THE U.S. HEROIN PROBLEM AND SOUTHEAST ASIA

REPORT
OF A
STAFF SURVEY TEAM
OF THE
COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES

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FOREWORD

House of Representatives,
Committee on Foreign Affairs,

This report has been prepared for the Committee on Foreign Affairs by a staff survey team comprised of Dr. John J. Brady and Robert K. Boyer, staff consultants to the committee.

The findings contained in the report are those of the staff survey team, and do not necessarily reflect the views of the members of the Committee on Foreign Affairs.

Thomas E. Morgan, Chairman.

(III)
LETTER OF TRANSMITTAL

WASHINGTON, D.C.,

Hon. Thomas E. Morgan,
Chairman, Committee on Foreign Affairs,
Washington, D.C.

There is transmitted herewith a report of a staff survey which was conducted per your instructions between August 16, 1972, and September 3, 1972.

The purpose of the survey was to gather information pertaining to the production and smuggling of heroin in Southeast Asia and to ascertain the steps that the governments of Southeast Asia are taking to help control illegal international narcotics trafficking.

During the course of the study, the survey team met in Washington with U.S. Government officials involved in the international aspects of the narcotics control problem, including representatives of the Department of State, the Department of Justice, including the Bureau of Narcotics and Dangerous Drugs, the Department of the Treasury, the White House, and the Central Intelligence Agency.

In the field, the survey team met with U.S. diplomatic, intelligence, and narcotics control officials; with foreign law enforcement and other government officials responsible for narcotics control efforts in Japan, Hong Kong, South Vietnam, Laos, Burma, and Thailand; and with representatives of the United Nations Special Drug Abuse Fund, former military leaders, and private citizens.

The survey team would like to express its thanks and appreciation for the assistance, advice, cooperation, and hospitality extended during the course of its investigations.

John J. Brady.
Robert K. Boyer.
GLOSSARY

BNDD. Bureau of Narcotics and Dangerous Drugs
BCP-WF. Burma Communist Party (White Flag faction)
BCP-RF. Burma Communist Party (Red Flag faction)
CCINC. Cabinet Committee on International Narcotics Control
CIA. Central Intelligence Agency
CIF. Chinese Irregular Forces
FAO. Food and Agricultural Organization
GAO. General Accounting Office
GVN. Government of Vietnam
GSI. Group Spéciale d'Investigation (Lao Narcotics Enforcement Agency)
INR. Bureau of Intelligence and Research, Department of State
INTERPOL. International Criminal Police Organization
KIA. Kachin Independence Army
KKY. Burmese Self-Defense Force Units
KMT. Remnants of Chinese Nationalist Forces now living in northeastern Burma and northern Thailand
KNU. Karen National Union
KNUP. Karen National Unity Party
MACV. United States Military Assistance Command, Vietnam
MAP. United States Military Assistance Program
MLG. Mon Liberation Group
NMSP. New Mon State Party
No. 4 Heroin. White in color and powder-like in form, this is the most potent variety of heroin and is usually injected by the user
No. 3 Heroin. Purple or brown in hue; this form of heroin is less pure than the No. 4 variety; it is usually smoked by the user
NULF. National United Liberation Front
ONNI. Office of National Narcotics Intelligence
OSI. Office of Strategic Intelligence, Bureau of Narcotics and Dangerous Drugs
SAODAP. White House Special Action Office for Drug Abuse
SNO. Special Narcotics Organization, Thailand
STOL. Short take-off or landing aircraft
SSIA. Shan State Independence Army
SSURA. Shan State United Revolutionary Army
TNPD. Thailand National Police Department
UNFDAC. United Nations Fund for Drug Abuse Control
U.S. AID. United States Agency for International Development
WHO. World Health Organization
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INTRODUCTION

The use of heroin in the United States has reached epidemic proportions. (For background see Appendix A, p. 63.)

Until mid-1971, the Bureau of Narcotics and Dangerous Drugs (BNDD) estimated that 80 percent of the heroin entering the United States originated in the poppy fields of Turkey.

On June 30, 1971, the Government of Turkey announced that it would stop growing poppies after 1972. In return, the United States agreed to furnish $35 million in financial assistance to help alleviate economic difficulties resulting from the ban on opium production.

As a result of the decision by Turkey to stop growing poppies there is concern in the United States that the countries of Southeast Asia will replace Turkey as the major source of supply for heroin in the United States. For if the decision by the Government of Turkey to discontinue opium production eliminates that country as a source of opium, the international and domestic U.S. drug peddlers will turn to other areas of the world for heroin, particularly Southeast Asia.

There are those who argue that much more heroin already enters the United States each year from Southeast Asia than the 5 to 10 percent estimated by Nelson Gross, Special Assistant to the Secretary of State for Narcotics Matters. For example, a recent report by the Strategic Intelligence Office of the Bureau of Narcotics and Dangerous Drugs stated, “More of the heroin reaching the United States is from this area than conventional knowledge has recognized.”

A senior official of the Bureau said “Southeast Asia is playing a more important role and more heroin is coming from that part of the world. The exact amount cannot be ascertained because the chemists are unable to determine beyond a reasonable doubt where heroin originates. Therefore, it is not possible to determine how much Southeast Asian heroin is entering the United States.”

While the percentage of Southeast Asian heroin entering the United States cannot be determined with any accuracy or certainty, there is no doubt that that area can and does produce more than enough opium to replace Turkey as the major supplier to the illegal market in the United States.

It is estimated that three countries, Burma, Laos, and Thailand, produce about 700 tons of opium per year. This amount of opium will yield 70 tons of heroin which is many times the estimated 10 to 12 tons required to sustain the heroin population of the United States.

Before 1970 the bulk of Southeast Asia’s opium was consumed by Asians, mostly in the form of opium or as No. 3 purple smoking heroin. A small amount, less than 10 tons of opium equivalent, was sold to non-Asians in the form of high quality injectable heroin (No. 4 heroin).

This pattern began to change in 1970 when 90 to 98 percent pure No. 4 white heroin began to appear in South Vietnam. By spring of 1971 the widespread use of No. 4 heroin by U.S. troops in Vietnam had reached alarming proportions. It was in great supply, it was readily available and the market was profitable.
That market has almost disappeared with the reduction in U.S. troop levels in Vietnam from about 300,000 in mid-1971 to less than 30,000 in November 1972. The question is what will the illegal heroin traffickers do? Will they attempt to increase the amount of heroin being smuggled out of Southeast Asia to the United States and Europe, or will they be satisfied to cater to the hundreds of thousands of opium addicts in Southeast Asia as in the past?

Reliable U.S. intelligence sources are convinced that there are large quantities of opium and heroin hidden in warehouses in Vietnam and Burma and there is apprehension that those who deal in opium and heroin will soon begin moving it to the United States or to Europe in greater quantities than heretofore.

As a result of the widespread use of heroin among U.S. servicemen in South Vietnam, the growing number of addicts in the United States and the determination to lessen the threat that Southeast Asia will become the primary source of heroin in the United States, the U.S. Government has initiated programs designed to encourage the governments of Southeast Asia to take effective action to stop cultivating poppies and to interdict the movement of narcotics into and through those countries.

To date progress has been slow. Initially, U.S. officials failed to recognize the dimensions of the problem and efforts to gain international cooperation were not given the priority necessary to convince foreign governments that the United States needed and expected their cooperation and assistance. Prior to the end of 1970 and before the seriousness of the heroin problem in South Vietnam became known, U.S. officials were not overly concerned about the production and use of narcotics in Southeast Asia. It was regarded as a local problem, which from the advantage of hindsight was naive. Second, many foreign governments regarded the heroin problem as being uniquely American and have been slow in reacting to U.S. initiatives to develop programs to stop the production of and the trafficking in narcotics, particularly heroin.

Third, the governments of Southeast Asia do not exercise effective administrative or political control over large areas of the opium growing and heroin producing regions.

Cambodia, Laos, and South Vietnam are engaged in hostilities and Burma and Thailand are confronted by insurgent movements which hinder effective government control of the mountain regions where poppies are grown.

Fourth, there is widespread corruption in Southeast Asia and there are reports that high-ranking government officials, particularly in Laos and South Vietnam, are involved in the illicit production of and trafficking in narcotics. The narcotics trafficker is a resourceful, sophisticated operator with the financial resources needed to buy political protection.
Fifth, there has been and is a shortage of trained personnel available for narcotics control. It will take time to develop a cadre of officials with the expertise required to effectively deal with the narcotics trafficker.

These are some of the problems. What is being done to overcome them? Is the United States properly organized at home and abroad to provide the leadership, advice and assistance required to conduct a successful campaign against the international drug trafficker? Are the countries of Southeast Asia doing all that is necessary and possible, to eradicate the production of, and trafficking in opium and its derivatives? What are the prospects that the combined efforts of the United States and the various governments of Southeast Asia will inhibit or prevent the flow of narcotics from that region into the United States?

This report deals with these and related questions.
U.S. INTERNATIONAL NARCOTICS CONTROL ORGANIZATION

CABINET COMMITTEE FOR INTERNATIONAL NARCOTICS CONTROL

On September 7, 1971 the President established the Cabinet Committee for International Narcotics Control to coordinate anti-narcotics activities.

The Cabinet Committee is responsible for the “formulation and coordination of all policies of the Federal Government relating to the goal of curtailing and eventually eliminating the flow of illegal narcotics and dangerous drugs into the United States.”

Because the cooperation of foreign governments is absolutely essential if these objectives are to be achieved the Secretary of State was designated Chairman of the Cabinet Committee. Its members include the Attorney General; the Secretaries of Defense, Treasury, Agriculture, the Permanent United States Representative to the United Nations; the Director of the Central Intelligence Agency, and such others as may be deemed necessary by the Secretary of State.

The Executive Director of the Cabinet Committee is a Special Assistant to the President.

The Committee is supported by a Working Group composed of personnel from each of the Departments and Agencies represented on the Cabinet Committee, the National Security Council, and the Special Action Office for Drug Abuse Prevention. The Chairman of the Working Group is also the Executive Director of the Cabinet Committee.

The Working Group has seven functional subcommittees—Law Enforcement, Intelligence, Public Information, Diplomacy and Foreign Aid, Congressional Relations, Rehabilitation and Treatment, and Research and Development.

Under the Working Group is a Coordinating Subcommittee which is a staff level group responsible for coordinating interagency narcotics control actions within five geographic regions. This group which develops policy recommendations and monitors implementation is also chaired by a White House Official who is responsible to the Chairman of the Working Group. The following chart shows the organizational structure of the Cabinet Committee.
The Cabinet Committee's international effort is to coordinate action:
(1) to gain the cooperation of other countries in the narcotics control program;
(2) to develop the climate in which foreign law enforcement officials will work in conjunction with United States officials, particularly BNDD and Customs; and (3) to gather intelligence regarding illicit opium production and trafficking.

The major responsibility for coordinating and carrying out the international aspects of the narcotics control problem rests with the Department of State and BNDD, with strong supporting assistance from the Central Intelligence Agency, United States Customs, the Agency for International Development, and such other Federal agencies as are required from time to time.
The Secretary of State has appointed a Senior Adviser and Coordinator for International Narcotics Matters.

In addition, the regional and functional bureaus in the Department have designated drug control coordinators and each of the five geographic bureaus chairs an Inter-Agency Narcotics Control Committee.

To complement the Washington effort, Narcotics Control Coordinators have been designated at virtually all foreign posts. The Coordinators operate within the framework of the Country Team which utilizes the expertise of all appropriate agencies represented at the Mission, particularly BNDD, Customs, CIA, AID, and the U.S. Information Agency.

For most countries where narcotics and other dangerous drugs are produced or transported, Narcotics Control Action plans have been developed to help increase the effectiveness of programs to reduce or eliminate the production and flow of narcotics.

The United States has also expanded the activities of BNDD and Customs abroad and the Central Intelligence Agency has been instructed to coordinate the collection of narcotics intelligence.

BUREAU OF NARCOTICS AND DANGEROUS DRUGS

The Bureau of Narcotics and Dangerous Drugs (BNDD) is the principal Federal law enforcement agency operating in the narcotics suppression area. The primary mission of BNDD is to disrupt the illegal traffic in narcotics which is organized at an international or interstate level. The emphasis of the international effort is on stopping the flow of narcotics as close to the foreign poppy field as possible and, in conjunction with the Bureau of the Customs and foreign enforcement officials, to disrupt the illegal commerce in narcotics before they enter the United States.

In Southeast Asia, BNDD officials have established working relationships with their counterparts. This cooperation has led to an increase in enforcement efforts, particularly in Laos, Thailand, and South Vietnam, where special narcotics suppression units have been established with the advice and assistance of BNDD agents who work side by side with local enforcement officials.

The significance of this should not be overlooked. The fact that a country admits law enforcement officials from another country and permits those officials to participate in law enforcement activities involves certain political risks for the governments involved. This willingness to cooperate with the United States in programs which are aimed at controlling and eliminating drug abuse is vital if the illegal traffic in heroin is to be suppressed.

Of the 120 BNDD Special Agents serving in various overseas locations, 21 are stationed in Southeast Asia as follows:

- Thailand: 12
- Singapore: 2
- Laos: 2
- Malaysia: 2
- Saigon: 3
As important as bilateral programs are to the solution of the problems, in the final analysis the suppression of narcotics in Southeast Asia will require regional cooperation. To attack it, therefore, requires coordination between narcotics law enforcement officials of all countries in the area.

The United States is attempting to encourage regional cooperation in Southeast Asia through the Regional BNDD Office which is located in Bangkok. While there has been little success in these efforts and the results are not yet satisfactory, several countries are developing an awareness of the need to coordinate activities and to exchange information.

BNDD agents in Southeast Asia also work closely with U.S. Customs officials stationed in the area.

U.S. BUREAU OF CUSTOMS

Briefly stated, the role of the U.S. Bureau of Customs is to prevent the illegal entry of narcotics into the United States.

It is the contention of U.S. Customs that the best place to interdict the flow of narcotics is at the U.S. border. As several Customs officials explained, "the bottleneck in narcotics smuggling is at the U.S. border and this is the best place to attack the problem." This has not proved to be completely effective, however, for in spite of intensified inspection and examination procedures, an unknown quantity of heroin slips by Customs and enters the United States each year. As part of its program to impede the illegal flow of narcotics the United States has offered Customs assistance to foreign countries (1) to improve inspection and screening of traffic at lawful points of entry and exit; and (2) to prevent smuggling at border and coastal points and interior air strips.

U.S. Customs agents are stationed in several countries around the world, including Laos, Thailand, and South Vietnam. These agents advise and assist local customs officials and in Laos conduct inspections and examinations of aircraft personnel and baggage entering or leaving the country. In addition, U.S. Customs agents participate in border patrol operations along the Mekong River in the Golden Triangle. And in March 1972 Customs began recruiting 25 agents with intelligence experience to collect data on smuggling operations abroad. These agents are being assigned to principal opium source countries or at key points along the smuggling routes to the United States. (At the time the Survey Team was in Southeast Asia, Customs intelligence personnel were in Laos and South Vietnam but not in Thailand.)

According to several Customs officials in Southeast Asia and in Washington, the raison d'être for establishing an intelligence collection capability was that "BNDD did not share all of the intelligence that it collected." One particularly outspoken official said, "BNDD is not likely to work on behalf of Customs. As a result it was decided to send our own intelligence agents overseas." Unfortunately, like many BNDD agents overseas, all of those Customs intelligence officials do not speak the language of the country in which they are stationed.

On the other hand, BNDD officials complained that Customs is "not entirely forthcoming with a lot of the information that they get. BNDD does not receive a regular flow of intelligence from Customs."
It is deplorable that this situation exists. The ultimate objective is to stop heroin from reaching the addicts and it will require the whole-hearted participation and cooperation of all parties and agencies involved. The dimensions of the problem are such that the United States cannot afford the luxury of interagency friction.

CENTRAL INTELLIGENCE AGENCY

In war, intelligence on the activities of the enemy is vital. This is especially true of the war on narcotics where the entire process is clandestine. Poppies are grown illegally. Opium is purchased from the grower covertly, processed in illicit laboratories and smuggled across national borders in violation of international and national laws.

Prior to the establishment of the Cabinet Committee, narcotics intelligence was the responsibility of the Bureau of Narcotics and Dangerous Drugs. This was an unsatisfactory arrangement. The view of several U.S. officials was that BNDD agents were not trained to handle the collection, collation, analysis, and dissemination of foreign intelligence. As a result, a lot of good intelligence went largely unused.

To remedy this situation and to improve the quality of intelligence, the President directed the Central Intelligence Agency to give narcotics intelligence collection a major priority. The Agency has done this.

It is the consensus among most officials with whom the Survey Team met, in and out of the intelligence community, that the inclusion of CIA in the narcotics intelligence collection effort was necessary. The Agency has the expertise, the resources, and the contacts that BNDD and Customs do not have. These same officials are concerned, however, that the requirement to participate in the narcotics intelligence effort will interfere with the Agency's capability in other areas. This concern is valid. While CIA was given the responsibility, the Agency was not authorized additional personnel, and overall funding was reduced.

In Southeast Asia, the CIA has been given the responsibility for coordinating the narcotics intelligence collection activities of the various U.S. Missions.

To prevent any of the agencies engaged in collecting intelligence on narcotics from using the same informers, the CIA provides coordinated intelligence support. This enables them to monitor the program and insure maximum effectiveness with a minimum amount of confusion and duplication.

Domestically, a Central Intelligence Agency official serves as Chairman of the Cabinet Committee's Working Group Subcommittee on Foreign Intelligence. The purpose of this subcommittee is to coordinate the foreign intelligence collection effort at the Washington level and to develop collection guidelines for the field. The subcommittee conducts its activities on an informal rather than organizational basis.

As a result, a working relationship has developed among the individual representatives of its more important components; i.e., CIA, BNDD, and Customs.

In the past, the Agency has produced a number of Intelligence Memoranda on various aspects of the international narcotics problems, for the use of the Department of State, BNDD, Customs, and other agencies. While there are no such documents being produced at the
present time CIA does disseminate intelligence within the U.S. narcotics control community as it becomes available. This intelligence has led to a number of arrests and seizures of heroin, both in the United States and abroad.

In the past year there have been several public allegations to the effect that the Central Intelligence Agency has been involved, directly or indirectly, in narcotics traffic in Southeast Asia. During the course of its investigations the Staff Survey Team investigated these charges carefully, both in Southeast Asia and in Washington. The Staff Survey Team found no evidence to support these allegations.

There are other intelligence analysis groups working on the problem. There is a Strategic Intelligence Office (SIO) in the Bureau of Narcotics and Dangerous Drugs. Customs has an Intelligence Division with a group that confines its activities to narcotics intelligence and the Bureau of Intelligence and Research (INR) in the Department of State occasionally produces studies on international narcotics. In July 1972 another intelligence group was created in the Justice Department—the Office of National Narcotics Intelligence (ONNI).

**OFFICE OF NATIONAL NARCOTICS INTELLIGENCE**

On July 27, 1972, the President directed the Attorney General to establish an "Office of National Narcotics Intelligence" (ONNI). The office is headed by a Director who is responsible to the Attorney General.

In the Executive Order creating ONNI, the President directed that the Director:

1. Be responsible for the development and maintenance of a National Narcotics Intelligence System;
2. Be authorized to provide narcotics intelligence to any Federal, State, or local official with a legitimate official need to have access to such intelligence;
3. Cooperate with the Director of the Office of Drug Abuse Law Enforcement in order to assist him in insuring that all steps permitted by law are being taken by Federal, State, and local governments, and to the extent feasible, by private persons and organizations, to prevent drug abuse in the United States.

To carry out these instructions, the President further directed that each department and agency of the Federal Government assist the Director of ONNI in the performance of "functions assigned to him" and authorized the Director to utilize the services of any Federal and State agency as "available and appropriate."

The reasons most often cited for the establishment of the Office of National Narcotics Intelligence is that there was no central repository where the information being collected was collated and analyzed. As a result, much valuable information which would have been useful to the Cabinet Committee and to domestic law enforcement agencies was not available.

Another important reason is that due to the dual international-domestic relationship of the anti-narcotics effort, it was necessary to place the responsibility for coordinating intelligence activities in a department which had jurisdiction to operate in the United States. The CIA is precluded by law from performing such a function and
the Department of State has neither the authority nor the resources to manage such activities.

The Department of Justice, on the other hand, has law enforcement jurisdiction in the United States. Moreover, through its membership on the Cabinet Committee it is able to function as the bridge between the overseas and the domestic aspects of the overall United States effort to suppress illicit traffic in narcotics.

In order for an intelligence analysis group to be effective, it must have a constant flow of information from the field; it must have qualified analysts; it must have a data storage capability; it must have an awareness of the requirements of its customers; and it must have a responsive communications network in order to receive and dispatch information rapidly.

Why, then, was it necessary to establish an Office of National Narcotics Intelligence in the Department of Justice separate and distinct from the Bureau of Narcotics and Dangerous Drugs which has an Office of Strategic Intelligence (OSI)? OSI is operational—it has experienced analysts; it has a communications capability; it has a limited data storage capability which can be expanded. BNDD agents are and have been operating in foreign countries and they have developed working relationships with State and local law enforcement agencies. ONNI, on the other hand, must develop assets which BNDD already possesses. This will require more time than has been anticipated. For despite the fact that ONNI was established on July 27, 1972, it is not yet operational. Originally it was thought that ONNI would be functioning by the beginning of October. This estimate, which was revised to mid-November, has now been changed to “around Christmas”. There are a number of reasons for this.

First, ONNI did not have any funds until the Congress appropriated $2.1 million for the Office in October 1972. Second, the Director, who was appointed in July, was assigned two small rooms in the Department of Justice annex and, as of November 16, 1972, still did not have space sufficient in which to establish a working office.

Third, the precise role that ONNI is expected to play in the overall U.S. effort to control drug abuse has not been articulated and there is confusion within the narcotics suppression community as to what the relationship between ONNI on the one hand and BNDD, Customs, State, and CIA on the other, will be.

It was the opinion of many narcotics officials that before ONNI can perform a useful function in the overall narcotics suppression effort, its precise role and position must be more clearly defined. Whatever that role, it will be some time before ONNI develops the capability to produce and disseminate meaningful and useful intelligence on narcotics.

EFFECTIVENESS OF THE CABINET COMMITTEE

As an organization, the Cabinet Committee has not been particularly active. There has been one formal meeting since it was established on September 7, 1971, and the Working Group which is the operating arm of the Committee, has met only three times. Asked why the Cabinet Committee, and especially the Working Group met so infrequently, several senior officials responded that because the mem-
bers of the Working Group represented independent, autonomous agencies and bureaus, each with a different frame of reference and each with a different approach to the problem, the meetings resulted in arguments, and that no decisions are reached. As a result, the anti-narcotics effort is conducted on a personal relationship basis. This system cannot work, however, unless there are dedicated full-time individuals with full authority to represent the agencies and the White House.

This pretty well sums up the shortcomings in the U.S. organization to combat drugs on an international level. Petty bureaucratic jealousies over jurisdiction have inhibited the activities of the Cabinet Committee. This in turn has hampered efforts to mobilize the full resources and to coordinate the agencies of the Federal Government involved in the anti-narcotics struggle. Fortunately this situation does not appear to be as severe in Southeast Asia as it is in Washington. While minor personnel and bureaucratic tensions do arise from time to time, for the most part the representatives of the different agencies, departments, and bureaus work closely with each other and the problems that are present in Washington do not seem to have been exported.
THE NARCOTICS SITUATION IN SOUTHEAST ASIA

OPium Production in the Golden Triangle

The remote Golden Triangle area of Northern Thailand, Eastern Burma, and Western Laos produces more than one-half (700 tons) of the world’s illicit opium (990–1,210 tons). (See map No. 1.)

Efforts to control the production of opium in the Golden Triangle have been unsuccessful. There are several reasons for this.

First, opium represents the only cash crop for the tribes producing it. In many cases, the cash that opium brings, or the opium itself, is used to purchase, or barter for, the arms, ammunition, and supplies needed to support the insurgent groups that operate throughout the area.

Second, most poppy growers are simple hill tribesmen who are unaware of the dimensions of the world heroin problem. The tribes have accepted the use of opium and its derivatives for centuries, and appear to be unaware of the fact that the opium they produce contributes to a serious cultural and sociological problem in the United States and around the world.

The most important factor hindering effective control of opium production, however, must be attributed to the fact that the area has not been under the control of any government and as a matter of fact has been dominated by the several insurgent groups that operate in the Golden Triangle.

The governments involved have been plagued by civil wars and insurrections for over two decades. Given the inability of the Governments of Burma, Laos, and Thailand to assert effective administrative and political control over this area, it is unlikely that the production of opium can be stopped, at least in the foreseeable future.

Unfortunately, once the opium or heroin gets into the international smuggling network, at least part of it will reach the addict in the United States. For when the illegal product fans out from the Golden Triangle, it becomes increasingly difficult to intercept. The following map shows the probable smuggling routes from the Golden Triangle.

Nevertheless, if the worldwide scourge of heroin is to be controlled, or eliminated, it is imperative that the governments in Southeast Asia take positive action to inhibit the production and smuggling of opium and its derivatives, morphine and heroin.

To augment the fight against heroin, all governments must improve their enforcement capability. They must take action to intercept smugglers as they come out of the Golden Triangle before the narcotics

(13)
reach Bangkok, Vientiane, Saigon, Hong Kong, Manila, Tokyo, and eventually the United States.

The Governments of Laos and Thailand, with the advice and assistance of the United States, have taken steps to stop the growing of poppies and have created special police organizations to improve enforcement efforts. Unfortunately, the Government of Burma has refused to accept any assistance from the United States or to cooperate with the other governments and insists on dealing with the problem unilaterally. If the combined efforts of American, Lao, and Thai authorities were successful, the problem still would not be solved as long as the Burmese portion of the triangle is operational.
Opium Growing Areas
BURMA  Major Areas of Insurgent Activity
Of the three countries with territories in the Golden Triangle, Burma presents the most perplexing problem for the United States. An estimated 400 metric tons, or more than one-half of the entire illicit opium output in the Golden Triangle is produced within Burma. Yet, unlike Laos and Thailand, United States presence and influence in Burma is negligible.

To appreciate the complexity of the problem of eradicating the production of and traffic in opium in Burma, it is necessary to recognize the various elements which contribute to that problem.

INSURGENCY IN BURMA

Burma has been beset with insurgency for over 25 years. In 1949-50, the Government of the Union of Burma came very close to being overthrown by the combined attacks of Communist and Karen forces (estimated in excess of 20,000), but it succeeded in defending Rangoon and ultimately in expelling the insurgents from the more populated areas. Subsequent factionalization along ideological, ethnic, or political lines has prevented the insurgents from uniting into a serious threat to the central government. However, more than 30 percent of the country is estimated to be effectively denied to the government by insurgent forces whose numbers probably still exceed 15,000 although accurate estimates of their numbers are difficult. As indicated by the map facing this page, insurgent forces are active in and actually control parts of the Burmese area located in the Golden Triangle as well as the Chin Special Division in western Burma.

The following summary lists the major insurgent groups, their location and political orientation:

*Burma Communist Party—White Flag (BCP-WF)*

Estimated to number between 4,000 and 6,000, the BCP-WF is located throughout the delta area and in lower Burma as well as in the northern Shan State along the Sino-Burmese border where its major forces are found.

The White Flags are essentially two separate groups—the original Burman insurgents in lower Burma and a primarily ethnic insurgency created and supported by the Peoples Republic of China (PRC) along the border. The former group has been racked by internal purges and severe Government of Burma military pressure and in recent years has been limited to sporadic acts of terrorism and sabotage. In comparison, the White Flag insurgents along the Chinese border are very effective with large, well-armed forces. They have been increasingly aggressive during the past year and control large areas of the northern Shan state between the Salween River and the border. A clandestine radio station, the “Voice of the People of Burma” contributes propaganda support.
Burma Communist Party—Red Flag (BCP-RF)

Numbering only 500, this faction of the BCP inhabits the lower Irrawaddy delta, the Arakan hills, and the Katha District north of Mandalay. Trotskyite in persuasion, the BCP-RF split from the World War II united front in 1946. Losing much of its effectiveness after the capture of a key leader in 1970, BCP-RF engages in occasional acts of terrorism.

Kachin Independence Army (KIA)

The 4,000-man Kachin Independence Army occupies the Kachin State and part of the northern Shan State. Possessing a Christian, anti-Communist background, the KIA’s purpose is to create an independent state for the 350,000 Kachin ethnics in the area. Trade in opium and jade provides the KIA with its principal revenue. Because its members spill over into the northern Shan States, the KIA is in conflict with the White Flag insurgents over control of the area.

Karen National Unity Party (KNUP)

Believed to number between 750 and 1,500, the KNUP is located in the delta region of Burma: Because of its leftist separatist tendencies, the KNUP cooperates with the White Flag to a degree. However, there are frequently shifting alliances among individual units.

National United Liberation Front (NULF)

Estimated at 1,000, the NULF operates in both the Karen State and Tenasserim Division with training bases located along the Thai-Burmese border. The NULF represents a coalition of former Prime Minister U Nu’s Parliamentary Democracy Party (PDP) and Mons and Karens whose objective is to restore U Nu who is now operating from Thailand to power. Increased activity by the NULF has caused a deteriorating security situation in Tenasserim.

Karen National Union (KNU)

Some 2,000 strong, the KNU is located in the Karen State and has small groups in the delta area and in the Pegu and Tenasserim Divisions of Burma. Consisting predominantly of Christian non-Communists, the KNU includes defectors from the KNUP and other Karen groups such as the Karen National Defense Organization (KNDO) and the Karen National United Front (KNUF). The KNU is also allied with U Nu’s National United Liberation Front (NULF).

Shan State Independence Army (SSIA) and Shan State United Revolutionary Army (SSURA)

Estimated to range from 2,000 to 2,500 in strength, these groups operate throughout the Shan State. As a movement, the Shan effort remains splintered and ineffective despite recurrent efforts at unification. However, the Shans have resisted Communist Party penetration attempts. Some groups among the Shans cooperate with the Burmese government as a People’s Militia against the BCP insurgency. A major source of revenue for the Shans is the opium trade.

Mon Liberation Group (MLG) and New Mon State Party (NMSP)

Each numbering around 1,000, the MLG and NMSP are located in the Tenasserim Division along the Thai-Burmese border. These are separatist groups representing a small ethnic minority. Some of their
members are allied with U Nu and others are associated with the White Flag Communists and KNUP.

**Chinese Irregular Forces (CIF)/Kuomintang Remnants (KMT)**

Numbering approximately 2,000 the CIF/KMT are located along the Thai-Burmese and Sino-Burmese borders and in northern Thailand. Although they are not actually insurgents, the CIF/KMT remain an irritant and local force outside of Burmese government control. Many have resettled in Thailand but still maintain extensive contacts in Burma. Occasional conflicts often arise between the CIF/KMT and the Government of Burma or other insurgent forces. Their motivation is mainly commercial, not ideological, with the opium trade a principal source of revenue.

**Khakweyei (KKY)**

The KKY is a group of independent, autonomous organizations in the Shan State. Most are hired by the Government of Burma to help fight insurgencies and maintain some semblance of a government presence in the Shan State. In return, the Burmese Government does not interfere with KKY trafficking in opiates, gem stones and other contraband items. One of the major KKY leaders is Lo Hsing-Han who is reputed to be one of the opium and heroin magnates in the area. Armed KKY forces are estimated to number approximately 3,000.

**Patterns of Traffic in Burma**

Following the opium harvest in the poppy growing areas in northeastern Burma, various middlemen—usually ethnic Chinese, representing opium merchants, refinery operators, and/or irregular force units in the area—purchase the crop for eventual delivery to refineries in Tachilek and other locations along the Mekong River or for direct shipment to Bangkok, Vientiane, Saigon, and other population centers in Southeast Asia. The opium is stored to await delivery instructions and the formation of convoys for movement to the border areas.

The opium which is convoyed south from the Shan States is owned by the various KKY leaders. The convoys are guarded by troops under the command of these leaders. At times one or more of the less powerful KKY groups will join forces with Lo Hsing-han, Hsu Chia-chu or Yang Shih-li so that the opium belonging to the former will be provided the added protection of the armed guards of the latter enroute to market. The major convoy operations are conducted by the three aforementioned KKY leaders. CIF forces in Burma number only about 300 to 400 men. The bulk of the CIF forces have been resettled in Thailand. At times they have been reported to have joined forces with a KKY caravan and at other times they have reportedly attacked a KKY opium caravan.

Traditionally, these convoys follow routes originating in the northern Shan State around Lashio. From that point, they travel to Keng Tung and proceed to the tri-border area either across the Mekong into Laos or into Thailand around the Tachilek-Mae Sai area. (See map on p. 16.) Recently, however, these routes seem to be undergoing adjustment due to increased enforcement activity on the Thai and Laotian sides of the Burma border, particularly the arrest of Wan Pen Fen who is a major trafficker in Southeast Asia.

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2 Wan Pen Fen, an ethnic Chinese, was arrested in Saigon by US BNDD and South Vietnamese Narcotics Agents for heroin smuggling in July 1971.
That arrest along with increased enforcement activity along the Thai and Laotian sides of the tri-border area has brought about both a buildup of opium stocks and a drop in price on the Burmese side, according to U.S. intelligence estimates. In addition, the withdrawal of U.S. troops stationed in South Vietnam has caused a backlog of opium and heroin stocks particularly in the Tachilek area and in South Vietnam.

Although no one has determined how much opium and its various derivatives are stored in Tachilek and other refinery locations, it is estimated that over 300 tons of opium has been convoyed to Tachilek since January 1972. The following list shows the status of the current market in Tachilek compared with last year's prices:

<table>
<thead>
<tr>
<th></th>
<th>1971 (April-July)</th>
<th>1972 (August)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw opium</td>
<td>$36</td>
<td>$14</td>
</tr>
<tr>
<td>Heroin (No. 4)</td>
<td>1,780</td>
<td>300-400</td>
</tr>
<tr>
<td>Morphine base</td>
<td>485</td>
<td>732</td>
</tr>
</tbody>
</table>

The market is also reported as being depressed in the Shan State areas of cultivation. There, the farmer, whose crop is financed by Chinese ethnic entrepreneurs, is absorbing the loss. Whether the backlog of opiates and the depressed prices can be translated into a shortage on the consumer end is not evident. Insofar as local consumption is concerned, there is no evidence of a shortage in Bangkok, Saigon, or Hong Kong.

Furthermore, there are indications that growers and traffickers are convinced that the current depression in the market is only temporary. Growers are reportedly buying fertilizer for next year's poppy crop and major traffickers such as Lo Hsing-han are attempting to modernize their operations. This is an indication that the major traffickers do not view the current depression as being permanent.

There are, however, developments which demonstrate that recent enforcement efforts in the tri-border area have caused the traffickers to experiment with different routes. One such route which U.S. intelligence sources have identified involves the capital city, Rangoon. Originating in the town of Pinlaung in the southern Shan State, the new route bears straight south to Toungoo, Pegu and reaches Rangoon where the opiates are transshipped either by rail or water to Moulmein. From the latter location, the shipments are transported down through Tavoy, and Mergui to Victoria Point in the Malaysian peninsula. It has not yet been determined whether the shipments then go to Bangkok or whether other routes are used.

While in Rangoon, the Survey Team was told by Burmese officials that trafficking through Rangoon was impossible due to stringent government controls. In view of the development cited above, it is evident that the Burmese Government must increase its vigilance throughout all of Burma. If the Government of Burma does exercise control in the Rangoon area, there must be some acquiescence to the traffickers as is the case in Tachilek.
More ominous than the development of a Rangoon route is the increased activity reported in the Chin Hills in western Burma. Although opium poppies have been cultivated traditionally in the Chin Hills, the region's production has always been small compared to the output in the Shan State. Recent reports, however, show that Chin Hills production has doubled and the Chin Hill farmer is receiving twice the price his Shan State counterpart is collecting.

The Chin Hills product is moved westward into the newly named state of Bangladesh. This, for the United States, is a disturbing development. Because there is ample opium production in the Indian subcontinent, it is unlikely that the local consumer would require an external source. Moreover, the lack of purchasing power on the part of a prospective consumer in Bangladesh would appear to make a Chin Hills-to-Bangladesh operation unprofitable. The other option—i.e., a Chin Hills-Bangladesh connection to the international traffic routes—seems more credible. Given the existing chaos in Bangladesh, the use of a port area such as Chittagong should pose little problem for a trafficker.

ARMS SMUGGLING AND THE OPIUM TRADE

Inherent in the Burmese opium trade is the illicit traffic in armaments in Southeast Asia. From the inception of U.S. military sales and military assistance programs in that region, substantial amounts of arms, ammunition, and equipment have fallen into the hands of indigenous insurgent groups in the various countries of the area.

Officials in the Burmese Ministry of Foreign Affairs told the Survey Team that one of their primary concerns was the traffic of contraband arms of U.S. origin into Burma. According to these officials, the abundant availability of modern U.S. arms makes those insurgent forces who obtain them better equipped than the Burmese military forces. As a result, it becomes even more difficult for Rangoon to combat the insurgents and the opium traffic flourishes for it provides a principal source of revenue with which to buy these arms.

Although most cases of arms smuggling in the area involve only small lots, there is at least one instance of a large scale operation. According to U.S. sources, Gen. Ouan Rathikoun (former Chief of Staff, Royal Lao Army) had "plane loads" of U.S. arms flown into Laos. These arms subsequently fell into the possession of insurgent forces in Burma during the period 1966-70. These weapons were acquired by General Ouan in Taiwan. While the Survey Team has not determined whether these arms came to Taiwan under the U.S. military assistance program, it should be noted that, under MAP conditions, recipient countries agree not to transfer MAP-supplied equipment to third countries.

Further, the Thai Government was reported to have furnished arms to CIF insurgents on both sides of the Thai-Burmese border with arms procured in Taiwan. Again the Survey Team was unable to determine whether these arms came to Taiwan under the U.S. military assistance program.

The special circumstances surrounding former Burmese President U Nu also contribute to area arms smuggling. Now residing in northern Thailand, he directs the insurgent activities of his followers on both
sides of the Thai-Burmese border. The Thai Government allows him such latitude because his anti-Communist stance is seen as yet another buffer protecting the Thais from Communist inspired insurgency. Obviously, this arrangement angers the Burmese and impedes any possible cooperation between the two countries to eliminate the cross-border opium/heroin traffic.

Apart from the support given U Nu by the Thais, he also receives considerable external monetary support which he utilizes to procure arms.

Earlier this year, U.S. sources estimated that U Nu would run out of operating expenses in May. However, this did not occur for he again received sufficient external aid to continue his operations.

In the three instances described above, the recipients of the arms have been and still are involved in the opium trade which in the Golden Triangle area has enjoyed a symbiotic relationship with arms smuggling; i.e., opium is often bartered for guns or it provides cash with which arms are purchased.

The problem of stanching the illicit arms flow in Southeast Asia is enormous given the numbers of weapons made available by wartime conditions. In addition, the triborder area, particularly the Thai-Burmese border, is extremely rough terrain where policing is inadequate.

Given the close relationship of the arms traffic and the opium trade in Burma and elsewhere in the triborder area, and given the abundance of U.S. supplied weapons, a greater effort should be made both to gather intelligence involving arms traffic and, if necessary, to enforce MAP regulations more stringently.

AMERICAN-BURMESE RELATIONS

Another factor hindering the effort to curb the flow of opiates from Burma is the status of United States-Burma relations. Unlike the U.S. presence in Laos, Thailand, Cambodia, and South Vietnam, the American profile in Burma is extremely low. Apart from the United States Embassy in Rangoon and a Consulate in Mandalay, there is no U.S. AID program nor is there a military assistance program (MAP).

Whereas the comparatively high level of U.S. activity in Laos, Thailand, Cambodia, and South Vietnam provides U.S. envoys some leverage in those countries, the U.S. Ambassador in Rangoon has virtually none. Currently, in the former countries, the U.S. has specific bilateral narcotics control programs which provide training for local personnel, in-country U.S. narcotics experts and enforcement personnel, support for local enforcement efforts, and in one instance, a program for in-country addict treatment.

Unfortunately the Burmese Government is unwilling to modify its rigid policy of non-alignment and neutrality and declines to accept narcotics assistance from the United States. Despite their preference to resolve the problem themselves, Burmese officials have recently been more willing to exchange views on the international drug situation with the United States and international agencies. As long as Burma’s internal security is threatened, however, the Burmese Government will undoubtedly continue to devote its resources to the counter-insurgency effort, including continued tolerance of the activities of the KKY.
During the Survey Team’s visit in Rangoon, it was learned that the Burmese Government had recently inquired about the possibility of a soft loan of $2.5 million to finance the purchase of some U.S.-made earth-moving equipment for irrigation projects. After relaying this request to Washington, the Embassy in Rangoon was told that such a loan would require authorizing legislation.

Upon returning to Washington, the Survey Team was advised by U.S. AID officials that new legislation would be needed because U.S. AID does not have a commercial credit capacity in countries where there is no existing U.S. AID country program. (It is noteworthy that the Japanese Government has such a capacity for the purpose of promoting Japanese export products.) According to the Department of State, the Government of Burma indicated that if its initial request was honored it would be interested in increasing the amount of the loan request to $10 million.

Such a request would provide an inexpensive “foot in the door” where the United States now has virtually no influence. While this type of relationship with Burma would not directly affect the ability of the United States to encourage Burmese cooperation in narcotics control, it could provide a starting point for meaningful negotiations on the problem.

In the absence of positive leverage in Burma, there is very little that the U.S. Government can do about internal Burmese opium production short of taking unilateral action to disrupt the operations of those elements involved in the opium trade.

Fortunately, this situation does not exist in Laos where that Government is cooperating with the United States in programs to control the illegal production of and trafficking in opium, morphine, and heroin.

LAOS

POPPY GROWING IN LAOS

Northern and western Laos are the traditional poppy growing areas because of climate and the fact that opium has been the only certain source of cash for the Meo and Yao hill tribes, who produce it. Because of the military successes of the Pathet Lao and the North Vietnamese, opium production has been reduced significantly, primarily because the Meo tribes have been forced to evacuate their historic homelands.

Since the Communists now control most of the traditional poppy growing areas of Laos, little is known about current opium production in that country. The Department of State estimates that production may be about 30 tons per year, a substantial reduction from the 100–150 tons thought to have been produced annually in the 1960’s. Narcotics officials believe that almost all of the opium now being produced remains in that country. Laos, however, is a conduit for opium coming out of Burma for further smuggling to Thailand and through Laos to other parts of the world, including to the U.S. serviceman in South Vietnam.3

3 The G.I. market in South Vietnam, which reached its peak during the period 1970–71, has shrunk considerably due to the large scale withdrawal of U.S. troops.
HEROIN LABORATORIES IN LAOS

For several years there have been rumors that heroin was being manufactured in laboratories located along the Mekong River particularly in the area of Ban Houei Sai in northwest Laos in the heart of the Golden Triangle, in Vientiane, Luang Prabang, and Long Cheng. Until recently, efforts to locate such laboratories have been largely fruitless. On August 2, 1971, however, a laboratory was seized at Houei Phee Lork just north of Ban Houei Sai and destroyed by Lao irregular forces. In addition, an opium producing laboratory at Ban Houei Tap was found abandoned. Lao officials believe that the closing of these two laboratories has ended narcotics production in the Ban Houei Sai area.

This optimism may be unwarranted. Laboratories could be operating without the knowledge of the authorities.

One factor supporting the government’s assessment, however, is the fact that the enforcement effort in Laos has been stepped up, thus increasing the risks of operating such laboratories. This may have resulted in some producers moving out of Laos and into the Tachilek area of Burma where there are at least 16 morphine and heroin laboratories in existence. There is no enforcement effort in that part of Burma and operations can be conducted without governmental interference.

There have been unsubstantiated reports that heroin laboratories are also located in Luang Prabang, Pakse, Vientiane, and Long Cheng.

Long Cheng is the headquarters of Gen. Vang Pao, leader of the Meo irregular forces which are supported almost entirely by the United States in their struggle against the Pathet Lao and the North Vietnamese.

According to several U.S. officials, there is no evidence indicating that Gen. Vang Pao is involved in the Lao drug trade. It was their opinion that the forces of Vang Pao are the principal Lao deterrent to North Vietnamese aggression and that U.S. Government personnel have been in constant contact with him for a number of years. If he had been involved in the production of and trafficking in narcotics it would have been discovered by U.S. authorities and appropriate action taken.

In an effort to stop the illegal production of and trafficking in opiates the Lao Government has promulgated a law prohibiting the cultivation of poppies, except under certain controlled conditions. This law became effective on November 15, 1971.

GROUPE SPÉCIALE D’INVESTIGATION (GSI)

On January 2, 1971, the Groupe Spéciale d’Investigation was established to direct and coordinate implementation of the narcotics law. GSI is currently staffed by 60 trained military and civilian agents. The unit is headed by the Lao Chief of Intelligence, Maj. Gen. Khamsou Boussarat, who reports directly to the Prime Minister. His jurisdiction includes both civilian and military investigations.

The Narcotics Attache of the U.S. Embassy, a BNDD officer, is the principal American adviser to the Director of GSI.

According to Lao officials, if the struggle to control narcotics in Laos is to be successful it will be necessary (1) to control the growing of poppies, (2) to discover and close heroin producing laboratories, and (3) to interdict the movement of narcotics into and out of Laos.
Narcotics and arms are smuggled into Laos along the Mekong by many of the dissidents and other groups operating in the Golden Triangle. They have been and probably still are being smuggled out of Laos on Royal Lao Air Force aircraft, on Lao and other commercial aircraft, by trucks, automobiles and by foot and caravan.

An example of some of the problems faced by the GSI in Laos is the case of Maj. Chao La, a Yao irregular force leader who is located in Houa Khong Province.

Chao La has written that he has 3,000 kilos of opium that he is willing to sell to the Lao Government. The Lao Government does not want to purchase the opium and has approached the United States, Japan, France, and the United Kingdom asking if they would buy the opium. Simultaneously the Prime Minister ordered Chao La to turn the opium over to the Provincial Governor, Chao Khoueng. Chao La, who does not trust the Provincial Governor, refused to turn over the opium as ordered and the Lao Government has issued instructions that the opium is not to be seized. The plan is to wait until it has been decided which government will make the preemptive buy of the opium. All governments concerned are reluctant to encourage such a practice. They are fearful that once preemptive buying starts, it will encourage farmers to produce more opium for sales to those governments at constantly increasing prices. Paying premium prices for a product which is as valuable on the illegal market as is opium can only encourage those who deal in opium to cater to both the licit and the illicit markets.

For example, according to U.S. authorities in Ban Houei Sai, Chao La needs money. He owes the Chinese irregulars cash, which he does not have, for services rendered (probably for convoying opium from Burma into Laos). Opium is not moving on the illicit market and stocks are piling up in warehouses in Tachilek as well as in Chao La’s village.

Chao La wants to sell 3,000 kilos of opium (which will yield 600 pounds of heroin). The Lao Government does not believe that the Yao could have produced more than 1,000 kilos of opium and that the remaining 2,000 kilos have been obtained in Burma.

If the latter estimate is true, a governmental buy of the opium would have the effect of “bailing out” those in Burma who are having trouble moving the opium into and through Laos and Thailand.

If the precedent established in Thailand where the United States purchased 26 tons of opium for $1 million is followed in Laos, the results could be disastrous. Opium is not in short supply and production in Burma alone is estimated to be about 400 tons per year.

The Government of Laos and Thailand have both established narcotics control organizations and there have been some initial successes.

Lo Hsing-han and others are having trouble moving their opiates and as a result can be expected to seek other smuggling routes. Already there is evidence to suggest that some opiates are being moved westward through Burma into Bangladesh where conditions are chaotic and governmental control in many parts of the country almost nonexistent.

What could be a better way to finance these operations than to sell opium to governments that are concerned with the problems created by
the use of opium and its byproducts while retaining sufficient quantities of opium to satisfy the illegal market as well?

There are other problems in Laos which inhibit enforcement of antinarcotics legislation. On June 6, 1972, a Deputy in the National Assembly, Moua Xu, was arrested with 91/2 kilos (approximately 21 lbs.) of heroin and 26 kilos (57 lbs.) of opium. Moua Xu is still free. As a member of the National Assembly he enjoyed immunity from trial and confinement until the Lao legislative body adjourned. He is still free to continue his activities.

According to several sources, other members of the National Assembly are suspected of being involved in the narcotics trade in Laos.

One such individual is Prince Sopsaisana, Vice President of the National Assembly. In April 1971 Sopsaisana, who was Laos' Ambassador designee to France arrived in Paris to assume those duties. Sopsaisana attempted to smuggle heroin into France inside a suitcase. As a result, the French Government refused to accept his credentials and Sopsaisana was recalled by the King. He was subsequently elected Vice President of the National Assembly. A critic of U.S. narcotics policy in Southeast Asia has charged that the U.S. Embassy in Laos "demonstrated a remarkable disinterest in the entire subject of Sopsaisana's recall."

The U.S. Ambassador in Laos, G. McMurtrie Godley, claims that the U.S. Government was very much interested in the Sopsaisana affair and that he had numerous meetings with the King of Laos, Lao Government officials, and the French Ambassador in Vientiane on this matter. Ambassador Godley indicated that the U.S. Ambassador in France discussed the affair with French authorities, including the then Prime Minister Jacques Chaban-Delmas.

According to reliable sources, Sopsaisana is rich, powerful, and influential, and has police and military officials, rich businessmen, and politicians working with him. The rich businessmen, mostly ethnic Chinese whose families have lived in Laos for generations, pay government and military officials, including members of the National Assembly, to help them in their dealings whether it is arms, gold, or heroin.

Moua Xu and Sopsaisana are members of the National Assembly. In addition, U.S. and Laotian officials advised the Survey Team that other members of that body were suspected of dealing in opiates although again there was no hard evidence. One such individual is General Oan Rathikoun, Commander of the Laos Armed Forces between August 19, 1959 and August 1, 1971.

THE ROLE OF GEN. OUAN RATHIKOUN

The law banning opium transactions in Laos became effective on November 15, 1971, and was the first such law in Laos. The situation that existed prior to that time was conducive to manipulation.

4The Lao National Assembly adjourned on Nov. 11, 1972. As of Dec. 5, 1972 the Lao Government had not started prosecution.