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UNITED STATES  
GENERAL ACCOUNTING OFFICE  
**REPORT TO THE CONGRESS** 096957

JUL 31 1975



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**If The United States Is To  
Develop An Effective International  
Narcotics Control Program,  
Much More Must Be Done**

In this report GAO examines U.S. diplomatic actions and other activities aimed at halting international production and trafficking of illicit narcotics and at stopping their flow into the United States.

**BY THE COMPTROLLER GENERAL  
OF THE UNITED STATES**

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JULY 29, 1975

**096957**



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

B-175425

61 To the President of the Senate and the  
Speaker of the House of Representatives

— This report examines U.S. international narcotics control efforts and discusses improvements needed in operations, activities, and related policies and objectives.

We made our review pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

We are sending copies of this report to the Director, Office of Management and Budget; the Secretary of State; the Attorney General; and the Administrator, Agency for International Development.

A handwritten signature in black ink, reading "James B. Atwater".

Comptroller General  
of the United States

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#### ABBREVIATIONS

AID	Agency for International Development
CCINC	Cabinet Committee on International Narcotics Control
DEA	Drug Enforcement Administration
GAO	General Accounting Office
IFI	international financial institution
INCB	International Narcotics Control Board
NCAP	narcotics control action plan
OMB	Office of Management and Budget
UNFDAC	United Nations Fund for Drug Abuse Control
USIS	United States Information Service

COMPTROLLER GENERAL'S  
REPORT TO THE CONGRESS

IF THE UNITED STATES IS  
TO DEVELOP AN EFFECTIVE  
INTERNATIONAL NARCOTICS CONTROL  
PROGRAM, MUCH MORE MUST BE DONE

D I G E S T

U.S. policy on eliminating opium production and illicit narcotics trafficking is not always clear to those who must follow it in attempting to carry out international narcotics control programs.

With U.S. and international encouragement, Turkey halted all opium production--the growing of opium poppies--in June 1971, but 3 years later, Turkey rescinded the ban. During the same period, the United States supported India's increasing its opium production for medicinal purposes. (See pp. 8 and 9.)

GAO recommends that the Secretary of State, as Chairman of the Cabinet Committee on International Narcotics Control:

--Clarify U.S. opium policy. (See p. 22.)

--Assess U.S. drug control activities abroad. (See p. 35.)

--Define U.S. narcotics control objectives. (See p. 64.)

GAO makes a number of other recommendations to improve specific aspects of the narcotics control program.

GAO also suggests that the Congress complete its consideration of enabling legislation to permit the Senate to consider ratifying the 1971 Convention on Psychotropic Substances. This Convention is aimed at curbing unlawful diversion and illegal international trafficking of psychotropic--or mind-altering--drugs. (See p. 76.)

Annual worldwide illicit opium production is estimated at 1,130 to 1,520 metric tons.

Most comes from regions where opium cultivation is illegal but governments lack effective political control to enforce the laws. (See pp. 23 and 24.)

In 1974 there were four large international narcotics trafficking networks. Enforcement efforts have partly succeeded in restricting trafficking through these networks, but much remains to be accomplished. (See pp. 24 to 28.)

Foreign governments' cooperation is crucial to the success of the U.S. international narcotics control program. This cooperation generally has been good, but the United States needs to strengthen diplomatic initiatives and gain greater cooperation from some countries. (See p. 47.)

The United States could improve narcotics control by supporting programs for educating, treating, and rehabilitating addicts in other countries to reduce production, use, and trafficking of illicit narcotics. (See p. 58.)

Although the United States continues to give top priority to international narcotics control, (1) it was not included among U.S. objectives in some narcotics-problem countries and (2) some U.S. embassies' officials were uncertain as to whether it was an objective in their countries. (See p. 80.)

International operations of the Drug Enforcement Administration have increased steadily and contributed to foreign government narcotics enforcement capabilities. Continued expansion of the agency's overseas activities, however, should be carefully considered in terms of potential problems with foreign government sovereignty, possible displacement of indigenous police functions, and appropriate development of foreign government enforcement capabilities. (See pp. 33 to 35.)

Most U.S. efforts have been directed toward short-term enforcement measures. Long-term measures, such as crop substitution and income replacement, will require changes in

traditional economic and social conditions and establishment of political control over areas presently uncontrolled. (See p. 36.)

If a country's development priorities do not include replacing the opium poppy, crop substitution and income replacement are unlikely to follow without strong urging and assistance from outside sources. (See p. 41.)

The 1961 U.N. Single Convention on Narcotic Drugs provides the mechanism for continuous international cooperation on narcotic drug control through essentially voluntary restraints on the cultivation, production, manufacture, and import and export of opium and its products. (See p. 66.)

The 1971 Psychotropic Convention was aimed at limiting the manufacture, distribution, and use of psychotropic drugs, including LSD, mescaline, amphetamines, barbiturates, and tranquilizers, to legitimate medical and scientific purposes. Although the United States has been a leader in sponsoring and negotiating international drug control treaties, it has yet to ratify the 1971 Psychotropic Convention. (See p. 66.)

The U.N. Fund for Drug Abuse Control was established in March 1971 as a coordinated international program against drug abuse. However, it depends on voluntary contributions from governments and private sources, and its progress has been slow because of a shortage of funds. (See p. 67.)

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- The Department of State, the Agency for International Development, and the Drug Enforcement Administration have indicated in their comments (see app. II) that positive actions are being or will be taken in response to GAO's recommendations. However, they do not agree that U.S. opium policy is unclear to those who must follow it. (See pp. 18 to 22.)

## CHAPTER 1

### INTRODUCTION AND BACKGROUND

#### GENERAL OVERVIEW

Emphasizing more effective law enforcement and an increased exchange of intelligence information, the United States has worked to control narcotics largely by augmenting foreign governments' capability to immobilize traffickers and by preventing illegal narcotics--principally opium, morphine base, heroin, and cocaine--from entering international markets and the United States.

Despite these efforts, international drug trafficking persists. As traditional routes become blocked, traffickers find new sources and new routes. Heroin, which once entered the United States almost exclusively from Europe and the Middle East, now increasingly enters from Southeast Asia and Mexico.

Government officials and many Members of Congress believe that the Turkish ban on opium production, which was announced in 1971 and took effect in 1972, had a substantial impact on the U.S. drug problem. It greatly reduced the raw material needed for illicit heroin produced in Western Europe and smuggled into the United States.

A 6-year pattern (1968-73) of increasing numbers of new addicts was apparently reversed. Government estimates indicated that the active pool of heroin users numbered 630,000 in 1971, 610,000 in 1972, and 580,000 in 1973. The 1973 estimate included 250,000 active users, 125,000 users under treatment, and 85,000 users in prison. The remaining 120,000 were presumed to have been successfully treated, to have voluntarily stopped using narcotics, or to have died.

Overdose deaths, drug-related hepatitis, and drug-related property crimes declined throughout most of the United States for the first time in 6 years. The quality and quantity of heroin decreased, while the price increased. The price of 1 milligram of heroin in New York City was said to be 44 cents in 1972; it had risen to \$1.52 by mid-1973. The purity of heroin sold to addicts on the street decreased 52 percent during this period, from 7.7 to 3.7 percent. A definite heroin shortage existed on the East Coast.

U.S. pharmaceutical firms, however, believe that U.S. support of the ban contributed to a worldwide shortage of licit opium for medicinal requirements. (See p. 10.)



On July 1, 1974, the Turkish Government lifted the ban on the cultivation of the opium poppy and indicated that an additional 200 tons of medicinal opium would become available to the international pharmaceutical industry, and that this source of income and by-products would be restored to more than 100,000 farmers. The Department of State considered the Turkish decision to be a unilateral termination of a 1971 agreement between the two countries. (See pp. 39 and 52.)

Information indicates that U.S. officials responsible for drug abuse matters are disturbed by a recent trend in the incidence of heroin abuse. Toward the end of 1973 and early 1974, both the amount and purity of heroin entering the United States increased. Much of the increase is attributed to an influx of Mexican brown heroin and apparent releases of illicit stockpiles of Turkish opium in anticipation of the new crop. Increased heroin use is reported in cities as far apart as San Francisco; Washington, D.C.; Chicago; Detroit; Boston; and New York City. Also, heroin use appears to be spreading to smaller cities.

#### FUNDING

For fiscal year 1974, the Congress appropriated \$42.5 million specifically for international narcotics control. (App. I contains additional fiscal data.) There had previously been no specific appropriation for narcotics control programs. In another fiscal year 1974 change, an amendment to State Department Delegation of Authority No. 104 transferred overall authority and responsibility for narcotics control funds appropriated under the Foreign Assistance Act from the Agency for International Development (AID) to the Department of State.

AID still acts as financial agent and primary implementor of projects using most of the narcotic funds, although it now receives its money through the Senior Adviser to the Secretary of State for Narcotics Matters. The transfer of authority and responsibility is expected to speed up overseas assistance activities. A participating agency service agreement has been signed between State and AID. Drug Enforcement Administration (DEA) and Customs training will also be financed under participating agency authority.

The following fiscal year 1974 operating and support costs for the international narcotics control program were in addition to the \$42.5 million budgeted in the Foreign Assistance Act.

Department of State	\$ 856,665
DEA, Department of Justice	10,418,000
AID	240,000
Department of Agriculture	153,530
Department of Health, Education, and Welfare	114,000
Special Action Office for Drug Abuse Prevention	<u>74,000</u>
Total	<u>\$11,856,195</u>

CABINET COMMITTEE

In his June 17, 1971, message to the Congress, the President called for an all-out attack on both the supply and demand sides of the problem of drug abuse. He asked for accelerated international cooperation and made narcotics control a top priority foreign policy objective. With the establishment in August 1971 of the Cabinet Committee on International Narcotics Control (CCINC) and the designation of the Secretary of State as Chairman, the President gave the Department of State primary responsibility for developing an intensified network of international cooperation and controls.

CCINC's structure is essentially the same as when it was established. It is assisted by a high-level Working Group; a Coordinating Subcommittee; four Regional Interagency Narcotics Control Committees; and functional subcommittees on Legal and Treaties, Law Enforcement, Intelligence, Training, Program Review, Treatment, Research and Development, and Public Information. (See chart on p. 5.)

CCINC and the Working Group generally meet only to develop or resolve policy issues. Each has met five times to establish priorities and guidelines and to initiate and/or approve bilateral and multilateral narcotics control projects. CCINC's last meeting was on November 27, 1973, when it met jointly with the President and the Domestic Council Cabinet Committees on Drug Abuse. The Working Group's last documented meeting was on October 29, 1974. In April 1975 the Department of State advised us that Working Group meetings were also held on November 5, 1974, and February 11, 1975.

Although the international narcotics control program receives policy guidance and program direction from CCINC, the ongoing projects are staffed by senior working-level personnel, usually those who serve on the Regional Interagency Narcotics Control Committees, which are chaired by State Department officials. Regional committee meetings

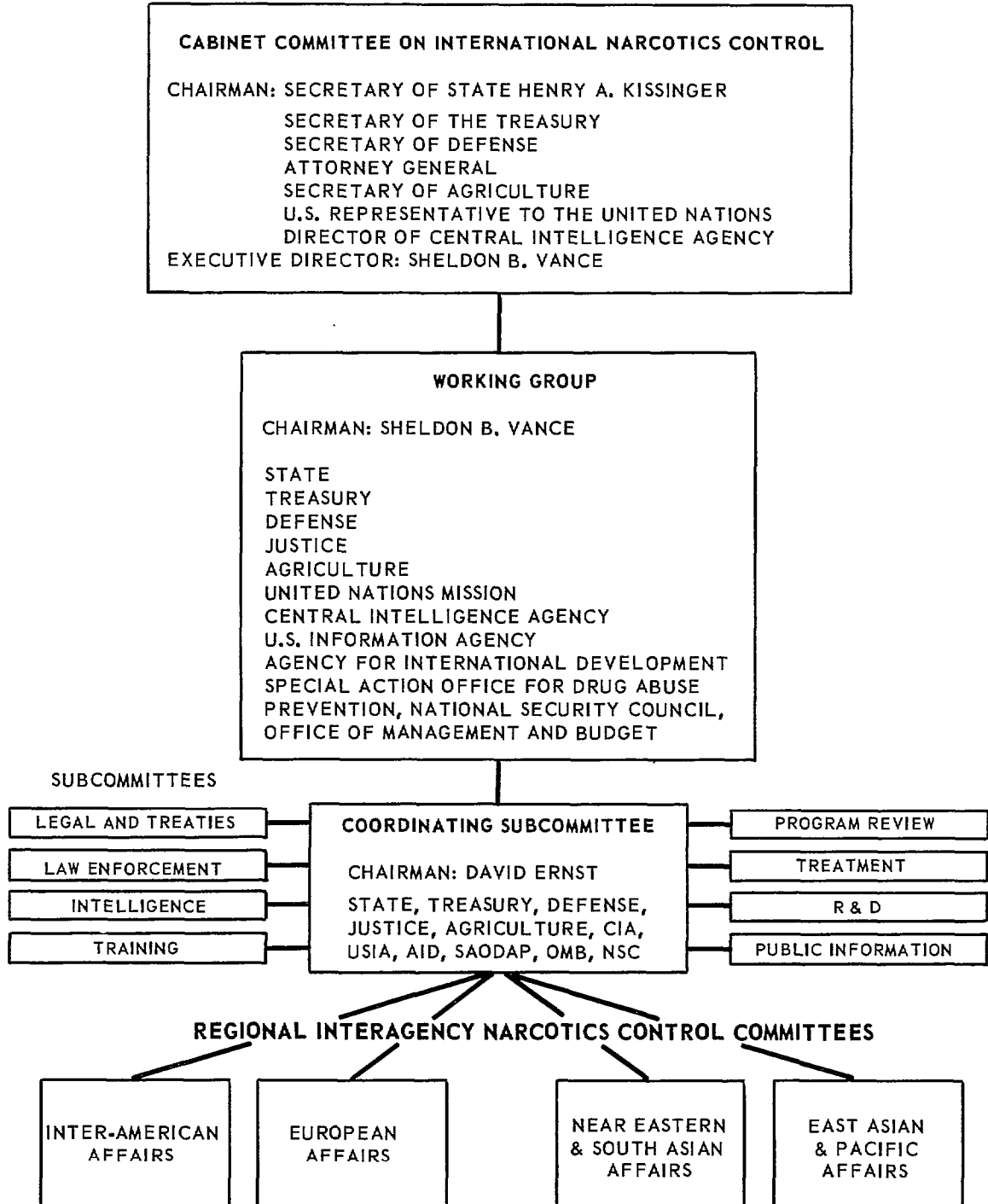
have been held frequently during the past year, primarily to distribute and discuss draft position papers and cables. Agency comments and clearances are generally obtained and coordinated outside of meetings by either the regional bureau coordinator or a designated action officer. For all such meetings and clearances, participation by a representative of the Senior Adviser to the Secretary of State and Coordinator for International Narcotics Matters is an essential element to the program.

The functional subcommittees meet on an ad hoc basis to introduce, discuss, and appraise special projects and studies geared to increasing the effectiveness of the narcotics control programs. The Senior Adviser's office is also represented here.

The Coordinating Subcommittee, chaired by a member of the Senior Adviser's staff, assures the overall coordination and implementation of the various projects and policies. It is also responsible for resolving conflicting policies or interagency differences; any unresolved matters can be referred to either the Working Group or CCINC itself, if necessary.

In late 1971 and early 1972, under the aegis and direction of CCINC and through the activity of the diplomatic missions abroad, the U.S. Government developed narcotics control action programs for some 59 countries considered to be involved or have a potential for involvement with illicit narcotics.

# ORGANIZATION OF THE CABINET COMMITTEE ON INTERNATIONAL NARCOTICS CONTROL



## SCOPE OF REVIEW

Our review focused on the international actions planned or taken to combat the major problem of heroin addiction in the United States. Heroin, along with cocaine, is the priority target of CCINC. Accordingly, our observations and comments center on U.S. diplomatic actions and programs aimed at curbing international trafficking and production of these drugs and at stopping the flow of illicit narcotics into the United States.

Our objective was to report to the Congress on the effectiveness of executive branch efforts in carrying out international narcotics control programs established in cooperation with foreign governments. We visited and examined programs in some 18 countries in Europe, the Near East and South Asia, and the Far East as a basis for our overall conclusions and recommendations.

We reviewed program documents, reports, studies, and other pertinent records of the Department of State, AID and others in Washington, D.C., and at U.S. missions overseas. We interviewed U.S. officials in Washington and abroad, including officials of the Departments of State and Agriculture, AID, the Office of Management and Budget (OMB), and DEA. We looked into U.N. drug control activities and U.S. contributions to support those activities and visited U.S. pharmaceutical firms that import opium for licit medicinal use.

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We have recently issued several reports dealing with international narcotics control activities. Two reports to Congressman Charles B. Rangel (B-173123, dated July 23, 1974, and Nov. 21, 1974) discuss present and future supply and demand trends for crude opium and opium derivatives in the United States and technology development for increasing opium production and the development of alternative sources of opium derivatives. A September 9, 1974, report to the Congress, "Rescission of the Opium Poppy Growing Ban by Turkey" (B-173123), describes the use of U.S. assistance to compensate Turkish farmers and implement income replacement projects. It also provides details on the Turkish decision to rescind the ban. In addition, our report to the Congress entitled "United States Economic Assistance to Turkey" (B-125085, Sept. 16, 1974) contains a chapter concerning the

evolution of the poppy ban in Turkey, the status of U.S. assistance provided to support it, and the associated problems. In separate reviews, we evaluated efforts to stop the illegal flow of narcotics from Mexico and other Latin American countries. 1/

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1/"Efforts to Stop Narcotics and Dangerous Drugs Coming From and Through Mexico and Central America," GGD-75-44, December 31, 1974; "Problems in Slowing the Flow of Cocaine and Heroin From and Through South America," GGD-75-80, May 30, 1975 (Confidential).

## CHAPTER 2

### U.S. OPIUM POLICY

The President, in his message to the Congress on June 17, 1971, declared that drug abuse problems had reached emergency dimensions. Referring to the international aspects of heroin, he stated:

"\* \* \* it is clear that the only really effective way to end heroin production is to end opium production and the growing of poppies. I will propose that as an international goal."

In early 1973 the three U.S. pharmaceutical companies licensed to import opium for medicinal use claimed to be having difficulty obtaining adequate supplies to meet requirements. In June 1973 they formally reported their concerns about a world opium shortage to OMB.

### U.S. OPIUM POLICY UNCLEAR

U.S. policy toward eliminating opium production and illicit narcotics trafficking is not always clear to those who must implement it or be guided by it. Most U.S. Government officials take the position that the policy is intended to disrupt the flow of illicit narcotics into the United States and not to eliminate licit opium production for medicinal needs or the traditional use of opium by many tribal societies. Some Government officials, as well as representatives from the medical profession and pharmaceutical firms, interpret the policy as one of all-out opium eradication and have opposed it.

Apparent inconsistencies have made U.S. opium policy increasingly ambiguous. For example, the U.S. Government has promised that opium supplies for medical needs will be adequate although there is presently no way of assessing or assuring supplies. Demand can be reasonably estimated from past consumption trends, but supply, which has been based solely on Indian production, is subject to the vagaries of weather, politics, and other nations' opium needs.

As stated in February 1974 at the third special session of the U.N. Commission on Narcotic Drugs held in Geneva, the United States continued to affirm its basic and vital interest in preventing the diversion of opium from licit supplies and in eliminating all illicit production. At the Commission's February 1975 session, the United States expressed concern over shortages of narcotic raw materials, stating that increased supplies must be produced solely in a manner which does not increase the risk of diversion for illicit purposes.

Illegal production continues unabated in several countries. Much of the progress made by the United States toward eliminating opium production and suppressing illicit drug traffic can be attributed to successful U.S. and international efforts in persuading Turkey to ban all opium production beginning in 1972. This ban, however, was rescinded on July 1, 1974, and opium cultivation was resumed in the fall of 1974.

In expressing concern over the opium shortage, the three U.S. pharmaceutical firms (Mallinckrodt Chemical Works; Merck & Co., Inc.; and S. B. Penick & Company) licensed to import opium indicated that the Turkish ban contributed to the world shortage. They pointed out that this shortage had critically affected supplies for legitimate U.S. medical needs. There is presently no universally accepted opium substitute that is considered as effective and less addictive than morphine and codeine--the principal medicines derived from opium.

Moreover, while U.S. policy has been geared toward opium eradication, the United States supported an increase in India's opium production through increased yields instead of increased acreage. The pharmaceutical firms, to rebuild their inventories, have sent representatives overseas and sought U.S. Government help in obtaining increased import quotas from India. Also, to make up for shortages, these firms are buying opium seized by other countries in illicit trafficking.

In December 1973 an Indian Government official said that he did not understand the U.S. position as reported in the President's June 1971 statement calling for the eventual elimination of opium cultivation worldwide. He said India supported eliminating illicit production, but not licit production.

Further repercussions came in February 1974, when the Turkish Government expressed dissatisfaction about U.S. support for expanded Indian opium production. Turkish officials claimed that the ban helped cause a worldwide shortage of opium for legitimate medicinal purposes and that India had been encouraged to increase production to fill the gap. According to them, this situation was unfair and unacceptable.

The crucial development in the opium situation was Turkey's July 1, 1974, announcement lifting the ban and permitting opium cultivation in six provinces and parts of a seventh beginning in the fall of 1974. Turkey expects to provide about 200 tons of opium annually to the international pharmaceutical industry for medicinal use.



## EVOLUTION OF AN ALLEGED OPIUM SHORTAGE

A principal reason given by the three pharmaceutical companies for an alleged opium shortage was Turkey's ban on opium production. Some U.S. officials disagreed about the reasons, while others questioned whether a shortage existed at all.

In June 1973, to demonstrate the seriousness of the alleged shortage, the firms submitted a joint report on the opium crisis to a Government task force studying the matter. The report concluded that the supply of opium to meet legitimate medical demands for morphine, codeine, and other opium derivatives had become dangerously inadequate.

The report attributed the shortage to the ban and to increased codeine consumption throughout the world. One firm has stated that the higher consumption has been caused by

- increased use of prescription medication through U.S. Government and private health plans,
- increased dissatisfaction by the medical profession with synthetic analgesics,
- codeine cough preparations being placed on a prescription basis and non-narcotic cough suppressors being left on an over-the-counter basis,
- generally increased population, and
- rapid escalation in the number of patients covered and drugs prescribed under Medicaid (the number of Medicaid recipients increased from 14.5 million in 1970 to 27 million in 1974).

U.S. Government officials' opinions on the opium shortage vary widely. For example:

- A DEA official attributed the shortage to the increased use of opiate-based medicine by the postwar baby boom and the Medicare program--not to the Turkish opium-growing ban. According to him, the opium shortage was limited to the United States and the United Kingdom.
- An OMB official said there was no opium shortage, merely increased consumption and a lower level of imports due to the recent drought in India.

--A State Department official thought the shortage was only temporary and that the Medicare and Medicaid programs were responsible for the increased consumption of opium-based drugs.

--Another State Department official blamed the shortage not on national policy, but on increased world opium consumption, principally in the form of codeine, and the failure of legal production to keep pace with demand.

### Supply and demand

Supplies of crude opium have apparently failed to keep pace with increased demand. Indian production, virtually the only source after the Turkish ban, was being tapped by other countries. For example, the Soviet Union, traditionally self-reliant, unpredictably appeared on the world market when its production dropped from 227 tons in 1970 to 92 tons in 1973. At the end of 1972, the three U.S. importers had a 9-month supply of opium on hand.

In conformance with U.N. International Narcotics Control Board (INCB) guidelines, DEA establishes the yearly national quota for opium and the licensing requirements for U.S. importers. Opium quotas set by DEA 6 months in advance are based on data for the previous 1- to 3-year period, taking into account inventories on hand, anticipated usage (for example, severe winters increase demand), and quantities prescribed.

A DEA yearend inventory audit showed that, as of December 31, 1973, the pharmaceutical firms had only a 3- to 4-month supply. In February 1974 a DEA official said that the United States, for the first time, had experienced difficulty in obtaining its opium import quota. DEA estimated U.S. needs for 1973 at 327 metric tons, but only 262.6 metric tons were imported.

India completed harvesting in June 1974 and had shipped about 32 metric tons to the U.S. pharmaceutical firms as of mid-July. At most, the United States expected to get 300 metric tons from India during 1974.

The world opium supply was one of the main agenda items at the February 1974 U.N. Commission on Narcotic Drugs meeting in Geneva. At the meeting the United States supported INCB conclusions that, although estimated 1973 world opium production would not meet the demand for medical use, the situation might balance out in 1974.

The United States pointed out that U.S. manufacturers have had difficulty in obtaining adequate supplies and that it welcomed the opportunity to discuss the most productive and controlled means of meeting future requirements.

#### U.S. stockpile releases

Emergency legislation in December 1973 authorized the release of opium from the national stockpile. The U.S. pharmaceutical firms had proposed this as an interim relief measure.

The legislation authorized disposing of 65,700 pounds of opium (morphine content), which is the equivalent of 238.4 metric tons of crude opium. <sup>1/</sup> The bill waived the 6-month waiting period normally required before disposal. House report 93-720 approving the bill stated that releasing stockpile opium would provide the additional increment for legitimate domestic needs for codeine and other derivatives through 1976, assuming that the projected levels of Indian opium production are met.

The total authorized disposal would not be made at one time. Released amounts were to be determined jointly by the General Services Administration, DEA, and OMB, based on an analysis of the firms' needs every 6 months. As of July 1, 1974, the first increment of 75 metric tons and an emergency supply of 17 metric tons had been released to the firms. As of March 13, 1975, 201.6 metric tons of opium gum had been released to the firms, leaving a balance of 36.8 metric tons authorized for disposal.

At the February 1974 Geneva meeting on narcotic drugs, the U.S. Ambassador announced that the United States would help meet the short-term requirements for medical use by releasing up to 45 percent of its strategic opium stockpile. According to the Ambassador, the United States did not intend to use these emergency stocks either to export opium or to replace normal opium imports but exclusively to rebuild U.S. manufacturers' inventories.

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<sup>1/</sup>In addition to crude opium gum, the stockpile contains alkaloids derived from raw opium, including forms of codeine, morphine, and hydromorphine. Thus, opium is often expressed in terms of morphine or codeine content (A.M.A. or A.C.A.). The average morphine content of stockpile opium as determined by the General Services Administration is 12-1/2 percent.

## INCREASING MEDICINAL OPIATE SUPPLIES

Although much effort has been expended in the search for a synthetic alternative, none of the synthetics developed have been able to satisfactorily replace opium-derived drugs. Some U.S. firms and some Government officials believe that there will be no practicable alternative to opium derivatives in the next several years because any substitutes will require several years of development and testing before being approved for use.

To correct the imbalance between opium supply and demand in the future, the U.S. pharmaceutical firms strongly suggested expanding the areas under poppy cultivation in India, with appropriate governmental inducements and controls.

One firm also recommended that the U.S. Government:

- Restate its opium policy to continue to focus on illicit opium, while recognizing the need for adequate supplies for legitimate medicinal purposes.
- Establish additional sources of opium alkaloids by growing the opium poppy in new areas, in the United States or abroad, under strictly controlled conditions.

Another firm suggested that the Government approve commercial production of papaver bracteatum, a non-opium poppy which can yield codeine.

All three companies apparently send representatives to India at least once a year to insure a continued supply of opium and to discuss the prospects of purchasing increased allocations. An Indian Government official said that India had had more requests for increased allocations than it could handle.

### Procuring seized opium

Article 24(5)(b) of the 1961 Single Convention on Narcotic Drugs permits any party to export opium seized in illicit traffic to another party. The great demand for opium for medicinal use and its high legitimate value may offer additional incentives for such seizures.

Whenever information is received that a government is selling seized opium, the U.S. mission must verify that the opium available was seized in illicit traffic. U.S. pharmaceutical firms can then join other countries in bidding on the seized opium.

American firms have approached the Thai, Vietnamese, Pakistan, and Afghanistan Governments about buying seized opium. During 1973, for example, 18 tons of seized opium was purchased from the Government of Vietnam, most by Mallinckrodt Chemical Works. (See pictures on following page.)

Company officials indicated that it had become more difficult to buy seized opium because of foreign competition. Some mentioned that they had not gone out of their way to purchase seized opium because normally the quantities were small and the quality not the best.

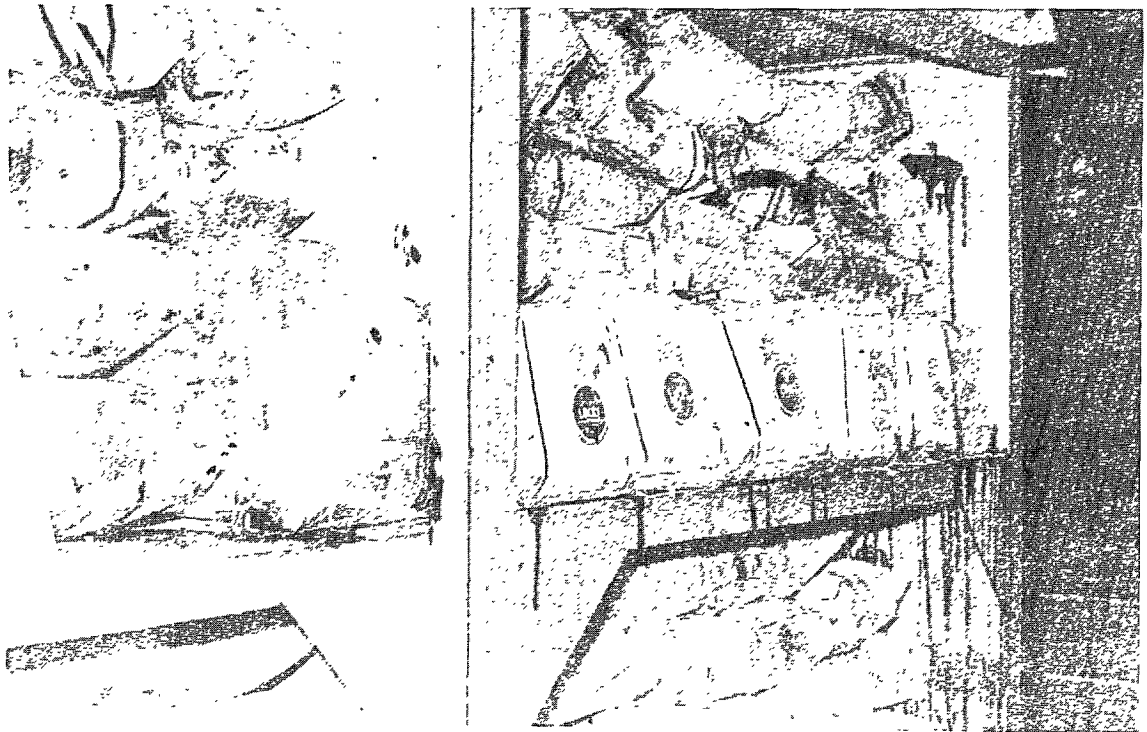
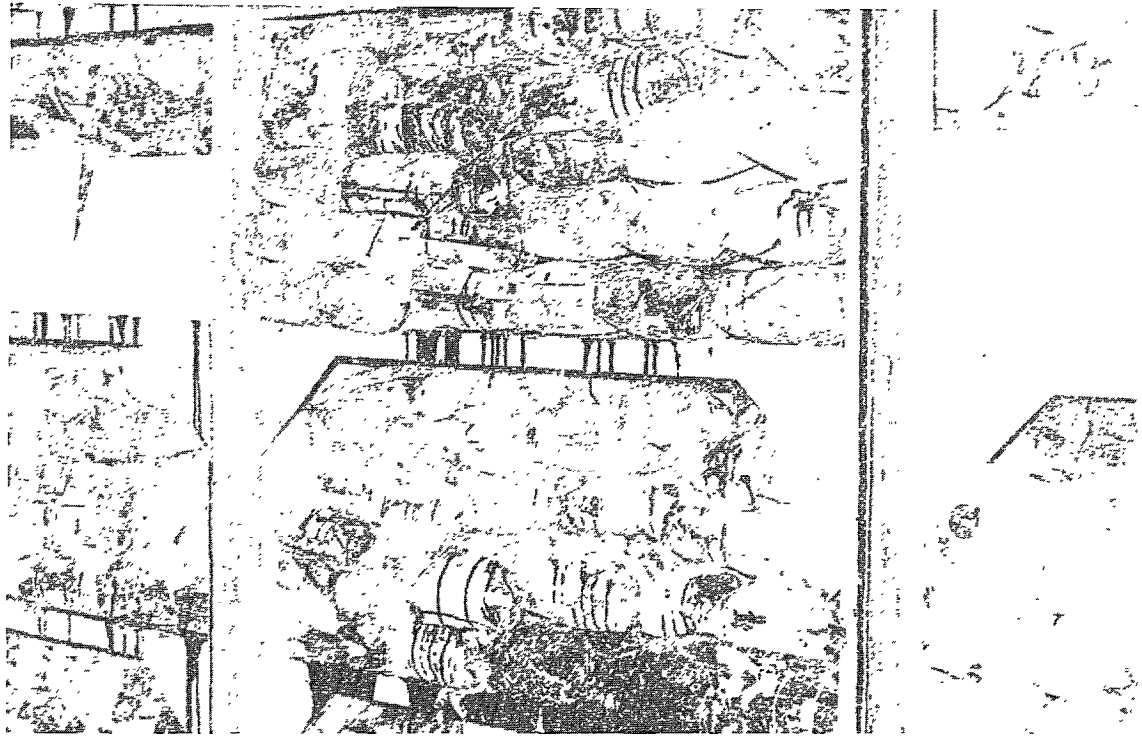
Another difficulty in buying seized opium stems from apparently conflicting international narcotics control treaty obligations that remain in force among and between members of the 1953 Protocol and the 1961 Single Convention, which was intended to replace previous agreements, including the 1953 Protocol. These obligations may preclude further U.S. imports of confiscated opium. For example, a party to the 1953 Protocol, which requires seized opium to be destroyed with certain exceptions, but not a member of the 1961 Convention, which permits the export and import of seized opium, could require all other parties to the 1953 Protocol to live up to its provisions even though they are members of the 1961 Convention. The Department of State, however, has indicated that U.N. approval of a transaction will be sought if confiscated opium becomes available.

Some opium has been burned in public displays of government enthusiasm against the evils of opium production and trafficking. In March 1972, 26 metric tons of opium were publicly burned in Thailand. In March 1973, a poppy crop with an estimated opium content of 162 kilograms was burned in Laos. And in February 1974, again in Laos, 105 kilograms of opium were reportedly burned by police and customs authorities.

U.S. participation in, or sponsorship of, such public demonstrations of opium destruction, as was the case in Thailand, further confuses the unclear U.S. opium policy and, in our view, is a questionable practice in light of recent opium shortages.

#### Poppy straw

Opium poppy ingredients used to manufacture drugs are also obtained by growing the opium poppy (papaver somniferum), harvesting it mechanically, and extracting the alkaloids directly from the capsular and plant material without going through a manual poppy pod incision and opium extraction



**OPIUM SEIZED BY THE VIETNAMESE GOVERNMENT**



**OPIUM BURNING IN THAILAND**

Source: DEA

process. One advantage of poppy straw is that its low morphine content tends to reduce the risk of opium diversion. U.N. statistics show that about one-third of the world's morphine production is derived from processing poppy straw.

At the February 1974 and February 1975 sessions of the Commission on Narcotic Drugs, the United States called for further research in the poppy straw process, proposing that it be coordinated internationally and administered by the laboratory of the U.N. Division of Narcotic Drugs. The research results would be shared internationally. The U.S. representative remarked that improved processing of poppy straw could give higher opiate yields and result in more effective controls. However, a need to examine both mechanical and labor-intensive procedures, as well as the means of controlling production under this process, was recognized. The United States would contribute additional moneys to the U.N. Fund for Drug Abuse Control (UNFDAC) for this international research.

An Indian Government official at the February 1974 meeting, however, opposed the poppy straw concept because it could lend itself to illegal diversion. As the world's largest producer and exporter of licit opium, the Indian Government might well resist a mechanical process that would cut off income to many of its people employed in labor-intensive opium production.

One U.S. pharmaceutical firm suggested that the poppy straw process could be carried out in the United States or abroad under U.S. Government control. Establishing such a source, the firm said, would require extensive agricultural and technical development, which would in turn require several years and a multi-million dollar investment to become substantially productive. The firm concluded that this could only be done with the approval and under the auspices of the U.S. Government.

#### Papaver bracteatum

The cultivation of papaver bracteatum is being considered as an alternate source of codeine. The bracteatum poppy produces unusually large quantities of an alkaloid called thebaine from which codeine, but not heroin, can be derived.

A series of very potent drugs, including those known as the Bentley Compounds, are also derived from thebaine. However, the conversion of thebaine to any of these euphoric compounds poses a great fire danger and is technically



difficult, requiring high chemical skills, complex equipment, and reagents not easily obtainable. Consequently, these drugs would probably not be attractive to illicit traffickers, although some abuse potential exists.

For the past 2 years, the Department of Agriculture has been conducting research programs on bracteatum, including test-growing in the United States. The Department is coordinating its efforts with the U.N. Narcotics Laboratory in Geneva.

Private research by one U.S. firm indicates that bracteatum may be competitive in cost with opium as a raw material for codeine and cheaper than codeine obtained from opium poppy straw. The firm is convinced, however, that more research is needed and would like Government approval to go ahead with the project before more time, effort, and money are expended.

U.S. officials feel they cannot now sanction bracteatum production in the United States. The United States is pledged to observe the provisions of the U.N. Single Convention on Narcotic Drugs (see p. 66), which governs the production and use of opiates in member countries. Accordingly, officials say the United States would not unilaterally approve commercial production of a natural opiate in this country, regardless of the reduced risk of abuse and its potential as an opium substitute.

The United States promoted research on bracteatum at the February 1974 and February 1975 U.N. Commission on Narcotic Drugs sessions and urged that this research be pursued as expeditiously as possible and coordinated with the U.N. Narcotics Laboratory. U.N. members hoped that by 1975 results on cultivation methods, production processes, and abuse potential would be available to the world community.

#### AGENCY COMMENTS AND OUR EVALUATION

The State Department, AID, and DEA strongly believe that U.S. opium policy is clear, easily comprehensible, and fully understood both in Washington and in the field. It is briefly summarized as follows. The United States:

1. Supports continued research toward developing suitable synthetic drugs because they will be the ultimate solution to the problem of providing legitimate medicinal narcotic substances.
2. Continues to rely on opium imports to meet its legitimate medical requirements.

3. Supports research to increase legal opium poppy yields by existing producers without greatly extending the production area and increasing the control problem.
4. Believes all production of narcotic raw materials should be carefully controlled to prevent diversion for illicit use and increased supplies must be produced solely in a manner which does not increase the risk of diversion.
5. Believes all illicit production and diversion from legal poppy cultivation should be halted.

Additionally, according to U.S. policy statements, codeine may be more efficiently produced and greater yields may result by processing unincised 1/ poppy straw. According to the State Department, the foregoing statements, from two documents delivered at the February 1974 and February 1975 meetings of the U.N. Commission on Narcotic Drugs, represent clear and concise statements of U.S. opium policy.

We believe that the U.S. opium policy statements embody eminently worthwhile goals. Most of the statements appear to be well in line with the continuing goals of the international community concerned with drug abuse problems. Our primary concern is that the statements often incorporate broad, idealistic generalities that offer little help to (1) U.S. Government officials with narcotics control responsibilities, (2) pharmaceutical firms with supply and demand obligations, and (3) foreign governments with anxieties about narcotics controls and pressures for increasing production of narcotic raw materials.

Agency officials maintain that U.S. opium policy has not changed since it was originally announced by the President in 1971. They say that the statements made before the U.N. Commission on Narcotic Drugs reaffirm the policy and alleviate any misunderstandings. They admit the policy is complicated but not unclear, in that it calls for a halt to all illicit opium production and diversions from legal poppy cultivation, while encouraging increased licit production to meet legitimate medical needs.

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1/Opium is normally obtained by manually slitting or lancing the opium poppy pod one or more times lengthwise or crosswise. The opium is allowed to ooze out of the incised pod and congeal. Then the gum is collected by scraping it from the pod. In the poppy straw process, alkaloids are extracted from the pod and plant material by industrial processes without manually lancing each pod.

In our opinion, the distinction between legal and illegal production is not clear. For example, the policy does not specifically address the government-sanctioned traditional production and use of opium and its by-products in some countries where it is technically illegal to grow poppies. Cultivation is allowed in areas where governments have incomplete administrative control or have no desire to forcibly halt or change a way of life that has existed for centuries and is often the primary means of support for many poorer people. We believe this illustrates the need for further policy clarification, particularly for those who must gain foreign commitments and plan narcotics control activities in such diverse countries as Laos, Burma, Thailand, Pakistan, and Afghanistan, with varying degrees of illicit production.

U.S. policy statements stress research (1) to develop suitable synthetic drugs as the ultimate solution to the problem of providing legitimate medicinal narcotic substances, (2) to develop papaver bracteatum, a nonopium natural source for codeine, and (3) to increase yields from opium poppies. The Government supports most of this research through UNFDAC. For example, in February 1974 the United States contributed \$2 million to UNFDAC and earmarked \$800,000 of these funds for papaver bracteatum and papaver somniferum research. Such international financial support is apparently aimed at insuring that any positive results will be available to the entire world.

Domestically, however, there has been little Government support for developing suitable alternatives to opium for medicinal needs. The Agricultural Research Service, Department of Agriculture, has been doing some work, but research in private industry and institutions has not been especially encouraged. We believe that the vast research and technological capabilities within our own country should be brought to bear on developing such alternatives.

U.S. opium policy has not addressed the role of the pharmaceutical industry. The industry has acknowledged its obligation to find a solution to the opium supply problem. To work toward such a solution, the industry and research community must have the full approval and support of the U.S. Government. Without assurances that commercial development and production of a natural alternative will be allowed, the industry could be understandably reluctant to commit the substantial resources necessary to produce and market suitable alternatives.

The Government has recently authorized (effective Feb. 14, 1975) importing poppy straw concentrate, a substance

containing opium poppy alkaloids from which codeine can be manufactured by U.S. pharmaceutical firms. In doing so, the Government stated that it would not be in the best interests of the United States to continue to rely exclusively on crude opium for its medical requirements. To remedy the shortage of raw materials, the Government would continue to take various steps to close the gap between the supply and demand for opium poppy derivatives.

These actions may have been necessary in the light of apparent and projected shortages. Nevertheless, they illustrate further the confusion between U.S. opium policy, which states that the United States will continue to rely on imported opium, and concurrent Government actions, which are clearly moves away from strict reliance on imported crude opium. In our view, it is questionable whether India, the only large opium exporter, is favorably influenced by such policy statements and actions.

Importing poppy straw concentrate may offer only limited relief from any shortage of raw material insofar as it relies on the availability of poppy straw from Turkey or India. Both countries have expressed the intention of establishing their own opium alkaloid manufacturing plants, which most likely would reduce opium available for export and increase the price of the opium offered for export. Moreover, opium alkaloids placed in international trade channels will probably command premium prices, and higher costs to U.S. importers will ultimately mean higher costs to U.S. consumers for opium-based medicines.

The most salient point is that present U.S. opium policy doesn't take fully into account the need for an independent source of narcotic raw material--a source that could be used at times when overseas supplies fall short and until effective and acceptable synthetics are developed. Pharmaceutical firms say that the absence of a clear policy statement and regulations on cultivating papaver bracteatum in the United States has precluded a full commercial commitment to its development. In our view, clarification of such a policy is more important than ever, especially in an era when adverse weather, political circumstances, and increased demand for codeine have made a once-stable opium supply increasingly vulnerable.

While recognizing that unincised poppy straw will potentially yield more alkaloid material per unit of land and is more adaptable to effective control from illicit diversions, U.S. policy merely continues to stress research on ways to maximize yields and improve control techniques. The policy statements do not convincingly support a method of

harvesting and processing that could have advantages, particularly in terms of reduced illicit opium diversions, far outweighing disadvantages, such as the need for fewer harvesters in labor-intensive economies.

Experts believe that poppy straw processing would increase codeine yield through more efficient alkaloid extraction and by allowing closer spacing of plantings (because access for individual lancing is not required). In our view, a U.S. policy strongly advocating the production of unincised poppy straw could lead to a gradual reduction of opium production from lanced poppy pods and eventual discontinuance of manual opium extraction. Exclusive use of poppy straw processing and the exercise of proper control techniques during the relatively short time when opium poppies could be incised could do much to prevent illicit opium diversions.

### CONCLUSIONS

In view of the medical and traditional uses of opium and opium derivatives throughout the world, the stated U.S. opium policy--generally aimed at ending opium production and thereby controlling illicit use--seems unattainable and impracticable. Clear distinctions are needed, for example, regarding legal, illegal, and traditional opium production and use.

The actions by the pharmaceutical firms and the U.S. Government in requesting India to expand opium production run counter to U.S. policy and suggest the existence of two diametrically opposed views--one, a U.S. policy pledged to eliminate opium production as evidenced by the U.S.-promoted ban in Turkey, and the other, U.S. actions to expand opium production in India.

Conflicting views on such matters as whether an opium shortage exists and confusion over present U.S. opium policy among U.S. Government officials, pharmaceutical firms, and foreign governments need to be resolved. U.S. policy on such aspects as opium eradication and insuring an adequate opium supply or suitable alternatives for legitimate medicinal needs has been ambiguous.

### RECOMMENDATION

We recommend that, to avoid any conflict in U.S. opium policy, the Secretary of State, as Chairman of CCINC, clarify the U.S. position and policy toward (1) opium eradication, (2) the production of opium for traditional use, (3) the production of opium for legal medicinal purposes, and (4) the development of suitable alternatives to opium-based medicines.

## CHAPTER 3

### ILLICIT NARCOTICS PRODUCTION AND TRAFFICKING

Over the past several years a concerted effort has been made to learn more about illicit narcotics production and trafficking around the world. Nonetheless, information is still insufficient to accurately measure the worldwide production, consumption, and flow of illicit narcotics, such as opium and its derivatives.

#### ILLICIT PRODUCTION

Almost all the world's opium is grown in a narrow belt of mountains that stretches along the southern rim of the great Asian landmass. This opium-producing belt extends from Turkey's Anatolian plateau through the northern reaches of the Indian subcontinent, extending to the remote mountains of Burma, Thailand, and northern Laos.

According to the 1972 World Opium Survey, an estimated 1,000 to 1,200 metric tons of illicit opium was produced in 1971. The following table shows a July 1974 State Department estimate of the annual illicit output by major producers.

<u>Country</u>	<u>Metric tons</u>
India	100
Afghanistan	150 to 300
Pakistan	150 to 300
Burma, Thailand, and Laos	700 to 750
Mexico	10 to 20
Other	20 to 50
Total	<u>1,130 to 1,520</u>

Only a small share of this illicit production was diverted from licit cultivation. Rather, most comes from regions where opium cultivation is prohibited by law but the government lacks political control to enforce it. The most notable examples are Afghanistan; Pakistan; and the Golden Triangle countries of Burma, Laos, and Thailand. Nevertheless, legal production does provide a cover for illicit opium growing, and much of India's illicit output represents diversions from areas where poppy cultivation is legal.

By far, the bulk of the illicit opium is consumed either by the growers or addicts and users in nearby areas. The so-called Golden Triangle of Southeast Asia, an area that overlaps the common borders of Burma, Thailand, and Laos, is estimated to produce some 700 tons of opium a year. Of this amount, an

estimated 600 tons, most converted to smoking opium, is consumed either by the tribesmen who grow it or by the large colonies of opium users in urban centers throughout Southeast Asia. Hong Kong alone is said to have a user and addict population ranging from 80,000 to 150,000.

Most hill tribe consumers are more appropriately classified as opium users rather than addicts. They use opium for medicinal purposes and social and religious activities and, for the most part, probably do not consume regular amounts daily or weekly. To the extent that this is true, the tribal growers could be induced to sell part of what they normally consume if offered enough money.

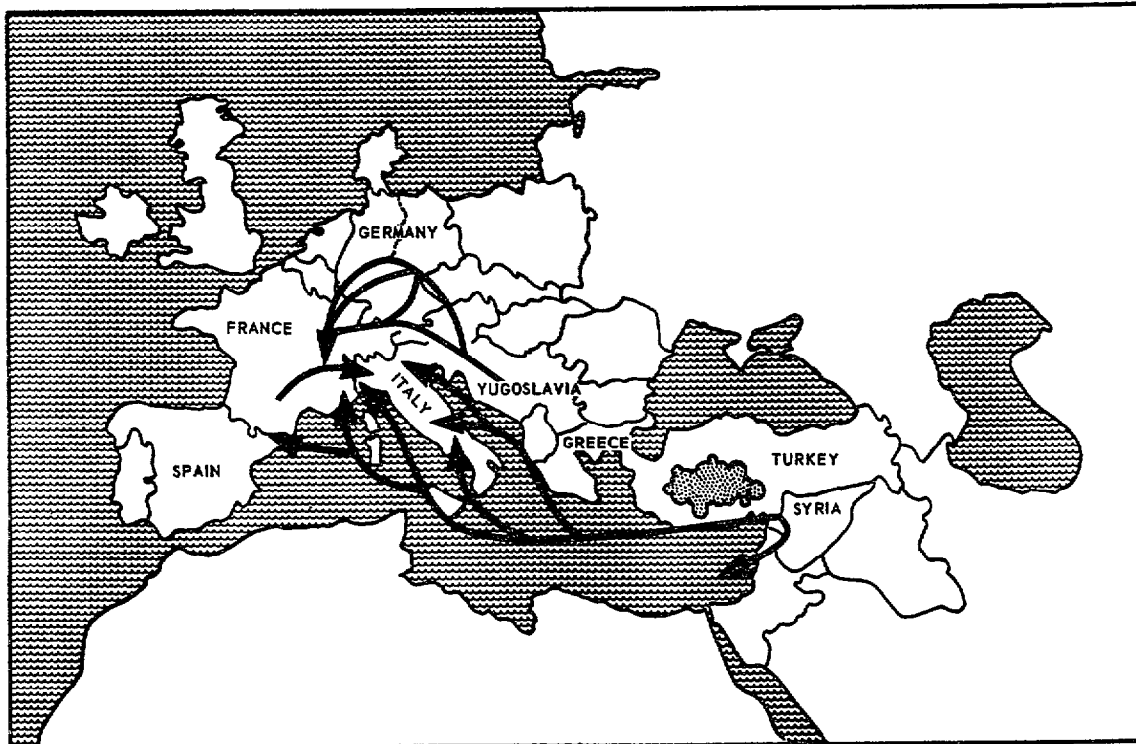
Although most countries have legislation prohibiting narcotics production and trafficking, opium bans have not generally been effective except in Turkey. Efforts to control opium production in Afghanistan, Pakistan, and the Golden Triangle have been unsuccessful, largely because the central governments have been unable to establish administrative control over the poppy-growing areas. In addition, opium bans have been extremely unpopular among the hill tribe poppy growers in the Golden Triangle because opium is often their only cash crop. Opium production and use has been socially and culturally accepted among these tribes for centuries.

#### MAJOR TRAFFICKING NETWORKS

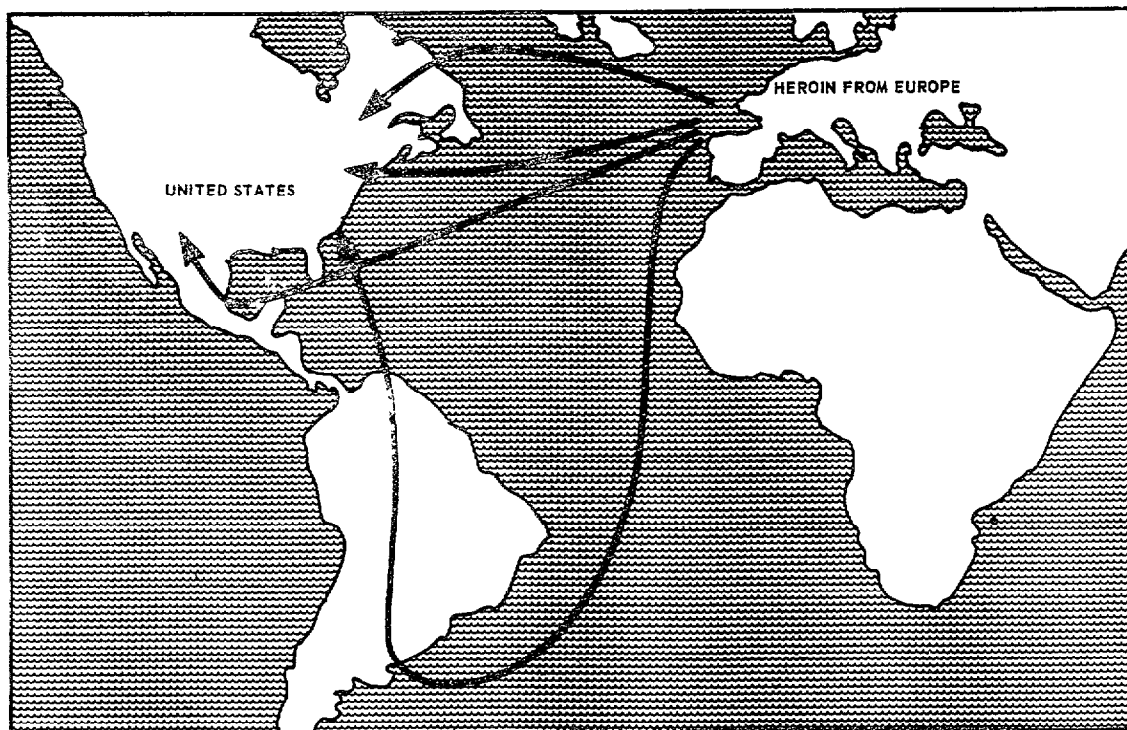
In 1974 there were four major supply complexes of illicit opium and its derivatives, morphine and heroin, according to DEA. Turkey, France, Western Europe, South America, Canada, and the United States made up one complex. A second originated in Southeast Asia and the Golden Triangle area; included the remote border areas of Burma, Thailand, and Laos; and had shipping points in Bangkok, Hong Kong, Malaysia, the Philippines, Canada, and the west coast of the United States. A third comprised the Near East and South Asia, involving opium produced in India, Pakistan, Iran, and Afghanistan. The fourth was Mexico, the supplier of a brown heroin that has been increasingly seen in the United States.

#### The Turkey-France complex

The heroin complex originating in Turkey was the major supplier of eastern U.S. cities, where a virtual heroin epidemic existed in the midsixties. International groups purchased opium from Turkish farmers, converted it to morphine, and smuggled it to clandestine laboratories in France.

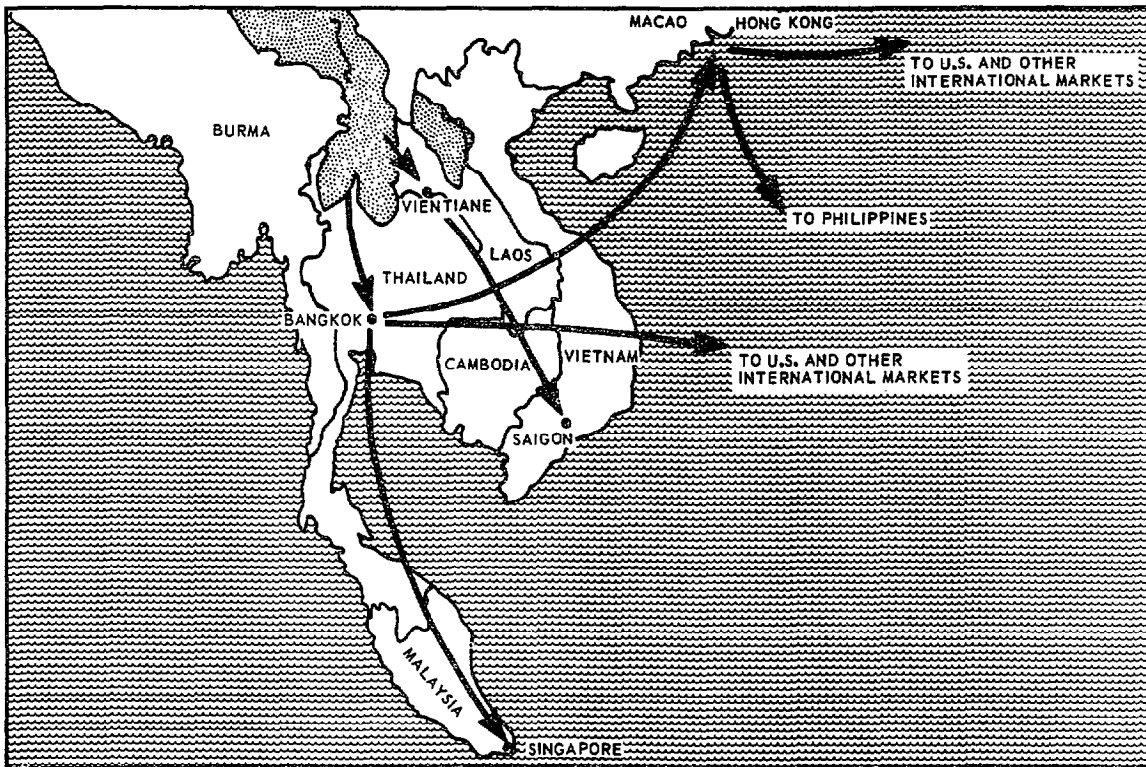


**THE TURKEY - WESTERN EUROPE NETWORK** Opium and Morphine Base Movement from Turkey to Western Europe

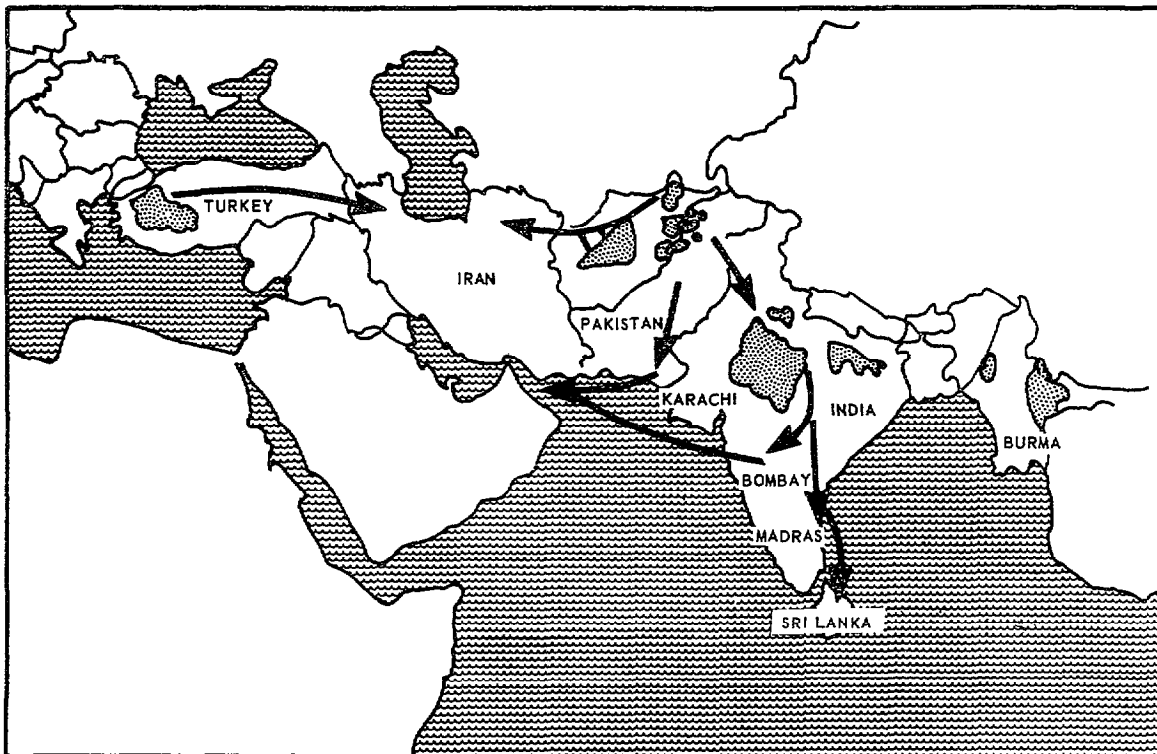


**THE EUROPE - U.S. NETWORK** Heroin Movement Routes from Europe to the United States





**THE SOUTHEAST ASIA ILLICIT OPIUM NETWORK**



**THE MID-EAST - SOUTH ASIA ILLICIT OPIUM NETWORK**

Marseilles has been a primary city where such laboratories refine morphine into heroin. Within a 1-year period, French narcotics officers aided by DEA agents uncovered five heroin laboratories in the area. Delivery to the United States was made either through Canada or Mexico or directly into such major ports as New York and Miami. Later, as DEA and Customs agents traced and disrupted these routes, South America became a major transshipment point.

This concentrated enforcement effort, the increased cooperation of Western European and South American governments, and the ban on poppy growing in Turkey greatly curtailed this extensive complex. The primary dividend of this multi-lateral effort was a prolonged period in which the heroin sold on the streets of major east coast and midwest cities dropped in volume and purity but increased in price. Unfortunately, the incidence and prevalence of heroin abuse are rising again. (See ch. 1.)

### Southeast Asia and the Golden Triangle

Southeast Asia and the Golden Triangle, the second major opium supply complex, has emerged as a serious heroin-producing threat. According to DEA, this area is the greatest potential danger as a source of heroin. The end of the U.S. military presence in Vietnam in 1973 removed the major market for Southeast Asian heroin. Since then, the danger has been that Southeast Asian opium and heroin traffickers, saddled with surplus inventories, would be looking for new markets, including the United States. In this regard, low-grade heroin from Hong Kong and Bangkok, known as "number 3" or "Chinese rock heroin," has already appeared in bulk in the United States and Europe.

Burma is reputed to be the major refining area in the Golden Triangle. The opium is converted to morphine in a relatively simple chemical process that usually takes place in a makeshift laboratory close to the poppy fields. Because of enforcement activities in the tri-border area, narcotics dealers have become more discreet. Most refineries have reportedly moved into Burma where they can receive protection from one of the various insurgent groups.

Despite increased enforcement, Burma, Thailand, and Hong Kong remain major trafficking conduits for narcotics originating in the tri-border area. There are at least three major Burmese insurgent groups selling narcotics and other goods in exchange for arms and ammunition. Narcotics trafficking is the major source of financial support for such groups opposing the Burmese Government. Opiates are generally moved from Burma into northern Thailand by armed caravan. Once inside Thailand, the drugs are sealed in

airtight containers and moved southward, generally over the road system to Bangkok. In reverse, opium-processing chemicals flow from southern Thailand to refineries in Burma. Narcotics have been smuggled out of Thailand primarily by fishing trawlers, generally to Hong Kong. (See p. 52.)

### The Near East and South Asia

In 1973 very little, if any, of the opium crop from India, Pakistan, Iran, and Afghanistan was converted to heroin for illicit U.S. markets. Afghan and Pakistan opium is of poor quality with a low morphine content. Illegal morphine that might be produced in these areas would probably follow the western European trafficking pattern and augment the remnants of the morphine base stocks from Turkey that are refined into heroin in the Marseilles region.

### Mexico

During the recent shortage of French heroin, Mexican brown heroin spread to some areas in the United States where it had not previously been seen. This lower grade of heroin is usually smuggled across the U.S.-Mexican border. Government estimates indicate that about 70 percent of the heroin now reaching the United States comes from poppies grown in Mexico. However, this supply has not been sufficient to replace the volume formerly smuggled from France.

### TRAFFICKING CONTROLS

From the outset, the U.S. international narcotics control program has emphasized helping foreign governments develop effective narcotics enforcement mechanisms. These efforts have consisted primarily of providing enforcement training and equipment to foreign police. Both AID and DEA have provided commodity and training assistance to foreign narcotics suppression personnel; the U.S. Customs Service has trained foreign customs and border control officers from 53 countries. In addition, DEA has been working directly with foreign enforcement agencies in developing and collecting narcotics intelligence data. In some countries, DEA agents have assisted local enforcement personnel in such operations as surveillance, undercover work, arrests, and seizures.

### Effectiveness of trafficking controls

Worldwide narcotics seizures tripled in 1971 and doubled again in 1972 to an estimated 124,000 pounds, mainly outside the United States. Officials estimate that U.S. enforcement efforts remove only 10 percent of all illicit drugs available

in the United States. Enforcement in foreign countries has met with varying degrees of success, often reflecting differing constraints in each country. For example, enforcement in France has been dramatically successful; Thailand has had only minimal success.

France

Since 1971, French-American cooperation has had unprecedented success. As shown in the following table, heroin, morphine base, and laboratory seizures in France reached all-time highs in 1972 and dropped sharply in 1973, probably due to the deterrent effect of concentrated enforcement activities combined with the Turkish ban.

	<u>Seizures</u>			
	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>
Heroin and morphine base (in pounds)	715	1,661	1,784	66
Laboratories (note a)	-	-	5	1

a/Seven laboratories were seized from 1951 to 1969.

Drug arrests, including two major French financiers, also increased impressively, from 57 in 1970 to 3,016 in 1972. DEA cites gangland killings in France (19 over an 18-month period) as an indication of "unrest and uncertainty within the French underworld." In addition, French courts have continually handed down harsh sentences to narcotics traffickers since passage of a strict new narcotics law in December 1970. For example, 26 principals of 4 major heroin processing and trafficking gangs were sentenced to more than 300 years in prison by French judges during 1973.

U.S. officials believed that these activities brought about a shortage of heroin in the Eastern United States, indicated by increased street prices, decreased purity, the appearance of Mexican brown heroin, and fewer heroin deaths. In early 1974, however, signs of reversal in some indicators, such as overdose deaths and availability of street heroin, caused renewed concern among U.S. Government officials.

DEA is emphasizing the need to improve the enforcement capabilities of other countries because the success of enforcement in France may cause narcotic processors and traffickers to shift their operations.

## Thailand

Although also known as an important producer and consumer of opium and its derivatives, Thailand's primary role in the current international narcotics situation is as a major trafficking conduit. In the last 2 years, Thai enforcement activities have increased substantially, with opiate seizures increasing from practically nothing in 1971 to a total of 36 tons in 1972 and 1973. Interdicting trawler traffic from Thailand has somewhat disrupted the flow of narcotics to Hong Kong. However, mission officials told us that these efforts have been relatively unsuccessful, due largely to the lack of consistently good intelligence data. About 2,000 trawlers operate out of the many villages and ports along the coast of the Gulf of Siam and can still serve as an important means of trafficking. Such trawlers are capable of 15-day round trip voyages without refueling or reprovisioning.

U.S. narcotics control assistance has improved the effectiveness of narcotics enforcement in Thailand. However, such factors as limited Thai experience and lack of Thai Government administrative control over key narcotics producing and trafficking areas continue to impede narcotics control efforts. Although arrests have had a disruptive effect on narcotics trafficking, improved enforcement capabilities are necessary to match the more sophisticated tactics of traffickers. Notwithstanding increased enforcement effort, Thailand has remained a major trafficking route for narcotics originating in the Golden Triangle.

### Factors inhibiting effective narcotics control

Two factors that have hampered the international narcotics control program are the ineffectiveness of the legal systems of some countries and delays in procuring narcotics enforcement equipment.

#### Ineffectiveness of some foreign legal systems

Legal systems of the various countries strongly affect the control of narcotics. Some countries, such as Iran, Thailand, the Philippines, and Vietnam, have enacted laws to provide more severe penalties, including life imprisonment or death, for producing or trafficking in narcotics. Over 160 convicted narcotics smugglers have been executed in Iran since 1969; the Governments of the Philippines, Thailand, and Vietnam have also executed heroin traffickers and processors.

Shortcomings in many foreign legal systems, however, lessen the overall impact of narcotics enforcement. In some countries, the use of informants and undercover agents is limited, plea bargaining is not available, and the conditions under which suspects may be interrogated are highly restrictive.

Countries having relatively minor penalties for narcotics violations provide comfortable environments for traffickers as do countries where fugitives can safely reside because extradition treaties do not exist or do not cover narcotics violators.

#### Delays in providing equipment

In certain instances, the U.S. Government has been able to make early delivery of equipment urgently required for narcotics enforcement. For example, AID has reduced the lead time for helicopter deliveries to the priority Burmese program from 24 to 12 months. AID efforts were also instrumental in reducing production time for helicopters provided to Thailand from the normal 12 to 15 months to less than 5. However, delays in obtaining narcotics enforcement equipment have had a detrimental effect on U.S. narcotics control assistance in the Philippines and Pakistan.

Philippines--Over half of the 47 five-man narcotics enforcement teams had not received required vehicles by May 31, 1974, although the Philippine Government had completed training of the teams on schedule in July 1973. The vehicle shortage was the result of late funding and the AID mission's July 1973 decision to try to obtain excess property vehicles in place of the less suitable vehicles scheduled for procurement.

In July 1974 AID internal auditors reported that this lack of vehicles caused the use of some trained narcotics enforcement teams, to be rather ineffective, which in turn inhibited project implementation. They noted that it would be many months before the necessary number of excess property vehicles could be rehabilitated and transferred to enforcement teams. The auditors recommended that the mission work out an agreement with the Philippine Government to make vehicles from other agencies available for narcotics enforcement until the vehicles being rehabilitated were ready. AID officials stated in April 1975 that the AID mission and local Philippine police had met essential requirements in each project city by carefully allocating local police and project vehicles.

AID officials added that, to obviate future funding delays, the program review in fiscal year 1976 will be held

much earlier to insure the earliest possible implementation in the new fiscal year.

Pakistan--The Government of Pakistan and the United States signed a project agreement in January 1974 to establish 25 narcotics strike squads, using U.S.-provided equipment. The Pakistanis intended to make the squads operational as soon as the equipment arrived. According to AID in May 1974, however, the equipment would not be delivered before late summer, thus delaying an urgently needed narcotics suppression capability. Project vehicles were not shipped until September and October 1974.

AID officials explained in April 1975 that, although certain delays occurred in ordering equipment because of difficulty in locating a supplier, most of the delays were caused by changes in specifications and types of equipment required.

AID officials stated that only a limited number of narcotics enforcement equipment items, such as cameras and binoculars, are regularly stocked and can be provided immediately upon signing a contract. They pointed out that 12 to 15 months is normally required for factory production of helicopters suitable for narcotics enforcement. Vehicles generally require special features to be suitable for foreign narcotics control and thus are not available at the factory until 60 to 120 days after a contract is signed.

In November 1973, responsibility for managing international narcotics control program funds, including funds for enforcement commodities, was transferred from the AID Administrator to the Secretary of State's Senior Adviser for International Narcotics Matters. State officials expected this transfer to speed up the implementation of narcotics control projects.

Both State and AID officials said that State would continue to utilize AID's procurement expertise. An agreement between State and AID calling for AID to maintain its procurement and program implementation functions under State direction became effective in July 1974. According to AID, its procurement mechanism will not change. The funding and program authorization transfer to State includes the responsibility for management decisions affecting the specifications and types of equipment to be procured. The delays in obtaining narcotics suppression commodities in the Philippines and Pakistan were caused, at least in part, by difficulties in reaching these management decisions. At the time of our review, it was unclear whether the transfer of funding responsibility from AID to State would shorten such delays and thus speed up the implementation of narcotics control projects.

## DEA OVERSEAS ACTIVITIES

DEA's foreign operations have contributed to successful international narcotics enforcement. DEA's presence in narcotics-problem countries has led to increased narcotics arrests and seizures worldwide and has improved the narcotics control capabilities of host government enforcement personnel.

During the 6 years ended March 1975, the number of U.S. narcotics agents assigned overseas increased from 26 to 163 and is projected to increase to 233 in fiscal year 1976. DEA feels that its narcotics suppression activities overseas provide the best return in terms of drugs removed from worldwide traffic and therefore intends to further expand these activities. Associated with expansion, however, are inherent problems of host government sovereignty and possible displacement of indigenous police functions.

### Foreign sovereignty

U.S. narcotics control activities abroad, particularly law enforcement and intelligence, are politically sensitive and could easily become internal issues. For example, foreign narcotics control officials in one country opposed the establishment of an independent information-gathering system by DEA agents. These officials were concerned that DEA was working unilaterally instead of closely coordinating activities with their country's narcotics control agency.

In another country, law enforcement personnel objected to DEA independently developing planned seizures to be carried out by host government personnel. They believed DEA should directly assist the country's enforcement forces, and they regard independent activities within the country as infringements upon their sovereignty.

In such countries, increased DEA operations carry the ever-present danger of creating nationalistic fervor over U.S. "meddling." Such attitudes are not conducive to maintaining the cooperation necessary for an effective narcotics control program.

### Foreign enforcement capabilities

In many Asian countries, antinarcotics forces have not developed adequate operational and intelligence-gathering capabilities. Progress in training and equipping these forces is being made; but a substantial number of all seizures in Southeast Asia can be attributed to U.S. efforts.



Although the enforcement capabilities of most countries we visited show some improvement, they are still inhibited by political and operational limitations. These limitations not only hamper the effectiveness of foreign enforcement personnel but also tend to negate narcotics control efforts. In one drug case, DEA and host government narcotics enforcement personnel seized a large sum of money and arrested various criminals, including a well-known narcotics trafficker who was wanted in the United States. However, DEA felt it had to compromise the case by having the trafficker arrested before he could lead them to the heroin. DEA reasoned that continued surveillance would be too risky because the host government's enforcement personnel had limited capabilities and lacked proper equipment.

#### Expanding DEA activities

In some countries, particularly where DEA has broad operational authority, DEA appears to be reaching a point where its overseas operational activity may be substituting for, or substantially replacing, the narcotics control functions of local police. For example, U.S. officials in one European country feel the government could do more on its own against narcotics trafficking, yet they view that country's narcotics enforcement as acceptable, probably because DEA has virtually a free hand there. We were told that local enforcement personnel actually prefer DEA agents to do their work.

Expanded DEA operational activity in such countries could be viewed as a substitute for needed improvements in host country enforcement capabilities. Also, in such countries intensified DEA activity may be serving as an excuse for governments' not developing their own narcotics control capabilities and not making more resources available for narcotics suppression.

We have not, and indeed cannot, determine what an appropriate level or mix of DEA activity in a given country should be. We believe, however, that, where increasing operational activities abroad is creating potential problems, DEA should take action to minimize them. The established mechanism for such action exists within CCINC, which is responsible for overall policy guidance and supervision of the U.S. international narcotics control program.

In the long run, the success of the U.S. international narcotics control program is dependent on what foreign governments can do and are willing to do, not what they permit the United States to do in their countries.

## RECOMMENDATION

We recommend that the Secretary of State, as Chairman of CCINC, assess the current and proposed levels of DEA operational activities in countries abroad (1) to minimize any potential problems of foreign government sovereignty or displacement of local police functions, (2) to determine whether appropriate emphasis is being directed toward developing and improving the narcotics enforcement capabilities of foreign governments, and (3) to determine whether more effort should be devoted to developing regional narcotics control cooperation.

## AGENCY COMMENTS AND ACTION

The Department of State expressed its continuing concern that DEA cooperate fully with host government law enforcement agencies. The Department states that on March 17, 1975, a message was sent to each diplomatic post with DEA representation asking the Chief of Mission to review guidelines for DEA operations overseas to insure continued cooperative bilateral operations.

In line with our recommendation, the State Department has undertaken a major effort to review the need for additional DEA personnel abroad in light of their effect on the development of host government capabilities.

## CHAPTER 4

### CROP SUBSTITUTION AND

#### INCOME REPLACEMENT ACTIVITIES

The international narcotics control program is designed to stop the illicit flow of narcotics into the United States as soon as possible. The eventual solution to the drug abuse problem depends on a balanced attack. Most U.S. efforts to suppress the flow of narcotics have been directed toward law enforcement--short-term, quick-result actions. Long-term solutions, however, such as crop substitution and income replacement, are just beginning. At a December 1971 meeting, CCINC assigned highest priority to gathering intelligence and strengthening foreign law enforcement and a lower priority to crop substitution, recognizing it as a longer term objective.

Eliminating opium production through crop substitution and other income replacement programs would require changes in a number of longstanding economic and social conditions, coupled with establishing political control over presently uncontrolled areas. This is, however, a valuable goal because it can directly disrupt the illegal drug trade at the source.

Areas illicitly growing the opium poppy are concentrated in such less developed countries as Laos, Burma, Thailand, Pakistan, and Afghanistan, with poppy provinces usually being the least developed areas within these countries. An immediate, enforced ban on poppy growing without concurrent programs for income replacement would merely deprive subsistence farmers of a major cash crop. To maintain equity, each country must replace the benefits from opium poppy cultivation with new crops, or with substitute nonfarming activities, which could approximate the income lost from poppy growing.

#### SOCIOECONOMIC RESTRAINTS

To eradicate opium production and use, traditional agricultural and cultural patterns in grower and user countries must be overcome. Most producing regions have been growing opium for centuries, and the farmer's opium crop is often his sole source of cash income. People from the growing areas of Asia often use opium with no social stigma. Growers are unaware that their opium contributes to serious problems in the United States and elsewhere. However, successfully eliminating illicit opium production depends on these people.

Realistically, immediate success does not seem possible. The farmer must be persuaded to stop growing a marketable crop, and suitable alternate crops or sources of income must be found. Governments in Afghanistan, Burma, Thailand, and Laos are willing to ban opium production and have done so. Yet, the bans are not fully enforced because the governments lack effective political control over the growing areas. These governments fear that strict enforcement of opium production bans will cause them to lose whatever control they may have over the people in these remote areas.

#### INCOME REPLACEMENT

U.S. agencies searching for a long-term agricultural solution to illicit opium production include AID and the Department of Agriculture. Agriculture has supported crop research projects in Thailand, Pakistan, and Turkey; AID has initiated agricultural development projects in Turkey, Laos, and Thailand. In addition, UNDFAC is implementing a crop substitution program in Thailand. (See ch. 7.)

The search for suitable substitute crops will take several years. It involves finding marketable crops that will grow in the poppy areas. Transportation, storage, and other marketing problems must be solved. Solutions to these problems are not simple--they involve a variety of ethnic groups, remote locations, and relatively illiterate people.

Although these initial crop substitution efforts are considered long-term solutions to the narcotics problem, the early success or failure of these programs can be a determining factor in implementing programs elsewhere. If crop substitution and other income replacement programs fail in Turkey, Laos, and Thailand, there would be little likelihood that the United States or the United Nations would initiate similar programs in other countries or that other countries would be receptive to such programs.

#### Thailand

AID is planning an agricultural research station in Thailand to identify crops that can be grown in the opium areas. The United Nations and the Department of Agriculture currently sponsor crop research projects in Thailand, and Agriculture is negotiating for several other similar projects.

U.N. field representatives in Thailand told us that, although they welcomed AID assistance, they felt that another research project was unnecessary and the AID project might duplicate existing efforts. They suggested that AID build on existing projects rather than initiate new ones. According

to AID, its project will be larger than the U.N. effort and will entail more basic research.

We discussed with mission officials the possible duplication of agricultural projects. According to the U.S. Ambassador, any project the AID mission agreed to support would take into account both U.N. and Thai views and would be fully related to their efforts.

U.S. officials, commenting on a draft of this report, note that the Department of Agriculture has been involved from the outset in interagency consideration of this project; they do not believe efforts will be duplicated. The U.N. program developed under the sponsorship of the King of Thailand, while the AID program for establishing an agricultural research station and training Thai experts to carry out research activities more fully involved the relevant Thai Government ministries. Also, the AID project is expected to establish the framework for disseminating research results to hill tribe farmers.

### Turkey

The United States agreed to support the Turkish Government's poppy-growing ban by pledging a \$35 million grant to Turkey in July 1971. The grant was divided into two parts: (1) \$15 million to help replace foreign exchange losses because of lost exports of legal opium and related poppy products and (2) \$20 million for agricultural development--programs and projects to find new sources of income for the poppy farmer and the region in which he lives. Early in 1972 additional amounts were granted--\$300,000 for controlling and collecting the last poppy crop and \$400,000 for U.S. advisers to income substitution projects.

Turkey initially estimated that compensation and replacement of lost income would require over \$400 million. U.S. mission officials believed the \$35.7 million would have provided the Turkish Government adequate funds to start and sustain income replacement programs. The United States would have considered Turkish requests for additional funds through the normal AID channels but not until the original grant had been spent.

The cash return per acre is normally higher for the opium poppy than for any nonsubsidized substitute crop, especially in areas with poor soil. Thus, improved farming and marketing techniques were emphasized in an effort to return farm incomes to those levels earned when poppy growing was legal.

Development programs in the poppy provinces were the responsibility of the Turkish Government. The usual conditions attached to an AID grant, such as project approval and monitoring, were waived because the United States regarded the programs to be of high priority, requiring immediate financial support and full Turkish Government involvement. The Central Board of Coordination, established by the Turkish Government to administer programs, proceeded very slowly. A grant for \$10.4 million of the \$20.4 million for agricultural development was signed, but the United States had released only \$5.3 million as of May 1974, and only \$3.2 million had been actually spent.

Two basic reasons were given for the slow progress of the agricultural development program. First, a good management system for selecting, evaluating, approving, and administering projects was still being developed; secondly, Turkey had recently undergone changes in leadership.

The Turkish Government decided on July 1, 1974, to lift the poppy-growing ban, primarily because of internal criticism that had become a main theme of the 1973 election campaigns. Internal pressures also came from farmers in the poppy-growing regions who felt that compensation was inadequate and that development programs were not providing enough alternate income. Moreover, Turkey was the only major exporter to ban all opium production, and the Turkish Government felt that resumed poppy cultivation would supply nearly 200 tons of opium to the international pharmaceutical industry at a time when the world's licit market faced a serious shortage of medical opiates.

As of July 1974, AID had disbursed \$15.6 million of the \$35.7 million economic grant. U.S. officials said no further disbursements would be made because of Turkey's decision to resume poppy cultivation. Of the amount disbursed, \$10 million was for foreign exchange compensation, \$5.3 million was applied to crop substitution projects, and \$300,000 supported the control and surveillance of Turkey's last poppy crop.

In January 1975, State Department officials confirmed that no U.S. funds had been disbursed after Turkey announced the revocation of the ban. They explained that the Turkish Government was financing the income replacement projects originally supported by AID. In April 1975 we were told that all funds initially obligated for Turkey, but not yet turned over, had been deobligated.

## Laos

As part of an agricultural redirection program in Laos, AID has supported the establishment of an agricultural training center and a crop introduction center beginning in September 1972 and March 1973, respectively. The goals of the agricultural redirection program include:

1. Introducing new crops and livestock in certain hill tribe areas.
2. Training villagers in the skills required for the new farming enterprises.

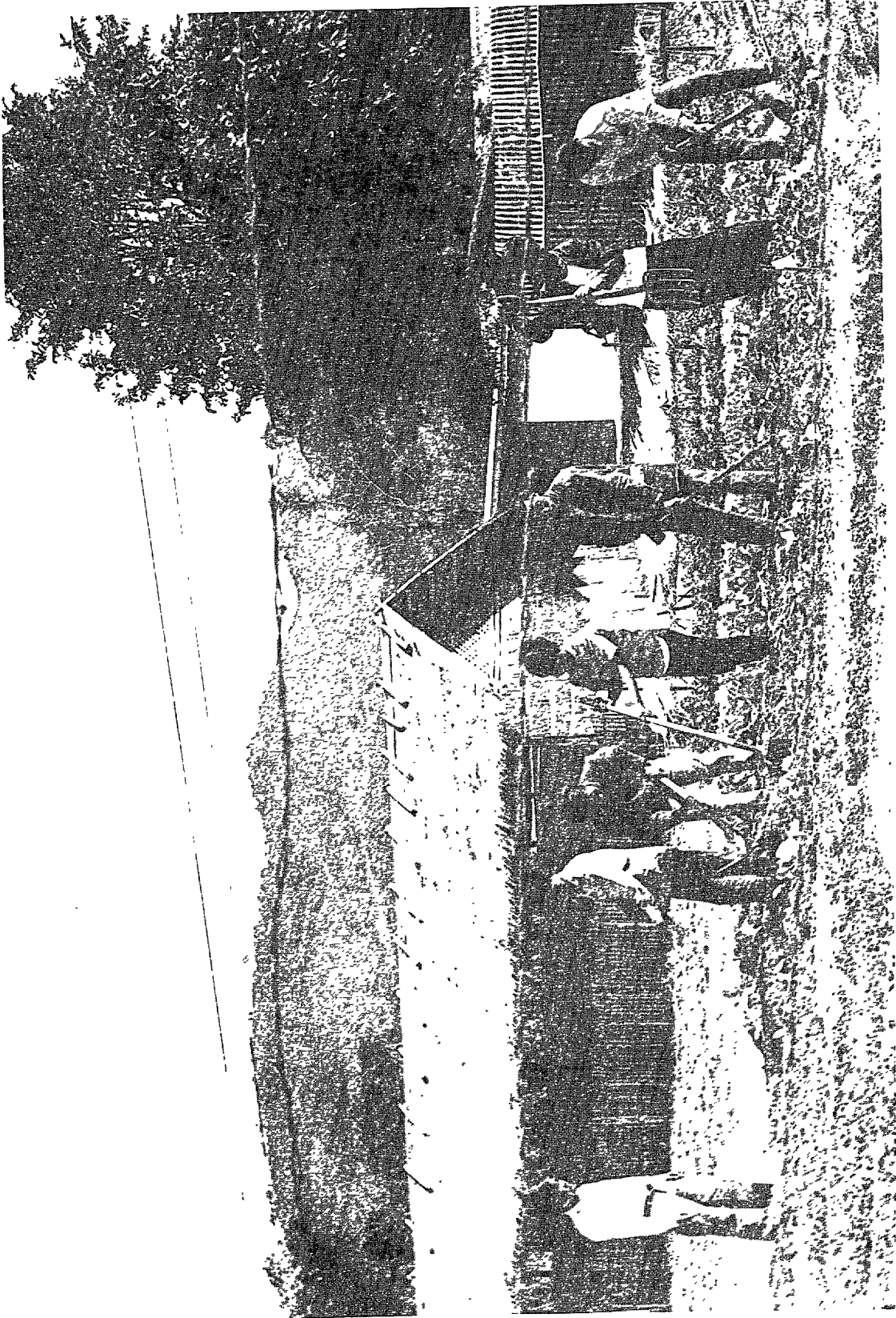
According to AID officials, any crop or type of livestock with a reasonable rate of return will be tried. AID officials also said that the program was using information derived from the U.N. crop substitution in Thailand.

As of August 1974, 194 villagers had been trained and experiments had been made on 34 different crops. Also, about 100 families were resettled to another area where over 240 acres of land, suitable for growing rice and other crops, had been cleared and plowed. This was done to reduce the families' dependence on opium for their cash income.

Hill tribes have somewhat resisted the agricultural redirection program because they feel that rice cannot be grown in many of the opium-producing areas. Therefore, viable crops are needed to meet the hill tribes' economic needs that were formerly met through opium production.

AID officials estimate that it will take several years to establish substitute crops. They point out that, if they encourage villagers to grow unproven crops, any failure would cause growers to be skeptical about future projects and possibly revert to opium growing. At the time of our visit, no substitute crop had been developed or identified which could compete with opium as a cash crop.

In addition to the agricultural redirection program, an addict rehabilitation and detoxification program was started in September 1972. Over 1,000 addicts have completed the program; an additional 1,800 have received treatment at a Thailand religious center administered by Buddhist monks. We noted, however, that quantitative goals had not been set nor had a followup plan been established to measure the effectiveness of the program.



VILLAGERS BEING TRAINED AT THE AGRICULTURAL TRAINING CENTER IN LAOS



In response to our observations, U.S. officials said it would be difficult to establish and use specific goals for evaluating success because the program is voluntary and in-patient treatment facilities are limited to 85 patients monthly. AID, however, is establishing a system for patient followup and program evaluation.

### Prospects for effective poppy bans

We visited several of the countries in which the opium poppy is grown. In Iran, with its rigid controls over production and processing, it is grown licitly to satisfy internal demand. Despite legal prohibitions on opium production in both Burma and Afghanistan, they continue to produce substantial amounts of opium, with Burma being the largest illicit producer in Southeast Asia. Pakistan regulates production, but a substantial amount of illicit opium is produced.

The short-term prospects for eliminating the opium poppy in Burma, Afghanistan, and Pakistan are dim. Burma is plagued by insurgency, resists outside political pressures, and lacks effective political control in the production areas. In Afghanistan, where the terrain limits access to many areas, the economy is based on subsistence farming and the tribesmen have engaged in international smuggling for centuries. In some areas of Afghanistan, opium provides practically the only cash income to the farmer and, because of the agricultural conditions, few substitute crops can provide an equal income. Most illicit opium in Pakistan is cultivated near the Afghanistan border, where the Government has little political control.

If a country's priorities do not include replacing the opium poppy, agricultural activities to curb opium production are unlikely without outside help. Funds and talent for data collection and analysis, normally very scarce in less developed countries, will need to be provided. Information on existing farming and marketing patterns, normal employment, and physical characteristics of the terrain is essential for successful redirection efforts. Probably the most serious obstacle to effective opium production bans is the lack of political control by certain Southeast Asian governments over the people who illicitly grow opium poppies.

The Burmese and Afghan Governments have agreed in principle to crop substitution programs sponsored by the United Nations, but they apparently will not accept direct U.S. narcotics control assistance for crop substitution. They prefer that such assistance come from U.N. programs. Currently, however, the United States is supplying Burma with equipment for suppressing the production and trafficking of illicit narcotics. (See p. 50.) Pakistan has accepted U.S. assistance in

narcotics enforcement and crop substitution programs. The Shah of Iran has stated that his country will suspend its production of opium when its neighbors do.

### CONCLUSIONS

The United States has had only limited success in persuading certain countries to ban opium growing and establish crop substitution programs because not all countries perceive the eradication of the opium poppy as a priority domestic program. They would not readily take scarce resources from scheduled development to implement or accelerate rural development in poppy-growing areas. Consequently, where crop substitution programs are just beginning or have just become feasible, the United States should expect to contribute heavily to the cost of such programs.

There are no estimates of the money or time it would take to ban opium poppy cultivation. Based partially on the Turkey experience, the United States should anticipate high original demands and can expect pressure for additional funds when the original amount runs out. If optimum use is to be made of any such funds, whether from the United States or other sources, planning should be adequate to help insure that crop substitution and income replacement are effective. Planning should include cost estimates and program timeframes.

Crop substitution and other income replacement programs appear to be the long-term solution to the narcotics problem. It may be several years, however, before such efforts will have a substantial impact on the overall drug abuse problem. Some of the problems involve finding marketable crops that will grow in the poppy areas; coping with longstanding economic and social conditions; establishing political control in uncontrolled areas; and solving transportation, storage, and other marketing problems.

The success or failure of initial crop substitution and other income replacement activities, such as those in Turkey, Thailand, and Laos, will be a strong factor in determining whether the United States or United Nations would introduce similar programs in other poppy-growing countries or whether those countries would accept such programs.

The Turkish Government's decision on July 1, 1974, to resume poppy cultivation brought U.S. assistance for some 28 income replacement projects in the poppy-growing areas to a standstill. According to U.S. officials, the Turkish Government was continuing the projects as of January 1975.

U.S. officials believe that the ban was highly successful in curbing international narcotics trafficking and reducing addiction and narcotics-related crime in the United States. In our opinion, if the U.S. Government expects to successfully implement poppy bans or otherwise curb opium production in certain countries, it must convince the respective governments to commit themselves to full or modified production curbs and it must support these commitments with appropriate pledges of assistance.

## CHAPTER 5

### FOREIGN GOVERNMENT COOPERATION

Cooperation of foreign governments is crucial for the success of our international narcotics control program. Even if the United States provided all the resources necessary for a worldwide war on illegal drugs, this would not be enough. The President's Strategy Council on Drug Abuse stated in its March 1973 report that:

"The key factor in dealing effectively with the drug problem overseas is to motivate other governments to take action within their borders to move against drug traffickers. The essence of this problem is essentially diplomatic, since no amount of United States drug training or material assistance will prove effective in the absence of meaningful anti-drug commitment by other foreign governments involved."

Despite this conclusion and the intent of the Congress with respect to foreign government cooperation, the United States has not systematically evaluated the narcotics control performance of cooperating countries, using criteria established for that purpose.

### EVALUATING FOREIGN GOVERNMENT PERFORMANCE

Section 481 of the Foreign Assistance Act of 1961 (22 U.S.C. 2291), as amended, requires that the President suspend economic and military assistance to any country which he determines has failed to take adequate steps to prevent narcotic drugs produced in, processed in, or transported through that country from being sold illegally in that country to U.S. Government personnel or their dependents, or from entering the United States unlawfully.

On August 16, 1972, CCINC approved procedures to determine whether foreign aid to a country should be suspended for failure to take adequate steps against narcotics production, processing, or trafficking. Within CCINC, the Coordinating Subcommittee is responsible for monitoring the anti-drug efforts of individual countries to insure that they are taking adequate steps to prevent narcotics from illegally entering the United States. The Subcommittee is to focus attention on the more than 50 countries where cooperative efforts could greatly decrease the problem.

The following CCINC-approved criteria are to be applied by the Coordinating Subcommittee in determining whether there is a prima facie case for questioning the adequacy of a country's performance.

1. Has a country failed to give assurance at a high level that it will cooperate with the United States and other nations to control the production, processing, trafficking, and smuggling of illicit narcotic drugs, as defined by the Comprehensive Drug Abuse Prevention and Control Act of 1970 (84 Stat. 1236)?
2. Has a country failed to enact adequate narcotics control laws within a reasonable time after this deficiency was called to its attention?
3. Is there evidence of a substantial violation of treaty obligations or bilateral agreements relating to controlling the production, processing, smuggling, or trafficking in narcotic drugs?
4. Does hard evidence exist that high-level government officials are involved in illicit narcotic drug production, processing, smuggling, or trafficking, and does such involvement continue after this evidence has been brought to the government's attention?
5. Has a country declined to take steps to improve the effectiveness of its narcotics enforcement capability within a reasonable time after this deficiency was called to its attention?
6. Has a country failed to take adequate steps to correct other narcotics control deficiencies after they have been called to its attention by another government or international agency?

When the Coordinating Subcommittee identifies any country which it believes may have failed to take adequate steps to control the illicit drug traffic, it is to direct the appropriate regional interagency narcotics control group to review that country's performance in depth. When the Subcommittee directs that a review be undertaken, it is to provide to the regional group whatever guidance it deems appropriate.

After finishing its review, the regional group is to prepare a document setting forth the relevant facts and recommendations for consideration by CCINC or any group it

designates. If CCINC concludes that a country has failed to take adequate steps, the Secretary of State, as Chairman, will forward to the President a recommendation for a Presidential determination to that effect. Following an affirmative Presidential determination, CCINC will insure that all appropriate steps are taken to implement the statutory provisions suspending foreign assistance and related support to the country. To date, no such determinations have been made.

Although legislation authorizing U.S. contributions to international lending organizations contain aid cut-off provisions similar to the section 481 provision, it is doubtful whether the foregoing procedures and criteria could be effectively applied to such narcotics-problem countries as Burma and Hong Kong receiving little or no direct U.S. assistance. More importantly, established procedures do not require the systematic and periodic application of existing criteria to narcotics-problem countries--whether or not these countries receive U.S. assistance.

Narcotics control officers, DEA agents, and others involved in individual country programs usually have first-hand opinions on how adequately a country is performing in its efforts to stop the flow of international drug trafficking. Ongoing informal evaluation appears to be an inherent part of our narcotics control program. Yet we believe a more systematic evaluation of country cooperation with the U.S. international narcotics control effort is needed.

In May 1974 we discussed the matter of disseminating aid suspension procedures and criteria to U.S. missions abroad with officials in Washington. We found that the criteria developed for use in section 481 determinations had not been sent to any of the U.S. missions. U.S. officials feel that missions should not have the criteria because their role is not to determine whether a country is cooperating in narcotics control but to keep U.S. officials in Washington apprised of noncooperation, so that appropriate action can be taken through CCINC.

#### EVIDENCE OF COOPERATION

U.S. officials cite the passage of antinarcotics laws, increased law enforcement, seizures of narcotics, and lack of evidence of high government officials' involvement in trafficking as confirmation of the foreign government cooperation. Embassy officials in South and Southeast Asia said host governments were cooperating with the United States on the narcotics control program. We found no evidence to contradict these statements but believe some governments could do more.

## Afghanistan

In Afghanistan, the new government has taken some steps to control narcotics but further improvements are needed in enforcement and crop substitution efforts.

The Afghan Government signed a narcotics law enforcement agreement with the United Nations in November 1973. (See ch. 7.) The United States offered DEA-funded bilateral enforcement assistance to supplement the U.N. program. This offer was refused, however, because the Afghan Government preferred to receive all narcotics control assistance through the United Nations.

The United Nations and the Afghan Government are discussing plans for a crop substitution program. Although the Afghans are receptive to U.N. initiatives, enforcement is currently being stressed. The Afghan Government lacks political control over the farmers, who comprise about 85 percent of the population, and lacks the means to enforce a poppy ban. Therefore, it could be many years before opium production ceases in this country.

The United States has provided nearly \$80 million in economic assistance for agricultural irrigation in the Helmand Valley of Afghanistan. Although this assistance was not intended as an alternative to growing opium poppies, some poppies had reportedly been grown in the U.S.-financed project area. U.S. officials were aware of this but felt that the amount of poppies grown in the Helmand Valley was unimportant compared to the total poppy production in Afghanistan. Moreover, U.S. officials said most of the poppies grown in the valley were outside the U.S.-assisted area. The Afghan Government was also aware that some poppies were being grown in the valley and, according to U.S. officials, issued orders for no further production there.

This is a potentially embarrassing situation. The United States assists farmers with funds for irrigation, drainage, and land leveling and promotes the use of fertilizers, improved seeds, and better farm practices. Such aid also helped farmers produce a better opium poppy crop while the United States was advocating a ban on poppy cultivation in Afghanistan.

In April 1975, U.S. officials advised us that, from all indications, there was no production in the valley in 1974 or early 1975.

## India and Bangladesh

No evidence has been developed in India which shows it is involved in the illicit trafficking of opium. It is the Embassy's position that the Government of India is cooperating by maintaining adequate controls over the licit production.

The new government in Bangladesh (formerly East Pakistan) is evaluating several international agreements, including the 1961 Single Convention on Narcotic Drugs. Its failure to sign the Convention is not considered by the mission to be a lack of cooperation under section 481. Mission officials pointed out that Bangladesh is not an opium producer, nor is there any evidence of illicit trafficking through Bangladesh. These officials are aware, however, that Bangladesh could be used as a conduit because of known laxity in controls at Bangladesh ports.

## Burma, Thailand, Laos, and Hong Kong

The primary areas of concern are Burma, Thailand, and Laos because they are known opium producers and Hong Kong because it is a heroin manufacturer and transfer point to the United States. South Vietnam is no longer a key country since its major market, U.S. forces, has been removed.

The Burmese Government has generally preferred to remain neutral and has resisted pressure to accept outside help. Until recently, U.S. Embassy efforts to promote narcotics control measures had been limited to informing the Government of U.S. concern, and providing intelligence on illicit narcotics activities.

The Government has little or no control in the opium-producing areas of Burma. The insurgents controlling these areas have continuously trafficked in opium and used it in exchange for arms and ammunition. However, the Government has attacked heroin refineries, traffickers, and storage areas; disbanded the self-defense forces involved in opium trafficking; and made arrests.

Burma's changing attitude toward the narcotics problem is exemplified by its passage of the Narcotic Drugs Law in February 1974. This law, for the first time in a legal document, prohibits the cultivation, production, trafficking, and sale of illicit narcotics in Burma and carries stiffer penalties for violators than previous narcotics laws. The law exempts nearly 19,000 acres under poppy cultivation in the Shan States because Burmese Government officials realize they lack political control over this area. Villagers in



this area have been cultivating the poppy for their livelihood for ages, and suddenly enforcing the new law would deprive them of their income. The Burmese Government plans to help the villagers with substitute crops and livestock breeding and intends to end all poppy cultivation in 3 to 5 years. March 1, 1979, is the date set for totally enforcing the new law.

As part of a mid-1974 agreement, the United States is supplying Burma with six helicopters valued at \$4.8 million to be used primarily for narcotics control. Delivery was expected to be accomplished during June 1975. An additional 12 helicopters (\$12,000,000) are programmed for fiscal year 1976. Also, the United States has offered DEA and Customs training to the Burmese Government, which has not yet accepted this offer.

The Thai Government's efforts to control opium trafficking have been hampered by insurgent and counterinsurgent activities in the opium-producing and border areas. It has placed more emphasis on the insurgency problem than on narcotics control, but its increased law enforcement efforts have resulted in an increased number of seizures, as shown in the following table.

Seizures in Thailand

	<u>1972</u>	1973 ( <u>Jan. to Oct.</u> )
	(kilograms)	
Opium	7,585	14,584
Morphine	517	743
Heroin	80	64

With U.S. assistance, the Thai Government has established the Special Narcotics Organization, a special task force in northern Thailand, whose mission is to interdict illicit trafficking. The Thai Government has also accepted assistance from the United Nations on crop substitution to supplement its own program to assist farmers in poppy-growing areas.

We believe that, since Thailand is a major producing and trafficking area, its government should do more. For example, the Special Narcotics Organization is responsible for suppressing narcotics trafficking over an extensive geographic area, yet it has only 50 men. The system for funding the program and paying rewards is slow and hampers the program, and better intelligence-gathering capabilities

are needed. Although other Thai national police organizations--such as the Border Patrol, the Provincial Police, the Bangkok Metropolitan Police, and the Crime Suppression Center--are also engaged in narcotics control activities, extensive trafficking persists.

Officials at the U.S. mission are satisfied with the cooperation that Thailand, as a developing country, has given to the program. This is manifested, according to the mission, in reorganized operating elements, greater demand for assistance, and increased arrests and seizures.

Nevertheless, cooperation could be improved, particularly with timely crop substitution programs. For example, the United States proposed the Highland Development Project in Thailand in 1971. Its primary element was an aerial survey of northern Thailand, where poppies are grown. The survey was to be the first step toward rationally developing crop substitution in the highlands. The Thai Government refused the project because of the aerial survey.

Developments in May 1974 indicated that the Thai Government had agreed to accept several U.S.-proposed crop substitution projects. An aerial survey of poppy-growing areas was scheduled for November 1974, 3 years after initially proposed by the United States. State Department officials told us in April 1975 that Thai Government security regulations prohibit aerial photography at the degree of resolution required. Thus, this particular activity will not be carried out.

Plans for a crop substitution research station, however, are being completed and pilot cannery and mint-growing projects have been started.

The Lao Government passed its first antinarcotics law in August 1971, primarily at the insistence of the United States. In August 1972 the Government established the Groupe Speciale d'Investigation, a special task force made up of policemen from three law enforcement agencies. The task force reports directly to the Prime Minister to avoid political pressures. The Lao Government has accepted U.S. assistance in law enforcement, crop substitution, and addict rehabilitation.

Mission officials pointed out that narcotics traffic from and through Laos has decreased considerably since the program started in 1971. The mission is concerned that, as trafficking is restricted in other areas, routes through Laos may be used again.

Efforts in Hong Kong to curtail narcotics trafficking have been considerable, according to the U.S. consulate. Officials believe cooperation between Hong Kong and the United States is good. However, considering the volume of ships, planes, passengers, and cargo transiting Hong Kong (see table below), authorities are faced with a virtually impossible task of effectively interdicting the flow of illicit narcotics.

Volume of Hong Kong Traffic

	<u>1972</u>	Jan. to Sept. <u>1973</u>
Oceangoing vessels	7,880	5,560
Aircraft	24,546	19,876
Passengers	4,000,000	3,600,000
Tons of cargo handled	14,300,000	11,700,000

The area's geography contributes to the control problem. The harbor covers 23 square miles and the coastline totals some 350 miles. There are over 30,000 small boats in Hong Kong, including 10,000 fishing boats, and a floating marine population of over 80,000 persons.

The Hong Kong Government has taken several steps since early 1972 to improve its ability to control illicit narcotics. These include appointing a Commissioner of Narcotics, participating in international meetings on narcotics, and doubling the size of the narcotics intelligence forces. As a result, narcotics seizures increased during 1972 (see table below) over 1971 but declined during 1973, primarily because of the Thai Government's effort in interdicting trawlers carrying narcotics to Hong Kong.

Total Seizures in Hong Kong

	<u>1971</u>	<u>1972</u>	<u>1973</u>
	----- (pounds) -----		
Opium	12,282	11,259	5,121
Morphine	661	1,213	853
Heroin	121	160	151

Turkey

Turkish cooperation in the U.S. international narcotics control program had been very good, as evidenced by the enactment of the poppy ban in June 1971. The Turkish Government's decision on July 1, 1974, to resume poppy cultivation

raises a serious question with regard to whether Turkey is continuing to cooperate adequately. U.S. officials maintain that lifting the ban constituted a unilateral termination of the 1971 agreement to ban opium growing in exchange for a \$35.7 million grant.

The Turkish Government sees resumed poppy cultivation as a means of (1) restoring a badly needed source of income and by-products to more than 100,000 farmers and (2) supplying nearly 200 tons of opium to the international pharmaceutical industry for medicinal purposes.

At the time of our review, congressional interest in the Turkish decision to resume poppy cultivation centered around resolutions to cut off all U.S. economic and military aid to Turkey. The U.S. Government initially considered a review under established CCINC procedures to determine whether Turkey was still adequately cooperating in narcotics control and whether assistance should be cut off by invoking section 481 of the Foreign Assistance Act. In April 1975, U.S. officials said they were following developments in Turkey closely and were reviewing its plans to control its new poppy crop. Turkey's announcement of its intentions to develop an effective control system, together with the fact that the new crop had yet to be harvested, made a review under section 481 criteria inappropriate at that time.

#### REGIONAL COOPERATION

Restricting the flow of illicit drugs in Southeast Asia has been hampered by the lack of regional cooperation. The missions indicate that cooperation among the countries is improving. A principal irritant between Burma and Thailand is the Thai Government's tolerance of dissident Burmese forces in Thailand. This problem will not be solved soon, according to mission officials. However, indications of improving relations are

- diplomatic visits,
- an August 1973 meeting of the Thai-Burmese Joint Border Control Committee in Rangoon, and
- the capture and subsequent extradition to Burma of the reputed narcotics "king" and insurgent group leader, Lo Hsing-han.

Lao and Thai narcotics suppression groups have initiated cooperation. U.S. officials explain that meetings between the groups should lead to an exchange of intelligence data. Hopefully, this will result in joint Thai-Lao narcotics seizures and a possible reduction of trafficking in the area.

In November 1973, the Hong Kong Government appointed and posted a representative at the British Embassy in Thailand to coordinate narcotics suppression efforts of the two governments.

Burma, Thailand, and Laos are members of the Colombo Plan, an organization which includes 26 nations. This organization concentrates primarily on the economic development of its less developed members and provides for a drug control program. (See p. 73.)

#### GAINING EFFECTIVE FOREIGN GOVERNMENT COMMITMENTS

Foreign government commitments to curb illegal drug production and trafficking do not appear to be based on concerns about the effects of drug abuse in other countries. Instead, such commitments are more nearly related to a country's higher priorities, resources, laws, and enforcement capabilities.

The governments of the Golden Triangle supposedly have assigned a high priority to narcotics control. The problem of insurgency, however, has diverted their attention and available resources away from vigorous narcotics suppression activities. For example, threats to the internal security of Burma and Thailand have limited the resources and trained personnel available for narcotics control. The lack of internal security has curtailed police actions and intelligence operations against traffickers.

The priority a foreign government gives to eliminating illegal drugs often depends on the level of U.S. influence and assistance to that country and, to a lesser extent, on the seriousness of drug abuse as an internal problem. For example, narcotics control is likely to receive high priority in countries such as Thailand, Laos, and the Philippines--which consider drug abuse to be a serious internal problem and which have received large amounts of U.S. concessional aid. In countries where drug abuse may be considered a major domestic problem but the United States does not provide large amounts of assistance--such as Iran, Hong Kong, and Burma--other reasons, such as strong appeals to humanitarian concerns, may be needed to gain high-level government commitments for drug control programs.

An effective drug control program is dependent upon both a government's full commitment and the application of adequate resources. Germany has shown its commitment to the international drug control program in a number of ways, including removing a historic barrier to the granting of

countrywide powers to its central narcotics office. The German Government followed this action with additional funding, manpower, and equipment for the office's broadened responsibilities. Less developed countries, such as Pakistan and Afghanistan, however, may not be able to provide the necessary resources for narcotics control.

Many of these less developed countries receive substantial amounts of economic assistance for purposes other than narcotics control. According to AID loan officers for several narcotics-problem countries receiving AID loans in fiscal year 1973, narcotics control features had not been incorporated into development loan agreements. In our view, narcotics control features could be effectively incorporated into regular AID development assistance agreements, especially in those countries where narcotics problems exist and where narcotics control features can be related to the specific activity being supported. As one example, an agreement to finance an irrigation project in an area where illicit opium is or can be produced should include the government's assurance that no opium will be produced on land irrigated by the project.

#### CONCLUSIONS

Foreign government cooperation is essential to the success of the U.S. international narcotics control program. As such, the established procedures and criteria for assessing a country's cooperative efforts should be applied on a systematic and positive basis to narcotics-problem countries. This would provide a means for a more timely evaluation of cooperation and encourage foreign governments to be more cooperative.

U.S. mission personnel involved in individual country programs informally evaluate a country's performance. Their knowledge and experience would be a necessary and important part of any systematic evaluation. In our view, section 481 criteria and procedures should be sent to the missions as a necessary first step for such an evaluation.

Foreign government cooperation in narcotics control varies depending on U.S. influence, U.S. levels of assistance, and foreign government capabilities. To obtain greater cooperation from foreign governments, the United States should strengthen diplomatic initiatives and be willing to provide more equipment, training, and technical assistance where necessary. Moreover, regular U.S. development assistance agreements with foreign governments in countries considered by the United States to have narcotics problems should contain, where feasible, provisions incorporating narcotics control features.

## RECOMMENDATIONS

We recommend that the Secretary of State, as Chairman of CCINC:

- Require periodic evaluations of foreign government cooperation to be made jointly by U.S. missions and Washington officials using established criteria.
- Require the State Department and AID to add, where feasible, narcotics control features to all regular development assistance agreements with foreign countries, making these features conditions precedent to loan disbursements or actual segments of the loan or grant agreements.

## AGENCY COMMENTS AND OUR EVALUATION

The Department of State commented that a formal review of an individual country's narcotics control performance under section 481 criteria was not being made. The Department feels that such a review would be repetitious and ineffective. It points out that each year during the annual budget cycle it requests a statement from each diplomatic post on the performance of the host government, noting any lack of cooperation. To the Department, this procedure represents a systematic mechanism and provides an adequate forum for evaluating foreign government performance and effecting the section 481 review.

We cannot agree that the procedures and criteria carefully established by the Department itself to systematically review foreign government cooperation and performance should not be used and that another "systematic mechanism" based on an annual budget cycle is adequate. Moreover, annual budget cycles may not generate the type of information necessary to evaluate the cooperative efforts of many European and other narcotics-problem countries which receive little or no U.S. assistance. For example, no narcotics control funds have been programed for 28 such countries in Europe, of which 19 are considered to be of key importance. Such countries would hardly enter into an annual budget cycle in which resource requirements are determined; thus, they may be excluded from any review of cooperative efforts.

Nevertheless, we are pleased that the State Department is taking steps, along the lines of our recommendation, to forward to the field the established criteria for evaluating foreign government cooperation.

AID has accepted the validity of our recommendation to add narcotics control features to regular development assistance project agreements where possible and is prepared to issue the necessary instructions to insure agreement with foreign governments on appropriate measures for projects of this type.



## CHAPTER 6

### DEVELOPMENT OF COUNTRY NARCOTICS CONTROL PROGRAMS

#### ENFORCEMENT THRUST OF U.S. NARCOTICS CONTROL ASSISTANCE

CCINC has recognized that a balanced approach is needed to successfully suppress illicit narcotics production and trafficking. However, the major thrust of the U.S. international narcotics control program has been enforcement assistance because enforcement activities yield the quickest results. We recognize the continued need for full-scale efforts in the enforcement area to obtain quick results and maintain short-term gains. Nevertheless, we believe that the United States has not taken full advantage of opportunities to provide assistance in other areas, such as treatment, rehabilitation, and anti-drug abuse education.

#### Treatment and rehabilitation

Treating and rehabilitating addicts in victim countries overseas is becoming a more important consideration in narcotics control because the availability of opium for diversion into illicit international channels is apparently related to the demand of addicts in poppy-growing areas.

Certain countries receiving U.S. concessional aid have large addict populations. In several of these countries, including Thailand and Afghanistan, U.S. missions had not undertaken any significant treatment and rehabilitation activities or included such activities in narcotics control project proposals. In others, such as Pakistan and the Philippines, the missions had proposed but had not yet implemented such projects. In Vietnam, the mission had supported treatment and rehabilitation activities before February 1973 but later decided to phase out such support due to fund limitations.

Only Laos had an ongoing treatment and rehabilitation project receiving U.S. financial support. This project was in the early stages of implementation at the time of our review; thus, we did not try to evaluate its effectiveness. We believe that similar ongoing assistance efforts could greatly contribute to achieving U.S. narcotics control objectives in countries with large addict populations.



LAOTIAN DETOXIFICATION CENTER

Anti-drug abuse information and  
the United States Information Service

Although the United States Information Service (USIS) has been involved in U.S. international narcotics control activities in most countries, the degree of its participation has varied. For example, in France, USIS made a major effort to focus the attention of the French Government, specifically the police, and French public opinion on the drug menace; in Spain the agency's activities have consisted mostly of warning American tourists of the strict Spanish narcotics laws.

USIS officials at various missions said that, given additional resources, they could increase their support of narcotics control activities. They noted, however, that certain restrictions tend to limit such opportunities.

A USIS official in one European country said the government opposed widespread publicity on drug abuse because it felt such publicity would encourage drug experimentation. In two Near Eastern countries, we were told that, because of the lack of a local drug problem, there was little interest in the drug problems of other countries. Some USIS officials also noted the difficulty of presenting information on drug abuse in the United States without detracting from a basic USIS objective of creating a positive U.S. image abroad.

October 1974 USIS program guidelines established an objective of supporting U.S. efforts to gain foreign government cooperation to bring narcotics trafficking under control. Activities are to be aimed not at mass audiences, but at government officials, legislators, leaders, and others who can provide this cooperation. Offices are instructed to stress the international dimensions of the narcotics problem but not to address the problems of drug addiction, abuse, or addict rehabilitation in the United States or other countries. USIS drug control activities are normally restricted to countries which have a drug abuse problem or which serve as transit points for illegal drug trafficking. The guidelines caution that such activities in countries where drug abuse is not a problem "might excite curiosity about drugs where there previously was little interest or awareness of them."

Greater USIS involvement in the international narcotics control program appears difficult. Nevertheless, we feel that the success credited to USIS activities in France justifies considering more closely what USIS might do in other countries.

#### NARCOTICS CONTROL AND U.S. COUNTRY OBJECTIVES

The President has given top priority to international narcotics control, and the importance of the narcotics control programs has been communicated to U.S. mission officials abroad. However, narcotics control was not included among U.S. objectives in some narcotics-problem countries. Narcotics control officers at certain U.S. Embassies did not know whether the Embassies' overall objectives included narcotics control.

We believe there is a definite need to relate narcotics control to other U.S. objectives in narcotics-problem countries. As noted in the previous chapter, the success of the international narcotics control program depends on foreign government cooperation. U.S. officials responsible for stimulating such cooperation need a clear understanding of the importance and relationship of narcotics control to other U.S. objectives.

#### ROLE OF NARCOTICS CONTROL ACTION PLANS

In the 59 countries singled out as actual or potential drug producing, processing, consuming, or trafficking countries, the U.S. missions have prepared narcotics control action plans (NCAPs), which have been reviewed and approved by CCINC. NCAPs are intended to be the basic planning and

programing documents for activities in individual countries, serving as the basis for negotiating bilateral action programs with the countries. They vary considerably from country to country in both content and importance. NCAPs call for a description of the drug situation in host countries and a statement of goals, actions, and funding requirements. They were first prepared in late 1971 and early 1972 and updated in 1973.

NCAPs were prepared for every country in our review except the Netherlands and Bangladesh, which was part of Pakistan when the NCAPs were originally prepared. After independence, the mission there was not directed to prepare an NCAP as the country was not considered a problem area. The Netherlands is not one of the 59 problem countries, so the U.S. Embassy does not have an NCAP. We included the Netherlands in our review because recent international narcotics trafficking activity there has created increased U.S. concern.

#### Control plans are not bilateral agreements

Statements by U.S. officials concerning the international narcotics control program often imply that the NCAPs developed for the 59 countries constitute bilateral cooperative agreements between the United States and the foreign governments. However, according to information made available to us, actual bilateral cooperative agreements have been negotiated only in some instances, such as:

- A February 1971 agreement between the U.S. Bureau of Narcotics and Dangerous Drugs and French National Police for coordinating enforcement activities.
- A September 1971 Memorandum of Understanding between the United States and Thailand for increasing cooperative efforts in international narcotics control.
- An October 1972 Memorandum of Understanding between the United States and Paraguay concerning cooperation in interdicting narcotics smuggling.

An NCAP, then, in most instances, is a unilaterally developed program aimed at combating the narcotics problem in a specific country. The U.S. mission is responsible for convincing the country to accept the program and agree to its implementation.

#### NCAPs should be refined and coordinated

Although CCINC has indicated that NCAPs are to be used for planning, implementing, and evaluating program activities, we believe the plans have been of limited value for these

purposes because they generally (1) lack consistent and clearly defined objectives, (2) do not contain well-defined projects, and (3) do not include evaluative criteria. Also, some NCAPs are not closely related to actual control activities or have not been approved.

The President in 1971 declared his intent to stem the flow of narcotics into the United States. This edict has been echoed many times by the United States but in an inconsistent manner reflecting the absence of a common resolution. In analyzing the NCAPs prepared for the countries in our review, we found such words as "stop," "reduce," "disrupt," "eliminate," and "end" used to define the objective of the various U.S. missions to control narcotics trafficking. Some of these terms indicate complete curtailment while others indicate a more limited goal of reducing or disrupting the flow. For example, the plans for Hong Kong, the Philippines, and France talk about completely halting illicit narcotics trafficking. The plans for Thailand, Pakistan, and West Germany, however, refer to reducing these activities. These inconsistencies indicate that U.S. missions are not in harmony in their approach to the problem.

The original intent of the U.S. international narcotics control program was to halt the narcotics epidemic in the United States by interrupting the supply. From this modest beginning, legislation proliferated as the White House called for complete eradication. We believe it is time to reexamine the overall situation, redefine our objectives, and make the greatest effort in areas having the most remedial potential rather than expanding the overall international program. Continuing to prepare, revise, and ostensibly operate from NCAPs without a clearly defined and unified course of action, including specific long- and short-term objectives, does not appear to be the most effective course of action.

#### The NCAP as an action document

Although they are so designated, most NCAPs have not been "action" plans because they have lacked program specifics. Much of each NCAP has dealt with assessing the current narcotics situation and describing recent activities. Listed actions are often descriptions of past events and possible or desirable actions, not specifically planned projects. We believe that specific projects aimed at the program goals are vital to successful and timely implementation of activities intended to have a substantial impact on narcotics control.

During our review we tried to use the NCAPs as basic documents for evaluating individual country programs and projects. We soon found that most plans could not be used

for any meaningful evaluation because they were not sufficiently detailed and had not established criteria, such as priorities and timeframes, for measuring progress. In such NCAPs we could find (1) no description of the ideal narcotics situation, (2) no statement of the desired level of control competence acceptable to the United States, and (3) no indicators for determining when program assistance could be reduced or terminated. We feel that such criteria are necessary not only for determining to what extent the goals have been achieved but also for future planning.

These observations were general and do not apply to every NCAP reviewed. The NCAPs for Burma and Pakistan came very close to satisfying the requirements of an ideal action plan.

CCINC's Working Group has apparently recognized the need to improve the NCAPs. In a January 1973 request for updating information, the State Department instructed U.S. missions to quantify project goals and required host country actions. The State Department also noted in this message that "the Administration can no longer state [that] the international narcotics control program is just getting underway as a reason for the lack of specificity." We agree with this view and believe that more specific plans will better focus country activities and provide a base for meaningful evaluations.

### CONCLUSIONS

The United States has not taken full advantage of opportunities to improve narcotics control by providing increased assistance in such nonenforcement areas as drug treatment, rehabilitation, and drug abuse education. Successes in these areas could lead to a long-term solution to the international narcotics problem.

The U.S. international narcotics control program has not been closely related to other U.S. country objectives. U.S. officials responsible for motivating foreign governments to make a commitment to the program need a clearer idea of this relationship.

NCAPs are intended to serve as the basis for negotiating bilateral narcotics control agreements with foreign governments; they do not in themselves constitute such agreements, as implied in public statements by U.S. officials.

These plans are not always action plans, often lacking consistency in approach and the specificity needed for project planning, implementation, and evaluation. NCAPs should

be consistent in resolution and should contain realistic long- and short-term goals, specific projects aimed at those goals, and quantitative criteria for evaluation. The President has issued statements on the number of NCAPs developed, implying that they are a measure of U.S. advances in the field of narcotics control. We feel, however, that little satisfaction can be derived from the proliferation of "action documents" that do not define goals, specific activities, timeframes, and priorities for meeting U.S. international narcotics control objectives.

We believe that preparing NCAPs for countries that no longer have problems or are deemed only potential problem areas with respect to the U.S. drug problem, such as Bangladesh and the Netherlands, could be a wasted effort. Some of the countries for which NCAPs have been prepared, including Belgium and Spain (where we performed review work), are in this category. Apparently, all that is needed for these countries is a statement on what narcotics activities will be monitored rather than developing an NCAP and getting it approved by CCINC.

#### RECOMMENDATIONS

We recommend that the Secretary of State, as Chairman of CCINC:

- Reassess the international narcotics control program, set forth clearly defined objectives, and insure that each U.S. mission has a clear understanding of the relationship between those and other U.S. country objectives.
- Consider increasing treatment and rehabilitation activities in countries with large addict populations and requiring U.S. missions in all narcotics-problem countries to carefully consider increasing USIS activity.
- Require U.S. missions, in those countries where a narcotics problem actually exists, to refine the NCAPs to include clearly defined long- and short-term goals, specific projects aimed at those goals, and quantitative criteria for evaluating project progress. CCINC should provide the missions with specific guidance in these areas.

#### AGENCY COMMENTS AND OUR EVALUATION

In responding to this section of our report, State Department and AID officials stated that they know of no instances in which there is a lack of a clear understanding of U.S. objectives regarding narcotics control. We disagree.

Underlying U.S. narcotics control objectives are the basic policy statements on narcotics discussed in chapter 2 which, as we have stated, are often unclear and somewhat conflicting. NCAPs, as addressed in this chapter, are generally reflective of unclear U.S. narcotics policy; accordingly, we have no basis for changing or modifying our original assessment.

We note, however, that, in response to our recommendations, the Department of State has initiated actions intended to (1) insure that each country plan prepared by U.S. missions in narcotics-problem countries is reviewed to ascertain that relevant narcotics issues are included in overall U.S. country objectives, (2) program additional funds for treatment and rehabilitation, and (3) continue to improve NCAPs.



## CHAPTER 7

### UNITED NATIONS AND OTHER INTERNATIONAL ACTIVITIES

The U.N. General Assembly, with representatives of all the member States of the United Nations, has overall responsibility for, and makes recommendations on, drug abuse control to other U.N. organizations or member States. The Economic and Social Council, acting under the authority of the General Assembly, is the political and legislative organization responsible for U.N. economic and social activities, including drug abuse. The Secretariat services the various drug control bodies, such as the Commission on Narcotic Drugs and INCB. The Personal Representative to the Secretary General provides focus for narcotics control activities.

### THE SINGLE CONVENTION

The Single Convention on Narcotic Drugs was adopted in 1953 and took effect for the United States on June 24, 1967. The Convention provides the mechanism for continuous international cooperation on narcotic drug control through essentially voluntary restraints on the cultivation, production, manufacture, and import and export of opium and opium products. Supplanting eight previous narcotics control treaties, the Single Convention consolidated the U.N. narcotics control machinery and increased the then-existing methods of control. Overall supervision of the Single Convention rests with the Economic and Social Council, while specific provisions are implemented by the Commission on Narcotic Drugs and INCB. There are presently 102 parties to the Convention.

The United States was a leader in initiating work on the Single Convention and in drafting the 1972 amending protocol. The protocol is designed to strengthen the international narcotics control machinery by giving INCB new powers to curb illicit cultivation, production, manufacture, trafficking, and consumption of opium and other dangerous drugs.

As of October 1974, it had been ratified by 32 of the 40 countries necessary for it to come into force.

### THE CONVENTION ON PSYCHOTROPIC SUBSTANCES

The 1971 Psychotropic Convention was aimed at limiting the manufacture, distribution, and use of psychotropic drugs to legitimate medical and scientific purposes, thereby curbing unlawful diversion and illegal international traffic. These mind-altering drugs, including LSD, mescaline, amphetamines, barbiturates, and tranquilizers, were not subject to international control under any existing multilateral drug treaties.

Over the years, the United States has been a leader in sponsoring and negotiating international drug control treaties. However, more than 4 years have gone by since the Psychotropic Convention was drafted and signed in Vienna in 1971, and the United States has yet to ratify it. Many countries are awaiting U.S. leadership before ratifying this Convention. The opium-producing countries, which have been asked to accept more stringent controls, are particularly anxious to see if the United States is willing to accept similar controls over the drugs it manufactures.

The Subcommittee to Investigate Juvenile Delinquency of the Senate Committee on the Judiciary held hearings on February 25, 1974, to consider legislation to permit the United States to comply with the provisions of the Psychotropic Convention. The Convention itself is pending before the Senate Foreign Relations Committee for advice and consent.

At the time of our review, hearings on the implementing legislation had not been scheduled by the House. The Subcommittee on Public Health and Environment of the House Committee on Interstate and Foreign Commerce, which would act on the enabling legislation, had not yet scheduled hearings.

#### UNFDAC

UNFDAC was established in March 1971 when it was generally recognized that far greater financial resources would be needed to carry out a worldwide program against illicit drugs than could be obtained from regular U.N. budgets. It was set up as a voluntary fund to which governments and private sources could contribute to finance a coordinated international program against drug abuse.

UNFDAC finances projects designed to decrease international traffic and abuse of drugs and includes projects to:

1. Expand U.N. research and information facilities.
2. Limit the supply of drugs to legitimate requirements by ending illegal production and providing alternative economic opportunities for present producers.
3. Enlarge the capabilities and extend the operation of existing U.N. drug control bodies.
4. Improve and expand facilities for treatment, rehabilitation, and social reintegration of drug addicts.
5. Develop educational material and programs to combat drug abuse.

In establishing UNFDAC, the Secretary General said that \$5 million annually was expected for the first 5 years and about \$20 million a year thereafter. The United Nations has continued to stress the need for increased contributions. As of April 1, 1975, after 4 years, contributions and pledges totaled \$18.3 million and the prospects of obtaining annual contributions of \$10 million seemed highly unlikely. Of the \$18.3 million, \$14 million (over 75 percent) had been donated by the United States.

According to State Department officials in April 1975, the Secretary General's initial estimate of expected contributions is not now considered realistic, at least for the short term within UNFDAC's management capabilities.

In May 1974 Senate appropriations hearings, the Senior Adviser to the Secretary of State and Coordinator for International Narcotics Matters testified that UNFDAC operations needed improvement. He expressed disappointment at the slow progress in preparing programs in several critical countries which had requested U.N. assistance. He remarked that the United States recognized and has repeatedly stated at U.N. meetings that UNFDAC could not survive if it depended too much upon one nation for its support over an extended period. The United States has urged the UNFDAC acting executive director to intensify his efforts at fund raising and to persuade other U.N. members to make periodic and increased contributions.

Since its inception, UNFDAC has been seriously constrained by the shortage of financial resources. Consequently, implementation of approved projects has been impeded and UNFDAC has had to turn down country requests for narcotics control assistance. For example, in 1971, 160 planned projects, estimated to cost approximately \$95 million, were consolidated into a "Plan for Concerted Action Against Drug Abuse." However, this list of projects was shortened in 1972 to make the greatest possible impact on the problem of drug abuse within the limited resources available. In Afghanistan and Lebanon, income replacement programs were delayed because necessary funds were not available.

A recent report on UNFDAC's operations was discussed at the third special session of the Commission on Narcotic Drugs in February 1974. At the session, the acting executive director acknowledged that UNFDAC could not be content with the progress achieved so far and that, without substantially increased regular contributions, it might be necessary to emphasize less ambitious projects.

One of the several concerns expressed by U.N. members reviewing UNFDAC's operations was the cost of administration and program development, which was estimated at \$2.4 million, or 13 percent of overall expenditures for 1971 through 1976.

Regarding current funding levels, U.S. officials commented in April 1975 that they knew of no good program which could not be implemented owing to a lack of funding.

### Slow progress in project implementation

#### Thailand

Thailand was the first country to be assisted by UNFDAC and the only country in Southeast Asia to have a functioning U.N. narcotics control program. In December 1971, UNFDAC and the Thai Government agreed to a 5-year, \$2 million project for crop substitution, addict rehabilitation, law enforcement, and drug eradication and information. UNFDAC, however, did not initiate an enforcement project because of U.S. efforts in this area. Inadequate work plans and U.N. bureaucratic in-fighting over control have caused delays in project implementation.

A \$1.5 million crop substitution program was initiated in September 1972. Five key villages and 25 satellite villages were selected for intensive agricultural and experimentation work. Applied research has been used to identify crops that would (1) grow in the opium-growing areas, (2) require little technological input, (3) be relatively disease resistant, and (4) be acceptable to farmers with little disruption of life style. In addition, hill tribesmen were being trained to serve as extension agents.

UNFDAC officials informed us that they needed assistance and would welcome any input complementing their program, which would hasten the achievement of their goals. AID officials believed they could help speed up the search for suitable substitute crops and were planning an agricultural research project in Thailand (discussed in ch. 4) to identify substitutes. At the time of our review, UNFDAC and AID had not adequately consulted in developing the agricultural project proposal. UNFDAC had reservations about the project and believed it could lead to duplicative and premature ventures by the United States. A team of agricultural experts, sent to Thailand in 1974 to assist the Thais and AID on project design, also consulted with UNFDAC officials. So far, a feasible substitute crop has not been identified.

Project appraisals by U.S. Government officials, however, varied considerably from those of U.N. officials. A May 1973 report released by the AID Acting Inspector General of Foreign Assistance concluded that, if UNFDAC is left to handle the crop substitution program alone, the result would be "too little too late" to be effective. The project's major shortcomings were identified as (1) lack of institutionalization within the Thai Government, (2) absence of research, and (3) inadequate provision for marketing.

In assessing the project in November 1973, U.N. officials reported that problems had inevitably been encountered both in finding suitable alternative crops and insuring that such crops are marketable and yield an adequate financial return. However, the U.N. officials believed that these problems could be overcome in time.

In a progress report covering the second half of 1973, UNFDAC reported that considerable information was still needed before project staff could reliably advise villagers on suitable alternative crops, detailed methods of cultivation, and prices and market conditions. However, the crops tested have already had a marked impact on the production of opium; it is estimated that the areas growing opium poppies in the key villages have decreased by about one-third to one-half since 1972.

The report pointed out that fair prices and stable markets for agricultural produce introduced under the project remain the most important objectives of successful crop replacement because hill tribesmen react quickly and positively to price increases and guaranteed markets. Some headway had been made, but much remained to be done. Major efforts are essential by both the Government of Thailand and other countries committed to the elimination of opium cultivation.

The report concluded that, with the continued cooperation of the tribespeople, increasing government participation and leadership, and the application of experience gained under the project, opium replacement can undoubtedly be achieved in the mountains of northern Thailand.

### Afghanistan

In the fall of 1972, the Afghan Government invited UNFDAC to study the problem of opium cultivation and its control. Recognizing Afghanistan's administrative weaknesses, the U.N. team recommended a phased narcotics control program, beginning in certain key poppy-growing provinces. The ultimate program goal was the total eradication of opium production and trafficking.

Efforts to formulate a comprehensive narcotics control program in Afghanistan were interrupted in July 1973, when a military-led coup d'etat ousted the monarchy and established a republican government. The change in government apparently strengthened Afghan activity in narcotics control. The new government has asked that international assistance be coordinated and channeled through UNFDAC.

In November 1973, the Afghan Government and UNFDAC signed an agreement for initial U.N. assistance in law enforcement. Also, discussions have been held between Afghanistan and the United Nations on crop substitution and community development projects.

### Burma

The U.N. had been trying to help Burma since 1964, but the Burmese had opted to work alone in narcotics control efforts. In January 1973, however, the Burmese Government agreed in principle to a 5-year, \$5 million U.N. assistance effort, including narcotics enforcement, crop substitution, addict rehabilitation, and general socioeconomic infrastructure development. In 1974 UNFDAC supplied some audiovisual equipment and books on narcotics to Burma and approved the services of a consultant and the training of a laboratory technician in connection with a pilot addict treatment and rehabilitation program. A U.N. exploratory mission visited Burma in October 1974 to discuss other proposed narcotics control activities and associated UNFDAC assistance.

### INTERNATIONAL FINANCIAL INSTITUTIONS

Rising drug abuse in Western Europe and other areas has added impetus to international cooperation to arrest the problem as swiftly and effectively as possible. At the President's direction, the United States has sought to intensify its international narcotics control efforts through multilateral organizations.

On March 10, 1972, the President signed legislation authorizing the United States to increase its contributions to the international financial institutions (IFIs). This legislation, as amended, requires the Secretary of the Treasury to instruct the U.S. Executive Directors of the World Bank Group, the Inter-American Development Bank, and the Asian Development Bank to vote against any loan or other use of the institutions' funds for the benefit of any country about which the President has determined, and so advised the Secretary of the Treasury, that its government has failed to take adequate steps to prevent narcotic drugs and other controlled substances produced or processed in whole or in part in such

country, or transported through such country, from being sold illegally within the jurisdiction of such country to U.S. Government personnel or their dependents or from entering the United States unlawfully. Such instruction shall continue in effect until the President determines, and so notifies the Secretary of the Treasury, that the Government of such country has taken adequate steps to prevent such sale or entry of narcotic drugs and other controlled substances.

CCINC is responsible for implementing the statutory provisions in the Foreign Assistance Act and the various bank acts regarding foreign government cooperation in narcotics control. If CCINC concludes that a country "has failed to take adequate steps," the Secretary of State, as Chairman of CCINC, will forward to the President a recommendation for a determination to that effect. After an affirmative Presidential determination, CCINC will insure that all appropriate steps are taken to implement the statutory provisions suspending foreign assistance and related support.

The National Advisory Council on International Monetary and Financial Policies has suggested policy actions to be taken by IFIs in the drug control area. IFIs were asked to provide technical and economic assistance for development projects which directly or indirectly curb production, processing, or transportation of illegal drugs. The Council recommended that the U.S. Government (1) strongly support proposals for country or regional assistance projects meeting IFI economic criteria and having as their objective, or contributing to, the elimination of trafficking, smuggling, or production of illicit narcotics and other dangerous drugs and (2) consider assisting countries in developing sound projects and loan proposals that could lessen the illicit traffic and production of narcogenic substances.

Much IFI lending has been for transportation, port facilities, and communication projects. As a spinoff to its direct economic benefits, a project for improved telecommunications, for example, could serve as an important adjunct to the interdiction of illicit drug traffic.

The Council pointed out that to some extent agricultural diversification, infrastructural expansion, and industrial development provide economic alternatives to opium poppy cultivation and thus help to reduce narcotics production and marketing for illicit purposes. Financing these kinds of activities is a normal part of IFI operations, and the U.S. Executive Directors have been instructed to encourage their development in regions where such alternatives are feasible.

During fiscal year 1973, the International Bank for Reconstruction and Development, the International Development Association, the Inter-American Development Bank, and the Asian Development Bank authorized economic development loans totaling \$4.5 billion.

Our examination of certain IFI loans, including loan descriptions and purposes presented in the National Advisory Council's 1973 annual report, indicated that none were made to eliminate trafficking or production of illicit narcotics. We also found no evidence that the U.S. Government had helped identify or develop projects suitable for IFI financing which could lessen illicit drug trafficking and production of narcotics.

In June 1974 a Treasury Department official with IFI responsibilities could identify no IFI loans that had been made to curb trafficking or production of illicit narcotics. U.S. officials explained in April 1975 that IFI loans are made on their economic and financial merit and that, although such loans could directly or indirectly affect the production of illicit narcotics, no loans had been made with the expressed purpose of substituting for illicit narcotics production because proposals requesting IFI financing had not been expressed in those terms.

#### OTHER INTERNATIONAL ACTIVITIES

There is a growing alliance of preventive forces which can serve as effective instruments in the world campaign against spreading drug abuse. Some outstanding examples follow.

#### Colombo Plan

The Colombo Plan for Co-operative Economic Development in South and Southeast Asia came into being on July 1, 1951. The Plan, which includes 26 nations, was essentially a doctrine promoting self-help and a framework for launching a cooperative international effort to help the developing economies of newly emerged countries. Although the original plans were multilateral, bilateral arrangements became the accepted pattern and the Plan took the form of an "umbrella" rather than a self-contained international development organization.

A drug abuse adviser to the Colombo Plan Bureau assumed office on August 2, 1973, with the United States providing a 1-year supportive grant of \$85,000 in fiscal year 1973. The adviser will work with member countries and coordinate the Colombo Plan Council's activities with national, regional,



and international organizations. The current drug control program, with planned U.S. support of \$159,000, involves a seminar for senior officials of Colombo Plan countries emphasizing economic and social implications of drug abuse, remedial programs, and mutual assistance and cooperation on a bilateral, regional, and multilateral basis. During a Bangkok meeting in the fall of 1974, Colombo Plan enforcement officials adopted recommendations calling for closer cooperation between member governments in narcotics control, annual meetings of narcotics enforcement officials, and U.N. establishment of its proposed regional adviser position.

#### Pompidou initiative and European Economic Community

In August 1971 the late President Pompidou of France proposed that the European Economic Community nations and the United Kingdom cooperate against drug abuse and trafficking. Committees on coordination, harmonization of legislation, education and information, health, and enforcement were formed. Their reports were submitted at a December 1973 meeting in Paris.

Member countries maintain a continuous joint study on all aspects of the drug problem within their combined jurisdiction.

#### Customs Cooperation Council

Formed in 1950, the Council has a membership of 67 countries and is active in all aspects of customs operations, including the suppression of narcotics trafficking. The United States joined in 1970 and paid 25 percent of the annual budget, or \$300,000, for fiscal year 1972.

In 1971 the Council adopted a recommendation for exchanging information on illicit narcotics traffic. In April 1972 a U.S. law enforcement study team report noted complaints by German customs officials that the agreement to exchange information was not being carried out. In December 1973 a U.S. Customs representative to the Council said that there had been complaints on the slowness of the passage of narcotics information between countries.

In 1974 the Council established a working party of customs enforcement to give it a more active role in distributing information in all fields of customs enforcement, including narcotics interdiction. The working party has recommended Council action to meet the legal needs of countries whose laws presently restrict participation in such activities as information exchange.

Ad Hoc Committee on Illicit Traffic  
in the Near and Middle East

This committee, consisting of representatives from Afghanistan, Iran, Pakistan, and Turkey, was established in 1971. It has been given the status of a Sub-Commission by the U.N. Commission on Narcotic Drugs. Its purpose is to coordinate regional activities to counter drug abuse and find speedy means of checking the East-West flow of contraband opium and cannabis across this region.

Ad Hoc Committee on Illicit Traffic  
in the Far East Region

This committee is composed of representatives from Australia, India, Indonesia, Japan, Thailand, and the United Kingdom. It was established at the meeting of the U.N. Commission on Narcotic Drugs in January and February 1973. Its goal is to determine the most suitable means of realizing and promoting more effective cooperation and mutual assistance in suppressing illicit traffic in the Far East.

CONCLUSIONS

Multinational assistance has not yet had a strong or far-reaching effect in helping solve the international drug problem.

The relatively slow progress demonstrated by UNFDAC in implementing narcotics control activities and the minimal achievements to date have been influenced by burdensome U.N. bureaucracy, a lack of sharing of ideas and experiences between U.N. and U.S. programs in Thailand and similar U.S. programs elsewhere, and the limited success of efforts to encourage greater participation in UNFDAC by other U.N. members.

In addition, IFIs' involvement in providing direct or indirect assistance for curbing the production, processing, or transportation of illicit narcotics has been almost nil, notwithstanding recommendations made by the National Advisory Council on International Monetary and Financial Policies.

Enabling legislation is necessary to effect U.S. ratification of the Convention on Psychotropic Substances. The United States took the lead in formulating this piece of international drug control legislation which would provide international controls over such drugs as LSD, amphetamines, barbiturates, and tranquilizers.

## RECOMMENDATIONS

To achieve more tangible results in narcotics control activities, we recommend that the Secretary of State, as Chairman of CCINC:

- Urge that UNFDAC improve its policies to overcome burdensome U.N. bureaucracy so that projects can be more expeditiously implemented.
- Stress more vigorously in the United Nations the seriousness of the worldwide drug problems and obtain larger contributions to UNFDAC from other U.N. members.
- Improve the effectiveness of U.S. and U.N. narcotics control activities by closer coordination and sharing of experience and expertise.
- Encourage the international financial institutions to develop and support loan proposals with narcotics control objectives and to incorporate, where possible, narcotics control features in other loan proposals meeting IFI economic criteria.

## AGENCY COMMENTS AND ACTIONS

The Department of State reports, concerning our recommendations in this chapter, that it (1) has reiterated to appropriate U.N. bodies the concern expressed regarding improving UNFDAC project implementation, (2) plans to continue and intensify efforts to obtain greater contributions from other donors to UNFDAC, (3) has arranged for exchanging information between senior UNFDAC officials and program managers and appropriate officials within the U.S. Government on enforcement, crop substitution, and training, and (4) agrees with the recommendation on IFI assistance in the narcotics field and will take the necessary measures to enlist their support.

## MATTER FOR CONSIDERATION BY THE CONGRESS

The Congress may wish to complete its consideration of the enabling legislation that would permit the Senate to consider giving its advice and consent to ratification of the 1971 Convention on Psychotropic Substances.

INTERNATIONAL NARCOTICS CONTROL PROGRAMFISCAL SUMMARY

	Expenditures--fiscal year			
	1973 (note a)	1974	1975 (planned)	1976 (requested)
	(000 omitted)			
Latin America:				
Argentina	\$ 3	\$ 347	\$ 120	\$ 80
Bolivia	123	57	577	445
Brazil	-	184	244	190
Chile	24	70	41	170
Colombia	412	257	561	800
Costa Rica	-	-	-	57
Ecuador	405	292	527	370
Jamaica	48	323	750	150
Mexico	1,305	5,001	11,605	6,500
Panama	71	26	-	-
Paraguay	34	21	16	-
Peru	16	248	200	86
Uruguay	41	24	27	-
Venezuela	48	52	56	-
	<u>2,530</u>	<u>6,902</u>	<u>14,724</u>	<u>8,848</u>
Near East and South Asia:				
Jordan	-	-	162	-
Lebanon	65	2	5	-
Pakistan	8	893	123	3,272
Turkey	5,000	-	-	-
Regional initiatives	-	-	-	100
	<u>5,073</u>	<u>895</u>	<u>290</u>	<u>3,372</u>
East Asia:				
Burma	-	4,800	623	13,315
Indonesia	32	80	74	60
Laos	2,047	1,614	924	249
Philippines	250	352	356	110
Thailand	1,673	6,186	4,822	3,691
Vietnam	264	96	-	-
	<u>4,266</u>	<u>13,128</u>	<u>6,799</u>	<u>17,425</u>
Tunisia (\$11), Cambodia (\$7), and Korea (\$4)	22	-	-	-
Total country programs	<u>11,891</u>	<u>20,925</u>	<u>21,813</u>	<u>29,645</u>
UNFDAC	4,000	2,000	5,000	5,000
INTERPOL (note b)	-	-	135	-
Colombo Plan	85	-	159	100
CENTO (note c)	-	16	8	-
Total international organizations	<u>4,085</u>	<u>2,016</u>	<u>5,302</u>	<u>5,100</u>
Training	1,507	3,729	4,945	6,300
Treatment and rehabilitation	-	-	-	500
Program support and develop- ment	<u>421</u>	<u>454</u>	<u>816</u>	<u>955</u>
	<u>1,928</u>	<u>4,183</u>	<u>5,761</u>	<u>7,755</u>
Program total	<u>\$17,904</u>	<u>\$27,124</u>	<u>\$32,876</u>	<u>\$42,500</u>

a/There was no appropriation specifically for narcotics in fiscal year 1973; funds were drawn from other AID accounts.

b/The International Police Organization.

c/Central Treaty Organization.



## DEPARTMENT OF STATE

Washington, D C 20520

April 18, 1975

Mr. J. Kenneth Fasick  
Director  
International Division  
U. S. General Accounting Office  
Washington, D.C. 20548


Dear Mr. Fasick:

I am replying to your letter of March 4, 1975, addressed to the Secretary, which forwarded copies of your Draft Report "United States International Narcotics Control Program."

The enclosed comments have been prepared by the Office of the Senior Adviser to the Secretary and Coordinator for International Narcotics Matters.

We appreciate having had the opportunity to review and comment upon the Draft Report.

Sincerely,

  
Don C. Eller, Acting  
Deputy Assistant Secretary  
for Budget and Finance

Enclosure:

Comments.

COPY

GAO DRAFT REPORT: "UNITED STATES INTERNATIONAL  
NARCOTICS PROGRAM."

[See GAO note 1, p. 87.]

We believe the GAO Report is a comprehensive and largely accurate statement of the objectives, policies and specific activities undertaken under the auspices of the Cabinet Committee on International Narcotics Control (CCINC).

[See GAO note 2, p. 87.]

Our comments which follow on the Report represent the combined views of the Department of State, Agency for International Development (AID), and the Drug Enforcement Administration (DEA).

Cabinet Committee

On page 1, the Report indicates that the last Working Group meeting was held October 29, 1974. As we pointed out earlier, more recent Working Group meetings were held November 5, 1974 and February 11, 1975.

[See GAO note 2, p. 87.]

U.S. Opium Policy

Throughout Chapter II, the Report alleges that the U.S. opium policy is unclear to those who must implement it or be guided by it and that the U.S. should make a clear distinction in policy regarding licit, illicit and traditional opium production and use. We believe strongly that our policy regarding opium is clear, easily comprehensible, and fully understood both within the Washington community and in the field. Our policy was stated clearly at the Third Special Session of the United Nations Commission on Narcotics Drugs (CND) in February 1974 and this statement was communicated to all posts associated with our narcotic control efforts. I am providing a copy of this statement as an annex. Our U.S. opium policy was again stated at the Twenty-Sixth Session of the CND in February 1975 and I am attaching, also as an annex, our statement regarding poppy cultivation and our statement on illicit traffic. Given these clear and concise statements, we cannot concur in the GAO conclusion that U.S. opium policy is unclear.

For the purposes of elucidation ... I would like to briefly summarize our policy for you. We believe that the development of suitable synthetic drugs will be the ultimate solution to the problem of providing legitimate medicinal narcotic substances. However, since suitable

synthetics probably will not be developed in the next few years, we support continued research to develop them. In the meantime, we will continue to rely on the import of opium to meet our legitimate medical requirements. We support research to increase legal opium poppy yields by existing licit producers without significantly extending the production area and thereby increasing the control problem. We believe that higher yields can be achieved particularly through processing primary and secondary straw. At the same time, it is essential that all production of narcotic raw materials be carefully controlled to prevent diversion for illicit use. Increasing supplies must be produced solely in a manner which does not increase the risk of diversion for illicit purchases. All illicit production and diversion from legal poppy cultivation should be controlled and halted.

#### Illicit Narcotics Production and Trafficking

[See GAO note 2, p. 87.]

On page 34, the Report also stated that Government estimates indicate that about 70 percent of the heroin now reaching the U.S. comes from opium poppies grown in Mexico. This should be revised to state more accurately that based on statistics developed from drug seizures in the recent past, 70 percent of the heroin has been smuggled into the United States via Mexico.

#### Delays in Providing Equipment

[See GAO note 2, p. 87.]

#### DEA Overseas Activities

Regarding DEA overseas activities, the Report notes on page 41 that some foreign officials believed DEA should not carry out independent activities within their country. DEA activities abroad are ipso facto joint activities carried out with the cooperation and often under the guidance of the host government. We are continually concerned that DEA cooperate fully with host government law enforcement agencies and on March 17 sent a message to each diplomatic post with DEA representation asking the Chief of Mission to review standing guidelines for DEA operations overseas to ensure continued cooperative bilateral operations.

The Report goes on to allege on page 42 that DEA's overseas operational activities may be substituting for or substantially replacing the narcotics control functions of the local police, and recommends that we determine whether appropriate emphasis is being

directed toward developing and improving the narcotics enforcement capabilities of foreign governments. The primary purpose of Section 481 and 482 of the Foreign Assistance Act is to assist foreign governments in developing their narcotics enforcement potential and we are constantly reviewing the performance and improvements being made in host country efforts. However, there is still a legitimate need for DEA presence abroad in certain countries. We have recently undertaken a major effort to review the need for increased DEA personnel abroad. Each Chief of Mission, the Department and DEA have thoroughly reviewed additional DEA personnel requirements abroad and this has been studied in the light of the effect of additional DEA personnel on the development of host government capabilities. Rather than supplanting host government efforts, the personnel increases have been designed to contribute to and enhance foreign government narcotics enforcement operations.

#### Crop Substitution and Income Replacement Activities

We were pleased to note that GAO finds that this is a valuable goal since it can disrupt illegal drug trade at the source. We would like to point out, however, that crop or income substitution is a long-term effort and that we should not expect immediate results in the short term. Generally, the areas producing illicit opium require overall economic development both as a prerequisite to an effective crop substitution program and as a means of extending government control over the area through which crop substitution programs could be carried out and a ban on illicit production enforced. We do not believe Congress intended for the International Narcotics Control Program to finance 10-15 year economic development programs. The purpose of the investment of CCINC funds in this area is intended to demonstrate that within a well defined and limited geographic area successful means of alternative income can be developed and concomitantly more effective controls on illicit production can be achieved. As these objectives are realized in a pilot project setting, we believe it would then be possible to persuade the host government and international financial institutions and other donors to provide for long term development resources, including effective control measures needed to replicate the model throughout the region in question. Research activities financed with narcotics funds will be tied directly into pilot projects or areas already under development.

The Report implies that if income replacement programs fail in some countries there is little likelihood that other countries would be responsive to this concept. We doubt that this is accurate in that most countries are concerned with a discrete geographic and climatic zone within their borders which may be only remotely related to those of other countries. Crop substitution experience in one country is not necessarily a guide for the rest.



[See GAO note 2, p. 87.]

On page 57, as we noted in our earlier comments, we disagree with some of GAO's conclusions regarding crop substitution programs. When viable alternative sources of income are developed on a pilot project basis, we believe that there is a reasonable chance that the host governments could obtain and commit the long-term resources needed for the general development of the area.

#### Evaluating Foreign Government Performance

Chapter 5 of the Report alleges that the U.S. is not systematically evaluating the narcotics control performance of cooperating countries. While we are not undertaking a formalized individual country review under Section 481 criteria, a review which we feel would be a repetitious and feckless exercise, systematic procedures for the review of host government performance have been established. Each year during our annual budget cycle we request a statement from each diplomatic post on the performance of the host government, the problems it has had, and future activities and resource requirements. We review these for each country by an interagency committee. Thereafter instructions regarding the narcotics action program for that country are forwarded to the field for action. We feel this is a most appropriate point for noting any lack of cooperation or performance by a host government. This systematic mechanism we feel provides an adequate forum for evaluating foreign government performance and that, through it, the Section 481 Review is effected.

On page 62, the Report notes that criteria developed for Section 481 determinations had not been sent to any of the U.S. Missions. We are now forwarding this to the field. We believe the GAO may wish to correct the wording of the 481 procedures for clarity to the reader.

#### Afghanistan

On page 64, the Report repeats an allegation we have indicated is not true several times earlier, i.e., that opium poppies are being grown in the U.S.-financed project area in the Helmand Valley in Afghanistan.

[See GAO note 2, p. 87.]

From all indications there was no production in the Valley in 1974 nor have we any evidence to the contrary since that time in this area.

Burma, Thailand, Laos and Hong Kong

[See GAO note 2, p. 87.]

Turkey

[See GAO note 2, p. 87.]

Regional Cooperation

[See GAO note 2, p. 87.]

Gaining Effective Foreign Government Commitments

On page 72, the Report asserts that the priority which a foreign government gives to the elimination of illegal drugs often depends on U.S. influence and level of assistance. The implication of this statement might be that the U.S. Government must always use its resources to accomplish narcotics control objectives. We do not believe that this is the case. One notable exception to the assumption is Burma which developed its own narcotics control program and was not a recipient of economic or military assistance from the U.S. Government. Indeed, during the past year Burma has devoted a great deal of effort toward narcotics control. It has passed stringent legislation and the Government is obviously waging a major publicity campaign against the evils of drug abuse within the country. Page 72 also raises questions as to the level of commitment of Iran and Hong Kong, both of whom cooperate closely with the United States and have very active internal narcotics control programs. We have no basis for questioning the level of commitment of either government.

Page 73 and 74 discuss briefly the recommendation on page 75: "Require the State Department and AID to add, where opportunities arise, narcotics control features into all forms of regular development assistance agreements with foreign countries, making these features conditions precedent to loan disbursements, or actual segments of the loan or grant agreements."

It is our understanding, based on discussions with GAO staff, that the intent of this recommendation is to include narcotics control features in regular development assistance agreements only in those cases where narcotics control is related to the specific activity. For example, with respect to an irrigation project in an area which contains illicit opium production, the agreement should incorporate an undertaking by the foreign government to assure no opium is produced on land newly irrigated as a result

of the project. If this example represents the intent of the recommendation, AID accepts the validity of the recommendation and is prepared to issue the necessary instructions to assure an agreement is reached with the foreign government on appropriate narcotics control measures in conjunction with projects of this type. We believe flexibility must be maintained with respect to the type of the actual agreement to implement the narcotics control measures needed in the particular situation. For example, such agreements could be in the form of covenants within the loan or grant agreement, separate of side agreements, or when appropriate, conditions precedent to disbursement of funds. We believe it would be helpful if GAO would include in its final report the above cited example as a description of the meaning of this recommendation and provide greater flexibility in its implementation.

[See GAO note 2, p. 87.]

#### Narcotics Control and U.S. Country Objectives

In the Chapter 6, page 80, the Report notes that narcotics control was not included among formally stated U.S. objectives in some countries. This is stating the obvious as narcotics is a problem impinging on U.S. interests only in certain countries. Furthermore, narcotics control officers should certainly be aware of the overall objectives of our narcotics control program. As indicated earlier, our opium policy has twice been explained fully to the field. In October 1974, the Senior Adviser met with the President on our narcotics control activities and a Presidential Directive instructing all Ambassadors to review their control programs to see how they might be more effective was forwarded to all posts. We know of no instances where there is a lack of a clear understanding of U S. objectives in the field of narcotics control.

#### Role of Narcotics Control Action Plans

In the same chapter, the Report notes that the narcotics control action plans (NCAPs) are not bilateral agreements, should be refined and coordinated and should become action documents. It appears that there is a misunderstanding as to the purpose of the NCAPs. The NCAPs have been prepared and submitted by 59 Embassies without direct consultation with the host government. They are, however, developed with the Embassy's best understanding of what host country capabilities and resources are and what realistically can be achieved. However, they are planning and recommending documents and have not been specifically reviewed by the host government. In addition to the basic NCAPs, annual program budget submission made by each NCAP country update information contained in the NCAP, propose specific projects, and supply accompanying budget target and funding information. This is reviewed in Washington where projects are approved or modified and authority given to posts to enter into bilateral project agreements. This system, we feel, provides a consistent series of documents relating to project activities and specifies precise project input requirements, implementation schedules and evaluation plans.

With regard to the specific recommendations on page 86:

-- The Department has taken steps to assure that each overall country plan prepared by U.S. Missions in narcotics priority countries be reviewed to make certain that relevant narcotics issues be included in overall U.S.G. country objectives.

-- We have programmed additional Section 482 funds in the treatment/rehabilitation area for fiscal 1976 and are requesting \$500,000 for this. While we see overall program advantages to being involved in drug abuse prevention and treatment, we cannot get into the role of attempting to cure the world's addicts. We feel that we should provide assistance in this area basically only when it will have the effect of encouraging the host government to recognize its own drug abuse problem and to undertake enhanced enforcement activities to help deal with it. In anticipation of a larger role by CCINC in drug abuse treatment and prevention in the future, we have developed draft guidelines for funding these types of projects and they are likewise included as an appendix.

--While we agree that earlier NCAPs were somewhat deficient as planning documents, there have been marked improvements in this year's program submissions. On the basis of detailed program guidance which soon will be issued to all Missions, we are confident that there will be continuing improvement in the quality of the planning documents.

United Nations Fund for Drug Abuse Control

[See GAO note 2, p. 87.]

On page 93, the Report implies that UN bureaucratic infighting over the Thai project caused delays in implementation. GAO should note, however, that rather than bureaucratic infighting, this was the first UN UNFDAC activity in any country and lines of responsibility and authority among a variety of UN agencies had to be resolved. This is the normal course during the formation period of any new UN agency.

Thailand

[See GAO note 2, p. 87.]

International Financial Institutions

[See GAO note 2, p. 87.]

With regard to the specific recommendations on page 103:

-- The concern expressed regarding improving UNFDAC project implementation was most recently reiterated at the Commission of Narcotic Drug meeting in Geneva in February 1975. The UN Fund has taken a number of positive steps to remedy this situation, including, for example, the employment of a new Deputy Director and has more recently borrowed American technical personnel for short term assistance in project planning.


-- We have repeatedly stressed our concern about the need for greater contributions from other donors to the Fund and have instructed our Embassies to approach host government officials along these lines. During 1974 we sent six separate instructions along these lines to appropriate diplomatic posts. We spoke to the CND on this in February 1974 and

again in the Twenty-Sixth Session in 1975 and addressed this subject in the May 1974 ECOSOC meeting and the Third Committee meeting in November 1974. We have also held bilateral consultations separately with selective governments on this topic. We plan to continue and intensify these efforts.

-- We believe we have developed an effective framework to assure close coordination between the USG and UNFDAC on narcotics control programs. A senior officer stationed in Geneva maintains daily contact with UNFDAC and arrangements have been made for the exchange of information between senior Fund officials and program managers and appropriate officials within the USG in such areas as enforcement, crop substitution and training.

-- We agree with the recommendation regarding IFI assistance in the narcotics field and will take the necessary measures to enlist their support.

[See GAO note 2, p. 87.]



---

David H. Ernst  
Acting Senior Adviser and Coordinator  
for International Narcotics Matters

Annexes

[See GAO note 3.]

- GAO notes:
1. References in this appendix may not correspond to the pages and sections cited.
  2. Deleted comments relate to suggested changes that have been made, and matters revised or omitted in the final report.
  3. Pertinent information included in the four annexes provided by the agencies has been incorporated in the final report, as appropriate.

PRINCIPAL OFFICIALS  
RESPONSIBLE FOR ACTIVITIES  
DISCUSSED IN THIS REPORT

Appointed

PRESIDENT'S CABINET COMMITTEE FOR  
INTERNATIONAL NARCOTICS CONTROL (note a)

SECRETARY OF STATE, CHAIRMAN:

William P. Rogers	Aug. 1971
Henry A. Kissinger	Sept. 1973

SECRETARY OF DEFENSE:

Melvin R. Laird	Aug. 1971
Elliot L. Richardson	Jan. 1973
William P. Clements, Jr. (acting)	Apr. 1973
James R. Schlesinger	June 1973

SECRETARY OF AGRICULTURE:

Clifford M. Hardin	Sept. 1971
Earl M. Butz	Nov. 1971

SECRETARY OF THE TREASURY:

John B. Connally, Jr.	Aug. 1971
George P. Schultz	June 1972
William E. Simon	May 1974

DIRECTOR, CENTRAL INTELLIGENCE AGENCY:

Richard Helms	Aug. 1971
James R. Schlesinger	Feb. 1973
Vernon A. Walters (acting)	July 1973
William Colby	Sept. 1973

ATTORNEY GENERAL:

John N. Mitchell	Aug. 1971
Richard G. Kleindienst (acting)	Feb. 1972
Richard G. Kleindienst	June 1972
Elliott L. Richardson	May 1973
Robert H. Bork, Jr. (acting)	Oct. 1973
William L. Saxbe	Jan. 1974
Edward H. Levi	Feb. 1975

U.S. AMBASSADOR TO THE UNITED NATIONS:

George Bush	Aug. 1971
John A. Scali	Feb. 1973
Daniel P. Moynihan	June 1975

AppointedDEPARTMENT OF STATE

## SECRETARY OF STATE:

William P. Rogers	Jan. 1969
Henry A. Kissinger	Sept. 1973

SENIOR ADVISER TO THE SECRETARY  
AND COORDINATOR FOR INTERNATIONAL  
NARCOTICS MATTERS:

Nelson G. Gross	Aug. 1971
Harvey K. Wellman (acting)	Feb. 1973
Ambassador William J. Handley	May 1973
Ambassador Sheldon B. Vance	Apr. 1974

AGENCY FOR INTERNATIONAL DEVELOPMENT

## ADMINISTRATOR:

John A. Hannah	Mar. 1969
Daniel S. Parker	Oct. 1973

DEPARTMENT OF JUSTICEDIRECTOR, BUREAU OF NARCOTICS AND  
DANGEROUS DRUGS (note b):

John E. Ingersoll	Aug. 1968
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## ADMINISTRATOR, DRUG ENFORCEMENT

## ADMINISTRATION:

John R. Bartels, Jr. (acting)	July 1973
John R. Bartels, Jr.	Oct. 1973
Henry S. Dogin (acting)	June 1975

a/The Committee was established by the President on August 17, 1971.

b/The activities discussed in the report were previously the responsibility of the Bureau of Narcotics and Dangerous Drugs. Effective July 1, 1973, the Bureau and several other Federal agencies involved with drug enforcement merged to form DEA. All Bureau functions were transferred to DEA.





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