaican economy, but it is safe to say that it is more than just a "rub-off".

Farmer B and Farmer C are just two of an estimated 8,000 professional ganja farmers who plant the "herb" full-time sale to the local or foreign market. A few months ago Farmer B sold five crocus bags of ganja for a total of US\$45,000. A couple of weeks ago he sold four more. Like Farmer C, he reaps three crops of ganja a year. Farmer B says he has built a "nice six-apartment house" out of ganja money. His brother has built a few nice houses out of ganja and has also bought two minibuses out of ganja. Farmer B has a hefty bank account. He says he doesn't have to work. He does some odd jobs just to have something to do.

Farmer C used to work for \$10 a day as a labourer. Now he makes \$10,000 a year from ganja after he has cleared all his expenses. He has built a "nice four-apartment house" out of ganja money, and plans to add to the house soon. He has "set up my family right. If I was working I couldn't make that amount." Besides, he has a full-time job.

Find prosperity

He employs six men from varying periods throughout the year to look after his ganja field. In his part of St. Ann, ganja growing is the major form of employment. "Most people prefer to deal with the weed. They find prosperity in this business. Most of the youth in this area of the country," he says, "sees no

progress" in working for \$10 a day. Many of them prefer going into the bushes and staying there for up to six months at a time and plant ganja from which they can make \$20,000 to \$50,000 a year. He says that with a stroke of luck, a man could spend one year in the ganja-growing business and get out, having got enough money to "set up himself". He adds: "You don't have to spend ten or twenty years in this thing."

There are thousands of people like Farmer B and Farmer C — men and women — who are involved in the ganja industry. The question has been asked whether the owners of the industry are philanthropic religious organizations, gun-importing Mafia buying the loyalty of national and local politicians, our local police, our local judiciary, even our local media representatives. Whoever they are the ganja big men are forceful and influential people.

Good relationships with police

No "Mr. Big" of the ganja industry has never been convicted. Of course, thousands of people have gone to prison or have been fined for smoking or possession of ganja. As usual, it is the case of: "The law locks up both man and woman, but lets the greater felon loose, who steals the common from the goose."

What is a fact is that the list of people who over the years have been involved with ganja in Jamaica reads like the invitation list to the Governor-General's Ball. There have been politicians,

police men, soldiers, and whole police forces personnel, company directors, businessmen, engineers, contractors, store operators, public servants, airline and shipping company staffers, aviation and marine pilots, air traffic controllers — just you name them. Indeed, if the STAR newspaper were to run a story saying that it exactly 12 noon today a large detachment of soldiers and policemen would be surrounding a certain house or apartment or office in a certain neighbourhood to arrest a certain "well-known member of the community", for trading in ganja you would be surprised to know how many "well-known members of the community" would disappear from home or office well before 12 noon.

Many people who grow and trade in ganja never go near the ganja fields, many of which are on government-owned Crown lands. They pay other people to do their cultivation, supplying them with money to buy the essentials which range from ganja seeds to food supplies, insecticides and fertilizers. If they have reliable an trustworthy agents working for them, then all these "distance" farmers do is to deliver the money or the supplies needed and collected either the ganja or the sales therefrom.

But there are still hundreds of others involved in the ganja industry. There are labourers such as are hired by Farmer B and Farmer C. Then there are the dealers who control the local trade. Some of the dealers — men and women — have been in business for years, supplying overseas partners regularly. These dealers usually have a good relationship with the police. "Very well behaved and respectful of the law," says one police officer. According to this senior police officer, some of the dealers go out of their way to befriend the police. The ploy is usually drinks: "Have a drink on me, man". When the policeman says: "Sorry, I have to leave now," the dealer's response is usually: "O.K. then, buy yourself one," and a wad of banknotes changes hands. Apart from his friendliness, the dealer's hallmark is more

often than not a flashy car with two-way radio. With good reason, a prospective buyer may have trouble recalling a name but he can always locate the dealer by his car.

The two-way radio is vital to the ganja business. It is important that there be continuous contact between either airplanes or ships and the contacts on land and among the different ground stations. After all, if the coast is not clear, millions of dollars could be lost and people could end up in jail.

Airstrips rented

Then there are people who rent airstrips for the use of which the pilots have to pay landing fees. Some of these operators also arrange for refueling of the aircraft and for the packaging of the ganja, whether in cactus bags (each weighing between 55 and 100 lb) or compressed in 32 lb packets, or other sizes. They also arrange for delivery either to plane side or aboard ocean-going boats.

The ganja industry employs far more people, therefore, than would appear at first blush. And if one has any doubt about the amount of ganja money that has "rubbed off" here, one only has to drive through some of the hilly country in St. Ann. St. Ann is a fruitful parish and its soil is fertile. Both the Kaiser and Reynolds Hauling companies operate there. St. Ann is a prosperous parish. Driving through hilly country, one sees hardly any little-board and zinc houses or modest concrete nag houses which are so typical of some parts of rural Jamaica. Instead, European, Northbrook, Cherry Gardens and Howlands and

and glass residences stand proud in the middle of nowhere. And more often than not there is at least one car in the garage; and these are not a few isolated scenes.

These sights repeat themselves for miles and St. Ann is just one of several parishes where ganja abounds.

In many parts of Jamaica ganja is called "the poor man's friend". To many, it is people's only hope. Farmer C speaks for many when he says: "In this business you can spend a year and set your family right. You can build a house, buy a car. You can live a comfortable life. I have seen guys who couldn't change their pants and since this ganja business ... they can change dozens of pants now. It helps a lot of people in Jamaica".

Ganja is exported by air and sea. In January 1970 it was estimated that there were 40 private airstrips in Jamaica. Today the number of private, official and illegal airstrips must be nearer to 150. Some of the illegal airstrips are camouflaged in a variety of ways. A favourite ruse is to put easily-moved shafts on them when they are not in use. Some of the ganja flights leave from official aerodromes. These flights, usually at night, are arranged by people with the "right connections" after the aerodromes are closed for the night. An aircraft will fly into say Tinson Pen Aerodrome in Kingston — the island's busiest — on a quite legitimate flight. Aviation fees and other duties are paid and a proper flight plan is filed for the onward journey — usually to South Florida, the Bahamas or Bermuda. "Connections" are made and the herb is flown to Tinson Pen in other planes from an illegal airstrip or from a private or official one such as are used by crop-spraying flights. The "herb" is then transferred to the visiting plane under the cover of darkness. The aircraft then leaves with its cargo of "grass".

The "missing" flights

It is not unusual for five or more aircraft to be reported "missing" on any one day by the Control Towers at both the Manley and the Sangster International Airports. These "missing" planes would have filed flight plans from either of the two international airports but because the airports keep in touch with air traffic only by radio and not by radar, these aircraft break radio contact after take-off, divert to illegal airstrips, pick up their cargoes and head home. They are never really "missing". However, many get caught here. In 1950 the security forces seized 68 light aircraft, five ocean going boats, ganja valued around U.S.\$400 million and arrested 200 people for trafficking in ganja. But for every plane seized, ten may have accomplished their missions.

CAN THE GANJA TRADE BE STAMPED OUT?

Chief Elder Keith Gordon of the Ethiopian Zion Coptic Church, says "No". According to the Coptic's Nyah, "Them can't stamp out creation. To stamp out ganja, they will have to stamp out the people. Ganja is a seed of life."

"Ganja make the little man taste the (national) cake. It make him come up beside them (the rich) and sit down on his verandah too. The people make it, they prolong it, the people want it. It is the people's life. They can't stamp out nothing. Are they going to stamp out the people?"

In testimony before a joint meeting of the House Inter-American Affairs and Judiciary Committees in Washington, D.C., on March 30, the U.S. State Department's Bureau of International Narcotics Matters said it was beginning a Caribbean Regional Narcotics Programme aimed at establishing better narcotics coordination between the U.S. and Caribbean countries, including Jamaica. The main thrust, it said, would be to improve interdiction in the Caribbean and pursue eradication efforts if necessary.

Eradication of ganja in Jamaica by spraying with paraquat or by any other means is physically impossible. To begin with, banana farmers cannot get their crops sprayed properly, and regularly. How then are much less accessible ganja crops going to be sprayed? Besides, hundreds of ganja farmers still plant the herb among their food crops.

Newsweek reported on June 1 that US State Department researchers had developed a chemical spray nicknamed "Essence of Shank", that could turn fields of marijuana into sinkweed. According to Newsweek, when the sprayed ganja is ignited or baked it gives off fumes so potent that a State Department Conference room used in the tests had to be vacated for two days. "Before the stunk essence can be sprayed on marijuana, however," Newsweek said, "scientists must find a way to keep it from fouling the soil and contaminating legitimate crops that would replace the grass". So much for that.

Crop Substitution is also out. Regardless of how buoyant the Jamaican economy becomes, the ganja trade is not likely to play a lessening role in economic activities here. Farmer C tells why: "Even if you plant 1,000 banks of yam, you can't get from it the money you would get from one acre of ganja".

But one factor that cannot be overlooked in any attempt to stamp out the ganja industry is the degree to which some members of the security forces here are involved with it. It is no secret that some members of the security forces are involved in the trafficking of ganja. Police Commissioner Wilbert Bowes himself acknowledged this on May 23, 1963 while addressing the 5th annual conference of the Jamaica Police Federation at its headquarters on East Street, Kingston. He said bribery and corruption were areas of division in the Police Force. He said there were several policemen who were involved in ganja trafficking, controlling clandestine airports all over the country. If any member of the Force was caught in such activities, he said, "the question of his remaining with us is nil."

About two years ago I overheard the following conversation in a certain mid island town: A motorist, trying to trace down a certain police officer, was seeking the help of a handyman/gardener: "Don't you know Detective Sergeant S. and So. He drives a so and so car. It should have come here just a few minutes ago." The gardener had instant recall: "You mean the ganja man, sah. It was a shocking experience."

Farmer B tells of what goes on in the area: "Soldiers from Camp come for

know sht. The first time me see them me frighten. Me say 'Jesus God' and start to look to run. But them fooler ganja dealers tell me say it all right and the soldiers then say 'Everything cool' and in support them a carry it go."

During the last two years or so there have been at least one military officer and two police officers who have made unscheduled trips abroad and ganja players when carrying out operations in which they were involved were raided by other members of the security forces. Not riding being caught in the act, they ran aboard the ganja planes and presum-

ably returned to Jamaica in the same manner.

And, of course, many a ganja boat master or arranger of the pick-up run, know they have to play the game: "Ship sails. How far? How many dollars on board?" or they won't get very far out of Jamaican waters. And then there are the various protection rackets.

Recently there was a case of soldiers going to a certain police area to secure an airstrip from which ganja flights were being made regularly. The police officer whose co-operation the soldiers had to seek, and who is reported to be heavily involved in the ganja trade himself, promptly sent them to a closed airstrip, deliberately concealing the location of the airstrip.

Soldiers detained

In September a light plane landed at the Tinson Pen aerodrome during a power-cut, after the aerodrome had been closed for the night. A police patrol went to investigate and was barred by soldiers on the ground that a military operation was underway and the aerodrome was off bounds to all but the JBF. The police did not accept that argument and summoned reinforcements which were slow in coming. Eventually a senior JBF officer arrived and gained entry, but by then the ganja plane had departed, and so had the soldiers. Some were detained later, however.

One night in October, a couple of weeks before the general election Police Radio Central in Kingston got wind of unusual activities at the same aerodrome after it had ceased operations for the night. A police patrol dispatched to investigate was denied entry to the aerodrome by JBF soldiers. The police contacted JBF headquarters at Up Park Camp and a detachment of soldiers headed by a high ranking officer was sent to Tinson Pen by helicopter. However by then the ganja plane had flown but some soldiers were again detained.

The majority of policemen and women and J.B.F. personnel serve conscientiously however. One police officer, whose probity is beyond question, explains that he does not have anything as such against ganja. But, he said, when "anybody cheat on another and the concerned party insistently informed on his colleague, resulting in police raids for which the police were really not to be blamed, "It's just that we have to carry out our duty," he explained.

Decriminalization unlikely

Over the years there has been talk in Parliament about decriminalizing ganja, but to date nothing has come of the suggestions. In December 1977 the Joint Parliamentary Committee on Ganja suggested that personal use of ganja be decriminalized and that persons found using up to two ounces of it on private premises should not be liable to punishment. The committee recommended a continuing study of the problem.

It is uncertain whether the committee has continued its study since. What is known is that a decision by the Jamaican Government to legalize ganja will hardly be taken unilaterally. The U.S. Government in Washington, D.C. will most likely have a say. With the Reagan Administration having launched an anti-ganja offensive, it does not seem that there will be any move in Parliament here soon to put the Joint Committee's recommendation into practice, although the U.S. itself has been liberalizing the use of ganja (marijuana) over the last few years, by softer legislation in different states.

For years there has been an on-going debate as to whether ganja should be legalized. The argument ranges from the Quasimedical (ganja is harmful, or ganja induces violence, ganja is no more harmful than alcohol) to imposing a levy on its production, like the beanie levy.

SHOULD THE GANJA INDUSTRY BE LEGALIZED?

Farmer C does not believe that if the ganja industry were legalized many more people would get involved in its cultivation. "Many will still stay away from (cultivating) herbs," he says.

Farmer B, however, disagrees. "Legalize it? No, sah. Too much people a go plant it. I rather know that them lock me up and charge me for it than make it legal. Too much man would plant it hat time and we won't get no market."

They would rather see we plant it that break people house or hold up people. The only thing I say about it is 'Don't fool up the plane man them with bac herbs'."

On the question of legalizing ganja the Chief Elder of the Copts who say that ganja is a sacrament of their Church says that to Copts, "Ganja was always legal. They (the Establishment) made it illegal. From they accept we a Church, they have to accept our Church sacrament ... They shouldn't charge anyone for ganja, they should

charge the Maker. They can't blame me for falling in love with ganja."

Stating that, everywhere, God made was for the service of mankind, he said: "I never feel like a criminal, or like I was committing a crime, or feel guilty whenever I partake of ganja." Mr. Gordon said that when Emperor Haile Selassie of Ethiopia arrived in Jamaica in April 21, 1966, for his visit, "ganja was free". He said it was "the ganja cup" that had united the warring political factions in Kingston in February, 10, 1978, when political peace was declared.

The Copts are one of the largest land-owners in Jamaica. They own such residences, an aircraft, deep-sea fishing boats, a supermarket, gas station, furniture store, productive food farms and rice fields, a bus company and some 400 motor units, including forklifts, bulldozers, tractors and front-end loaders.

Some policemen have mixed feelings about whether ganja should be legalized. Their views have been influenced by what they said were the effects they had seen ganja-smoking have on people.

Devastating for young

According to one policeman: "It should be legalized. Why? 'Because if you legalize it, it would reduce the market value. It is the danger that surrounds the risk why the price is so high at the moment."

"I don't think it does more harm than alcohol. The ganja man is not as dangerous as the drunken man. I have seen a man (high) on ganja and he could be led like a baby while the drunken man was very belligerent and could do bodily harm."

However, the detective continued, "The one danger that ganja possesses is that too many persons of tender age are allowed to use this form of drug. The effect on the teenager's young brain is different from the effect (it has) on a 35-year-old man. When ganja starts to work on a young brain, that youth's brain don't have any come back to come back."

Another policeman had a different view and he related a story to reinforce it: "Just last week a family had a birthday party. Everything was normal. Then a fellow who is a member of the family went to smoke the stuff (ganja) and whether he overindulged or what, I don't know, but he came back drunk on ganja. He took up a machete and started chopping just about everybody. About five people were admitted to the hospital, including some of his brothers, his sister and his mother."

"The following morning when I spoke with him he said: 'Boy, I don't know how it happened'."

The same police officer expressed the view that no research had been done which says positively that ganja does not do any harm to human beings. Another told of the case of a man who had been acting quite normally one day until he had smoked some ganja. He then started chasing his sister with a machete. Then, stark naked, he chased a man down the street of the small town in which he lived. At the police station where he ended up, sweating profusely, he said: "See with me, officer, I don't know what happened."

This policeman said that when men were drunk on ganja it was as if they had been infused with added strength, whereas when they were drunk on rum they were easily subdued. "The fact is that ganja does not affect some people as it does others," he said.

A lot of people who became high on ganja and became violent, he said, had been used as a stimulant.

Another police officer said: "I don't believe in the legalization of ganja. I believe it would be to have more insatiable people on the street. If it is legalized, the police and the good people of the society."

Pressure on

The ganja industry has not been as vibrant, buoyant as since the last few months. The news is that the Security Forces have begun to put pressure on the

airstrips by way of patrols and static duty personnel. The JDF Coast Guard is also reported to have become extra vigilant in rounding up ganja boats. The result is that there are acres and acres of ganja that are now ready to be reaped, but buyers cannot be found for them. And with not much demand for the supply the price has gone down. Some farmers have said they have left their crops in the fields, others say they are reaping and storing.

Farmer C says he usually sells his ganja to a variety of local dealers for \$12 a lb. The price is now down to a mere \$7 a lb. He sells to different dealers he "goes to know". Most farmers would rather sell to foreign buyers because they pay a much higher price. Local people sell to the local men through their want to survive. They sell out a little to the local market and keep the larger portion for the foreign market. Most of the local dealers sell in turn to foreign buyers.

Fall in price

Farmer C has a whole field for which he cannot get any buyer, and many other ganja farmers in St. Ann and all over Jamaica are having a similar experience. Some of them, he says, are "thinking of taking it to mulch their yams". He said ganja prices used to be good in June, because that is planting time. Now the price in his area of St. Ann is down "and though you don't want it spoil you have to take what you get".

Farmer C blames the fall in price on the change of government but he is unable to explain why. Still, the lower price in itself is not really the problem, he says, implying that he could make up for it in volume. In his view, ganja farmers could make up for the reduction in price once they could get the traffic moving, but things are at a standstill now. He said he hoped the market would "clear soon and things return to normal".

"No-funds" licences permit the holders to bring in imported goods into Jamaica on the understanding that no foreign exchange is required in payment. In this regard, ganja is one of Jamaica's largest earners of foreign exchange. Under the no-funds licence system the parallel market created by the ganja industry is estimated to have brought in some U.S.\$100 million in 1950.

The view has been expressed that to legalize the ganja industry would lead to an implicit devaluation of the Jamaican dollar and ruination of the ganja industry by Government bureaucracy. For a long time to come, the ganja industry, albeit the black market concern it is, is going to be with us. The ganja dollars have been finding themselves back here disguised as the offshore dollar imports, having been "laundered" by the no-funds licence system. The introduction of the Special Retained Accounts in foreign currency for "approved importers" will ensure that more of the ganja dollars get into the banking system here.

With the Jamaican economy in the poor state that it is, with unemployment so high, especially among the youth, it may be said that the ganja industry provides a stabilizing safety-valve on social discontent which finds fertile ground in joblessness and the other hardships which go with it.

Whoever is getting the cream of the ganja millions it is beyond dispute that a lot of the money filters down to the rural poor, and provides much employment.

The ganja plant is grown so widely throughout that it is not possible to eradicate its cultivation. Ganja has been here for some 100 years. I think it is going to be around for much much

PREPARED STATEMENT OF THOMAS D. BOYATT,
AMBASSADOR, U.S. EMBASSY,
BOGOTA, COLOMBIA

I am pleased to appear before you today to discuss the role of the American Embassy in Bogota in our joint efforts with the Government of Colombia to control the flow of illicit drugs to the United States. Before getting into the details of the problem and our responses thereto, I would like to emphasize two fundamental factors:

First, the activities of Embassy Bogota in combatting narcotics are not confined to the State Department. On the contrary, there are 11 agencies of the United States Government represented at the Embassy and one of my responsibilities pursuant to law and presidential directive is to coordinate and manage the efforts of all of these elements in achieving U.S. anti-narcotics policy goals. In one way or another virtually every segment of the Embassy contributes and certainly our Drug Enforcement Administration (DEA) contingent and our Narcotics Assistance Unit (NAU) are major contributors.

Second, the cornerstone of our international narcotics control program is cooperation with the governments of major producer and transit countries. Colombia is a major producer of marijuana and a major processor of cocaine and methaqualone. Therefore, what we do in Colombia is an integral part of overall U.S. activities. I welcome this opportunity to describe the operation of U.S. narcotics control policies and programs in Colombia.

Let me put the problem we face in context. Colombia produces approximately 70 to 80 percent of the illicit marijuana imported into the United States. The Drug Enforcement Administration estimates that 50,000 metric tons of marijuana could be grown and shipped from Colombia, primarily from the North coast, during 1981. Colombia is also the processing/distribution center for at least 50 percent of the cocaine HCL entering this country. Some coca leaf is cultivated in Colombia, but most cocaine transits from Peru and Bolivia as coca paste or base. In Colombia these derivatives are processed into cocaine HCL. The DEA estimates that 19-23 metric tons of cocaine HCL were exported from Colombia during 1980.

Within the past two years Colombia has become a major supplier of quaaludes destined for U.S. consumption, our best estimate being that 90 percent of the U.S. illicit market is supplied from Colombia. The raw material, methaqualone powder, is introduced by European suppliers into Colombia where it is diverted into illicit channels and entabletted.

The Colombian drug traffic network is reputedly the best organized, best financed, and most ruthless in Latin America. Marijuana is smuggled to the United States primarily by marine vessel, cocaine and methaqualone by air. Reports are increasing that Colombian guerrilla groups are utilizing drug trafficking as a source of income to pay for arms shipments.

It is clear, then, that the problems are enormous. What has the United States Government been doing to deal with these problems in Colombia? Our various responses fall into two categories -- operational and developmental, both designed to substantially reduce (or stop) the flow of marijuana, cocaine and quaaludes to the United States.

Operational activities essentially are joint U.S. (DEA) and Colombia law enforcement endeavors designed to disrupt major trafficking networks. Direct DEA (or predecessor agency) presence began in Colombia in 1972 and has continued down to today. Making cases is one major front on which we fight to interdict the flow of illegal narcotics to the U.S.

Developmental activities date back to 1973. From 1973 through FY 1981 the United States Government obligated approximately \$32 million (including \$16 million in FY 1980) for projects in Colombia. The goal of these projects has been, and is, to contribute to the upgrading of Colombian institutional capabilities in interdiction (and eradication), judicial processing, and intelligence collection pertaining to narcotics-related offenses, and in drug abuse prevention. The ultimate objective is to help the Government of Colombia to reach self-sufficiency in all technical and budgetary aspects of drug control and abuse. The United States' contribution has been in commodity support (almost 75 per cent of all assistance), technical aid, and training. Contributions of the Government of Colombia have included the necessary personnel and additional equipment. U.S. participation has been significant in terms of our worldwide narcotics control effort, but the financial commitment of Colombia has been even more substantial when viewed in the context of their limited resources. President Turbay's administration, which will hold office until August 1982, has been especially cooperative in our joint anti-drug activities. We hope this cooperation will continue in the future.

Under a new Government of Colombia anti-narcotics strategy, the national police has now assumed primary responsibility for narcotics control. Thus, the major thrust of our program is with this agency which has selected, trained, and deployed more than 1,000 persons to the field in Special Anti-Narcotics Units (SANU's) since December 1980. The Colombian military, as chief coordinator for narcotics enforcement measures, is playing an operational and tactical support role and the air wing of the Attorney General's Office is providing additional aviation support.

As a consequence of these initiatives, marijuana seizures made by Colombian enforcement agencies from January through August of this year are up more than 300 percent over the same period last year, and methaqualone seizures are up 350 percent. Preliminary data on cocaine seizures for the same time frame indicated a downward trend. The GOC has diverted significant resources in response to USG requests to interdict marijuana and methaqualone on the North coast as a first priority during 1981. We hope to launch a major cocaine interdiction effort in 1982.

In spite of real successes we estimate that the current rate of marijuana seizures represents less than 10 per cent of the total entering the United States from Colombia. The figures with respect to cocaine and quaaludes are very probably in the same range. The fact that improvements in absolute terms do not translate into real success in relative terms underlines what I regard to be the essential fact in combatting narcotics. That fact is that the closer our programs are to eliminating the source of the narcotics (plants or chemicals), the more successful and the less expensive our programs are. Thus, I would argue that eradication of marijuana and coca plants and elimination of chemical flows would be the most efficacious approach of the United States Government. As the experience of Mexico in eradicating its marijuana and poppy cultivations demonstrates, eradication is the best way. The Government of Colombia has begun a manual coca eradication program. Some in Colombia believe that a marijuana eradication program based on aerial spraying of herbicides would be the best approach. Before the United States Government can pursue efforts to convince the Government of Colombia to initiate such an eradication program two prerequisites must be met:

The Percy Amendment, which has prevented United States Government participation in paraquat herbicidal eradication programs of marijuana abroad, must be repealed; and

The United States must begin spraying the extensive U.S. domestic cultivations of marijuana before we can creditably ask foreign governments to do the same.

The above prerequisites must be met before the United States can negotiate a joint campaign of both interdiction and eradication. I believe that such a parallel approach could substantially reduce the flow of illicit drugs from Colombia to the United States.

PREPARED STATEMENT OF STEPHEN M. BLOCK, DEPUTY DIRECTOR,
OFFICE OF ANDEAN AFFAIRS, BOLIVIA

Testimony before this Subcommittee on the narcotics problem in Bolivia is particularly timely, because on November 6 the White House announced that President Reagan had nominated Edwin G. Corr to be his ambassador to that country. The narcotics problem was a major factor in our decision not to return an ambassador to La Paz following the military takeover on July 17, 1980. I would like to begin by sketching in the background, so that you can better appreciate why we have taken this first step in normalizing U.S. relations with Bolivia.

General Luis Garcia Meza's seizure of power interrupted a process which would have led to the establishment of civilian, constitutional government in Bolivia. The coup followed the elections in late June in which Popular Democratic Union presidential candidate Hernan Siles Zuazo led with 38 percent of the votes. Since Siles won only a plurality, the selection of the president among the front runners was to pass to the national parliament.

We viewed the process and the outcome optimistically in terms of promoting political stability and democratic principles.

The American Ambassador was recalled on July 20 following threats on his life. The decision not to return him to La Paz (i.e., to conduct relations at the Charge level over the next 10 months) and to reduce our presence and programs substantially reflected our concern about the policies of the Garcia Meza Government in the following areas: narcotics trafficking, derailment of the constitutional process, human rights and economic mismanagement. All military assistance to Bolivia was suspended, and U.S. Military Group personnel were withdrawn. U.S. development assistance was substantially reduced or suspended; the limited aid that we continued has been mainly devoted to humanitarian food programs operated under the auspices of private voluntary organizations.

Shortly after the coup we learned that some senior government officials were involved in narcotics trafficking or were receiving large sums of money from traffickers. Narcotics trafficking increased. We concluded that we could not expect meaningful cooperation from the Garcia Meza regime in fighting narcotics and withdrew our DEA staff. Over the next year we had extended discussions with GOB representatives about narcotics control and even returned a DEA team to Bolivia in March 1981. Unfortunately, none of these efforts produced satisfactory results.

Many other governments were equally critical of the July 1980 coup. Mexico, Venezuela and Ecuador and the states of the European Community either withdrew their ambassadors to Bolivia or froze relations with the Bolivian government to the greatest extent possible. An outline of the reactions of other governments is appended to this statement for the record.

In August of this year, the three armed forces' commanders forced Garcia Meza out and formed a ruling junta. On September 4, Army commander General Celso Torrelío Villa became the sole president.

President Torrelío's Government has responded positively to our major concerns in Bolivia, particularly by indicating its commitment to take effective measures against narcotics trafficking. He removed from high government office persons suspected of involvement in trafficking. In September the Government published the names of five Bolivians who had been indicted in the United States for narcotics trafficking and offered a \$40,000 reward for information leading to the capture of any of these five.* In October, the Government of Bolivia facilitated the voluntary surrender in Miami of two of the indicted Bolivians: Alfredo "Cutuchi" Gutierrez and Marcelo Ibanez.

*

Roberto Suarez Gomez	Renato Roca Suarez
Roberto Suarez Levi	Marcelo Ibanez
Alfredo Gutierrez Vaca Diez	

Much remains to be done in the area of narcotics control, as the problem is immense. For that reason at the outset, I characterized the sending of an ambassador as only the first step in the process of normalizing relations.

Bolivia, together with Peru, is the major source of the coca leaf that eventually makes its way as cocaine to the United States. In Bolivia, coca is mainly cultivated in the Yungas and Chapare regions, although small amounts are grown in the Beni and Santa Cruz departments. The Yungas provides a sweet coca leaf which has been traditionally used by the Indian population. The Chapare leaf is more bitter, and the vast majority of the Chapare coca is believed to enter the illicit market. Estimates of production vary, but it is generally accepted that the Yungas produces about 13,000 metric tons of coca leaves annually and the Chapare, approximately 50,000 metric tons of leaves. The Chapare coca leaf production could theoretically serve as the basis for up to 100 metric tons annually of cocaine hydrochloride. Bolivia actually produces some of this product, while a great deal more is made in Colombia from Bolivian origin coca derivatives. The final market in both cases is principally the United States.

The socio-economic effects of narcotics trafficking on Bolivia are complex, and I would like to highlight the key factors. Because the price for the refined coca is so much higher outside Bolivia, most of it is exported. We do not yet have evidence of a drug abuse problem in Bolivia. The chewing of coca leaf by the Indians is not considered to be analogous to the drug abuse we know here. Narcotics trafficking is, however, bringing a profound change in the nation's pattern of agriculture. High prices for coca encourage farmers to plant coca rather than traditional cash crops. Some farmers and cattlemen complain that they cannot compete for workers because of the higher wages paid by the drug trade.

The total value of illicit drugs produced in Bolivia is believed to be as high as \$1.6 billion or about three times the export value of tin, the country's leading legitimate export. This money is not, of course, taxed and much of it does not enter the economy.

For several years prior to the 1980 coup, the United States Government contributed to Bolivian efforts to control cocaine production and trafficking. We supported programs which would limit the availability of coca leaf only to legitimate users and an organization known as

PRODES working to develop alternate crops for coca farmers. Even though all assistance is now sharply reduced, the Department of State's Bureau for International Narcotics Matters (INM) currently has earmarked \$250,000 for the crop substitution project for the period July 1, 1981 to September 30, 1982, which was considered the minimum funding necessary to keep PRODES from collapsing but not sufficient for it to expand its operations to move effectively to a crop substitution program. The United States thus far is the only foreign government to contribute to Bolivia's anti-narcotics efforts.

Because the Torrelío Government appeared to be serious about cooperating with us in the field of narcotics, the Drug Enforcement Administration reopened its office in La Paz in September with the assignment of a special agent in charge. We will be looking to our ambassador to give his assessment and recommendation regarding the size of the DEA staff.

For the record, I am appending to my statement a copy of the June 10, 1981 letter to the special envoy of the Garcia Meza Government, Justo Chamas, from the Director of Andean Affairs of the State Department, Samuel F. Hart. (This letter was published in La Paz.) This and less formal communications left no doubt as to the anti-narcotics measures the United States wanted that government to take.

Despite some positive steps and encouraging pronouncements, we still believe that the Torrelío Government should take significant further measures to:

- suppress narcotics manufacturing and trafficking
- control the production and marketing of coca leaf
- promote agricultural development projects in coca growing areas.

As evidence accumulates that the Bolivian Government is prepared to undertake serious, practical measures in these areas, we will consider -- within our resource limitations -- resuming cooperative anti-narcotics programs. We do not minimize the difficulty of fighting this evil. What we seek is continued evidence of the Bolivian Government's will to do battle.

While the focus of this hearing is on narcotics, I would like to note that the Torrelío Government has also been responsive to our other areas of concern. The human rights situation under President Torrelío has improved substantially, and we look forward to continued progress in that domain as well. The military government has declared that it will restore civilian rule in a

three year period and will involve civilian sectors in planning that process. Similarly, on the economic front, we believe the GOB is -- in consultation with the IMF -- addressing the country's problems in a more responsible manner.

In sum, we believe that the exceptionally negative factors which prevented our having an ambassador in La Paz have been corrected by the Torrelio Government. We have, therefore, decided that it is appropriate to send an ambassador who will continue to work with Bolivian authorities to advance our goals.

I would only add in closing that we believe Ambassador Corr is especially qualified to deal with the narcotics problem in Bolivia. Before serving as Ambassador to Peru, he was a Deputy Assistant Secretary in the Bureau of International Narcotics Matters and knows the Bolivian situation intimately.



DEPARTMENT OF STATE

Washington, D.C. 20520

June 10, 1981

Dear Mr. Chamas:

As discussed at our June 6 meeting, I am providing a list of persons who are presently under indictment for drug offenses whose prosecution in the United States continues to be of primary concern to us. In addition, we are also particularly interested in the detention and punishment under Bolivian law of four other people who are well-known major Bolivian traffickers.

Under Indictment in the U.S.

Renato Roca-Suarez
 Marcello Ibanez
 Roberto Suarez Jr.
 Roberto Suarez Sr.
 Alfredo "Cutuchi" Gutierrez

Others

Widen Razuk Abrene
 Jose Paz Hurtado
 Sonia Atala
 Alfredo Pinto

I would like to take this opportunity to offer a few additional comments on the status of our cooperation in the suppression of narcotics. As stipulated when the DEA began training members of Lt. Col. Doria Mendina's special unit on April 22, we intended to evaluate the Bolivian government's programs to control narcotics trafficking on June 22. At present the outlook is not bright.

While the arrest and punishment of major traffickers, such as those cited above, is critical to the success of the fight against narcotics, so is the disruption of the illegal cultivation, marketing and processing of coca leaf. In that respect, we were impressed by the results achieved by the military unit headed by Lt. Col. Doria Medina, which were reflected for a short period in the depressed price of coca leaf. We regret to note that with the withdrawal of the military from narcotics law enforcement, the initial gains have been lost and the price and quantity of illegal coca leaf has again risen sharply.

The experience of the military narcotics unit suggests that real and permanent progress could be made by reestablishing an effective anti-narcotics unit, setting up permanent controls for the marketing and movement of coca leaf, destroying leaf already seized and by enforcing the November 1979 decree setting limits on the production of leaf. We very much hope that the Bolivian Government will undertake effective programs in these areas, which are most important to any permanent suppression of this evil.

Sincerely,

Samuel F. Hart

Diplomatic Responses of Selected
Governments to the July 17, 1980 Coup

(Failure to change the level of diplomatic representation
does not necessarily imply the continuation of normal relations)

NAME	Vote on 7/80 OAS Resolution Condemning Coup	Relations
Venezuela	Cosponsor of resolution	Ambassador withdrawn No amb as of 11/10/81
Colombia	Cosponsor of resolution	Amb not recalled
Ecuador	Cosponsor of resolution	Recalled Amb 7/18/80 No amb as of 11/10/81
Peru	Cosponsor of resolution	Amb not recalled
Brazil	Abstained on resolution	Declared relations to be normal 7/30/80
Argentina	Abstained on resolution	Declared relations to be normal 7/29/80
Paraguay	Voted against resolution	Declared relations to be normal 7/29/80
Uruguay	Abstained on resolution	Declared relations to be normal 8/1/80
Guatemala	Abstained on resolution	Declared relations to be normal 8/8/80

Mexico	Voted for resolution	Withdrew Amb 8/30/81 No Amb as of 11/10/81
U. S.	Cosponsor of resolution	Recalled Amb 7/20/80 Named Amb 11/6/81
German Fed. Republic		Recalled Amb 7/26/80 Amb ret'd 8/9/80
Italy		Amb not w/drawn
United Kingdom		Recalled Amb. New amb arrived 10/5/81
Spain		Amb not w/drawn
Vatican		Resumed normal relations 4/24/81
France		Amb not w/drawn
Japan		New Amb ret/to LaPaz 10/14/80
Belgium		Amb on leave ret'd several months later
Egypt		Declared relations to be normal 7/31/80
Israel		Declared relations to be normal 7/31/80
South Africa		Declared relations to be normal 7/31/80
Nationalist China		Declared relations to be normal 7/29/80
Korea (Seoul)		Declared relations to be normal 8/80
Philippines		Declared relations to be normal 8/80
Malaysia		Declared relations to be normal 8/80

USSR

Declared relations
to be normal.
9/20/80

German Demo. Rep.

Declared relations
to be normal
9/20/80

Hungary

Declared relations
to be normal
since 9/80

Czechoslovakia

Declared relations
to be normal
since 9/80

PREPARED STATEMENT OF FORMER AMBASSADOR TO PERU,
EDWIN G. CORR

I welcome the opportunity to appear here today to talk about the United States' cooperative anti-narcotics program with the government of Peru, a country in which until recently I had the privilege of serving as American Ambassador.

To set the framework for our international narcotics control program in Peru, I would like first to describe the general situation there in relation to coca cultivation and domestic usage.

Large numbers of indigenous Peruvians have grown and chewed coca for more than 2,000 years. Peruvian law permits coca to be grown in specified locations and in specified quantities for traditional use and for legal pharmaceutical purposes. Legal cultivation is licensed and its marketing is controlled by the Government of Peru (GOP) through ENACO (the government national coca monopoly). Any program to reduce the level of cultivation of coca must take into account licit cultivation and needs.

During the 1970's Peru emerged as one of the world's two principle producers of coca leaf (Bolivia being the other). Up until recently, in fact, as much as three-fourths of the cocaine hydrochloride (HCL) produced in Colombia was estimated to be the product of coca leaf grown in Peru. (Increased

Bolivian production has changed this ratio). Although there is no single agreed estimate for how much coca is grown in Peru, the U.S. Embassy estimates that 50,000 hectares are under cultivation, producing 50,000 metric tons of coca leaf annually. Since only about 14,000 metric tons are needed for licit domestic and international use, 36,000 metric tons are excess and thus available to the illicit international market. The bulk of the coca leaves grown in Peru is processed into coca paste and base and smuggled to Colombia and Brazil for the manufacture of cocaine HCL, which is then transshipped to the United States and other foreign markets.

The total value to the Peruvian economy of illicit coca production and cocaine trafficking has been roughly estimated at \$850 million per year. While not all this money actually enters the economy (it is commonly believed that well over half of this is spent or invested abroad), it still makes coca one of Peru's three or four major foreign exchange earners.

In view of Peru's position as one of the world's two major suppliers of the raw material for cocaine, the issue of illicit drug production and trafficking is a significant and integral part of our overall bilateral relations with that country. Addressing the problem and seeking to develop effective

anti-narcotics efforts with the GOP has been a major priority of the U.S. Mission in Lima, and I can assure you that top U.S. officials, including the Ambassador, DCM, Counselors of Embassy, and our AID director, as well as Drug Enforcement Administration officials frequently discuss aspects of the issue with Ministerial and high level Peruvian officials. The subject is, in brief, part of the mainstream of our diplomatic relations, not just some technical footnote to them.

The Government of Peru is itself greatly concerned about the narcotics issue. It very much wants to prevent the illegal coca trafficking from leading to the wide-spread corruption of law enforcement officials that has occurred in other countries. Major political parties and politicians have denounced the traffickers and their deleterious impact on the country. The Peruvian Government is also concerned about the growing health and crime problems arising from Peruvians' use of drugs, especially the smoking of coca paste.

While the importance of economic problems and development has precluded the GOP from assigning the highest priority to an anti-narcotics effort and although some politicians occasionally express sympathy for the individual coca grower, the GOP has cooperated substantially with the United States in attempting to reduce the traffic in illicit narcotics. The President of

Peru, the First Vice President, the Prime Minister, and top Government officials all have expressed on various occasions their concern about and their commitment to combatting illicit narcotics trafficking. Not only has the GOP in recent years enacted a number of laws which carry stiff penalties for narcotics offenses, the government in Lima more than doubled its resource commitment to narcotics control programs between 1978 and 1980 (from about \$1.3 to \$3.1 million). Concomitantly, the GOP has increased the number of both people and organizations responsible for reducing the illicit narcotics trade.

There are a number of U.S. Government agencies working as a team in a coordinated and effective effort to support the Peruvian Government's narcotics control program. The Drug Enforcement Administration works constructively with Peruvian police agencies; the Narcotics Assistance Unit (NAU), carrying out the State Department's Bureau of Narcotics Matters program cooperates with a number of Peruvian agencies; and AID is implementing an integrated rural development project in the major illicit coca growing region that is complementary to narcotics control efforts. Nearly all other sections or agencies of the Embassy are to some degree supporting the narcotics control program, and other Washington based entities, such as U.S. Customs and the National Institute of Drug Abuse

provide important support and cooperation.

Our INC program in Peru is being summarized in the testimony of Acting Assistant Secretary for INM, Joseph Linnemann, and I don't think it necessary for me to cover the same ground. Furthermore, you will be hearing from Mr. Weber of the Agency for International Development concerning details of AID's new agricultural development/income replacement project. I therefore propose to make only a few general comments about what we are doing and seeking to accomplish in Peru and then stand ready to answer any specific questions you may have as the result of the various presentations on Peru you will be receiving today.

The recent history of our international narcotics control program in Peru is one of diversified support for a rather wide variety of Peruvian institutions. While the main thrust has been weighted toward supporting enforcement activities by DEA collaboration and NAU support, we have, in addition, been helping the Ministry of Education with its nascent drug education and treatment program; the Office of the Attorney General for Narcotics in its program to improve the efficiency with which it prosecutes narcotics cases; and the

Executive Office of Narcotics Control in its efforts to coordinate information on narcotics in Peru and the activities of the many institutions and organizations in the country dealing with the problem. As in many other countries, we are also cooperating with Customs, but so far at least have not found this organization in Peru the most effective vehicle for pursuing interdiction efforts. As in some other areas, there are simply too many conflicting priorities, compounded by severe shortages of qualified personnel.

Our largest, and so far most promising enforcement project has been with the Peruvian Investigative Police (PIP) and the Guardia Civil (GC). The former is charged with investigation of all felonies, including narcotics offenses. The Guardia Civil is responsible for crime prevention, investigation of misdemeanors and, where there is no PIP presence (usually in rural areas), the investigation of all criminal offenses, including narcotics. Both PIP and the GC have narcotics units functioning on national and regional levels, and both have a narcotics training center plus mobile training teams. The natural, healthy rivalry between these two organizations has contributed to a more effective law enforcement effort than occurs in many countries. We continue to believe both have a role to play in Peru and our cooperation with, and assistance to each is very cost-effective.

Although nominally under the jurisdiction of the Guardia Civil, a new organization called UMOPAR (Mobile Rural Patrol Unit) has been established with the help of substantial US assistance. This police organization, based in Tingo Maria in the Upper Huallaga valley producing area, will form the cornerstone of the rural enforcement and eradication part of the new integrated attack on illicit coca production, to which I would now like to turn.

As you will be hearing in detail later, the big news in relation to our narcotics control program in Peru is the recent inauguration of a combined multi-faceted Government of Peru attack supported by INM, AID and DEA on the illegal cultivation of coca in the Upper Huallaga Valley on the eastern slope of the Andes. This first "marriage" of INM and DEA enforcement/eradication activities with AID's agricultural development objective is, I firmly believe, the type of approach we should be striving for not only on a broader scale in Peru, but in other countries as well. There may be cases where pure eradication and law enforcement, if both are effectively undertaken, will be adequate to bring about a significant reduction in the production and flow of illicit narcotics. However, in areas where for political, social or purely economic reasons termination of illicit production must be compensated for in order to be effective,

complementary agricultural development programs designed to provide income substitutes to the small farmers have to be developed. Since most countries where this problem exists are resource poor and US development assistance is probably already available to some extent, it makes eminent sense to try to tailor such assistance to accomplish, in a synergistic manner, the objectives of both the anti-narcotics effort and the rural development effort.

One last word on the Upper Huallaga, if I may. There obviously is in such a campaign -- in Peru or elsewhere -- the inherent possibility that displaced producers of illicit narcotics will relocate and take up the same trade. Limited evidence of this has been seen in Peru following a major one-shot eradication effort in 1980. Thus, it is imperative that we ensure through enforcement and controls that illicit production does not spread to new areas of cultivation. This has been taken into account in our programming and talks with the Peruvian Government.

As for the future of our efforts in Peru, the critical factor affecting the success of the INC program is the commitment of the government of Peru. The Fernando Belaunde Terry administration has demonstrated its dedication to the anti-narcotics effort, but continuing economic and development

difficulties, combined with the internal security problems limit the ability of the government to commit significant human and monetary resources. Moreover, as I have tried to explain, the need for an integrated income substitution and an agricultural development program is manifest if we are to have any prospect of a long-term solution to the problem. Consequently, it is important that the United States be prepared to contribute sufficient sums toward not only enforcement/control efforts, but also toward agricultural/development goals, and that these dual efforts be carefully coordinated.

Thank you.

PREPARED STATEMENT OF JOSEPH H. LINNEMANN,
ACTING ASSISTANT SECRETARY,
BUREAU OF INTERNATIONAL NARCOTICS MATTERS,
DEPARTMENT OF STATE

I am pleased to appear before you today to discuss the Department of State's role in our efforts to control illicit narcotics. Assistant Secretary DiCarlo has asked me to express his regrets that he is unable to respond to your invitation personally because of other commitments.

Events of the past year, both in the United States and abroad, have reinforced our view that international narcotics control is an integral part of United States foreign relations. As President Reagan emphasized in New Orleans on September 28, an attack on drug trafficking is "one of the single most important steps that can lead to a significant reduction in crime." A key element of the anti-narcotic strategy the President outlined was "a foreign policy that vigorously seeks to interdict and eradicate illicit drugs wherever cultivated, processed or transported." Towards this goal, he announced the creation of a Special Council on Narcotics Control to coordinate efforts to stop the drug flow into this country.

Within that context, I welcome this opportunity to present the Department's overall international narcotics control philosophy and describe some of our specific programs.

First, let me put it in relative fiscal terms. Illicit drug sales in the United States are estimated by the Drug Enforcement Administration to exceed \$80 billion a year. In contrast, the overall Federal budget devoted to the suppression of drug abuse is under \$1 billion. Approximately 95 percent of

that amount is expended here in the United States for law enforcement, demand reduction, and addict rehabilitation. The remainder is devoted largely to international programs planned and implemented by the Bureau of International Narcotics Matters (INM). For FY 1981, our budget totalled \$35.9 million.

The Department's primary goal in coordinating our international effort is to motivate and assist foreign governments in curtailing the production of illicit drugs at their sources and to immobilize major traffickers who smuggle these drugs into the United States. Since the appointment of the Department's Special Advisor on Narcotics Matters in 1971, we have placed highest priority on those drugs that have the most serious health, social and economic consequences; i.e., heroin, cocaine and marijuana. INM's primary goal has been to assist foreign governments to stem trafficking in these drugs as close to the point of initial production as possible.

The Department follows a three-pronged approach in pursuing that goal. It can be characterized as:

1. illicit production control and interdiction through enforcement;
2. drug income alternatives where necessary;
3. demand reduction and prevention.

Underpinning these approaches is a sustained diplomatic effort by the Department and our overseas Missions to secure the cooperation of producing and transit countries in the global fight

against drug abuse. Unless we ensure a cooperative international environment, other United States agencies, such as the Drug Enforcement Administration, U.S. Customs Service, or the U.S. Coast Guard, could not operate effectively with their foreign counterparts. More specifically, the Department, through government-to-government agreements and appropriate international agencies, seeks to provide the legal and organizational framework (i.e., seizure of illicit assets, mutual judicial assistance, ship boardings, and UN drug control conventions) within which much of our international effort operates.

The principal focus of INM's effort, within these three general approaches, is direct technical assistance. In FY 1981, INM obligated \$26,156,000 for country programs.

I would now like to go into a review of the environment of illicit drug activities in Asia and Latin America and how our individual country programs are designed to counter them.

Southeast Asia

As a result of the excellent growing conditions for poppies in 1981, the production of opium from the three countries of the Golden Triangle (Thailand, Burma, and Laos) rose from an estimated 200 metric tons in 1980 to an estimated 600 metric tons in 1981. Unless there is a significant climatic change, the 1982 production could equal or exceed the 1981 figures.

The Royal Thai Government (RTG), however, has promised to carry out eradication programs in ten zones in Northern Thailand that, as a result of UN crop substitution programs, are designated "opium free". We recognize that in terms of gross amounts eradication of fields in these ten zones is less than ideal. However, if carried out effectively, it will indicate to the poppy growers in other villages that their government is serious in its commitment to ultimately eradicate all opium poppies grown within its borders. This could have a deterrent effect on poppy planting even in areas where economic and social development has not yet achieved the level deemed necessary for the government to mount similar programs.

Another aspect of the narcotics problem has, over the past six months, shown marked improvement in the Golden Triangle; this is the decline in availability or lack of precursor chemicals, e.g., acetic anhydride, used to refine opium into heroin. Reports from Northern Thailand indicate that as a result of Thai government efforts the amount of acetic anhydride reaching the northwest border refineries has dropped significantly; the refineries are having considerable difficulty converting the bumper stocks of raw opium into heroin. We have encouraged the Thai government to continue restricting the illegal use of this chemical. At the same time we have encouraged the RTG to increase surveillance activity on the Southern Thai/Malaysian border to prevent a compensating increase in the number of heroin refineries in that area, since precursor chemicals come into Thailand across the Malaysian

chemicals come into Thailand across the Malaysian border. The Malaysian Government is also attempting to make it more difficult for these chemicals to enter the country either legally or illegally.

The Thai government has made repeated promises to arrest the notorious "drug war-lord" Chang Chi-fu, leader of the Shan United Army (SUA), and has also posted a \$50,000 reward for his capture. The SUA is estimated to control some 70 percent of Golden Triangle heroin refining. Chang Chi-fu resides in a fortified area with several hundred armed guards near a small village in Northern Thailand. The RTG is quite aware of Chang's location and activities, but has been unable to do much about arresting him.

In Burma, INM assistance programs focus primarily on contract maintenance for the fixed wing and rotary aircraft provided several years ago for narcotics programs in Burma. We in INM, with the Burmese Government, are aware that ultimately long term success in reducing the production of opium and heroin in Burma must combine rural development/crop substitution with enforcement and eradication. The recent visit to the United States of the Burmese Deputy Minister of Agriculture underscores the importance the Government of Burma places on such programs.

Large-scale enforcement operations against refineries have made successful use of aircraft to ferry personnel to staging areas. INM provided aircraft have also been used in support of poppy destruction programs in inaccessible areas.

To counter the narcotics problem in Southeast Asia INM supports programs in enforcement, crop substitution and demand reduction. In FY '81 INM has budgeted \$7.7 million for Thailand, Burma, Malaysia, and Indonesia. The majority of the funds go to Thai and Burmese programs. In addition INM funding has encouraged regional enforcement cooperation through funding of police training for students from ASEAN countries (Association of Southeast Asian Nations) and the activities of the Colombo Plan Drug Advisory Program.

In Southeast Asia there are six US Government employees in narcotics related positions. Two employees are Career Foreign Service Officers who staff the Narcotics Control Unit in Bangkok. In addition, in Thailand there is a US Customs officer (on PASA to INM), an American electronics specialist, an American aviation maintenance specialist, and an American demand reduction specialist (on PASA to INM). We believe that the combined efforts of our enforcement, demand reduction-treatment, and crop substitution programs have the greatest chance of long term success in reducing the growth and refining of opium and the trafficking and use of narcotics in Southeast Asia.

Commitments to do something about the production, trafficking, and use of narcotics are clearly growing in Southeast Asia - but at an uneven pace. The government of Burma, Thailand, and Malaysia all recognize that they have a serious narcotics abuse problem among their own youth. Indonesia has less

of a problem and less concern. All four countries recognize that they are major narcotics trafficking centers and, in the cases of Burma and Thailand, major growing areas as well. The activities of the four governments vary, however. In Thailand our greatest difficulty is in encouraging Thai motivation and action to follow through on their promises. Opium eradication has been promised in Thailand for several years. This year, if the RTG fulfills its current commitment to us, will be the first year that any significant eradication has taken place -- albeit in a limited area. In Burma the motivation exists to do something about the growing of opium. However, the Burmese government is unable to exercise effective control over most of the opium producing areas.

Latin America

I would like to turn now to the current narcotics situation in Latin America. Latin Americans, because of their geographical proximity and cultural ties, are much more attuned to our society than the more distant Asians. They are, for example, aware of the perceived ambivalent attitude toward drug abuse among major elements of our population. This relative familiarity with the controversy over drug use here adds a unique complication to our programs in Latin America. We frequently must seek to convince influential private and public figures of the bona fides of the United States' motives when we urge them to take strong and politically difficult measures to control illicit production and trafficking to the US - the

ready market for lucrative exports from their frequently weak economies. Otherwise responsible Colombian businessmen, for example, have charged that our desire to eliminate Colombian marijuana production is designed to "protect the United States marijuana producers' market."

Latin America's importance as prime supplier of illicit cocaine and marijuana for the United States market has increased as production has expanded in Bolivia, Peru, and Colombia. The latter is also a major trafficking country. Trafficking has proven to be a devastating social and economic problem for the small Caribbean states -- Bahamas, Jamaica, etc., -- through which the bulk of the illicit drug flow passes en route to the U.S. It is therefore a bilateral political problem for the United States in an area already sensitive because of economic and security threats. With this in mind, let me give you a progress report on our current Latin American programs.

In FY 1981, \$17,096,000, or over 60 percent of our overall country program assistance, was expended for our Latin American initiatives.

Mexico

Mexico has historically taken great pride in maintaining its independence from the U.S. and traditionally has accepted no U.S. economic assistance. However, as the magnitude of illegal narcotics production grew in Mexico during the 1960s and U.S. concern increased, and, given the Mexican preception

that American demand created the narcotics problem, the Mexicans felt that U.S. assistance in sharing the costs of the massive control program needed was appropriate.

The narcotics eradication program which we undertook in cooperation with the Mexican Attorney General's Office (MAGO) has become our largest International Narcotics Control initiative. Over a ten year period, the U.S. has invested more than \$95 million in INC funds in this joint venture. Although we do not have access to Mexican budgetary figures, we estimate that they are currently spending three to four times as much as we are on the program. Our major expense has been for aircraft and aviation maintenance. No U.S. assistance has been needed for crop substitution since opium growing on a large scale is a recent phenomenon, and the Mexican government does not feel obligated to provide aid to growers it puts out of business (in marked contrast to the situation in traditional producer countries).

The key to the success of the eradication campaign in Mexico was the government's November 1975 decision to use herbicides. They had never been used in a nationwide campaign for narcotics control, but ad hoc manual eradication had not been equal to the task--even when helicopter logistical support in 1975 doubled the amount eradicated. In 1975, an estimated 65 tons of opium was grown, producing 5.5 tons of heroin. At the high point in the eradication campaign, 1977, some 10,000 hectares of opium (enough to produce 10 tons of heroin) were

destroyed. By 1980, less than one ton of Mexican heroin entered the U.S. There are, however, recent indications that heroin production is increasing, as the Mexican poppy growers use more and more sophisticated means to avoid detection and thus eradication.

Colombia

Colombia continues to be the major processor of cocaine hydrochloride, supplying at least 50 percent of the United States and world markets. (Nearly all of the cocaine is, however, produced from coca derivatives originating in Peru and Bolivia.) Colombia also provides an estimated 70 percent of the marijuana smuggled to the United States. Our contributions to the INC programs in Colombia totalled \$32 million through 1981. (This total is somewhat misleading, however, since it includes a "one-shot" amount of \$16 million, which Congress mandated for Colombia for FY 1980. These funds have been apportioned among the three armed forces, the National Police and the Customs Service, principally to procure narcotics interdiction related commodities.) The FY 1981 program extends support at a level of \$3,600,000.

The majority of this new funding (\$1,700,000) will be used to assist the National Police.- since May 1980 the primary Colombian government agency for narcotics enforcement. Since the first of January 1981, the National Police has deployed

more than 1,000 men throughout the country in new anti-narcotics units, launching an increasingly effective interdiction campaign. Lesser, but still substantial amounts, will support the Colombian Customs Service, Ministry of Justice activities, and the Attorney General's Office.

With regard to marijuana and with reference to my earlier remarks, I would note that the single most effective solution to the massive Colombian export of this narcotic is an eradication effort. Enforcement and interdiction alone simply cannot suppress the flow. Our ultimate objective is, therefore, to cooperate in an eradication program in Colombia. However, we are hindered by a legal prohibition against working towards eradication internationally through herbicidal spraying. Until progress on this front is brought about, we will not be able to convince the Colombians to agree to undertake the most potentially effective anti-marijuana campaign.

Ecuador

INM has maintained a program in Ecuador because of the country's importance as a trafficking link for coca derivatives and cocaine moving from Bolivia and Peru to Colombia (and ultimately the U.S.). We have provided commodity and training support for narcotics control programs to the Customs Military Police and the National Police. At various points from 1974 to 1979 limited funding was also committed to the Ministries of Health and Education for drug abuse education programs. In September 1980 a program agreement was signed with the newly

formed National Directorate for the Control of Illicit Narcotics (DINACTIE) in the Attorney General's Office. To date these limited funds have been dedicated to drug abuse education programs. However, the DINACTIE is also charged with the investigation of major traffickers operating in Ecuador. While the group is still in the formative stages, there is substantial potential. Thus, in FY 1981 the INC Program modestly supports this operational/enforcement side of DINACTIE also.

Peru

Since 1978 INM has been working with the government of Peru to support programs designed to reduce the production and trafficking in illegal narcotics at its source. The U.S. government has provided a total of \$6,697,000 in assisting the Peruvian narcotics control program. While the initial thrust of our support was weighted heavily in favor of enforcement activities, the current trend is toward a balanced program of enforcement, education, and income substitution as a more effective strategy to combat the problem.

We have entered into project agreements with a variety of Peruvian agencies involved in the narcotics control effort. We are especially interested in enhancing the operational and intelligence coordination among all Peruvian narcotics enforcement agencies. Among these groups, the Peruvian Investigative Police (PIP) and the Guardia Civil (GC) have been the principal recipients of U.S. aid. The PIP has received \$1,001,000 in

U.S. financial assistance and the GC \$741,000 over a three - year period (FY 1978 through FY 1980).

Our other programs in Peru include assistance to the Guardia Republicana and the Customs Service. The former is involved with border control and the latter with normal export/import control activities. We have also been cooperating with the Ministry of Education in a modest drug abuse education/prevention program within Peru.

As noted, our long term thrust in Peru is a balanced, integrated program. In 1981 a major and unique step forward was made with the inauguration of the Upper Huallaga Valley Project. This area of Peru is the country's largest single source of illicit coca production and has been the target of previous limited INM supported eradication activities. The recent quantum step forward is a joint effort by INM, AID, and the government of Peru which targets an estimated 17,000 hectares of illicit coca cultivation in the valley. This five year agricultural development/coca substitution project is the first USG - supported experiment in which the long - advocated strategy of coordinating INM's support for enforcement with AID's development assistance will be implemented. The AID project, which was signed with the GOP on September 15, calls for a loan and grant of \$18.0 million to finance a program of combined agricultural research and extension credit, and other developmental activities in the Upper Huallaga. INM plans, contingent upon annual appropriations, to expend \$15 to \$20

million on enforcement and eradication of illicit coca in this and other areas of Peru over the same five-year period.

Bolivia

U.S. INC assistance to Bolivia began in FY 1975 with a small pilot project to investigate the potential for a crop substitution program. Bilateral agreements were subsequently signed in 1977 for two different areas of activity: expanded investigations of alternate crops, and assistance to the National Directorate for the Control of Dangerous Substances (DNCSP) for narcotics control per se. Further agreements were signed in 1978 and 1979.

The long-term goal of both the alternate crops and control projects was to reduce coca production in Bolivia to the level required for legal internal use and drug manufacture and to severely curtail illicit exploitation of coca leaves.

The experimental and study phase of the agricultural development project was essentially completed by the end of 1980. Earlier in the same year, USAID had prepared a draft project paper for a full-scale agricultural diversification project in the Chapare region. Consideration of this project was suspended after the military coup d'etat in Bolivia in July 1980.

INM has maintained, however, a substantially reduced level of assistance to the Bolivian counterpart agency, Proyecto de Desarrollo "Chapare-Yungas" (PRODES). We have sought to maintain PRODES as a viable institution in order to have in place

an organization that could resume a diversification program quickly should the government demonstrate a capacity for narcotics enforcement in the future.

As to the future, the U.S. has, of course, just taken the first step toward "normalizing" relations with Bolivia, based, inter alia, on some positive signs on the anti-narcotics front. However, any return to a full INM program is dependent on further demonstration that the current Bolivian government is seriously committed to erasing the legacy of the past and undertaking effective action to combat both the production of and trafficking in cocaine.

Brazil

Since 1979, Brazil has shown evidence of becoming an important cocaine transshipment country and the principal source for acetone and ether used in cocaine refinement in Bolivia. Fairly sophisticated drug distribution networks transship cocaine from Bolivia through Brazil for ultimate sale in the United States and Europe. Our goal is to assist Brazilian authorities in curtailing the processing and transshipment of coca derivatives.

In September 1981, the United States signed a project agreement with the Federal Police, which is under the the Ministry of Justice and is the agency within the Brazilian government with primary responsibility for narcotics control. Approximately \$200,000 will support interdiction operations aimed at disrupting trafficking at selected spots in key border

areas. The components of this project will be primarily river patrol craft and telecommunications equipment.

If the results of this new cooperative operation are positive, we plan to continue to support the federal police in its border interdiction program.

The Caribbean

Trafficking routes for at least 70 percent of the cocaine and marijuana and a major portion of the illicitly produced dangerous drugs entering the United States pass through the Caribbean. General aviation aircraft and marine vessels are the most common mode of trafficking, but commercial aviation is also used, particularly for cocaine. Traffickers often operate from bases in countries where they have established a working relationship with government officials. Many landing and refueling operations which are vital to the traffickers operate as legitimate businesses, or with very transparent camouflage. Furthermore, genuine shortages of local enforcement resources and the innumerable isolated airstrips and harbors from which traffickers can operate help to produce an environment that is truly hostile to interdiction efforts.

The impact of this flow on the United States -- especially Florida -- has long been obvious. The Attorney General of Florida reportedly has described the trade in cocaine, marijuana, and illicit quaaludes as "the biggest retail business in our State," amounting to approximately \$7 billion per year. But the affected Caribbean countries are only now beginning to

perceive the serious social, political, and economic problems for themselves stemming from the traffic.

We are undertaking a Caribbean regional narcotics program aimed at establishing a basis for better coordination between the Caribbean countries, particularly Haiti, the Bahamas, the Turks and Caicos, and United States enforcement agencies (i.e. DEA, Coast Guard and Customs). The main thrust of this funding is to improve interdiction results in the Caribbean, pursuing eradication efforts if deemed feasible, and operational support efforts.

Jamaica

Jamaica has a special place in our Caribbean strategy because, in addition to being a logistical stopover for transitting traffickers, it is the only significant narcotics source country in the area. Approximately 10 percent of the marijuana smuggled into the U.S. is grown in Jamaica.

Marijuana, known as ganja on the island, is widely used among Jamaicans. Complicating the situation, members of the Rastafarian and the Ethiopian Zion Coptic Church, religious groups native to the island, use marijuana in their liturgies.

Until recently, Jamaica's economy had followed a downward spiral for several years. During the time, income from marijuana cultivation and trafficking has risen to a point where it may be surpassing that of any one of Jamaica's traditional foreign exchange earners. Most Jamaicans have benefitted economically, at least indirectly, from the marijuana trade. As a recent Business Week article noted:

In recent years, local marijuana traders have replaced U.S. tourists as major suppliers of dollars for Jamaica's dwindling foreign currency reserves.

"Washington's crackdown on ganja is really hurting us," says one Kingston merchant. "Some people call it dirty money, but until the tourist industry is revived, many of us can't get along without it."

We are, of course, prepared to assist the Jamaicans in interdicting trafficking through and from the island and in controlling the production of marijuana surplus to Jamaica's own domestic consumption.

Southwest Asia

Although the focus of this hearing is, at your request, on Southeast Asia and Latin America, I would like to make a brief reference to Southwest Asia in order to keep the other two areas in context.

The recent arrest here in Washington of four Pakistani heroin traffickers and their American contact points up the fact that most of the heroin now being smuggled into the eastern United States is from Southwest Asia. Because we have no access now to the opium growing areas of Afghanistan and Iran, we do not have reliable estimates either of how much opium is being produced in either country, or how much of the opium produced there reaches the United States as heroin.

Opium production in Pakistan for the past two years has been in the 100-125 ton range, down from the record 700 to 800

ton 1979 crop. Three factors account for this: 1) a government ban on poppy cultivation in the "settled" areas, which produced 300 tons of the 1979 crop; 2) depressed farm gate prices because of larger stocks remaining from the 1979 crop, and 3) adverse weather conditions.

We cannot do anything directly about production in Afghanistan and Iran, so we are concentrating our current efforts on encouraging enforcement of the Government of Pakistan's ban on cultivation in additional areas of the Northwest Frontier Province and in interdicting heroin trafficking en route from Southwest Asia to the United States as it passes through Turkey and Western Europe.

I would like to end my discussion of specific geographic areas here and move on to a few functional activities which touch equally on several areas of the world: narcotics demand reduction, which I have referred to previously in connection with individual country programs, narcotics control training, and our support for the United Nations narcotics control program.

Demand Reduction

In FY 1981, INM provided \$1.53 million to support programs designed to reduce demand for illicit drugs in countries which are involved in the production or transit of drugs destined to the United States.

We have found that the existence of a demand reduction program enhances the awareness of local public leaders of the

potential or actual threat drug abuse poses to the host society. This in turn strengthens the government's commitment to the production and trafficking control programs which INM emphasizes. We have also found, particularly in producing countries, that stable populations of illicit drug consumers provided an additional economic incentive to illicit producers. These addicts are a ready local market for relatively unrefined drugs, like opium, and serve as a hedge against fluctuations of the international drug market. Finally, large numbers of chronic consumers of illicit drugs may destabilize societies friendly to the United States by reducing the availability of effective manpower in the workplace; supporting corruption, criminal trafficking elements, and other drug-related crime; and exacerbating other economic and social problems.

International Narcotics Control Training

INM-funded training activities are aimed primarily at improving the enforcement capability of foreign narcotics officials, and are designed to increase professional cooperation between United States enforcement authorities and those of other countries.

Most of the training is carried out by DEA and Customs in time-tested courses and in special programs designed to meet specific requirements. Both agencies conduct advanced courses for high-level foreign officials in their United States training centers, while training for line officials is generally

offered abroad in special in-country programs. Beginning in FY 1982, DEA will conduct its advanced international narcotics-control training at the Federal Law Enforcement Training Center at Glynco, Georgia. DEA and Customs also provide courses to improve domestic training capabilities of responsible agencies in the cooperating nations. During FY 1981, DEA and Customs provided training to over 1,000 foreign participants in courses overseas and in the United States.

INM-funded training also includes the Executive Observation Program (EOP), through which senior foreign government officials involved in narcotics-control activities visit this country. Besides exposing these key visitors to United States agencies and procedures, this program develops personal ties of communication and cooperation between United States and foreign government officials. During FY 1981, INM funded the visits of twelve senior government officials from nine countries.

UNFDAC

So far I have spoken mainly of our bilateral narcotics control efforts. But we also work through various multilateral agencies and contribute to the United Nations Fund for Drug Abuse Control (UNFDAC). I would like to cite here an important recent development by which the UN drug control system will assist us in reducing a major form of drug abuse in the United States.

One of the most popular illicit pharmaceuticals here is methaqualone, most frequently marketed under the trade name

Quaalude. Hospital emergency room mentions of methaqualone during the first three quarters of 1980 totaled 3,374, up almost 100 percent from the same period in 1979. Although most of the illicit methaqualone has been smuggled from Europe to clandestine laboratories in Colombia for entabletting, it appears that in the near future, Colombia may no longer be a major supplier. For some time, we have urged the Colombian government to ratify the UN's Psychotropic Substances Convention of 1971, the international agreement under which the shipment of licit raw materials for methaqualone, which is later diverted to illicit production, can be controlled. The Convention has serious implications for domestic pharmaceutical industries which makes ratification a sensitive economic issue. As you know, the United States Senate did not ratify the Convention until last year. The Colombian legislation did so in September 1980, and final ratification is expected by the end of 1981. Colombia will soon be able to notify the UN's Commission on Narcotic Drugs that licit imports of the raw materials for methaqualone are prohibited. Exporting countries, in this case the Federal Republic of Germany and Switzerland, would then be obliged to halt shipments to Colombia and, in doing so, cut off supplies now diverted to the clandestine laboratories which supply the United States market.

The UN's own program activities to control illicit drugs are funded through voluntary contributions given to UNFEDAC by the US and several other countries. Since its establishment in

1971, UNFEDAC has helped to emphasize the fact that the problems of drug abuse know no national boundaries and, therefore, require worldwide cooperation. UNFEDAC has also been able to work with countries whose cooperation is vital to United States narcotics-control interests, but where political circumstances inhibit United States bilateral assistance.

INM hopes to make another contribution to the Fund in FY 1982. UNFEDAC's 1982 program will support crop substitution projects in countries which are the main producers of illegal opium, notably Burma, Thailand, Laos, and Pakistan.

This concludes my review of the Department's international narcotics control strategy and INM's role in it. With the support of Congress, we intend to pursue our efforts to suppress illicit narcotics production and trafficking as close to the sources of illicit narcotics substances as possible.

Thank you.

PREPARED STATEMENT OF FRANCIS M. MULLEN, JR., ACTING ADMINISTRATOR,
DRUG ENFORCEMENT ADMINISTRATION, DEPARTMENT OF JUSTICE

Members of the Senate Permanent Subcommittee on Investigations, I am most pleased to be here today as the Drug Enforcement Administration's primary spokesman to review for you several significant international drug trafficking situations and the related issues that must be addressed by the United States and the world community. The work of the Subcommittee over the past year, culminating with these extensive hearings, is very important. It is imperative that the Congress have a clear understanding of the ramifications and enormity of the international drug problem because the implications of this multi-dimensional situation must be considered in foreign policy decisions. A clear, national drug policy needs to be part of our agenda and our program of commitment to international relations.

Drug control is clearly an international issue. Heroin, cocaine, and most of the cannabis destined for the United States and Europe are cultivated and processed from agricultural sources in Southwest Asia, Southeast Asia, South America and the Caribbean. Countries which were formerly involved only in cultivation and production are now faced with serious domestic drug abuse problems. International commerce routes are affected by the trafficking of these drugs. International politics and economics hinge on the balance of power and trade controlled by narco-dollars.

Without a doubt, drug trafficking is one of the most virulent crimes known to society. I believe that as we examine these environments in further detail it will become evident that many

nations share the same problems and that together we can find common solutions to address these problems.

The goals and objectives of the United States drug program are much the same as those of other nations. It is in all our interests to pursue actions that reverse the accelerating trends of drug production and abuse. The critical element must focus on control of drug production at the source. In addition our long-range program must be founded on material institution building and developing cooperative, bilateral and multilateral control and enforcement mechanisms. From an enforcement perspective, and directed more toward a short-range goal, it is our mission to immobilize the major international trafficking organizations--the cartels that have the capability to affect the international drug market. Our intent is to ensure that the principals are incarcerated, the drugs are seized and their assets are removed. Our goal is to make it prohibitively expensive--both personally and financially--for drug traffickers to operate.

Regardless of the drugs involved or where they are cultivated, our supply reduction strategy focuses on developing host country drug enforcement, intelligence and training systems. It is DEA's overseas objective to work in concert with officials in source and transit countries and to instill within them the expertise needed to utilize, to the maximum, their own resources to suppress illicit drug production and trafficking in their region. This hearing's focus on the production and trafficking of controlled substances in Southeast Asia, South America and the Caribbean

directs attention to the issues that must be addressed if the United States Government is going to have an impact on heroin, cocaine, marihuana and dangerous drug trafficking and the moneys associated with these illegal ventures. I believe that the avenues open to us will become evident as I describe the specifics regarding each of these areas.

Southeast Asia

The dynamics of the heroin market are once again in flux, changing at a pace unparalleled in modern history. The Golden Triangle of Southeast Asia--Burma, Thailand and Laos--is a traditional, primary source of the opium that supports heroin addiction in Southeast Asia, the United States and Europe.

Several years ago, at the peak of heroin consumption in this country, Southeast Asian heroin accounted for a significant market share in the United States. However, this declined in the wake of two consecutive drought-diminished opium poppy harvests. Normal weather patterns and adequate rainfall returned to the Golden Traingle in 1980 to support the increased opium poppy planting, a consequence of the farmers' response to the unusually high prices which resulted from the drought-induced opium shortage. Favorable weather conditions also increased the yield per acre.

Intelligence reports now forecast that the most recent harvest will yield perhaps as much as 700 tons of raw opium, as contrasted to a normal harvest of about 425-450 tons. By way of comparison, during the droughts, the harvests were 250 tons maximum.

Well over half of this production from the Golden Triangle will be consumed in the region or will be stockpiled for later sale because the current glut has depressed the market and, as a consequence, the price for raw opium has plunged. As with any other commodity, the opium growers are holding their supplies until the price rises again. Nonetheless, the balance of opium available for conversion to heroin is more than adequate to support addicts around the world. It is conceivable that there will be as much as an additional 15 tons of heroin available to the world market. That is almost 4 times the volume of heroin consumed annually in the United States. It is expected that this increased production of heroin from this bumper crop will enter and perhaps glut the international traffic and compete with Southwest Asian heroin for the European and North American markets.

The change in the drug abuse patterns within the Golden Triangle is also a concern. Traditionally, the indigenous peoples of Southeast Asia smoked the opium from their harvest. There is also a large market for refined heroin within Southeast Asia itself. This development is of concern to the governments in Southeast Asia and to the United States and must be considered in all U.S. Government planning directed at the symbiotic approach of supply and demand reduction.

Most of the opium production in the Golden Triangle occurs in the northern Shan and southern Kachin states in Burma. It is expected that the current crop will yield upwards of

500 tons of raw opium. A significant portion of the area under cultivation is controlled by the Burmese Communist Party, an insurgent group which utilizes the sale of opium to trafficking organizations to finance their activities direct against the central Burmese government. As I will explain shortly, this situation has a tremendous bearing on any source control policy options.

The balance of the opium cultivation is in the mountainous areas of Thailand, to a lesser degree along the Thai/Lao border, and in the mountainous regions of northern and western Laos. Thailand produces as much as 70 tons of opium in good years; but the acreage planted in 1980 increased substantially and the favorable weather conditions were expected to increase the opium yield per hectare. Laos is capable of producing between 70 and 100 tons in an average year. The 1980-1981 crop will probably yield approximately 50 tons.

Individuals and caravans transport the opium over difficult terrain to rudimentary, clandestine conversion laboratories hidden along about 100 miles on both sides of the Burma/Thai border. This area is mountainous, covered by jungles and is virtually inaccessible from Burma. At any one time, there may be from 9 to 15 active laboratories. Enforcement actions often temporarily disrupt activities in the laboratories, but as they are only bamboo and tin roof structures, they can easily be reestablished.

The distributing of opium and the refining of heroin along the Burma/Thai border is largely under the control of the Shan United Army (SUA), an insurgent, separatist organization. The SUA, which is closely allied with the Burmese Communist Party, is thought to be comprised of 3,500 -- 5,500 soldiers, and is led by a Shan-born Chinese, Chang Chi Fu. He is, without a doubt, the most powerful player in the theatre of production and trafficking of heroin from this area. His armed SUA controls and protects at least 70 percent of the refineries in Burma and supplies heroin to ethnic Chinese trafficking organizations in Thailand. These organizations have distribution connections to their countrymen throughout the world.

Chang Chi Fu lives in Thailand just inside the border but crosses back and forth from Burma with impunity. He is wanted by both the Thai and Burmese authorities; however, he has managed to avoid arrest.

As a consequence of stepped-up Thai response to drug trafficking at the border, some raw opium and partially refined heroin is now shipped overland to southern Burmese ports or to ports on the Gulf of Thailand. From there it is sent by trawler to southern Thailand at the Malay border and to Thai and Malay islands, where a number of refineries have recently appeared. These refineries are involved in intermediate processing and ship their product to Hong Kong for refinement into high-quality heroin.

Even when there was a general reduced availability of opium from Southeast Asia, heroin production in Hong Kong remained at a constant

level. Sharply increased seizures in the first half of 1981 reflect the dramatic upsurge in activity following in the wake of the harvest of the bumper crop. Officials in Hong Kong have expressed concern that although past enforcement activity had effectively controlled the situation, the Crown Colony is now growing in significance as a heroin processing and transshipment point.

The laboratories that have been seized in Hong Kong convert heroin base into heroin No. 3 or No. 4. This is a relatively fast, odorless and simple process, that does not require acetic anhydride, a precursor chemical which is extremely difficult to obtain in Hong Kong. Further, there is information developed from investigations which has implicated "old name" heroin traffickers, once thought to be eliminated, in the international trafficking of Southeast Asian heroin from Hong Kong to European cities.

There is also some information which suggests that there is heroin refining activity in the third corner of the Golden Triangle, Laos. It has been postulated that the Laotian government is encouraging opium production in order to bolster their foreign exchange.

In general, Southeast Asian heroin trafficking activity has been accelerating since late 1980 as narcotics stocks were being unloaded in anticipation of the forthcoming enormous harvest. This phenomenon has been most evident in Thailand, where arrangements for narcotics purchases, sales and the movement of opiates and enforcement counteractions have increased. Several major Sino-Thai

trafficking syndicates have been aggressively working on the development of heroin smuggling systems from the Far East to the United States, utilizing established routes and new ones which now transit Mexico or the Caribbean. Other organizations have established themselves by investing in legitimate businesses and property in the United States. Reportedly, some Chinese traffickers have also begun preparations to resume their activities in the Netherlands and Europe.

Another development of concern to law enforcement officials regards the smuggling of marihuana grown in Southeast Asia. Thailand is the focus of this activity, but the Philippines and Indonesia are also becoming more involved. A number of U.S., Australian, and New Zealand traffickers who reside in Southeast Asia have moved multi-ton shipments of Thai sticks (marihuana) and some heroin by sea from South Thailand to various ports in Asia, the Pacific and North America. This trafficking mode could become increasingly significant as Southeast Asian heroin availability continues to rise.

Also of concern to law enforcement is the involvement of Japanese organized crime, known as the Yakuza, in a number of illegal activities, which includes drug trafficking. In the past, this activity has been focused on the importation of guns and illegally produced methamphetamine (mostly from Korea) into Japan. These organized crime elements have, of late, expanded their operations into the Pacific basin, Hawaii and along the West Coast.

Despite an increased level of commitment and effort, enforcement initiatives conducted by Southeast Asian governments, have been,

for the most part much less than is needed to curtail or affect opium growing or narcotics production and trafficking in or from the Golden Triangle. Enforcement officials generally concede that no more than 10 percent of the heroin refined in the Golden Triangle is interdicted. One U.S. official stationed in Southeast Asia captured the frustrations as he described attempts at narcotics suppression as "... (trying to) empty the ocean with a teacup." Nonetheless, the world community must continue to address this problem using every approach known to us in the supply and demand control models. There must be realistic crop control programs, diligent enforcement operations, legislative reform and above all, cooperation.

Our primary goal is to reduce as rapidly as possible to the minimum feasible level the quantity of opium and its derivatives produced in, smuggled through, or consumed in any of the Southeast Asian countries. Obviously, the endeavors directed toward controlling production of the raw material will yield the greatest results.

For at least two centuries, opium has been the major cash crop for the hilltribe farmers in the Shan and Kachin states of Burma. Any actions on the part of the Burmese government must take into account the tradition and livelihoods of these people, and their fierce determination to preserve their heritage and way of life.

In recent years, despite limited manpower and financial resources, the Government of Burma has accelerated both its

enforcement program and its research programs on substitute crops, both directions of which are allied closely to their anti-insurgency program. The reality is, however, that Burma simply does not have the resources to sustain actions to counter the Burmese Communist Party (BCP) insurgency and also to move against the well-financed, entrenched narcotics trafficking syndicates.

The Burmese have a limited opium crop destruction program for the Shan state. Poppy crop destruction is conducted manually by both the Burmese Army and by police units in "safe" and "contested" zones in the Shan state. This process is time-consuming and requires substantial on-site security, but the Burmese have no alternative as they are not equipped to eradicate the poppies with a more cost-effective aerial campaign. Unfortunately they cannot effect a destruction program in the "enemy-controlled" areas, where the majority of the opium is cultivated. Nonetheless, the government's program in the 1980-81 season destroyed almost 6,000 acres, which the Burmese estimated would have yielded roughly 18.5 tons of opium.

Over the past several years, the Burmese Government has launched a series of offensives directed at the movement of the opium by the well-guarded animal and human caravans on the jungle trails to the processing sites. These series of raids, called "Mohein" (literally, "Thunder"), strike at the caravans, blocking their traditional routes, destroying refinery sites and seizing large amounts of narcotics, chemical supplies and precursors, and arms and ammunition.

Again, the geographical, topographical environment protects most of the refineries. The border areas are remote, with a jungle terrain and no access roads. The operators are equipped to move the facilities back and forth across the border into another jurisdiction as the need arises. There is neither government control nor presence in these areas.

The Government of Burma adheres to a policy of political non-alignment and, as a result, has had limited involvement with international fora. It has only been since the late-1970's that the Government has been willing to cooperate in an international narcotics control program. To the credit of the Burmese Government, they have accepted assistance from the United Nations Fund for Drug Abuse Control (UNFDAC) and are pursuing a comprehensive drug control program which addresses law enforcement, agricultural development, education, health, and social welfare.

The Thai Government is also committed to drug control, and is willing to pursue both crop control and enforcement initiatives. The Thais are now facing a burgeoning drug abuse situation within their country and a new, unprecedented wave of violence is threatening the country. As in Burma, the realities of tradition, culture and geography greatly affect action proposals and their outcomes.

The Thais are legitimately concerned with balancing their commitment to support the people of their nation and to support international narcotic control efforts. Opium poppy

cultivation is a traditional source of income for the hill-tribe farmers of Thailand. Any program to eliminate and/or destroy such cultivation must provide a viable alternative for these peoples, who number between 300,000 and 400,000. The Thais attempted to initiate a system for opium free zones in the northern part of the country during the 1979-80 growing season; however, the difficulties associated with implementing such a program in conjunction with the drought resulted in negligible crop destruction. In light of the record prices, it was difficult for the Government not to sanction the growth and sale of the opium. A similar opium destruction program was planned for the most recent harvest, but again, it never reached fruition.

Currently, approximately 35 northern villages are involved in crop substitution programs. And although the Government has threatened to destroy illicit crops, enforcement action to back-up this program generally has not been forthcoming because, as Thai officials have often explained, the substitute crops are not a viable economic alternative for their people. Thus, it is easy to see how the Thai's seemingly "two-step forward, one step back" approach to implementing a crop destruction/substitution/control program is affecting the Government's credibility both domestically and internationally.

Thailand is the key to the traffic in Southeast Asian heroin as a source country and a primary processing and trafficking point. The volume of drug trafficking emanating from Thailand appears to be growing rapidly. Supplementing the elaborate

trafficking infrastructure already in place are the increasing numbers of foreign purchasers travelling directly to Thailand, bypassing the traditional courier/trafficking networks. Thus, it is imperative that there be an aggressive, potent enforcement program in this country.

The Thai Government has been embarking on enforcement operations directed against the narcotics trafficking groups operating in Northern Thailand, the area most involved in conversion of raw opium to morphine base and heroin. In the past several years, major offensives have destroyed refineries, narcotics stockpiles, and equipment. Several major precursor chemical and heroin smuggling organizations have been disbanded, although there are many others still operating.

An important diplomatic and enforcement situation that ultimately will have to be resolved concerns unilateral and uncoordinated actions at the Thai/Burma border. Historically, the Thai and Burmese have distrusted each. Recently, much of this animosity has been focused on the activities of Chang Chi Fu who, from the Burmese perspective, has been untouched by the Thais because his Shan United Army acts as a Communist buffer in Thailand. Burmese officials have expressed concern that the Thai tolerance of Chang Chi Fu's activities compromises and detracts from the effectiveness of law enforcement efforts.

The Thai Government now has resolved to arrest Chang Chi Fu, but needs support from Burma and other financial assistance to sustain such an operation. Both Thai and Burmese

law enforcement and high level officials have met with each other and spoken of their willingness to cooperate and their hopes that cooperation and relations between the two countries improves.

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In another regard, cooperative enforcement efforts among several Southeast Asian nations have led to unprecedented ventures to attack the profits of heroin traffickers. The Hong Kong Government has emerged as a leader of Southeast Asian governments in the effort to reach traffickers through financial investigations. This is a natural response because of Hong Kong's position as a major international financial center. Hong Kong is a free currency market, which means that any amount of cash or gold can be brought into or taken from Hong Kong without restriction. This environment is tailor-made for international drug trafficking organizations. Bank security regulations also aid individuals who wish to disguise their fortunes. Hong Kong also serves as the center of the so-called "Chinese underground banking system", whereby money is transferred between countries by using gold shops and money lenders as conduits. This system is virtually as safe for the traffickers as a bank transfer, and it leaves no paper-work trail.

DEA has been at the forefront of drug-related financial investigations and has been actively encouraging countries to monitor the flow of illicit funds within their jurisdiction to consider the enactment of new, or the enforcement of existing, legislation calling for the seizure of narcotics-derived assets.

Just over a year ago, the Hong Kong Narcotics Bureau sponsored a seminar for law enforcement officials from Malaysia, Singapore, Thailand, Canada, The Netherlands and the United States to discuss drug-related financial investigations and cash flows. An immediate outcome was that the participants agreed to exchange intelligence on narcotics-related transactions and to mount cooperative enforcement operations against drug traffickers. They also set up an ad hoc working group to investigate Southeast Asian trafficking organizations.

Analysis of successful investigations conducted thereafter enabled authorities to identify specific organizations specializing in moving illicit profits and proceeds and to determine the destination of their monies. Authorities in Hong Kong, Singapore, and Malaysia have been able to document the movement of extremely large sums of money to Thailand. Based on a review of these investigations, it has been shown that nearly all narcotics-generated funds are ending up in Thailand. These investigations were instrumental in prompting the Malaysian Government to propose the enactment of a law to seize illegally obtained assets. Further, the Government has recently imposed a requirement on all banks to identify

all individuals transferring funds throughout Malaysian banks. In Hong Kong, law enforcement authorities are seeking legislation that would allow the courts to "strip traffickers of their massive profits gained from peddling drugs." Hong Kong law already provides for the imposition of stiff fines- up to \$1 million upon conviction. Unfortunately, although Thailand has laws controlling currency, there is little or no enforcement of these provisions.

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The State Department funded East Asia Regional Demand/Supply Reduction program is designed to impede illicit production, processing, trafficking and consumption. As DEA is involved primarily with the law enforcement approach, I will defer to the State Department regarding the other elements of the program. DEA is committed to supporting a high-impact enforcement strategy to immobilize major drug trafficking organizations by removing the leaders and the assets upon which these organizations depend. DEA has Special Agents in 3 cities in Thailand, Hong Kong, Malaysia, Japan, Korea, Singapore, the Phillipines and Indonesia to support our counterparts in disrupting the flow of drugs at the highest levels of trafficking. We are seeing results from our initiatives which have included drug intelligence collection and exchange activities. We have seen, for example, the Royal Malaysian police expand their presence to two important transshipment areas. And we have noted, for example, that since the beginning of this year, DEA foreign cooperative efforts in Thailand have resulted in the arrest of a large number of traffickers, including 30 Class I

violators, and the seizure of approximately 1,000 pounds of heroin or opiate equivalent.

The trafficking of Southeast Asian heroin is once again accelerating, and is emerging with trafficking patterns not seen before. This problem is beyond the resources of any one nation. It is clear that international cooperation is our only option if we are to contain the potentially devastating impact of heroin from the Golden Triangle.

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South America and the Caribbean

I would now like to shift attention away from heroin and devote the balance of my remarks to those drugs that account for three-fourths of the drugs consumed worldwide. The abuse of cocaine, marihuana and dangerous drugs is widespread in the United States and elsewhere in the world.

These drugs are big business. Cocaine is a top illicit income producer, generating billions of dollars in U.S. retail sales. Marihuana generates billions more. These are untaxed dollars altering the economy in our country. No less important at the wholesale level, these narco-dollars are undermining the economic stability of our South American neighbors, fueling inflation, altering the balance of trade and, in some cases, wreaking havoc with their gross national product.

In some poor rural regions the lure of an easy cash crop has displaced much-needed food cultivation. The problems spill over into the political arena; drug dollars support terrorist organizations and corrupt officials at all levels.

As with heroin, in planning a continuum of U.S. Government programs, action is needed immediately to reverse the accelerating trend of abuse and trafficking. Realistic crop control programs need to be set in motion and supported. Cooperative, bilateral and multilateral agendas need to be pursued so that the process of institution building can proceed without delay and self-sufficient programs can be left in force. Lastly, aggressive enforcement programs need, in some cases, to be developed and, in others, sustained.

Cocaine and the vast majority of marihuana consumed in the U.S. are foreign sourced: up to 70 percent of the cocaine hydrochloride comes from Colombia, as does up to approximately 70 percent of the marihuana. Jamaica, a rapidly growing supplier, produces upwards of 10 percent of the marihuana to the United States, having surpassed Mexico as the number two source country. Crop production estimates vary widely because the size of the areas under cultivation are not known with certainty. We are currently working on cooperative ventures with some of the source countries to more precisely determine this volume.

Cocaine production begins with cultivation of the coca leaf, which must be refined in several stages before the final product, cocaine hydrochloride, results. Peru is the largest producer of coca leaves, supplying about 60 percent of the raw material. Although there is some illicit coca leaf production elsewhere in South America, the vast majority of the balance of leaf cultivation is in Bolivia.

A Peruvian regulatory agency (ENACO) oversees the licit cultivation of the coca leaf which is required for legitimate pharmaceutical needs and to meet the needs of the indigenous population who traditionally chew the coca leaf. However, less than half the production in Peru is required to meet these licit needs. Total annual coca leaf production estimates in Peru range from 35,000 to 60,000 metric tons. About half of this cultivation is in Cuzco, the remainder is in the Tingo Maria area of Huanuco and scattered among the other 10 departments. As a result of the Peruvian government's steady enforcement pressure and coca destruction programs in the Tingo Maria region, there has been a noticeable shift in illicit cultivation to the Cuzco area.

The illicit coca is processed into coca paste and coca base in Peru prior to final processing into cocaine hydrochloride in clandestine conversion laboratories located predominantly in Colombia. The small farmers sell their leaf directly to the

traffickers; the larger plantations are involved in the paste conversion process and deal directly with Colombian or Ecuadorian traffickers. It is estimated that 70-80 percent of Peruvian output is destined for Colombia for final processing. There are 12-15 major Colombian trafficking organizations which dominate these operations.

Other South American nations are involved to varying degrees in the cocaine trade. Brazil's role is becoming more important. There is far less concern about her traditional, limited coca cultivation by the Amazon Indians than her stature as a primary source of essential chemicals needed in the production of cocaine. Brazil furnished an estimated 90 percent of the acetone and/or ether used in conversion laboratories operated by Bolivian traffickers. Also, as enforcement efforts in other countries displace the traffickers, Brazil is increasingly being utilized as a secondary transit country. Argentina, Venezuela and Chile also have recurring waves of experience as processing and transshipment points for both large and small amounts of cocaine.

Of course, the processes involved with marihuana are nowhere near as complex--it is simply a matter of cultivation, harvest and transshipment. Colombia is the primary source country. There may be as many as 100,000 acres under cultivation throughout the country, but the majority is concentrated in the Sierra Nevada range in northern Colombia. Cultivation areas of lesser

significance include the eastern plains and portions of the southwest. Multi-thousand ton quantities are regularly passed from the farmers to the trafficking groups operating along primarily the northern coast, the Guajira.

The U.S. Embassy in Bogota reports that large marihuana supplies remain available in Colombia. Typical harvests, which occur in the fall and spring, have been yielding between 23,000 and 25,000 metric tons. In short, there is far more cultivation than is needed to support the U.S. market.

Over the past two years, Jamaica has been the most rapidly growing supplier of marihuana to the illicit U.S. market. From 1978 to 1980, cultivation may have increased by as much as from five to seven fold. Preliminary estimates for 1980 are in the range of 1,100 to 1,400 metric tons.

Because of the bulk involved in moving large quantities of marihuana from Colombia, it is smuggled most often by vessel through the Caribbean with ultimate destinations along the U.S. Atlantic and Gulf Coasts. Traffickers also utilize twin engine aircraft, like the DC-3 and DC-6, to smuggle marihuana. The Guajira peninsula provides a natural, tailor-made point from which to begin the transshipment process. This desolate north coast is the ideal setting for clandestine airstrips and it can also cloak and thus accomodate caravans of vehicles needed to carry tons of marihuana right to the shoreline where canoes

are utilized to load motherships, which take cover in the many bays. It would be possible, for example, that on cue a battalion of traffickers could emerge and meet the mothership, load it with 20 tons of marihuana, and take off--all within a few hours. Obviously, this presents overwhelming obstacles for law enforcement.

The islands of the Caribbean are convenient and increasingly significant stepping stones for large supplies of South American drugs on their way to market in North America. As a consequence of geography, the islands form a natural roadway between the major trafficking source in Colombia and the market and transshipment infrastructure in Florida. As interdiction and enforcement pressure from Colombia and the United States has increased, the traffickers have gone to the Caribbean for sanctuary and subsistence. Primary enforcement targets--large drug shipments by air and sea--can be protected by being off-loaded on one of the islands, stashed, or immediately transferred to a smaller vessel, which has a better chance of escaping interdiction. Aircraft have found protected refueling locations. The islands offer hospitable neutral ground for negotiations between South American sellers and American and European buyers. Jamaican marihuana traffickers have the same air and sea options without first having to cope with transferring their loads to smaller vessels.

The Caribbean also offers the greatest concentration of financial havens of any area in the world. These banking centers provide varying degrees of bank secrecy, tax benefits and investment advantages, all of which in concert enable the trafficking syndicates to evade taxes and launder the profits of their illegal ventures.

Our South American and Caribbean neighbors are sensitive and responsive to the drug-related problems we in the United States are experiencing. They are, however, legitimately more concerned about the economic, political and social consequences that the drug trafficking phenomena produce in their own countries. The Peruvians, for example, are very concerned about the realities of food displacement, as the country must now import commodities it used to export because the farmers are planting more lucrative drug crops.

The many initiatives and responses of the source country governments to control the drug production in their nations are important. In many instances these officials are facing tremendous opposition from various powerful elements. It is incumbent upon us to support their crop control and enforcement activities.

For example, we can look at the situation in Peru to see the progress being made in light of formidable problems. The government is very sensitive to its international commitment to

coca control and yet it must consider the impact of such projects on its peoples' deep-rooted, generations old traditional and economic dependence on the coca bush.

In March 1978, the Peruvian Government passed a major piece of narcotics legislation to repress the drug traffic and establish a system to **gradually** phase out illicit cultivation by 1985 and to reduce licit coca cultivation to a minimum. They then launched a short-term operation to identify and survey the areas under cultivation and to re-assert production controls, to take enforcement actions against violators, and to gauge the reactions of the local campesinos (farmers). Then in March 1980, in response to a rapid escalation in illicit production, the Peruvian Government passed a new decree further controlling coca leaf cultivation, providing for crop destruction and seizure of illicitly used land and equipment. An important component of the program focuses on the Government's willingness and ability to provide for economic development and assistance in the rural areas that have depended for so long on coca.

Such a program is actively being developed and implemented in the Tingo Maria region. The Upper Huallaga Valley project is a bilateral, long-term approach designed to offer this area economic assistance via agricultural development assistance and incentives to coca farmers to destroy their illegal crops, while simultaneously supporting Peruvian enforcement entities with the wherewithal to conduct eradication campaigns and

vigorous enforcement programs to suppress traffic in coca and cocaine paste. The Government of Peru has pledged its support and is committing approximately \$40 million of its resources to complement the funding provided by the U.S. Agency for International Development (AID), the State Department's Bureau of International Narcotic Matters and international development banks.

The Colombian Government is supportive of international drug control objectives. Their commitment to drug enforcement is also founded in its national concerns regarding drugs as a means of financing terrorist organizations, of corrupting public officials, and as a means of supporting a take-over government, like in Bolivia. Legitimate commerce has been drastically affected by the abundance of money and limited number of goods to buy.

The Colombian National Police replaced the military on the Guajira about nine months ago to conduct interdiction campaigns against the marihuana and, to a lesser extent, cocaine and methaqualone traffickers. They have been very successful; seizures are up dramatically during the nine months the National Police have been operating. They have been disrupting the traffic and have been consistently seizing 100-200 tons of marihuana a month. Still, the traffickers have the clear advantage and drug traffic continues.

DEA is working with the National Police in this program by providing them with intelligence and assisting with their intelligence collection. Similarly, DEA is working with the Colombian Judicial Police to improve their cocaine interdiction capabilities. A critical element of such an approach focuses on essential chemical control. Several years ago, DEA coordinated a multilateral probe which focused on the diversion of acetone and ether from Brazil and how it moved to Bolivian laboratories. In so doing, various cocaine producing organizations were identified and quantities of their chemicals were seized. The Government of Brazil has since instituted an essential chemical control program which has been instrumental in assisting the international community disrupt cocaine production and trafficking.

The cultivation and trafficking of marihuana in Jamaica has been both a blessing and a curse to that country. Save for the profits of marihuana, the country may have long ago been bankrupt. However, the trafficking of this illicit substance is creating a serious security problem for the government. They are also realistically concerned about the potential corruption that so often accompanies drug money and the tarnished image Jamaica is presenting to the world as a nation reliant on marihuana for survival. Prime Minister Seaga has candidly acknowledged the dilemma his country faces and has stated his intentions to work with the international community to resolve the many problems in Jamaica.

Of course, in Bolivia the central problems with source control persist. Since the July 1980 shift in power, cocaine production and trafficking have exploded. Trafficking on the streets of Santa Cruz is done openly and the economic destruction of the city is becoming more apparent. In 1980, Bolivia was the traceable source for approximately 25 percent of the cocaine hydrochloride seized in international smuggling incidents. Although the United States had been working with the Bolivians on several cultivation control and enforcement initiatives, since the July 1980 junta, none of those programs have been pursued. Although the new government has declared its intentions to control cultivation and trafficking, it remains to be seen whether there will be any substantive change.

DEA Special Agents were called back from Bolivia shortly after the junta, but just recently one agent returned to La Paz. There is also an effective cadre of agents stationed in three Colombian cities, Peru, Ecuador, Brazil, Venezuela, Argentina and Chile.

DEA also led a cooperative multilateral effort which is having a tremendous impact in the volume of illicit methaqualone trafficking. Except for marihuana, methaqualone (often called by a trade name, Quaalude) is the most heavily abused drug by teenagers and young adults in the United States. The first significant increase in the abuse and trafficking began in the fall of 1978. Since then, availability has increased geometrically.

Methaqualone seizures rose from 900,000 dosage units in 1978 to 24 million in the first six months of 1981. The majority of these seizures have been in Florida, which reflects that state's proximity to the South American sources and the number of poly-drug violators residing there.

The process of counterfeiting Quaaludes starts with the methaqualone base that is manufactured in commercial pharmaceutical firms in West Germany, Hungary and Italy. Laboratory operators use false bills of lading and mislabeling and take advantage of the free ports of Hamburg, West Germany; Colon, Panama and Barranquilla, Colombia to have the base shipped to them in Colombia and Mexico. Counterfeit Quaaludes are primarily manufactured in clandestine laboratories in Colombia and then smuggled into the United States via aircraft and maritime vessels, sometimes as a secondary cargo to marihuana and, increasingly, as the sole cargo. As with the trafficking of other drugs, there is a tremendous markup all through the manufacturing process and vast profits are realized.

Since early 1981, DEA and U.S. State Department officials have met in separate discussions with representatives of the Governments of West Germany, Austria and Hungary to solicit their cooperation in resolving the methaqualone problem. As a result, Hungary has decided to discontinue production of methaqualone base, and Austria and West Germany have taken measures to impose significantly tighter controls on importing and exporting

this substance. It is projected that these actions will virtually shut off the source for Latin American traffickers. DEA officials have also been working with Colombian counterparts to disrupt the methaqualone trafficking through a series of enforcement actions, which continue to be very successful.

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Senators, I needn't describe to you in detail how the trafficking of controlled substances is affecting our nation. Each of you is aware of the drug abuse and trafficking situation in your home state. Drug trafficking is a problem that reaches every part of our country. One sector however--the Southeast--has been and continues to be especially hard hit.

This situation is a consequence of proximity to the sources in Central and South America and a geographical environment that is more than accomodating to small smuggling maritime vessels and aircraft. The tourist industry, the influx of immigrants from source countries, and Miami's position in international trade and finance centers all work to assure this area's pre-eminent position in drug trafficking. Successful enforcement activity at the Federal, State and local level in Florida has displaced the trafficking up the East Coast and all across the Gulf Coast. Successful financial investigations in south Florida have displaced some of the drug dollars to Texas and Georgia.

Our investigative endeavors are focused on the highest levels of trafficking and are directed at incarcerating the violators, interdicting the drugs and depriving the trafficking organizations of their profits and proceeds of their illegal ventures. DEA utilizes CENTAC (Central Tactical Units) and Mobile Task Forces (MTF) to concentrate on national and international drug trafficking conspiracies.

One such MTF, Operation Grouper, illustrates how DEA is proceeding in close cooperation with other enforcement agencies to immobilize major trafficking syndicates. The U.S. Customs Service, the U.S. Coast Guard and Florida State and local officials assisted DEA in this unique, extensive undercover investigation of 15 major maritime smuggling groups that were operating in south Florida. The investigation was designed to reach the ringleaders rather than the couriers and mid-level dealers. The drug seizures were massive over the 22-month operation: 1.2 million pounds of marihuana, 831 pounds of cocaine and 3 million tablets of methaqualone. The Miami Regional Intelligence office has estimated that these trafficking groups may have been responsible for as much as 30 to 40 percent of the marihuana being smuggled into the United States. The arrests of 45 Class I and 34 Class II violators have had a significant impact on maritime trafficking in the area. Although there is always a ready reserve to replace the seized drugs, there is no way that these organizations can function without their leadership.

The routine participation of FBI, IRS and U.S. Customs agents, as appropriate, in CENTAC and MTF operations is bringing special expertise to these operational efforts concerning organized crime, drug-related assets, drug movement and drug-related violence and corruption, as have ongoing cooperative investigations in the past. A DEA investigation during 1981 resulted in the arrest of the number one money launderer in the Miami area, responsible for moving in excess of \$260 million in drug proceeds since 1968. This investigation has been expanded, in conjunction with the IRS, based on seized records. In addition, an integrated U.S. and foreign effort has been intensified to locate a major Colombian trafficker who is estimated to have smuggled in excess of 1,000 kilograms of cocaine per month into the United States via his private island in the Bahamas. A recent 417-pound cocaine seizure, which can be traced to that fugitive, indicates he is continuing this high level of activity. Another CENTAC, initiated in mid-1981, will bring to bear the resources of DEA, the Department of Justice, the Metro-Dade Police Department, other south Florida and Federal law enforcement agencies, as well as the private sector, in a concerted effort to stem the alarming increase in narcotic-related homicides and drug trafficking in south Florida.

Enforcement operations such as Grouper, which focused on the people and the drugs, and Operations Bancoshares and Greenback, which focused on the people and the profits, are effective to

the extent that they cause major disruptions to the trafficking of drugs. However, enforcement actions are holding actions, a finger in the dike. There is ample cultivation and vast stockpiles of the drugs to compensate for seizures. Equipment can readily be replaced. The profits derived from successfully smuggling drugs into the United States are so vast that a major organization could conceivably lose between 50 and 70 percent of its shipments (depending on the drug involved) and still not suffer a fatal financial loss. The upper-echelons of the trafficking syndicates insulate themselves from contact with elaborate money laundering schemes.

What is needed is a firm commitment, a clear policy, that we will no longer tolerate drug trafficking and that we will take action on all fronts. Most importantly, and I cannot stress this enough, we must convince our international brethren that the United States is deeply committed to minimizing, to the fullest extent, the worldwide drug problem.

Other nations perceive our past signals as ambivalence to drug control. They are skeptical about our own inability to suppress domestic marihuana cultivation and our being prevented from working towards eradication through herbicidal eradication. From another nation's perspective, our track record regarding bail and sentencing of upper-level drug defendants does not convey a sense of disapproval.

An important step toward demonstrating our commitment, and one which is imperative if we are to have a real impact on drug trafficking, was addressed by the Attorney General at a recent Senate hearing. His statement bears repeating,

"The most efficient and effective way to control narcotics is by eradicating them at their source. With respect to marijuana, source eradication is possible through use of herbicides such as paraquat, a product used widely to suppress weeds in connection with the production of agricultural crops. Although thoroughly tested and approved as safe for use as a herbicide, considerable controversy has developed regarding the potential health impact should marijuana which has been treated with herbicides be harvested and sold to consumers.

Although we appreciate the health concerns surrounding herbicide use, we believe them to be speculative for two reasons. First, there is no clear evidence that herbicide-treated marijuana poses any significantly greater health hazard than non-treated marijuana. Second, herbicides destroy marijuana crops within a matter of days with the result that it is unlikely that any significant volume of treated marijuana will find its way to consumers. Moreover, we believe that the long-term health effects of marijuana use, particularly use by young people, many of whom are pre-teenage children, are such a serious health threat as to justify herbicide use as a means of curbing the national marijuana problem.

In furtherance of our goal to eradicate marijuana at its source, the Department of Justice will submit two separate bills to the Congress for consideration. The first bill would repeal the existing restriction upon assistance to foreign governments for herbicide spraying programs. The second would expressly authorize federal officials to conduct, and to assist States in conducting, marijuana eradication programs through herbicide use.

The drug enforcement enterprise needs to capitalize on all the resources available to it. Progress is being made in involving the Navy in spotting ships and aircraft suspected

of smuggling drugs and in obtaining other intelligence and information from them regarding drug traffic. We anticipate further assistance from the Department of Defense once further exceptions to the Posse Comitatus Act are enacted. It will be welcome support.

The President's crime control program also contains provisions that are a clear signal of the United States' intent to crack down on drug traffickers. I believe that it is important to amend the current law to better enable the law enforcement community to seize and forfeit the traffickers' profits and proceeds. The bail and sentencing reform proposals are needed measures to correct deficiencies and inequities in the criminal justice system. Amendments to the Freedom of Information Act which would ensure nondisclosure of information provided by state, local and foreign police authorities would be most beneficial, as would the other proposed amendments to this Act.

We are working on the development of new strategies to contend with the crime attendant with drug traffic. By combining the FBI's financial investigation of major distribution networks and DEA's ability to penetrate these networks, we are going to be able to reach higher level narcotics traffickers and move against the complex money flow that finances their lucrative criminal enterprises. FBI expertise in combatting organized criminal groups with productive and

sophisticated investigative techniques will be extremely helpful. Already, the number of joint DEA/FBI investigations has increased by four-fold since July.

Drugs are a root of the violent crime we are experiencing in the United States and around the world. If we bring to bear the full resources of the U.S. State Department, the Defense Department, the Treasury Department, the U.S. Coast Guard, and our foreign leaders and their people, we can have an impact on drug production, trafficking and abuse. We pledge to do our utmost and, as always, look forward to working with the Congress to develop and move forward with an aggressive strategy to combat this significant problem.